

# Providing Platforms for USA and our Allies

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# 10 METER SPECIAL OPERATIONS CRAFT- RIVERINE (SOC-R)



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# Objective

- ▶ Familiarize attendees with USA Procurement Processes and Strategies
- ▶ Describe the USA Foreign Military Sales processes and Strategies
- ▶ Explain United States Marine Inc. challenges to both of these procurement types.



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# Standard Procurement Design Types

- ▶ **Build to Print Specification**
  - The boat is already designed and the customer dictates design and configuration
- ▶ **Performance Specification**
  - Offeror designs the boat



# Standard Procurement Contract Types

- ▶ Firm Fixed Price (FFP)
- ▶ Cost Plus Fixed Fee (CPFF)
- ▶ Combination of FFP/CPFF



# Build To Print Specification

- ▶ Customer supplies a design to build.
- ▶ The design is set by the customer with specific makes and models of equipment.
- ▶ The specification is precise, detailed and binding.
- ▶ Design changes affects are wide ranging and sometimes unknown to builder. (logistics and mission needs)



# Performance Specification

- ▶ The specification will describe the characteristics that the customer wants in the boat. Speed, Range, Pay Load etc.
- ▶ The requirements are typically prioritized and weighted. Key Performance Parameters (KPP) Key System Attribute (KSA)
- ▶ The Builder must meet the KPP and KSA, with any design.



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# Design and Procurement Discussions

- ▶ Every Decision is a Compromise
  - You Can't Have It All
- ▶ The customer defines the requirement that needs to be met. LISTEN!



11 METER NSWRI B



11 METER REMOTE CONTROL NSWRI B





# Go or No Go Consideration

- ▶ Are you comfortable building the stated design, if it is a build to print?
- ▶ Do you have a design for a build to performance specification?
- ▶ Have you read the contractual requirements?
  - QA
  - Reporting
  - Contract Data Requirements List (CDRLs)
- ▶ Are you ready to invest in a Parent Craft?



# Construction Materials Selection

25 METER MKV-SOC



11 METER NSWRIB



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# Materials Selection

## ▶ Aluminum

- Lower Initial Cost
- Material Property Limited
- Stress Concentrations at Welded Joints
- Corrosion Issues
- Low Weight Construction Reduces Durability

## ▶ Composite

- Lower Life Cycle Cost
- Configurable Material Properties
- Align Strengths to Load Path
- Dielectric
- Low Weight Construction Does Not Compromise Durability
- High Insulating Properties





**USMI's 27M MKV-  
Patrol Boat  
(Aluminum)**

**USMI's 27M MKV-  
Patrol Boat  
(Composite)**



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# Parent Craft Requirement



MK-V Prototype  
XFPB”



MKV SOCOM Insertion And  
Interdiction Craft Prototype



MKV SOCOM Insertion And  
Interdiction Production Craft

- ▶ Typically Performance Specification contract types require a Parent Craft
- ▶ Sometimes multiple bidders are selected to build prototype boats for side by side testing
- ▶ Final down select is after testing

# Selection Process

- ▶ Down Select from Initial Proposal or Down Select to 2 or more craft for testing
  - Testing of selected craft (USSOCOM)
  - Selection without Product Run Off (Primary)
- ▶ Evaluation Factors usually consist of Technical Capability, Price and Past Performance/ Management
- ▶ Both procurement types (FFP or CPFF) will use the Specification as the judgmental criteria
  - Craft is judged to be Blue/Green/Yellow/Red for each Evaluation Factor, with Blue being Outstanding and Red being Unacceptable
- ▶ Best and Final Offer (BAFO)
  - Be ready to negotiate until the bitter end
- ▶ Price is not always the overriding factor (read the proposal)



# Contract Award

- ▶ Good News
  - You have won the contract
- ▶ Bad News
  - You were probably the low bidder
- ▶ You will be held to what you have agreed to in the contract.
  - CDRLs
  - QA
  - Support
- ▶ Program of Record, “Seal of Approval”, for your craft and company



# Program of Record

10 METER SOC-R



11 METER NSWIRB



27 METER MKV-PATROL BOAT (COMPOSITE)

10 METER RIVERINE ASULT BOAT (RAB)



25 METER MKV-SOC



27 METER MKV-PATROL BOAT





# Composite 11M NSWIRIB

- ▶ In Service with SPECWAR
- ▶ Over 250 delivered worldwide (9 Countries to date through FMS)
- ▶ Required Life Span was 5 years; Craft obtained over 15 year Life Span
- ▶ Service Life Extension Programs (SLEP) provides Life Span of 16+years



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# Foreign Military Sales Case Procedures

1. End User must contact the Office of Military Cooperation (OMC) at their Embassy for American Military Products
2. A Letter of Request (LOR) is written by the End User's Ministry of Defence or similar Government Office, in conjunction with the OMC, detailing the specifications of the desired product and provided to the OMC at their Embassy



# Foreign Military Sales Case Procedures

- ▶ **Important Things to Remember Before LOR is Written**
  - End Users should accomplish their own market research for the product(s) desired
  - If proven US Goods Program of Record are desired, the LOR should be specific. For example, if the 11M NSWTRIB is desired, the LOR should provide the verbiage of 11 M Naval Special Warfare Rigid Inflatable Boat. If the LOR only indicates an 11 M RIB, the package would be forwarded to various boat builders who have an 11M RIB in inventory and will not guarantee the End Users will obtain the desired 11M NSWTRIB.



# Foreign Military Sales Case Procedures

3. The OMC will open the FMS Case and forward the request on to the US Government Agency handling the requested product (for boats/ships it would be Naval Sea Systems Command (NAVSEA))
4. NAVSEA (US Gov't Agency) would obtain pricing from US manufacturers for the desired product.
5. Once pricing is received from US manufacturer(s), a Letter of Agreement (LOA) is provided to the Country for signature



# USMI Advantages

- ▶ A company built by sailors and users
- ▶ Small company with the ability to make fast decisions and move dynamically
- ▶ Financially conservative, privately owned family company
- ▶ Direct contact with users and customer by upper management with decision making authority
- ▶ A true grasp of the responsibility building craft for Special Forces. If we make a mistake, people die.



# USMI Disadvantages

- ▶ A company built by sailors and users
- ▶ Small company against big companies
  - Technically advanced but naïve in government contracting
- ▶ Wanting to please the user, who is not always the customer
- ▶ Giving the customer more than what is asked for in the requirements



# Final Thoughts

- ▶ Build to Print or Performance Specification
- ▶ CDRLs and conditions of Contract
- ▶ Every Decision is a Compromise – You Can't Have It All
- ▶ The customer defines the requirement that needs to be met.
- ▶ Be on Receive and not Transmit
- ▶ Share the passion of being a user of the product with your customer.



# QUESTIONS?



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