



Space and Naval Warfare Systems Command

*Rapidly Delivering Cyber Warfighting Capability from
Seabed to Space*

August 23, 2016

Rear Admiral Dave Lewis
Commander



Agenda

- ▼ SPAWAR's Vision & Strategic Plan – Execution Year 2016
 - Focus on Cybersecurity
- ▼ Industry Partnership / Trends
- ▼ Service Contract Performance Metrics
- ▼ Best Value at SPAWAR
 - Tradeoff vs. Low Price Technically Acceptable
- ▼ Office of Small Business Programs - Performance

SPAWAR Strategic Vision 2015 - 2022

Rapidly Delivering Cyber Warfighting Capabilities from Seabed to Space.

Accelerate and
Streamline
Delivery

Enable Modern
Information
Technology
Service Delivery

Optimize Our
Organization
and Workforce

Reduce the Cost
of Operations

Own Cyber
Technical
Leadership

Principles:

Relevant

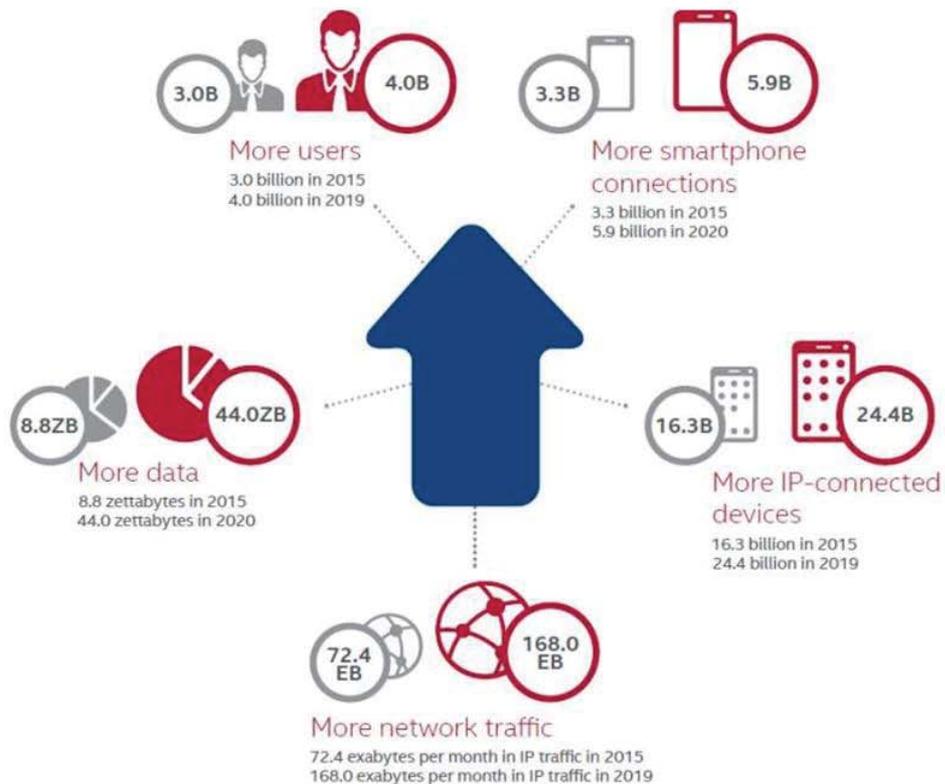
Resilient

Responsive

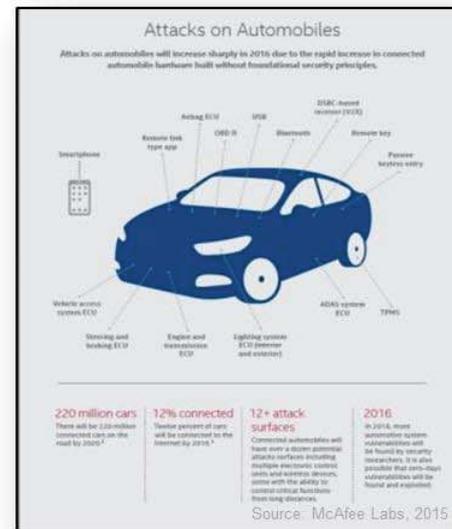
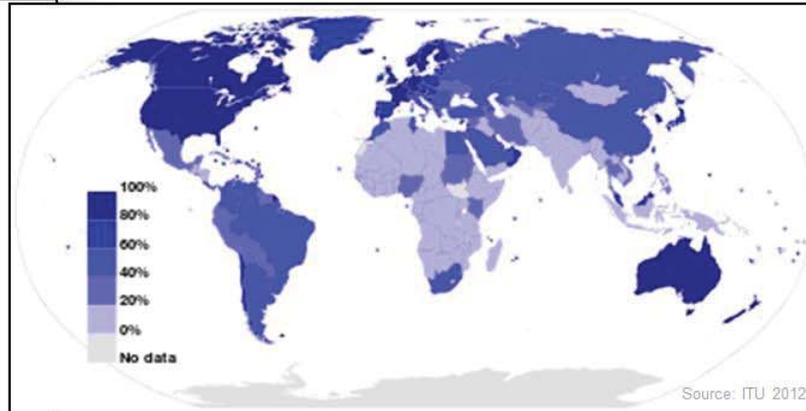
Why the focus on cybersecurity?

Cyber Environment - Internet of Things

The Growing Cyberattack Surface



Source: McAfee Labs, 2015.



Cyber Threat Surface Growing Exponentially

Worldwide Threat Assessment of the US Intelligence Community (Cyber and Technology excerpts)

- **Internet of Things** - "Smart" devices incorporated into the electric grid, vehicles—including autonomous vehicles—and household appliances are improving efficiency, energy conservation, and convenience.
 - Security industry analysts have demonstrated that many of these new systems can threaten data privacy, data integrity, or continuity of services.
