

SPAWAR



NDIA

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

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Welcome to the SPAWAR / Industry Executive Network

Monday, 07 June 2004
Admiral Kidd Conference Center



Today's Agenda

- Welcome Jim Lasswell
- Opening Remarks RADM Ken Slaght, USN
- PEO-C4I & Space Mr. Dennis Bauman
- Chief Engineer RDML(s) Will Rodriguez, USN
- Contracts Update Mr. Tim Dowd
- Network Centric Enterprise CAPT John W.R. Pope III, USN
- Open Q & A All



SPAWAR Contracts Update

- **Topics:**
- **Services Contracts: New Laws / Regulations**
- **MSA Update**
- **Transition from PMTO to MSA: Issues**
- **Questions/Comments**



Services Contracts: New Laws/ Regulations

- **Section 801 through 803 of the National Defense Authorization Act for Fiscal Year 2002 establishes a series of requirements impacting the acquisition of services in DoD**
 - **Amount of money the federal government spends on services has increased exponentially, estimated at over \$136 billion for FY 02.**
 - **Congress wants more visibility.**



Performance Based Service Acquisitions (PBSA)

- **DPAP Memorandum –19 August 2003**
 - Established DoD goal of 50% PBSA by FY 2005 (1 Oct 04)
 - Preferred method to acquire services
- **DFARS 237.170-3, Approval of Contracts and Task Orders for Services**
 - Implemented DPAP Memo 19 Aug 03
 - Requires approval for non-PBSA and non-DoD contracts
 - Sets threshold at \$50M for HCA
- **COMSPAWAR Memorandum 17 February 2004, Contracting for Services**
 - Established delegations of approvals for non-PBSA and for actions on non-DoD contracts



Services Acquisition

- **USD AT&L Memorandum - 31 May 2002**
 - DoD-level guidance establishes oversight of service contracts
 - Sets approval threshold for acquisition of services at 2B
 - Requires acquisition strategy for services contracts over \$100K
 - ACAT programs exempt from process (covered under DoD 5000)
 - Requires metrics and data collection
- **OASN (RDA) Memorandum - 10 March 2003**
 - Implemented Management Oversight Process for the Acquisition of Services (MOPAS).
 - Set threshold at \$500M, otherwise requires ASN RDA approval
 - Requires metric and data collection be submitted with acquisition strategy
 - NMCARS 5237.5 – implements ASN RDA memo
- **FAR 37.5 Management Oversight of Service Contracts (MOPAS) established oversight requirements for service contracts.**



Other Regulations Affecting Service Contracts

- **NDAA Section 803 - Required competition in orders placed under GSA FSS for services.**
 - **DFARS 208.404-70 Additional ordering procedures for services >\$100K**
 - **Requires 3 proposals or written justification**
 - **It also applies to orders placed by non-DoD agencies on behalf of DoD: “Each order for services exceeding \$100,000 shall be placed on a competitive basis in accordance with paragraph (c) of this subsection, unless the contracting officer waives this requirement.”**



Other Regulations Affecting Service Contracts

- **NDA 2003 Section 843 – Limits IDIQ service contracts to 5 years.**
 - **OASN RDA Memorandum 17 May 2004: Task or DO contracts for services may not exceed 5 years.**



Possible Future Actions

- **NDA 2005 (Proposed)**
 - **Section 803 – No orders placed >\$100K with a GSA FTS center unless GSA IG has certified the center in writing to SECDEF.**
 - **Section 812 – Period for Multiyear Task and Delivery Order Contracts revised to “any period up to five years and may extend the period pursuant to an option or mod up to eight years.”**
 - **Section 815 – Limitation Regarding Service Charges Imposed For Defense Procurements Made Through Contracts of Other Agencies cannot pay more than 1% of the amount charged by the contractor.**
 - **USD AT&L proposed memorandum, use of non-DoD contracts: contracting officers must approve, in writing, that a contract or order for services OR supplies placed against a non-DoD contract vehicle is in the best interests of the Department.**



