

1.0 Component-specific Implementation of Better Buying Power (BBP) 2.0

[Better Buying Power \(BBP\) 2.0](#) challenges Department of Defense (DOD) acquisition professionals to achieve greater efficiency and productivity in defense spending. Because services constitute a significant, and growing, component of Defense spending, greater emphasis is being placed on how the department plans, manages and oversees services acquisitions. Many of the Department of Navy (DON) activities related to BBP 2.0 are addressed in other sections of this report. Key initiatives in FY13 not addressed elsewhere in this report are listed below.

1.1 Visibility and Traceability of Services spend. The DON is developing a methodology to more accurately identify, track and manage services spend. The approach includes adopting a standard code for services in the line of accounting; a disciplined process for allocating services dollars; and a process for institutionalizing it within the planning, programming and budgeting processes. The methodology is in the early definition/feasibility stage and will be further fleshed out during FY14. While results are not currently available, the methodology is expected to yield a more proactive approach to managing services spend, a more granular understanding of the services we are acquiring, and a more deliberate planning and budgeting process with leadership involvement.

1.2 Strategic Sourcing. [DON Strategic Sourcing initiatives](#) undertaken in FY13, and major results, are listed below:

Engineering Services. The team recommendations of directing true engineering requirements to the Seaport-e Multiple Award Contracts (MACs), while encouraging the use of the DON-wide Global Business Systems (GBS) MAC for blue collar/Service Contract Act (SCA) requirements, will allow a significant percentage of the work to go to small businesses while leveraging the increased buying power. For example, in FY13 there were 379 actions recorded against the GBS contracts with an obligated value of \$90,368,407, all of which went to small business.

DON Conferences. This project was expanded to include other DOD components and expects to award a suite of Blanket Purchase Agreements (BPAs) to capture OSD's attendance and registration requirements by April 2014.

Education and Training. The team looked at professional and management training, development and education support (instructors), and curriculum development. The Commodity team expects to award BPAs against Federal Supply Schedule (FSS) for these requirements in FY14.

Overall, the DON had significant successes with Strategic Sourcing in FY13 including: use of the Global Business Solutions Contract (100% small business set-aside for SCA type work) achieved \$14.5M savings; Total Strategic Sourcing Savings in FY13 - \$59M; Coordinated development of a web-based SF2579 (Small Business Coordination Form) to collect and forecast small business opportunities.

2.0 Services Acquisition Workshop (SAW) Execution

2.1 Policy. On March 28, 2013 the Deputy Assistant Secretary of the Navy, Acquisition and Procurement (DASN AP) implemented the [mandatory policy](#) to utilize Services Acquisition Workshops for service acquisition requirements valued at \$1 Billion or more. DASN AP codified the requirement in the Navy Marine Corps Regulation Supplement ([NMCARS 5237.192](#)) and created a process for submitting a waiver request.

2.2 Results. In FY13, 5 SAWs were conducted (including Navy Fleet Forces Command, Navy Exchange Service, Fleet Electronic Warfare Center, and Naval Facilities Engineering Command). The SAWs were in support of information technology services (2), base operations support (1), and advisory and assistance services (2). There were no requests for waiver from the mandatory policy as none of the acquisitions crossed the \$1B threshold. In general, SAWs were seen as a favorable step toward improving requirements definition. In a DON pilot of the SAW concept, participants from across the department identified the primary benefits of conducting a SAW as: (1) the communication and collaboration it fosters among the multi-functional acquisition team and (2) the structured requirements development process it drives through the use of the “Seven Steps to Performance-Based Acquisition” process and the Acquisition Requirements Roadmap Tool (ARRT). In a more recent [DOD survey of 308 SAW participants](#), 73 responses were received; of those, 21% were from the Department of the Navy. The overall survey results confirmed that the SAW was an effective tool for providing better quality requirements documents. Cost and time savings were not captured. The department will continue to monitor SAW usage and outcomes to better quantify the results.

3.0 Enterprise Contractor Manpower Reporting Application (eCMRA)

3.1 Implementation. In July 2013, the DON awarded a follow on contract for the sustainment of the DON CMRA system to meet the reporting requirements of [10 United States Code \(USC\) § 2330a](#) and [DON policy](#). The solution continues to leverage and modify the Army CMRA programming source code; key activities in FY13 include: migrating the DON CMRA application to permanent servers for the full deployment, complying with the information system accreditation process, loading the DON contract data, and testing and validating the operating DON CMRA application. The contract also includes help desk support. In late FY13 and first quarter FY14, the DON reviewed the CMRA security policies and procedures and implemented various security measures in an effort to protect the system and the information content found in the system including vulnerabilities scans and user/account deprovisioning.

