Military Sealift Command Ship Repair Industry Day

February 25, 2026

Rules of Engagement

- **Classified, proprietary, and source selection information will not be discussed**

- **No discussion about current or future procurements or ongoing litigation**

- **Only a warranted contracting officer may bind the Government**

- **No contracting action is contemplated as a result of this informational meeting**

Agenda

- **0800-0805: Legal Intro / Rules of Engagement**

- **0805-0815: Welcome / Introductions (Mr. Tom Kiss)**

- **0815-0845: Industry Support for the Fleet "the Foundry" (RADM Nicholson)**

- **0845-0900: MSC Small Business Overview (Leah Baker)**

- **0900-0930: DSM Topics / CONUS Shipyard Loading Projections (Jim Goodheart)**

- **0930-0945: Break**

- **0945-1015: Finance Update (Cindy Logan / Gary Glover)**

- **1015-1045: Contracting Update (Clay Griffin)**

- **1045-1145: Engineering (N7) Topics (Ben Hawbaker / Chris Velzis / Aaron Adams)**

- **1145-1215: Open Discussion / Q&A**

- **1215-1600: One-on-One Discussion Opportunities**

Welcome / Introductions

Mr. Tom Kiss

Industry Support for the Fleet "the Foundry"

RADM Ben Nicholson

MSC Small Business Overview

Leah Baker

Supporting Small Business

- **Mission: DON Small Business Enterprise fosters acquisition opportunities where small businesses can best support Sailors, Marines, and their families through policy, advocacy, counseling & training**

- **Vision: At MSC, we actively seek small business opportunities to leverage the innovation, agility, responsiveness and competition that small businesses bring to empower our global warfighting effectiveness.**

Role of Small Business Professionals

✓ **Implement the DON's Small Business (SB) Program throughout MSC**
✓ **Serve as an advocate to maximize SB opportunities**
✓ **Advise and assist MSC personnel on SB matters**
- **Conduct training for MSC personnel**
- **Assist in market research and acquisition strategies**
- **Serve on Source Selection Advisory Committees & Evaluation Boards**
- **Recommend set-asides**
- **Verify accuracy and timely submission of subcontracting plans**

✓ **MSC SBPs have access to:**
- **POCs – buyers, contracting officers, program managers**
- **Forecasts for MSC needs**
- **MSC specific processes**
- **Local websites and postings**

✓ **MSC SBPs can assist with:**
- **Counseling**
- **Payment Issues**
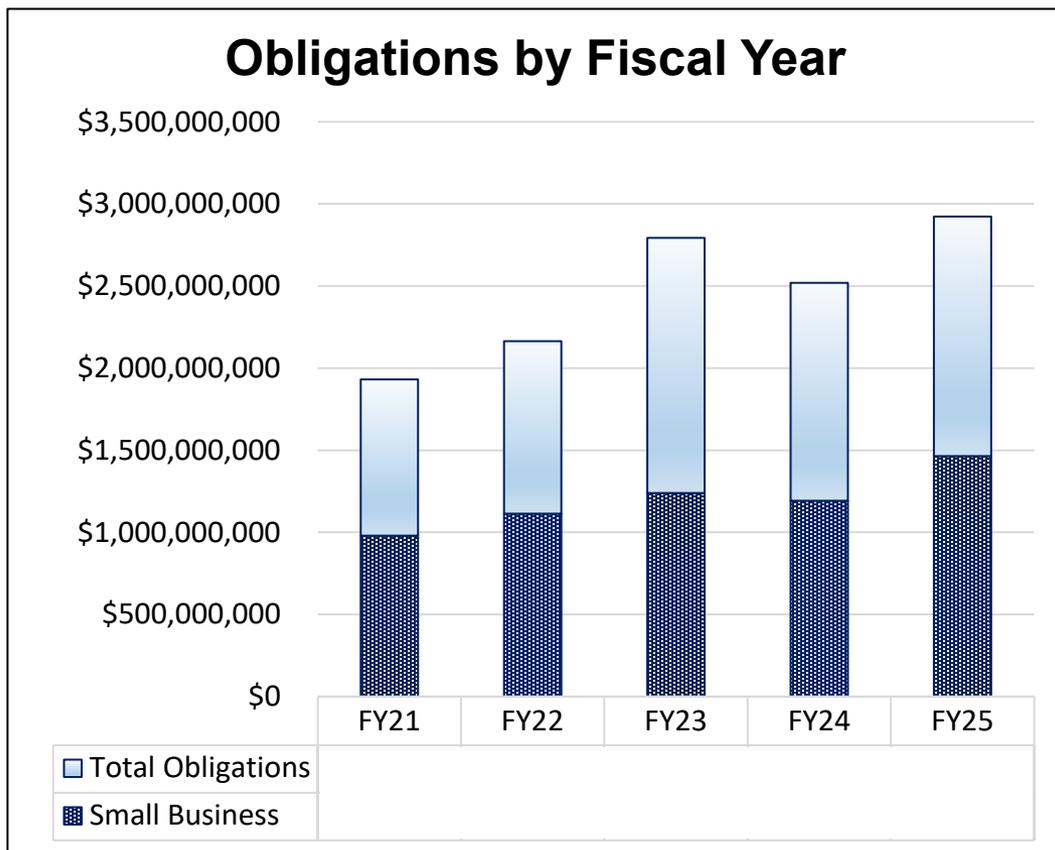- **Matching capabilities with requirements**
- **Questions about contracts**

MSC Contracts

MSC is a "Head of the Contracting Activity"
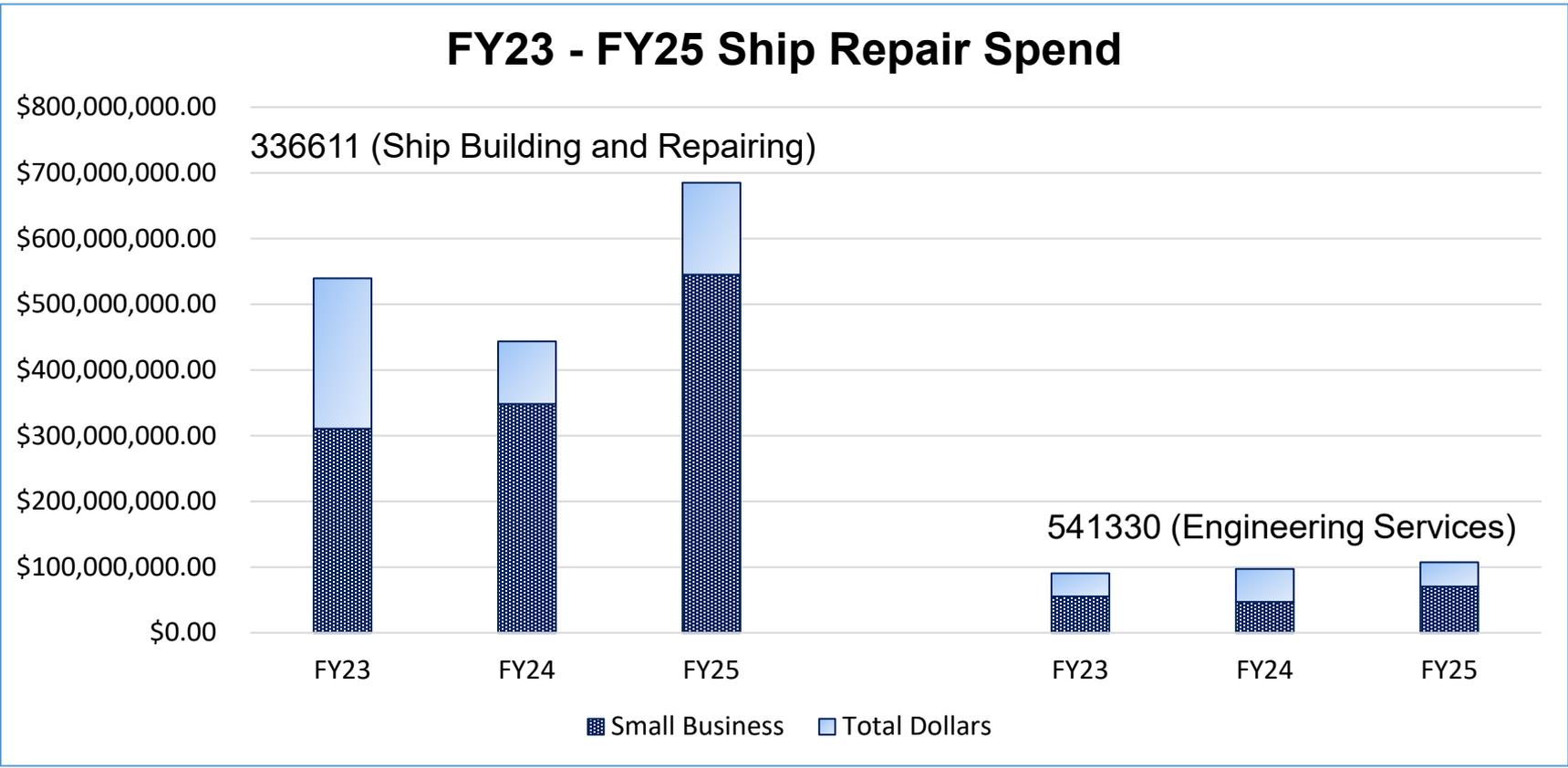## 1 of 10 in the Navy

