

National Association of Ordnance Contractors (NAOC)

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Military Munitions Support Services Webinar Series

Characterization

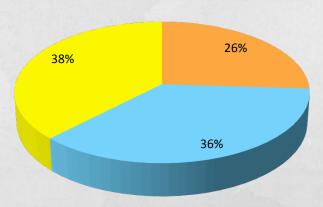
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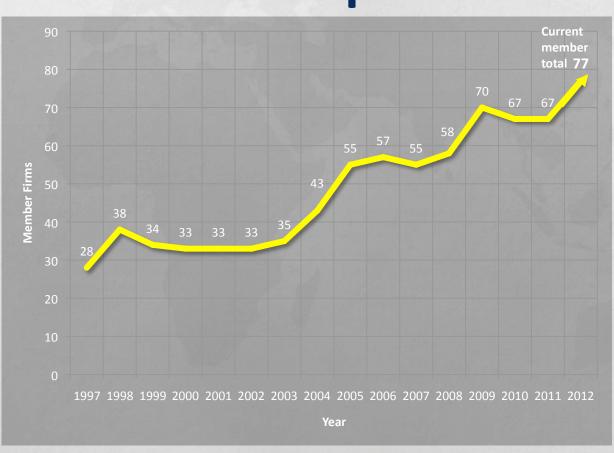
NAOC is the industry trade association representing companies who perform munitions response and related services including:

- Site characterization and remediation
- Engineering and geophysical services
- Technology development
- GIS mapping
- Laboratory analysis
- Equipment sales
- Personnel training and management

NAOC Membership



- Large Firms (greater than 500 employees)
- Small Firms (less than 500 employees)
- Very Small Firms (less than \$5M annual revenue)





Strategic Objectives

- Increase program funding levels to improve opportunities for NAOC members
- Enhance membership benefits
- Collaborate in the development and application of technology, guidance, and regulations
- Achieve global recognition for munitions response services





Initiatives at a Glance

- Capitol Hill Fly-in and Spring Meeting
- Annual Membership Meeting
- Technical document reviews and feedback
- Technology transfer and training
- Industry event coordination and participation
- International recognition
- Department of Defense (DoD) Partnering





DoD - NAOC Partnering

- Regularly held meetings over last 5 years
- Evolved from a PBA focus to open discussions related to achieving DoD's cleanup goals
- Has included participation from OSD, DASA, ACSIM, AEC, USACE, NAVFAC, AFCEC, NGB
- Important for continued information sharing and understanding program execution requirements



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Industry Perceived Risks

- Documented industry concerns with PBA language and processes
- Included elements associated with site characterization
- Acknowledged by DoD
- This collaborative effort has resulted in numerous positive changes to PWSs and other bid documents!

NAOC - USACE - AEC Partnering Session Action Item: Industry Perceived Risks

The NAOC appreciates the opportunity to provide an industry perspective on the perceived risks identified when proposing on Performance-based Acquisitions (PBA) and Task Orders (TO), which includes a risk evaluation of project execution. Our enclosed response discusses the risk evaluation process that occurs at the management level prior to and during proposal preparation, as well as provides examples of how the current proposal process, PWS language, and project execution increases risk to the contractors, especially under firm fixed price (FFP) awards

Risk Evaluation/Risk Management Process

In making the decision of whether to propose on a contract or Task Order, many companies implement a risk review or risk management process. The actual mechanics of the process vary between companies, but the objective is the same - to balance financial, safety, and quality risks associated with a given contract/project. The following is a general outline of this process

- The RFP/PWS is received/reviewed by technical personnel
- The RFP/PWS is evaluated to answer questions such as:
 - Do the requirements align with company capabilities?
 - Can the project be successfully executed with current resources?
 - Can the project be successfully executed within the proposed schedule?
 - o Are there adequate resources to prepare a "winning" proposal that is technically
- Will insurance be part of the submittal, required by the RFP or desired by the
- Does the proposal schedule allow adequate time for due diligence and to prepare a "winning" proposal that is technically and financially sound?

 The proposal, whether drafted or conceptual, is then presented to Senior
- Management/Risk Review Committee, who performs an analysis and determination for the final "bid" / "no bid" decision, as well as pricing perspectives
- The following items can influence how Senior Management/Risk Review Committees perceive and/or evaluate risk:
 - o Language for performance-based FFP contracts/TOs, such as:
 - "the contractor is responsible for any/all...
 - "the contractor is responsible for unknown or unforeseen.
 - "the contractor is responsible for offsite contamination..."
 - "the contractor must achieve regulator buy-in"
- Are there adequate mitigation strategies/contingencies for "what if" scenarios. such as what if the anomaly density is greater, what if unanticipated munitions are encountered, what if the area of contamination is greater than originally defined, what if the historical documents are incomplete or inaccurate, what if the regulator does not accept the methodology or outcome.
- Does the size of the project allow some of the risks to be balanced by opportunity

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Current Considerations - Contracting

- Number of sites and remedial investigation phase progress
- Early notification of potential contract actions when possible
- Access to site-specific information prior to or early in the proposal process
- Identification of site goals and objectives
- Unit pricing considerations
- Importance of debriefs following contracting actions





Current Considerations – Project Delivery

- Flexibility for reasonably anticipated site conditions and uncertainty
- Improvements with workforce education (DoD, regulators, and contractors)
- Variability between contracting centers on data needs and requirements
- Consistency for munitions constituents sampling
- Applicability of geophysical classification
- Concerns over increasing geophysical reporting needs to achieve acceptance

Next Steps

- Continue our partnering efforts and dialogue
- Reflect upon our accomplishments to identify areas that need further consideration for future phases of work
- Continually improve RFPs, share lessons learned, and work toward a common objective
- Facilitate approaches for conducting debriefs for all contracting actions to benefit the Government and contractor
- Explore ways to interact in person and continue to participate in web-based meetings and professional development opportunities
- Discussions on how to achieve future phases of work (RIP, RC) while balancing risk for the Government and contractor



Points of Contact

http://www.naoc.org/index.cfm/contact-us

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