



SPAWAR

Industry Roundtable

June 9, 2016

Nancy J. Gunderson
SPAWAR 2.0



Agenda

- ▼ **SPAWAR Strategic Plan – Execution Year 2016**
 - **Goal 4B – Plan for Success**

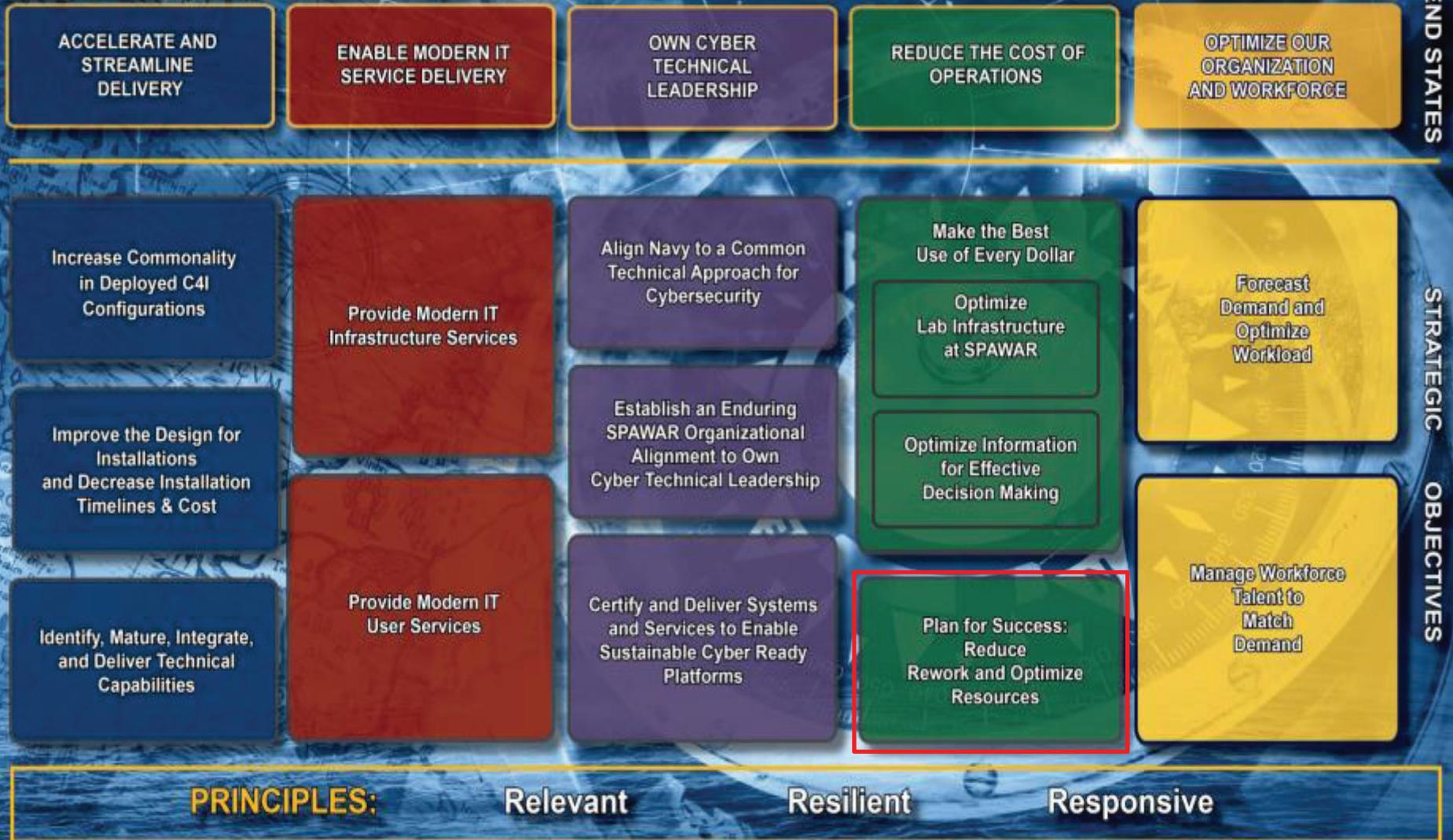
- ▼ **Service Contract Performance Metrics**

