

SUBMARINE MAINTENANCE AND SUSTAINMENT SEMINAR



Industry Day

7 December 2023



Cohesive Team – Together We Succeed

**What makes a
cohesive team?**





Navy/Industry Team Must Execute

- **Undersea Advantage remains crucial to world peace and winning conflicts**
 - Potential to erode if we are not relentless
 - Navy/gov't team (PEOs, SEA04/05/08, Naval SYs, NAVSUP, DLA) aligned
 - Partnership with industry remains key
- **Improving construction and sustainment vital to national security**
 - Navy, public SY, and private industry must all improve
- **Multiple opportunities and efforts ongoing**
 - Executing Supplier Industrial Base (SIB) / Supplier Development efforts
 - Increasing outsourcing of work from public SYs
 - Improving strategic coordination/contracting (newcon/in service)
 - Expanding and improving supplier base (large, small, etc.)
- **Continued urgency needed → Navy and Industry TEAM vital**
 - Expect some bumps on the journey – continued communications key

Sustaining the Warfighter

- ❖ Maintaining Fleet Readiness is paramount
 - Navy Team is fully aligned in this effort
 - Requires a robust and agile supply chain

- ❖ Partnership with Industry is crucial
 - We need our industry partners aligned to build
 - ❑ Capability, Capacity and Velocity
 - Small Businesses plays a key role

Together we must find creative solutions to increase production and repair and overcome obsolescence

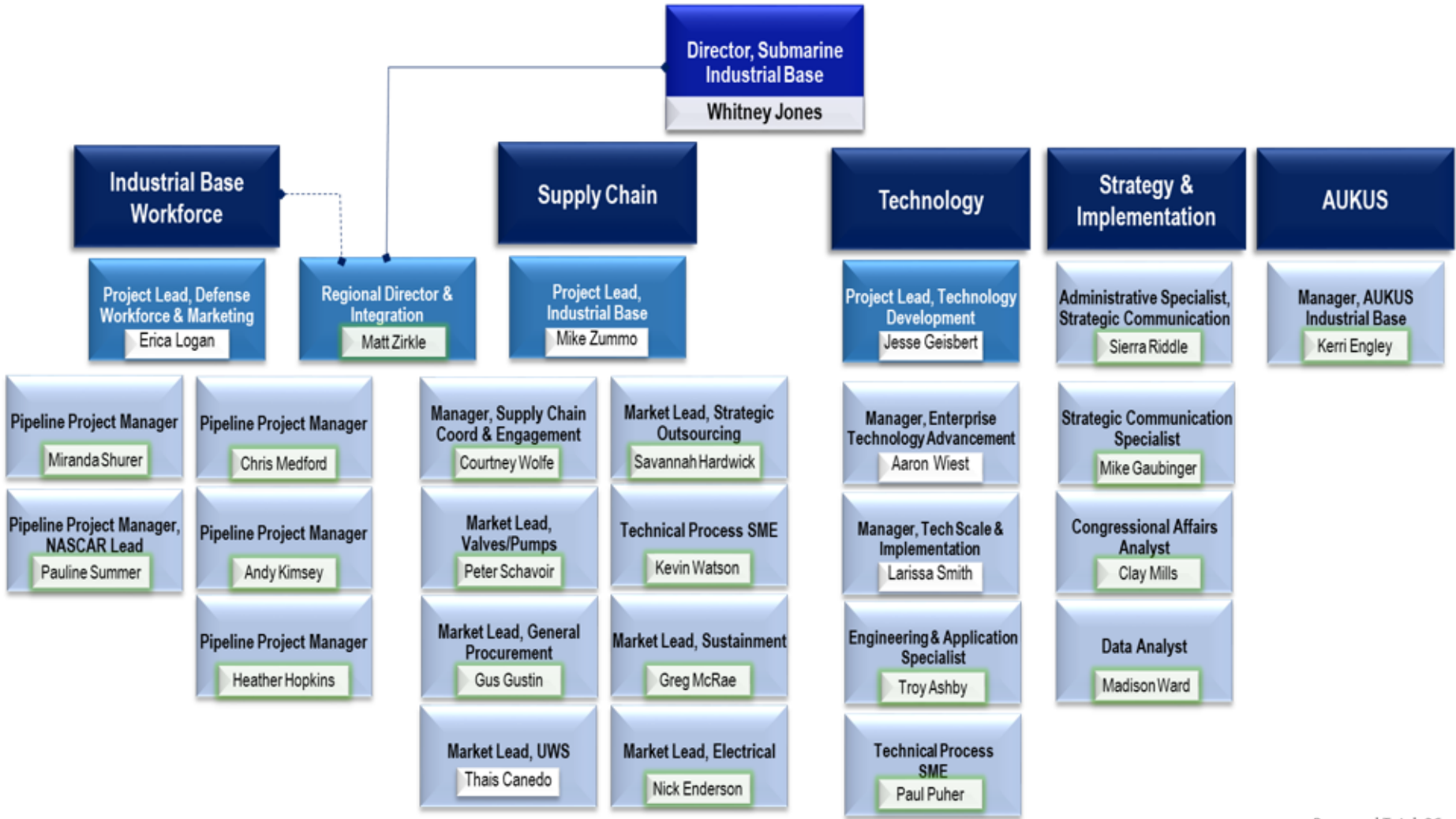
The Submarine Industrial Base



Mike Zummo
Deputy Director- Supply Chain
7 December 2023



The SIB Team



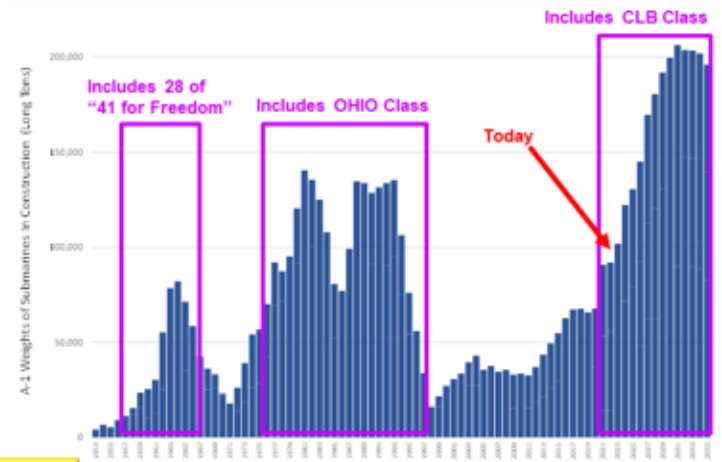
Personnel Total: 26
 CIV: 6
 CTR: 20

The Challenge: Volume, Complexity, Scale and Workforce



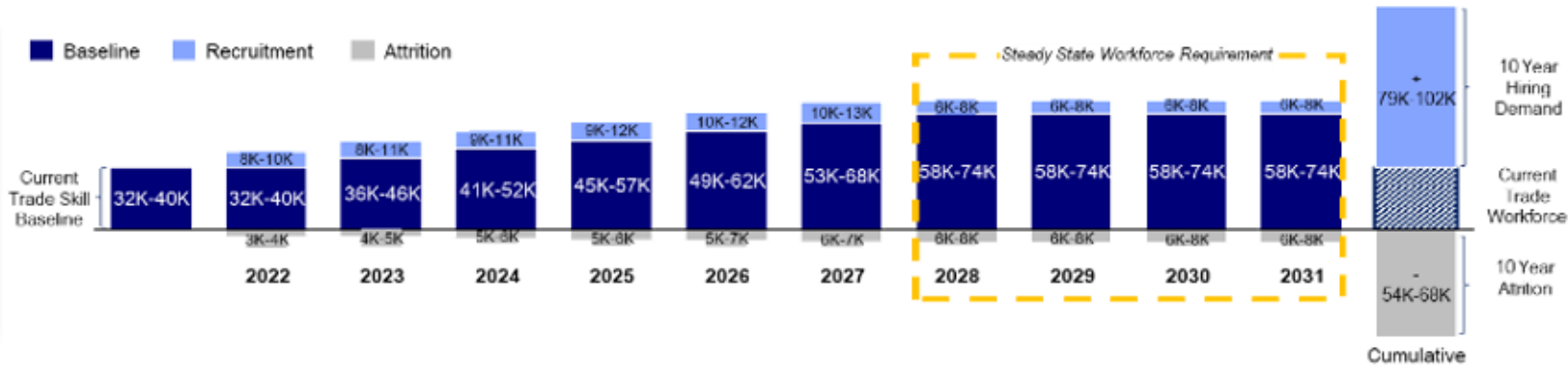
The Navy's ability to reach and sustain the required submarine production cadence, and ability to ensure the construction of 1-per-year Columbia class concurrent with VCS, CVN, and sustainment, is **gated** by the submarine industrial base (SIB) and **it's** capability, capacity, quality, and workforce

Part category	Demand multiple at peak demand year through 2032, [Peak annual demand] / [2015 to 2021 avg demand]	Example part types
Electrical	>5x	Switchboards, resistors, diodes, transistors
Bar Stock	2.9x	Steel, carbon, nickel, copper, aluminum alloys
Fittings	2.6x	Machined and formed elbows, tees, reducers
Cable	2.5x	Cable and wire stock
Plate/Sheet	2.2x	Steel, carbon, nickel, copper, ingots, billets
Fabricated Parts	2.2x	Bearings, sound isolation mounts, assemblies
Castings/Forgings	2.1x	Ferrous and non-ferrous parts, HY80/100
Fasteners	2.1x	Bolts, nuts, screws, rivets, general hardware
Rubber/Insulation	2.0x	Packing, gaskets, fabrics, plastics, glass
Pipe	1.9x	Hose & tubing, steel, nickel, copper alloy
Instruments & Gauges	1.8x	Non-electric instruments, specialty tools
Valves	1.7x	Ferrous/non-ferrous, plan and mark steel
Total	2.4x	



At the part-level, total SIB demand for CLB + VCS programs is expected to see a ~2.4x increase over historical averages (2015-2021), with a peak part-level demand begins in ~2028

SIB enterprise must be able to attract, hire, and train ~10K new workforce members per year while improving retention



The Mission: Battle Spaces we Must Win



Battle #1: Surging Demand, Uneven Response

- Existing SIB capability and capacity are insufficient to meet the current and future demand for submarine construction and sustainment activities. To shore up the required resiliency and robustness in critical SIB markets and suppliers, the Enterprise must demand communication and collaboration around the magnitude, prioritization, and timing of efforts.

