



Acquisition Excellence

Monthly newsletter for the Office of the Deputy Assistant Secretary of the Navy for Acquisition Management (DASN(Acq))

Volume II, Issue 3 9 April 2003

DFARS Transformation

Recently, the Director of Defense Procurement and Acquisition Policy launched the second phase of a major USD (AT&L)-directed effort to transform the DoD Federal Acquisition Regulation Supplement (DFARS). The goal of the DFARS transformation is to create a more responsive tool so that acquisition teams can build successful contracts and business relationships. The effort will dramatically change the purpose and content of the DFARS including significant reductions in regulatory burden. A task force will work this phase until 2 May 03, identifying proposals to change the regulation including legislative changes. A follow-on phase will generate and publish proposed rules in the Federal Register. A memo dated 19 Feb 03 requests maximum participation in this effort across the entire acquisition community. A user-friendly web site now provides information on DFARS transformation and a simple method for field acquisition activities to submit ideas and proposals. To visit this website go to: www.acq.osd.mil/dp/dars/transf.htm. To read the memo, see www.acq.osd.mil/dp/dars/Transf_ATLMemo.pdf.

Contractor Cost Data Reports (CCDRs)

In a memo dated 9 Aug 01, ASN (RDA) emphasized the importance of the Contractor Cost Data Reports (CCDR) in developing cost estimates for major weapon systems. CCDRs are DoD's primary means of collecting data on actual costs that contractors incur in developing and producing DoD weapon systems; this data is used to develop cost estimates for new classes of aircraft, missiles, and other systems. Program Managers perform a vital role in providing critical information to support the CCDR process. They submit the CCDR Plan and Work Breakdown Structure (WBS) Dictionary as part of the Cost Analysis Requirements Description. CCDRs are required for most ACAT I contracts and subcontracts; there are exceptions; for additional information see: www.abm.rda.hq.navy.mil/ccdrmemo.pdf.

SADBU Conference

The Annual Department of the Navy Small Business will be holding its annual Training Conference from 6-8 May 03 at the Naval Support Activity Mid-South Conference Center in Millington, TN. The objective of the conference is to build upon the FY02 Small Business Improvement Plan (SBIP), introducing additional tools to assist our acquisition community in striving for FY03 Program success. Distinguished speakers from the Department of Defense, Department of the Navy and other government agencies are invited and various workshops are planned to assist participants in performing their respective roles as members of the acquisition team. Invitations have been sent to Department contracting, program management and small business specialist personnel. Additional conference details regarding registration, lodging, etc., can be found in the small business specialist invitation and conference brochure at www.hq.navy.mil/sadbu/brochure%20PDF.pdf. The registration deadline is 11 Apr 03. For more information, contact Shari Halverson, POC, at (202) 685-6485.



PROGRAM FOCUS: DDG 51/LPD 17 Team

The FY02-05 DDG 51 Class Multiyear Procurement (MYP) contract award in September 02 culminated a two plus year effort. The contract served as the cornerstone for executing the DDG/LPD workload redistribution Memorandum of Understanding (MOU) signed 17 June 02, a first of its kind undertaken. The MOU between the Navy, General Dynamics, Bath Iron Works (BIW), and Northrop Grumman Ship Systems (NGSS) was signed to trade four LPD 17 Class ships planned for construction at BIW for four DDG 51 Class ships or equivalent workload. The purpose was largely two-fold; provide industrial base stability, while realizing cost savings and avoidance for the DDG and LPD Programs. This redistribution initiative, known as the "Swap," is embodied in the FY02-FY05 DDG MYP. As the cornerstone for the Swap, the Navy's 10-ship DDG 51 MYP acquisition spans four years (FY02-FY05). The modified Terms and Conditions (T&Cs) of the DDG 51 MYP contract combined with the tenants of the Swap, allowed the Navy to achieve a highly successful, cost effective acquisition strategy. The strategy maintained the industrial base viability through workload stability with realistic profits and retained competitive pressures. Maintaining the proper balance within the MYP Contract and the Swap was critical to the overall success. Part of the success is attributed to managing risk in acquisition and procurement, rather than avoiding it. Instead of allowing high schedule and cost risks to develop, the Swap was a bold and timely management initiative to control risks and ensure realistic ship prices and schedules were established to avoid future shipbuilding cost increases and schedule extensions. The introduction of commercially available technology has also been a priority of both the DDG 51 and LPD 17 programs. Commercial-off-the-Shelf (COTS) innovations are a part of each ship class. Power distribution components, navigation radars, combat system computers, displays and local area networks are but a sample of COTS employment in these ships. The Swap has removed considerable risk from the LPD and DDG programs and will allow both program offices to devote more attention on further employment of COTS to improve each ship's performance. The DDG 51 and LDP 17 teams partnership with DoD and industry proved to be beneficial because both the MYP and Swap represent the culmination of many months of teaming and effort within DoD and industry. The MYP afforded use of economic order quantity (EOQ) procurements for selected ship systems and material contracts that allow the shipyards to execute joint, bulk purchase of items. The entire effort of the DDG MYP and the Workload Swap was accomplished with full support of the Acquisition Chain of Command. The FY02-05 DDG MYP achieved \$330M savings when compared to annual procurements. This is accomplished largely through the utilization of Advance Procurement to purchase long-lead material, (EOQ) material procurements, greater configuration and workload stability. In addition, DDG 51 Program efforts over the years have generated over \$4.6B in savings and cost avoidance - sufficient to build almost five additional ships. For more information contact Jerry Cantor, POC, at (202) 781-1981.

Upcoming Events

23-24 Apr 03 2003 Acquisition & Logistics Excellence Conference and Trade Show, University of North Florida (UNF), University Center, Jacksonville, FL [jax.acqconf.com/home1.htm]

5-6 May 03 2003 Navy Opportunity Forum, Reston Hyatt, Reston, VA [www.dawnbreaker.com/forums/navy]

6-8 May 03 SADBUs Training Conference, "Acquisition Partners - Strategies for Success", Naval Support Activity Mid-South Conference Center, Millington, TN [www.hq.navy.mil/sadbu/sbsinfo.htm]

For an expanded list of the upcoming events and additional details, visit www.acquisition.navy.mil/events.cfm.

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