Responsibilities include:

- **Contracts for services of ocean-going ships, craft, floating dry docks, and other repair facilities for DOD**

- **Contracts for the maintenance, conversion, and modernization of assigned vessels**

Obligations by Fiscal Year

	FY21	FY22	FY23	FY24	FY25
Total Obligations	~$1,930,000,000	~$2,170,000,000	~$2,790,000,000	~$2,520,000,000	~$2,910,000,000
Small Business	~$990,000,000	~$1,120,000,000	~$1,250,000,000	~$1,200,000,000	~$1,470,000,000

Legend:
- ☐ Total Obligations
- ▨ Small Business

Ship Maintenance and Repair
Small Business Spend

FY23 - FY25 Ship Repair Spend

336611 (Ship Building and Repairing)

541330 (Engineering Services)

Legend: ▨ Small Business ☐ Total Dollars

MSC's Top 10 NAICS

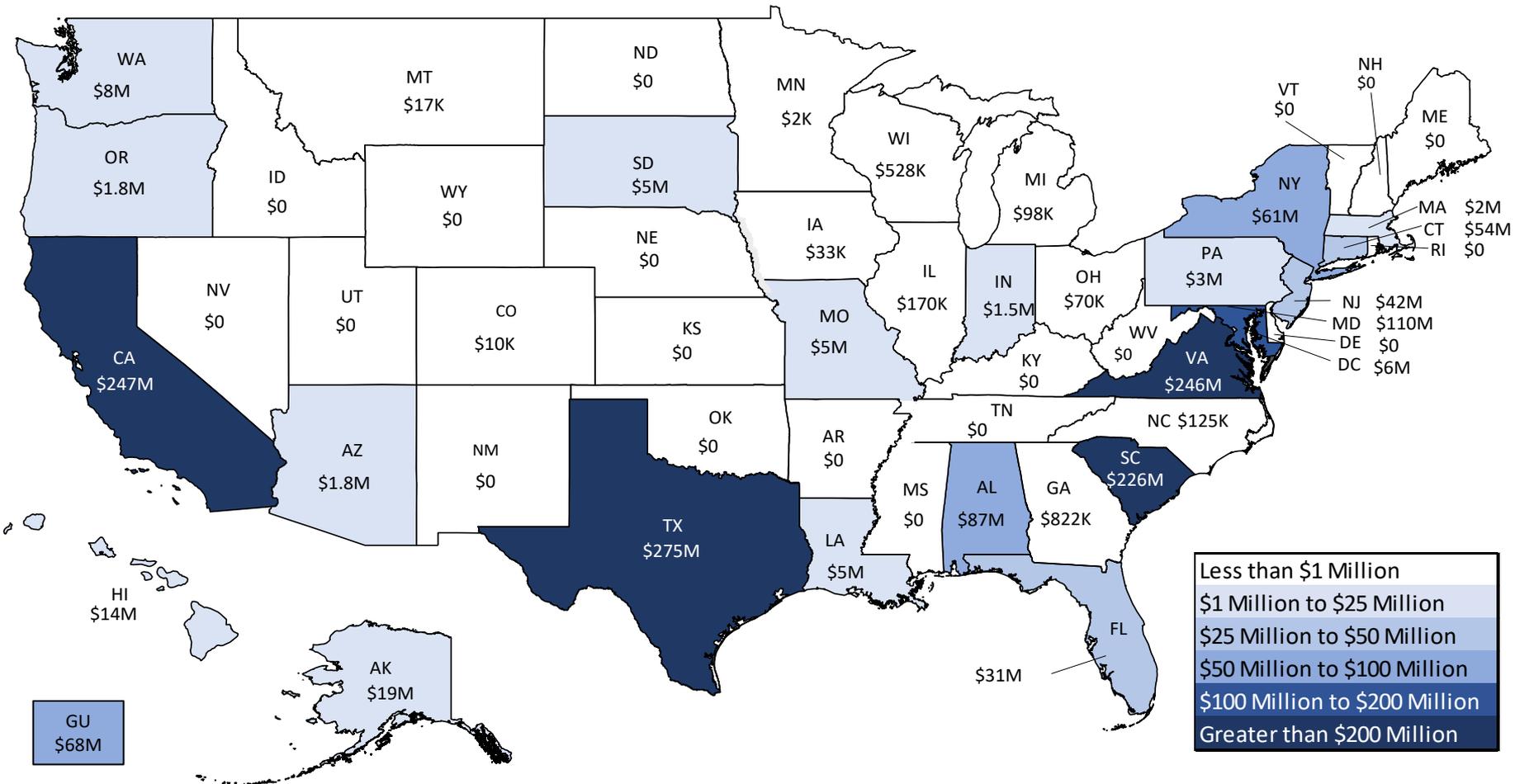## FY25 Top NAICS

NAICS	DESCRIPTION
483111	Deep Sea Freight Transportation
336611	Ship Building And Repairing
541330	Engineering Services
333618	Other Engine Equipment Manufacturing
541512	Computer Systems Design Services
488330	Navigational Services To Shipping
483113	Coastal And Great Lakes Freight Transportation
541513	Computer Facilities Management Services
481212	Nonscheduled Chartered Freight Air Transportation
541614	Process, Physical Distribution, and Logistics Consulting Services

FY25 Top Small Business NAICS

NAICS	DESCRIPTION
483111	Deep Sea Freight Transportation
336611	Ship Building And Repairing
541330	Engineering Services
541513	Computer Facilities Management Services
481212	Nonscheduled Chartered Freight Air Transportation
721110	Hotels And Motels
488330	Navigational Services To Shipping
325998	All Other Miscellaneous Chemical Product And Preparation Manufacturing
611519	Other Technical And Trade Schools
483112	Deep Sea Passenger Transportation

FY25 Small Business Achievements Map

Map of the United States showing FY25 Small Business Achievements by state:

- WA $8M
- MT $17K
- ND $0
- MN $2K
- NH $0
- VT $0
- ME $0
- OR $1.8M
- ID $0
- WI $528K
- MI $98K
- NY $61M
- MA $2M
- CT $54M
- RI $0
- SD $5M
- WY $0
- IA $33K
- PA $3M
- NV $0
- UT $0
- CO $10K
- NE $0
- IL $170K
- IN $1.5M
- OH $70K
- WV $0
- NJ $42M
- MD $110M
- DE $0
- DC $6M
- CA $247M
- KS $0
- MO $5M
- KY $0
- VA $246M
- AZ $1.8M
- NM $0
- OK $0
- AR $0
- TN $0
- NC $125K
- SC $226M
- TX $275M
- MS $0
- AL $87M
- GA $822K
- LA $5M
- HI $14M
- FL $31M
- AK $19M
- GU $68M
- PR $0

Legend:
- Less than $1 Million
- $1 Million to $25 Million
- $25 Million to $50 Million
- $50 Million to $100 Million
- $100 Million to $200 Million
- Greater than $200 Million

Updated Acquisition Thresholds

Threshold	Previous ($)	New ($)	Notes
Micro-Purchase Threshold (MPT)	10K	15K	SCLS: $2,500 *(unchanged)* Davis-Bacon: $2,000 *(unchanged)*
Contingency MPT	20K	25K	For contingency operations
Defense MPT (special authority)	35K	40K	Only for defense against attacks
Simplified Acquisition Threshold (SAT)	250K	350K	—

- **Effective October 1, 2025 (41 U.S.C. 1908)**
- **MPT increase ($15K) reduces competition requirements for small purchases**
- **SAT increase ($350K) enables more simplified procedures**
- **Automatic set-asides now apply to broader range ($15K - $350K)**
- **Rule of 2 still applies**

Updated Subcontracting & Sole Source Limits

Requirement/Threshold	Previous ($)	New ($)	Notes
Subcontracting Plan (non-construction)	750K	900K	Applies to large/OTSB primes only
Subcontracting Plan (construction)	1.5M	2M	Applies to large/OTSB primes only
First-Tier Subcontract Reporting	30K	40K	Applies to large/OTSB primes only
8(a), HUBZone, WOSB, SDVOSB Sole Source (manufacturing)	7M	8.5M	—
8(a), HUBZone, WOSB, SDVOSB Sole Source (all others)	4.5M	5.5M	—
Competitive 8(a) Awards Limit	25M	30M	Above this needs SBA AA approval

System for Award Management (SAM)

