

# **Discoverer II: Contracting to Meet Program Objectives**



**5 Nov 1998**

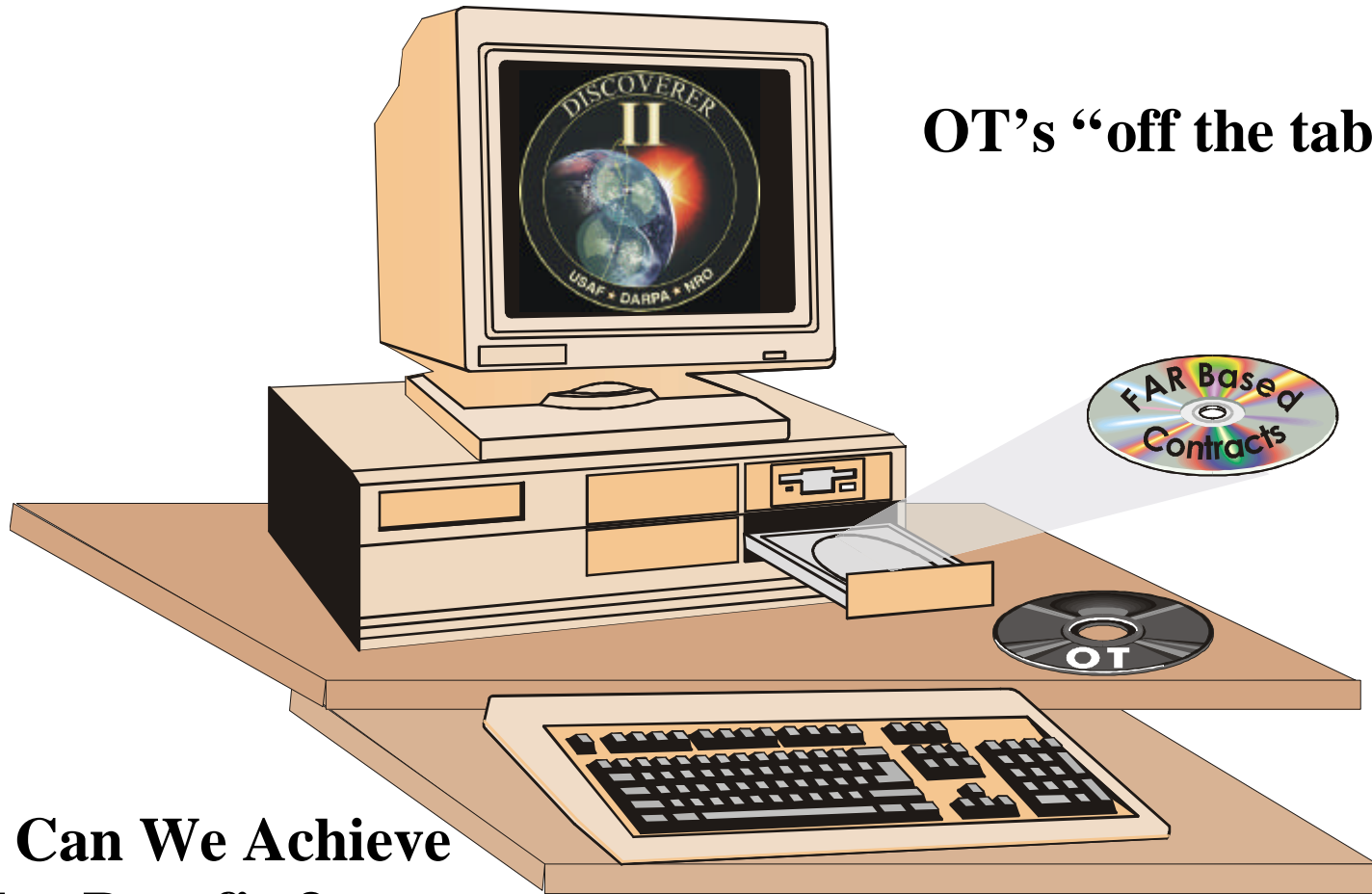
**By:**

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**Contracting Officer**



# FAR-Based Contracts



OT's "off the table"

How Can We Achieve  
Similar Benefits?





