

MASTER OF SCIENCE IN CONTRACT MANAGEMENT

COMPARISON OF DESIGN-BUILD TO DESIGN-BID-BUILD AS A PROJECT DELIVERY METHOD

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This study evaluates the difference between the Design-Bid-Build (DBB) and Design-Build (DB) project delivery methods. The project delivery method defines the acquisition process, relationships, roles and responsibilities of the project team and the sequence of events to deliver the facility.

Southwest Division, Naval Facilities Engineering Command (SWDIV), has been using both the DBB and DB project delivery methods for the past decade. The most recent four-year period has seen an increase in the use of DB project delivery. This research provides a definitive and comprehensive investigation into the comparative performance of projects delivered using these two methods. A comparison of cost, schedule and quality attributes of the two types of project delivery systems was completed using specific data from 110 military (MCON) projects.

This study included extracting all MCON projects from the financial information system (FIS) database for the period 1990-2000. The first DB project was delivered in FY 1996, therefore the study focused on MCON project completed from FY96-2000. All completed MCON projects were used to compare performance of all projects to the focus of this research, Bachelor Enlisted Quarters, Category Code 721.

This research should help in understanding the two project delivery methods to help an owner better select the project delivery system most suited to their specific facility goals or criteria. Results and the level of confidence that surrounds specific findings are presented. This study provides quantitative data to support the selection of a specific delivery system and increase the understanding of the two project delivery systems performance.

KEYWORDS: Acquisition, Contracting, Innovation, Best Value, Source Selection, Process Innovation, Construction, Design-Bid-Build, Design-Build

IMPLEMENTING A STANDARDIZED PURCHASE CARD PROGRAM AT NAVAL FACILITIES ENGINEERING COMMAND, SOUTHWEST DIVISION

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This thesis examines the elements and actions necessary to develop and implement a standardized purchase card program for Naval Facilities Engineering Command, Southwest Division. The thesis will review regulations, policy, and procedures governing the use of the Government purchase card for acquiring micro-purchases. A variety of Government agencies' purchase card programs are analyzed and best practices extracted. Moreover, barriers and roadblocks to implementing and expanding the use of the purchase card will be discussed. Lastly, recommendations that are germane to the effective implementation of the purchase card for micro-purchases will be proposed.

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KEYWORDS: Government-wide Purchase Card Program, Micro-Purchase, Federal Acquisition Streamlining Act

STUDY ON THE APPLICABILITY OF AND USE OF PROPERTY MANAGEMENT REGULATIONS IN SUPPORT OF MAJOR ACQUISITION PROGRAMS IN THE DEPARTMENT OF THE NAVY

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The purchase of millions of dollars in Government property by various programs within the Department of the Navy in the development of many ACAT-1 Major Systems acquisition programs need to be reviewed to determine if the proper regulatory guidance exists. The purpose of this research was to investigate what, if any policies, provide Program Managers of Major System Acquisition with the proper guidance in the management control and of Government acquired property.

The thesis examines an existing ACAT-1 program within the Department of the Navy, provides a full accounting and value of the property acquired to date. The research will determine to what extent the existing property management regulations were used, the current status of the property acquired and what actions have been taken to ensure that all the property acquired to date is fully accounted for.

Recommendations will focus on areas associated with the establishment of Department of Navy regulatory policy at the property management level as well as the development of policy guidance for the proper purchase, distribution and control of property at the program level.

KEYWORDS: Property Management, GFB

AN ANALYSIS OF THE SMARTPAY PROGRAM AT THE U. S. ARMY COMMUNICATIONS ELECTRONICS COMMAND

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This research examines the use of the Government-wide credit card program, SmartPay, at the U. S. Army's Communications Electronics Command (CECOM), Fort Monmouth, New Jersey. The primary intent is to establish whether the program has attained the objectives established by regulatory guidance. It identifies the basic processes/procedures with use of the card and evaluates how CECOM and tenant activities have embraced this acquisition reform initiative. This thesis identifies the benefits and any drawbacks that cardholders and approving officials have encountered while using the card. The conclusions based on this research are that credit card implementation at Ft. Monmouth has been successful and is an effective method of decentralizing acquisition. Research results that while there is an apparent need for follow-up training, the management controls are in place and effective to prevent misuse and/or abuse of the credit card. Finally, recommendations include development of a follow-up training program for all cardholders, increasing usage of credit card as a payment vehicle on established contracts, designating a champion for the program and re-examining the need for credit card purchases to be entered into the Material Acquisition Processing System.