- **Artificial Intelligence (AI)** - AI ranges from "Narrow AI" systems, which seek to execute specialized tasks, such as speech recognition, to "General AI" systems—perhaps still decades away—which aim to replicate many aspects of human cognition.
 - The increased reliance on AI for autonomous decision making is creating new vulnerabilities to cyberattacks and influence operations.
 - AI systems are susceptible to a range of disruptive and deceptive tactics that might be difficult to anticipate or quickly understand.
 - Efforts to mislead or compromise automated systems might create or enable further opportunities to disrupt or damage critical infrastructure or national security networks.

Devices, designed and fielded with minimal security requirements and testing, and an ever-increasing complexity of networks could lead to widespread vulnerabilities in civilian infrastructures and US Government systems.



San Diego Cybersecurity – a Growing Industry

▼ CYBERSECURITY & THE TECH-ECOSYSTEM

- 104+ Core Cyber Firms in SD
- 16,580 Jobs Impacted
- 7,620 Direct Jobs
 - 14.7% Increase Since '14
 - 3,390 SPAWAR Cyber Security (CS) jobs
 - nearly half of all SD CS jobs
- \$1.9B Total Economic Impact
 - 26.4% Increase since '14



▼ TALENT & WORKFORCE

- 13% Project Cyber Employment Growth next 12 months.
 - Compared to 2% overall regional job growth
- Cyber Pays 50% Higher
 - \$75K Network Support vs. \$116K CS Specialist
- 3,000 Computer Science graduates annually from SD Universities and Colleges

