



**NAVAL UNDERSEA WARFARE CENTER
DIVISION KEYPORT**

ACQUISITION EXECUTION INDUSTRY DAY 2012

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What We Buy

- Technology development
- Data collection, entry & admin support
- Technical writing & graphics
- Software development & maintenance
- Systems development
- Systems maintenance & installations
- Industrial trades
- Range craft operations and maintenance
- Hazardous waste Mgmt
- Hazardous waste disposal
- Personnel development & training
- Facilities maintenance
- Transportation
- Communications

Services Portfolio	Services Sub-Portfolio	% Kpt Service Contracts	
Knowledge Based	Engineering	69%	72%
	Administrative & Other	4%	
Equipment	Maint., Repair and Overhaul	7%	12%
	Installation of Equipment	6%	
Facility	Building & Plant Maintenance	4%	9%
	Utilities	2%	
	Operation of Gov't Facilities	2%	
	Housekeeping	1%	
	Architect/Engineering Services	1%	
Electronics, Communications	ADP Services	6%	7%
	Telecom Services	1%	

What is SeaPort-E?

Navy's Enterprise solution to acquire Engineering, Financial, and Program Management support services

- 2,885 prime contractors (83% small business) with a basic IDIQ MAC
- Each MAC contains a Base ordering period along with Award Term option ordering periods
- Only authorized ordering activities (DON) can solicit and award task orders under SeaPort-e
- All Task Orders are competed under Fair Opportunity (FAR 16.505) like GSA
- Task Orders competed in one of seven geographic zones based upon principle place of performance
- Scope includes Engineering, Technical, & Professional Support Services across 22 functional service areas
- Allows for all types of small business set-asides (restricted) competitions

Why SeaPort-e?

- SeaPort-e was developed to address Navy budgetary cuts in the area of services
- The Navy needed an approach which would leverage the buying power across the service, including the ability to award cost-type instruments where discrete, clearly defined tasking was not an option
- GSA vehicles did not allow cost-type orders
- Initially SeaPort was developed to address NAVSEA Headquarters requirements
- As the tool matured, the authorized ordering activities expanded across the Navy to today where there are 118 ordering activities

How Does SeaPort-e Operate?

