

CIC Attendees

Government	Industry
Steve Harnig	Manny Lovgren (Orbis)*
Kelly Cannady	Tad Walls (BAH)
Allison Huber*	Sallie Sweeney (Leidos)*
Sheela Casper	Peter Woodhull (Modus21)*
Jesse Seaton	Jessica Fletcher (Atlas)*
Todd Rollins	
Michelle DeForest	
Andrew Lucas*	
John O'Connor*	
Giancarlo Dumenigo	
Kristy Penninger*	

*Attended via Microsoft Teams

Opening Remarks

Steve kicked off the meeting and welcomed all attendees. Today’s meeting was held at the BAH facility with Teams option.

Routine Discussion Topics

Discussion Topic 1 – Communication Challenges

A question was received from Industry requesting additional clarification/enhancement to Communication of NIWC LANT Acquisition Strategy and Introduction of DOD 5000.87. Manny says he believes this question originated from a software provider, and he can go back to them for additional clarification so that we can provide a better response. Steve and Jesse stated that some software purchases are made from Navy or DoD enterprise vehicles and that may need to be clarified in our published contract strategy documentation.

Discussion Topic 2 – Process and Tools (Best Practices, and Training/Education of Industrial Base)

Next topic received was regarding NIWC’s use of contract vehicles other than SeaPort NxG. Steve says for general services, we do go through SeaPort, and use other vehicles when needed. Putting new contracts in place can be problematic, because it is necessary to negate the use of SeaPort to put in a new service contract. Jesse added that if services are within the scope of SeaPort, then we must use SeaPort, barring any exception for sole source, etc (reference NMCARS 5237.102). Steve noted that there are discussions at the HQ and DASN(P) level regarding use of SeaPort, and he will update the group as much as he is able.

In terms of disaggregation, John O’Connor stated that he conducts briefs inside the agency, all hands training, briefs the business board, and all departments. All actions are being reviewed from a disaggregation perspective. He noted there have been a “handful” of victories from the planning process, and specifically mentions one instance where a division was going to have 7 awards, and they were able to pull 2 types of work out of all 7, and created a small business set-aside; this was briefed at the last SBIOL. Also broke apart kitting from installation in one \$500M award, and the \$250M kitting portion will be a small business set-aside. NAVWAR HQ has recently mandated a disaggregation form, which is being incorporated into our actions. He stated he is happy to talk with anyone who has

specific questions. Manny says Industry is asking for information early in the process, but John reiterated that we must wait for the acquisition plan to be finalized, when it becomes public knowledge. They are trying to look out further into the future for the disaggregation reviews. Steve stated NIWC looks at everything we do for set-aside opportunities. He also stated there is confusion within industry about disaggregation and contracting for the same scope under different contracts with different companies; he stated that is not the goal of disaggregation, and will work with John to clarify/get this message out to Industry.

Discussion Topic 3 – Barriers to Entry and How to Address

John also addressed an Industry topic requesting how to get more participation, engagement, and consideration with NIWC from the 8(a) small business community. He stated he is happy to meet with Industry to talk about how NIWC does business. He can also make virtual introductions to IPT/tech leads. He and Beth Cecchetti will be attending a national 8(a) conference in Atlanta during the first week of February. Manny stated the concern he is hearing is about the 8(a) incubator MAC, that “nothing is coming out of it.” John stated the main issue seems to be that there is a large number of contract-holders vunder the incubator . Due to the success of NIWC Atlantic’s incubator initiative in the past, we had much more prime contractor interest in this award process. Reiterated that no one was ever guaranteed any money or work, and the burn rate for the incubator is on-target, so it is not a lack of use as far as ceiling goes. One consideration for next iteration will be a smaller number of contract-holders, which may increase odds of getting more work. Also noted there is no assurance that there will actually be another iteration, but still in the planning process. He has done 2 All-Hands trainings on the 8(a) incubator to increase awareness. John stated he has met with over 100 8(a) companies over the past year. Steve will meet with the team regarding future of the incubator, and reminds everyone that John is there for everyone, not just small businesses, and can be available to meet with large businesses as well.

