

Charleston Industry Council
March 12, 2013

The Charleston Industry Council met Tuesday, March 12, 2013. Here are the highlights of the discussions:

1. **CRA/Sequestration issues:** Chris Miller continues to put out updates as information becomes available. Planning for furlough continues, but the leadership continues to hope it does not need to kick in. Should furloughs be implemented, the command will coordinate their furlough days to ensure they are open all normal workdays. As it stands today, most contractor jobs, including those funded by Mission Funding, will not be impacted by the furlough – unless modifications are issued to reduce the LOE by de-scoping the PWS requirements. Command planning aspects for FY13 3rd and 4th QTR, as well as FY14, will be initiated when more definitive information becomes available upon the Continuing Resolution passing Congressional channels and approvals.
2. **Minimum Guarantees :**
 - a. Minimum guarantees on multiple award contracts will be paid at the end of the contract, including all option periods, unless the minimum guarantee is satisfied through awarded task orders.
 - b. Should a firm not have an option exercised, the guarantee would be addressed at that point in time.
3. **MAC Task Order CONOPS:** The Contracting CONOPS and the Command CONOPS are being worked together. An output of the Command CONOPS becomes an input to the Contracting CONOPS.
 - a. Industry will not have the specific opportunity to comment on the CONOPS. However, as experience is gained, some input may be solicited on a topic by topic basis to see what works and what needs improvement.
 - b. MAC TO training is expected to be completed for 2.0 competency by the end of April. The rest of the command will be trained during May/June timeframe.
4. **Invoicing:** SPAWAR met with SAIC to look at various invoices and processes. The revelation is the information industry typically provides as backup for invoicing through WAWF is inadequate for CORs to review and certify that individual items in the invoice are appropriate. SPAWAR took for action to develop the specific details needed and involve industry in reviewing these requirements. They also provided a checklist they require the CORs to follow

when reviewing the invoices, which is enclosed as an attachment to these minutes.

5. **Latest Pillar Award Schedule:**

- a. BA Preferred – Late March/Early April
- b. BFS Unrestricted - April
- c. DS 8(a) - March
- d. DS Unrestricted - Late March
- e. ICO Unrestricted - May
- f. TCI SBSA - Late March/Early April
- g. TCI Unrestricted - Will be opened up for discussions. Award is at least 90 Days Out

6. **Contracting Priorities:** SPAWAR had advertised since the C5I conference that there is potential to go outside of the primary strategy progression presented below for certain small business requirements where an incumbent does not have a position on a Pillar. This has caused significant conversation and some adjustment to the specific wording as presented. SPAWAR reiterated the approved strategy:

- a. Default method is Pillars
- b. Other Command contracts are looked at next
- c. External contracts (Seaport, ITES, etc) only if internal contracts don't meet requirement
- d. All other avenues will be evaluated on a case by case basis.

SPAWAR had always intended for the progression described above to be utilized when applying their operational concepts toward the pillar contracts. The original wording of the slides causing the concerns, was an effort to comply with DFAR concepts associated with "Consolidation" due to the Navy mandated transition from single award contracts to multiple award contracts. Reconsideration is now being given to more accurately explain DFAR Consolidation and Bundling constraints to relieve the original small business concerns. Additionally, issues concerning competencies (contractor support services and past performance expertise) originally in a specific pillar contract, which are now in different portfolios after reorganizations within SPAWAR were also addressed. Concerns were that industry partners who bid on areas of their past performance and expertise on specific pillar contracts, would not be able to bid on that work after reorganizations shifted the responsibilities to another portfolio. SPAWAR intends to apply the requirements and subsequent new task orders across multiple portfolios associated to the competencies of the contractor support services, based on paragraph 1.2 of the PWS(s) whereby alleviating that concern.

CONTRACTOR INVOICE/VOUCHER REVIEW FORM

DATE	CONTRACT NUMBER	TASK/DELIVERY ORDER NUMBER	CONTRACTOR
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INVOICE NUMBER	INVOICE DATE	PERIOD COVERED/BILLING CYCLE	
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1. The invoice listed above with supporting documentation for services provided under the contract (task/delivery order) listed above was received in Wide Area Workflow on _____

2. Invoice review provided as follows:

ELEMENT REVIEWED
 Services accepted as meeting contract requirements.

Comments/Discrepancies

Labor hours/labor mix rendered are consistent with the services provided.

Comments/Discrepancies

Direct material validated, considered reasonable, necessary and received.

Comments/Discrepancies

Travel validated, considered necessary, and not in excess of JTR (Note: COR to have a process for reviewing travel costs.)

Comments/Discrepancies

Contractor acquired property validated, determined reasonable, and necessary.

Comments/Discrepancies

3. Any issues identified in the invoice review will be documented in writing on this form and forwarded to the Ordering Officer/Contracting Officer. Retain a copy in the COR file.

CONTRACTING OFFICER'S REPRESENTATIVE

For all cost-types, Time and Material (T&M), Labor-Hour services contracts and task orders, the COR will perform Labor Rate and Other Direct Costs (ODC) reviews by comparing and documenting each Invoice submitted by the contractor.

1) Direct Labor - Post Award Tripwire Monitoring: The COR will perform an Actual Labor Rate review for all Cost-Types, T&M, Labor-Hour services contracts and task orders for Product Service Codes (PSC) listed in the USD AT&L memo dated 23 Nov 2010, Taxonomy for the Acquisition of Services, and will report any tripwire metrics identified during the review through the use of the TripWire On-line Reporting Tool.

a. Monitor monthly all fully burdened labor charges in ANY labor category in excess of \$250K per year (\$120.19/hour) which were not originally specified in the contractor's proposal at award.

i) (Y/N) Did any fully burdened actual rates (per person) in any labor category exceed \$250K per year (\$120.19/hour) which were not originally specified in the contractor's proposal. If no, go to paragraph 1b.

(1) How many rates exceeded \$250K during this reporting month?

ii) (Y/N) If any fully burdened actual rates (per person) in any labor category exceed \$250K per year (\$120.19/hour), were these actual rates recorded in the TripWire On-line Reporting Tool.

b. Monitor monthly average actual labor rates, compared to average negotiated labor rates, and will report any tripwire metrics identified during the review through the use of the TripWire On-line Reporting Tool.

i) (Y/N) Did the variation of actual-to-negotiated labor rate averages exceed 15% for this reporting month? If no, go to paragraph 2.

(1) What is the variance? ____%

ii) (Y/N) Did variation of actual-to-negotiated labor rates exceed 20% for more than three consecutive months and, if so, was this elevated to SPAWAR 2.0 or the Field Activity Director of Contracts where applicable?

iii) (Y/N) If the variation of actual-to-negotiated labor rate averages exceeded 15%, was this recorded in the TripWire On-line Reporting Tool.

2) ODC Post-Award Tripwire Monitoring - Monitor monthly the use of ODCs. If the COR requests that ODCs be increased more than 10% of original ODC total (cumulative per given period of performance), the rationale will be documented in this report, signed by the Program Manager (PM) (or equivalent), and will report any tripwire metrics identified during the review through the use of the TripWire On-line Reporting Tool.

_____(Y/N) Will ODCs be increased more than 10% of original ODC total? If no, sign and date memo. Provide to PM and Procuring Contracting Officer (PCO), as required.

a) What is the percentage increase? ____%

b) Document rationale for the increase in ODCs.

c) (Y/N) if the ODC is increased more than 10% of original ODC total, was this recorded in the TripWire On-line Reporting Tool?