- ▼ **SPAWAR Best Value**
 - **Tradeoff vs. Low Price Technically Acceptable**

SPAWAR Strategic Plan

Execution Year 2016

VISION: Rapidly Delivering Cyber Warfighting Capabilities from Seabed to Space





Objective 4B Update

Plan for Success

Objective 4.B

Plan for Success: To reduce rework and optimize resources

Objective Owners

Craig Madsen, Nancy Gunderson, Lisa Ramsey

Objective Overview

Goals: (1) Improve the planning capability and environment within SPAWAR through the development and use of common scheduling tools and practices, (2) Use the planning for new or follow-on contracts as a test case in build-out the planning capabilities, and (3) Commit to mutual-success for the planned work of the Command through Service Level Agreements.

Scope: The scope of this effort will include the development of a SPAWAR scheduling instruction inclusive of a comprehensive set of tools, an implementation plan and improvements to processes used to plan and schedule the work of the Command that allows visibility into and management of those plans and schedules. Ultimately, this objective will lead to the development of common Service Level Agreements (SLAs) to document performance agreement between the supported organizations – the PEOs – and supporting organizations – the Competencies and Systems Centers.

Performance Measures and Effects

Performance Measures:

Common Scheduling Tools and Practices

- Develop and brief the validation (decision) brief to leadership
- Develop SPAWAR Instruction
- Phased implementation of approved management plan

Procurement Planning

- A confirmed baseline of planned contracts for award in FY16 by Mar 2016
- An initial baseline of planned contracts for award in FY17 by Aug 2016; and a re-validated baseline by Dec 2016
- Continuous improvements in gaining earlier visibility into, and agreement on, milestone schedules for each fiscal year's contracts requirements

Development of Common Service Level Agreements (SLAs)

- Established common SLA templates and business rules in FY17
- Documented and rationalized demand signals to assist management with alignment of resources to requirements
- Periodic performance reviews and course corrections in FY17
- Increased insight into customer demand signal to help inform recommendations for changes in service delivery models – phased implementation

Effectiveness Measures:

Common Scheduling Tools and Practices

- Increased efficiency in acquisition, production and installations
- Cost savings
- Resource allocations based on accurate timeline reporting
- Centralized management and use of data base to facilitate decisions

Procurement Planning

- A more even distribution of the contract workload across the fiscal year
- A reduction in the number of unexpected contract requirements
- Improvement in the percent of time contracts are awarded closer to their originally planned award date than in the past
- Reutilization of data on planned procurements

Development of Common Service Level Agreements (SLAs)

- Clearly defined demand signals and roles, responsibilities, and accountability for funded effort across SPAWAR
- Negotiations and agreements between supported and supporting organizations to ensure best value for required deliverables
- Consistent and streamlined documentation of agreements on task requirements, funding levels and deliverables



Objective 4B Activity Update

Procurement Planning

Activity - HQ

- Validate the User-base and Primavera License Requirements
- Validate the Acquisition Milestone Templates in Primavera
- Validate the accuracy and completeness of FY16 Planned Contract Awards and update and/or establish Schedules in Primavera

Status



Activity Resources

Activity Owner: Nancy Gunderson

Activity Participants: CAPT Armstrong, Trelli Davis, Marcia Rutledge, Cheryl Livingston, Sharon Pritchard, Steve Harnig, Faye Esaias, Denise Gault, Tammy Amos, Pete Van, Susan Fukayama

Key Milestones Summary - HQ

		Date Range
	Validate the User-base and Primavera License Requirements	Jan – Mar
	Validate the Acquisition Milestone Templates in Primavera	Jan - Mar
	Establish process to account for Acquisitions <\$1M	Apr - Jun
	Validate baseline of FY16 Planned Contract Awards	Jan - Mar
	Validate baseline of FY17 Planned Contract Awards	Aug

Key Metrics & Next Steps

Key Effects

- More even distribution of contract workload across the FY; measured by comparing the award dates for new contracts made in FYs 16, 17, and 18 to the awards in FYs 15 and prior.
- Reduction in the # of pop-up (unexpected contract reqs) in FY17 vs. FY16; measured by comparing # of planned contracts awards to the actual # of contracts awarded.
- Improvement in % of time contracts are awarded closer to their originally planned award date than in the past; measured by FY17 planned vs. actual award dates to FY16 planned vs. actual.
- Reutilization of planned acquisition data in producing other reports & responding to other data calls.

