

Charleston Industry Council
June 12, 2012

The Charleston Industry Council met Tuesday, June 12, 2012. Here are the highlights of the discussions:

1. **CIC Charter**: The charter was amended to reflect the change in the CDCA Large Business representative. Mr. Don Pearsall will complete the term filled by Mark Smith. In addition, the definition of the large business was changed from top 10 to top 20, allowing for a greater pool of competent people to be considered.

2. **Trip Wires**: An update on the status of Trip Wire implementation was provided. More specific communications will be forthcoming from SPAWAR after they get the processes approved. It was noted that none of these Trip Wires result in a change in regulations. This is an increase in attention to the oversight of service contract actions.
 - a. **Headquarters Review and Approval of Acquisition Plans**. Review ceiling has been decreased from \$50M down to \$25M.
 - b. **Bridge Contract Actions** – Any action that increases the ceiling, extends the period of performance or issues a new contract specifically to permit time to award a follow-on contract. Will be signed by Technical Director. This is a very minor change to current process as most of these actions have been reviewed at this level.
 - c. **Best Value Source Selection**. Will be applied at IDIQ and task Order level. Any decision to award to offeror whose total proposed price is more than 10% higher than the price from technically acceptable offeror with the lowest price. These will be approved by SPAWAR HQ. SSC LANT has typically documented these decisions in their business clearance, so there is very little change in this process.
 - d. **ODCs that exceed 10% of total Labor value or >\$3M**. ODCS are defined as materials, travel and other non-labor costs. This will require review and approval procedures. SSC LANT is looking to implement a procedure that permits TO awards to match the ratios in the IDIQ award. Must justify pre-award with SPAWAR HQ and monitored after award.
 - e. **Labor Rates**. Applies to Cost and T&M Task Orders. Does not apply to FFP Task Orders
 1. **High Cost Personnel**. Anyone with a total hourly bill rate equal to or greater than \$250K per year will require higher level approval. Rates proposed during IDIQ and Task Order bidding process will be documented in business clearance. Process for addressing changes post award are still being discussed.

2. **Proposed vs Billed rates.** Any billed hourly rate that is greater than 15% of the proposed hourly rate must be justified by the COR. Industry will be asked for input on how to address this. Any average bill rate >20% for three consecutive months must be elevated to SPAWAR HQ.
 - f. **Subcontractor Additions.** All requests to add subcontractors after award will require approval at one or two levels above the PCO handling the contract. If the amount of subcontracting is greater than \$1M, the TD must approve.
 - g. **Single Bids.** If an RFP (IDIQ or Task Order) is open for < 30 Days and receives only one bid, SPAWAR must reissue for a minimum of 30 days. Waivers can be requested from SPAWAR HQ, but are not likely to be approved except for real emergencies such as CASREPS.
 - h. **Early Exercise of Options.** These will now need to be justified in the same manner as any bridge action.
3. **Employee Surveys:** SPAWAR has been surveying government employees and wants to extend the process to contractors. CIC was asked to come up with questions that would apply to contractor employees. Intent is to distribute to the companies for completion, rather than task contractor employees directly. CIC has compiled inputs and is organizing them before submitting to SPAWAR.
4. **Manpower Reporting:** The manpower report will be modified to require reporting by labor category within each task order. The industry working group was engaged to work out the process for accomplishing this. Expect a revised CDRL to be issued for FY13 reporting.
5. **DoN Policy for the Procurement of IT Development and Support Services** memo direction had aspects that were unclear. Clarification guidance has been requested through SPAWAR HQ.
6. **Contractor Computers:** There are over 5000 contractor computers on the SPAWAR network which leads to significant vulnerabilities. SPAWAR intends to remove this access by sometime in FY13. IPTS and competency leads are being notified in order to start planning the acquisition of government computers to support their mission.
7. **Facilities:** SPAWAR is experiencing a significant shortage of space for new government employees. Industry can expect to see a greater push to review what really needs to be done on base vs in industry spaces.
8. **Executive Industry Council:** Minutes from EIC meeting with Chris Miller to be posted on e-Commerce. Next EIC meeting will be held in Oct/Nov timeframe.

9. **Small Business Questions.** The questions below were submitted by Small Business industry members. The questions are synopsised here along with the government response:
- a. Will the government address at the SBIOI their intended long range use of the various Small Business avenues available given the current Pillar and Niche contracts strategies? The contracting strategy will be addressed at the SBIOI and this question will be included in the presentation.
 - b. Will the government update the SSC Atlantic E-Commerce site to reflect current status of the opportunities? The largest problem is with the simplified acquisition opportunities and it will be updated.
 - c. Will the government clarify at the July SBIOI its intentions for existing tasks expiring in FY12 that have follow-on requirements which may be competed on MACs. Under the MAC TO contracting strategy, these intentions should be made known to incumbents for planning purposes. SSC LANT is looking into issuing MAC Advance Planning Calendar similar to Seaport-e's Advance Planning Calendar.