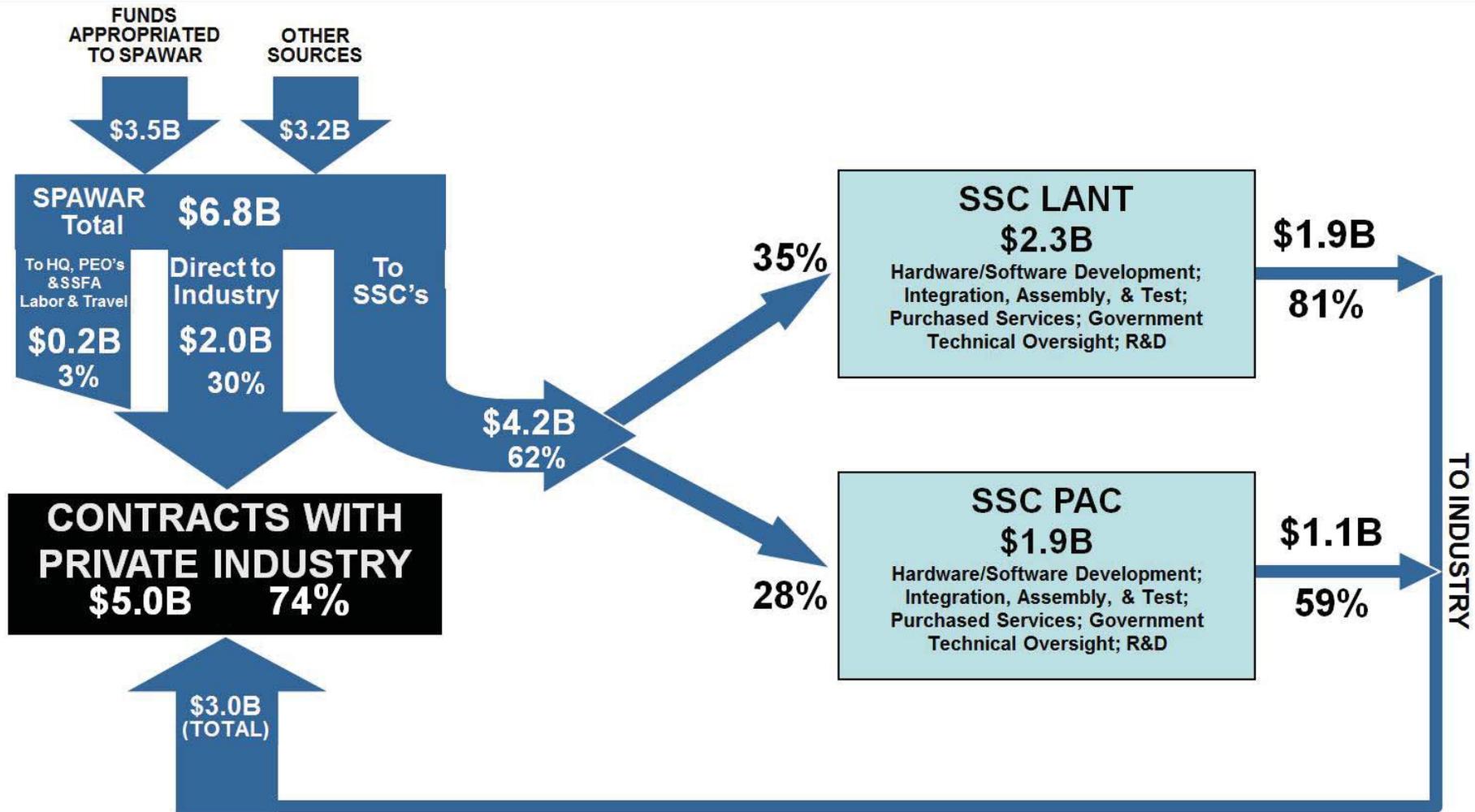


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SPAWAR Funds Flow FY 2015



Source: N-ERP

NOTES:

- SSC LANT includes Norfolk and NOLA; SSC PAC includes PAC General Fund (formerly NCTSI)
- Delta between SSC Inflow and Outflow to industry is primarily associated w/ NWCF Labor Costs
- Does not include Carryover