KEYWORDS: Acquisition, Contracting, Credit Cards, SmartPay, IMPAC

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THE CHANGING FACE OF THE CONTRACTING PROFESSIONAL IN THE DEPARTMENT OF DEFENSE

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This study examines the changing role of the contracting professional in the Department of Defense. Specifically, it examines the work effort of the contemporary contracting professional, the primary factors driving the need for changes in the conduct of contracting, the skills that are necessary in order to perform effectively, and finally, selected innovative contracting methodologies that can be employed by the contracting professional. Review and analysis of past and current contracting activities, Government documents, websites and acquisition literature, and interviews with contracting professionals provided the basis for this study. The research concludes that the acquisition environment of today and that of the future will demand an increasingly sophisticated and flexible set of acquisition skills, widely and thoroughly dispersed among, understood and effectively applied by contracting professionals. In addition to this flexible set of skills, several innovative contracting methods exist in the acquisition arena today, such as electronic commerce and performance-based acquisition, that are available to the contracting professional to utilize in supporting the customer in the best possible manner. Education and training of the contracting professional are necessary to equip him with the needed skills and the ability and confidence to use new and innovative contracting methodologies.

KEYWORDS: Contracting, Procurement, Contracting Officer, Acquisition, Contracting Methods

ANALYZING DEPARTMENT OF DEFENSE'S USE OF SECTION 845 OTHER TRANSACTIONS AS A METHOD FOR ACCESSING NON-TRADITIONAL TECHNOLOGY

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As U.S. Defense budgets and military research and development spending experienced significant decline between 1988 and 1998, the Defense Technology and Industrial Base essentially merged with the national industrial base. DOD reform occurred more slowly than changes in the private sector fueled by advances in technology. U.S. national security relies upon the ability of the military to maintain technological superiority. To attract advanced technology companies that normally do not participate in defense business to the defense market, Congress provided a new contracting authority, Section 845 Other Transaction Authority (OTA). This study examines the effectiveness of its byproduct, Section 845 Other Transactions (OTs). Opinions and performance data regarding the effectiveness of Section 845 OTs were solicited from non-traditional companies that participated in OTs from 1994 to 2000. Significant disagreement was found within the Federal Government concerning the definition of a non-traditional company. It was also found that DOD does not quantify the amount of technology it accessed with OTs. Many of the non-traditional companies with which DOD participated in OT-based relationships came from markets where significant defense business already exists. In sum, DOD achieved uncertain and varied success in using OTs to achieve their stated purpose.

KEYWORDS: Section 845, Other Transactions, Non-traditional Defense Suppliers

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ACQUISITION OF ENGINEERING SERVICES

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The acquisition workforce has undergone tremendous downsizing in recent years. Agencies' workforces have likewise reduced in numbers but the numbers of programs they support have increased. The majority of the Navy Material Support Office's acquisitions are for acquiring engineering services from several different sponsors with varying types of funding. Currently the majority of our contractual actions are placed through Indefinite Delivery, Indefinite Quantity (IDIQ) contracts, with Task Orders (TOs) issued as work materializes. But the administration of awarding these TOs, is very labor intensive. An alternative contract with Technical Direction Letters (TDLs) was recommended. However, the type of engineering services procured may not be compatible with TDLs. Therefore, this thesis will thoroughly investigate both types of contracts. A survey of six Navy organizations will look at their processes to investigate how each agency handles the issue of varying sources of funding, sponsors, and urgency of tasks.

KEYWORDS: Engineering Services, Indefinite Delivery, Indefinite Quantity Contracts, Technical Direction Letters, Task Orders

TELECOMMUTING IN THE FEDERAL WORKFORCE

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One of President Clinton's family-friendly initiatives includes PL 106-346, which requires Executive agencies and departments to aggressively develop, implement, and encourage telecommuting arrangements for civilian employees. Telecommuting goals include the ability to attract and retain the highest caliber employees, increase employee morale, and enable employees to obtain a better balance between work and family.

This research determines if the successes realized and lessons learned in other organizations (GSA, DCAA, and AT&T) can be applied to Southwest Division Naval Facilities Engineering Command (SWDIV) to develop an implementation strategy for flexible workplace arrangements at SWDIV. To determine if SWDIV should implement telecommuting, this study reviews existing research, analyzes laws and regulations, and analyzes cases of governmental and private organizations that have flexible workplace arrangements.