- **System for Award Management (SAM)**
  - **To be eligible for traditional contract awards, businesses must be registered in SAM.gov**
  - **Research contracting data to understand needs of the government**
  - **Annual renewal is mandatory; no auto-renewal. Recommend starting renewal 60 days before expiration**

www.SAM.gov

SBA Previous Certifications

Previous Customer Experience

- **Four different systems**

- **Four different logins**

- **Four processes with varying rules**

- **Four sets of the same questions**

- **Four sets of the same documents to upload**

- **Four different processes and approval cycle times**

- **Four different notification methods**

- **Four different leadership teams for reviews/decisions**

….and this is just for first application, it doesn't address

re-certification or changes to the business

certify.sba.gov · VetCert · HCTS (HUBZone) · WOSB.Certify.sba.gov

Login · Process Rules · Questions · Documents · Timeline · Communication of Decision
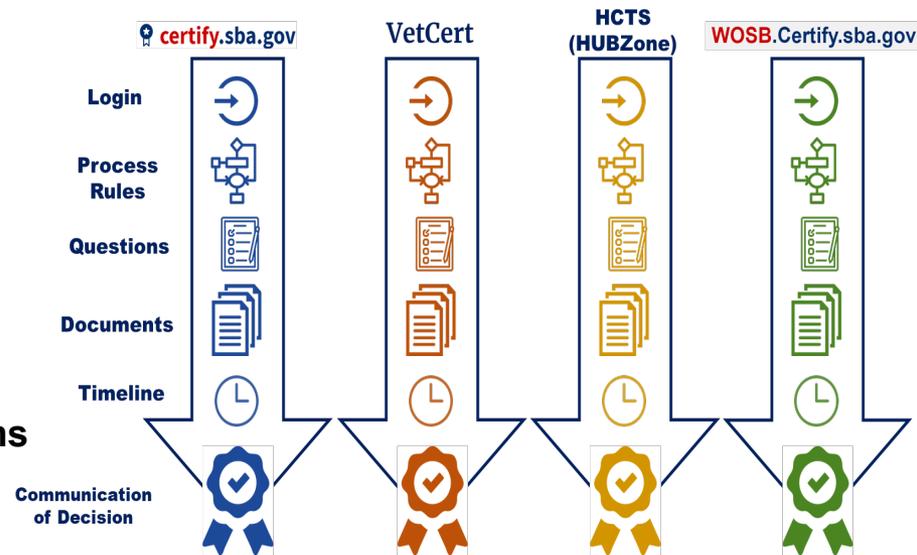
www.sba.gov

SBA Certification Today

Vision

Eligible small businesses will more effectively compete in the federal marketplace by quickly accessing multiple set-aside program certifications through a simple unified system

SBA Certification Customer Experience

✓ One log-in
✓ One common application
✓ One document repository
✓ Common terminology
✓ Common processing business rules
✓ Common decision timeline
✓ Streamlined, timely review process
✓ Single portal customer service support
✓ Same team processing all 4 certifications

www.sba.gov

DoW's LYNX

- **DoW OSBP Launches LYNX to Help Businesses Enter and Compete in Defense Markets**
    - **Digital platform designed to strengthen the DIB by improving visibility into supplier capabilities & supporting growth in priority technology areas**
    - **New entrants, small businesses, non-traditional suppliers, and growing defense contractors can submit their capabilities in a shared environment**

LYNX is now open for registration at www.lynxconnect.io.

FEATURES
Discover a multitude of benefits with LYNX.

Unlock Success
Tailored roadmaps based on your company's strengths, growth areas, and objectives.

Expand Networks
Connect with relevant organizations, partners, and support teams tofuel growth via platform and industry events.

Find New Connections
Easily discover vendors aligned with your needs and attract fresh association members.

Elevate Your Business
Customized training and resources designed to empower small businesses and access industry events for critical networking

APEX Accelerators
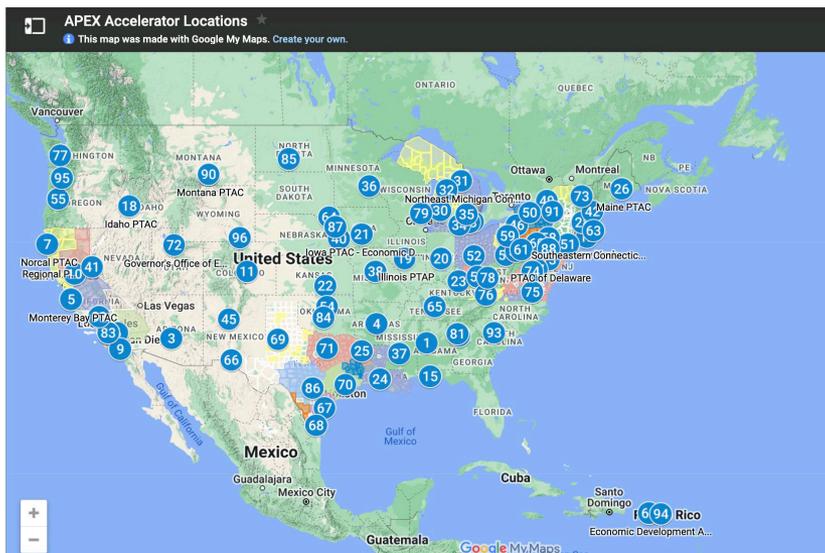
The APEX Accelerators program, under management of the Department of Defense (DOD) Office of Small Business Programs (OSBP), plays a critical role in the Department's efforts to identify and engage with a wide range of businesses entering and participating in the defense supply-chain. The program provides the education and training that all businesses need to participate to become capable of participating in DOD and other government contracts.

www.apexaccelerators.us

Mentor-Protégé Program (MPP)

To learn more about how to participate in the DON MPP, view the Guidebook on OSBP website.
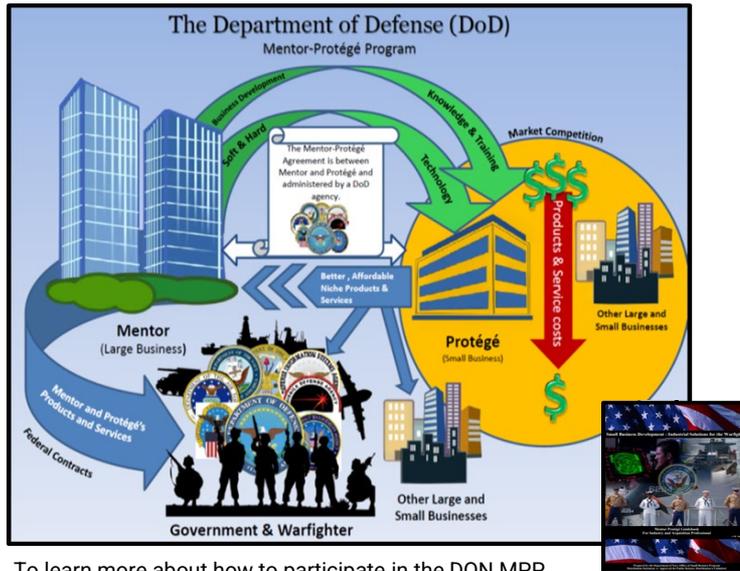
The MPP provides incentives for Dow contractors to assist small businesses in:

- **Enhancing business development and technology capabilities;**
- **Increasing subcontracting participation in government & commercial contracts;**
- **Increasing protégé firm's technical and business infrastructure capabilities; and,**
- **Increasing the Small Business Industrial Base, competitive markets and utilization of nontraditional & commercial companies.**

https://www.secnav.navy.mil/smallbusiness/Pages/mentor-protege.aspx

Doing Business with MSC:
Long Range Acquisition Estimate

https://www.msc.usff.navy.mil/Business-Opportunities/Contracts/

Resources

- **MSC Websites:**
  - https://www.msc.usff.navy.mil/
  - **Business Opportunities –** https://www.msc.usff.navy.mil/Business-Opportunities/Contracts/
  - **Facebook –** http://www.facebook.com/MSCdelivers
  - **X –** https://x.com/MSCsealift
  - **LinkedIn –** https://www.linkedin.com/company/military-sealift-command

- **Other Important Links:**
  - **SAM –** https://sam.gov/
  - **Small Business Search (replaced DSBS) –** https://search.certifications.sba.gov/
  - **MySBA Certifications –** https://certifications.sba.gov/
  - **Revolutionary FAR Overhaul (RFO) –** https://www.acquisition.gov/far-overhaul
  - **DFARS Revolutionary FAR Overhaul Class Deviations –** https://www.acq.osd.mil/dpap/dars/dfars_far_overhaul_class_deviations.html