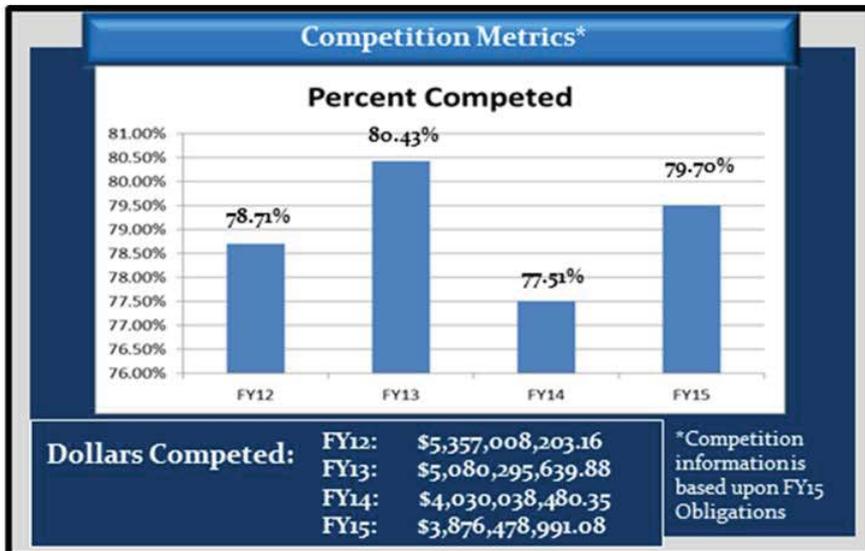
Competition Metrics

FY 2016

Competition Report	Current Month			Cumulative for FY		
	Total Base	Competed	Percentage	Total Base	Competed	Percentage
Actions	1,257	989	79%	10,279	8,204	80%
Dollars	\$402,787,928	\$ 315,525,425	78%	\$ 3,368,154,720	\$ 2,597,665,219	77%
One Offer Received	Quantity		Effective Competition	Quantity		Effective Competition
Actions		27	97%		134	98%
Dollars		\$ 7,131,629	98%		\$ 53,478,905	98%

Source: FPDS-NG (as of 7/5/16)

FY 2015 and Prior



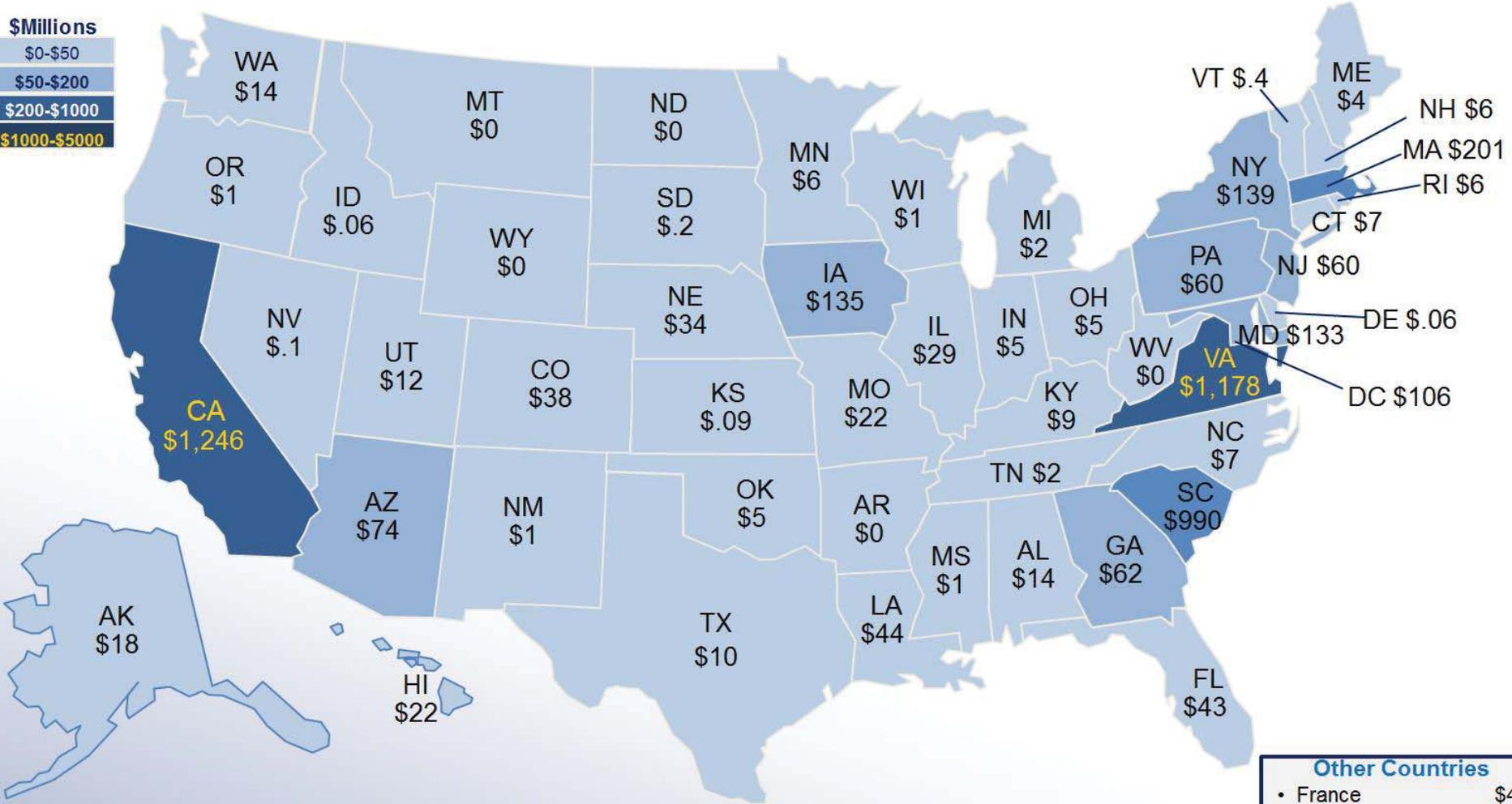
Department	Percentage Completed (Dollars)
HQ	75.72%
LANT	83.71%
PAC	79.55%
SPAWAR TOTALS	79.70%



