Navy Industry Leadership Meeting

20 Sept 2018

Presented to:

Navy & Industry Ship Repair and Modernization Leadership

Presented by:

CAPT Neville

Director of Contracts

Commander, Navy Regional Maintenance Center (CNRMC)

NAVSEA
NAVAL SEA SYSTEMS COMMAND

NAVSEA
NAVAL SEA SYSTEMS COMMAND
THE FORCE BEHIND THE FLEET

Navy Industry Leadership Meeting Agenda

Time	Topic	Speaker	Objective
1130-1200	**Seating**	MAC Attendees	
1200-1245	**Welcome/Port Workload Overview**	CAPT Tommy Neville CDR Oscar Moreno	**Objective:** Discuss the current/future workload in all ports
1245-1315	**30-Year Workload Forecast**	Mr. Tom Gallagher	**Objective:** Provide overview of the 30 year workload forecast for Maintenance and Modernization
1315-1415	**PSO/PSI Update**	CDR Mike Violette PSI Leads	**Objective:** Discuss the status of progress on PSI Topics Discuss the status of progress on PSO Topics
1415-1500	**Acquisition Strategy Update**	CAPT Tommy Neville Mr. Evan Littig	**Objective:** Discuss the current progress on acquisition strategy update
1500-1600	**Workforce Update from Industry**	Mr. Joe O'Conor	**Objective:** Discuss industry's initiative to train and provide a stable work force Industry to provide updated workforce capacity by port
1600-1630	**Questions and Answer Session**	All Participants	**Objective:** Question and answer session
1630-1700	**Meeting Wrap up and Action Item Review**	CAPT Tommy Neville	**Objective:** Meeting wrap up and action item review
1700	**Adjourn**		

Port Workload Forecast

20 Sept 2018

Presented to:

INDP attendees

Presented by:

CDR Oscar Moreno

Director of Finance, Navy Regional Maintenance Center (CNRMC)

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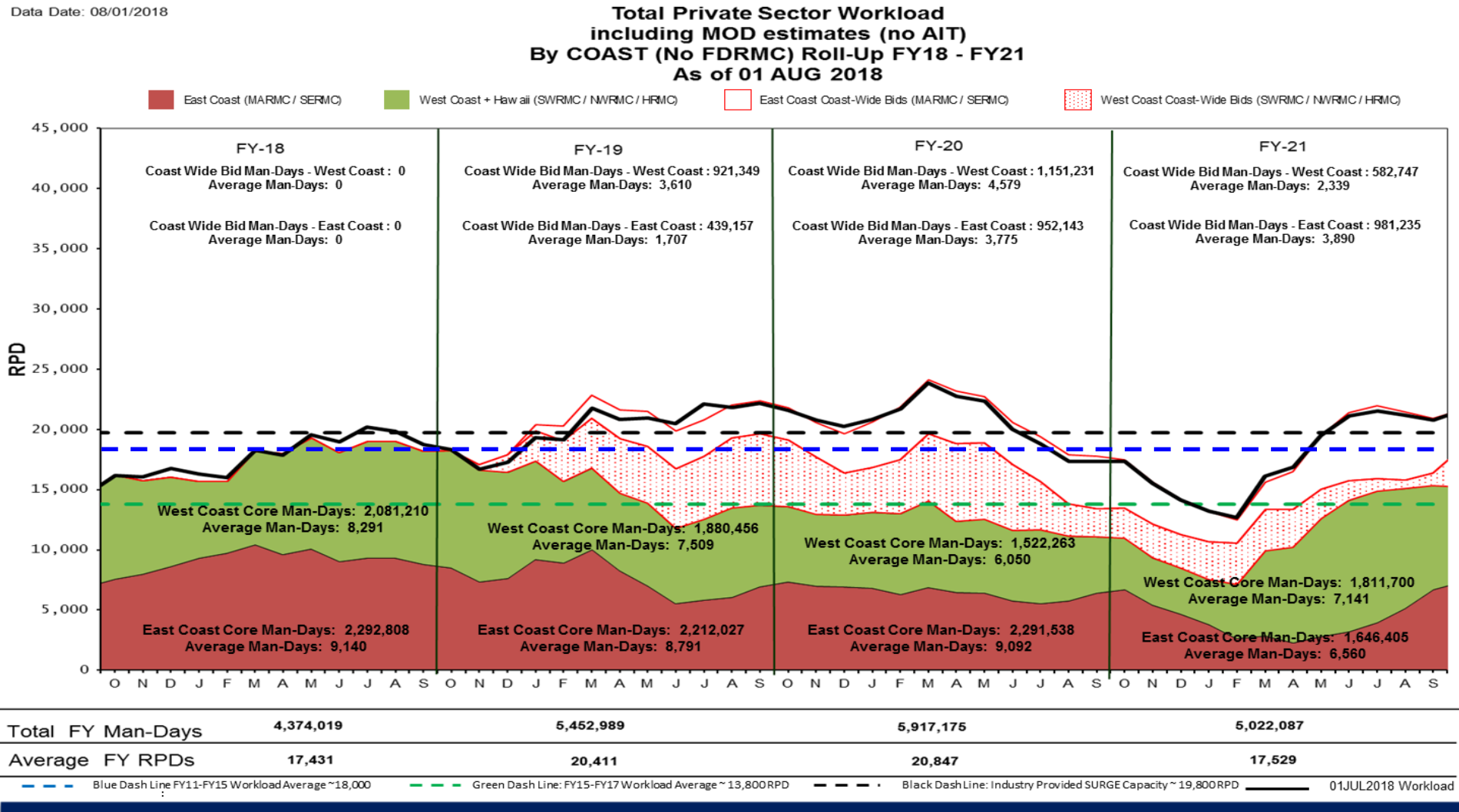
NAVAL SEA SYSTEMS COMMAND

MARMC / SWRMC / SERMC / NWRMC / HRMC / SRF-JRMC Total Private Sector Workload Estimate including MOD estimates (no AIT) FY18 - FY21 as of 01 AUG 2018

(POM 20 Data)

Total Private Sector Workload

Data Date: 08/01/2018



Total FY Man-Days	4,374,019	5,452,989	5,917,175	5,022,087
Average FY RPDs	17,431	20,411	20,847	17,529

Blue Dash Line FY11-FY15 Workload Average ~18,000 — Green Dash Line: FY15-FY17 Workload Average ~ 13,800 RPD — Black Dash Line: Industry Provided SURGE Capacity ~ 19,800 RPD — 01JUL2018 Workload

EXECUTING 50 CONUS SURFACE SHIP CNO AVAILABILITIES
100+ ships in Advance Planning / Planning Phase

01 AUG 2018

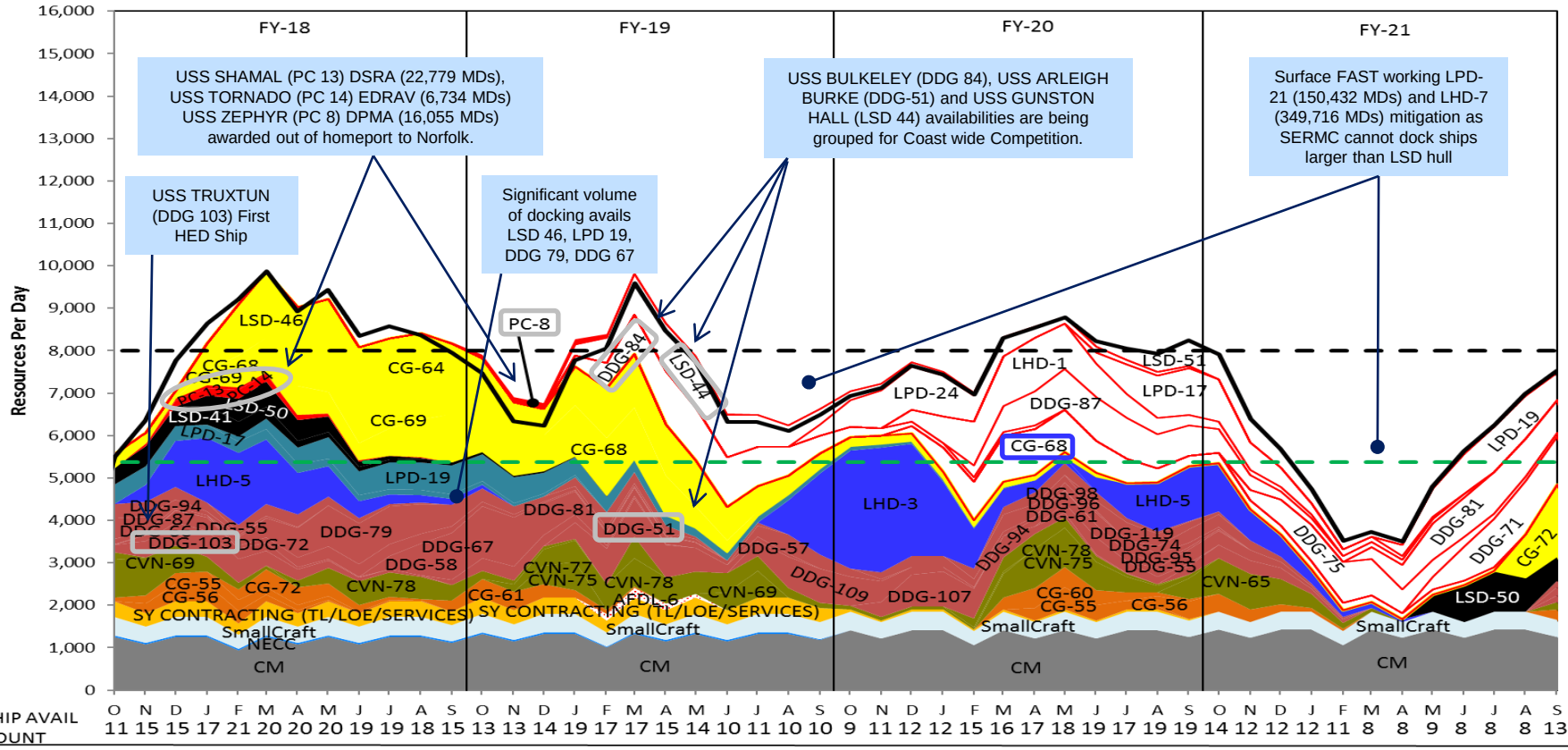
MARMC Private Sector
Workload Forecast with MOD estimates (no AIT) FY18 - FY21
as of 01 AUGUST 2018

Workload Color Legend: CM, Small Craft, NECC, S/Y Contracting, AFDL, CG, CVN, DDG, LHD, LPD, LSD, PC, CG / LSD Modernization Program, Coast-Wide Contracting Strategy (CWB), CG / LSD Mod Program (CWB)

Green Dash Line 3-Year Historical Workload Average=5,368 RPD — Black Dash Line: Industry Provided SURGE Capacity = 8,000 RPD — 01JUL2018 WORKLOAD

MARMC Private Sector
Workload Estimate with MOD (no AIT) FY18-21
Baseline as of 01 Aug 2018

Date: 08/01/2018



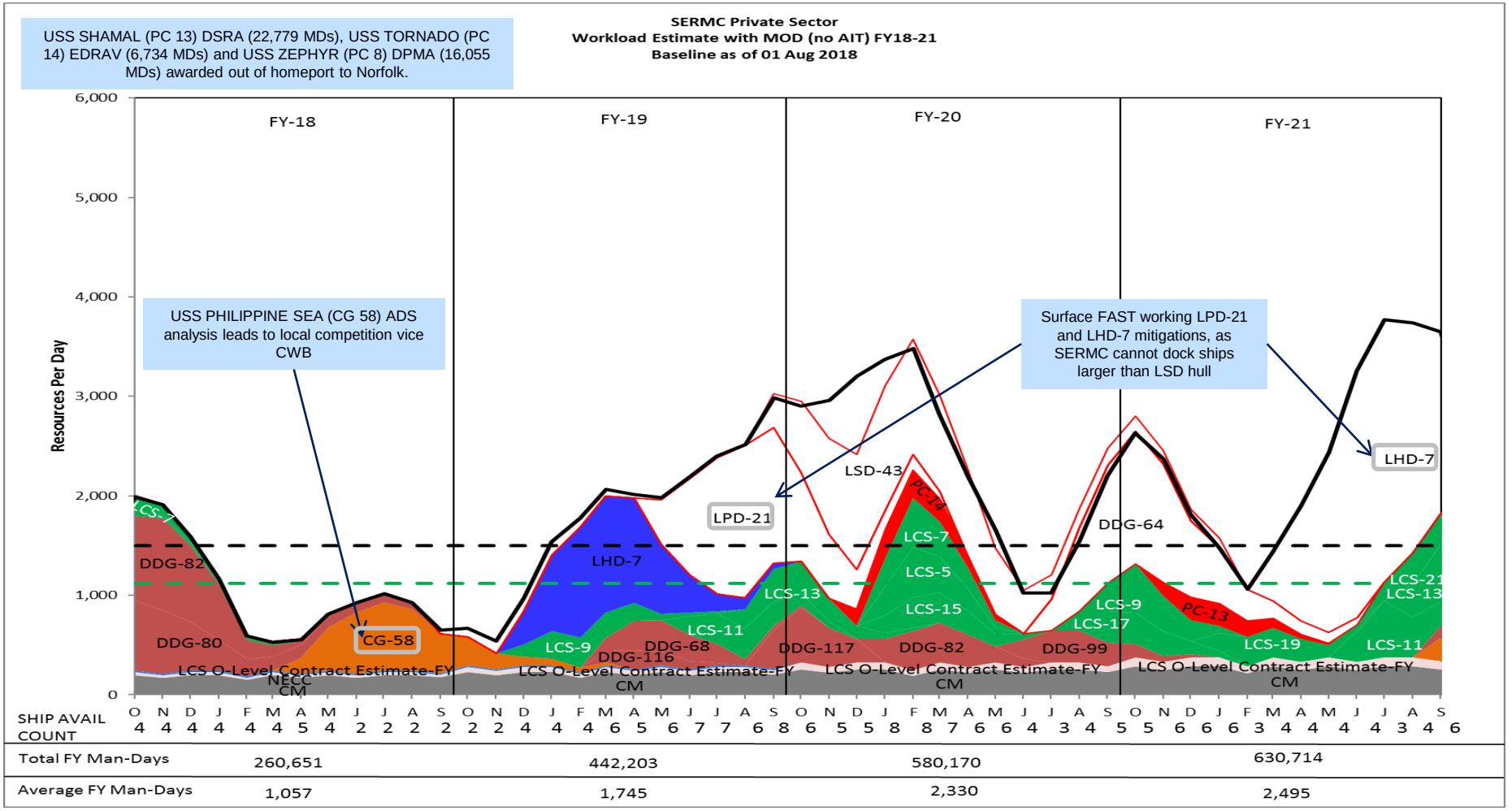
	FY-18	FY-19	FY-20	FY-21
Total FY Man-Days	2,032,158	2,208,981	2,663,511	1,996,925
Average FY Man-Days	8,083	8,754	10,537	7,955

Man-day Totals and Averages now include Coast Wide Bids

SERMC Private Sector
Workload Forecast with MOD estimates (No AIT) FY18 - FY21
as of 01 AUGUST 2018

Workload Color Legend: CM, NECC, O Level, CG, DDG, FFG, LCS, LHD, LPD, LSD, PC, CG / LSD Modernization Program, Coast-Wide Contracting Strategy (CWB), CG / LSD Mod Program (CWB), Green Dash Line 3-Year Historical Workload Average = 1,121 RPD, Black Dash Line: Industry Provided SURGE Capacity = 1,500 RPD, 01JUL2018 WORKLOAD

