Navy Acquisition Chief: Navy Moving to Use Block Ship Maintenance Contracts

ARLINGTON, Va. – The Navy's top acquisition official said the service is moving toward block bidding of ship maintenance rather than issuing contracts for single ship availabilities. The Navy also is working to rapidly address unplanned repair needs for its ships.

"We've got a real challenge and opportunity ahead on how we operate [the Navy's] repair enterprise at speed," James F. "Hondo" Geurts, assistant secretary of the Navy for Research, Development and Acquisition, told reporters Sept. 26 at the Modern Day Marine expo in Quantico, Virginia. "We've already instituted a number of changes in contracting, how we deal with over-and-above and unplanned work.

"Traditionally, we've taken a very bureaucratic approach to resolve each one of those," he said. "[We're] coming up with a new contract mechanism that allows us to rapidly adapt to that unknown work as it pops up, so that we aren't keeping ships in the yards longer than they have to be."

Geurts said the Navy is "looking at how do we put multiple ships together so that there is a longer planning window and industry can provide better solutions because they have a longer-term look, whether that's workforce, or training, or yard planning. Ideally, we would contract for all the ship repairs for the next six months in a block as opposed to our more traditional [method of] each ship's repair independently. That way industry would better plan and [facilitate] for the long haul."

He also said that with the number of ship repairs needed, "we don't have the capacity now without improving our efficiency

and working with industry to figure how to become more efficient, as well as looking at their scale and how we bring more players into the marketplace to help us with that growing need."

Geurts cited a recent request for proposals in which three or four repairs were bundled together in a single bidding action.

"We've revised how we're doing this unplanned of over-and-above work, which is adding great efficiencies," he said. "We have approved [the] grouping together of contracts."

He also said the Navy conducted a survey of shipyards across the country, including those not currently doing business for the service, to determine repair capacity, location of dry docks, etc., "and proactively going out and, where there is opportunity, certifying those facilities and enabling them to compete and add into the marketplace."

The Navy received last month feedback from shipyards numbering in "double digits."

"Ultimately, we want a vibrant repair capability that can both do the work we know really well, efficiently and effectively, as well as give us capacity for work that we didn't know as it pops up," he said.

As to the block bidding, Geurts said that "if you have the right competitive market you will absolutely save money, because right now we're doing it single bid by bid. It's really hard for a company to do that efficiently."

He also spoke of a workforce challenge across the country, "whether it's in the public yards or in the private repair yards. We right now don't have the full workforce we need to meet the demand."

Geurts sees the Navy's efforts as "providing a better stability and a better planning horizon" for the ship

maintenance enterprise.

According to the Marine Corps, fielding for the JLTV will begin in spring 2019. In all, the Army plans to purchase 49,000 JLTVs and the Marine Corps will purchase 9,091.