



Acquisition and Contracting Initiatives

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Presented to:
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Acquisition Initiatives/Emphasis areas



NAWCAD/2.5 Contracts has led or participated in several initiatives to aid in increased “Speed to the Fleet” by focusing on Service Contract pre-award cycle time reduction

- Section L&M Streamlined Templates & Evaluation Factor Guide using FAR Part 15 for Services
- New Standard Labor Category (SLC) Guide
- Stand-up of several Acquisition Cells within NAWCAD and NAVAIR
- Competency-aligned Multiple Award Contracts
- Standard Work Package (SWP) for Statements of Work
- Purpose/Time/Amount - CLIN/SOW Alignment Guide for Services procurements
- Increasing focus on Experiential-Learning to reduce layers of internal review of procurement documents
- Combined PPRB/LRBs

Emphasis Areas:

- Greater use of Draft RFPs inclusive of Section L&M
- Better matching of contract type to services requirements
- More awards on initial proposals
- More thorough and timely communications with Industry
- Reducing incidence of Acquisition Strategy changes
- Providing better and more timely information on NAWCAD prospective contracting opportunities
- Utilizing streamlined FAR Part 16 Fair Opportunity Section L&M templates on MACs (GWAC, Multi-Agency, Stand-alone)



Streamlined Sections L&M FAR Part 15



Overall reduction in proposal instructions and more focus on discriminators:

- Principal Subcontractors now defined as 20% vs 10% (of total labor hours)
- Eliminated Executive Summary Volume and moved required information to Contract Compliance section under Cost/Price Volume
- Technical subfactors streamlined:
 - Only evaluating Key Personnel Resumes under Workforce
 - Emphasis on Streamlining “Understanding the Work – SOW approach” – Focus on key areas of SOW
 - Emphasis on using Sample or Actual Tasks
 - Eliminated Workforce Quals spreadsheet
 - Eliminated Personnel Experience subfactor
 - Reduced areas of consideration under management plan – Focus on Transition, Recruitment and Retention
- Eliminated Corporate Experience Factor
- Significant reduction in Instructions for Past Performance
- Clarified Total Professional Compensation Plan details in COST/PRICE (L&M)
- Eliminated Exceptions to RFP Terms Volume
- Preference for Award on Initials
- Added option to assign higher risk rating if using too many subs
- Cost realism only performed on offerors receiving acceptable tech rating



New STD Labor Categories



- Standard Labor Categories (SLC) have been mapped to the Office of Management and Budget's (OMB) Standard Occupational Classification (SOC) for which the Bureau of Labor Statistics (BLS) maintains compensation data
 - One of the benefits of the BLS SOC is the comprehensive monthly actual compensation data available by geographic area for use in drafting Independent Government Cost Estimates (IGCEs) and for performing cost realism analysis on contractor proposals
- The SLC Guide is broken down into 3 Parts:
 - Part 1: Professional SLCs
 - All professional SLCs broken down into 3 levels of experience and education (Junior, Journeyman, and Senior)
 - Part 2: Service Contract Act (SCA) labor categories via DoL Directory of Occupations
 - Part 3: Sample SOW section for minimum labor qualifications using the SOC SLCs
- Key Differences between old process and new:
 - Reduced Professional SLCs from 170 to approximately 40
 - Guide provides "how-to" details not available in old process
 - Standardized education and years of experience for professionals regardless of competency area
 - More flexibility for deviations from standard education, years of experience, functional descriptions
 - Junior level years of experience standard is 0-3 years, thus allowing entry-level college grads



Strategy Considerations



Focus on consistent Contracting Strategies

- ***Emphasis on Performance based acquisition***
 - ***Preferred method for acquiring services***
 - ***Consideration of FP and Cost incentives***
 - ***Contract types (MAC IDIQs and SA IDIQs)***
 - ***Requirements (known and projected)***
 - ***Funding flows***
 - ***Streamline ordering procedures***
- ***Use of multiple contracting types and sources to support requirement's***
 - ***Use of existing Strategic Sourcing, family of Navy-wide and DoD-wide Multiple-Award IDIQ contracts for the acquisition of Industrial Support for Naval Aviation***
 - ***SeaportE***
 - ***GSA***



Key Policy Changes



- Labor Tripwires – removed 7 functional areas and hourly rates – using DoN \$300K tripwire by employee (NAVAIR)
- New streamlined Acquisition plan and Services Acquisition Strategy (MOPAS 2) format – significant reduction in considerations areas (DASN-AP)
- Bridge Approvals – all bridges to be approved by AIR 00
- FY17 NDAA:
 - Sec. 825. Exception to requirement to include cost or price to the Government as a factor in the evaluation of proposals for certain multiple award task or delivery order contracts
 - Sec. 829. Preference for fixed-price contracts - Establishes preference for fixed-price contracts, including fixed-price incentive fee contracts, in the determination of contract type. Higher level approval required for cost-type contracts > of \$50M (starting 1 Oct 2018) or >\$25M (starting 1 Oct 2019)
 - Sec. 876. Preference for commercial services - Requires higher level “written determination” for award of facilities-related services, knowledge-based services (except engineering services) in excess of \$10M that are not commercial services, PCO determination required for actions SAT to \$10M
 - Sec. 821. Increased micro-purchase threshold applicable to DoD procurements to \$5,000
 - Sec. 822. Enhanced competition requirements - Revises the definition of “adequate price competition” as an exception to submission of certified cost and pricing data to be “competition that results in at least two or more responsive and viable competing bids”