Major Services Acquisition (MSA) aka (PMTO Follow-on) Timetable

Event	Status of PM Contracts	Status of SB MAC	Status of PBSA
AP Approved	9/02/03	9/02/03	9/02/03
Draft RFPs	8/14/03	9/25/03	12/18/03
Industry Day #2	9/16/03	10/15/03	7/24/03
Final RFPs	11/22/03	01/30/04	2/04/04
Proposals Due	1/16/04	3/04/04	3/05/04
'BAFOs' Due	6/04	06/04 (if necessary)	N/A
Award	4 th Qtr FY04	4 th Qtr FY04	May 25, 2004 - GCC



Transition from PMTO to MSA

- PMTO is a “C” type contract with a specified period of performance
- PMTO represents the vehicle for SPAWAR/ PEO services (1 team of 5 separate contracts: PM, Engineer Services, T& E, Installation and Logistics)
- PMTO is NOT PBSA
- PMTO currently expires 30 September 04
- MSA is IDIQ “D” type contract – multiple awards
 - Multiple awards for PM (Single Award for Enterprise)
 - **Unrestricted competition**
 - Multiple awards for Eng Services, T&E, Installation and Logistics (combined disciplines)
 - **100% Small Business Set Aside w/ at least one 8(a) award**
- MSA is PBSA
- MSA starts 1 October 04



Transition Challenge

- **Difficult transition from PMTO to MSA!**
- **We are working an IPT to consolidate task orders for MSA**
- **Another IPT to write an “Operations Manual” for MSA**
- **Draft Plan in review to allow transition without gaps in services**

SPAWAR



*Systems Center
Charleston*

Network Centric Enterprise

**CAPT John W.R. Pope, III
Commanding Officer**

7 June 2004



What We Do

C⁴ISR

Command, Control,
Communications, Computers,
Intelligence, Surveillance, and
Reconnaissance

- *Sensors*
- *Communications*
- *Cryptologic & Intelligence*
- *Image Processing*
- *Meteorology*
- *Air Traffic Control*

- *Modeling & Simulation*
- *Command & Control*
- *Navigation*
- *Physical & Computer Security*
- *Video Teleconferencing*
- *Information Assurance*



Where We Are

Major Locations:

Charleston, SC
Norfolk, VA
Washington, D.C.
Jacksonville, FL
Tampa, FL
Pensacola, FL

Overseas Locations:

Bahrain
Germany
Italy
Spain
Switzerland
U.K.

Civil Service: 2,344

Industry Partners: 8,026

Military: 30

Updated:
30 Apr 04



Infrastructure/Capabilities

- ***Modern Facilities to meet Customers Needs***
 - Over 1.1 Million Sq. Ft. of State-of-the-Art Engineering Facilities Valued at \$191M
- ***Designed to handle a diversity of functions***
 - Development / Engineering
 - Production
 - Testing
 - Staging
 - Repair

Main Engineering Center

Command Lab
Secure Environment
Computer Networks (LAN/WAN)
Electromagnetic Environment
Video Teleconferencing
Training Lab/Facilities
Conference Facilities
Flexible Configuration
Sensitive Compartmented Information Facility (SCIF)