SPAWAR CONTRACTS BY STATE

FY 2015 TOTAL OBLIGATIONS: \$4,866 MILLION

\$Millions
 \$0-\$50
 \$50-\$200
 \$200-\$1000
 \$1000-\$5000



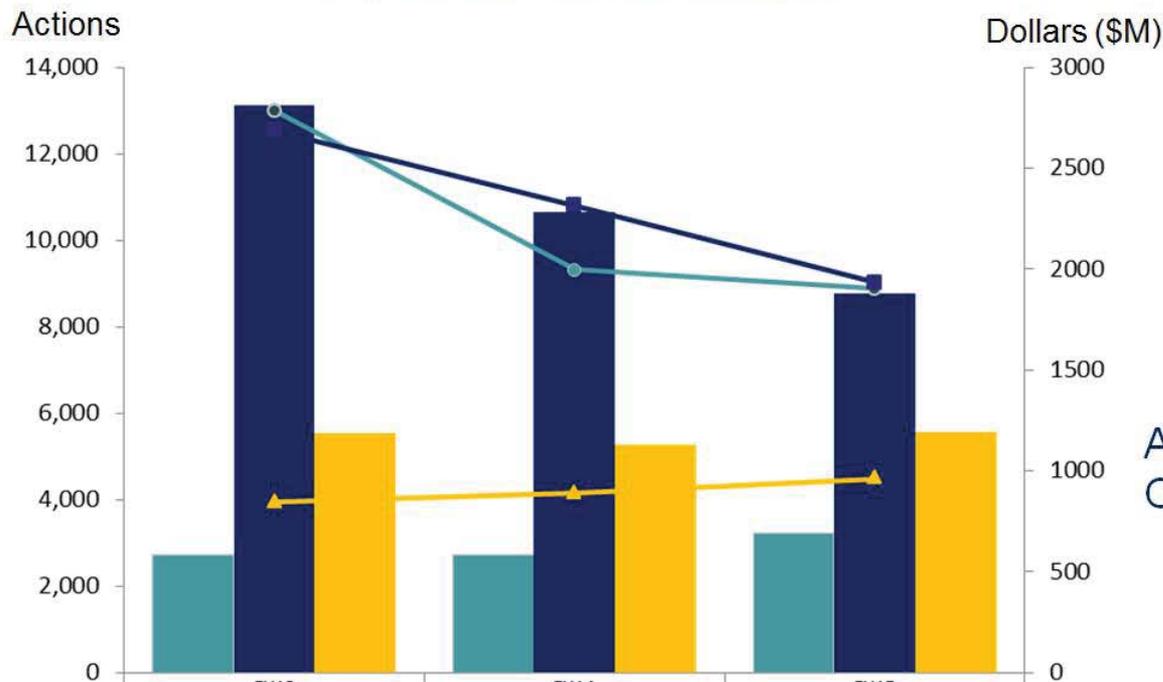
Other Countries	
• France	\$49
• Afghanistan	\$16
• Saudi Arabia	\$10
• Japan	\$7
• Germany	\$7
• Italy	\$4
• Kuwait	\$4
• Others	\$16