Upcoming Events

Military Sealift Command   *United We Sail*   24

MSC Office of Small Business Programs Points of Contact

Email: MSC_SmallBiz@us.navy.mil

Leah Baker

Director, Office of Small Business Programs

(757) 443-2717

leah.m.baker12.civ@us.navy.mil

DSM Topics / CONUS Shipyard Loading Projections

Jim Goodheart

DSM Topics

- **On time completion of major availabilities**

- **NWCF to GF transition**

- **Work package density**

- **OEM access and scheduling**

FY25 Major Shipyard Availabilities

Guam
$22.4M

Washington
$1.7M

Massachusetts
$23.9M

New Jersey
$61.7M

Oregon
$191.2M

Pennsylvania
$2.1M

Hawaii
$41.9M

Virginia
$40.3M

California
$84.6M

South Carolina
$113M

Alabama
$141M

Total Domestic: $701.4M
Total Guam: $22.4
Total Overseas: $286.1M

2.4 times more money spent on domestic ship repair than overseas (not including Guam)
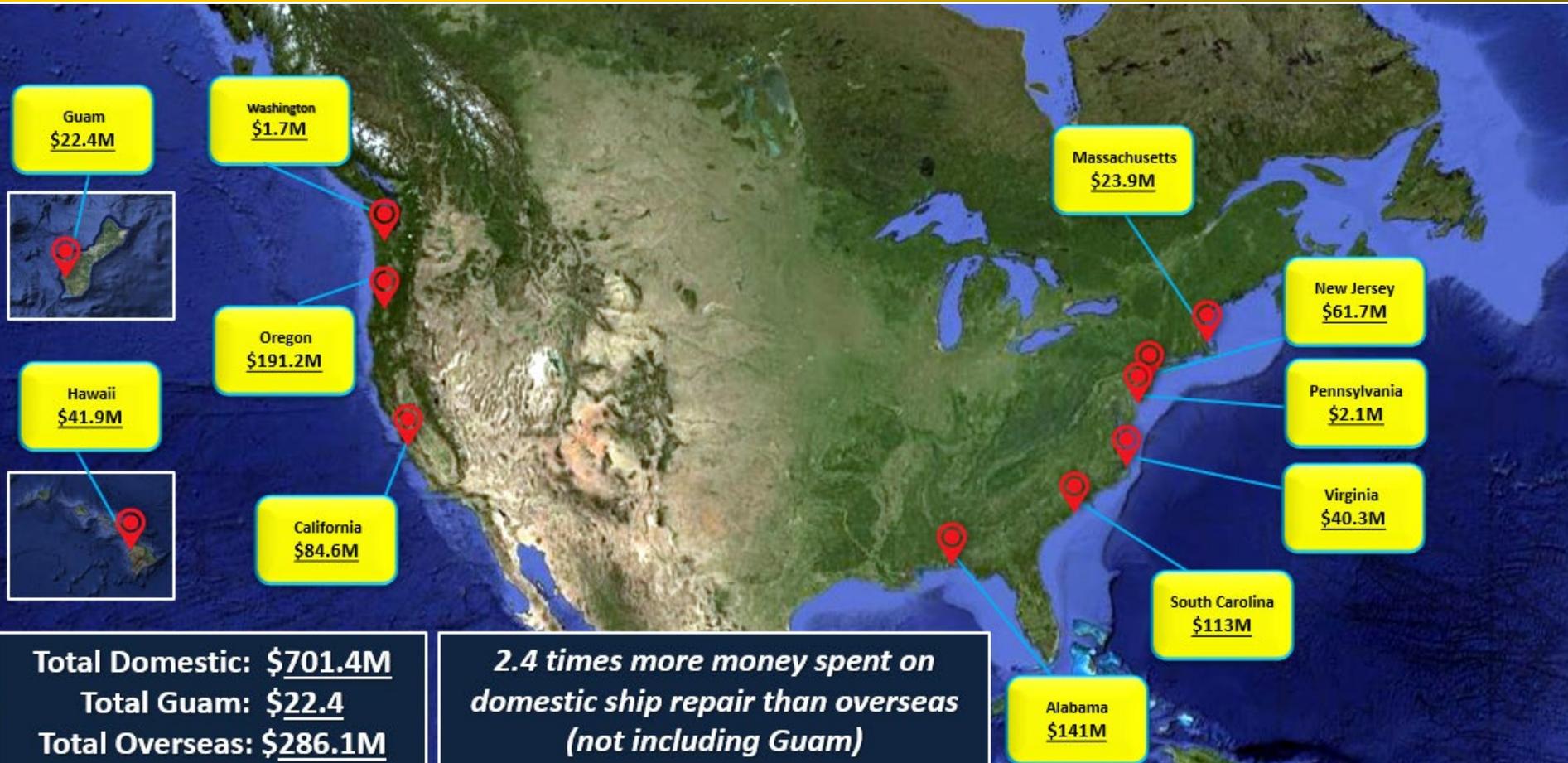
FY26 2nd Fleet Shipyard Loading
(Updated 10 Feb 2026)

AOR	Start Date	End Date	Ship	Hull	Schedule
C2F	12/1/2024	12/1/2027	NEWPORT	T-EPF 12	FGRR (MSC)
		1/5/2028	CARSON CITY	T-EPF 7	FGRR (MSC)
	3/15/2025	12/7/2027	BURLINGTON	T-EPF 10	FGRR (MSC)
	4/7/2025	12/30/2025	MEDGAR EVERS	T-AKE 13	FGRR (MSC)
	4/15/2025	9/30/2026	HERSHEL WOODY WILLIA..	ESB 4	FGRR (MSC)
	4/29/2025	9/30/2026	LEWIS AND CLARK	T-AKE 1	FGRR (MSC)
	5/15/2025	6/5/2028	YUMA	T-EPF 8	FGRR (MSC)
		12/7/2028	BRUNSWICK	T-EPF 6	FGRR (MSC)
			TRENTON	T-EPF 5	FGRR (MSC)
	10/18/2025	1/31/2026	ROBERT E SIMANEK	ESB 7	PSA (MSC)
	1/22/2026	5/2/2026	COMFORT	T-AH 20	MTA (MSC)
	2/1/2026	4/17/2026	LEROY GRUMMAN	T-AO 195	MTA (MSC)
	2/20/2026	5/18/2026	OSCAR V PETERSON	T-AO 206	MTA (MSC)
	3/2/2026	7/15/2026	ROBERT F KENNEDY	T-AO 208	PSA (MSC)
	3/5/2026	8/5/2026	DAHL	T-AKR 312	ROH / DD (MSC)
	3/23/2026	6/7/2026	JOSHUA HUMPHREYS	T-AO 188	MTA (MSC)
	3/30/2026	6/12/2026	CODY	T-EPF 14	ROH / DD (MSC)
	4/1/2026	9/30/2027	ROBERT E SIMANEK	ESB 7	FGRR (MSC)
	4/20/2026	7/29/2026	LARAMIE	T-AO 203	ROH (MSC)
	5/4/2026	8/31/2026	PFC DEWAYNE T WILLIA..	T-AK 3009	ROH / DD (MSC)
		10/16/2026	SUPPLY	T-AOE 6	ROH / DD (MSC)
	5/18/2026	7/18/2026	ROBERT E PEARY	T-AKE 5	ROH (MSC)
	6/1/2026	9/30/2026	LEWIS AND CLARK	T-AKE 1	ROH / DD (MSC)
	6/9/2026	7/27/2026	WATERS	T-AGS 45	MTA (MSC)
	7/15/2026	9/27/2026	PATUXENT	T-AO 201	MTA (MSC)
	7/27/2026	10/25/2026	WILLIAM MCLEAN	T-AKE 12	ROH / DD (MSC)
	8/3/2026	10/31/2026	POINT LOMA	T-EPF 15	PSA (MSC)
	8/5/2026	10/21/2026	KANAWHA	T-AO 196	MTA (MSC)
	8/19/2026	10/7/2026	MEDGAR EVERS	T-AKE 13	MTA (MSC)

Oct 1 Nov 1 Dec 1 Jan 1 Feb 1 Mar 1 Apr 1 May 1 Jun 1 Jul 1 Aug 1 Sep 1

Fiscal Year [FY 2026]

Accessing Shipyard Loading and Repair Outlook

- https://www.msc.usff.navy.mil/

BREAK

Finance Update

Cindy Logan
Clay Griffin

Agenda

- **Invoice Process Flow**

- **Service Line Items**

- **Material Line Items**

- **Invoice Delays**

- **Common Errors**

- **Recommendations**

- **Points of Contact**

- **Definitions**

Invoice Process Flow
Receiving Report

- **Receiving Report routes to MSC WAWF Acceptance Queue (N62387) for processing**
    - **Receiving report can be accepted/rejected by anyone at MSC with access and authority to confirm receipt and acceptance of goods/services**
    - **Accepted receiving reports route to DFAS to combine with invoice for process and payment scheduling.**
    - **Rejected receiving reports route back to the vendor for submission of a new corrected receiving report/invoice.**
        - **Vendors should create a new invoice with a new invoice number for all rejected invoice vice resubmitting the same invoice number. Vendors should leave invoice in rejected status and not void any invoices.**

Invoice Process Flow
Invoice

- **Invoice routes to DFAS for processing**
  - **System interface performs an initial pre-validation of invoice and holds the invoice in a queue pending receipt of accepted receiving report. The interface is looking for a 3-way match between the NERP PO/Invoice/GR. If all match the invoice moves to the FBL1N for certification, if any element fails the invoice suspends and sits on the 3U report.**
  - **DFAS certification (FBL1N) includes review of all data elements on the invoice prior to releasing invoice for payment:**
    - **Acceptance is posted in WAWF**
    - **Expense (GR) posted in NERP**
    - **Qty matches NERP and contract**
    - **Unit of Measure matches NERP**
    - **Funds availability**
    - **Vendor CAGE matches NERP/Contract and is not expired**
    - **CLINs/SLINs/ACRNs align to NERP and contract**
    - **WAWF table**
    - **Assigns payment date**
  - **Any mismatches cause additional delays and e-mails between DFAS, MSC and vendor to correct.**