Battle #2: A War for Talent

- Addressing workforce challenges requires actions and levers across a continuum of models, velocity, and people. We must build and fill industrial base talent pipelines across every part of the spectrum, while concurrently improving retention, culture, and mission connection.

Battle #3: Technology at Scale

- Manufacturing technology that supports workforce efficiency/effectiveness (automated welding, robotics, and additive manufacturing) is not effectively deployed across the SIB. Navy and industry must collectively make strategic and aggressive decisions that appropriately balance risks and opportunities.

Battle #4: Weaponizing Data Analytics

- The Submarine Enterprise must quantitatively and qualitatively describe challenges, gaps, and the impact of efforts/investments. Data-driven, data-informed decisions are an absolute requirement to drive the required levels of urgency and to transition culture in a way that sustains success.

Battle #5: Building a Strategic Network of Disciples and Diplomats

- SIB workforce and manufacturing challenges are too great for any single company, region, or organization to “own” and fix. To achieve the required levels of scale and speed, efforts must be a “whole of Government, whole of Industry” approach that demands accountability and action, and leverages champions and advocacy at every level.

Our Priorities and Execution



Supply Chain Projects

- Expand capability and capacity at both "challenged" and "ready" suppliers; develop alternate sources for fragile markets
- Establish training and workforce development opportunities for suppliers
- Address exponential demand signal increase in critical markets (electronics, bar product, etc.)
- Mitigate risk in post-pandemic environment



1+2 Facilities

- Infrastructure requirements for shipbuilders to meet 1+2 demand

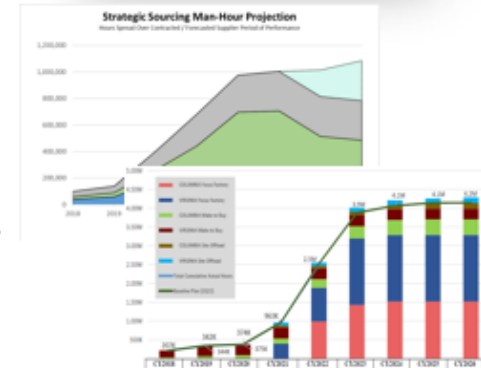
Facility	Purpose
	Ring Module Shop (RMS2) Assembly of large structures
	Rahed Module Facility (RMF2) Outfitting of large rahed modules
	Submarine Manufacturing / Assembly Facility (SMAF) Assembly of bow/sterns
	4th Segment Assembly Machine (SAM 4) Assembly of bow/stern pressure hulls

Note: Values may not add due to rounding.

TY \$M	2023	2024	2025	2026	2027	Total
Supplier Development	\$ 280	\$ 189	\$ 231	\$ 130	\$ 130	\$ 960
Shipbuilder Infrastructure	\$ 120	\$ 134	\$ 121	\$ 21	\$ -	\$ 396
Strategic Outsourcing	\$ 62	\$ 37	\$ 24	\$ -	\$ -	\$ 123
Workforce Development	\$ 267	\$ 276	\$ 111	\$ 99	\$ 99	\$ 851
Government Oversight	\$ 2	\$ 3	\$ 6	\$ 6	\$ 6	\$ 22
Technology Opportunities	\$ 20	\$ 8	\$ 3	\$ -	\$ -	\$ 30
Total SIB Investment	\$ 751	\$ 647	\$ 496	\$ 255	\$ 234	\$ 2,382

Outsourcing Focus

- Cont. facilitization, development, & qualification of steel fabrication, machining, and outfitting partners
- Focus on capability and capacity of 3 Focus Factories
- ~ 2 dozen secondary strategic sourcing suppliers to alleviate capacity and footprint constraints



Technology Priorities

- Additive Manufacturing Scale (AM CoE)
- Additive Manufacturing Moonshots
- Digital / Computed Radiography
- Advancement in Non-Destructive Test (NDT)
- Automation / Robotics
- Cold Spray / Laser Ablation



Workforce Initiatives

- Planning and execution to drive Accelerated Training in Defense Manufacturing (ATDM) to FOC, training and placing 800 – 1,000 workers per year
- Standup New England and Virginia Regional Training Systems to support SIB partners in regions
- Expand Pennsylvania Talent Pipeline Project and implement model in other key SIB states/regions
- Launch national marketing campaign to build and scale New Collar Workforce



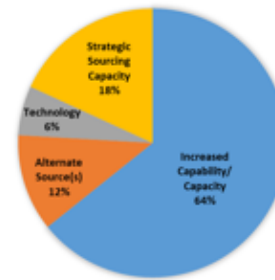
Surging Demand, Uneven Response



FY 23/24 Objective: Target investments, demand signal planning, and communications at known and anticipated gaps to 1+2 plus sustainment capability/capacity needs

- Executing \$280M in Supplier Development Funding (SDF) and \$62M in Strategic Outsourcing funding in FY23
- Executing \$189M in SDF and \$37M in Strategic Sourcing funding in FY24

FY23 SUPPLIER DEVELOPMENT AND STRATEGIC SOURCING FUNDING



Benefit Category	Investments (M)
Increased Capability/Capacity	\$219.8
Qualification of Alternate Source(s)	\$39.9
Technology Applications at Suppliers	\$20.3
Establishing Strategic Sourcing Capacity	\$62.0
Total	\$342.0

- Annual Critical Supplier Assessments completed in 2022 to identify gaps and target investments
- 353 critical suppliers identified for 2023 and assessments are underway

Supplier Marketspaces	Wave VI Readiness Assessments			
	Total Required Assessments	Green	Yellow	Red
Commodities & Coded Stock	57	56	1	0
Major Mechanical Components	41	27	11	3
Major Electrical Components	77	69	7	1
Raw Materials & Sub-Fabrication	93	73	17	3
Valves, Fittings & Actuators	63	51	10	2
Total (Critical Suppliers)	331	276	46	9

- New for the 2023 assessments are the Partner Assessment Team (PAT) visits to 47 key critical suppliers
- Teams are comprised of a BFA lead with SME support from Global Executive Solutions and Crean Engineering



Supplier Development Funding



Develop a Proposal

SIB Supplier SDF Proposal

- Proposal templates available from Shipbuilders and BFA
- Proposals should include proposed ROI and benefits to 1+2 + Sustainment

Submit to a Stakeholder

SIB Team

BlueForge Alliance

EB and/or NNS

Submit to the appropriate stakeholder(s) for review

Review and Prioritize

SIB Team

EB

NNS

Stakeholders prioritize proposed projects based on risk and demand

Selection

Navy Leadership

EB Leadership

NNS Leadership

Stakeholder leadership teams jointly review prioritized plans for selection

Award

BlueForge Alliance

EB or NNS

SDF Awards include additional terms and conditions to be negotiated with the supplier

Execute

SIB Supplier

- The awarding organization will require regular progress updates
- Suppliers should monitor and report on performance to proposed ROI

Future Consideration

SIB Team

EB

NNS

Proposals not funded are retained by the stakeholders to be considered for future funding

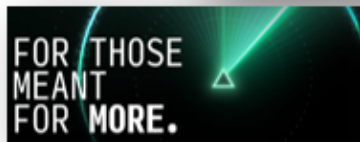
State, Regional, and National Workforce Efforts



National Marketing Campaign

"Impressions" from FY23 National marketing campaign (commercials, billboards, etc.)

