

VIRGINIA Class Submarine Block IV Construction

The VIRGINIA Class Submarine Block IV Construction (VCS Block IV) team is presented the David Packard Excellence in Acquisition Award for its efforts in achieving significant savings from shipbuilder proposed pricing and over \$1 Billion from adjusted current submarine production performance when it awarded a fixed-price incentive (firm target) multi-year contract for over \$17 billion. The VCS Block IV contract inherently increased shipbuilding industrial base stability and decreased construction costs through economic ordering of material and increased throughput in the building yards. The Request for Proposal reflected innovative initiatives to promote competitive strategies unique to the sole source environment in which the program procures submarines. The VCS Block IV multi-year contract reflects cost saving and risk reduction initiatives developed in the solicitation and maintained through the proposal analysis, culminating in the most successful negotiation and award of any fair and reasonable shipbuilding contract in the last twenty years. The VCS Block IV team made exemplary achievements in efficiency and productivity in defense spending through: detailed labor hour analysis using should-cost strategies; deep diving into the cost proposals of over 200 major multi-tiered subcontracts; driving changes in shipbuilder purchasing processes by engaging in negotiations at the subcontractor level; independently evaluating every aspect of the prime shipbuilder's (and major subcontractor's) labor rates; pressing firmly on the shipbuilders to negotiate from fact supported data; and effectively integrating the chain of command into negotiations when necessary to maintain a single US Navy "voice." These efforts will ensure delivery of the highest quantity of submarines (10 VIRGINIA Class submarines) under a single contract in the last forty years at a rate of two per year from Fiscal Years 2014 through 2018.