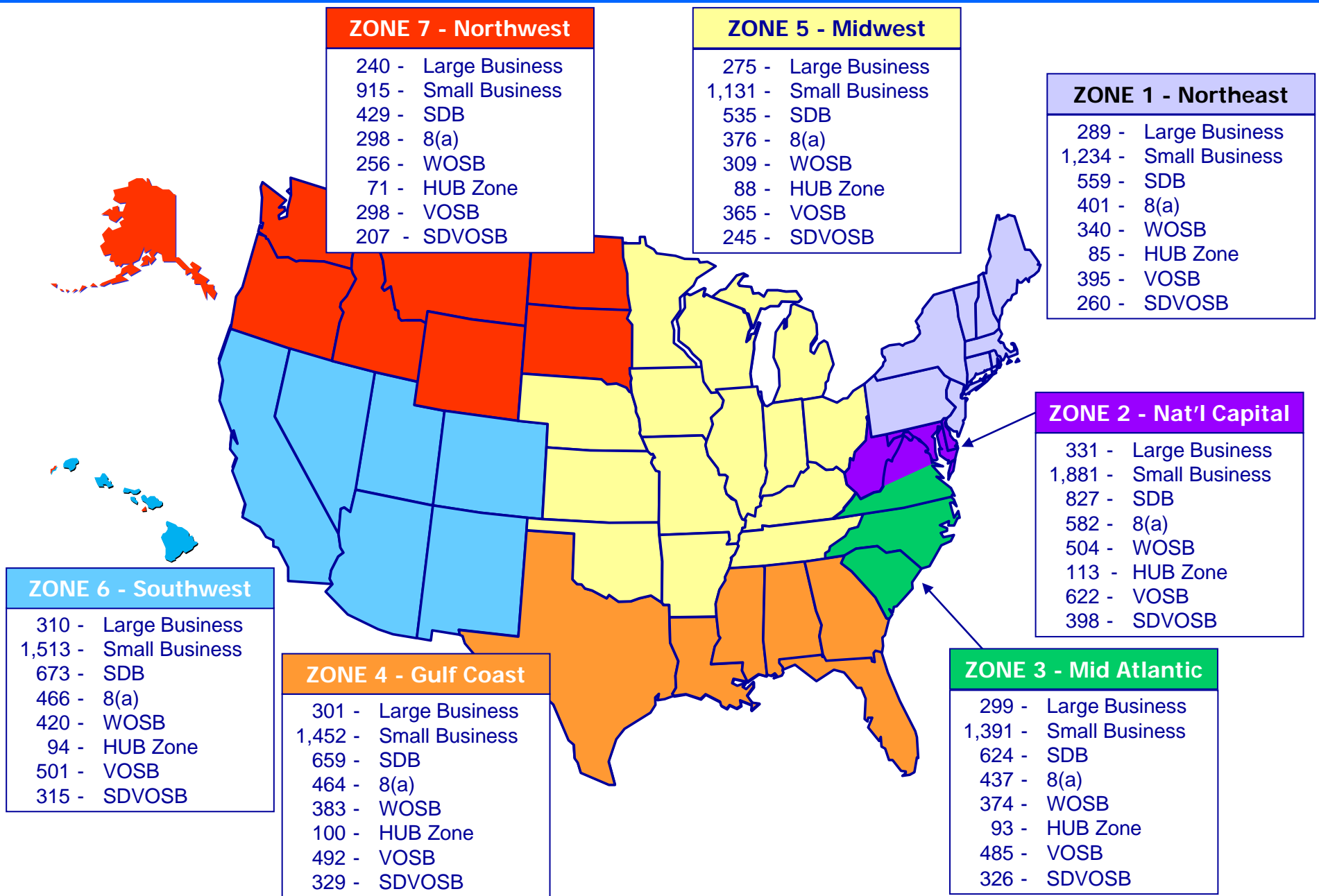
- Rolling Admissions conducted annually
 - Allows for base MAC awards to new contractors
 - Allows existing MAC holders to expand into other geographic zones
 - Allows existing MAC holders to voluntarily re-certify size status
 - FY12 Rolling Admission awards made 12 July 2012 adding 385 vendors
 - Next Rolling Admission announcement should be Spring 2013
- All MACs are managed by a contracting officer at NSWC Dahlgren, therefore all SeaPort MACs are N00178-XX-D-XXX
- In order to maintain continuity, all MACs are modified, at least annually, to baseline clauses to most current versions
- Each Navy authorized ordering activity has unique ordering code, as specified in DFARS, designating who owns which task orders issued against the common MACs.
 - For example, FY is the NUWCDIVKPT ordering code. All task orders beginning with FY belong to NUWCDIVKPT

SeaPort-e Approach

SeaPort-e Task Order Competition:

- SeaPort-e policy requires ALL Task Orders be competed
 - No bridges, no additional scope or other changes in ceiling
- All MAC holders registered in a zone automatically receive notification of the release of all solicitations issued in that zone
- All proposals are electronically submitted within the portal
- All post award task order administration is conducted within the portal
- Task Order period of performance can not exceed 5 years in length

Vendor Base by SeaPort-e Zones



SeaPort-e Program Results

Navy Virtual SYSCOM Awards To Date:

SYSCOM:	# of Task Orders:	# of Actions / Mods:	TPV @ Award:	Funded To Date:
NAVAIR	276	6,586	\$7,732,514,899	\$4,534,184,186
NAVFAC	179	1,212	\$793,573,195	\$605,272,941
NAVSEA	1,641	39,489	\$35,963,531,001	\$20,627,955,759
NAVSUP	265	2,481	\$1,816,840,353	\$1,099,401,177
SPAWAR	449	7,823	\$7,847,324,602	\$4,717,306,852
SSP	1	20	\$36,786,701	\$30,134,278
USMC	76	516	\$498,330,038	\$279,966,061
ONR	21	173	\$191,043,225	\$70,011,489
MSC	2	7	\$60,823,437	\$209,142
DTRA	3	29	\$19,754,335	\$12,999,527
Totals:	2,798	58,219	\$54,960,521,786	\$31,977,441,412

Ashton Carter Memo – SEP 2010 – Better Buying Power

FY 2012 National Defense Act –

“the total amount obligated by the Department of Defense for **contract services in fiscal year 2012 or 2013 may not exceed the total amount requested for the Department for contract services in the budget of the President for fiscal year 2010** (as submitted to Congress ...) adjusted for net transfers from funding for overseas contingency operations.”