3.2 Results. As of January 2014, approximately 1500 contractors and 700 subcontractors have active accounts in the DON CMRA and are in the process of uploading the required data. For FY13, there are approximately 165,000 actions in the CMRA. For FY14, there are approximately 100 actions in the CMRA. The DON is in the process of validating the data for completeness and accuracy. This data will be used by DON as a cross check with FPDS-NG data for FY13.

4.0 Services Oversight. The services oversight processes executed by the DON in FY13 are primarily covered in other sections of this report (e.g. paragraphs 5.0, 6.0, and 7.0). Those that are not otherwise covered, are described below.

4.1 [Bridge Contract Policy](#). In 2012, the department issued policy intended to reduce the reliance on bridge contracts and promote real competition. In FY13, the focus was on continued execution of the bridge reporting and authorization process.

4.2 Results. In FY13, the department entered into 212 bridge contracts. The majority were less than \$650K and in place for less than 6 months. The primary reasons for the bridge contracts are: (1) requirements delays/changes in requirements/acquisition planning delays (52%); (2) delays during evaluation (33%); (3) protests (14%); and urgency (1%). Having baselined the data, in the years to follow, trends will be evaluated to ensure that the policy is having the intended result of reduced reliance on bridge contracts either by the mere fact of increased visibility, and/or by addressing the underlying causes.

5.0 Expanded Use of Requirements Review Boards and Tripwires

5.1 Policy. [Chief of Naval Operations Instruction \(OPNAV INST\) 4200.7](#) established a consistent oversight/governance process and execution process, OPNAV Requirements Review Boards (ORRBs) to ensure proper planning and administration of contracted support services with associated indicators of risk (i.e. “Tripwires”). The Department of Navy Senior Services Manager (SSM) within DASN AP issued guidance to establish a [Service Requirement Review Board \(SRRB\)](#). The guidance is similar to, and complements, the OPNAV policy. DASN AP codified this requirement in the Navy Marine Corps Regulation Supplement ([NMCARS 5237.191](#)) and established a requirement to report results of each SRRB to the SSM. In FY13, the department focused on continued implementation of the policies/guidance, and compliance with the BBP 2.0 directed expansion of them.

5.2 Results. In FY13, the SRRB process was fully implemented, in varying degrees, across all DON Heads of Contracting Activities. Over 60 individual review board sessions were held. In general, the SSRBs and Tripwires are having the desired effects and are driving the appropriate behaviors. Major findings included the need to: increase visibility into direct cite actions; to increase emphasis on Contracting Officer’s Representative (COR) responsibilities and expand COR training; to improve the effective use of the Contractor Performance Assessment Review System (CPARS); to increase effective competition and small business opportunities; to develop standard labor categories for comparative purposes; to improve the Independent Government Cost Estimate (IGCE) process for services; and to investigate potential savings/efficiencies by strategically sourcing common services and strengthen usage of existing vehicles. Results of SRRBs vary across the department and Heads of Contracting Activities (HCAs) are individually responsible for addressing their findings. For example, as a result of SRRBs, one HCA reported that: it cancelled 36 contracts and reduced the scope of 53 others; contractor labor was reduced by 65 Full Time Equivalent across the enterprise; and 32 contracts were identified as candidate for in-sourcing at a potential \$7M savings. Another command reporting a savings of \$20M from 17 service requirement disapprovals, out of a total spend of \$3B.

6.0 Health Assessments

6.1 Policy. The annual Command [Services Acquisition Health Assessment](#) is the cornerstone process for the SSM to implement the requirements of 1) [10 USC § 2330](#) to manage and oversee services acquisition and [the DOD Better Buying Power initiative](#) to improve tradecraft in services acquisition.