Key Policy Changes (cont)



- **FY17 NDAA (cont):**
 - Sec. 803. Modernization of services acquisition - SECDEF required to review, and revise if necessary, the DoDI 5000.74 "Acquisition of Services Instruction." Review must address: how changing nature of services should be managed, implication on services portfolio groups, and training and development of DoD workforce engaged in the procurement of services
 - Sec.813. Use of lowest price technically acceptable source selection procedures - Allows LPTA in only limited situations where certain criteria are met, use of LPTA should be avoided to the maximum extent practicable
 - Sec. 835. Protection of task order competition - Increases order protest value for DoD MACs from \$10M to \$25M (Note: the \$10M threshold was maintained for a task/delivery order issued against a Civilian IDIQ/MAC, even if the ordering activity is DoD. This will include GSA OASIS and GSA Alliant.)
 - Sec. 878. Treatment of services provided by nontraditional contractors as commercial items - Services provided by a nontraditional defense contractor shall be treated as commercial items, to the extent that such services use the same pool of employees used for commercial customers and are priced using methodology similar to methodology used for commercial pricing
 - Sec. 885. Report on bid protests - The Secretary of Defense has 270 days to enter into a contract to carry out a comprehensive study on the prevalence and impact of bid protests on DoD acquisitions (includes agency, GAO and Court of Federal Claims protests) – they plan to look at bridge contracts required because of protests
 - Sec. 886. Review and report on indefinite delivery contracts - Comptroller General is required to report to Congress on the use of IDIQs by the DoD in FY15-17.



Contracting Officer: *Pet Peeves*



Contract Pet Peeves



In many cases, we are driven into discussions due to incomplete proposals or minor deficiencies. Please note when the Government states its intent to award on initials without Discussions.

- Ensure that you completely read the RFP
 - Review and provide responses to Draft RFPs if possible to avoid confusion
 - Submit questions in writing. Phone calls may actually slow down the process
 - Attempt to submit questions within the time period to avoid impacts to submission dates
 - In most cases, the answers are in the document
 - Ensure all required reps and cert fill-in clauses are completed, signed, and returned with the proposal
 - Make sure you address EACH technical requirement.
 - Address each Labor qualification requirement with Key Personnel
 - If using a substitution for a DEGREE; make sure you provide the detailed work experience to support.
 - Place work experience in chronological order to help support experience and time reviews.
 - Provide resume with each Key Personnel proposed
 - Avoid “Perspective” hires for Key Personnel position
 - If appropriate, submit you Past Performances and Executive Summary information with the early submission date.
 - Send all PPQs to the GOVT PM/COR per solicitation
 - Avoid sending to another PRIME if you were the Subcontractor on that contract/task order.



Contract Pet Peeves (cont)



- Follow the directions in the cost proposal spreadsheet (refer P6) to include a Summary tab.
 - Avoid hard code formulas.
 - Clarify out years escalation rate.
- When appropriate, utilize payroll verified rates for proposed direct labor rates for current employees.
 - Payroll stubs should calculate to support proposed direct labor rate.
 - should be able to take an individual's annual salary (or biweekly salary) and calculate an hourly rate that matches the proposed direct labor rate.
 - Propose indirect rates that are consistent with historical rates and provisional rates.
 - If proposing an indirect rate ceiling/Cap or Impact rates; provide clear support and “draft language” to set rate in proposal
 - If deviating from company’s current rates; provide detailed support
- Make sure hours and labor categories in the cost and technical volumes match and are consistent with the RFP
- Do not utilize "old" (dated prior to issuance of the RFP) contingent LOIs for payroll verification



Contract Pet Peeves(cont)



- Make sure subcontractor team members understand how to complete proposal cost volumes and attachments
 - In some cases, Prime's cost for subcontractor do not match sub's proposal (more delta than can be explained by rounding)
 - Recommend that there is coordination across the prime/subcontractor teams for fee% where appropriate
 - Make sure subcontractors provide breakout of their direct labor rates and indirect rates. (not just fully burdened)
 - Provide documentation supporting contract type for teaming arrangements
 - In some cases, Prime and Sub list different contract types in reference to their agreement
- Make sure that Prime AND Subs do not provide a rate that differs significantly from provided history (indirect) or payroll verification (direct). If so, give explanation or justification for the variance.
- ***Helpful if companies confirm receipts of emails from the Government Contracts Team and notify the Govt if company POCs change***