Non-DoD Sponsors / Customers

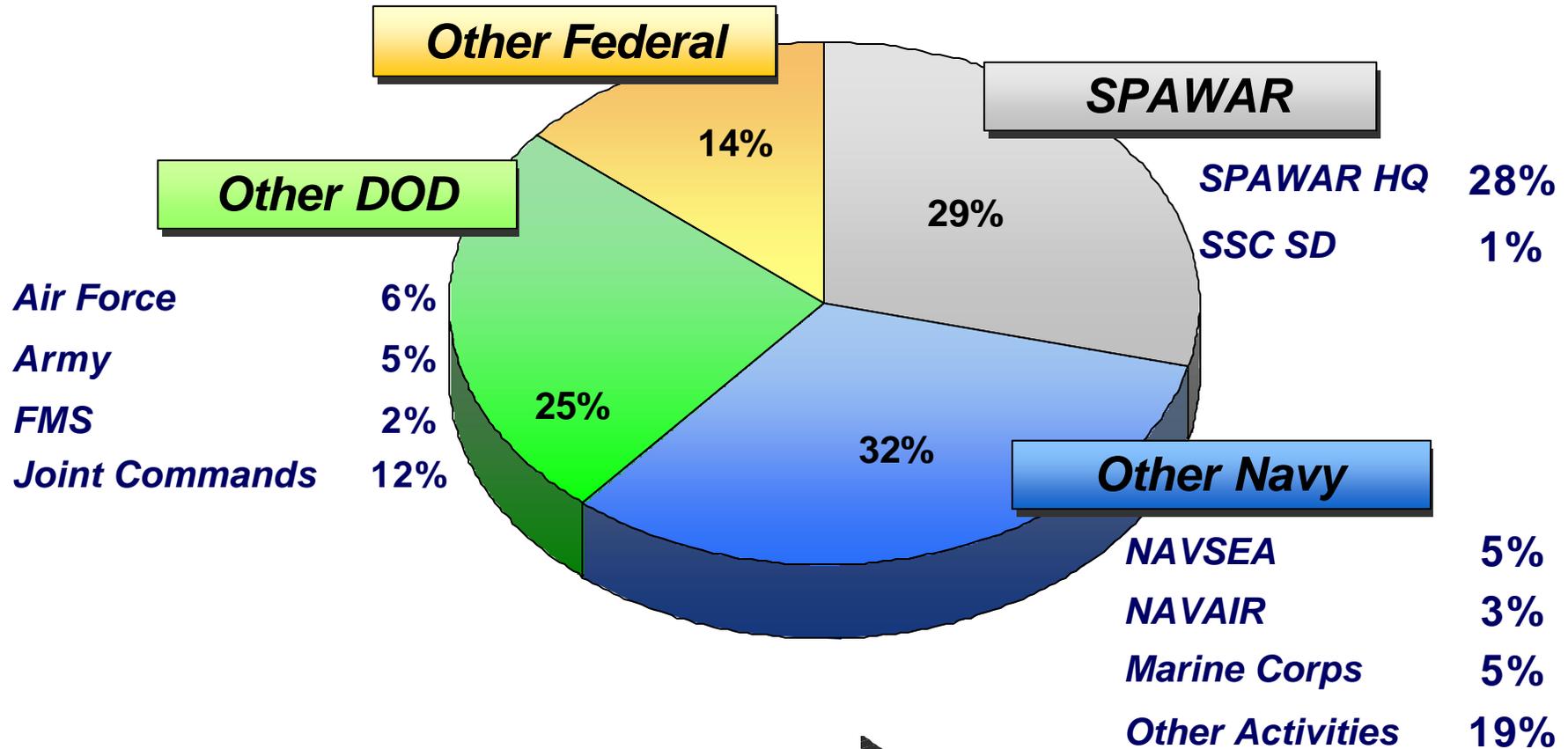
Other Federal Government Agencies

- Architect of the Capitol
- Department of Agriculture
- Department of Health and Human Services (CDC)
- Department of Homeland Security
 - U.S. Border Patrol
 - U.S. Coast Guard
 - U.S. Customs Service
 - U.S. Secret Service
- Department of Justice (FBI, BOP)
- Department of State
- Department of Transportation
- Department of Treasury (U.S. Mint)
- Federal Aviation Administration
- National Science Foundation

Foreign Military Sales (FMS)