6.2 Results. To date six health assessments have been completed (Office of Naval Research, Space and Naval Warfare Systems Command, Marine Corps Systems Command, Seaport-e, Naval Facilities Engineering Command, and Military Sealift Command). The completed health assessments have already provided valuable information in terms of key principles, best practices and lessons learned: A *key principle* found is that while standardization of processes and templates help to create consistency in requirements development and planning, and contract outcome, critical analysis is necessary for every acquisition. *Best practices* identified thus far are categorized in terms of leadership roles and acquisition team roles. They include a commitment by leadership to the principles of Better Buying Power and support of acquisition teams as they complete required training and balance priorities. For acquisition teams, clear communication and the understanding of roles and responsibilities helps the team to work as a cohesive unit. *Lessons learned* or recommendations for improvement gleaned from assessments include identifying changes in the market and questioning the requirement in terms of those changes to validate requirements. Use market research to identify existing federal contracts or strategic sourcing opportunities. In terms of performance oversight, all persons that interact with a contractor should have minimum Contracting Officer Representative (COR) training and report to the COR or contracting officer on a regular basis. A cadre or working group for CORs could be helpful to share experiences and ideas on how to solve problems. Lastly, data integrity and validation needs more attention. Each organization that is subject to a health assessment is ultimately responsible for addressing the findings. In addition, the DON SSM is evaluating trends, issue/risks, and best or leading practices for potential enterprise sharing and/or implementation.

7.0 Acquisition Plan/Strategy Approvals

7.1 Policy. DASN(AP) is the approval authority for acquisition plans (APs) that include individual contract actions with an estimated value of [\\$100,000,000](#) or more (including options), except if the contract action is included in a current acquisition strategy for an ACAT program for which Assistant Secretary of the Navy, Research, Development and Acquisition (ASN(RDA)) or Undersecretary of Defense, Acquisition, Technology and Logistics (USD(AT&L)) is the milestone decision authority. [DON policy](#) also requires that a Management and Oversight Process for the Acquisition of Services (MOPAS) Acquisition Strategy (AS) be completed and approved for all services over the simplified acquisition threshold. These documents (the AP and the MOPAS AS) are often combined. MOPAS strategies exceeding \$100 Million are approved at the DASN AP level; above \$1 Billion are approved by ASN (RDA). Acquisition plans and MOPAS strategies are reviewed by the appropriate [Portfolio Manager](#) and comments are provided back to the acquisition team

through the DASN AP action officer. The Portfolio Manager's review provides to the acquisition team an insight to the SSM's objective to improve services acquisition, including implementation of Better Buying Power 2.0.

7.2 Results. In FY13, approximately 25 MOPAS strategies were reviewed and approved at the DASN AP level; only one was above the \$1 Billion threshold¹. Naval Air Systems Command, Naval Sea Systems Command and Naval Facilities Engineering Command comprised the majority of the strategies reviewed, with a broad spectrum of services covered, the largest of which included engineering and technical services in support of major weapons systems and comprehensive Base Operations Support. Key findings identified through these document reviews include: the need for more tailoring of the documents to the specific acquisition, as opposed to the use of standard "boilerplate" language (especially in relation to orders placed against existing MACs); more timely submission of the documents so that milestone tables accurately represent current status to better identify potential risk areas; the need for more detailed rationale when performance based procedures are not being used; more in-depth discussion on market analysis/research, how it was conducted, the results and any consideration of the use of existing vehicles; the need to consider opportunities to increase small business participation; and the need to move toward "should cost" type discussions rather than historical cost estimates. The findings were shared with the HCA to improve the quality of future submissions and to potentially reduce the number of staffing iterations. In addition, the [DON Peer Review process](#) is a validation that the approved plan/strategy is being followed.

8.0 Strengthening contract management outside of the normal acquisition chain

8.1 Training. The [Services Acquisition Functional Integrated Product Team \(SA FIPT\)](#) has been formed to develop a process to identify the appropriate personnel, including both Defense Acquisition Workforce Improvement Act (DAWIA) and non DAWIA Workforce members involved in acquiring services (with acquisition-related responsibilities) to ensure they are properly trained to execute the duties required to adequately support effective services acquisitions. The DON is a participant on the SA FIPT, and will implement the recommendations of the team, when complete.

8.2 Oversight. The oversight processes identified herein generally apply to organizations that fall outside the normal acquisition chain. However, the process mostly likely to strengthen and influence contract management outside the normal acquisition chain is the [Service Requirement Review Board \(SRRB\)](#), which is implemented in a tiered fashion, at various organizational levels, depending on where the ultimate requirements owner resides. Organizations that participate in the SRRBs and have their services acquisitions scrutinized include Echelon II and III commands (headquarters and subordinate commands world-wide), Program Executive Offices, System Centers, Shipyards, Supervisors of Shipbuilding, Regional Maintenance Centers, Warfare Centers, Fleet Readiness Centers, and Fleet Logistics Centers. Results of SRRBs are discussed in paragraph 5.2.

¹ A SAW was not conducted on this acquisition, as it was approved prior to implementation of the mandatory SAW policy