Key Accomplishments – HQ 2.0:

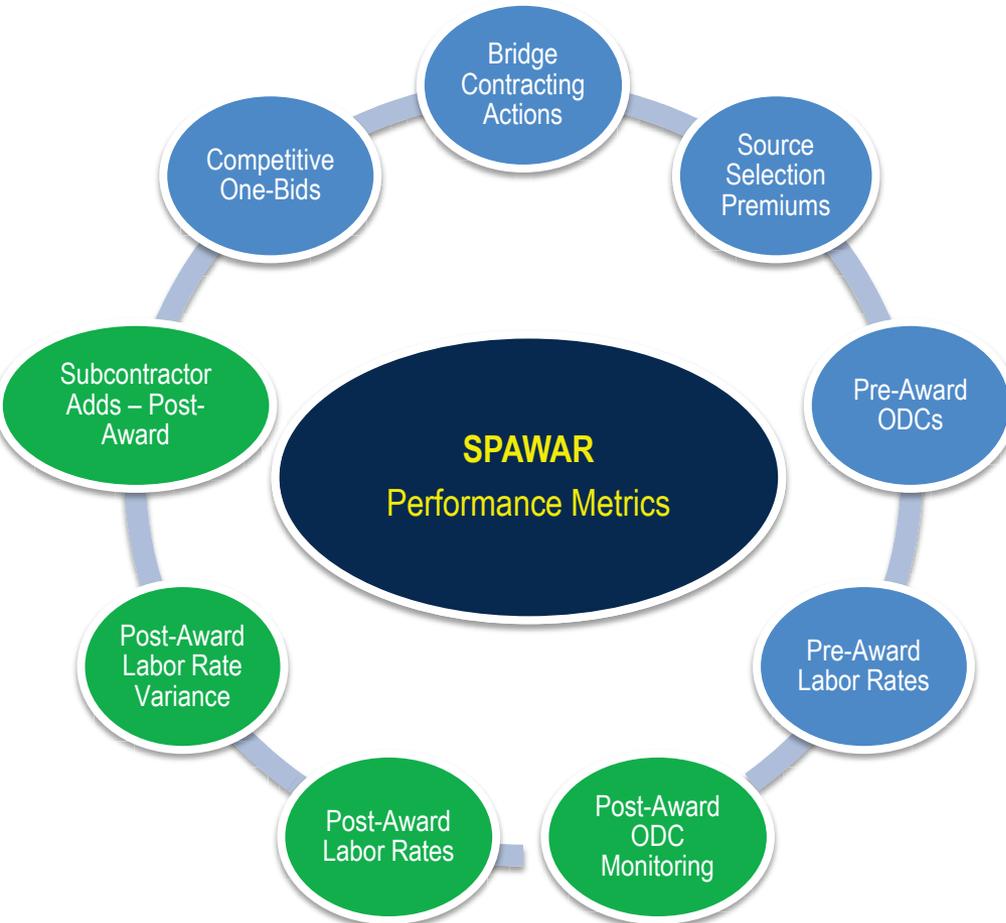
- Completed scheduled key activities.
- Refining and Streamlining milestone templates to ease data collection and reporting burdens.

Next Steps:

- HQ: Make decision on revisions to the scheduling tool.
- HQ: Continue to monitor and report on FY16 schedules.
- HQ & SSCs: Synch up on milestones tracked and reported to ensure common steps are measured.