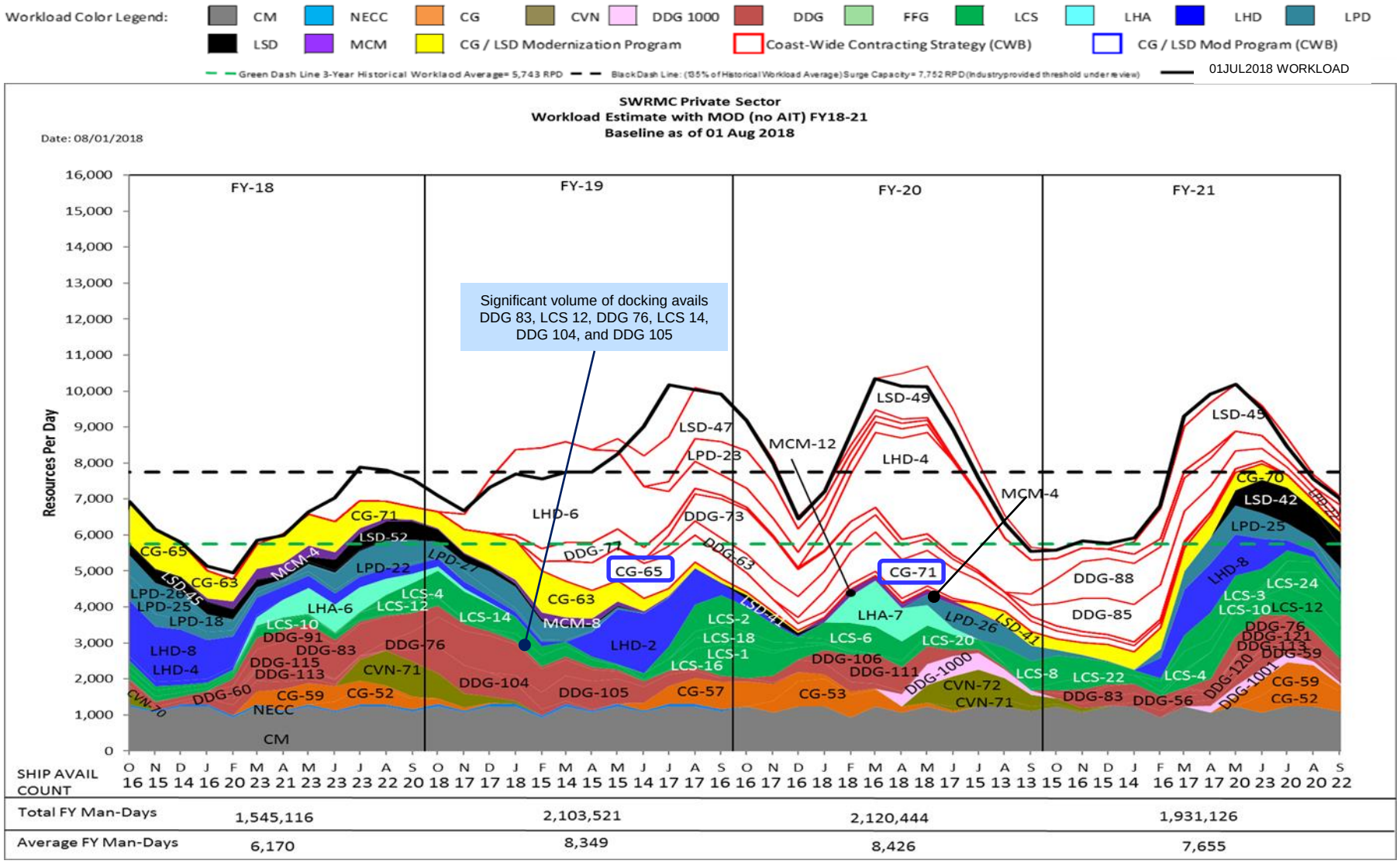
USS SHAMAL (PC 13) DSRA (22,779 MDs), USS TORNADO (PC 14) EDRAV (6,734 MDs) and USS ZEPHYR (PC 8) DPMA (16,055 MDs) awarded out of homeport to Norfolk.



	FY-18	FY-19	FY-20	FY-21
Total FY Man-Days	260,651	442,203	580,170	630,714
Average FY Man-Days	1,057	1,745	2,330	2,495

Man-day Totals and Averages now include Coast Wide Bids

SWRMC Private Sector
Workload Forecast with MOD estimates (No AIT) FY18 - FY21
as of 01 AUGUST 2018



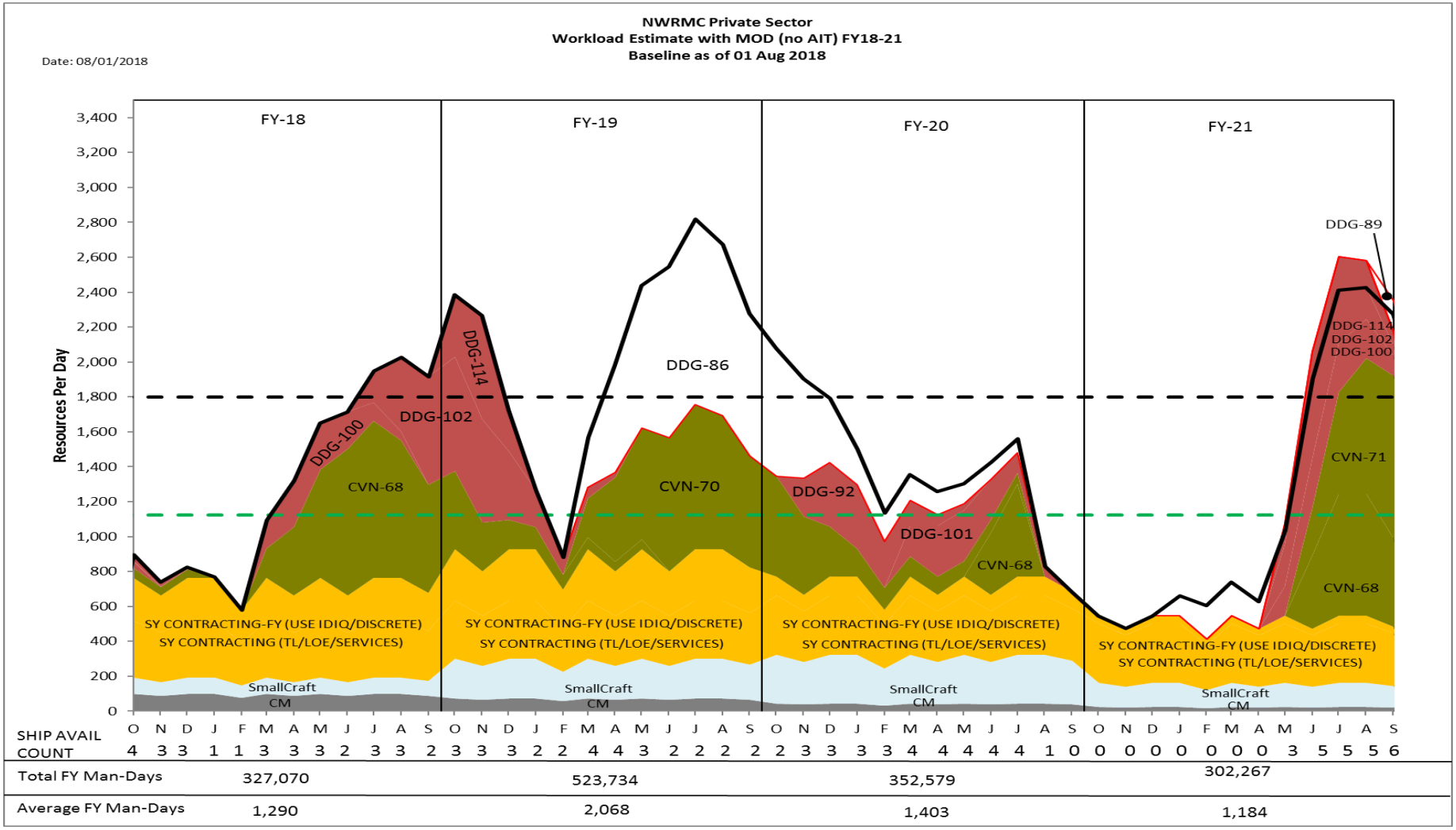
	FY-18	FY-19	FY-20	FY-21
Total FY Man-Days	1,545,116	2,103,521	2,120,444	1,931,126
Average FY Man-Days	6,170	8,349	8,426	7,655

Man-day Totals and Averages now include Coast Wide Bids

NWRMC Private Sector
Workload Forecast with MOD estimates (No AIT) FY18 - FY21
as of 01 AUGUST 2018

Workload Color Legend: CM | Small Craft | S/Y Contracting | CVN | DDG | Coast-Wide Contracting Strategy (CWB)

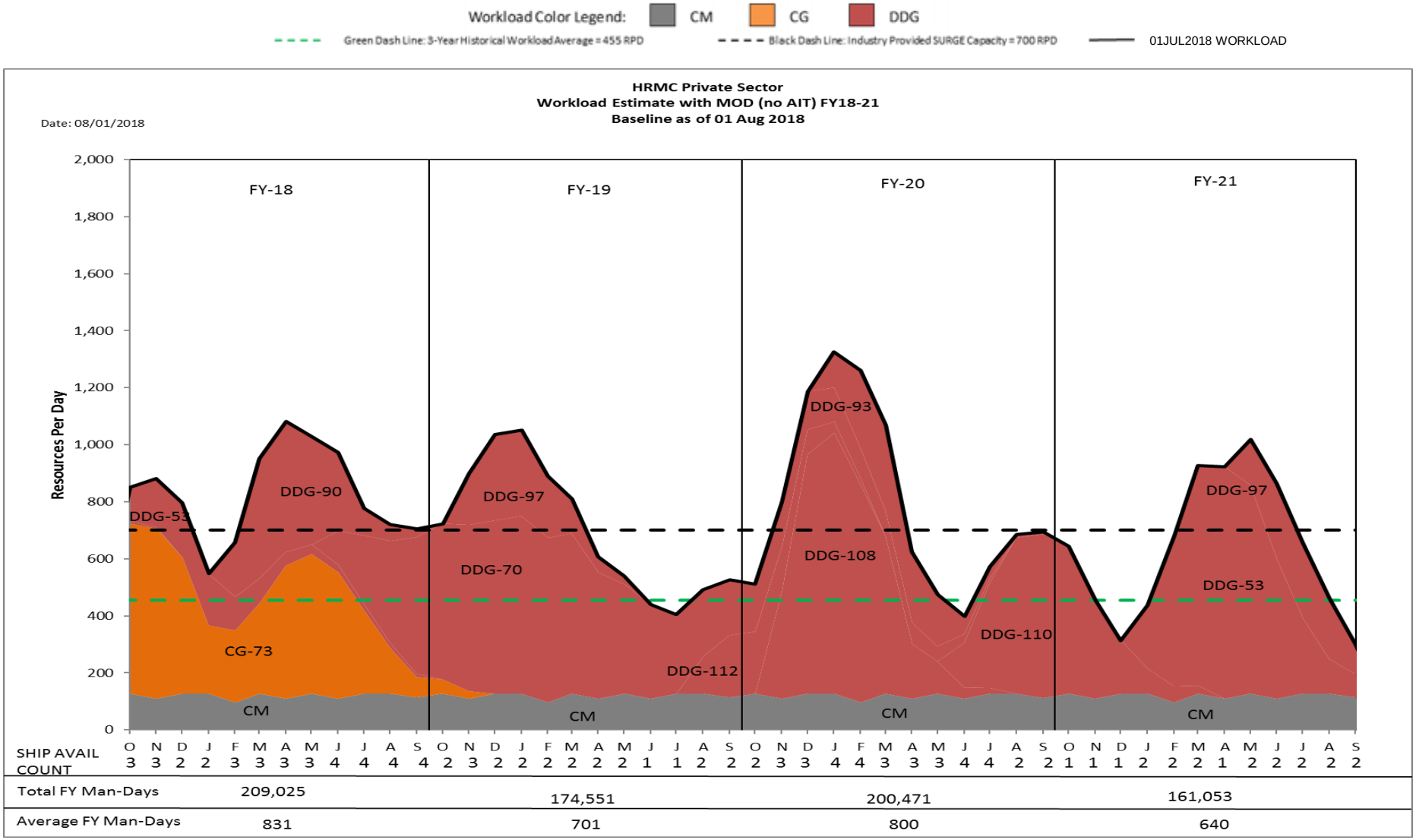
Green Dash Line 3-Year Historical Workload Average = 1,124 RPD — Black Dash Line: Industry Provided SURGE Capacity = 1,800 RPD — 01JUL2018 WORKLOAD



	FY-18	FY-19	FY-20	FY-21
SHIP AVAIL COUNT	O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S 4 3 3 1 1 3 3 3 2 3 3 2 3 3 3 2 2 4 4 3 2 2 2 2 2 3 3 3 3 4 4 4 4 4 1 0 0 0 0 0 0 0 0 3 5 5 5 6			
Total FY Man-Days	327,070	523,734	352,579	302,267
Average FY Man-Days	1,290	2,068	1,403	1,184

Man-day Totals and Averages now include Coast Wide Bids

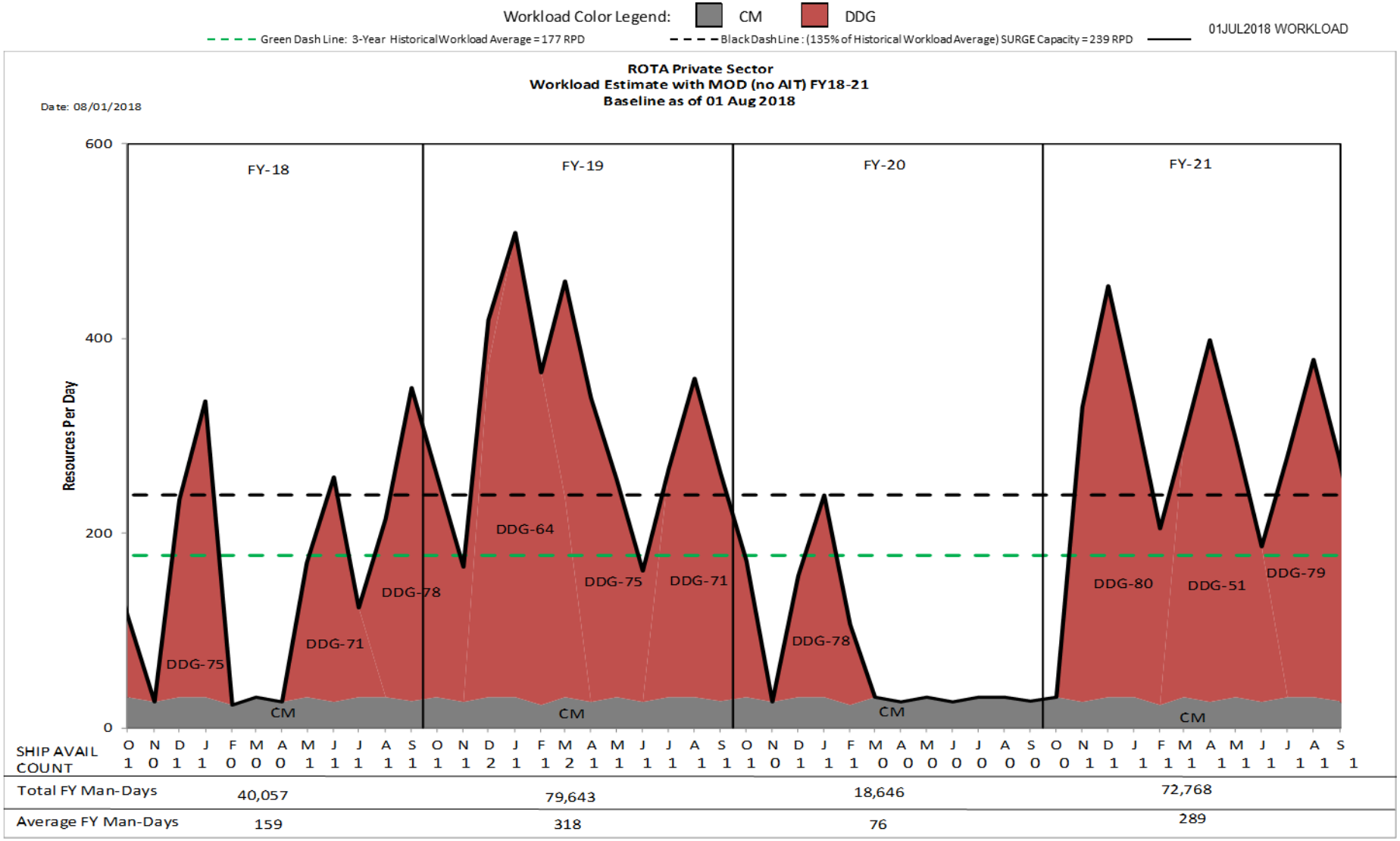
HRMC Private Sector
Workload Forecast with MOD estimates (No AIT) FY18 - FY21
as of 01 AUGUST 2018