John shared the below information with the group:

- ▼ Participation – 8(a) Incubator Contract
 - 43 contract holders
 - Approximately \$100 Million over 5 years
 - Roughly \$20 Million / Year burn rate
 - Working Group established to determine future 8(a) Incubator contract possibilities
 - Engagement – My office is available by phone and/or email at any time and I facilitate introductions with the IPTs/projects if there are questions about specific opportunities
- ▼ Consideration
 - Market Survey responses
 - Need to have realistic expectations



NIWC Atlantic Engagement w/8(a) Small Business

▼ Statistics

8(a) Awards	New Awards	Actions	Obligated Dollars	Percentage of SB Eligible Dollars	Different Companies
FY21	148	537	\$67,263,830.80	3.51%	44
FY22	134	572	\$96,078,049.55	4.76%	77
FY23	112	476	\$71,583,149.04	3.21%	68
FY24	5	89	\$4,544,437.09	1.23%	36
ANC / NON 8(a)					
FY21	2	11	(\$196,169.86)		4
FY22	1	16	\$8,997,835.52		3
FY23	1	1	\$159,040.16		1
FY24	0	0	0		0

Open Discussion/Questions:

Allison Huber provided an update on National Industrial Security Program (NISP) Contract Classification System (NCCS) Update, the tool in which DD254s will be processed. In addition to its use to issue prime contract DD254s, prime contractors will be required to use NCCS in the future to issue 254s for subcontracts they award as well. She stated Defense Counterintelligence and Security Agency (DCSA) has been processing a high number of SAARs and while Industry’s use is not yet required, seeking to ensure general industry awareness of the forthcoming requirement since Industry SAARs/accounts will be required. . CAC cards will not be issued solely for this system access, as “soft cert” can be obtained via DoD External Certification Authority, as needed. Industry reps are encouraged to monitor DCSA’s ‘NCCS Industry Onboarding’ website (link in slide) for updates.

Slide included below for reference:



NCCS Implementation

- ▼ 31 December 2023 - NIWC Atlantic implemented use of the National Industrial Security Program (NISP) Contract Classification System (NCCS) to issue prime contract Department of Defense Contract Security Classification Specification (DD Form 254) IAW federal directive
 - Defense Counterintelligence and Security Agency (DCSA) is NCCS system owner
- ▼ *On the Horizon*: Prime contractors will be required to obtain NCCS accounts in anticipation of phased implementation requirement(s) for industry to process all subcontractor DD Forms 254 in NCCS
 - SAAR (DD Form 2875) submission required for system account creation
 - One of the following required for individual system access:
 - CAC/PIV (NOTE: CACs will not be granted/issued solely for this purpose); or
 - DoD “Soft Cert” via DoD External Certification Authority Required (<https://public.cyber.mil/eca/>)
- ▼ NCCS Key References:
 - NCCS Industry Onboarding: <https://www.dcsa.mil/Systems-Applications/National-Industrial-Security-Program-NISP-Contract-Classification-System-NCCS/NCCS-Industry-Onboarding/>
 - Training Materials with Industry Role Slick Sheets and Industry Webinar: <https://www.dcsa.mil/Systems-Applications/National-Industrial-Security-Program-NISP-Contract-Classification-System-NCCS/NCCS-Training-Materials/>
 - NCCS FAQs: <https://www.dcsa.mil/Systems-Applications/National-Industrial-Security-Program-NISP-Contract-Classification-System-NCCS/NCCS-FAQs/>

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Allison also provided an update on the newly released DoD Cybersecurity Maturity Model Certification (CMMC Program) proposed rule, which was published in the Federal Register on 26 December 2023. This rule was previously sent out to Industry via CIC, and comments must be submitted by 26 February 2024 using any of the methods set forth in the rule’s instructions. Please refer to below slide:



CMMC Updates

- ▼ DoD Cybersecurity Maturity Model Certification (CMMC Program) proposed rule published in the Federal Register 26 December 2023
 - Overhauls CMMC 1.0 model established via interim rule (November 2020); 750+ public comments received
 - Details the CMMC 2.0 Program’s tiered model, assessment requirements, and how contractors handling sensitive unclassified DoD information will be required to achieve a particular CMMC level as a condition of contract award
 - Establishes requirements for a comprehensive and scalable assessment mechanism to ensure defense contractors and subcontractors have, as part of the CMMC 2.0 Program, implemented required security measures to expand application of existing security requirements for Federal Contract Information (FCI) and add new Controlled Unclassified Information (CUI) security requirements for certain priority programs
 - Provides DoD the mechanism needed to verify that a defense contractor or subcontractor has implemented the security requirements at each CMMC Level and is maintaining that status across the contract period of performance, as required, through the use of independent, third-party assessors certified by DoD
- ▼ Public comments on new proposed rule due by 26 Feb 2024; Submission instructions contained within the rule
- ▼ CMMC-related contractual processes will be set forth by DoD in a separate proposed rule, Assessing Contractor Implementation of Security Requirements (DFARS Case 2019-D041)
- ▼ NIWC Atlantic prime and subcontractor thorough understanding of the rule’s requirements is imperative to:
 - Maximize likelihood of contractors and subcontractors achieving CMMC certifications level(s) needed, as required, therein increasing eligibility for awards by CMMC 2.0’s mandatory effective date
 - Prevent negative impacts to DoD programs if/when contractors and subcontractors lack required CMMC certification levels
 - Maintain most robust and competitive DoD Industrial Base

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Allison and Michelle DeForest updated the group on the status of NIWC Atlantic wholly adopting eCRAFT Labor Categories and related challenges. A survey was conducted in late 2023 to best identify gaps and concerns, and an internal NIWC Atlantic working group has been established. Allison stated if there are additional Industry concerns, they should voice them to the IPT/Division POCs their company supports to ensure the working group is made aware. Steve also stated this may be updated again at next SBI/OI in March. Further details below:



NIWC Atlantic LCAT Status Updates

- ▼ NIWC Atlantic recognition of Government requirements owner (Department, Division, IPTs, and Competencies) and industry partner labor category (LCAT) challenges since implementing eCRAFT
- ▼ **Nov 2023** – Surveyed command requirements owners to collect perceived/actual disconnects when acquiring support services and eCRAFT reporting applies
 - 8 (of 13) responses identified LCAT issues/gaps; majority noted classification of non-degreed personnel previously identified as subject matter experts (SMEs) as a concern
- ▼ **Jan 2024** – Established command LCAT Working Group with the following objective and goals:
 - Objective
 - Review eCRAFT standard LCATs and develop command processes and procedures which rely on using eCRAFT's "typical" personnel qualifications
 - Goals
 - Identify LCAT gaps through review of existing eCRAFT LCATs, Nov 23 NIWC survey results, and *industry/CIC noted issues/concerns*
 - Update affected solicitation and contract artifacts
 - Tentative implementation schedule – **FY24 Q4**

Question received regarding whether contractors would be allowed to do Direct Hire actions for key technical positions, similar to what Government is able to do hiring-wise. Jesse stated he assumes this is referring to Level of Effort/Task Order, so the fee determination and payment clause would allow you to use a different labor category if/when necessary. There could be implications in terms of super-expensive labor which might impact the fee' could be implications on Government end with eCRAFT reporting. Sheela explained that in post-award, if the labor category was not in eCRAFT it would be flagged and sent to COR; ideally the contractor would have given the COR prior notice that they would be using a new labor category. Sheela and Jesse stated there is no change in terms, thus no modification.

Question regarding oral evaluations/oral proposals being used more frequently due to ability of AI to "write" proposals. Steve stated NIWC is looking for more ways to implement, and noted that Erica has incorporated oral proposals in three efforts thus far. Manny stated there are concerns that AI can write the proposal, however it will not have all of the technical knowledge. Jesse stated it is rare that we only evaluate sample tasks that are actually looking for a technical solution. He stated oral proposals have probably dealt with sample tasks in terms of technical understanding, and this requires technical key personal to come in and talk about what they will do/how they will solve it. Steve also stated it seems that Industry is getting more comfortable with oral proposals.

Allison advised members of Industry of an upcoming DAU training opportunity on the Buy American Act; link sent out to members for dissemination to larger Industry group. Giancarlo Dumenigo gave a brief update on OT/Non-FAR events. He mentioned a virtual Industry Day in next couple of weeks, with another in March, followed by an event in San Diego in June. For the February event, they have 3 actions, but are expecting more work in third and fourth quarters. He mentioned that the Non-FAR team will also be going to Philadelphia in March to meet with other Government teams to discuss OTs.

Wrap-up: Next meeting tentatively 29 February 2024. Please send proposed topics and/or questions to Manny for discussion at next meeting.