300M+

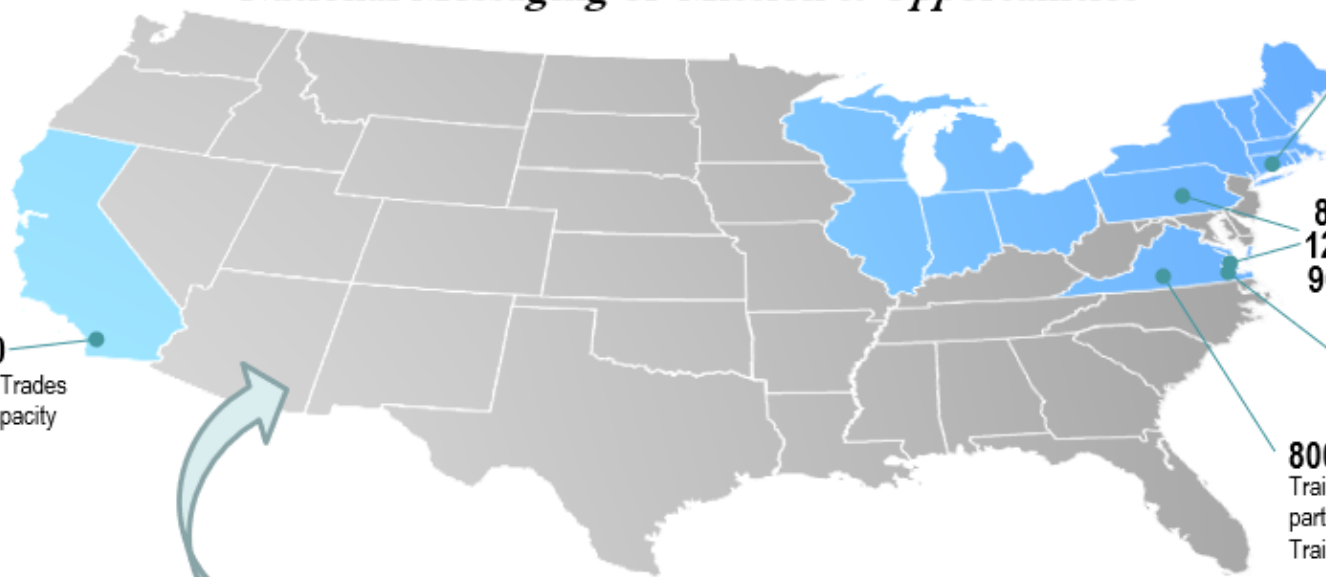


Buildsubmarines.com: a Platform & Brand

Buildsubmarines.com visitors since December '22

500K+

National Messaging of Mission & Opportunities



3300+
Trained in SENEDIA pipeline since Aug 2020

86 Academic partners
122 Industry partners
900+ Trades Training Pipeline Graduates in 2023

+850 Increase in Trades Training Capacity

800-1000 Trainees per year by 2025 as part of a National Trades Training Pipeline

+300
Increase in Trades Training Capacity

Standardized, Exportable Curriculum

Material Kits for K-12 Exposure

Data Analytics to Inform People and Populations

Spanish Language Translation

Advance Technology at Scale and with Speed



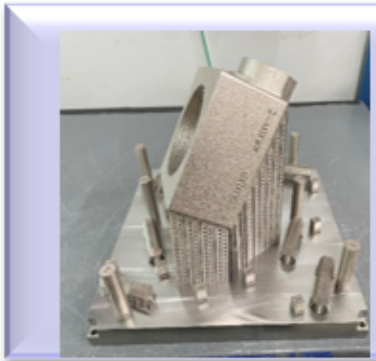
6 Alloy and build-modality combinations pursued for AM procurement specification and material equivalency development that **75%** of troubled new construction / in-service components.

1ST Metal AM component installed onboard a submarine (AC Ventilation Diffuser). Additional **22+** components printed targeting installation opportunity.

20 Active Automation & Technology initiatives underway including collaborative robotics with expected **10X** increase in operator throughput.



1st Metal AM components installed onboard USS KENTUCKY



Demonstration of AM to Meet Emergent Needs

- USS PENNSYLVANIA (SSBN 735) damage to ALP-26 Air-throttling valve
- OEM unable to provide replacement part; unwilling to share engineering data
- TRF-Bangor/DLA ordered similar part from alternate vendor
 - Estimated delivery **Mar 2025** vs. In Yard Need Date **Nov 2023**
- Via AM:
 - Project on contract in **under 1 week**
 - Navy team reverse engineered valve in **2 days**
 - Part printed in **1.5 weeks**

22 DAYS from 3D Scan to Part in Hand



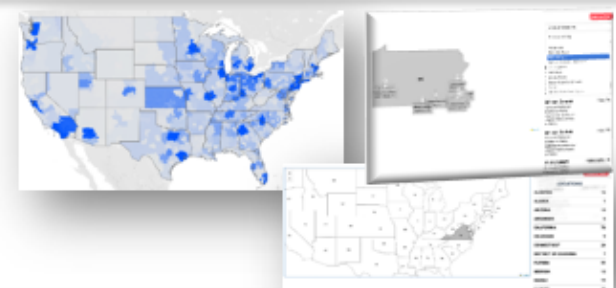
Data Analytics

FY 23 Objective: Data-informed decision-making; Qualitative assessments of risk, challenges, gaps, and the impact of efforts/investments.

- Demand signal modeling across 50,000K+ unique parts (future platform opportunity)
- Visibility into adjacent risks (labor strikes, inflation, foreign investment, safety, and financial instability)
- Responding and planning for post-pandemic realities like inflation and transportation costs
 - 16,000 nuclear suppliers, and their vulnerabilities
 - ~200M+ parts shipbuilders need to buy over the next 10 years
 - Illuminated 15 of the most critical choke points across critical SIB marketspaces
 - Detailed labor market dynamics in 7 regions to ensure NSIB labor supply meets demand



- Supporting attraction, recruitment, & placement/ hiring efforts
- Providing macro-economic factors impacting suppliers, workforce, and retention



A Strategic Network of Disciples and Diplomats



BUILD SUBMARINES .COM
SUBMARINE SPOTLIGHT



USS TENNESSEE

SUB NAME	USS TENNESSEE
CLASS	OHIO CLASS
SSN #	SSBN-734
COMMISSION DATE	DECEMBER 17, 1988
MOTTO	"AMERICA AT ITS BEST"
SPEED	25+ KNOTS
LENGTH	560'
WEIGHT	19,050 TONS SUBMERGED
SHIP BUILDER	GENERAL DYNAMICS ELECTRIC BOAT
PROPULSION	1 NUCLEAR REACTOR, 2 GEARED TURBINES, 1 AUXILIARY MOTOR, 1 SHAFT
COMPLIMENT	155 SAILORS

BUILD SUBMARINES





PEO SSN and SEA 04 Public SY Outsourcing Plan

Industry Day, Dec 2023

(Standard Disclaimer: subject to change)





Outsourcing Summary



Navy leadership developed a 15-year maintenance plan which included increased outsourcing from the Naval Shipyards to **drive down availability durations** and **increase repair capacity of the industrial base**.

To deliver on the above, PEO SSN and NAVSEA04 have currently identified **~450K RDs** of submarine production outsourcing to execute in FY24-26. Long-term plan identifies steady state **~200K RDs/yr** of outsourcing in FY27 and out based on availability schedules.

- Due to the shift of the NEW HAMPSHIRE & WASHINGTON at PNSY and NNSY, those project teams are identifying outsourcing as early as May 2024.

PEO SSN & NAVSEA04 have developed a detailed **Outsourcing Strategy** to ramp-up from FY24-26, and execution annually thereafter. **Team is driving change in mindset regarding outsourcing**, from a schedule mitigation effort to a critical enabler for submarine maintenance.

The goal of today's industry day is to share this strategy and communicate with industry on this upcoming plan and opportunity.



Work Category Identification

447k RDs of submarine production outsourcing identified from FY24-26 under 7 broad work categories

Outsourced work may include on or off hull work historically accomplished by NSY

Work Category	Product Line
Preservation	Provide administration, production services, materials, tools, equipment, and needed support to deliver preservation services for maintenance and overhaul. Likely candidates for work include MBTs, Internal Tanks, Sail, Unspecified / Other
Structural / NDT	Provide the entire spectrum of capabilities to support structural repairs and inspections, and maintenance. Likely candidates for work include Propeller, LVA (VACL), Sonar Dome, SSTGs, Production Touch Labor Other
Shipboard Work	Provide support and work efforts for systems and subsystems that may include computers and associated electronics; hardware, software, data, electrical, and electrical interface systems; and payload control systems. Services could include VLS/VPT, Torpedo Tubes, and Torpedo Racks.
Electrical	Provide services and work efforts for electrical components such as Transducers, Motor generator Sets, Battery
Component Repair	Perform repair and overhaul work on valves, pumps, actuators, and other components that are part of the Navy's Corporate Component Repair Program, Advance Equipment Repair Program, and other Navy owned Depot Level Repairable. Services could also include repairs or overhauls of Crypto, and Radiacs.
Engineering Service Support/Planning	Provide the engineering and technical support related to ship systems, operational systems, and technology efforts. System engineering, technical assistance, and other Services to Support the Program Offices and Naval Shipyards.
Production Support	Fire Watch / Tank Watch services Production Support Labor such as scaffolding installation

Summary	FY23	FY24	FY25	FY26
SUBMARINE 100-700 PRODUCTION WORK OUTSOURCING	85,344	88,394	98,316	132,021
SUBMARINE PRODUCTION WORK OUTSOURCING	101,942	114,124	145,036	187,600
TOTAL SUBMARINE OUTSOURCING	101,942	148,068	162,769	203,083



Planned Submarine Production Outsourcing



Planned quantities of work for each category of Outsourcing work

Values in table are planned submarine production outsourcing work, in RDs, FY24-26 (FY23 data provided for context) [subject to change]