Total FY Man-Days	209,025	174,551	200,471	161,053
Average FY Man-Days	831	701	800	640

Man-day Totals and Averages now include Coast Wide Bids

FDRMC - ROTA
Workload Forecast with MOD estimates (No AIT) FY18 - FY21
as of 01 AUGUST 2018



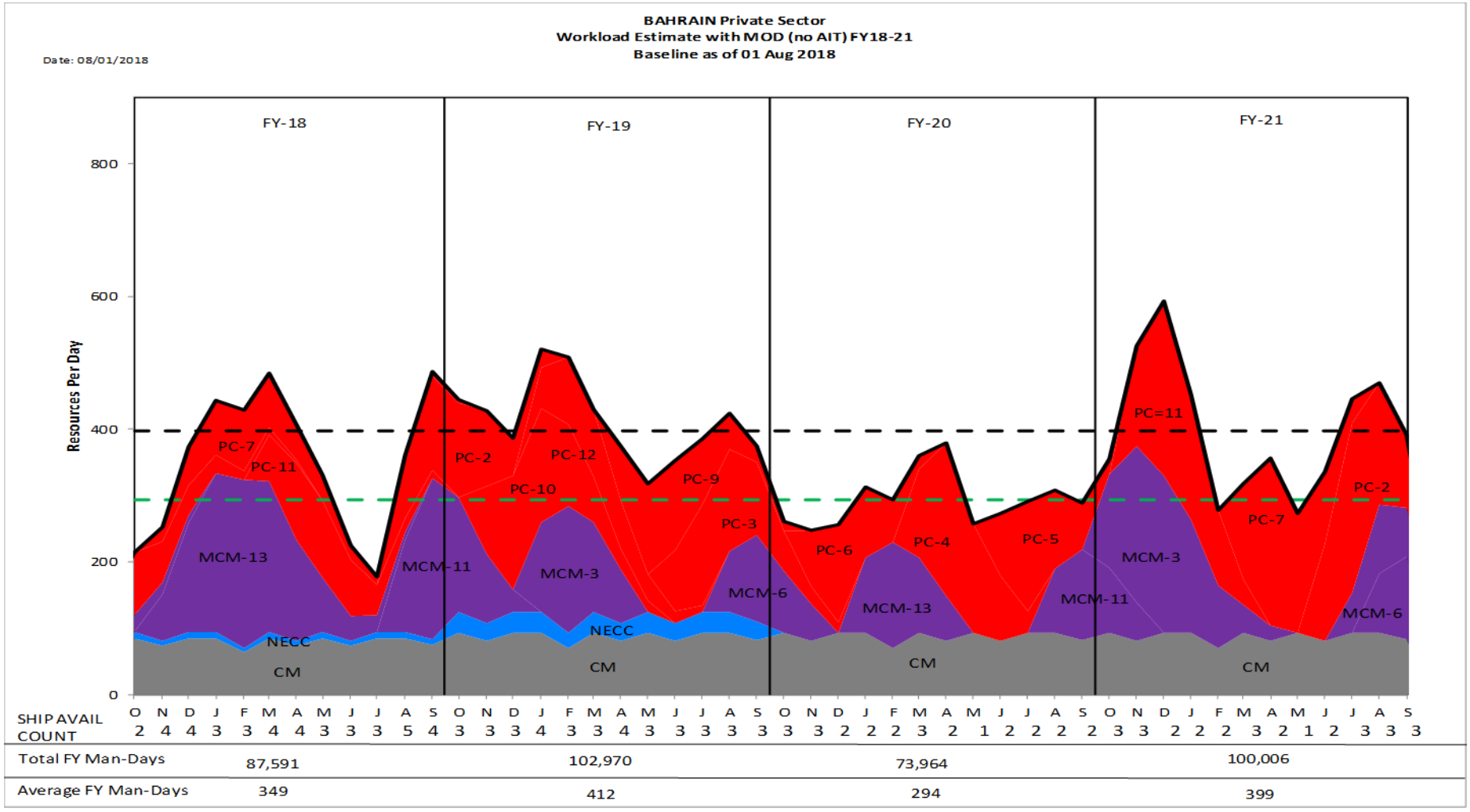
	FY-18	FY-19	FY-20	FY-21
Total FY Man-Days	40,057	79,643	18,646	72,768
Average FY Man-Days	159	318	76	289

Man-day Totals and Averages now include Coast Wide Bids

FDRMC - BAHRAIN
Workload Forecast with MOD estimates (No AIT) FY18 - FY21
as of 01 AUGUST 2018

Workload Color Legend: CM NECC MCM PC

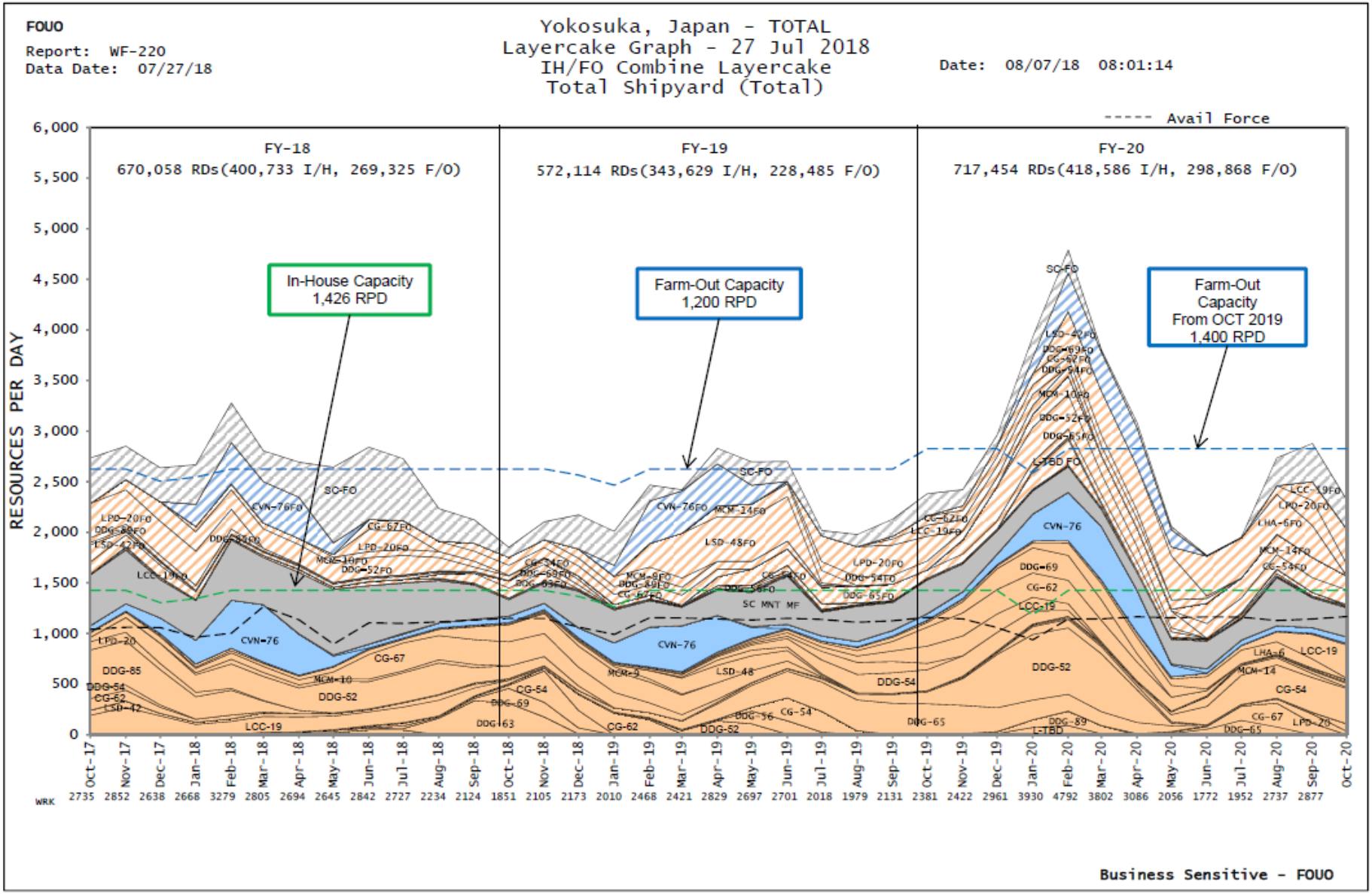
Green Dash Line 3-Year Historical Worklaod Average = 294 RPD — Black Dash Line: Industry Provided SURGE Capacity = 397 RPD — 01JUL2018 WORKLOAD



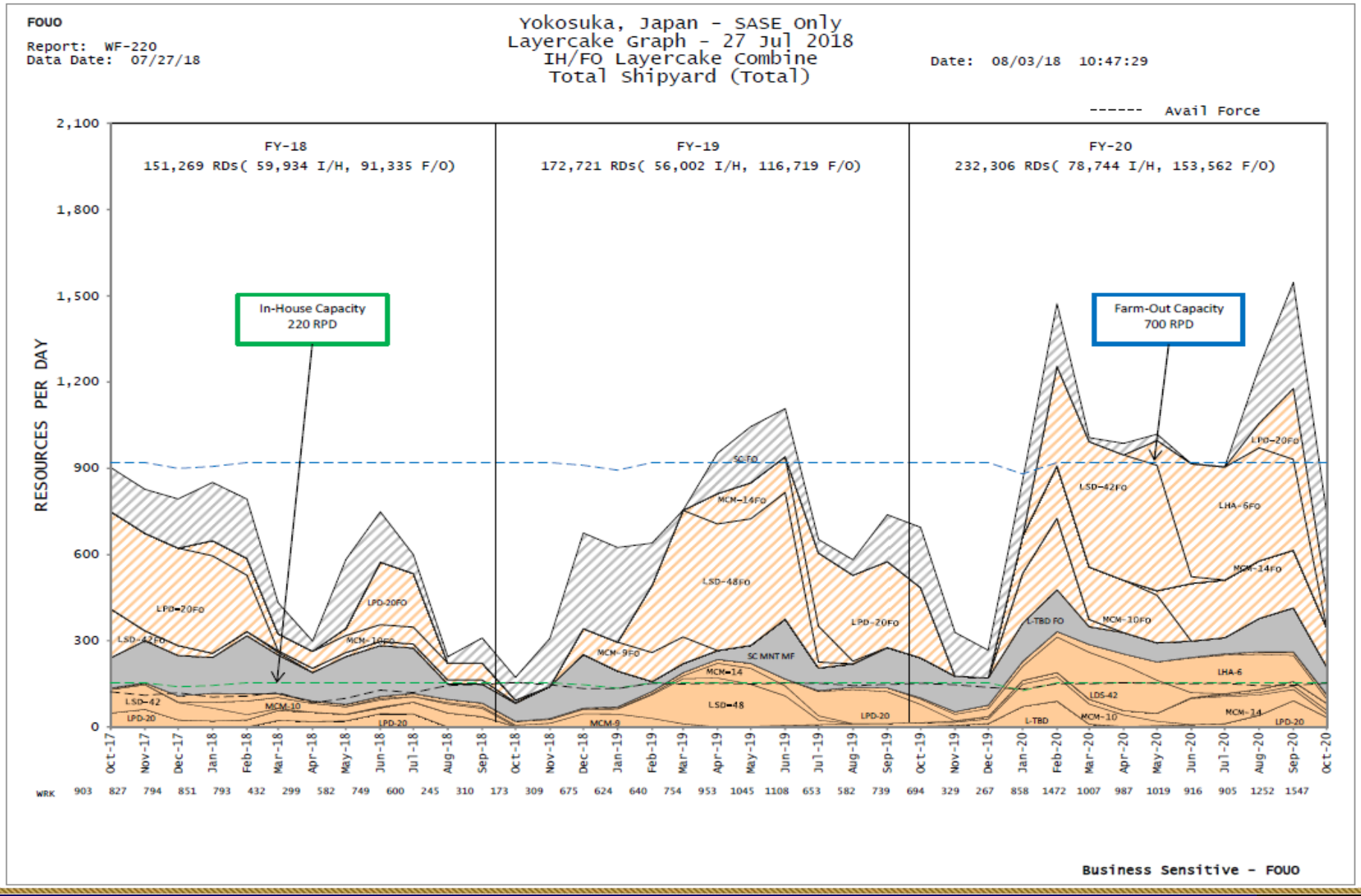
	FY-18	FY-19	FY-20	FY-21
Total FY Man-Days	87,591	102,970	73,964	100,006
Average FY Man-Days	349	412	294	399

Man-day Totals and Averages now include Coast Wide Bids

SRF-JRMC YOKOSUKA
Workload Forecast with MOD estimates (no AIT) FY18 - FY21
Source – SRF-JRMC 10JUL2018 WARR



SRF-JRMC SASEBO
Workload Forecast with MOD estimates (no AIT) FY18 - FY20
Source – SRF-JRMC 10JUL2018 WARR



Questions & Open Discussion

Pre-decisional

30 Year Workload (2019-2048) – Maximum Service Life (MSL) Update

DATE: 20 Sep 2018

PRESENTED TO:

INDP attendees

PRESENTED BY:

Tom Gallagher

Deputy Director

Surface Maintenance Engineering Planning Program

Pre-decisional

NAVSEA

NAVAL SEA SYSTEMS COMMAND

Assumptions – PB19 SBP (Page 1)

Pre-decisional

- New classes are integrated based on the PB19 30-year Shipbuilding Plan (SBP) schedule
- Workload data includes the following, by hull where available:
  - SURFACE CNO Availabilities, CONUS and FDNF
  - Modernization, specifically Program Alterations, attached to CNO availabilities
  - Continuous Maintenance (CM)
  - OTHER: Shipyard Contracting overflow, covering things like NECC, Support Services/Level-of-Effort, Small Craft maintenance, and LCS O-Level maintenance
  - Post-Shakedown Availabilities (PSA) as ships enter active service
  - Aircraft Carrier (CVN) private workload requirements
  - Habitability workload, attached to CNO availabilities
- Schedule Adjustments
  - For years beyond FYDP, simulated FAST process of shifting availabilities to level workload in the port(s)
  - No schedule-based technical requirements were violated (e.g. 10-year dock cycle)

Assumptions – PB19 SBP (Page 2)

Pre-decisional

- **Where available, notional requirements applied to future workload (beyond POM 20)**
  - **Requirements applied monthly based on the availability dates**
  - **Used a smoothing function to simulate work flow from peak to lower workload months (6-month rolling average, using 2 months prior, current month, and 3 months forward)**
- **New class requirements modeled after closest current classes, if not already developed, plus aging where applicable:**
  - **FFG(X), approximated using DDG 51 (size), with a unique avail cycle**
  - **LXR ships are a variant of, and therefore based on, LPD 17, with same operational schedule**
  - **LSC, approximated using CG 47 (size)**
  - **SSC approximated using LCS 2, based on expected size**
- **Categories of data that was modeled due to its non-availability, and basis for modeling:**
  - **Modernization & Habitability. Modeled using FY19-FY21 requirements from POM 20 Ship Sheets as basis, developed factors based on ship class and availability type (Dock, Non-Dock)**
  - **OTHER. Modeled using average workload from CNRMC May 2018 (FY18-FY25) workload charts, with consideration when it depended on other factors (e.g. LCS O-Level requirements)**
  - **CVN. Modeled using average of CVN annual requirements from CNRMC workload charts**