FY 03 Funding Sources

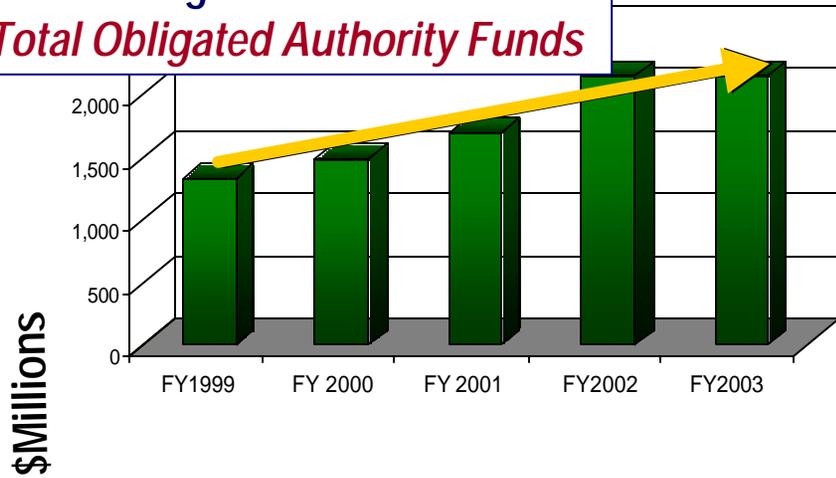


TOA
(Total Obligation Authority) **\$2.14B**

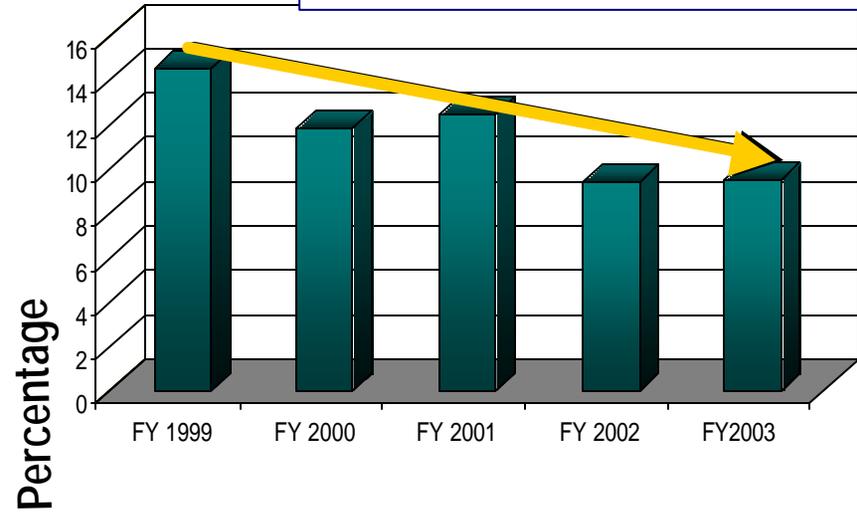


Business Line Output Metrics

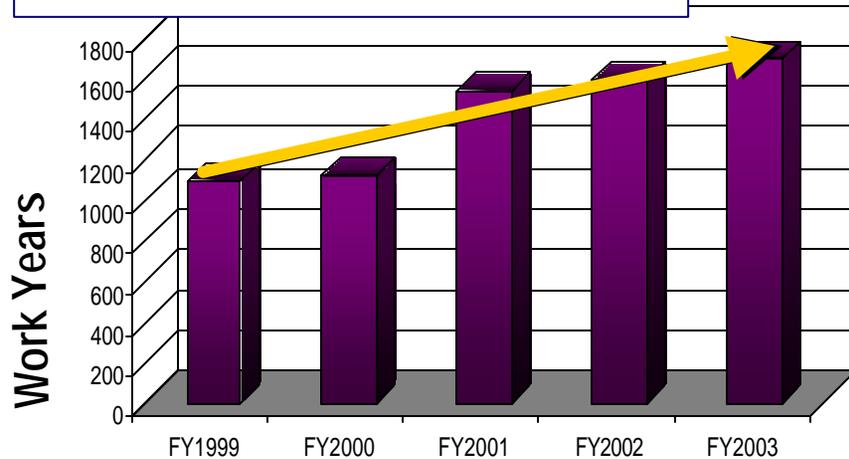
17% Average Annual Increase in *Total Obligated Authority Funds*