Work Category	FY23	FY24	FY25	FY26	FY24-26 Total
Preservation	58,060	34,305	27,602	31,931	93,838
Shipboard	0	1,878	380	109	2,367
Structural	27,284	48,965	51,993	76,920	177,878
Component Repair	0	800	17,057	20,057	37,914
Electrical	0	2,446	1,284	3,004	6,734
Other	0	0	0	0	0
SUBMARINE 100-700 PRODUCTION WORK OUTSOURCING	85,344	88,394	98,316	132,021	318,731
Support Services	16,598	25,731	46,720	55,578	128,029
SUBMARINE PRODUCTION WORK OUT SOURCING	101,942	114,124	145,036	187,600	446,760
Engineering	0	33,944	17,733	15,483	67,160
TOTAL SUBMARINE OUTSOURCING	101,942	148,068	162,769	203,083	513,920



Potential Vendor Coverage Map

Coverage map assesses potential vendors for product lines at NSY

Values in table are planned submarine production outsourcing work, in RDs, FY24-26

We are looking for more vendors to do work in every category

2+ Vendors w/o barriers
1 Vendor w/o barriers
Vendor(s) exist w/barriers
No vendors in past 5 years
e.g., lack of quals, past quality issues

Work Category	Product Line	NNSY	PSNS	PNSY	PHNS
Preservation	MBTs	--	--	2,584	3,500
	Internal Tanks	500	--	9,966	3,000
	Sail	4,500	--	4,000	549
	Unspecified / Other	51,541	42,000	225	2,246
Structural / NDT	Propeller	--	--	--	255
	LVA (VACL)	--	--	--	2,443
	Sonar Dome	5,440	--	--	--
	SSTGs	8,299	--	2,500	--
	Production Touch Labor	14,140	13,526	136,812	17,966
	Other	4,824	--	1,725	--
Shipboard	Assorted	1,891	--	--	--
Electrical	Transducers	--	--	8,860	--
	USAF MG Sets	--	--	1,500	--
	SSTGs	--	--	--	6,702
	500 KW Rotors	--	--	17,055	--
Component Repair	Crypto	1,320	--	--	--
	Radiacs	630	--	--	--
	CCRP ¹	1,500	--	14,186	5,478
	AERP ¹	--	1,200	1,500	--
	Other	--	--	800	125
Other	Rotable Pool	0	7,800	2,000	0
Production Support	Fire Watch / Tank Watch	20,493	0	27,850	14,297
	Production Support Labor	14,140	13,526	4,983	17,966
SUB 100-700 PROD. OUTSOURCING		94,585 (73%)	64,526 (83%)	203,713 (86%)	42,264 (57%)
SUB PRODUCTION OUTSOURCING		129,219	78,051	236,546	74,526



PEO SSN Contract Vehicle Execution Plan / Strategy



Current Outsourcing Contract Vehicle Allocation

Values: All Submarine Outsourcing RDs

	FY24	FY25	FY26
NSY-managed	107k	108k	122k
NAVSUP / Other	40k	48k	46k
PEO SSN MAC IDIQ	<1k	44k	67k



Current contract vehicle allocation supports coordinated approach across PEO SSN, NAVSEA04, and NSYs

Draft Plan for PEO SSN Funding

1. Each year by 10/1 (10/31 for FY24), SUBFOR, PEO SSN, and SEA04 determine and align on outsourcing plan across contracts (PEO SSN MAC IDIQ and public SY contracts)
2. By 11/1 each year (4/15/24 for FY24), for PEO SSN contracted efforts, PEO SSN (via WFC) will send out RFQs/Task Order Requests (under MAC IDIQ) requesting responses by 12/1 (5/15/24 for FY24)
3. Assuming budget passed and PEO SSN receives funding by 12/1, PEO SSN will transfer funds to SEA/public SYs for their portion of outsourcing funded by PEO SSN funds
4. PEO SSN (w/ WFC) by 1/6 (6/8/24 for FY24) will review and make vendor selections for MAC IDIQ efforts
5. PEO SSN (via WFC) by 2/1 (6/30/24 for FY24) will award outsourcing to vendors for MAC IDIQ efforts

Follow on information expected to be posted on SAM.gov, FPDS-NG, and Electronic Data Access



PEO SSN, SEA04, and Shipyards Contract Vehicle “Centers of Excellence” Concept



- Currently, most product lines are outsourced through multiple, local contract vehicles individually owned by the Naval Shipyards.
- PEO SSN and SEA 04 intend on **establishing COEs to specialize in outsourcing product lines** and establishing associated consolidated, corporate contract vehicles.
- Intent is to focus on repeatable, non-geographically specific, and best leverage the contracting development, oversight expertise of each lead activity.
- For example:
 - Consolidate submarine preservation outsourcing into PEO SSN MAC IDIQ
 - Assign lead SEA 02 or NSY for each OEM product line (e.g., SSTG, R134)
- Each Shipyard will leverage consolidated, corporate contract vehicle for individual task orders



Near Term Transition Plans and Outlook

- **November 2023**
 - Held NSY Offsite to identify and develop Contracting Centers of Excellence and leverage local and /or corporate contract vehicles
- **December 2023**
 - Hold Industry Day to prepare industrial base for increasing outsourcing work load and industry complete interest survey
 - Begin MAC IDIQ Contract Development with Warfare Center
- **January 2024**
 - Engage with Industry Partners to get qualified vendor pool added to MAC IDIQ lines
 - Follow on information expected to be posted on SAM.gov, FPDS-NG, and Electronic Data Access
- **February 2024**
 - Develop detailed scopes of work for items to be shifted to MAC IDIQ
- **March 2024**
 - Assuming funding has been received, PEO SSN will transfer applicable funding to SEA 04 / Naval SYs for FY24 to support work in planning and execution
 - Finalize contract vehicle selection for items on initial MAC IDIQ in Summer 2024

Bridging the gap in FY24 - As PEO SSN central contract vehicle comes online, NSY will continue to utilize existing contracts



Key to Execution



- Navy team is all in on executing the increased public SY outsourcing plan
- Navy expects that FY24 will be ramp year with some bumps and learning
- Partnership, collaboration, and communication between Navy/industry critical to success

QUESTIONS?



NAVSUP Weapon Systems Support (WSS) Command Overview

Presented to:

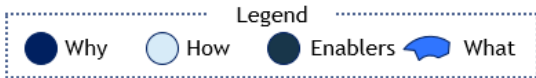
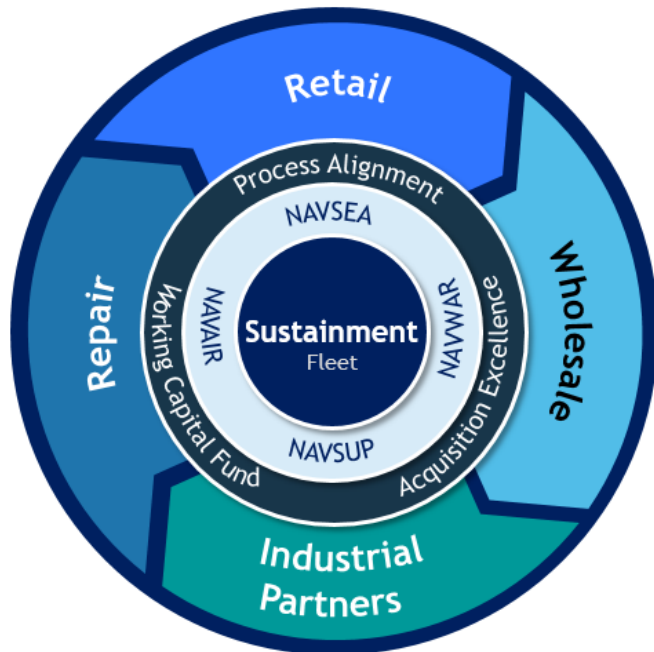
**Industry in Support of
Submarine Maintenance**

Presented by:

RDML Matt Ott
NAVSUP WSS Commander

07 DEC 2023

Naval Sustainment System-Supply orchestrates efforts across Commands to **restore the Navy Supply System** and deliver the **outcomes the Fleet requires**



Mission statement

Naval Sustainment System-Supply (NSS-Supply) is a multi-year journey to transform the End-to-End Supply Chain and provide the sustainment outcomes the Fleet needs.

How?

