Service Acquisition Requirements Review Board (SARRB) Overview

08 August 2012

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Deputy Director for Contracts
Space and Naval Warfare Systems Command
Report Documentation Page

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Standard Form 298 (Rev. 8-98)
Prescribed by ANSI Std Z39-18
SARRB Summary

**DON Initiative**
Current business environment requires a focus on budget, acquisition value and accountability

**SPAWAR Perspective**
Gain visibility, instill sound decision making principles, hold personnel accountable

### Initial SARRB:
- Set a Baseline
- Discuss Organizational Strategy
- Evaluate Internal Oversight
- Evaluate Metrics
- Tripwire Formulation
- First Round Complete (2 May 2012)

### What We Found:
- **Tripwires Valuable for:**
  - Labor Rates
  - Subcontractor Adds
  - Bridge Contracts
  - Competitive / Sole-Source
  - “One-Bids”
  - ODCs
  - Best Value

### Next Steps:
- Issue Tripwire Policy (Completed; 11 May 2012)
- Collect Tripwire Metrics
- Next Round Based on Tripwire Data; End of CY

### Additional Focus Areas
- CORs
- Small Business
- CPARS
- WAWF
- Training
- PSC Codes / Archaic
Tripwires to Address…

▼ Labor Rates:

- Pre-award: Proposed burdened rate in any category exceeds $250K; SSA made aware and concurs; SPAWAR 2.0/2.0A approve

- Post-award: Actual Labor Rates > Proposed
  - CORS monitor monthly; growth above $250K in any category PCO/PM informed; same for growth in excess of 15% in average labor rates
  - Greater than 20% growth in average labor rates, SPAWAR 2.0/Chief of Contracting Office informed
Tripwires to Address… (cont)

▼ Subcontractor Adds
- Pass through, loss of competitive process
- COR/PCO/ PM written approval required

▼ Bridge Contracts
- Formal J&A process, PEO/TD/CO written approval required

▼ Competitive One-Bid / Sole Source
- Existing policies emphasized with increased oversight

▼ ODCs
- Pre-award: Target appropriate ratio of Labor/ODCs.
  - Exceeds 10% or $3 million whichever is less; PM written concurrence required.
- Post-award: Reduce materials purchased on ODCs.
  - Proposed increase in excess of 10% requires PM written concurrence and PCO approval.

▼ Best value
- Greater than 10% cost delta between lowest acceptable offer and proposed awardee requires SPAWAR 2.0/2.0A approval
Additional Focus Areas

▼ Contracting Officer’s Representative (COR)
  ▪ Continue to emphasize importance
  ▪ Incentivize good performers, get quality people

▼ Small Business
  ▪ Strong performance with respect to goals
  ▪ Maintain focus, continue improvement

▼ CPARS
  ▪ Accountability for industry partners
  ▪ Emphasize quality not simply timeliness
Additional Focus Areas (cont)

▶ WAWF Limitations
  ▪ Challenge to gain oversight of invoicing
  ▪ COR receipt and review of detailed invoices mandatory

▶ Training
  ▪ Continue increased COR Training
  ▪ Best practices for COR Invoice review

▶ PSC Codes
  ▪ Ensure alignment of PSC to DOD Acquisition of Services Taxonomy Portfolio Groups
  ▪ Improve PSC selection awareness and guidance
Next Steps

▼ Issue Tripwire Policy (Completed: 11 May 2012)

▼ Collect Tripwire Metrics

▼ Next Round Based on Tripwire Data; End of CY