• Numbers represent SPAWAR's net contract obligations during FY15 (\$M)
 • Yellow text top 2 states with the most direct business (> \$1B)



SPAWAR Contracting Workload

FY 2013 – 2015 Trends



	FY13	FY14	FY15
HQ Actions	2,728	2,737	3,235
SSC LANT Actions	13,131	10,645	8,772
SSC PAC Actions	5,526	5,268	5,556
HQ Obligations	\$2,786	\$1,996	\$1,903
SSC LANT Obligations	\$2,686	\$2,315	\$1,933
SSC PAC Obligations	\$844	\$888	\$961

FY2016 to Date

Actions: 9,145
 Obligations: \$2,996M

Source: FPDS-NG

NOTE:

- SSC LANT includes Norfolk and NOLA



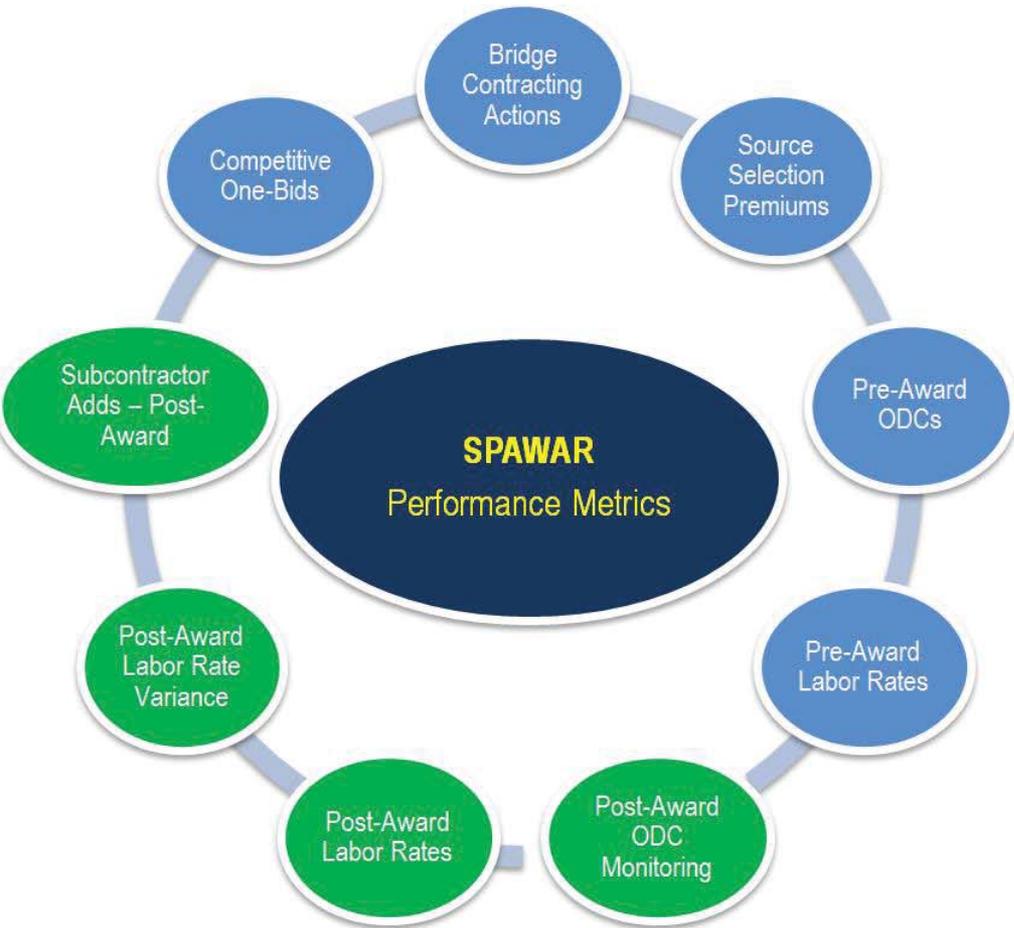
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Service Contract Performance Metrics