- **After invoice validation DFAS schedules the invoice payment date.**
  - **Payment date is scheduled based on the business size (15 or 30 days) after the later of the following two dates:**
    - **Date the invoice is accepted in WAWF: This date is auto-assigned by WAWF and interfaced to NERP**
    - **Or the date the expense was recorded in NERP**
    - **Whichever is later**

Service Line Items

- **NERP assigns all service line-items a quantity of "1" and Unit of Measure (UOM) "AU"**
  - UOM AU is a generic UOM NERP assigns to all service line items. AU encompasses all services UOMs such as, Job, Days, Hours, etc.
  - This allows vendors to submit progress payments
  - Vendor invoice should also reflect quantity of "1" and Unit of Measure "AU" for all service line items. Progress payment dollar value being invoiced should be added to the "Unit Price" field. WAWF will calculate the "Total Price".
  - Decimal places should never be used on an invoice.
    - For example: if a contract total line-item value is $1,000,000 and the vendor wishes to invoice for 75% work completion the quantity should be "1", Unit of Measure should be "AU" and Unit Price should be $750,000. The vendor should not enter quantity ".75" and Unit price $1,000,000 and allow WAWF to calculate the total price of $750,000.

Invoice Delays
Common Causes

- **UOM mismatch:**
  - **UOM on the invoice does not match the UOM in NERP**
- **Quantity mismatch:**
  - **Quantity not a whole number**
  - **Quantity ordered is 1 EA and invoice is for a greater Quantity and different unit price**
- **Incorrect CLIN/SLIN/ACRN**
  - **Incorrect CLIN can cause over invoicing and could result in vendor repayment at the end of the contract**
- **Insufficient support for the dollar value being invoiced**
- **Duplicate invoice competing for the same dollar**
- **WAWF routing table doesn't match contract routing table**
- **Invoice type mismatch**
- **Zero-dollar CLINs submitted on WAWF invoice**
- **SAM.gov account expired**

Recommendations

- Don't submit duplicate invoices. Submitting an invoice more than once because the first submission hasn't been paid will cause all invoices to be blocked.

- Don't submit duplicate invoice numbers. When re-submitting a previously rejected invoice ensure that a new invoice number is used.

- Document government receipt and acceptance prior to submitting invoice. Attach that documentation to the WAWF invoice/Receiving Report.

- Validate CLIN/SLIN being invoiced matches CLIN/SLIN on the most recent amendment to the contract and that the total invoices submitted (and not rejected) don't exceed the amount authorized on the contract.

- Always attached a vendor generated invoice as part of supporting documentation. This provides details of the invoice, where the text field in WAWF is limited on space.

- Combine multiple CLINs on one invoice vice submitting one invoice per CLIN, where possible (coordinate with the MSC program manager on this).

- Try to reduce the number of invoices submitted for a particular CLIN within a month.

Points of Contact

- **Accounts Payable Branch Chief:**
  - **Clay Griffin:** Herbert.c.griffin6.civ@us.navy.mil

- **Accounts Payable Supervisor**
  - **Tanaka Chimbwanda:** Tanaka.Chimbwanda.civ@us.navy.mil

- **Accounts Payable Analysts**
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  - **Kellie Evans:** kellie.a.evans.civ@us.navy.mil
  - **Jasmyne Smith:** jasmyne.n.smith.civ@us.navy.mil

Contract Funding, Invoicing and Payments

Joe Martin

MSC Contracting

- **The most exciting topic of the day!**

Contracting Staff

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Email:
edwin.c.roberts10.civ@us.navy.mil

- **Mr. Chris Ward – AO Branch Chief**

- **Mr. Damian Finke –AKE/AOE/EPF/ESB/AH/AS/ARS/ATF Branch Chief**

- **Mrs. Maria Morris– Services/GSR/Norfolk Branch Chief**

- **Mr. Taylor Reeves – Services/GSR/San Diego Director**

- **Mrs. Amber San Gil - Services/GSR/Guam Director**

Monthly Obligations
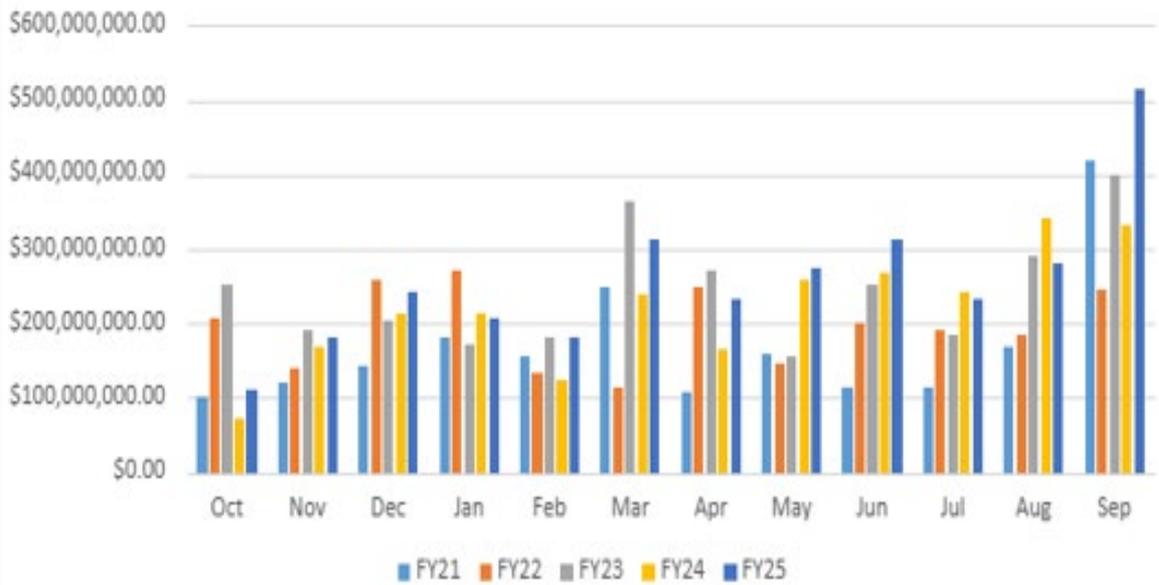
Ship Repair Mission Essential Tasks

Planning
- Clear and concise work package
- Required work fits allotted repair time
- Source long lead time materials

Assessment
- Objective Contract Perf. Assmt. Report (CPARS)
- Refine future work package scope and content
- Hot Wash: ID areas for process improvement
- Respond to CPARS assessments

Ready Ships
Assured Maritime Logistics

Solicitation/Award
- Honest, accurate and fair proposals
- Feedback concerns with requirements
- Accurate resource and sequence plan
- Prove ability to complete work w/in PoP
- Maintain collaborative & constructive dialogue
- Conduct detailed planning
- Production sked & labor allocations refined
- Prepare purchase orders (contractor furnished material, subs, tech reps)

Execution
- Start availability on time
- Continuous feedback on quality, progress, safety
- Respond promptly to Condition Found Reports
- Issue Contract Change Order proposals
- Perform work IAW work package specifications
- Adhere to ship repair production schedule
- Surge resources when progress lags schedule
- Maintain quality workmanship
- Ensure safety for all personnel and property
- Address additional work requirements presented

60 Day Awards

Contracts are competed and awarded by MSC N10 CONUS to the technically acceptable, lowest priced offer with acceptable past performance.

Availability Scheduled

Availability -381 Days
- Issue a sources sought notice to identify interested parties
- Complete source selection, small business participation requirement set aside
- Complete source selection plan/assemble evaluation board
- Start ordering LLTM/Service Orders

Availability -248 Days
- Synopsize the requirement on SAM.gov to alert vendors requirement will be forthcoming.
- Solicit for a minimum of 45 days. Vendors opportunity to attend ship check/ask questions
- Initial proposal submitted and evaluated

Availability -148 Days
- Pre-Award contract review board to request authority to enter into discussions addressing tech/pricing concerns ID'd in proposal
- Post discussions, vendors have opportunity to submit final proposal revisions
- Evaluation of final proposal revisions

Contract Award Availability -60 Days

Start of Availability

VR avails now have a target award date of A-30.

180 Day Awards

Contracts are competed and awarded by MSC N10 CONUS to the technically acceptable, lowest priced offer with acceptable past performance.