The research data applied to SWDIV indicates that SWDIV should implement a Flexiplace program. SWDIV can reasonably expect to see benefits in employee retention, increased productivity, reduced absenteeism, and better space utilization.

KEYWORDS: Telecommuting, Telework, Telecenter, Work-at-home, Flexiplace, Flexible Work Arrangements, Case Study, Case Profile, PL 106-346

AN ANALYSIS OF THE AWARD FEE PROCESS AT NAVAL FACILITIES ENGINEERING COMMAND SOUTHWEST DIVISION

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The purpose of this thesis is to analyze the Award Fee Process, identify process strengths and weaknesses, and explore opportunities to improve current procedures in order to improve the motivation for contractor performance

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excellence. Literature review revealed that several important studies of the award fee process at NASA and DOE had been performed. Additionally, an Integrated Process Team studied incentives and provided a number of recommendations for improving contractor performance through incentives. A thorough review of the current Award Fee Process within NAVFAC, Southwest Division was conducted, and strengths and weaknesses, and opportunities for improvement are identified. A comparison of project team evaluations to final award fee score is presented. A survey of personnel routinely involved in the award fee process at various levels of the organization is presented and analyzed. Recommendations for areas needing improvement are provided. This thesis recommends ways to improve the current process to achieve performance excellence through greater motivation for contractors.

KEYWORDS: Acquisition, Award Fee, Award Fee Plan, Award Fee Process, Contracting, Cost Plus Award Fee, Evaluation, and Incentive

AN IDENTIFICATION AND POSSIBLE METHOD OF COLLECTION/ REPORTING OF UNDER-REPORTED SMALL BUSINESS UTILIZATION DATA FOR THE SPACE AND NAVAL WARFARE SYSTEMS COMMAND

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Many acquisition organizations have difficulty meeting their mandated small business utilization goals. Much literature is rightly dedicated to methods of increasing this utilization. However, small businesses are actually making a greater contribution to an organization's mission than the current reporting system demonstrates. Mis-reported, under-reported and unreported small business utilization comprises a significant percentage of an acquisition organization's total procurement obligations for which the current reporting system grants no credit. The areas of first-tier subcontracting, second-tier subcontracting, Interagency acquisition, GSA FSS orders, indirect costs, Other Transactions, Micro-purchases and contracts under \$500K were analyzed to quantify the amount of reporting variance at the Space and Naval Warfare Systems Command. First and second-tier subcontracting were found to account for the majority of mis/unreported utilization, and are the only areas whose inclusion in SPAWAR's utilization statistics is clearly advantageous. Research demonstrates that an additional 9-16% of SPAWAR's procurement dollars end up in the hands of small businesses by granting SPAWAR credit for this small business utilization. To effect a change in the reporting system, improvements must be made in an automated system to collect and report subcontracting utilization data, the use of a new reporting metric and the issuance of clear policy guidance.

KEYWORDS: Acquisition, Small Business, Small Business Goals, Subcontracting, Small Business Accomplishment Reporting, Statistics, Small Business Utilization, Credit Policy

RE-ENGINEERING BEST VALUE SOURCE SELECTION THROUGH PROCESS INNOVATION AND THE SELECTED APPLICATION OF INFORMATION TECHNOLOGY

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The purpose of this thesis is to analyze the Best Value Source Selection process, identify process pathologies, and explore opportunities to dramatically improve performance utilizing information technology as an enabler of that innovation. The Davenport Process Innovation Framework is used to analyze the Best Value Source Selection process for innovation opportunities. A thorough review of the current Best Value Source Selection process within NAVFAC, Southwest Division is conducted, and pathologies and innovation opportunities are identified. The Knowledge-based Organizational Process Redesign tool is utilized to test various re-engineered process models. Recommendations for Best Value Source Selection process innovation, and their application utilizing selected

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information technology enablers, are provided. Following Davenport's methodology, this thesis recommends process innovations that have the potential to dramatically improve the Best Value Source Selection process in terms of cost, quality, and speed. It serves as an example for other Navy and Department of Defense organizations seeking to implement information technology tools as enablers to improve their existing Best Value Source Selection procedures, as well as other types of procurement processes. In this period of shrinking financial, material, and human resources, this study proves invaluable for raising the productivity and quality of outputs of the Federal acquisition community.

KEYWORDS: Acquisition, Contracting, Innovation, Best Value, Source Selection, Process Innovation, Information Technology