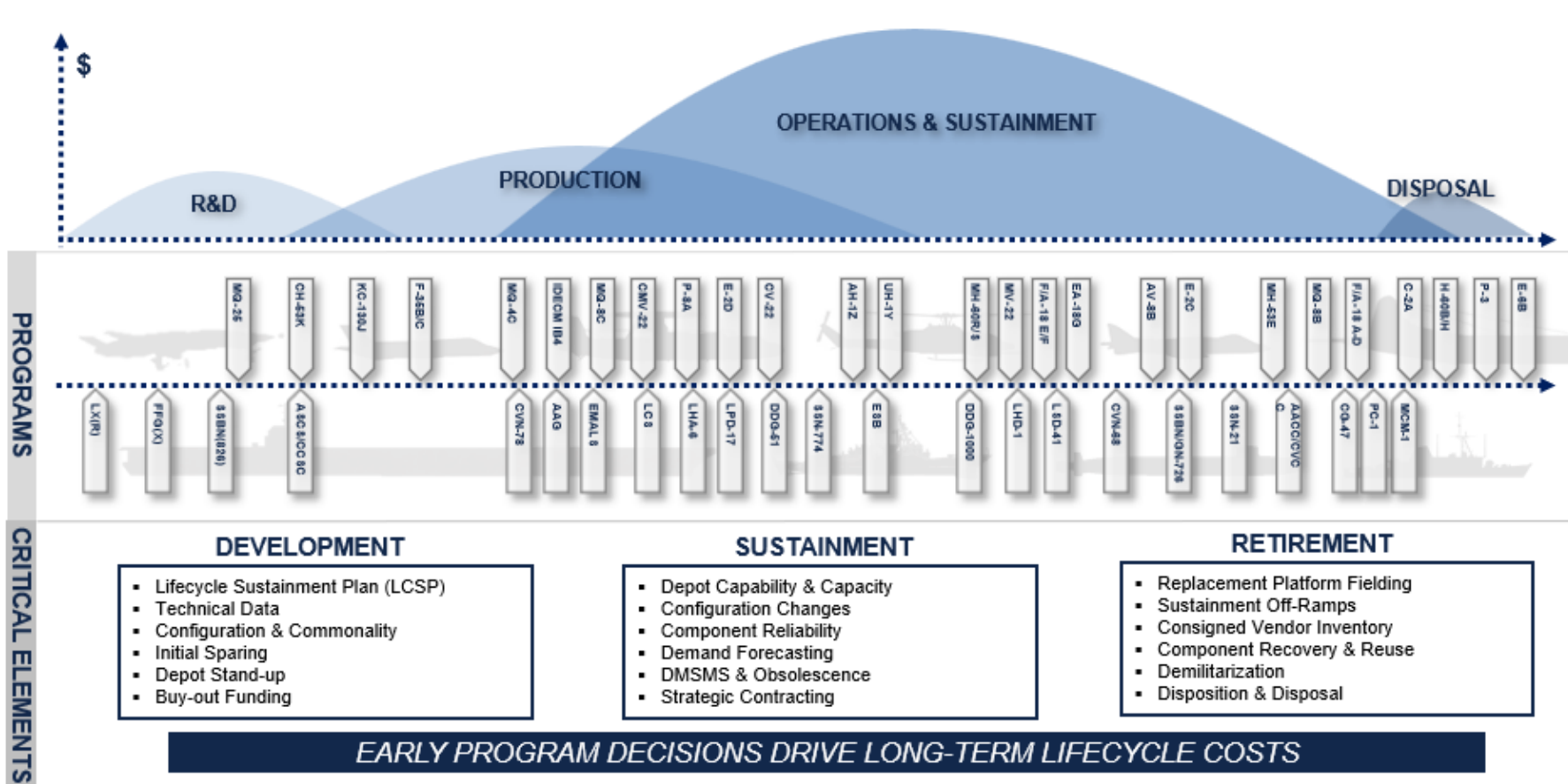
NSS-Supply is structured by initiatives that...

1. Conduct targeted “Get Real Get Better” analysis
2. Elevate issues to senior leadership
3. Secure resources and set a path to “Get Better”



NAVAL SUPPLY SYSTEMS COMMAND
WEAPON SYSTEMS SUPPORT

Life Cycle Framework





Inventory and Positioning Strategy



Fleet Requirement



Retail



Wholesale

Retail: Inventory available to a specific customer, either on a ship or at a strategic ashore location

Wholesale: Inventory available to the global customer base, generally stocked at distribution centers or contractor facilities

Positioning critical components close to the end user to reduce customer wait time and increase readiness

Dual Mission Focus

Supply Support

(Fleet Focused)

- Customer Service
- Inventory Investment
- Requirements Determination
- Retrograde Management
- Repair/Procurement
- Material Allocation
- Allowance Development

**Delivering
Deployable
Capability**

&

**Total
Cost Of
Ownership**

Program Support

(SYSCOM Focused)

- Life Cycle Management
- Configuration Management
- Tech / ILS Support
- Security Assistance
- Reliability
- Item Introduction
- Interim Support



NAVSUP WSS is the Navy's End-to-End Supply Chain Integrator

Questions



NAVSUP HQ Strategic Supplier Management Overview

Presented by:

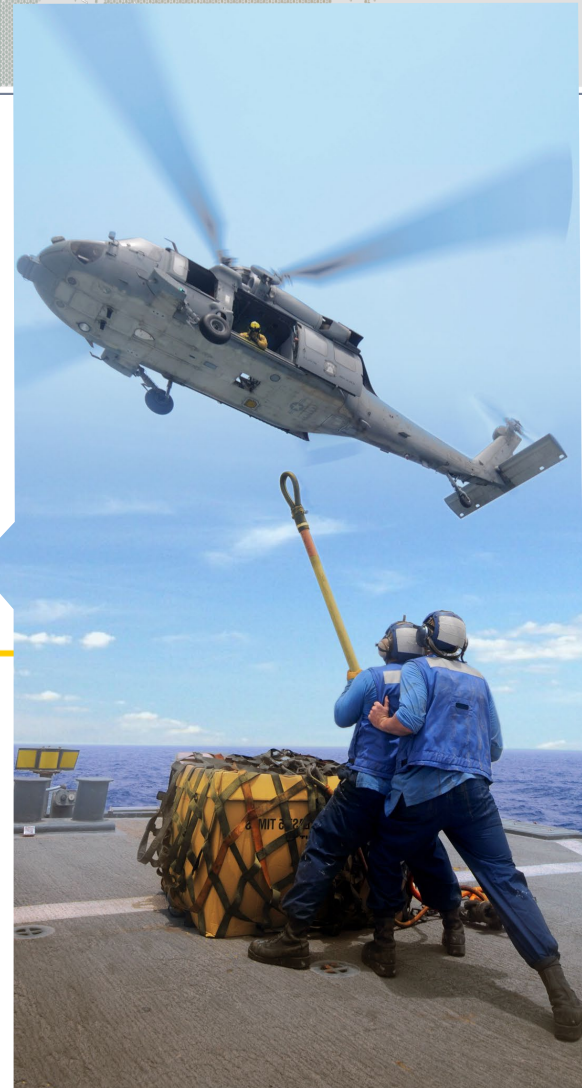
Ms. Karen Fenstermacher

NAVSUP Executive for Strategic Initiatives

Presented to:

Submarine Maintenance and Sustainment Seminar

07 DEC 2023





NSS-S framework brought sustainment to forefront

- Building Partnerships and aligning efforts
- Challenges acknowledged - working upstream with the program offices and downstream to our own business strategies
 - Supplier Cross Navy Engagements with ASN-RDA
 - Creating tools and systems that increase communication

GET BETTER TOGETHER



NAVSUP HQ Strategic Supplier Management (SSM) Team



Executive for Strategic Initiatives

Ms. Karen Fenstermacher



Director

Bill Davis

Deputy

Beth Ann Moody

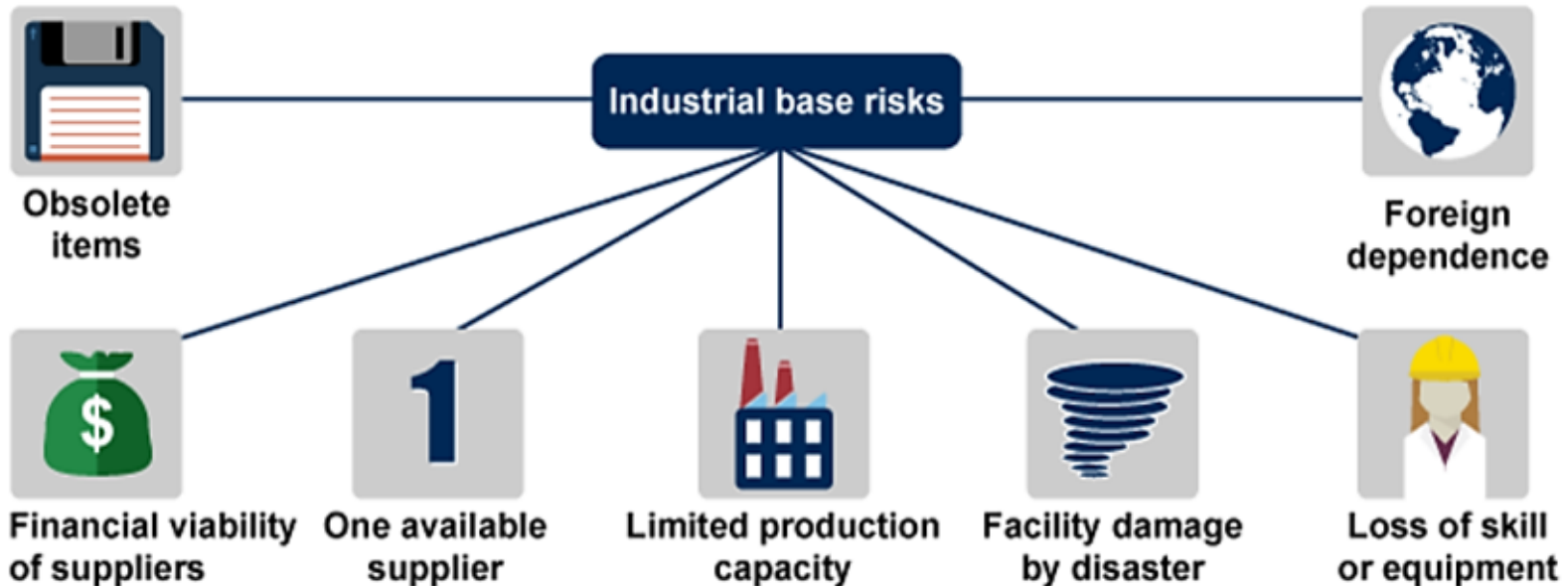
Small Business Office (NAVSUP HQ)

Chris Espenshade

Mission

The SSM office is designed to establish and leverage strategic relationships within NAVSUP and its mission partners, identifying and solving challenges within the commercial and organic industrial base that cannot be wholly addressed through normal, standard, day to day operations.

