



July 1, 2016

Stacy McQuage
MAC Contracting Officer
Naval Sea Systems Command

Subject: Response to SeaPort-e Request for Information

Ms. McQuage:

Thank you for the opportunity to provide comments in response to the request for information regarding the acquisition strategy for the SeaPort-e Multiple Award Contract.

The Coalition for Government Procurement (“The Coalition”) is a non-profit association of firms selling commercial services and products to the Federal Government. Coalition members include small, medium, and large business concerns. The Coalition is proud to have worked with Government officials for more than 35 years towards the mutual goal of common sense acquisition. Coalition members account for a significant portion of the sales generated through the SeaPort-e vehicle. Almost 40% of all potential obligated dollars and almost 25% of all task orders on SeaPort-e have been awarded to Coalition members.¹

Coalition members who hold SeaPort-e contracts have presented two distinct viewpoints on the future of the vehicle: that the vehicle is a duplicative contract, but that eliminating the contract will hurt qualified vendors and limit competition.

SeaPort-e is a duplicative contract. Most of the work completed through SeaPort-e could be fulfilled using existing government-wide contracts such as GSA’s OASIS, Alliant, HCaTS, and the Professional Services Schedule. Contract duplication represents a significant cost to both government and industry and the Coalition is a steadfast supporter of reducing duplicative contracts.

Conversely, Coalition members also support the continuation of SeaPort-e because it represents a significant opportunity for companies who may not hold a contract on other government-wide vehicles, but are still effective contractors and key providers of professional services. Almost 800 companies have been awarded task orders through SeaPort-e, yet migrating to a government-wide contract would limit competition and block qualified vendors from key business opportunities.

¹ Source: [SeaPort-e Task Order Award Report](#); as of June 29, 2016.

Due to the divergence of member opinions on this issue the Coalition will not offer comments on whether SeaPort-e should have a follow-on vehicle or not. Instead, the Coalition will be offering comments for how the vehicle should be structured, if the Navy were to decide to create a follow-on contract.

I. Acquisition Strategy

a. Rolling Admissions

SeaPort-e has grown significantly since its inception. The contract in many ways operates like a Schedule contract for the Navy to purchase professional services, albeit using both fixed price and cost type work. If the Navy decides to continue using the contract in this manner, then it should consider changing the way it handles rolling admissions to more closely align with the Schedules program. Specifically, the Navy should allow for a company to apply for an award at any time, which would allow the government to distribute its workload over the course of a calendar year.

b. Proposal Evaluation

Currently, SeaPort-e has a potential award value of more than \$70 billion and more than 2,000 vendors hold contracts, yet only about 30% of contract holders have been awarded a task order. Of those companies who have received awards, 40% of awardees have won a single award.² In fact almost half of all the obligations on the contract have been awarded to the top twenty performing companies.³

In the Request for Information there was a suggestion to remove companies who have not submitted a bid the previous two years. The Coalition disagrees with this suggestion, because we feel it will encourage companies to submit a poorly constructed bid in an attempt to remain on the contract—driving up costs for government and industry. Instead the Coalition recommends that the Navy take a more rigorous approach to its proposal evaluation process.

Since the program's inception the Navy has accepted more than 93% of all companies that have submitted proposals.⁴ If the Navy incorporates the Coalition's feedback to allow for continuous admission to the program, then the burden associated with the admissions process would be distributed over the course of a year. This approach would enable the Navy to complete a more thorough evaluation of individual proposals. Alternatively, if the Navy decides to continue its current process of rolling admissions, then reasonable goals regarding the number of companies receiving contracts should be established.

² Source: [SeaPort-e Task Order Award Report](#); as of June 29, 2016.

³ \$35.3 billion (or 50.4%) were awarded to the top 20 vendors

⁴ SeaPort-e Vendors: [2004](#), [2005](#), [2006](#), [2007](#), [2008](#), [2010](#), [2011](#), [2012](#), [2013](#), [2015](#). Over its twelve year history SeaPort-e has received 4,590 offers and 4,288 or 93.4% of all offers were accepted. As of April 2015 there were 2,884 vendors holding SeaPort-e contracts.

c. Zones

The Coalition recommends that the Navy eliminate its current zone system. The process is unnecessary and burdensome. If the goal is to increase local small business participation, this objective can be achieved through less burdensome approaches, such as increasing the number of small business set-asides or implementing an outreach program to qualified small business vendors.

II. Industry Engagement

If the Navy decides to move forward with a successor contract for SeaPort-e, an open dialogue with industry will be crucial to its success. The RFI is a positive step, but consistent industry engagement and feedback will be essential to creating an effective vehicle.

The Coalition recommends that the Navy engage in regular meetings (both virtually and in-person) with potential vendors and interested stakeholders. After holding these meetings with industry the Navy should also release a draft Request for Proposals and allow industry to provide additional feedback. Throughout the entire pre-solicitation process the Navy should ensure that there is consistent communication with industry about the acquisition strategy for the contract.

The Coalition appreciates the opportunity to respond to the Request for Information. We hope that the Navy will utilize the feedback from the RFI and continue to engage with industry during this process. Should another vehicle be established, we hope that collaboration with industry will continue. The Coalition has worked with other government agencies in helping to create effective multiple award contracts and we stand ready to provide assistance to the Navy moving forward, in creating an effective, common sense procurement environment.

Thank you for considering the Coalition's comments in response to the request for information on the acquisition strategy of SeaPort-e. If there are any questions, please contact me at (202) 331-0975 or rwaldron@thecgp.org.

Sincerely,



Roger Waldron
President