Assumptions – PB19 SBP (Page 3)

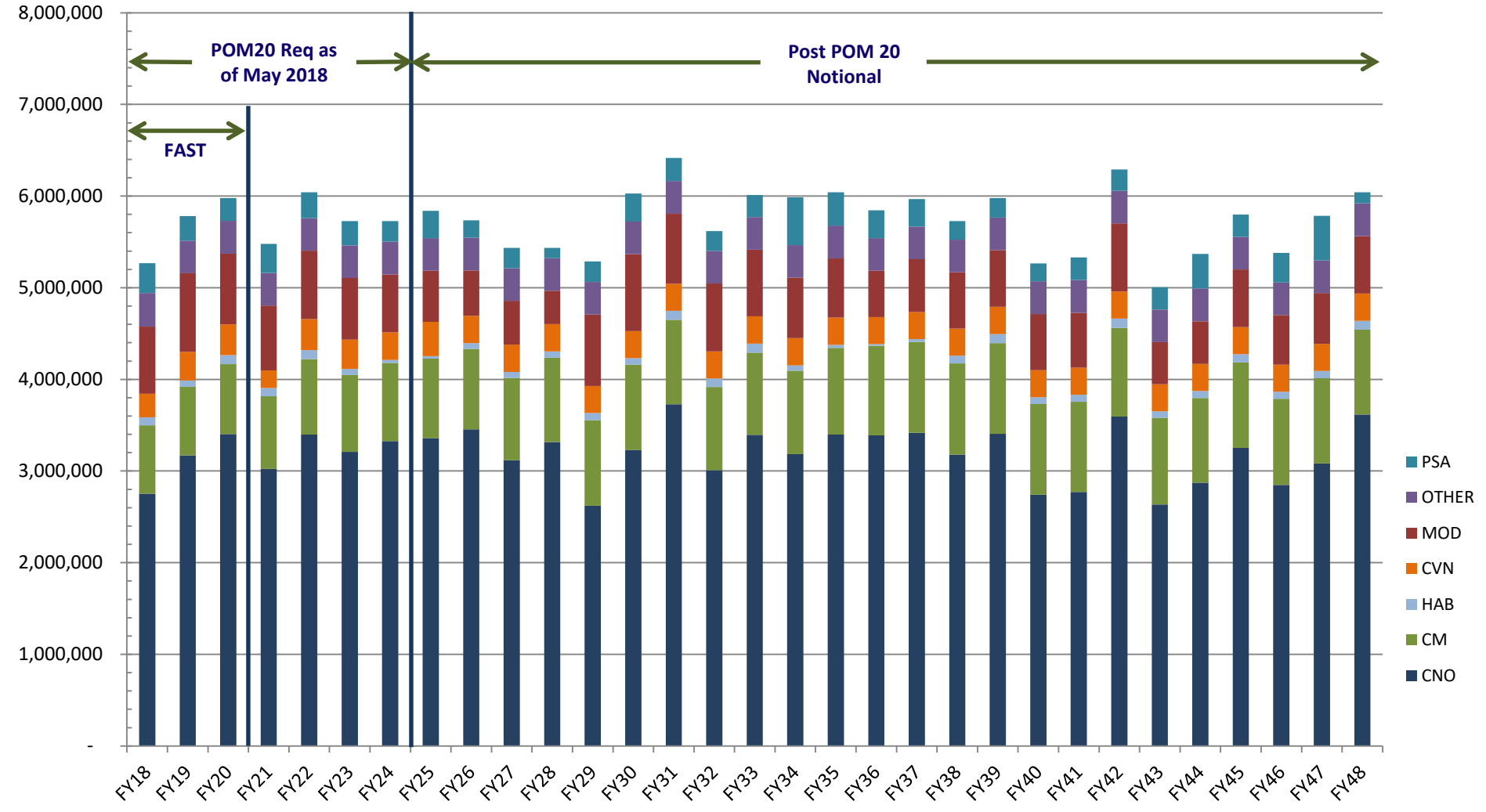
Pre-decisional

- **The maintenance data in this study includes the proposed PB19 SBP force structure from 2019-2048, with the following caveats/ adjustments:**
  - **POM 20 CNO Availability schedule (Jan 2018)**
  - **DON 20 Rev B1 (June 2018) schedule adjustments (mostly affecting FY20)**
  - **DDG 51 Class Service Life Extension to 45 years**
  - **Notional size, durations, and intervals of CNO availabilities beyond the POM 20 FYDP (POM 20 OPNAVLTR 4700 – May 2018)**
- **Future updates of this work, building toward the planned PB20 Ship Repair and Maintenance Plan project, include:**
  - **LHD/LHA TFP Rev. A**
  - **DON 20 (FY19 WLA) CNO Availability schedule (FY19-FY26)**
  - **Adjustments to service life extension plans as dictated by appropriate authority**

TOTAL Worldwide Annual Workload – No MSL

Pre-decisional

Private Sector Workload, Non-Nuclear – Man-Days

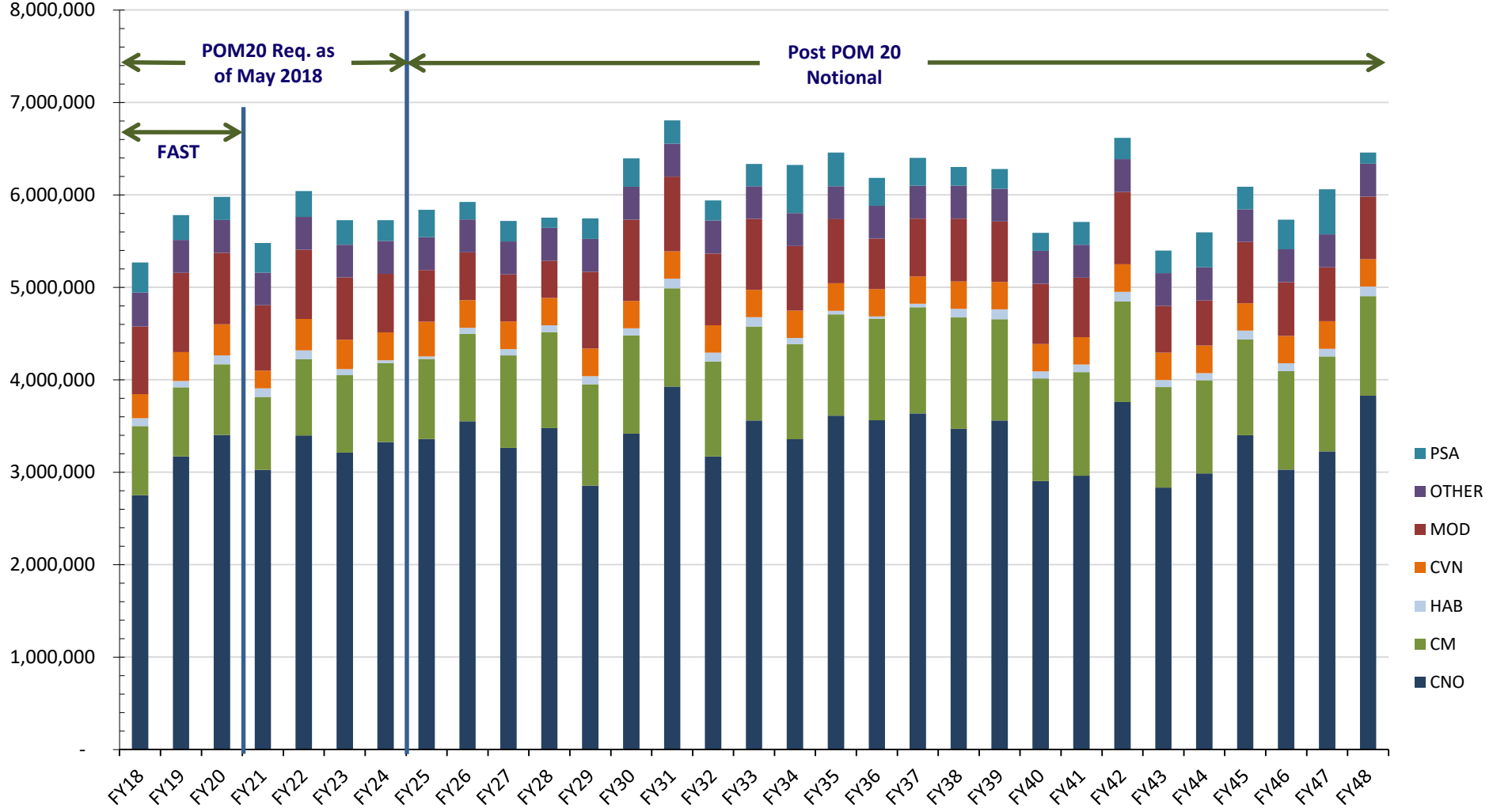


PB19 30 Year SBP requires 22,340-24,860 RPD

TOTAL Worldwide Annual Workload – MSL

Pre-decisional

Private Sector Workload, Non-Nuclear - Man-Days (MSL)



PB19 30 Year SBP with MSL requires 23,350-25,990 RPD

Questions & Open Discussion

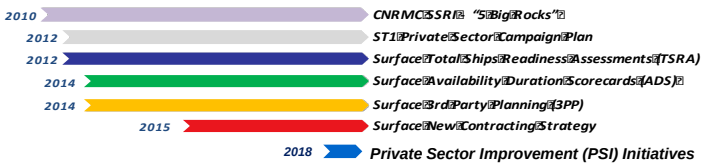
Private Sector Optimization

20 September 2018

Presented by:

CDR Michael Violette

Building the PSI & PSO Roadmap –
Private Sector Improvements & Optimization



January 2018 | February 2018 | March 2018 | April 2018 | May 2018.....July 2018.....Sep 2018 | 2019 | 2020

Solicit NSI inputs

SEA 00 Guidance to RMC COs 6 Feb

RFI Posted – PSI recommendations 15 Feb

Gvt-Ind PSI Wargame Week Acq Strategy & Dry Dock Teams 6-9 Mar

Lead Ships ID for Change Management LOE

Gvt-Ind DD WG Wargame Week 1-2 May San Diego

Business Process Council 22-24 May, DC

SEA21 Brief SECNAV Aqn Strategy 31 July

NAVSEA Brief ASN, RD&A Aqn Strategy 02 August

Commence Near-Term Acq Strategy Implementation

FMMS/INDP 17-20 Sep, Va Beach

Business Process Council, Dec, DC

PSO CONUS Infrastructure Report to NAVSEA & POM-21 input 12/15

Long Term Acq Strategy Implementation

PSO Infrastructure Plan Execute & Report

Today

SNA PSI Discussions w/ Industry 9-10 Jan

DD Working Group formed, weekly drumbeat start 31 Jan

PSI-ASIT Team formed. Weekly drumbeat start 1 Feb

SEA 00 Guidance shared with Industry 14 Feb

Engineering Support Desks (ESD) established

RFI Inputs rcvd 5 Mar

NSRIC – Maintenance Summit – PSI Industry Day 22 Mar

Private Sector Optimization (PSO) Study Scoping & Initial Staffing Apr-May

PSO Study Execution Starts June

MegaRust 22-24 May San Diego

Contracts Governance Council, Little Creek, VA July 10-12

Complete Acq Strategy War Gaming – Way-Ahead decisions

SSRAC, Newport News VA 31 July – 3 August

ASN, RD&A Aqn Strategy Update Brief 13 September

Mid-Term Acq Strategy Implementation

Building the PSI & PSO Roadmap –
Private Sector Improvements & Optimization

2010 CNRMC SSRI - "5 Big Rocks"
2012 ST1 Private Sector Campaign Plan
2012 Surface Total Ships Readiness Assessments (TSRA)
2014 Surface Availability Duration Scorecards (ADS)
2014 Surface 3rd Party Planning (3PP)
2015 Surface New Contracting Strategy
2018 **Private Sector Improvement (PSI) Initiatives**

January 2018 | February 2018 | March 2018 | April 2018 | May 2018.....

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Council
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Public & Private Sector Scope Comparison (CONUS/HI Infrastructure Only)

- **Scope differences: As compared to Public Sector study: More elements**
  - **(12 vs. 69 elements), though smaller private facilities**

Public Naval Shipyards

NNSY	PHNSY & IMF	PSNSY & IMF	PNSY
Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip

REPORT TO CONGRESS

1. Naval Shipyard Dry Dock Capacity & Survivability
2. Naval Shipyard Facilities Optimization
3. Capital Equipment

1. **Identified $21B over 20 years**
2. **PMS 555 established**

12 Elements
(4 yards x 3 elements/yd)

Private Sector Shipyards

BAE (3) Norfolk San Diego Mayport	NASSCO (2) Norfolk San Diego	MHI (1) Norfolk
Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip
CMSD (1) San Diego	VIGOR (1) Seattle	Colonna (1) Mayport
Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip

Regional Maintenance Centers

MidAtlantic Regional Maintenance Center (MARMC)	Southwest Regional Maintenance Center (SWRMC)	Southeast Regional Maintenance Center (SERMC)
Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip
	Northwest Regional Maintenance Center (NWRMC)	Hawaii Regional Maintenance Center (HRMC)
	Drydocks Optimization Capital Equip	Drydocks Optimization Capital Equip

Plus 27 Non-complex MAC Holders via local SRAs

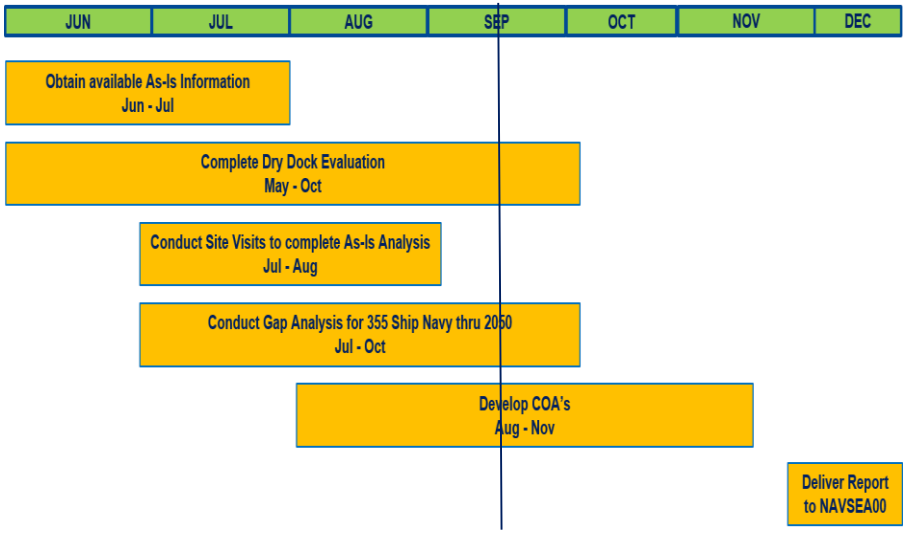
REPORT TO NAVSEA

1. **Private Sector Dry Dock Capacity & Survivability**
2. **Private Sector Facilities Optimization**
3. **Capital Equipment**

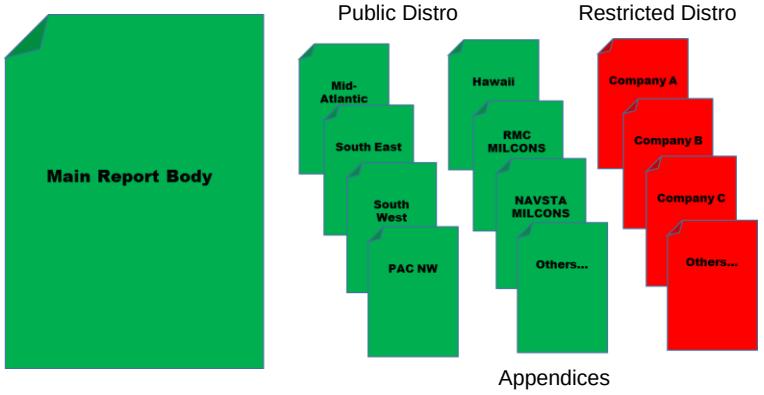
69+ Elements
(9 yards x 3 elements/yd) + (5 RMCs x 3 elements/RMC)+ 27 Non-complex