Related to SECDEF efficiency initiatives of August 2010 that included a three year 10 percent per year reduction in support contractors, and a three year freeze on civilian personnel

Over the last decade, DOD spending for contract services has more than doubled, from \$72.0 billion in FY00 to more than \$150.0 billion (not including spending for overseas contingency operations), while the size of the Department's civilian employee workforce has remained essentially unchanged. (Source: Senate Conference Report)

GSA Conferences, GSA and DOD Travel, DOD contract fraud headlines

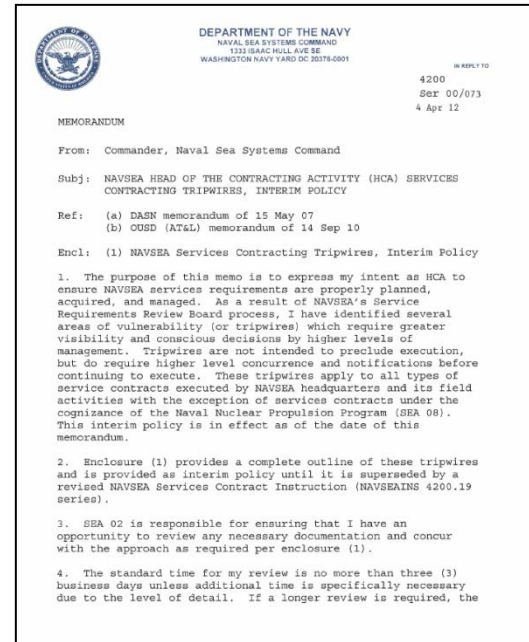
NAVSEA (and SPAWAR) Tripwires

Commander, Naval Sea Systems Command Memo of 4 April 2012

Subj: **NAVSEA HEAD OF THE CONTRACTING ACTIVITY (HCA)
SERVICES CONTRACTING TRIPWIRES, INTERIM POLICY**

Selected tripwires:

- Hourly labor rates exceeding annualized fully burdened \$260K
- Excessive variation between proposed and actual rates
- Subcontracts - post award due diligence is required to monitor any proposed addition of subcontractors beyond those included and evaluated as part of the initial award
- The Government cannot be perceived as exerting improper influence on prime contractors to contract with specific subcontractors. Trip wire purpose is to:
 1. Prevent addition of subcontractors after award as a method to "shop contracts" (e.g., use to get to a specific contractor or contractor employees/people you know),
 2. Reduce pass through fees, and
 3. Prevent use to get to "high cost" contractors/consultants. (Excerpt from SPAWAR tripwire announcement.)
- Excessive ODCs on a services contract
- Lack of effective competition



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NAVAL SEA SYSTEMS COMMAND
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IN REPLY TO
4200
SER 00/073
4 Apr 12

MEMORANDUM

From: Commander, Naval Sea Systems Command

Subj: NAVSEA HEAD OF THE CONTRACTING ACTIVITY (HCA) SERVICES CONTRACTING TRIPWIRES, INTERIM POLICY

Ref: (a) DASN memorandum of 15 May 07
(b) OUSD (AT&L) memorandum of 14 Sep 10

Encl: (1) NAVSEA Services Contracting Tripwires, Interim Policy

1. The purpose of this memo is to express my intent as HCA to ensure NAVSEA services requirements are properly planned, acquired, and managed. As a result of NAVSEA's Service Requirements Review Board process, I have identified several areas of vulnerability (or tripwires) which require greater visibility and conscious decisions by higher levels of management. Tripwires are not intended to preclude execution, but do require higher level concurrence and notifications before continuing to execute. These tripwires apply to all types of service contracts executed by NAVSEA headquarters and its field activities with the exception of services contracts under the cognizance of the Naval Nuclear Propulsion Program (SEA 08). This interim policy is in effect as of the date of this memorandum.

2. Enclosure (1) provides a complete outline of these tripwires and is provided as interim policy until it is superseded by a revised NAVSEA Services Contract Instruction (NAVSEAINS 4200.19 series).

3. SEA 02 is responsible for ensuring that I have an opportunity to review any necessary documentation and concur with the approach as required per enclosure (1).

4. The standard time for my review is no more than three (3) business days unless additional time is specifically necessary due to the level of detail. If a longer review is required, the