Service Contract Performance Metrics



▼ Intent

- Instill Accountability
- Improve Visibility

▼ Updates

- Policy was updated in December 2015 and April 2016 - reflecting refinements to each metric and emphasis on original intent vs. “trip avoidance”

▼ Trends

- HQ: FY15 Metrics trended downward or constant, except for Pre-Award Labor Rates and Post-Award ODCs, which increased
- SSC-Atlantic: FY15 Metrics trended downward or constant, except for Pre-Award Labor-Rates and Bridge Contracts and Post-Award Average Labor Rate Variance
- SSC-Pacific: All FY Metrics trended downward or constant, Subcontractor Additions are up in FY16



SPAWAR Pre-Award Performance Metrics

Metric	Threshold	Approver	Change
Bridge Contracting Bridge Authorizations	<p>≤ \$700K</p> <p>> \$700K and ≤ \$5.5M</p> <p>> \$5.5M</p>	<p>SSC CCO</p> <p>SPAWAR 2.0</p> <p>SPAWAR HCA</p>	Implemented the NMCARS Bridge Authorization Request process and thresholds and the subsequent Justification and Approval (J&A) requirements
Bridge J&As	<p>1st J&A > \$13.5M and/or 6 Months</p> <p>2nd J&A Regardless of \$ or Duration</p>	<p>SPAWAR 2.0</p> <p>SPAWAR 2.0</p>	Clarified applicability to task orders
Best Value Source Selection Premium	<p>SSC Contracts ≤ \$50M</p> <p>SSC Contracts > \$50M</p> <p>SPAWAR HQ Contracts</p>	<p>SSC CCO</p> <p>SPAWAR 2.0 / 2.0A</p> <p>SPAWAR 2.0 / 2.0A</p>	Eliminated requirement for SPAWAR 2.0/2.0A concurrence on SSC contracts ≤ \$50M
Other Direct Costs (ODCs)	10% of total Labor Value or \$3M (whichever is lower)	Program Manager (or equivalent) Memorandum Provided to the PCO	Eliminated task order level reporting if ODCs are ≤ the reported % on the basic ID/IQ
Labor Rates (If more than 500 hours are proposed for a given period of performance)	Fully burdened labor rates in excess of \$165/Hour	Memorandum Signed by Program Manager (or equivalent), SSA, PCO, and Cognizant HQ 2.0 Branch Head or SSC CCO.	<p>Raised rate from \$150/Hour</p> <p>Approval lowered to HQ Branch Head or SSC CCO levels vs. SPAWAR 2.0/2.0A</p>
Competitive One-Bid	<p>> \$250K and ≤ \$10M</p> <p>> \$10M</p>	<p>Reported to Cognizant HQ 2.0 Branch Head or SSC CCO</p> <p>2.0 / 2.0 Approval of BCM</p>	No Change