	AVG DAYS	# OF AWARDS	MAX DAYS	MIN DAYS
FY25	50	23	98	5
FY24	57	19	109	26
FY23	68	24	186	34
FY22	53	22	129	7
FY21	56	22	112	29
FY20	44	23	100	11

Availability Scheduled

Availability -498 Days
- Issue a sources sought notice to identify interested parties
- Complete source selection, small business participation requirement set aside
- Complete source selection plan/assemble evaluation board
- Start ordering LLTM/Service Orders

Availability -368 Days
- Synopsize the requirement on SAM.gov to alert vendors requirement will be forthcoming.
- Solicit for a minimum of 45 days. Vendors opportunity to attend ship check/ask questions
- Initial proposal submitted and evaluated

Availability -268 Days
- Pre-Award contract review board to request authority to enter into discussions addressing tech/pricing concerns ID'd in proposal
- Post discussions, vendors have opportunity to submit final proposal revisions
- Evaluation of final proposal revisions

Contract Award Availability - 180 to -120 Days

Supplemental Package

Start of Availability

VR avails have a target award date of A-30.

Prompt Payment Act of 1982

- Prompt Payment Act of 1982 (31 USC Ch.39)- A federal law requiring agencies to pay invoices on time or pay interest penalties. (FAR 52.232-25 Prompt Payment)

- Standard Timeline: Payment is typically due within 30 days of receiving a "proper invoice" or acceptance of goods/services. Encourages agencies to pay small businesses as quickly as possible, with a goal of 15 days after proper invoice receipt.

- Submit "Proper" Invoices: Must contain all required data (contract number, description, price, TIN) to have N8 approve and start the timer.

- Automatic Interest: Late payments require automatic interest penalties

- Subcontractor Protection: Prime contractors are required to pay small business subcontractors promptly after receiving payment from the government. (FAR 52.232-40)

Revolutionary FAR Overhaul

- **FAR part 15 represents one of the most transformative aspects of the RFO, fundamentally redefining meaningful exchanges between the government and offerors throughout the source selection process. It provides needed clarity to both terminology and processes, addressing long-term pain points for government and industry.**

- **Terms**
    - *Discussions* **is replaced with** *negotiations***.**
    - *Communications***, in the context of competitive range establishment, has been eliminated.**
    - *Deficiency* **is any part of an offer that does not conform to a material requirement of a RFP. A material requirement is one that affects price, quantity, quality, or delivery, or that the RFP requires to be met at the time of proposal submission.**
    - *Proposal revision* **is a change to material elements of a proposal made after the RFP closing date, at the request of or as allowed by a contracting officer, as the result of negotiations.**

Revolutionary FAR Overhaul

- **Contracting officers must negotiate with each responsible offeror within the competitive range and may further negotiate with the offerors as needed.**
    - **Having further negotiations with one offeror does not require the contracting officer to have further negotiations with other offerors. The deviation text provides guidance on industry communication through early exchanges and debriefing.**

- **The competitive range is now clearly defined as "the group of evaluated proposals that the contracting officer determines are best suited for further negotiation" instead of "all of the most highly rated proposals".**

Always and Never

•ALWAYS

- **Be honest with us and your partners**
- **Prioritize safety**
- **Innovate and Partner**

•NEVER

- **Neglect your greatest asset: Your skilled workforce**

- **Stop communicating to your team how important they are to our country.**

- **Anyone know what this word means?**

Yshomits

- **How about this word?**

iPhone

Engineering (N7) Topics

Ben Hawbaker

Chris Velzis

Aaron Adams

Standard Work Item (SWI) 0003

- **Complete rewrite in progress for Approach, Berthing, and Mooring Requirements for all MSC vessels (GOGO/GOCO)**

- **Items under consideration:**
  - **Moving to Registered Design Professional (RDP) submittals**
    - **Professional Engineer (PE) signed and sealed plans**
    - **Provides flexibility on assumptions, coefficients, and variables**
  - **Aligning standard and "Heavy Weather" mooring to Uniform Facilities Criteria (UFC) 4-159-03, MOORINGS**
  - **Standardizing requirements and principles for submittals**
  - **Streamlining mooring analysis to repeatable commercially available toolsets**
  - **Reducing the government review effort and timeline to better align with contractual milestones**

Ship Repair Performance

- MSC operates 55 Government Owned/Government Operated (GOGO) and 30 Government Owned/Contractor Operated (GOCO) ships

- 71 shipyard availabilities planned for FY26 (52 GOGO/19 GOCO and 44 CONUS/27 OCONUS)
    - Contracting actions by MSC, FLC Naples, FLC Bahrain, FLC Yokosuka, FLC Puget Sound

- FY25 maintenance availability performance
    - 48% of CY25 availabilities finished on time for all MSC ships (GOGO and GOCO)
    - GOCO performance better than GOGO
    - CLF performance lagging - 31%

- Future improvements needed:
    - 100% GFM on hand at the start of availabilities
    - Work Package Density Control
        - Remove non-shipyard tasks to reduce congestion, improve workflow, and focus shipyard resources on core competencies. Move work to VRs and underway
        - More work added to reduce maintenance backlog without adding to POP length
    - On-Time Contract Award, 501 Day POAM issued (earlier award)
    - Pre-Availability Assessment
    - Limiting Growth & New Work
    - Rotatable Pool / Shore-based Spares / Limit use of Open & Inspect Items

ROH Cost and Duration

- **Time to complete MTA/ROH availabilities has steadily increased for all GOGO/GOCO vessels.**
  - **Data to right is a sampling of T-AO 187, T-AOE, T-AKE, and T-AKR.**
  - **Increase in planned availability durations and unplanned extensions both contributing**
  - **Work in progress: standard work items, accelerated work package development, and improved WP quality**
- **MSC maintenance looking forward**
  - **501 DAY POA&M – instituted on T-AO187/205, ESBs, LCC, Sub tenders, and ARS**
  - **Longer POAM supports award between A-180 and A-120 vice A-60**
  - **80/20 Contract Split in accordance with the 501 Day POA&M**
  - **Classification and Regulatory Body Pre-Availability Inspections**
  - **Underway Maintenance and Repairs**
  - **Inclusion of anticipated growth amount in contract at a pre-determined price**
  - **Annual technical submittals**

Avail Cost and Duration (ROH only)

Avail Years (lumped)

Legend: ■ Avg. Actual Cost ── Avg. Duration*
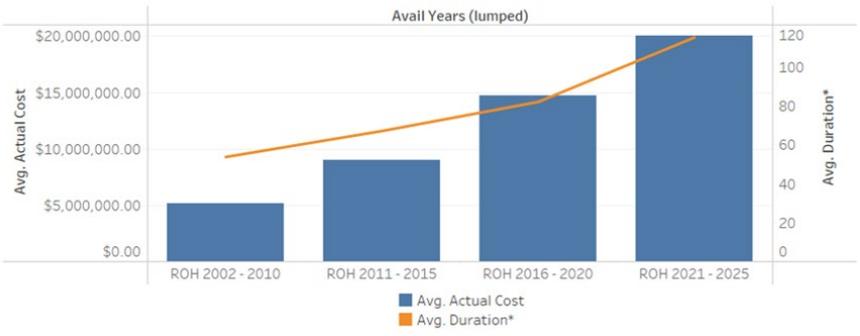
| Avail Years (lumped)	Avg. Actual Cost	Avg. Dur..
ROH 2002 - 2010	$5,183,261.44	53.3
ROH 2011 - 2015	$8,966,577.91	58.5
ROH 2016 - 2020	$14,745,215.25	69.5
ROH 2021 - 2025	$20,008,060.28	109.6

Why Library Work Items

- **Standardization of Work Items for SY availabilities enables continuous improvement:**
  - **Plan – Establishes Baseline**
  - **Do – Implement Plan**
  - **Check – Evaluate the Plan**
  - **Act – Apply Lessons Learned**
  - **Results**

Benefits

1. **Work is done according to the current best practice**
2. **Simplifies and speeds up training and onboarding**
3. **Improves quality and increases customer satisfaction**
4. **Reduces defects and waste**
5. **Makes results predictable and measurable**
6. **Helps finance teams estimate and price accurately**
7. **Allows organizations to scale rapidly**
8. **Puts the focus on the process, not the person**
9. **Makes the improvement easier, faster, and scalable - It's hard to improve a process that is not well understood or consistently applied.**
10. **Streamlines problem-solving by understanding the current process**
11. **Frees managers and leaders to focus on strategic objectives and culture**
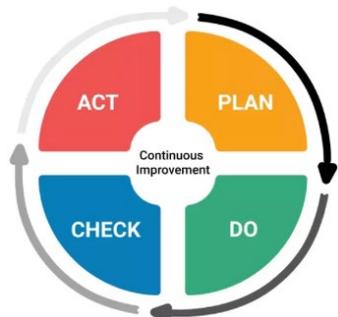
ROH and MTA Work Package Changes

