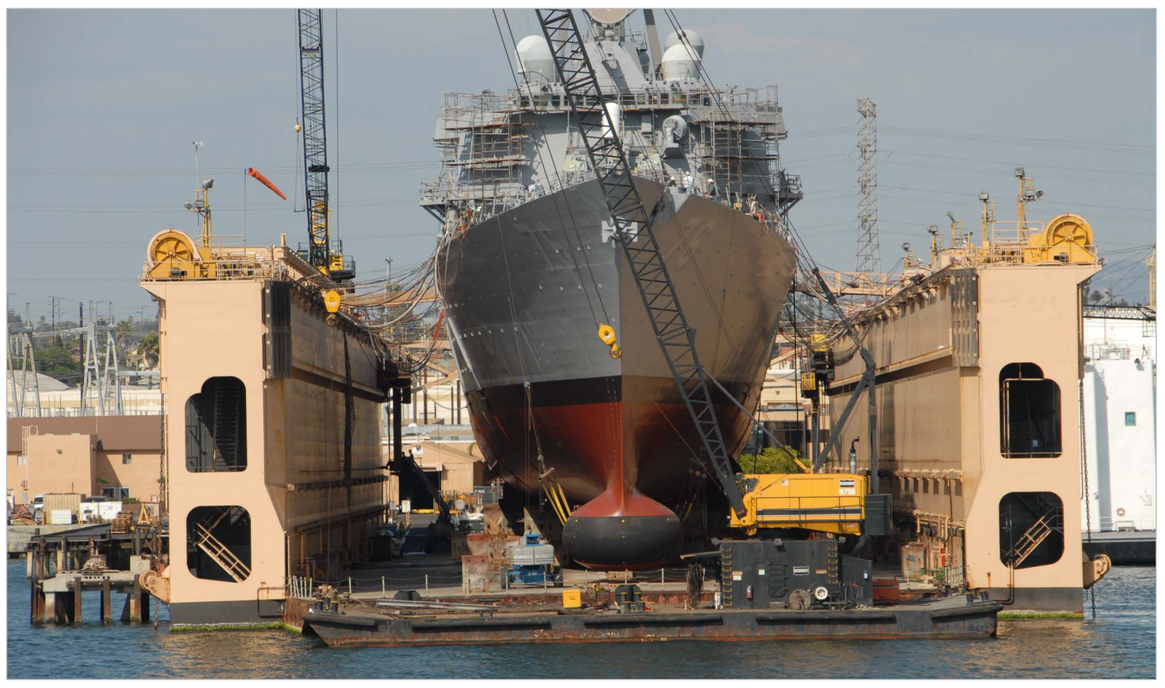
Multiple Award, Multiple Order Contracts – The Future of Navy Surface Maintenance Contracts

Naval Postgraduate School

Overview

In 2013, Commander, Navy Regional Maintenance Centers and NAVSEA 21 set out to create a contracting vehicle with firm-fixed price or fixed price award fee competitions via multiple award contracts and created the Multiple Award Contract–Multiple Order (MAC-MO) contract strategy. This project analyzes MAC-MO contracts and compares/contrasts them with previous strategies in order to determine the efficiency and effectiveness of this method.



USS Higgins (DDG 76) in BAE Systems, San Diego, CA

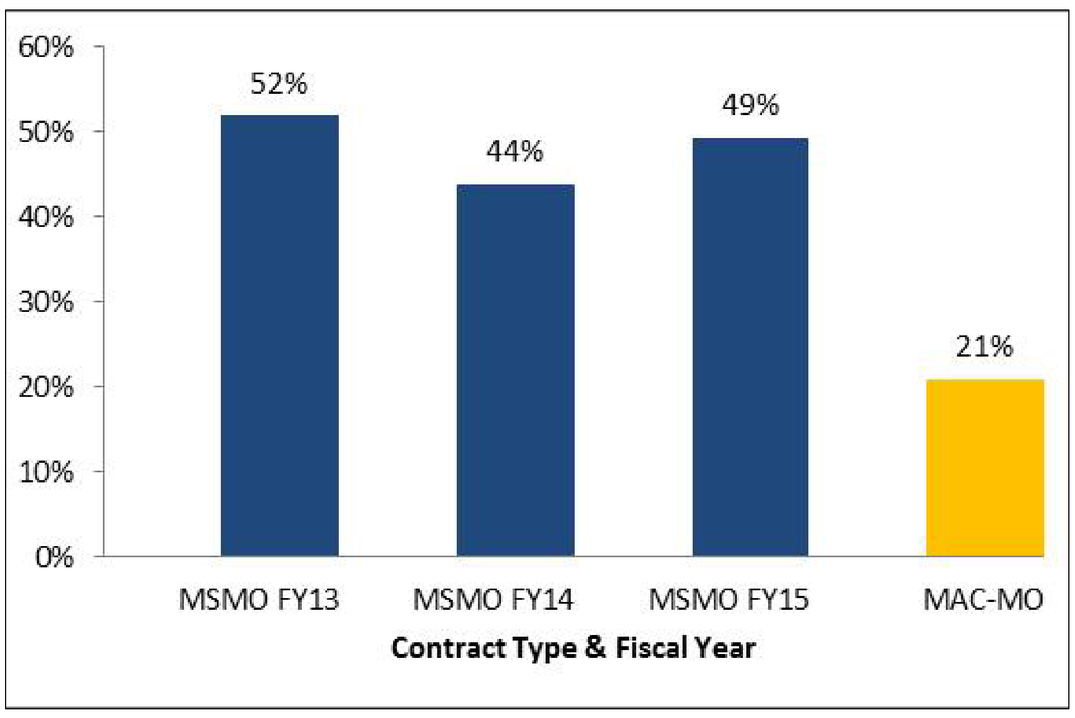
USS Momsen (DDG 92) in Vigor Shipyards, Seattle, WA

Research Questions

- Are MAC-MO contracts the most efficient and effective contracting method for CNO availabilities?
- Are MAC-MO contracts meeting their objectives?
- Are there any best practices from past successful MAC-MO contracts?

Methods

- The method of analysis is a comparison of the pertinent metrics from Multi-Ship, Multi-Option (MSMO) maintenance contracts to metrics from the initial MAC-MO contracts.
- A comparison of the MSMO metrics to MAC-MO metrics determines whether the MAC-MO program shows an improvement in efficiency or effectiveness.



Comparison of Percentage Growth & New Work

Conclusions

The MAC-MO strategy, through its continuous use of competition and third-party planner incentives, is more effective at controlling growth and new work than the MSMO strategy.

The MAC-MO contracts are out-performing MSMO in terms of percentage of growth and new work, but initial indications are that improvements based on the on time award, on time completion, and lost operational days metrics are inconclusive or do not exist in the current data.

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