Public & Private Sector Scope Comparison (CONUS/HI Infrastructure Only)

- **PSO Project Progress:**
  - Approximately 50% complete
  - Information gathering stage largely complete
    - Site Visits complete - (follow-ups)
    - GFP RFI: 9 responses
    - DD RFI: 12 responses
- **Workload Model evaluation in progress**
- **Feedback on Site Visits/Surveys:**
  - Met/exceeded expectations
  - Numerous Industry Solutions to be incorporated into report as COAs
- **Report Draft:**
  - Direct model of Public SY report
  - Company specific appendices (restricted distro)
  - Anticipate portions included in 30 year Maintenance & Modernization plan



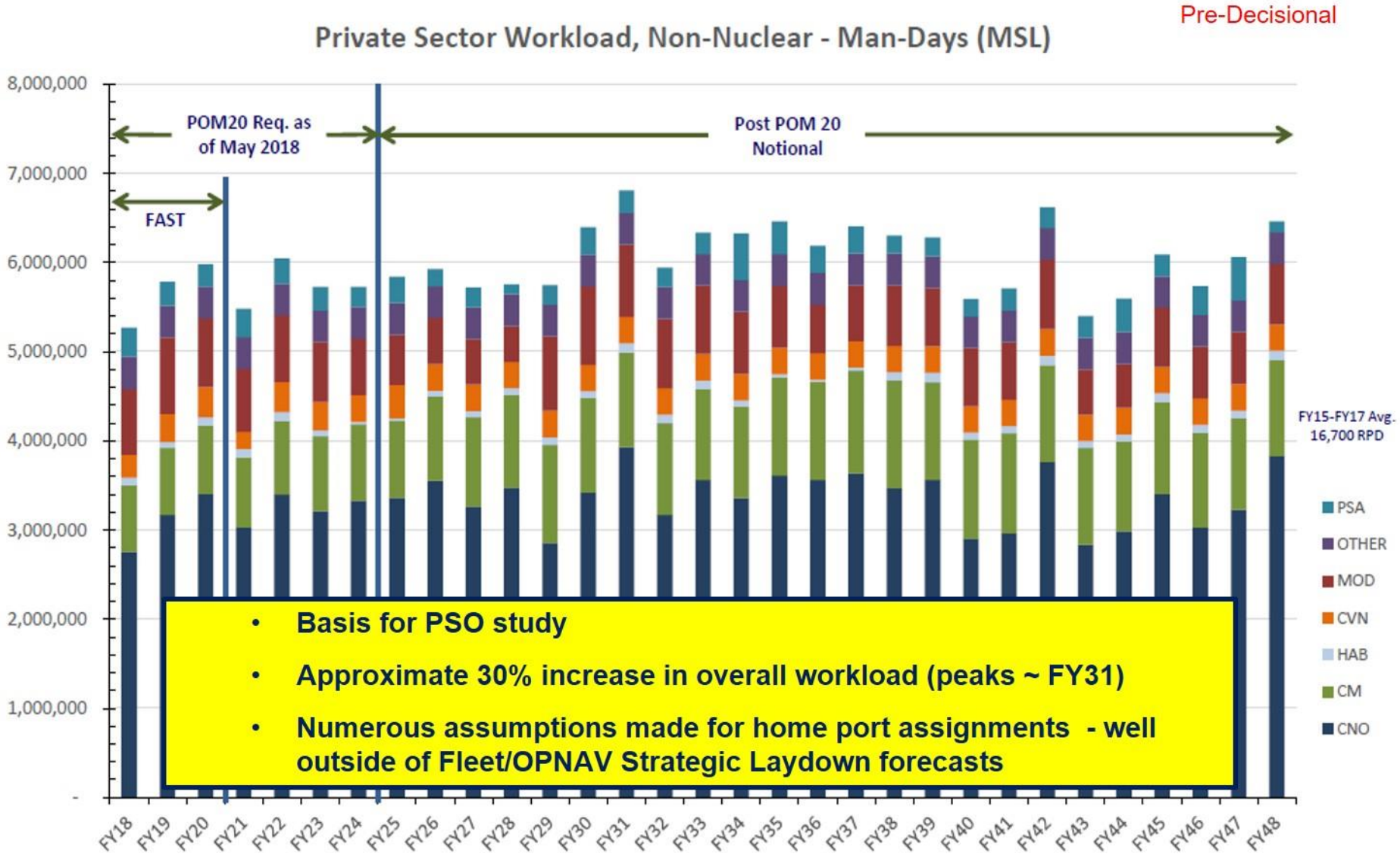
Report Delivery to NAVSEA: 15DEC



Collaboration with Industry on Company Specific Appendices: 02 NOV

30 Year Workload Projections

Pre-Decisional



- Basis for PSO study
- Approximate 30% increase in overall workload (peaks ~ FY31)
- Numerous assumptions made for home port assignments - well outside of Fleet/OPNAV Strategic Laydown forecasts

30 Year Workload Projections: Regional Forecasts

MID-ATLANTIC

	FY18	Peak
CNO Avail Counts:	20	30
Ship Counts:	40	65

SOUTHEAST

	FY18	Peak
CNO Avail Counts:	5	16
Ship Counts:	19	28

SOUTHWEST

	FY18	Peak
CNO Avail Counts:	17	38
Ship Counts:	53	85

PACIFIC NORTHWEST

	FY18	Peak
CNO Avail Counts:	2	16
Ship Counts:	6	16

HAWAII

	FY18	Peak
CNO Avail Counts:	3	14
Ship Counts:	9	15

- Does not account for all of the yet to be approved MSL ships (relative minor adjustment)
- CNO Avail Counts account for avail STARTS – does not include simultaneous execution of crossover of FY
- General assumptions on ship locations

PSO Summary

- Model evaluation and report writing in progress
- Remain on track for 15DEC delivery to NAVSEA
- Industry provided quality input
- Companies provided opportunity to review appendices
- Significant workload increases

Questions & Open Discussion

PSI – Private Sector Improvement Initiative Updates

20 Sept 2018

Presented to:

INDP attendees

Presented by:

PSI Leads

Commander, Navy Regional Maintenance Center (CNRMC)

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PSO & PSI Overview

- **PSO: Surface Ship Industrial Base & Government Infrastructure Capability & Capacity**

1. Dry Docks
2. Facility Optimization
3. Capital Equipment

- **PSI: Identified 5 SEA21/CNRMC lines of effort**

1. Industrial Base Health & Workload Stability
2. Contracting & Contract Governance
3. Streamlining Change Management & Oversight
4. Optimizing Availability Execution
5. Improving Maintenance Governance

- **Align with 30 Year Maintenance & Modernization Plan**

Building the PSI & PSO Roadmap –
Private Sector Improvements & Optimization

2010 — CNRMC SSRI "5 Big Rocks"
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2014 — Surface 3rd Party Planning (3PP)
2015 — Surface New Contracting Strategy
2018 — Private Sector Improvement (PSI) Initiatives

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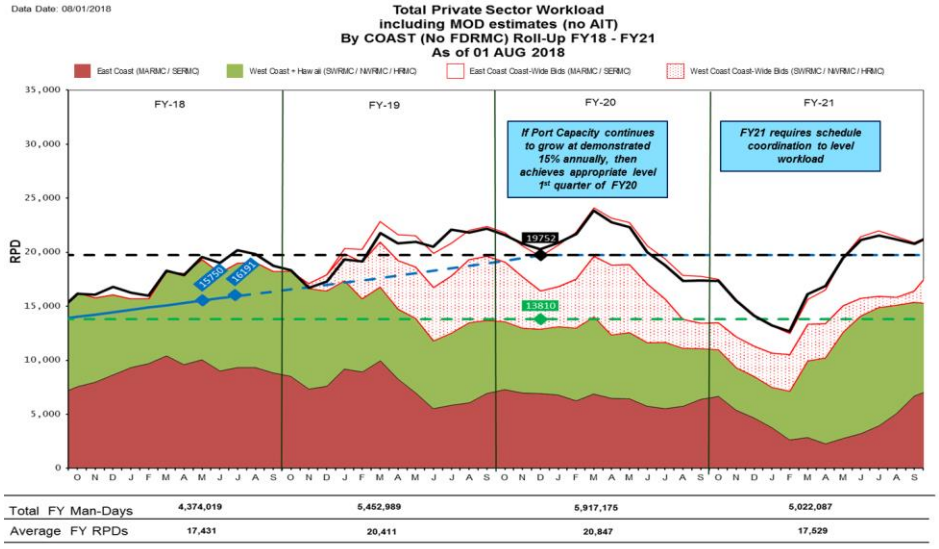
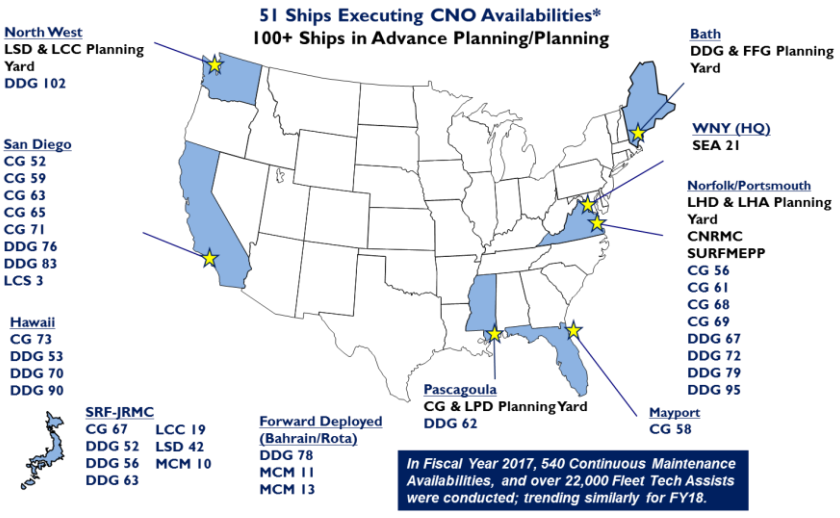
PSI Accomplishments & Actions

1. Industrial Base Health & Workload Stability

- ✓ Integrated PSA Workload impacts w/ POM20 “execute-ability” models
- ✓ NAVSEA “SLEP” Study providing initial input to PSO “Plan for 355”
- ✓ Developed & Refining “Actual vs. Planned” CNO Availability Manning measures to evaluate Industry capacity demand response
- ❑ Aligning PSO with 30 Year Ship Maintenance & Modernization Plan
- ❑ FMMS/INDP scheduled 20 September





PSI Accomplishments & Actions

2. Contracting & Contract Governance

- ✓ Contracts Governance Council (CGC) (Gvt-Industry) completed 10-12 July
- ✓ Pre-Solicitation Planning Support: Draft Plan under development
- ✓ Vertical Availability Grouping (double-dock): ARLEIGH BURKE (DDG 51)/ BULKELEY (DDG 84)/ GUNSTON HALL (LSD 44) – RFP posted. 32 day Industry requested proposal extension granted. Target Award Q1FY19
  - ❑ FY19 Grouping scenarios in development
- ✓ Shipyard Investment Strategy: Issued RFI 24 July '18, Nine (9) Responses received from Industry on 04 Sep '18
- ✓ Earlier Award: POAM rcvd 8 June, evaluated during CGC: Lead ship SHOUP (DDG 86), A-120 award, Nov '18
- ✓ Value Adjusted Trade-Off vs. LPTA: Lead Ships (FY19 Availabilities): ARLEIGH BURKE (DDG 51)/ BULKELEY (DDG 84)/GUNSTON HALL (LSD 44) - MARMC - and SHOUP (DDG 86) - NWRMC
- ✓ Acquisition Strategy Update Brief to SECNAV completed 31 July
- ✓ Acquisition Strategy Update Brief to ASN, RD&A completed 02 August
- ✓ Acquisition Strategy Update Brief to ASN, RDA completed 13 September
- ❑ Fleet Maintenance & Modernization Summit (FMMS) Industry Navy Discussion Panel (INDP) scheduled for 20 September '18
- ❑ Horizontal Availability Grouping: Initial review completed 21 June. Further evaluation in progress. (Target FY20 Availabilities)

PSI Accomplishments & Actions

3. Streamlining Change Management & Oversight

- **Contract Change Management Initiative**
  - **LOE to Completion CLIN (Phase 1)**
    - ✓ Lead Ships: SAN DIEGO (LPD 22) - SWRMC - March ‘18 Award, 29 May ‘18 Start / HIGGINS (DDG 76) - SWRMC - July ‘18 Award, 05 November Start / MONTEREY (CG 61) – MARMC - July ‘18 Award, 10 September ‘18 Start
    - ✓ Included in all new CNO RFPs moving forward
    - ✓ Approval received from ASN (FMC), ASN (FMB), ASN (FMP) – 29 June ’18
    - ✓ Currently included on 18 different CNO Avails in solicitation and/or execution
  - **Small Dollar Value Change (Phase 2)**
    - ✓ Lead Ships: SHOUP (DDG 86); O’KANE (DDG 77); ARLEIGH BURKE (DDG 51)/ BULKELEY (DDG 84)/ GUNSTON HALL (LSD 44)
    - ✓ Included in all new CWB RFPs moving forward
    - ✓ Currently included on 6 different CNO Avails in solicitation
  - **Contract Change Management Joint Policy Memo – In final review for signature: ECD – Sep ‘18**
  - **“Roadshow”/VTC scheduling in progress**

PSI Accomplishments & Actions

3. Streamlining Change Management & Oversight (cont.)

- **NAVSEA Standard Items (NSIs)**
  - ✓ Industry proposed changes to 97 of 116 NSIs
  - ✓ Completed 114 of 116 (98%) NSI Reviews
  - ✓ 283 of 287 proposed changes addressed (99%)
  - ✓ 4 changes to FY19 NSIs promulgated
  - ✓ Results
    - ✓ Eliminated 13 NSIs (11%)
    - ✓ Eliminated 22 Required Reports (CFRs)
    - ✓ Eliminated 26 Checkpoints (Total 30% reduction to date)
    - ✓ Changed 4 NSIs from CAT I to CAT II (CAT I : invoked on all contracts – CAT II : invoked based on work performed)
  - 4 NSI changes evaluated at SSRAC (3 August) – 1 resolved, 3 with CNRMC for final adjudication

PSI Accomplishments & Actions

3. Streamlining Change Management & Oversight (Cont.)

- **Checkpoint Reduction Initiative**
  - ✓ POAM developed with Industry (completed 10 May)
  - ✓ Through NSI review & SSRAC, completed total 30% reduction in checkpoints (I/V/G)
  - ✓ NSI Checkpoint Changes incorporated into FY19 CH4 (Posted 8/31)
  - ❑ Master Spec Catalogue system-by-system checkpoint review with industry has begun. Standard Work Templates for main shafting, associated bearings and propellers have been passed to industry for review.
  - ❑ Pilot availability approach and identification of pilot ships is in progress. (ECD 18 September)
- **Engineering Support Desk (ESD)**
  - ✓ All RMCs ESDs stood up
  - ❑ Incorporate standard RMC/Industry execution & awareness
  - ❑ Track Engineering Service Request (ESR) closure time as measure of effectiveness (in development)
- **Standardize Process Control Procedures (PCPs)**
  - ❑ DRAFT CNRMC Instruction -Technical Control Procedure (TCP) –. CNRMC Instruction in draft. ECD 09 October for final RMC review.
  - ❑ Identification of electronic storage location – NMD Reference Library designated