Navy and DoD face increasing challenges to keep supply chains running efficiently with ~80% of business being sole/single- source



Source: GAO analysis of Department of Defense information. | GAO-18-435



SSM Partnership Objectives

- Identify existing gaps that are impacting naval readiness
- Partner with industry to develop and implement time-based remediation plans
- Identify process changes required to achieve world class performance
- Develop small businesses to increase source selection



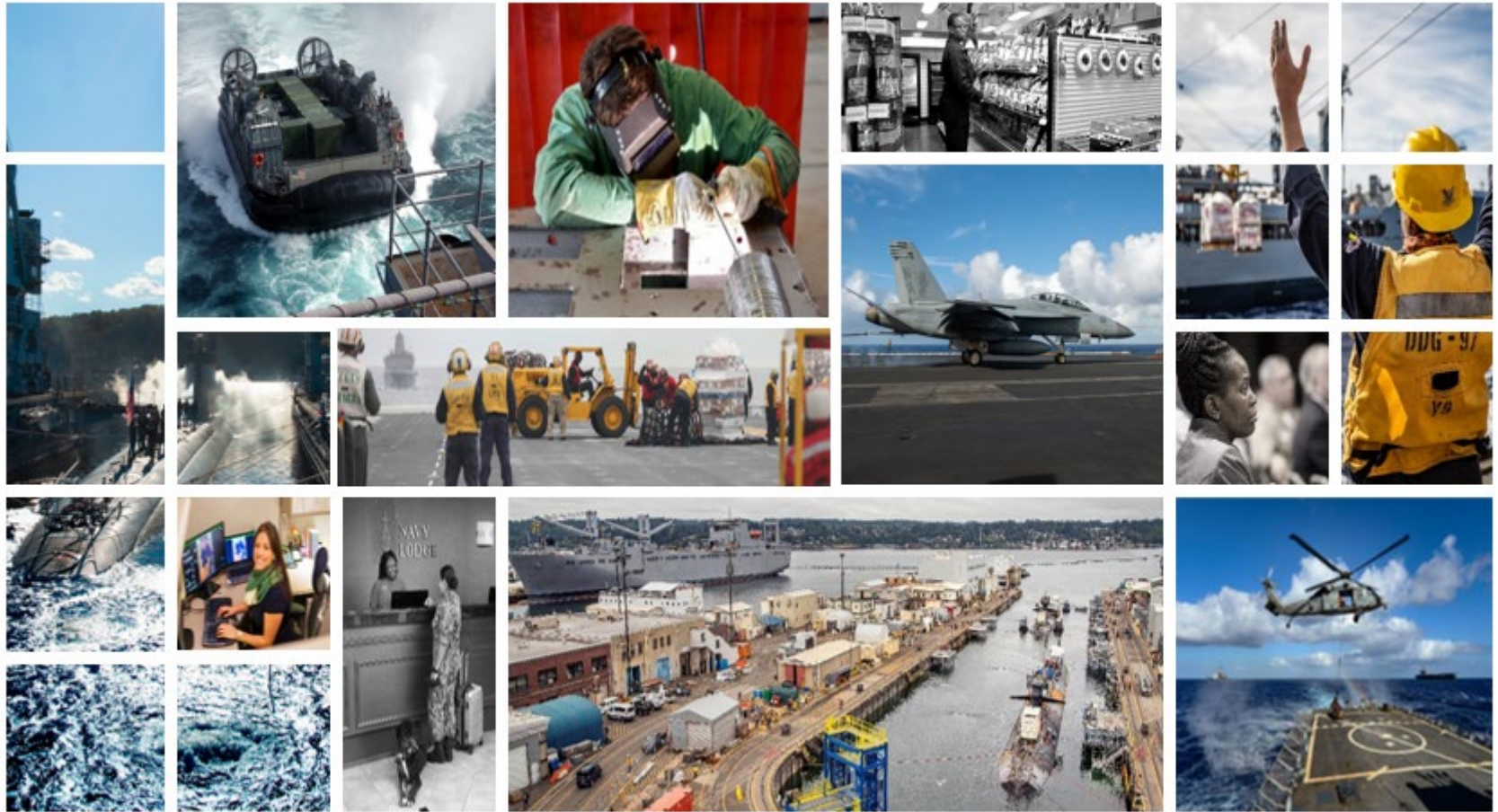
Forge Collaborative
Relationships

Streamline
Contracting
Processes

Increase
Delivery
Performance

Questions





Presented to:
**Submarine Maintenance
and Sustainment Seminar**

Presented by:
Noreen McDonough
Small Business Professional
NAVSUP WSS OSBP

December 7, 2023

READY. RESOURCEFUL. RESPONSIVE.

- **DON OSBP Mission**
 - Foster acquisition opportunities where small businesses can best support Sailors, Marines, and their families through policy, advocacy, counseling & training.
- **NAVSUP OSBP Mission**
 - Ensure small business advocacy leads to a lasting impact on the quality of our products, economic market competitiveness and mission effectiveness for years to come.
- **NAVSUP WSS OSBP Mission**
 - Maximize Small Business participation in NAVSUP WSS procurements by engaging with the acquisition workforce to ensure small businesses are considered as “The First Option” to meet requirements.



Linking the Industrial Base to the Warfighter

- Focus Areas
 - Chief advisor on small business matters
 - Assist with development of procurement strategies that maximize opportunities for small businesses
 - Engage with industry
 - Coordinate with the command's Small Business Technical Advisor to pursue source approval for small businesses
 - Communicate DoD and DoN OSBP policy
 - Liaise with the Small Business Administration (SBA)
 - Develop, track, and report the command's small business targets and achievements



- **Class IX Supplies**

- Repair parts and components, including kits, assemblies, and sub-assemblies (repairable and non-repairable) required for maintenance and support of all equipment

- Components for ships and submarines, including items such as valves, antennas, torpedo tubes, shafts, etc.

- Components for fixed and rotary wing aircraft, including items such as avionics, ground support equipment, aircraft launch & recovery equipment, jet engine components, etc.

- **North American Industry Classification System (NAICS) (<https://www.census.gov/naics/>)**

- Standard used by Federal agencies to classify businesses for the purpose of collecting, analyzing, and publishing data related to the U.S. business economy

- By NAICS classification, businesses that work with NAVSUP WSS primarily start with 32 and 33

- Critical NAICS for ship and submarine support

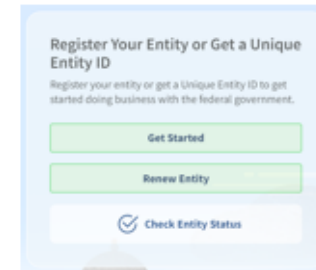
- 332911, 333611, 333914, 334412, 334513, 334514, 334515, 335312, 335313, 335921, 333995

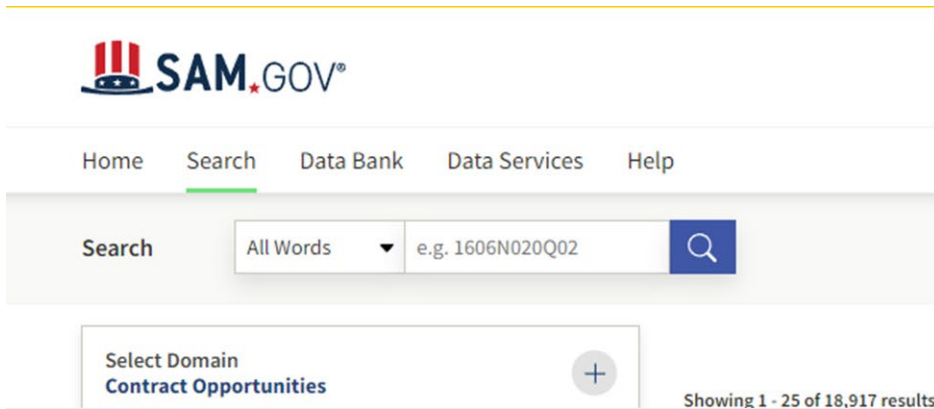
- Prior to contacting small business professionals:
 - Perform market research for what the command buys/repairs
 - Use publicly available federal procurement data
 - Match your capability statement and outreach efforts to requirements
 - Understand meeting the mission is our highest priority
 - Communicate your capabilities through “How can we help meet your mission” (faster delivery, competitive pricing, etc.)
 - Determine if capabilities are closely tied to previous contracts, or if interested in proposing on these types of upcoming requirements
 - Consider subcontracting work before direct prime contracting