# Outline

- **Contracting Objectives**
- **How will we achieve the objectives?**
- **Issues**
  - Key Industry Questions
  - Industry Support to JPO
  - Source List

Anything contained in this briefing is subject to change.

**READ THE RFP WHEN ISSUED!!!**





# Contracting Objectives

- **Structure contracts that -**
  - Demonstrate affordable space based High Range Resolution Ground Moving Target Indicator (HRR-GMTI) and Synthetic Aperture Radar (SAR) imaging capabilities with direct tasking and downlink to the warfighter.
  - Reflect open communication with industry
  - Obtain the BEST VALUE
  - Comply with Federal Acquisition Regulations
    - But streamline where it makes the most sense
  - Protect the Government's interests





## How? Phase I Highlights

- **Full & open competition**
- **Firm Fixed Price trade studies and designs**
- **Single line item + one option**
- **Call for Improvements (CFI) to allow option updates**
- **Negotiable terms and conditions within the law**
- **No cost or pricing data planned for contract award**
- **Performance-based payments (if approved)**
- **Data rights**





## How? Full and Open Competition

- **Early industry involvement in RFP development**
- **Two industry days**
- **Numerous one-on-one discussions with interested firms**
- **Source list published on WWW**
- **Maximum sharing of government information**
- **RFP contains NO requirements**
- **Multiple proposals anticipated**
- **CBD Synopsis issued 28 October 1998**





## How? Fixed Price Trades/Designs

- **Offerors develop SOW/IMP based on broad SOO**
  - SCD outlines the trade space
  - NO specs/NO Requirements
- **Level of effort and risk determined by the offeror**
  - Can be priced based on accepted level of risk
- **Phase I is trade studies and paper designs only**
  - No hardware/software required
- **Information from Government risk reduction activities will be available to offerors**
- **Phase I available funding stated in RFP**





## How? Line Item Deliverables

### ■ **CLIN 0001 - Trade Studies and Designs through IER 2 Completion**

- Complete no later than 12 months after contract award
- “Completion” means resolution of issues and final submission of deliverables