PSI Accomplishments & Actions

4. Optimizing Availability Execution

- **WASP Lessons Learned**
  - ✓ Incorporated in all LHA/D avail planning, provided for other ship classes
  - ✓ Growth Management (See Previous)
  - ✓ Engineering Support Desk (See Previous)
- **Joint RMC-IND "Tabletops" – Critical/Controlling Path**
  - ✓ NWRMC Lead Ship: KIDD (DDG 100) –9 March Start, Follow: SAMPSON (DDG 102) 16 July Start
  - MARMC Lead Ships: GUNSTON HALL (LSD 44)/ARLEIGH BURKE (DDG 51)/ BULKELEY (DDG 84) (MARMC) – Observed NWRMC SAMPSON Tabletop 26 June
  - SWRMC: Lead ship identification in progress
- **Readiness-to-Start Criteria**
  - CNRMC RTS Instruction revision to reflect formal brief rqmt (ECD 01 Dec – Post BULKELEY/ ARLEIGH BURKE/ GUNSTON HALL Solicitation/Award/WPER)
    - Exit Criteria for Work Package Execution Review

PSI Accomplishments & Actions

4. Optimizing Availability Execution (cont.)

- Dry-Dock Working Group (DDWG)
  - Next DDWG F2F sked 17 Sept 2018
    - Future 1 on 1 GVT/Industry meetings
  - Dock certification/Recert process
    - RFI to identify additional dry dock resources, 11 inputs received 4 September – under evaluation
  - Reduce Dock Duration
    - ✓ Reduce OEM Rqmt: CNRMC SME Guidance Issued
    - Reduce Technical Requirement
      - Shaft Process Control Procedure (PCP) elimination. Working with SURFMEPP to jointly change CSWT & PCP requirement
      - Hull Paint requirement – paint warranties, paint representatives, changes to 009-32
      - NEWCON vs Repair specs – NAVSEA05 Study Guide completed. Studies funded
    - Capital Investments (Rotable Pools, Special Tooling Pools) – WGs established
      - ✓ Shafting Rotable pool funding shifted from 2S to 7H cog (to NWCF)
  - Extend Docking Cycles
    - LCS Review in progress SEA05/PMS505
    - Other ship classes: SEA05 Study Guide complete – Final study funded

PSI Accomplishments & Actions

5. Maintenance Governance

- **GVT-IND PMT Team Building**
  - ✓ SCA Rep participation in ST1 ESC (11 June)
  - ❑ Further ST1 participation by Industry pending Legal Review/input (ESC/KSNs/CoPs)
    - ❑ Capturing Carrier Team One best practices in gaining Industry participation, teambuilding
    - ❑ NDA requirement for ST1 ESC.
    - ❑ Working with 00L on guidance for Industry participation at MMPRs, KSNs, CoPs
- **Recognition of Successful Projects**
  - ✓ Included on 26-28 June MMPR & all future MMPRs
  - ❑ Identify common traits for successful Projects - capture “Must-Do” relevance
  - ❑ Develop Project Management Team churn measure/feedback process
- **Maintenance Team Training**
  - ❑ Updating WFD courses & IPTD events
  - ❑ Make PT’s goal: Get to “Yes”

PSO & PSI Executive Summary

- ❑ Progress Across all PSO & PSI Lines of Effort
  - ✓ PSO "As-Is" Site Visits Completed, Results being compiled for "To-Be" analysis
  - ❑ Future Laydown Projections release required to complete PSO "To-Be" analysis
  - ❑ PSI Contracting Strategies & Change Management
    - ✓ Contracting Change Management Initiatives approved
    - ❑ Acquisition Strategy study & recommendation ongoing
  - ❑ PSI Dry Dock Working Group actions in progress evaluating requirement reductions to reduce time-on-blocks
  - ❑ IND participation in ST1 ESC/KSN/CoPs pending Legal Review
- ❑ Alignment with 30 Year Ship Maintenance & Modernization Plan

Acquisition Strategy Update

September 20, 2018

Presented to:

Industry / Navy Discussion Panel (INDP)

Presented by:

CAPT Tommy Neville

Director of Contracts, CNRMC

Evan Littig

Acquisition Director, SEA 21

NAVSEA
NAVAL SEA SYSTEMS COMMAND

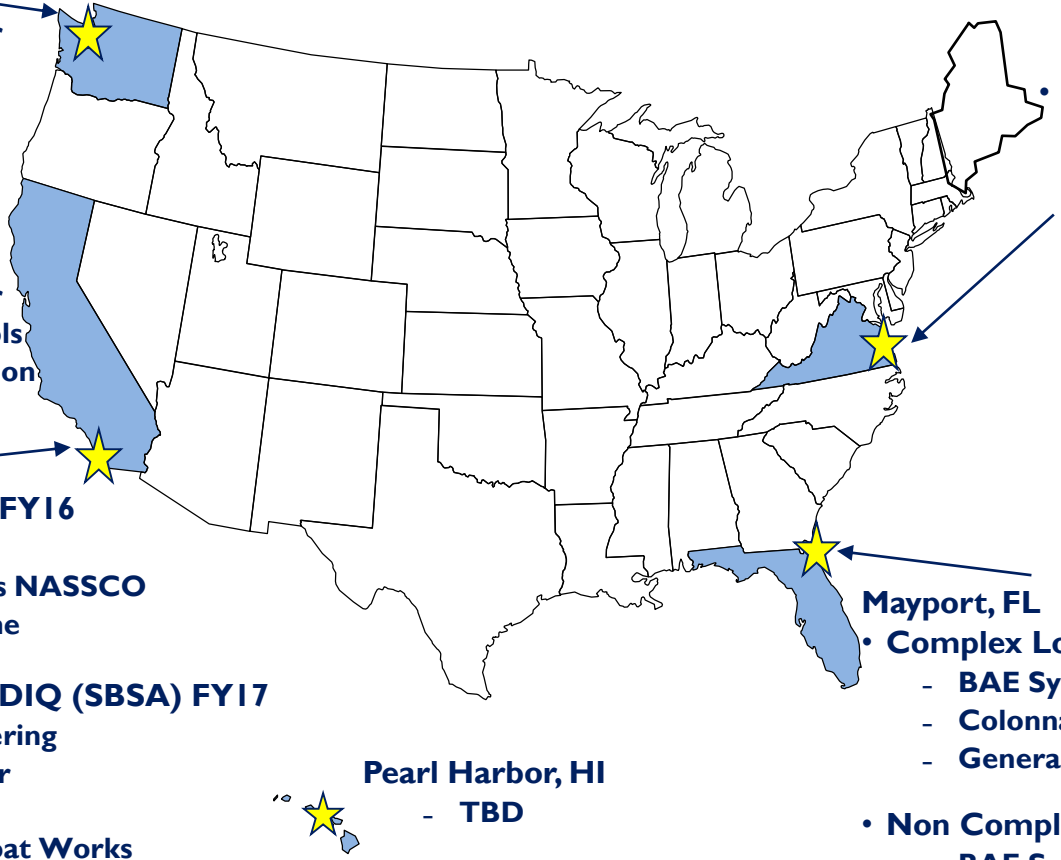
Agenda

- Availability Execution Contracts Update
- Ships in Execution
- Acquisition Strategy Update
- Acquisition Strategy Evolution
- Industry and Navy Engagements

Availability Execution Contracts

Pacific Northwest
- **Complex Lot I FY18**
  - General Dynamics NASSCO
  - Pacific Ship Repair
  - Vigor
- **Non Complex Lot II (SBSA) FY18**
  - Delphinus Engineering
  - Pacific Ship Repair
  - Propulsion Controls
  - Tecnico Corporation

San Diego, CA
- **Complex MAC-IDIQ FY16**
  - BAE Systems
  - General Dynamics NASSCO
  - Continental Marine
- **Non Complex MAC-IDIQ (SBSA) FY17**
  - Controls Engineering
  - East Coast Repair
  - Epsilon Systems
  - Marine Group Boat Works
  - Pacific Ship Repair
  - Propulsion Controls Engineering
  - South Coast Welding



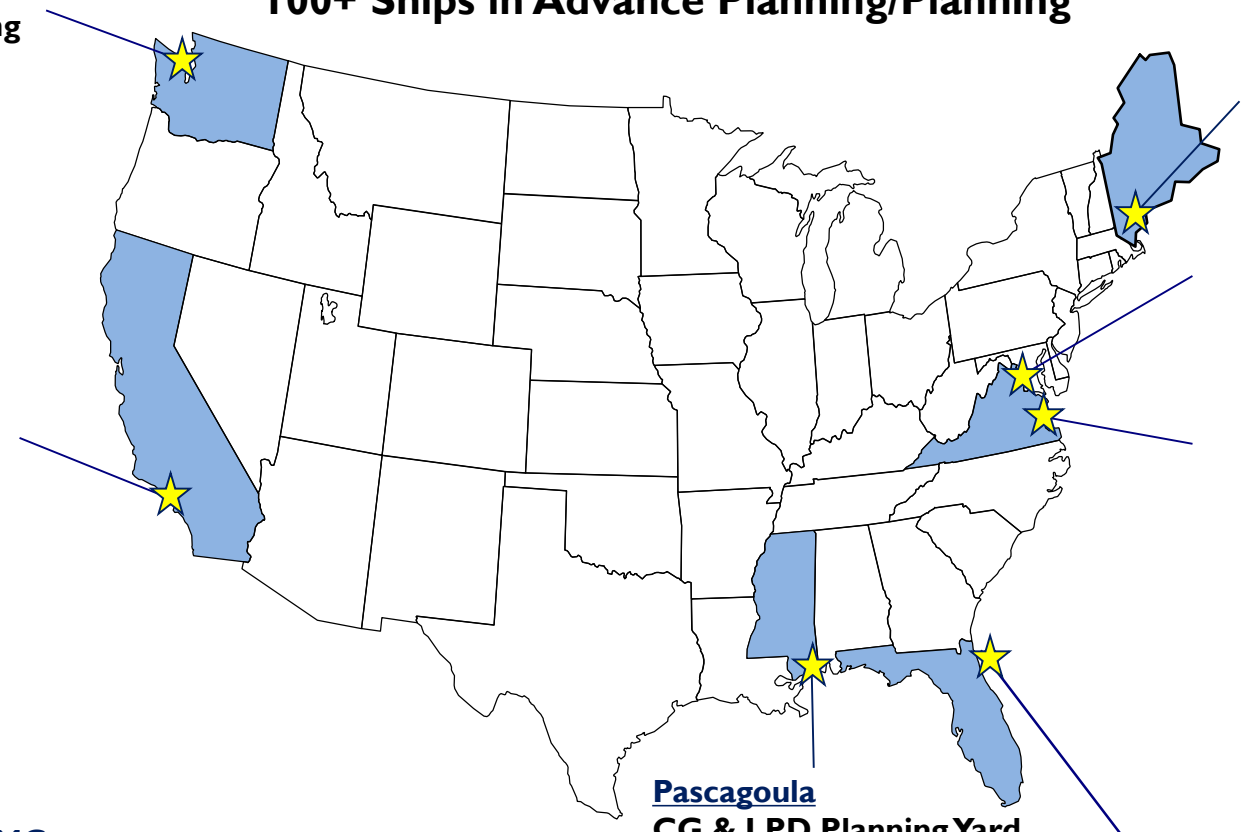
Pearl Harbor, HI
- TBD

Norfolk, VA
- **Complex MAC-IDIQ FY16**
  - BAE Systems
  - General Dynamics NASSCO
  - Marine Hydraulics (MHI)
- **Non Complex MAC-IDIQ(SBSA) FY17**
  - Advance Integrated Technology
  - Auxiliary Systems, Inc.
  - Colonna's Shipyard
  - Continental Tide Defense Systems
  - East Coast Repair and Fabrication
  - Epsilon System Solutions
  - LPI Technical Services
  - Lyons Shipyard
  - Marine Hydraulics
  - Tecnico Corporation

Mayport, FL
- **Complex Lot I FY17**
  - BAE Systems
  - Colonna's Shipyard
  - General Dynamics NASSCO
- **Non Complex Lot II FY17**
  - BAE Systems
  - Colonna's Shipyard
  - East Coast Repair and Fabrication
  - General Dynamics NASSCO
  - North Florida Shipyard
  - Tecnico Corporation

Surface Ships in Availabilities

51 Ships Executing CNO Availabilities*
100+ Ships in Advance Planning/Planning



North West
LSD & LCC Planning Yard
DDG 102

San Diego

CG 52	LHA 6
CG 59	LHD 8
CG 63	LPD 18
CG 65	LPD 22
CG 71	LSD 45
DDG 76	LSD 52
DDG 83	MCM 4
LCS 3	

Hawaii
CG 73
DDG 53
DDG 70
DDG 90

SRF-JRMC

CG 67	LCC 19
DDG 52	LSD 42
DDG 56	MCM 10
DDG 63	

Forward Deployed (Bahrain/Rota)

DDG 78	PC 2
MCM 11	PC 7
MCM 13	PC 11

Pascagoula
CG & LPD Planning Yard
DDG 62

Bath
DDG & FFG Planning Yard

WNY (HQ)
SEA 21

Norfolk/Portsmouth
LHD & LHA Planning Yard
CNRMC
SURFMEPP

CG 56	DDG 103
CG 61	LHD 5
CG 68	LPD 17
CG 69	LPD 19
DDG 67	LSD 41
DDG 72	LSD 46
DDG 79	LSD 50
DDG 95	PC 13

Mayport
CG 58

In Fiscal Year 2017, 540 Continuous Maintenance Availabilities, and over 22,000 Fleet Tech Assists were conducted; trending similarly for FY18.