(Formerly “Tripwires”)



▼ 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



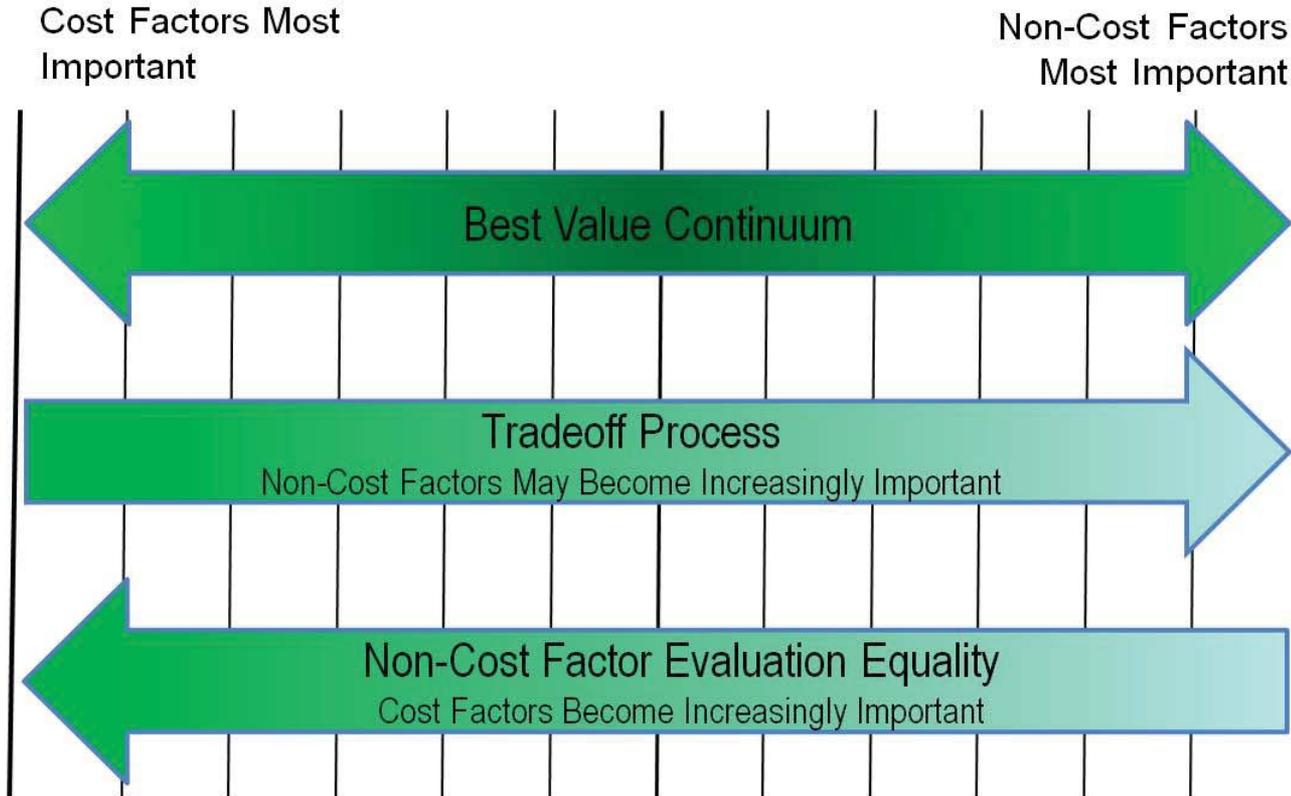
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SPAWAR Best Value