- **Additional time-based maintenance pushed into ROH and MTA packages**
- **Increase estimated shipyard man day limit from 150 to 250 – 500 depending on class**
  - **Skin tanks during ROH drydocking**
  - **Non-skin tanks/topside during MTA and ROH UWILD**
- **Coating schedule:**
  - **Chain locker: 5 years**
  - **Underwater hull/Freeboard: 5-year spot, 10 years full blast**
  - **Oily waste/Sludge, fan rooms, plenums, topside gear foundations: 7.5 years**
  - **Bilges: 10 years**
  - **Cargo holds decks and bilges: 10 years**
  - **Cargo reefer spaces: 15 years**
  - **Ballast, Fuel: 15 years**
  - **Void/cofferdam: 20 years**
- **Topside non-skid coatings**
  - **Pedestrian nonskid, 10-20% every year in addition to standard flight deck nonskid renewal at 3 years**
- **Point and Paint work items annually**
- **Require contractors to flex in-house labor, subcontract labor and sequence work as required to meet schedule**

ROH and MTA Work Package Changes

- **Benefits**
  - **Vessel lifecycles are better understood and predictable**
  - **Major maintenance is identified in base contract vice change order**
  - **Right-sized ROH and MTA period of performance vice extensions**
  - **Vessel readiness and schedule is more predictable**
  - **Removes emergent steel repairs and coating repairs from shipyard periods and ships force**
  - **Provides advanced planning and level loading for contractor labor, subcontractor labor, material procurement and berth/drydock scheduling**

- **Impact Mitigation**
  - **501-day POAM for ROH and MTA solicitations.**
    - **Award between 120 and 180 days before arrival**
    - **80/20 work package split**
  - **Moving engine and machinery maintenance to underway periods outside of shipyard availabilities**
    - **Training ships force to perform routine maintenance**
    - **Thorough optest, troubleshooting and calibration with technicians onboard**
  - **Flame spray coating systems**
    - **Flight deck non-skid**
    - **Pedestrian non-skid**
    - **Possible tank coating systems**
  - **Considering dry-docking instead of UWILD to balance intermediate and special survey docking workload and long term SLEP availabilities**

Thermal Spray Aluminum and Nonskid

- **Thermal Spray Aluminum (TSA):**
  - **A sacrificial metal coating that provides active protection for steel.**
  - **Mechanically bonded to the steel**
  - **Serves as a galvanic anode that corrodes instead of the steel substrate.**

- **Thermal Spray Nonskid (TSN):**
  - **Applied over TSA to create a high-traction surface**

- **Wide Range of Applications**
  - **Navy flight decks, ramps, RAST plates, watertight doors**
  - **Exhaust stacks**
  - **Ballast tanks**
  - **Cargo holds & Vehicle Decks**
  - **Sea chests & seawater systems**
  - **Splash zones & boot tops**
  - **Void spaces & cofferdams**
  - **Machinery Room Foundations & Bilges**

TSN Application Process:
- **Abrasive blast prep** (SSPC SP-5 white metal)
- **Thermal spray processes:**
  Twin-Wire Arc
  HVOF / Nano-ID HVOF
  Plasma spray
- **4-head robotic application** for uniform coating
- **Green Clean** low-pressure waterjet rinse
- **Color topping & VLA markings** for final finish

Successful OEM / MSC Relationship

- **Reoccurring meetings to review:**
    - **Maintenance strategies**
    - **Review of Standard Work items**
    - **Discuss any MSC issues (past performances / Lessons learn)**
    - **Identify upcoming obsolescence**
    - **Any OEM questions, concerns, or updates**

- **MSC provides the following to be more transparent for OEM to be more prepared and efficient:**
    - **MSC Availability Schedule (Fleet Maintenance Schedule Center – FSC)**
    - **When scheduled, in person or TEAMS meeting to discuss issues, new ideas, and lessons learn**

- **OEM provides the following to help MSC improve and meet mission to maintain national security:**
    - **Obsolescence Forecast**
    - **Industrial Knowledge**
    - **Industrial Feedback**

- **For S/Y availabilities: need OEMs and shipyards to reduce issues with agreements on terms and conditions to ensure OEM work items are completed in a timely manner**

Ship Critical Safety Items

"For ship critical safety items, MSC shall enter into contracts only with sources qualified to produce and service such items." – COMSCINST 4490.1C

- **Purpose: Ensure safety and mission performance of MSC ships and equipment while still encouraging a competitive procurement environment**
  - **Consistent with all Federal and DoD acquisition regulations**
  - **Not blanket authority to justify non-competitive procurement**

- **MSC Engineering Director (N7) is the Design Control Activity (DCA) for MSC**
  - **Identifies systems/equipment meeting criteria for ship critical safety items**
  - **Qualifies potential vendors meeting the criteria and standards required for any contract involving the procurement, modification, repair, or overhaul of ship critical safety items.**

- **MSC Contracting Officers and MSC Operating Companies**
  - **Ensure contracts are negotiated only with sources that meet the qualification standards and have been approved by the DCA.**

- **Key References: COMSCINST 4490.1C, MSC QMS N0750-100.00-AQ**
  - **Both available on MSC Procurement website**

Ship Critical Safety Items

Any ship part, mission system, equipment, assembly, or support equipment containing a characteristic, the failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in loss of or serious damage to the ship; or unacceptable risk of personal injury or loss of life. - DFARS 252.209-7010

1. **Main Propulsion Diesel Engines/Main Propulsion Motors/Gas Turbine Engines**

2. **Ship Service Diesel Engines/Ships Service Turbine Generators**

3. **High Pressure/Low Pressure Propulsion Turbines**

4. **Emergency Diesel Generators**

5. **Propulsion/Machinery Control Systems**

6. **Main Propulsion and Turbine Generator Reduction Gears**

7. **Propulsion Shafting, Bearings and Couplings**

8. **Controllable Pitch Propeller Systems**

9. **Stern Tube Seal Systems**

10. **Steering Gear Control Systems (not hydraulics)**

11. **Electronic Chart Display Information System**

12. **Dynamic Positioning System**

13. **Fixed Fire Extinguishing Systems/Fire Detection Systems**
    - **Note: ABS "Recognized External Specialist" documentation shall suffice for Fire Extinguishing System service providers**

14. **Oily Water Separator/Oil Content Monitors**

15. **Mission Equipment (Vehicle Ramps; Cargo Cranes; Cargo Hold Watertight Doors and Ramps)**
    - **structural, electronics and hydraulic control systems; not hydraulic components and hoses, and other common components**

Areas of Applicability

- **Technical Services Providers**
  - Only <u>OEM-authorized</u> or <u>MSC-qualified non-OEM</u> technical service providers shall be commissioned to accomplish the work on ship critical safety items

- **Repair Parts**
  - Only <u>OEM-authorized</u> or <u>MSC-qualified</u> parts shall be procured and used in the maintenance and repair of ship critical safety items
  - When the OEM does not supply specific parts, is no longer in business or no longer supports a piece of equipment, N7 shall qualify permissible repair parts manufacturers/suppliers to be used for maintenance and parts procurements based upon known technical details of the original parts
  - When contractor furnished material (CFM) is required and specified by brand name in the contract or work item, equivalent material ("or equal" products) may be proposed. "Or equal" repair parts shall be evaluated by N7 to determine equivalency to OEM specifications.

Qualification Process and Letters

- ## Review & Qualification Process
  - **Request for qualification received by N7**
    - **multiple entry points: email, referral by PPE, N10, N4, OPCO**
  - **N7 conducts review IAW established procedures / criteria (N0750-100.00-AQ)**
    - **Reliant on vendor desiring qualification to provide all required documentation**
    - **The better/faster the info received, the easier the approval**
  - **If review clearly meets qualification criteria → qualification approved / issued**
  - **If criteria not clearly met, second review by Technical Qualification Review Board**
  - **If criteria still not satisfied, N7 will notify vendor AND educate them on actions or documentation needed to achieve qualification**

- ## Qualification Letters
  - **Posted to public MSC Procurement website**
  - **Valid for 24 months from date of issue, then must be reevaluated**
  - **MSC will attempt to notify vendors to initiate reevaluation, but is not responsible for lapses**
  - **Please keep N7 POC informed of any contact changes**

Information and Contacts

Program Website - Information, References, and Qual Letters:

https://www.msc.usff.navy.mil/Business-Opportunities/Contracts/Qualification-for-Items-Critical-to-Shipboard-Safety-on-MSC-Vessels/

Qualification Requests & N7 Program POC:

Ben Hawbaker, N74 Division Director

(757) 341-6211

msc_nonoem_qual@us.navy.mil

Open Discussion / Q&A

One-on-One Sessions

- **Ground Rules**
    - **15-minute time limit for each company / station if others are waiting**
    - **First-come, first-served**
    - **Once complete, can move to the queue for the next station**
    - **Respect time and availability of other industry partners and MSC reps**
    - **Legal rules of engagement still in place (source selection information will not be discussed, no discussions about current or future procurements or ongoing litigation, only a warranted contracting officer may bind the Government, etc)**

- **Tables / POCs**
    - **Small Business**
    - **Shipyards (N10 / N75 / N72 reps)**
    - **Current OEMs, GSR contractors (N75 / N71 / N10 reps)**
    - **New to MSC w/ Engineering & Technical questions (N72 / N71)**
    - **MSC Contracting (N10)**
    - **Communications/Cybersecurity (N6)**
    - **MSC Director Ship Management Leadership (DSM / DSMX / N7)**