* Does not include PSA ships

Last Update
11 Sept 18

Acquisition Strategy Update

Change Management

- **Contract Change Management Initiative -** LOE to Completion CLIN — Q2 FY18
  - Included for all future CNO Avails / 29 Jun ‘18
  - Funded at contract award rather than per change during execution IAW budgeted growth; reduces upward obligations
    - ✓ **Approval received from ASN (FM&C) – 29 June ’18**
    - ✓ **Currently included on 18 CNO Avails in solicitations and/or execution**
    - ✓ **Negotiating into current avails in execution on case by case basis**
- **Contract Change Management Initiative -** Small Dollar Value Change — Q3 FY18
  - Small Dollar Value Changes & Daily Rate for extension of dry dock and availability periods
  - Majority (~70%) < $25K; Reduce / eliminate cycle time for low $ changes via pre-priced change
    - ✓ **Currently included on 6 CNO Avails in solicitations**
    - ✓ **Included in all future CWB RFPS**

Contracting Strategy Changes

- **Modify Source Selection Criteria** — Q3 FY18
  - Include “best value” price adjustments for improved schedules (Improving port/contractor stability) and dry-docking efficiency (USS SHOUP)
    - ✓ **Currently included on SHOUP (DDG 86) / ARLEIGH BURKE (DDG 51) / BULKELEY (DDG 84) / GUNSTON HALL (LSD 44) solicitations**

Acquisition Strategy Update

Contracting Strategy Changes

- **Vertical Availability Grouping:** Q4 FY18
  - Solicit multiple overlapping Avails in single RFP (award multiple contracts across one/more offerors)
  - Require offerors to bid multiple execution scenarios to ensure industrial base execution and capacity
    - ✓ **3 Ship Vertical Grouping Solicitation "on the street" (DDG 51, DDG 84, LSD 44). To be awarded Q1FY19**
    - ✓ **FY19 Grouping scenarios in development**
- **Dock Sources Sought** Q4 FY18
  - ✓ **Request For Information (RFI) posted, Industry responses received from 12 respondents on 04 Sep '18 - input under evaluation**
- **Shipyard Investment Strategy** Q4 FY18
  - ✓ **Request For Information (RFI) posted, Industry responses received from 9 respondents on 04 Sep '18 - input under evaluation**
- **Award at A-120** to improve workload predictability and stability (USS SHOUP) Q1 FY19
  - ✓ **USS SHOUP (DDG 86) is pilot ship for A-120 Award**
  - ✓ **Target Contract Award date of 05 November 2018**

Acquisition Strategy Update

The following initiatives were presented to Industry in July 2018 during the Contracts Governance Council (CGC) and are in development/evaluation:

- **Improve Planning Collaboration** — Q1 FY19
  - Award Delivery Orders to MAC holders to enable early collaboration on specification review and Availability planning efforts
- **Evaluate Schedule Adherence/Manning in Source Selection and Add Hiring Incentives** — Q1 FY19
- **Limit competitions to compete for profit or quantity** — Q2 FY19+
  - Reduce workload uncertainty / increase stability for homeport vendors
  - Increase capacity with other than homeport vendors
- **Consider Fixed Price/Cost Plus Incentive** — Q2 FY19+
- **Horizontal Availability Grouping** — FY20+
  - Solicit multiple sequential Avails in single RFP
  - Long term requirement definition is significant challenge

Acquisition Strategy Update

Review Requirements:

- NAVSEA Standard Item (NSI) Joint Navy–Industry Improvement (116 NSIs) Q3 FY18

  31 August 2018 Update:

  - ✓ **Industry proposed changes to 97 of 116 NSIs**
  - ✓ **Completed 114 of 116 (98%) NSI Reviews**
  - ✓ **283 of 287 proposed changes addressed (99%)**
  - ✓ **4 changes to FY19 NSIs promulgated**
  - ✓ **Results**
    - ✓ **Eliminated 13 NSIs (11%)**
    - ✓ **Eliminated 22 Required Reports (Condition Found Report)**
    - ✓ **Eliminated 26 Checkpoints (17%)**
    - ✓ **Changed 4 NSIs from CAT I to CAT II (CAT I : invoked on all contracts – CAT II : invoked based on work performed)**

- **Checkpoint Reduction Initiative** Q3 FY18

  31 August 2018 Update:

  - ✓ **POAM developed with Industry (completed 10 May)**
  - ✓ **Through NSI review & Standard Specifications for Ship Repair and Alteration Committee (SSRAC), completed total 30% reduction in checkpoints**
  - ✓ **NSI Checkpoint Changes incorporated into FY19 CH4**
  - ✓ **Master Spec Catalogue system-by-system checkpoint review with industry has begun. Standard Work Templates for main shafting, associated bearings and propellers have been passed to industry for review.**
  - ❑ **Pilot availability approach and identification of pilot ships is in progress. (ECD 18 September)**

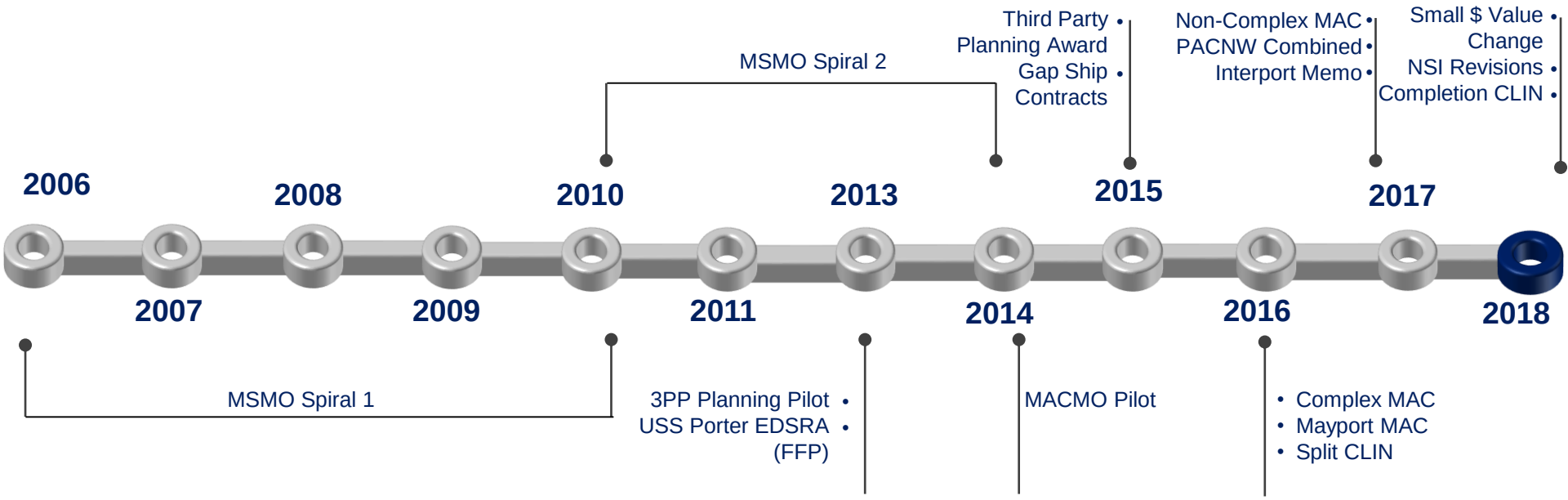
- Review LCS2 and DDG51 class maintenance strategies to increase docking periodicity Ongoing

Contract Change Management Initiatives Tracker

SHIP	HULL	AVAIL TYPE	SOA	LOE	SDVC	STATUS	RMC	LMA
USS VICKSBURG	CG 69	SSRA1	08-May-18	Y	N	AWARDED	MARMC	BAE
USS ANZIO	CG 68	SSRA1	05-Feb-18	Y	N	AWARDED	MARMC	BAE
USS BATAAN	LHD 5	PMA	06-Nov-17	Y	N	AWARDED	MARMC	BAE
USS COLE	DDG 67	EDSRA	30-Jul-18	Y	N	AWARDED	MARMC	BAE
USS MONTEREY	CG 61	SRA	10-Sep-18	Y	N	AWARDED	MARMC	MHI
USS LABOON	DDG 58	SRA	17-Sep-18	Y	N	AWARDED	MARMC	NASSCO
USS ARLEIGH BURKE	DDG 51	DSRA	11-Feb-19	Y	Y	RFP	MARMC	TBD
USS GUNSTON HALL	LSD 44	DSRA	11-Feb-19	Y	Y	RFP	MARMC	TBD
USS BULKELEY	DDG 84	DMP	11-Feb-19	Y	Y	RFP	MARMC	TBD
USS WINSTON CHURCHILL	DDG 81	SRA	14-Jan-19	Y	N	RFP	MARMC	TBD
USS SHOUP	DDG 86	DMP	4-Mar-19	Y	Y	RFP	NWRMC	TBD
USS IWO JIMA	LHD 7	PMA	27-Dec-18	Y	N	AWARDED	SERMC	NASSCO
USS SAN DIEGO	LPD 22	SRA	29-May-18	Y	N	AWARDED	SWRMC	BAE
USS HIGGINS	DDG 76	EDSRA	27-Aug-18	Y	N	AWARDED	SWRMC	NASSCO
STERETT	DDG 104	DSRA	05-Oct-18	Y	N	AWARDED	SWRMC	BAE
USS B.H. RICHARD	LHD 6	DPMA	5-Nov-18	Y	N	AWARDED	SWRMC	NASSCO
USS O'KANE	DDG 77	ESRA	14-Jan-19	Y	Y	RFP	SWRMC	TBD
USS FITZGERALD	DDG 62	EDSRA	24-Jan-18	Y	Y	AWARDED	SSGC	HII

Update: 13 Sep 2018

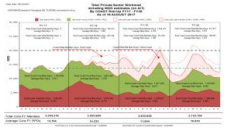
History of Acquisition Strategy Updates



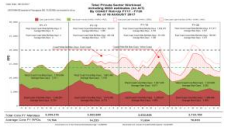
- 2006-2010: Multi-Ship Multi-Option (MSMO) Spiral 1 Contract awards
  - 5 year award period
  - Final POP expired 2015
- 2010-2014: MSMO Spiral 2 Contract Awards
  - 5 year award period
  - Final POP expiring 2019 (Hawaii DDGs & San Diego MCMs)
- 2013-2016: 3PP Planning Pilots with BIW/HII
- 2013: USS Porter EDSRA Competitive FFP collision repair contract
- 2014-2015: San Diego Multiple Award Contract Multiple Option (MACMO) Pilot
- 2015: Third Party Planning Contract Awards
  - 5 year award period
  - DDG/CG: Feb 2015
  - LPD/LSD: May 2015
  - LHA/LHD: Apr 2016

- 2015-2016 : MARMC Gap Ship Competitive FFP Contracts
- 2016: MAC-MO Contract Awards (Complex)
  - 5 year award period
  - Norfolk Complex MAC: Feb 2016
  - San Diego Complex MAC: May 2016
  - Mayport MAC: Nov 2016
- 2016 to Present : Split CLIN (RAMAGE 1st Avail)
- 2017: Interport Differential Memo Signed: Feb 2017
- 2017: MAC-MO Contract Awards (Non-complex)
  - 5 year award period
  - Norfolk Non-Complex MAC: Sept 2016
  - San Diego Non-Complex MAC: May 2017
  - PACNW Combined MAC: May 2018
- 2018: NSI Revisions (116): Mar 2018
- 2018: LOE to completion CLIN: Mar 2018 – Ongoing
- 2018: Small Dollar Value Changes: Jul 2018 – Ongoing

FY18 Navy – Industry Engagements



Quarterly Port Loading Projections to industry



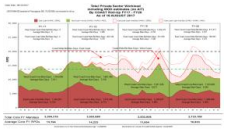
Quarterly Port Loading Projections to industry

National Ship Repair Industry Conference / Industry Day

19-22 Mar

Private Shipyard Initiative Kick-Off

05 Jun



Quarterly Port Loading Projections to industry

Fleet Maintenance and Modernization Symposiumm / Industry Day

17-20 Sep

Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep

10 Jan

Surface Navy Association / Industry Day

25 Jan

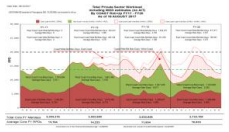
Hawaii FFP Transition Industry Day

06-09 Mar

Private Shipyard Initiative War Game

12 Jul

Contracts Governance Council



Quarterly Port Loading Projections to industry

Continued Engagement Critical Tenant to Success

Questions & Open Discussion

Workforce Update from Industry

20 Sept 2018

Presented to:

INDP attendees

Presented by:

Mr. Joe O'Conor

SCA Liaison

PSDSRA Workforce Capacity

Determining PSDSRA Workforce Capacity

- Data collection was done using the VSRA survey
- Received 53 responses
  - All MSRAs responded
  - All ABRs responded
  - All Temporary Labor Companies responded
  - 27 of smallest companies responded

Determining PSDSRA Workforce Capacity

- Daily average number of workers – 9575
  - Response ranges were 50 people
  - Number arrived at by referring to number of employees who live in San Diego County
  - Because not all small companies responded, determined average number of workers and then multiplied by total population of small businesses (0-50 employees)

Determining PSDSRA Workforce Capacity

- Maximum daily capacity of workers – 12,100
  - In response to question 2 of survey respondents provided an estimate of surge capacity
  - Our shipbuilder provides a large surge capacity
  - Temporary Labor companies provide a large surge capacity due to operations in other ports

Determining PSDSRA Workforce Capacity

- Specific trades facing workforce shortages:
  - Welders
  - Pipefitters
  - Shipfitters
  - Electricians
  - Fiber optic certified personnel
  - Inside machinists
  - Outside machinists
  - Sheetmetal
  - Painters/applicators
  - QA
  - Safety Professionals

Workforce Survey 2018

JASRA WORKFORCE SURVEY

Jacksonville Area
Ship Repair Association
www.jasra.org

Rick Hoffman
Executive Director
execdirector@jasra.org

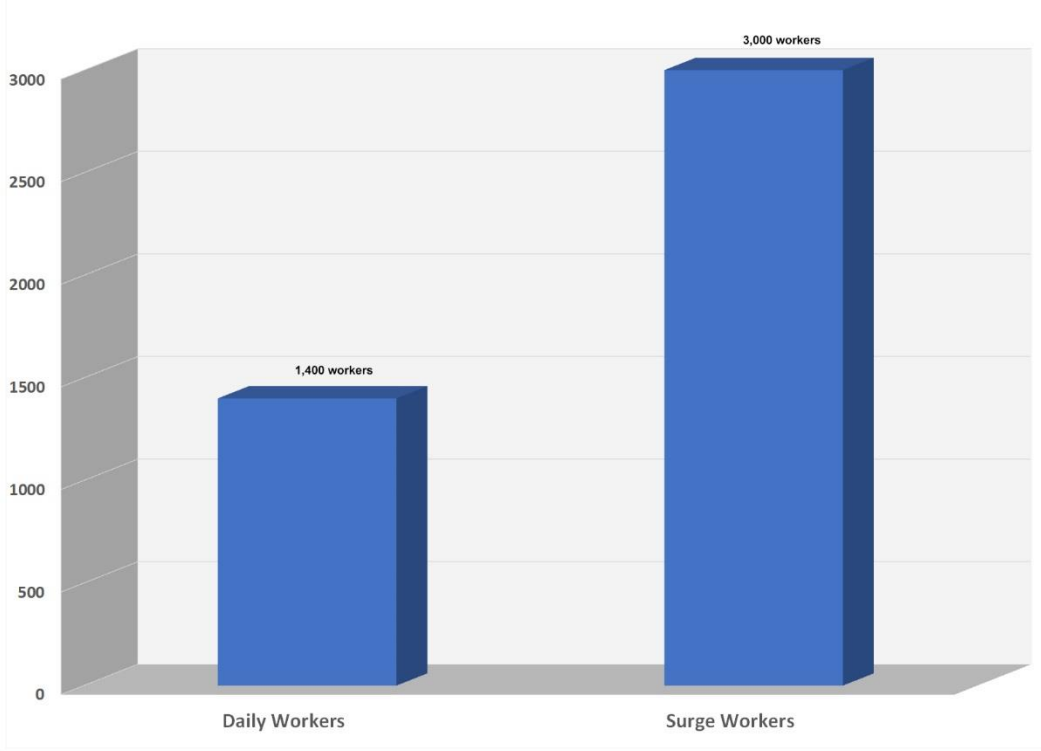
- Data collection was done using the JASRA survey with a total of 10 respondents.

- Responses received for the workforce survey include the 3 largest employers; BAE, North Florida Shipyards and NASSCO-Mayport

JASRA WORKFORCE SURVEY

Jacksonville Area
Ship Repair Association
www.jasra.org

Rick Hoffman
Executive Director
execdirector@jasra.org



Daily workforce is 1,400.

Surge Capacity is 3,000.