Tradeoff vs. Low Price Technically Acceptable



SPAWAR Best Value

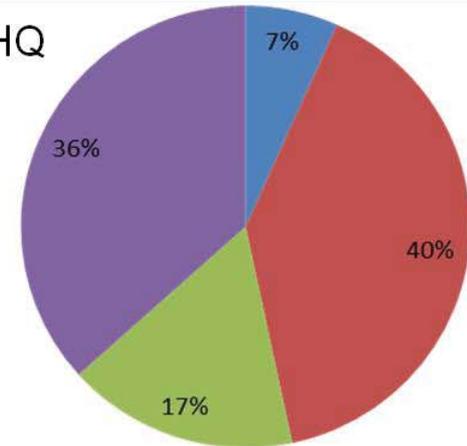
Tradeoff vs. Low Price Technically Acceptable

Recent Survey Questions:

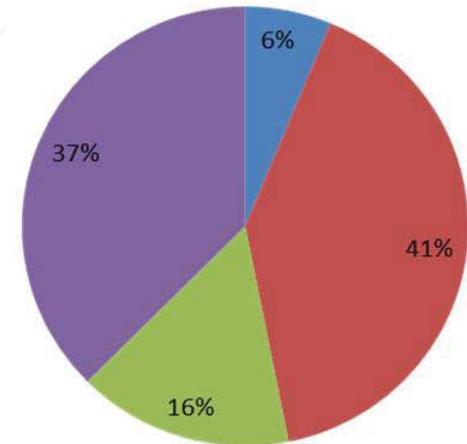
1. For your recent competitions, was the selection approach LPTA or Tradeoff?
 - HQ: 1 of 31 competitions was conducted as LPTA
 - SSC LANT: 5 of 37 Competitions were conducted as LPTA

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.

SPAWAR HQ



SSC LANT



Best Value Continuum

- 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



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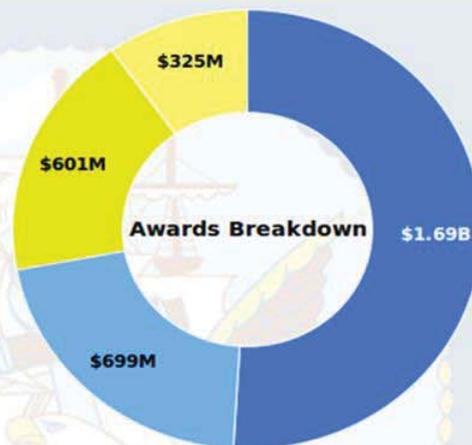
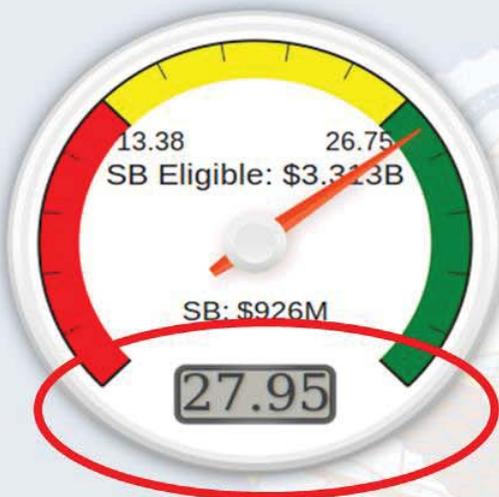
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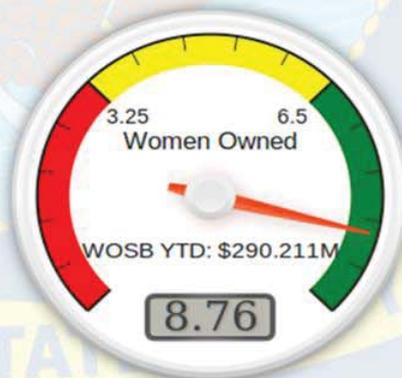
DON Dashboard for SPAWAR Small Business



Major Command: SPAWAR
Fiscal Year 2016 Small Business Performance
Data as of: 13 July 2016



■ SB Service Awards ■ SB Products Awards
■ OTSB Service Awards ■ OTSB Products Awards





Questions