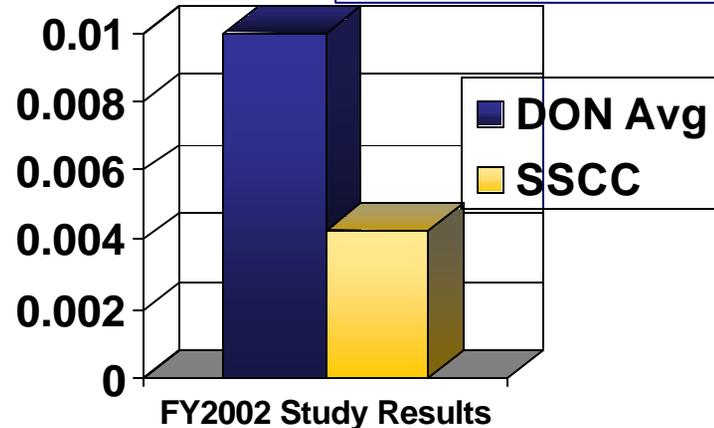
4% Reduction in *Overhead*



63% Increase *Direct Work Years*



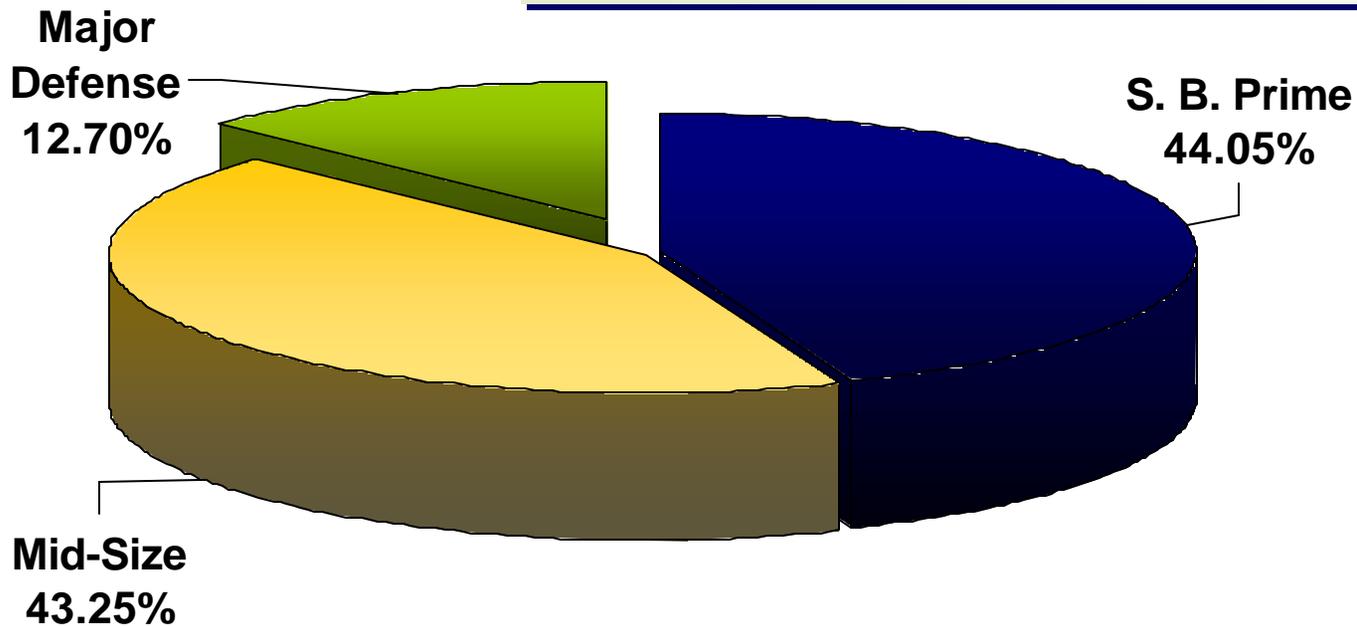
Contracting Performance (Cost to Obligate)





Contracting Strategy Results

**248 Active Contracts with
value in excess of \$4 B**



(Data extracted from DD350/PMRS for FY 03)

**Meeting Diverse Technical Requirements with Agile Solutions...
...while Exceeding Statutory Goals**



Alignment with Industry Partners

- Why focus on this?
- Simple math example:

- FY03 Sponsor Funds: \$2.13 B
- Government In-house: 20%
- Industry Partner: 80%



- Performance Based Enterprise
 - DEMO
 - PB Contracts
- Tighter Integration through:
 - Common Processes
 - Reducing Boundary Friction
 - Culture of Efficiency



Maintaining Fleet Relevance

- Depth in Competency
- Reducing the Cost of Doing Business
- FORCEnet Alignment
- Agility
- Speed to Market



Critical Capability
in Competency + Efficient
Business
Operations = **Success**

"It's Our Mission, so the Warfighter can concentrate on theirs"

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