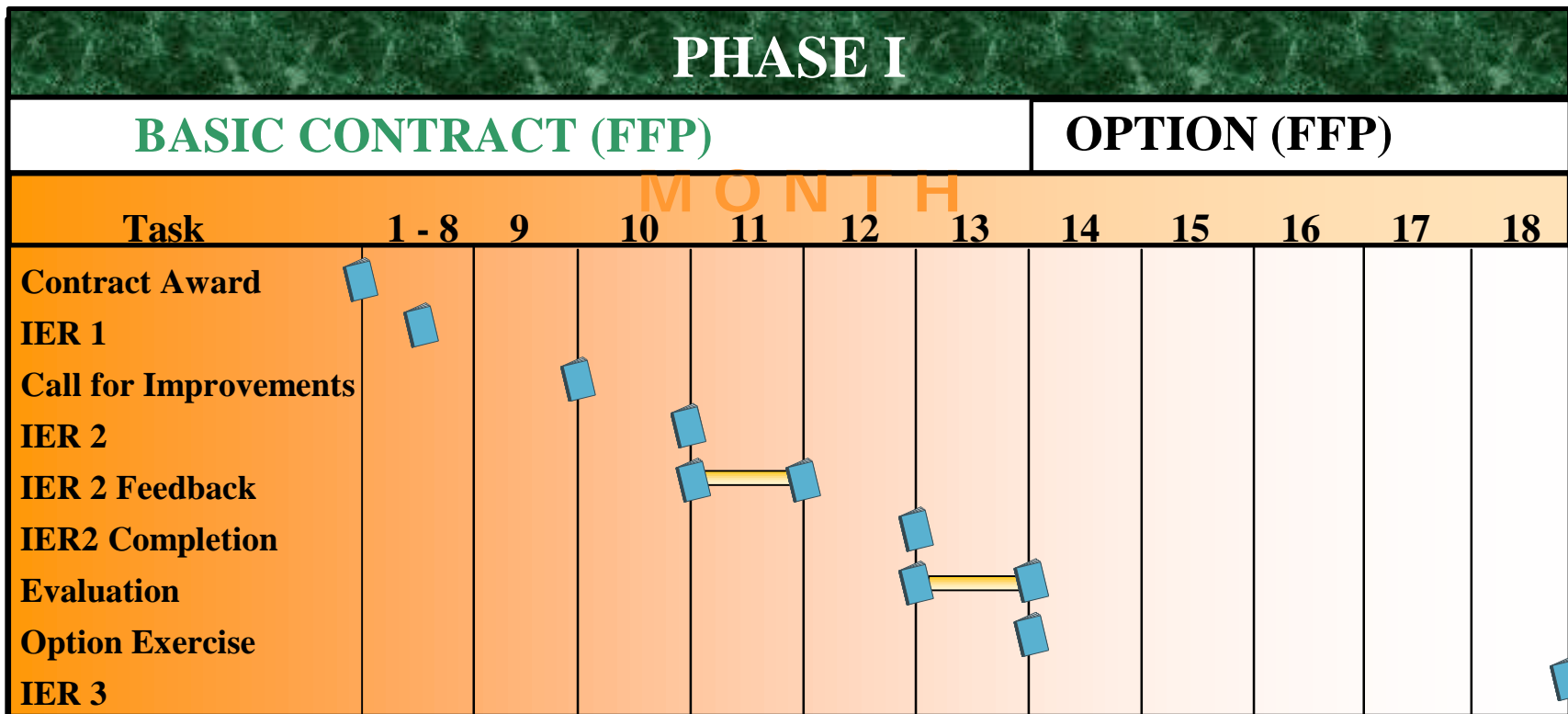
### ■ **CLIN 0002 - Option - Trade Studies and Designs through IER 3 Completion**

- Exercised no later than 30 days after IER 2 completion
- Preliminary criteria for exercising the option stated in RFP
  - Subject to change
- Complete no later than 6 months after option exercise





# How? Call for Improvements



**CFI-30 days before IER 2:**

- Reaffirms IER 2 date
- Updates option price/Ts & Cs
- Updated risk mitigation for Option

**Goals:**

- Minimize performance gap
- Revise options based on learning/updated risk mitigation
- Maximize competitive advantage





## How? Terms and Conditions

- **Clauses NOT required on basic contract due to strategy**
  - Cost-based requirements for contract award
    - Cost Accounting Standards and administration requirements
    - Penalties for unallowable costs
    - Cost or pricing data
    - Change Order Accounting
  - Supply-driven clauses
    - Buy American Act
    - Inspection/liability requirements
  - Numerous other administrative requirements





## How? Terms and Conditions

- **Clause deviations the JPO is seeking**
  - Changes by mutual agreement vice unilateral
  - Simplified termination for convenience/default
  - No Government Furnished Property clause
  - Performance Based Payments
  - Material Management and Accounting Systems





## How? No Cost or Pricing Data

- **Policy - If data is not required - don't get it**
- **Rely on adequate price competition**
  - Price reasonableness
  - Price realism
- **No cost or pricing data required with proposals**





## How? Performance Based Payments

- **Method of contract financing**
- **Allows offeror to propose milestones for payment**
- **Firm milestones at each IER**
  - Propose up to 2 additional milestones for basic contract
  - Propose 1 additional milestone for option
- **Milestones contain firm deliverables and exit criteria**
- **Payment based on successful milestone completion**
- **JPO is awaiting approval to use this provision**





# How? Rights to Intellectual Property

- **FAR Part 27 (10 U.S.C. 2320 and DFARS)**
- **Gov't policy:**
  - Exclusive gov't funding = unlimited rights (in statute)
  - Exclusive private funding = restricted rights (negotiable)
  - Mixed funding = negotiable rights
    - DFARS requires Gov't Purpose License Rights
- **Approach**
  - Work within flexibility of existing rules