- **If longer times desired, sign-up sheet available for 30 min blocks on Thursday morning**

One-on-One Sessions
Room Layout
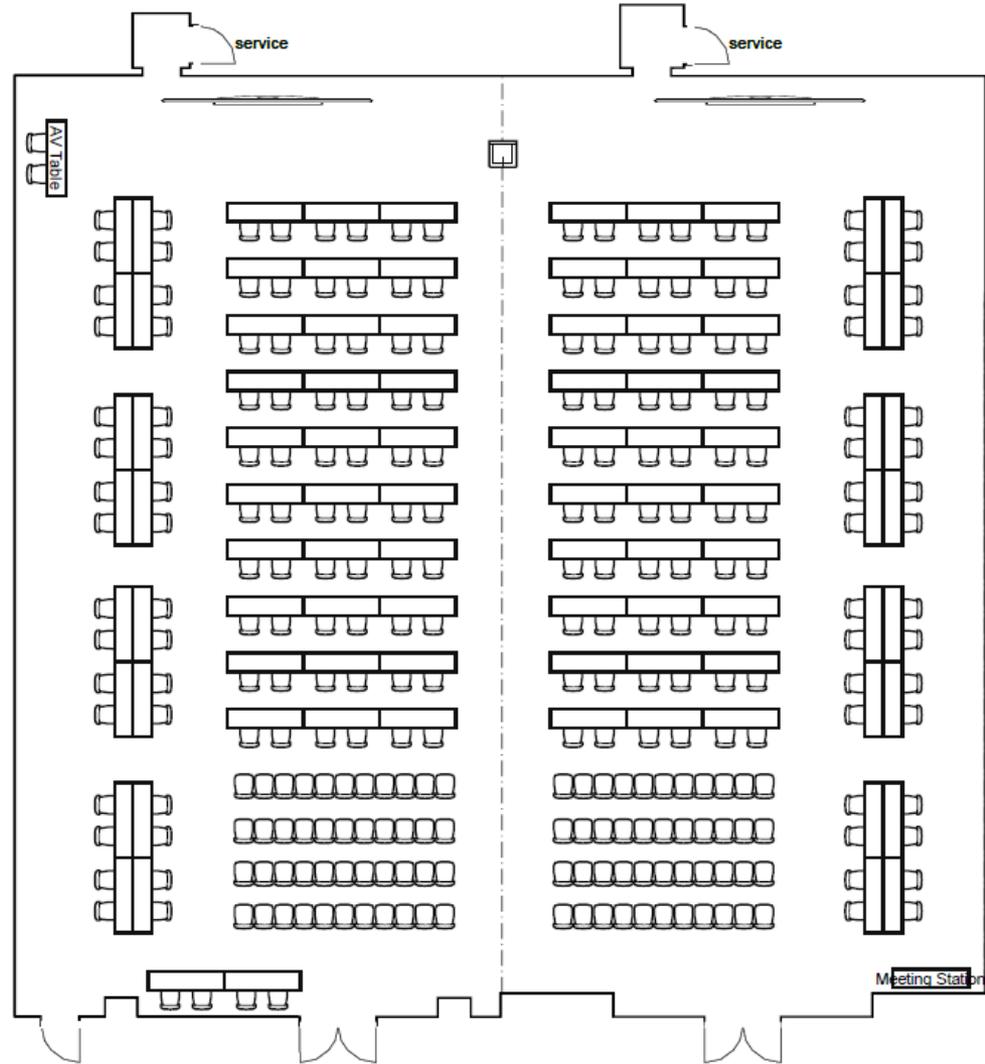
1 – Small Business

2 – Shipyards
(N10 / N7)

3 – Current OEMs
& GSR Contractors
(N10 / N7)

4 – MSC Contracting
(N10)

5 – New to MSC w/
Eng & Tech Questions
(N7)

6 – New to MSC w/
Eng & Tech Questions
(N7)

7 – Communications /
Cybersecurity
(N6)
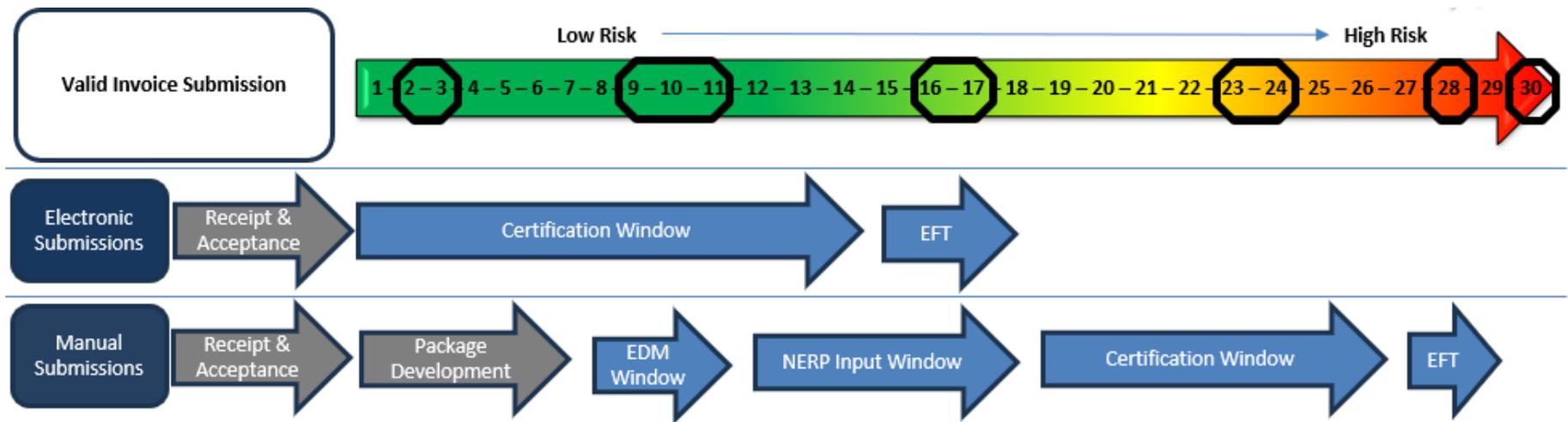
8 – DSM Leadership

Back Up Slides

Roles/Definitions

- **Acceptor:** In the invoicing process is responsible for confirming that the government received the goods/service being invoiced.

- **Certifying Officer:** Responsible for final certification of an invoice that authorizes payment to be made by US Treasury. This role is performed by MSC AP for invoices through the DFAS One Pay Office and by DFAS staff for invoices through NERP Pay Office.

- **Receiving Report:** Form designed to record receipt and acceptance of goods/services being invoiced. A receiving report is tied to an invoice in WAWF.

- **Invoice:** Document submitted by vendor and certified by a Certifying Office which results in outlay of cash from the US Treasury to a vendor.

- **DFAS:** For invoices with Pay Office N50082 DFAS staff are the Certifying Officers. DFAS Certifies the invoices and releases them to US Treasury for payment. For invoice with Pay Office N68732 DFAS only performs a funds verification and routes to US Treasury for payment.

- **WAWF Routing Table:** Used to route Receiving Report and Invoice to the appropriate boxes in WAWF. The only valid Acceptor and Invoice DODAAC for MSC is N62387.

- **Invoice 2 in 1:** Used for service contracts or combined service and material contracts.

- **Combo:** Used for material only contracts.

Path to Success
Timely NERP Invoice Processing

Valid Invoice Submission

Low Risk → High Risk

1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 – 11 – 12 – 13 – 14 – 15 – 16 – 17 – 18 – 19 – 20 – 21 – 22 – 23 – 24 – 25 – 26 – 27 – 28 – 29 – 30

Electronic Submissions → Receipt & Acceptance → Certification Window → EFT

Manual Submissions → Receipt & Acceptance → Package Development → EDM Window → NERP Input Window → Certification Window → EFT

Navy → DFAS

⬡ Holiday/Weekend

Scenario Assumptions

- Fully entitled and accounted for in NERP
- Prompt Payment Act (30 Days) – Timeline starts with a valid invoice submission after receipt and acceptance
- Receipt and acceptance occurred within 7 days of receiving the invoices from the vendor
- Average 9-10 holidays and weekends a month
- Scenario based on November 2024 timeline

- Scenario assumes the transaction is perfect
- Prompt payment interest starts being applied day 31
- Notes
  - Cash Management – Working Capital Funds paid within 7 days of due date
  - Payment settlement dates cannot cross months

Keys to Successful Certification

- Invoices have a Service Entry Sheet
- Invoices have a Purchase Order (PO)
- Accurate CLIN/SLIN
- Payment terms match the contract
- Unit of measure on the invoice aligns to the PO
- WAWF Status shows in Processed Status – Receipt and acceptance completed
- Proper Pay Office DoDAAC (One Pay / MOCAS / NERP) on contract aligns to

- WAWF clause documented in contract
- Active vendor cage code
- Manual Package
  - Submitted at the same time of work showing up in NERP
  - Includes invoices number and payment method