Finding Requirements that Meet Capabilities

- System for Award Management (SAM)
 - <https://sam.gov/content/home>
 - Maintain registration to do business with the U.S. Government
 - Search requirements – contract opportunities (screenshots on next slide)
- Small Business Administration (SBA)
 - Subcontracting Network System (SubNet)
 - https://subnet.sba.gov/client/dsp_Landing.cfm
 - Bridges the gap between businesses seeking small businesses and small business seeking contracting opportunities
 - Dynamic Small Business Search (DSBS)
 - https://dsbs.sba.gov/search/dsp_dsbs.cfm
 - As a small business registers in SAM, there is an opportunity to fill out the small business profile on DSBS
 - Socio-economic status is maintained in DSBS
 - Small businesses can identify other small businesses for teaming and joint venturing
- APEX Accelerators (previously PTAP/PTACs)
 - <https://www.apexaccelerators.us/#/>
 - Emphasis on helping underserved businesses that are eligible for certain government solicitations
 - Promote diversity, inclusion, and equity, and guiding them throughout the entire process
 - Increase Defense Industrial Base (DIB)





SAM.GOV

Home Search Data Bank Data Services Help

Search All Words 🔍

Select Domain **Contract Opportunities** +

Showing 1 - 25 of 18,917 results

Keyword Search

For more information on how to use our keyword search, visit our [help guide](#)

Simple Search **Search Editor**

Any Words i
 All Words i
 Exact Phrase i

Federal Organizations

Enter Code or Name ⌵ ⋮

- 097 - DEPT OF DEFENSE *Dept / Ind. Agency* ×
- 1700 - DEPT OF THE NAVY *Subtier* ×

NAICS Code

Example: 621511 ⌵

- 332911 - Industrial Valve Manufacturing ×

Product and Service Code

Example: C1LB ⌵

- 48 - VALVES ×

Status

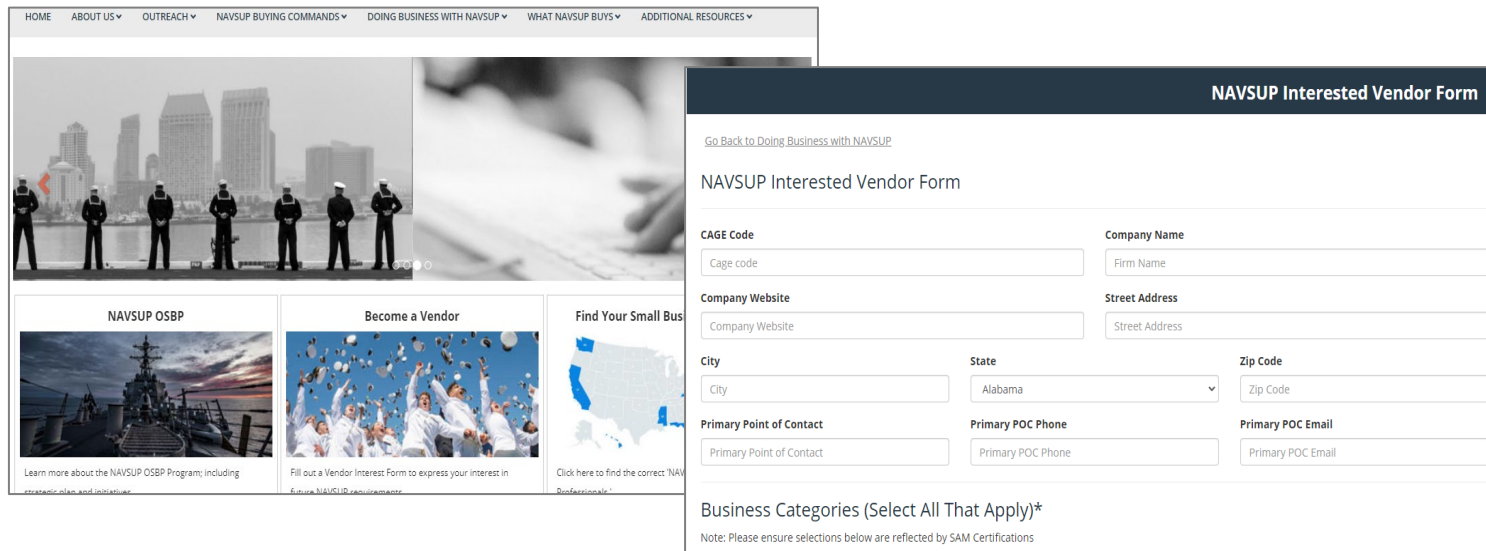
- Active
- Inactive

More Filters ≡ Reset

- Visit the NAVSUP Small Business page to learn more about NAVSUP (<https://www.navsup.navy.mil/Business-Opportunities/Home/>)
- Express interest via the NAVSUP Interested Vendor Form



<https://www.navsup.navy.mil/Business-Opportunities/Home/>



The screenshot shows the NAVSUP Interested Vendor Form page. At the top, there is a navigation menu with links: HOME, ABOUT US, OUTREACH, NAVSUP BUYING COMMANDS, DOING BUSINESS WITH NAVSUP, WHAT NAVSUP BUYS, and ADDITIONAL RESOURCES. Below the menu is a banner image of sailors on a ship deck. The main content area features three columns: 'NAVSUP OSBP' with a ship image, 'Become a Vendor' with an image of people celebrating, and 'Find Your Small Bus' with a map of the United States. On the right side, the 'NAVSUP Interested Vendor Form' is displayed, containing the following fields:

- Go Back to Doing Business with NAVSUP** (link)
- NAVSUP Interested Vendor Form** (title)
- CAGE Code**: Cage code (text input)
- Company Name**: Firm Name (text input)
- Company Website**: Company Website (text input)
- Street Address**: Street Address (text input)
- City**: City (text input)
- State**: Alabama (dropdown menu)
- Zip Code**: Zip Code (text input)
- Primary Point of Contact**: Primary Point of Contact (text input)
- Primary POC Phone**: Primary POC Phone (text input)
- Primary POC Email**: Primary POC Email (text input)
- Business Categories (Select All That Apply)*** (checkboxes)
- Note**: Please ensure selections below are reflected by SAM Certifications

All capability statements are captured within the NAVSUP Interested Vendor Database and are utilized in future market research efforts

- **Mentor-Protégé**
 - Small businesses (protégés) partner with large companies (mentors) under individual, project-based agreements for up to three years
 - Helps the protégé to successfully compete for prime contracts and subcontracts
 - Potential to become long-term suppliers / members of the Defense Industrial Base (DIB)
- **SB Innovation Research and SB Technology Transfer (SBIR and STTR)**
 - Authorizes small business set-asides established to support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy
- **Defense Contracting Management Agency (DCMA) Small Business Program**
 - Evaluates and analyzes how well prime contractors ensure small businesses receive a fair proportion of prime contractors' subcontracts
 - Conducts compliance reviews of the prime contractors' subcontracting programs to actively assist customers in the development of subcontracting plans for their contractors

Director
Vacant

Small Business Professionals

Zachary Dunn
Noreen McDonough
Yolandra Nathaniel
Kelly Rhodes

Small Business Technical Advisor

Joseph Lorenzo

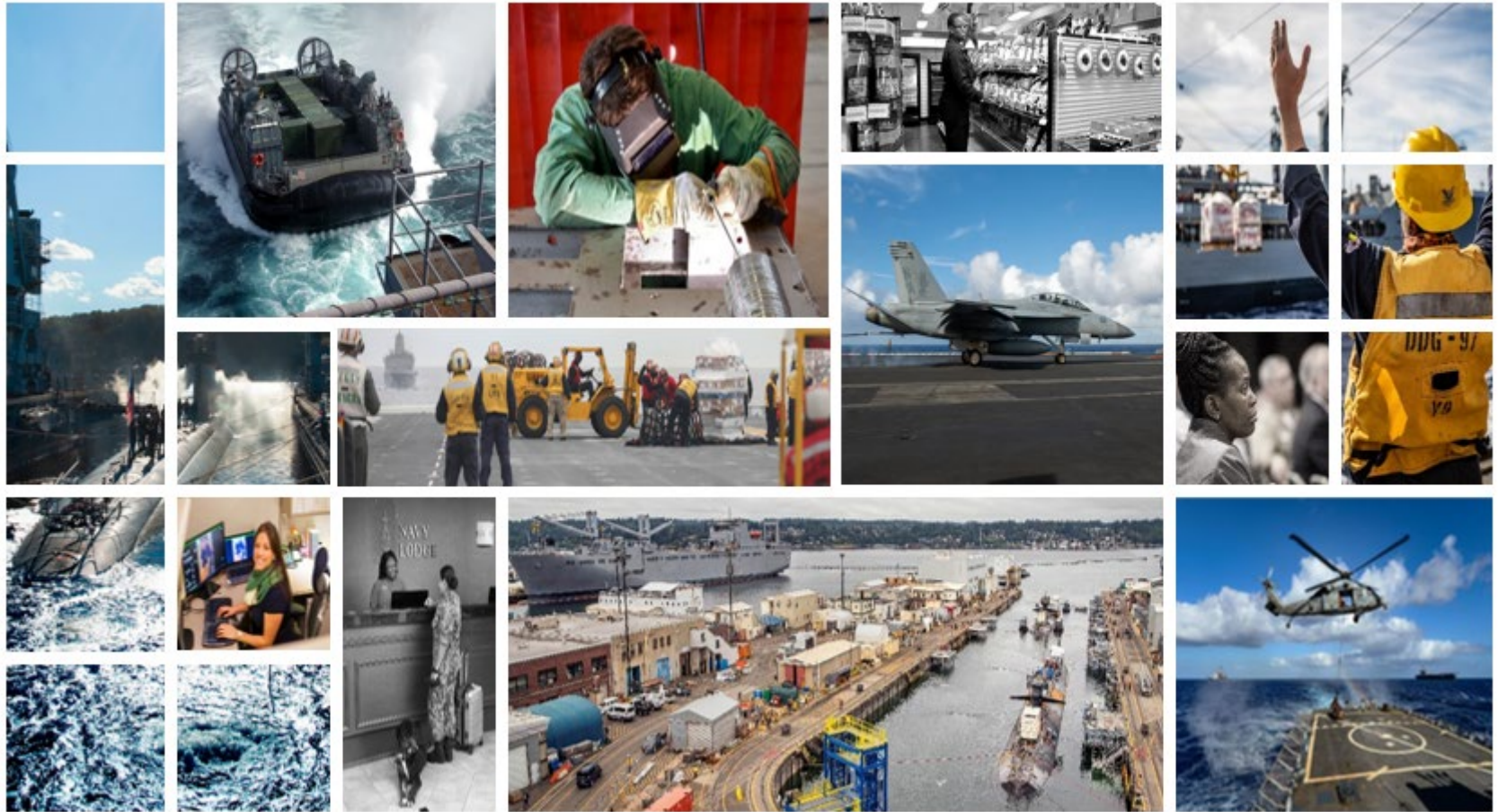
**Small Business Administration, Procurement Center
Representative**