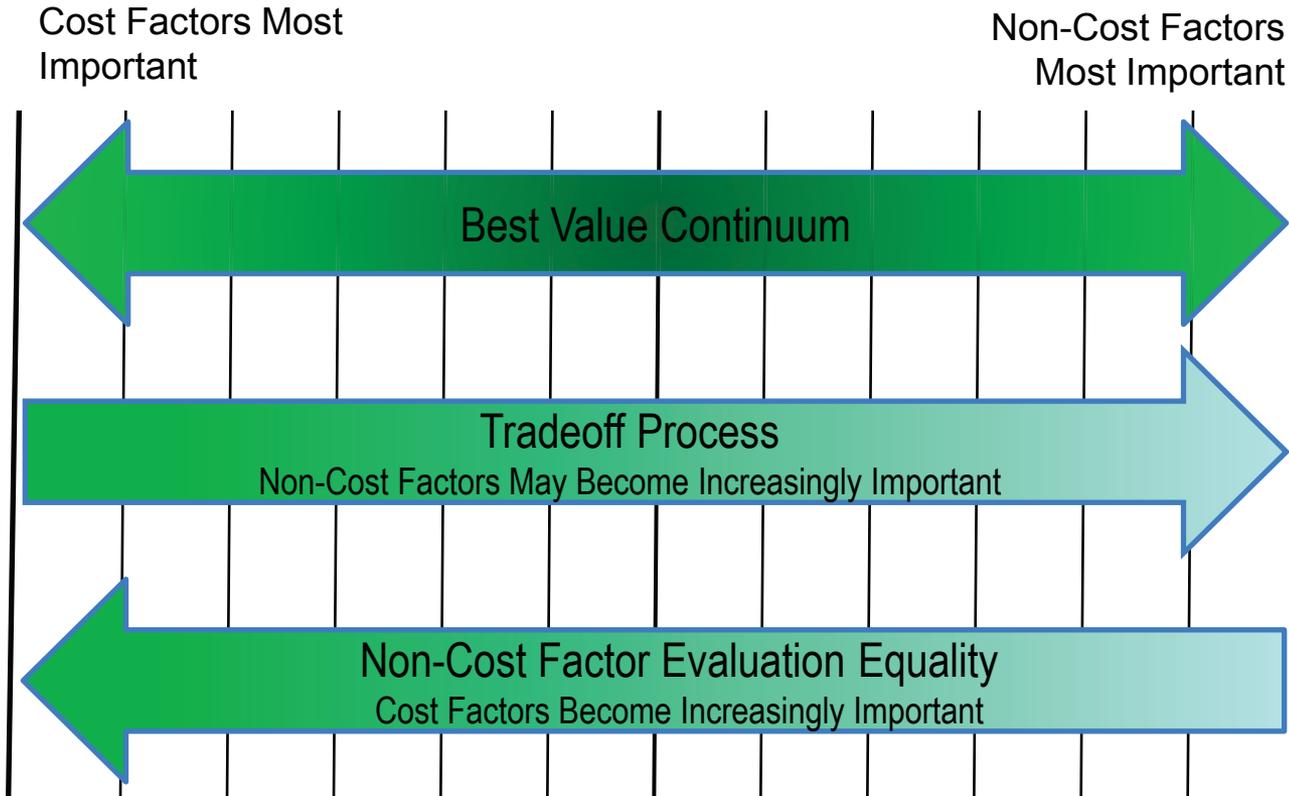


SPAWAR Post-Award Performance Metrics

Metric	Threshold	Approver	Change
Other Direct Costs (ODC)	>10% increase from Original ODC Estimate	Program Manager (or equivalent) Memorandum to the PCO	No Change
Actual Labor Rates (Measured Monthly)	Actual fully burdened labor rates in excess of \$165/Hour	Program Manager (or equivalent) Memorandum to the PCO	Eliminated requirement to report subsequent “trips” unless the rate increases more than 10% from the original
Average Labor Rate Variance	> 15% Variance Quarterly	COR Notice followed by Program Manager (or equivalent) Memorandum to the PCO	Revised from monthly to quarterly reporting (3 month average). Eliminated notice to SPAWAR 2.0/2.0A or SSC CCO.
	Option to request reporting relief if the variance has no chance of being brought back in line	Request from Program Manager (or equivalent) to PCO for Cognizant Branch Head or SSC CCO Approval	Approval of Requests for Relief lowered to HQ Branch Head or SSC CCO levels vs. SPAWAR 2.0/2.0A
Subcontractor Additions	Any addition of a subcontractor after award	Program Manager (or equivalent) Request to the PCO. Approval at One Level above the PCO if the Subcontract is valued over SAT	No Change
Early Option Exercise			Deleted



SPAWAR Best Value Tradeoff vs. LPTA



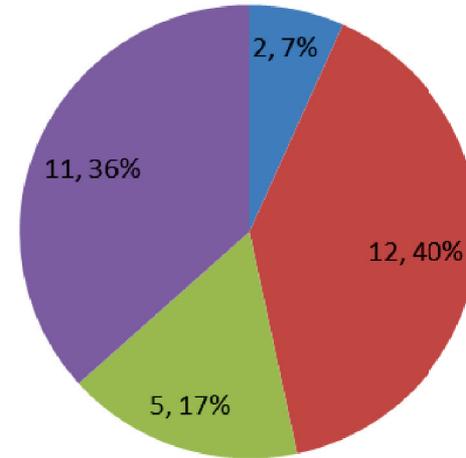


SPAWAR Best Value Tradeoff vs. LPTA

Recent Survey Questions:

1. For your recent competitions, was the selection approach LPTA or Tradeoff?
 - Of 31 competitions, 1 was conducted as LPTA

2. If Best value, did award go to:
 - a) An acceptably rated offeror with the lowest evaluated cost?
 - b) The offeror with the best rating and is the lowest (or among the lowest) evaluated cost?
 - c) An offeror with a higher rating and a higher evaluated cost, but not the highest in either category?
 - d) The highest rated offeror with the lowest evaluated cost.



- Lowest evaluated cost, acceptably rated
- Lowest evaluated cost, best rated
- Higher evaluated cost and higher rated, but not highest
- The highest evaluated cost, best rated

