

NAVAIR-Industry Summit Executive Summary Report

I. Purpose

The purpose of this paper is to provide an Executive Summary of the full NAVAIR-Industry Summit Report. This summary provides the background leading to the Summit which was conducted on 29 November 2016, and provides an overview of the Summit results.

II. Prologue

NAVAIR has long understood that the Government owns only a part of the Source Selection process and that if it wants to make long lasting effective improvements it would have to work with Industry who owns the other part of the process. As such the NAVAIR Source Selection Office has had a long standing continuous process improvement approach to work with and learn from Industry. As NAVAIR's only process centered office for Source Selection, the Source Selection Office (AIR-4.0E) built the formal source selection process over many years based on lessons learned and its understanding of Industry's needs. One of the Source Selection Office's main focuses has been on efficiently producing an effective Request for Proposal (RFP) that will enable Industry to efficiently produce an effective proposal, resulting in selection of the very best value on schedule. The Source Selection Office has worked with Industry, primarily through the Association of Proposal Management Professionals (APMP) to learn about Industry's needs, turning that knowledge into process improvements. The Source Selection Office has quietly and subtly established a process that addressed common Government and Industry concerns such as consistency between Section L and M, release of Sections L and M as part of the draft RFP, ensuring clear proposal instructions, promulgating effective and straight forward dialogue during the Discussions phase, and providing procurement status during the evaluation. However, no matter how many improvements that have been made, there is still much room for improvement. As such, the NAVAIR Source Selection Office decided it needed to reinvigorate its Industry out-reach and did so through direct contact with industry.

On 4 November 2015, NAVAIR conducted an Industry Day on the Competitive Source Selection process. Industry's interest prompted the initiation of the NAVAIR/Industry Summit. The Summit focused on one type of source selection—major design competitions—to minimize the variability that comes from all types of source selections. However, many of the results from the Summit are applicable to all competitions. Major contractors, consulting firms, and NAVAIR joined to form a working group to establish the topics, establish the format for the Summit, and to select the Industry and NAVAIR executives who would serve as its panel members. The companies that participated in this endeavor were BAE Systems, Boeing, Lockheed Martin, Northrop Grumman, Raytheon, and Rockwell Collins, as well as industry consultants Shipley Associates and Lohfeld Consulting Group. The topics discussed are as follows:

1. Provide early acquisition info/requirements
2. Restricted information exchange with industry
3. Lack of status reporting during acquisition development & evaluation
4. Protests and debriefs
5. Implementation of Value Adjusted Total Evaluated Price (VATEP) Tradeoff

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III. Results from the Summit

At the Summit, each topic was discussed in turn addressing the different Industry and Government perspectives. There was little argument about the desired objectives, but it was found that the Government's responsibility to ensure a fair and consistent process results in procedures that can also frustrate Industry in their attempt to understand the requirement and develop a winning proposal. The challenge is to strike the right balance such that risk acceptable to both parties can be taken to produce a process that will efficiently yield the best value solution for the warfighter. The common denominator in essentially all actions identified during the Summit had to do with communication.

The ability to effectively communicate is marred with contradictions, many of which surfaced during the Summit discussion of each topic. The following statements relate some of the contradictions, while synopsising the focus of the discussion of each topic. (1) Providing acquisition information and requirements early in the process is critical to Industry's ability to effectively develop a best value proposal; but early in the process acquisition strategies and requirements are subject to significant change which can result in significant rework. (2) Holding back information until the Government has high confidence in its information ensures that Industry receives accurate information, but not knowing the churn that may be going on will prevent Industry from providing inputs that could help the Government in stabilizing its requirements. (3) Lack of status reporting by the Government occur when it is unsure of the path ahead or the schedule, however this lack of feedback discourages Industry from applying its limited B&P funds towards the effort. This puts Industry behind the power curve in developing its proposals and minimizes feedback that could facilitate the Government's actions. (4) Protests tend to be the "elephant in the room" that causes the Government to be conservative in its communication with Industry, but that restriction could result in and of itself in a protest. (5) Implementation of DoD's latest initiative, referred to as Value Adjusted Total Evaluated Price (VATEP) Tradeoff, was agreed to be challenging to both Government and Industry, but that challenge could be addressed with early and effective Government –Industry communication that results in a clearly defined set of values.

The overarching action is for a joint Government-Industry action that produces an effective communication plan. However, the specific actions coming from the Summit resides primarily with NAVAIR to explore improvements in its policy, ways of reducing implementation variability, and improvements in its training. NAVAIR intends to update its Source Selection Instruction 4200.39C as needed. NAVAIR will implement those actions that appropriately balance the Government's and Industry's needs.

The full Summit Report explores some of the best practices that Industry has seen and related the challenges regarding each topic in more depth than described herein. The full report also provides the list of Summit actions as Appendix A. That list is repeated below.

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APPENDIX A – SUMMIT ACTION LIST

As the owner of the procurement process as well as an important contributor to the NAVAIR/Industry Summit panel's recommendations (Section 3, Figure 2), NAVAIR is now charting the best course of action. The Summit action items shown in Figure A-1 are steps that NAVAIR may pursue to achieve high-value improvements in competitive procurement communications.

Figure A-1. Summit Action Items. *NAVAIR moves to transform the Summit's vision of vibrant competitive procurement communications into reality.*

Action Items for NAVAIR Consideration
1. Address the RFI process in a revision to the NAVAIR Source Selection instruction.
2. Explore enhanced methods and benefits of performing Industry days (e.g., virtual Industry days).
3. Explore ways of maintaining an "open door" policy from Sources Sought RFIs through issuance of Final RFP, such that industry can have direct communication with the subject matter experts and program managers about upcoming procurements.
4. Assess policies toward release of early information (e.g., draft acquisition strategy, AoAs, ICDs, CDDs) and determine if and when they can be released to Industry. Look at changing policy and/or practice to release earlier and more frequently.
5. Investigate changes in policy for requiring MDA review before final RFP release. This would allow the procuring agency (in cases where the MDA is outside of NAVAIR) to be the RFP release authority vice higher levels of authority within ASN or OSD.
6. Consider revising the NAVAIR Source Selection Instruction to lower the threshold at which Draft RFPs with Sections L&M and pre-solicitation conferences are required from the current \$250M.
7. Explore ways of providing draft Sections L&M or outlines earlier in the process.
8. NAVAIR to organize meeting of PCOs to discuss the process and policy of when and how communication with industry occurs prior to final RFP release. <ol style="list-style-type: none">Review training and guidance with regard to the PCO's judgment on how and when to ensure information is shared without stifling communication.Take action to ensure consistency across NAVAIR's contracts workforce.Address the PCO's responsibility to keep industry informed of the RFP release and evaluation schedule/status.Discuss ways of ensuring that PCOs are providing status on a consistent basis.
9. Update NAVAIR source selection instruction to emphasize that it is the PCO's responsibility to keep industry informed of RFP release progress and evaluation status.
10. Consider posting a timeline with key dates that form a critical path to RFP release and updating with planned vs actual dates.
11. Explore ways to ensure the NAVAIR best practices are applied uniformly across program offices and contracting offices.
12. Explore enhanced methods and benefits of debriefing unsuccessful offerors (e.g., Air Force Extended Debrief approach).
13. Develop a "NAVAIR Acquisition Communication Plan with Industry."
14. Develop and implement a procurement metric to measure competitive procurement activity's use of best practices and measure the effectiveness of those practices.