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Detection Sector

DCMA’ Role

- How does industry & JPO view their role?
  - DCMA represent the eyes and ears of the JPM office located locally at Industry facilities. They provide a check and balance in reported program execution. They should build confidence in the supplier when warranted and encourage additional oversight when necessary.
- Is DCMA a benefit, detriment or just there?
  - DCMA role has made the transition from a final inspection focus to a process focus. This is a positive shift and provides more value to both Industry and the JPOs. This shift allows DCMA to identify best practices that they can share with other suppliers as well as areas for improvement that will benefit all products at a particular supplier as opposed to one piece/group of hardware. Continuing to focus more on congruent long term objectives and goals will provide additional benefit. The DCMA value will also improve if they are more involved upfront in the negotiations and agreements made at the start of a given contract.
- How can DCMA provide more value to both industry and JPEO?
  - More frequent 3-way dialogue regarding ongoing programs, projects, and issues

Contracts

- Are contracts the “Right Size” and Type for competition?
- Are contract awards fair?
  - Use of some contract types such as those that contain a cost type SDD program with fixed price LRIP and FRP options tend to limit the amount of competition because of the high risk involved. Even using fixed price incentive type of contracts for the follow-on option does not limit a contractor’s risk to an acceptable degree. In addition, long term IDIQ contracts also carry a lot of risk for the contractor until they contain economic adjustment mechanisms.
- Are contracts administered fairly? YES
- Do contracts protect both the company and the Government? YES
- What improvements can be made to the contract process?
  - Maximize the amount of up front review by industry to be sure the resultant RFP contains a clear and concise basis upon which to bid and does not contain unnecessary cost drivers. An Industry Dry at the very start of a program with the release of draft documents combined with a second Industry Day shortly after release of the final RFP and SOW would be helpful. True alpha negotiations when appropriate and trust and openness between industry and USG would probably provide the most significant benefit.

Statements of Work

- Are SOWs clear and specific?
  - Statements of work received are often not clear or specific and inadequate communication takes place between Government and Industry to resolve the missing pieces. This often leads to much iteration of cost proposals and misunderstandings in the execution of program activities.
  - Production Contracts are typically more clear and specific. Development efforts don't always provide the level of detail that allows the offeror to easily understand the need or requirements.
- Are there inconsistencies?
  - There are sometimes inconsistencies in the SOWs between sections and with RFP or FAR requirements. Cross-walking the SOW, Section L, and Section M is often very frustrating
- What improvements could be included?
  - Improving the interaction with industry early in the process to jointly understand and agree to the scope requirements. More detailed SOWs would also improve the inconsistencies and issues with clarity of expectations. Additional clarification and detail is always encouraged. The more detail that is provided allows for a more thorough understanding of the scope. This will help ensure that the need is quoted. Often industry quotes much more or much less than was desired which typically has driven additional cost and can ultimately lead to a strained working relationship.

Independent Research and Development efforts in the CBD Sector

- Does the size of the CBD market enable industry to maintain a robust independent R&D capability?
  - Re-investment of 7 to 9% of sales in R&D is very challenging considering most cost plus programs are executed at 7-11% margin and FFP from 11-13% margin. A more reasonable expectation of industry IR&D in this market sector is 2-3% which is much more in line with realized margins.
- How does the S&T investment compare to industry IR&D?

Ad Hoc Comments

- The current business climate for biodefense is such that it is becoming more difficult to justify continued participation. With few DoD programs of record and larger systems integrators capturing more of the market, small innovative biosensor companies are finding it difficult to sustain investment in biodefense. The market and profitability of commercial business is much more alluring to the investment community.