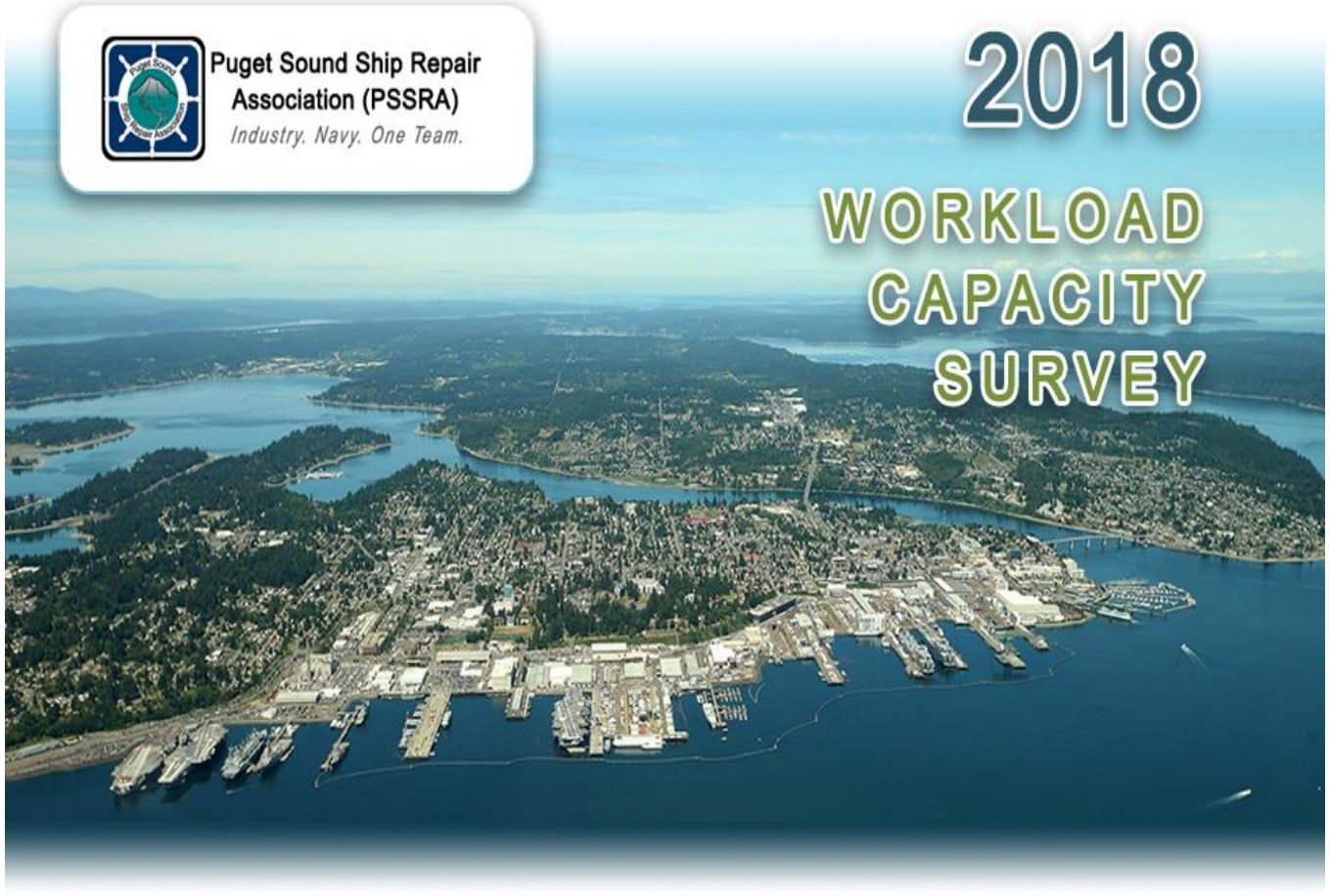
JASRA WORKFORCE SURVEY

Jacksonville Area
Ship Repair Association
www.jasra.org

Rick Hoffman
Executive Director
execdirector@jasra.org

- Frequent shortfalls are:
  Welders, shipfitters, pipefitters, machinists, coating applicators, and skilled/qualified supervisors.

- Workload stability is the most frequently cited issue.



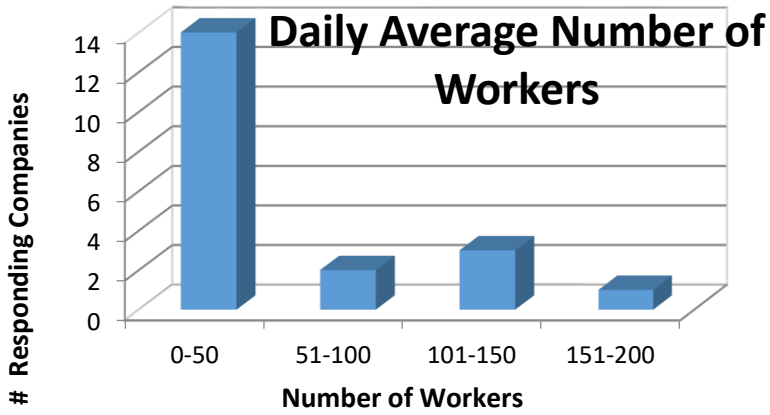
RESULTS REPORT SUMMARY

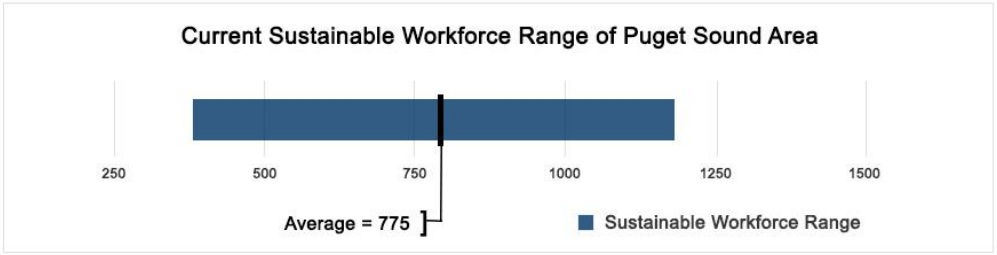
The Puget Sound Ship Repair Association (PSSRA) surveyed its Membership to determine the estimated workload capacity of the Pacific Northwest's private Ship Repair industry. An overview of the results of that survey is presented below.

The survey was sent to companies belonging to our association in the Master Ship Repair (MSR), Alteration and Boat Repair (ABR), and Associate membership categories.

SUSTAINABLE WORKLOAD CAPACITY

Based on these responses, PSSRA has calculated a low-end and high-end average estimate, using the number of responses in each range calculated at its 25% and 75% equivalencies. Based on these calculations, the current sustainable workload capacity for the Puget Sound Area lies between ***388 to 1,163 man days per day***. Averaged, this amounts to a sustainable workforce of ***775 man days per day***.

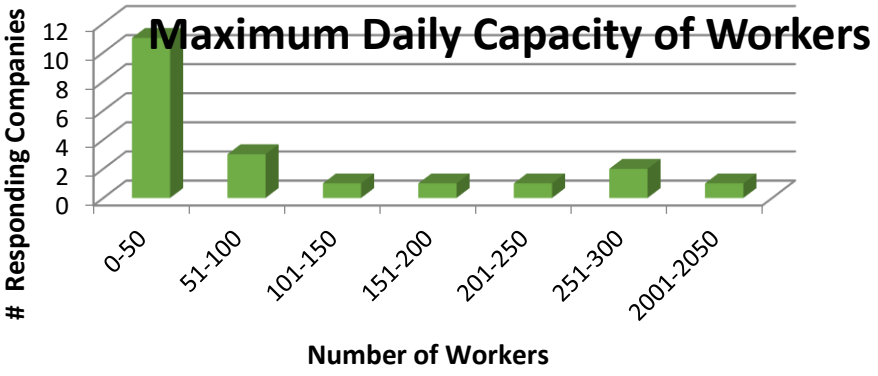


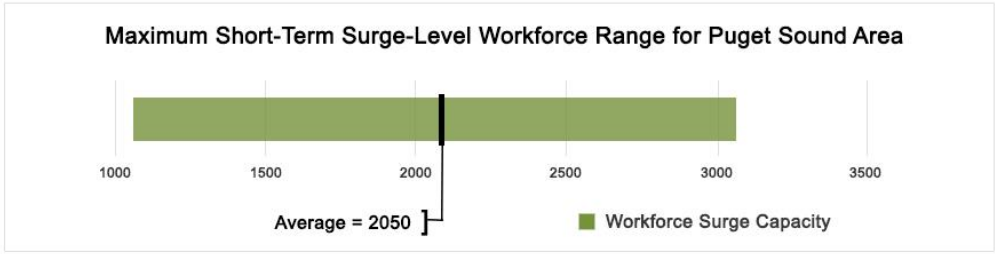


Respondents were asked to select from varying ranges to identify the current daily average number of workers who are supporting US Navy Ship Repair in Puget Sound area via NWRMC Contracts. The ranges were identified in groups of 50, from 0-50 through 951-1000, and 1000-plus.

MAXIMUM SURGE WORKLOAD CAPACITY

Based on these responses, PSSRA has calculated a low-end and high-end average estimate, using the number of responses in each range calculated at its 25% and 75% equivalencies. Based on these calculations, the current potential short-term surge workforce capacity for the Puget Sound Area lies between ***1,025 to 3,075 man days per day***. Averaged, this amounts to a sustainable workforce of ***2,050 man days per day***.





Further, respondents were asked to select from varying ranges to identify their potential short-term surge capacity. That is, companies identified their maximum daily capacity of workers who *could* support US Navy Ship Repair surge work in the Puget Sound Area via NWRMC Contracts. Again, the ranges were identified in groups of 50, from 0-50 through 951-1000, and 1000 plus.

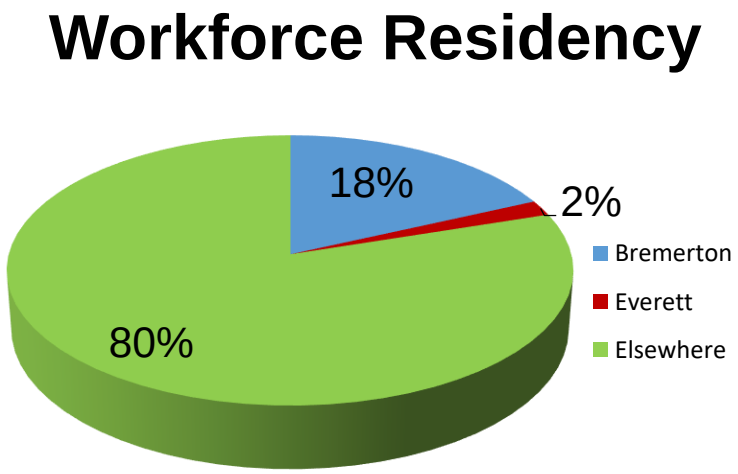
SPECIFIC TRADE SHORTAGES

Respondents were then asked to select from varying ranges to identify their workforce shortages in specific trades. The ranges were identified in groups of 10, from 1-10 through 41-50, and 51-plus. The greatest identified shortages were for skilled shipfitters, pipefitters, welders, coating applicators, and inside machinists.

A mean estimate of the shortages identified for each trade can be found in the table below:

Trade	Estimated Current Worker Shortage	Trade	Estimated Current Worker Shortage
Welders	113	Outside Machinists	38
Pipefitters	44	Inside Machinists	44
Shipfitters	50	Sheet Metal Workers	25
Marine Electricians	38	QA Professionals	31
Fiber Optic Technicians	25	Safety Professionals	25
Coating Applicators	75	Other	31

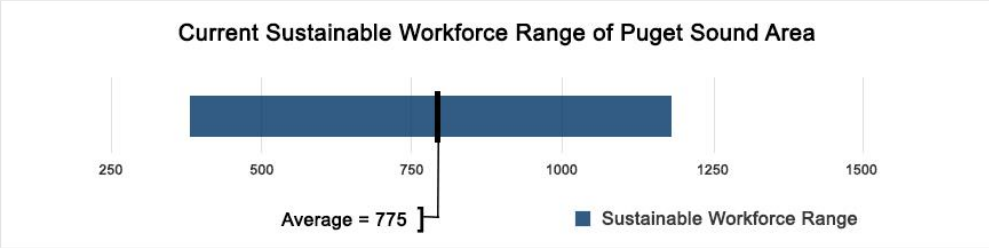
WORKER RESIDENCY

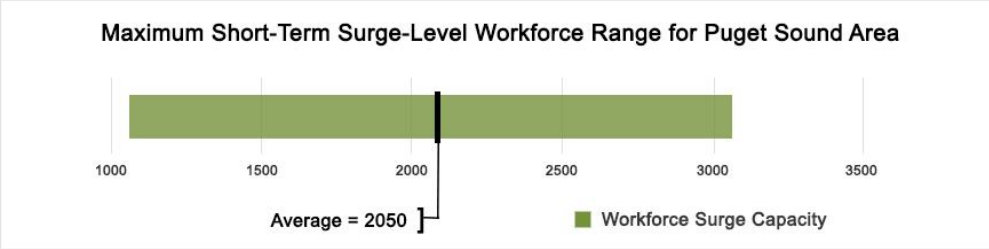


Respondents were also asked to identify the residency of their workforce, providing percentages of workers residing in Bremerton, Everett, and elsewhere.

On estimate, 18% of workers serving US Navy Ship Repair contracts in the Puget Sound Area currently reside in Bremerton, while 2% reside in Everett, and another 80% reside elsewhere

CONCLUSION





In summary, the current capacity of Puget Sound's private Ship Repair Industry workforce is around 775 workers, with a potential surge capacity of around 2,050 workers.

There are skill shortages, with many PSSRA Member Companies indicating a high need for skilled shipfitters, pipefitters, welders, coating applicators, and inside machinists.

Ship Repair Association of Hawaii (SRAH)

(SRAH) Workload Capacity Survey Results for the port of Pearl Harbor, Hawai'i:

Sustainable Workload Capacity – 300-900 man-days per day, **averaging 600 man-days per day**
Max Surge Workforce Capacity – 463-1388 man-days per day, **averaging 925 man-days per day.**

Specific Trade Shortages – 270 man-days per day, ranging across 10 of the 11 trades polled, most concentrated among Welders, Electricians and various Steel Trades.
Worker Residency – of workers serving Navy surface ship repair contracts in Pearl Harbor, **87% reside in Hawai'i**. **13% are from off-island** (U.S. mainland) locations.
Conclusion:
In summary, the current daily capacity of Hawai'I's private Ship Repair Industry's workforce numbers around 600 workers, with a potential surge capacity of about 925 workers. However, there are skill shortages, with many SRAH companies indicating a need for skilled welders, marine electricians and various steel trades

Industry- Navy Discussion Panel

Sep 20, 2018

Discussion Starters

- Late GFM – Poor handoff between Third Party planner and supply system impacts production schedule resulting in lost operational days. What is status of rotable pools? How can industry better assist with GFM in new contract construct?
- AGR/RTR/Front Load – Is there a set policy on how much undefined work for a FFP contract? Uncertainty of trade mix on unknown work makes pricing problematic. Does it need to be part of award criteria?
- Slow Contract/Technical Changes –
  - Request any feedback on results of Small Dollar Contract Change.
  - Several avails have RCC rates greater than 30 days. Does Navy analysis reveal a cause?

Discussion Starters

- Excessive oversight/regulations. Making progress with NSI review. Master Spec Catalog next
- Standardization across RMCs – PCPs/Welding Quals. What is status?
- Split Clin – Understand advantage to Navy financial management and that all contracts have been awarded. However, it still remains a risk to industry.
- QASP – Request review program. Is it motivating the right behavior?
- Upward Obligation – Can Industry do anything with Congress to improve this process?
- OMN to OPN proposal in SAC Bill. Does Navy support?
- Diesel Overhauls – Are there initiatives to manage schedule and ordering parts?
- Status of A-360 Award timeline and Hybrid Contract initiative?
- Support for maintenance on Naval Stations is needed. DBIDS inconsistency.

Top Ship Repair Industry Issues 9/18

- Industrial Base Stability and Predictability
  - Impact on Investment Decisions
  - Resource Predictability – Decisions to hire, layoff and train
- Change Management – Speed of Decision Making
- Excessive oversight and regulation
- Shifting Risk to Industry – AGR-Split Clin
- Industry Resource Sharing

Workforce Development

- At July CGC, ship repair industry briefed local initiatives that SRAs in Norfolk, San Diego and Hawaii were doing to train the work force.
- Shipbuilder's Council of America (SCA) restarting a committee to focus on a broader perspective to improve the workforce. This will include ship repair as well as shipbuilding.
- Focus will be on both demand and supply side of the issue.

Question and Answer Session

20 Sept 2018

Presented to:

INDP attendees

Presented by:

All Participants

CAPT Tommy Neville

Director of Contracts, Commander, Navy Regional Maintenance Center (CNRMC)

NAVSEA
NAVAL SEA SYSTEMS COMMAND

Meeting Wrap Up and Action Item Review

20 Sept 2018

Presented to:

INDP attendees

Presented by:

CAPT Tommy Neville

Director of Contracts, Commander, Navy Regional Maintenance Center (CNRMC)

NAVSEA
NAVAL SEA SYSTEMS COMMAND