# Issues - Some Key Industry Comments

- **Use FAR Part 12 provisions (Acquisition of Commercial Items)**
  - DII is NOT a commercial item within definition
- **No Advanced Change Adjustment Agreement**
  - Will not be in RFP
- **Revise Past Performance submissions**
  - Will be revised to increase threshold and limit pages
- **Clarify TBD provisions in Section H**
  - Will be done based on deviations approved
- **Include Subcontracts for Commercial Items and Components**
  - Will be in RFP
- **List Non-Government Advisors**
  - Will be in RFP
- **Clarify language on “long lead” in Phase I**
  - No requirement for “long lead” items
- **Competitive strategy for Phase II**
  - TBD - Using Phase I effort to assist in decision





# Issues - Industry Support to JPO

<u>Organization</u>	<u>Role</u>	<u>OCI Status</u>
<b>SRS Technologies</b>	<b>JPO SETA (Prime)</b>	<b>Will not compete</b>
<b>GRCI</b>	<b>JPO SETA (Sub)</b>	<b>Will not compete</b>
<b>ERIM International</b>	<b>JPO SETA (Sub)</b>	<b>Will not compete</b>
<b>Independent . Advisory Team</b>	<b>JPO SETA (Sub)</b>	<b>Pending</b>
<b>AMRON</b>	<b>JPO SETA (Sub)</b>	<b>Will not compete</b>
<b>Sage Solutions</b>	<b>JPO SETA (Sub)</b>	<b>Will not compete</b>
<b>Summit Engineering</b>	<b>JPO SETA (Sub)</b>	<b>Will not compete</b>
<b>SAIC</b>	<b>DARPA TTO SETA PEO Support</b>	<b>Awaiting plan</b>





# Issues - Industry Support to JPO

<u>Organization</u>	<u>Role</u>	<u>OCI Status</u>
Northrop Grumman	ESA Design Contractor	No Gov't restriction
Raytheon	ESA Design Contractor	No Gov't restriction
MIT/LL	JPO Technical Support	FFRDC
Sandia National Lab	JPO Technical Support	FFRDC
IDA	JPO Technical Support	FFRDC
Aerospace	JPO Technical Support	FFRDC
ALPHATECH	JPO Technical Support	Will not compete
JHU/APL	JPO Technical Support	Will not compete
TOYON	JPO Technical Support	Will not compete
Booze-Allen Hamilton	JPO Technical Support	Plan under review
TASC	Army Support	Pending
Illinois Inst of Tech	Joint Spectrum Center Support	Pending





# Issues - DII Source List

Company	Division	POC	Telephone	Address
Ball	Aerospace Systems Division	Ms. Ann Osborn	303-939-5729	P.O. Box 1062 Boulder, CO 80306-1062
Boeing/Motorola	Boeing/Space Systems Division/Motorola Government Space Systems Division	Mr. Ron Hill	562-797-4958	2800 Westminster Blvd. MS SX-36 Seal Beach, CA 90740-2089
Lockheed Martin	Astronautics Division	Mr. Dan A. Beary	303-971-7101	P.O. Box 179 Denver, CO 80201-0179
Northrop Grumman/Hughes	Northrop Grumman - Electronics and Systems Integration Division/Hughes - Space and Communications	Mr. Michael Zarkowsky (NG)	407-726-7498	2000 West NASA Boulevard P.O. Box 9650 Melbourne, Florida 32902-9650
Space Systems Loral	Government Systems Division	Mr. Al Parra	650-852-6123	3825 Fabian Way M/S A.09 Palo Alto, CA 94303-4604
Spectrum Astro		Mr. Dave Meer	602-892-8200	1440 N. Fiesta Boulevard Gilbert, AZ 85233
TRW	Defense Systems Division	Mr. Robert Paulson	310-814-7901	Building R5, Room 2090 One Space Park Redondo Beach, CA 90278





## Summary

- **DII objectives can be met with formal contracts**
- **Many unique aspects to this acquisition**
- **Teaming arrangements need flexibility - but**
  - **We won't compromise competition integrity**
- **What you hear/see today is subject to change**
- **READ THE FINAL RFP**

