



SECNAV Announces Five New Principles for Navy Acquisitions

Secretary of the Navy Ray Mabus announced five governing principles for Navy and Marine Corps acquisitions at the Navy League's annual Sea, Air, Space symposium May 5.

Designed to address the affordability of procurement programs, these principles are also intended to empower program managers to seek cost-savings, establish baseline performance parameters for Navy and Marine Corps programs, and support development of the acquisition workforce. Similar to the Navy and Marine Corps' five energy goals outlined in October, Mabus outlined the acquisition principles the Navy plans to execute: clearly identify the requirements; raise the bar on performance; rebuild the acquisition workforce; support the industrial base; and make every dollar count.



Discussing the first principle, Mabus said the Navy would put all programs through a formal Gate Review Process. This process will allow acquisition teams to properly analyze the requirements before granting a contract.

Turning to the second principle, Mabus vowed to raise the bar on performance by holding both industry and the Navy - Marine Corps acquisition team more accountable for what they do. In line with the second principle, Mabus also announced a new aviation and shipbuilding change-order policy that requires leadership review to ensure that both unit cost and total ownership costs are considered before a change-order is approved. He said the Navy would redefine acquisition standards to allow for more industry collaboration.

Citing the third principle and current education programs in place, Mabus challenged his acquisition team to create a plan to double the Department of Navy's science, technology and engineering outreach by 2015.

Mabus addressed the fourth principle by announcing establishment of an Industrial Base Council that will begin meeting later this year. The Council is intended to bring together representatives from major shipbuilding and aircraft firms and will serve as an opportunity for the Navy and Marine Corps to be more informed about industry concerns. Mabus also encouraged top performing companies to improve performance so that they will qualify to join a Preferred Provider Program, expected to be released for comment in the Federal Register later this month. Through this program, the Navy would reward contractors with favorable contract terms, conditions and payment schedules in return for consistent and exemplary contract performance, with energy efficient products and manufacturing capabilities as part of entry criteria.

Mabus also said the Navy will turn to fixed-price contracts to "make every dollar count." Cost-plus contracts will only be used for high risk, first-of-class ships and other high-risk systems.