Rosetta Jackson





SOURCE DEVELOPMENT OVERVIEW



Industry in support of Submarine Maintenance

Joe Lorenzo
Small Business Technical Advisor
NAVSUP WSS Source Development Division
December 7, 2023

READY. RESOURCEFUL. RESPONSIVE.

To communicate to industry the specifics of how to become a USN Approved Source, specifically for Maritime Components.

- Identified Maritime NAICS
- When is Source Approval Required?
- Source Approval Criteria
- Criticality Designation
- Source Approval Request – Process
- Source Approval Request – Engagement (w/ NAVSUP N23)
- Source Approval Request – Tips
- Questions

Maritime

- 334412 - Electronic Components
- 333513 - Machine Tool Manufacturing
- 332912 - Fluid Power Valve/Hose Fitting
- 332911 - Valves, Non Powered
- 331491 - Nonferrous Metal
- 332722 - Nuts and Washers
- 332999 - Fabricated Metal Product Manufacturing
- 335921 - Fiber Optic Cable Manufacturing
- 334412 - Bare Printed Circuit Board Manufacturing
- 335313 - Switchgear & Switchboard Apparatus Manufacturing
- 332911 - Industrial Valve Manufacturing



- When a part requires engineering source approval by the design control activity (**NAVSEA**) in order to maintain the quality of the part.
 - Existing unique design capability, engineering skills, and manufacturing knowledge by the qualified source require acquisition of the part from the approved source.
 - The approved source retain data rights, manufacturing knowledge, or technical data that are not economically available to the Government, and the data or knowledge is essential to maintaining the quality of the part.
 - An alternate source must qualify in accordance with the design control activity's procedures (**NAVSEA**), as approved by the cognizant Government engineering activity (**NAVSUP for Non-CSI**).
 - The qualification procedures must be approved by the Government engineering activity having jurisdiction over the part in the intended application.
- Source: *Acquisition Method Suffix Code (AMSC): C*

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SAR Categories

SAR packages for a specific subject item are categorized based on the manufacturer's previous work.

NAVSUP can only approve Category I and Category II SARs.

Category III SAR – New Manufacture of Item - will not be reviewed by the Navy.

Category IV SAR – Alternate Item (Reverse Engineering) - will not be reviewed unless the Navy has *specifically requested* a reverse engineering effort.



Category I

Actual Item

The proposing manufacturer has produced the exact same item for the **OEM** or for another **U.S. Government** activity *within* the past:

- 5 years for CSIs (NAVSEA 9078.2, Enclosure 5, 6.a.(1))



Category II

Similar Item

The proposing manufacturer has **not** produced the subject item but has produced a similar item or items for the **OEM** or another **U.S. Government** activity. Similarity comparison includes complexity, design, criticality, manufacturing processes, materials, application and operating environment.



- **Critical Safety Item (CSI):** [S0300-B2-MAN-010, SUPSHIP Operation Manual, 8.4.3.3.1] is any ship part, assembly or support equipment containing a **critical characteristic** whose failure, malfunction or absence may cause a catastrophic or critical failure resulting in loss or serious damage to the ship, or unacceptable risk of personal injury or loss of life.
- **Critical Characteristics:** Any feature throughout the life cycle of a Critical Item, such as dimension, tolerance, finish, material or assembly, manufacturing or inspection process, operation, field maintenance, or depot overhaul requirement that if non-conforming, missing, or degraded may cause the failure or malfunction of the Critical Item.



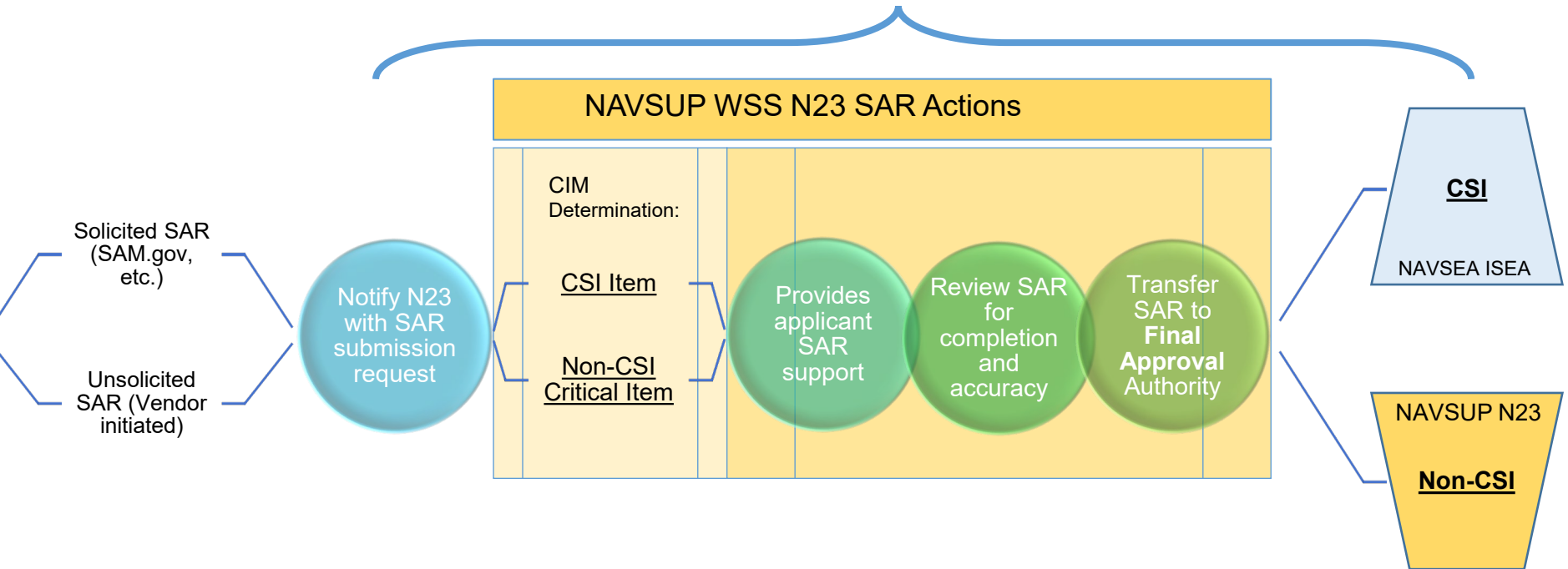
Bottom Line:

- ❑ If an item is determined to be CSI, the Source Approval must come from NAVSEA.
- ❑ If an item is Non-CSI, and not an NSEP SMIC**, the Source Approval may be made by NAVSUP-WSS (N23).

Regardless of criticality designation, N23 will help vendors process the SAR

**Excluded SMICs: L1, SS, C1, SB, S1, Q3, Q5, VG, X1-X8, DG, DO, D4, D5, D6, D7, & D8.

90 days



In order to become an approved source, you must go through the SAR process

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Validate the Criticality

Verify criticality of parts and determine **if a SAR is required** and what category

CSI: NAVSEA

Non-Critical item:
NAVSUP

Validate part candidates

Verify government owns a complete TDP including...

All sub-component drawings, OEM specifications

- Ensure data is **free of any source control** or vendor control statements
- Verify Distribution Statements for government release requirements

Assisting Ops codes

Engage with Operation Codes to validate open solicitations & Sources Sought notifications (i.e. ability to breakout)

Verify with USN

Inform the Operations Code of a possible second source for additional competition

Identified potential vendors to approve when additional source of supply requirements apply

Vendor SAR support

Reengage with the potential source and provide all the information obtained during the internal process

Provide insight on the Navy SAR process which includes the **latest Navy SAR brochure**

Deliver guidance on appropriate SAR Category

Answer questions on SAR Checklist Criteria

Please reach out with any questions!
We want you to feel *confident* that you are making a logical business decision to proceed with the SAR process.

- Follow alphabetical ordering convention for the information requirements laid out in the brochure.
- When submitting on Same or Similar item, please ensure you provide historical contract information (with government).
- Any items left blank will result in an immediate rejection; contact N23 if you have any questions regarding content.



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