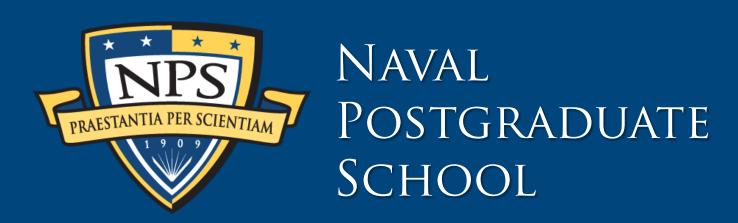
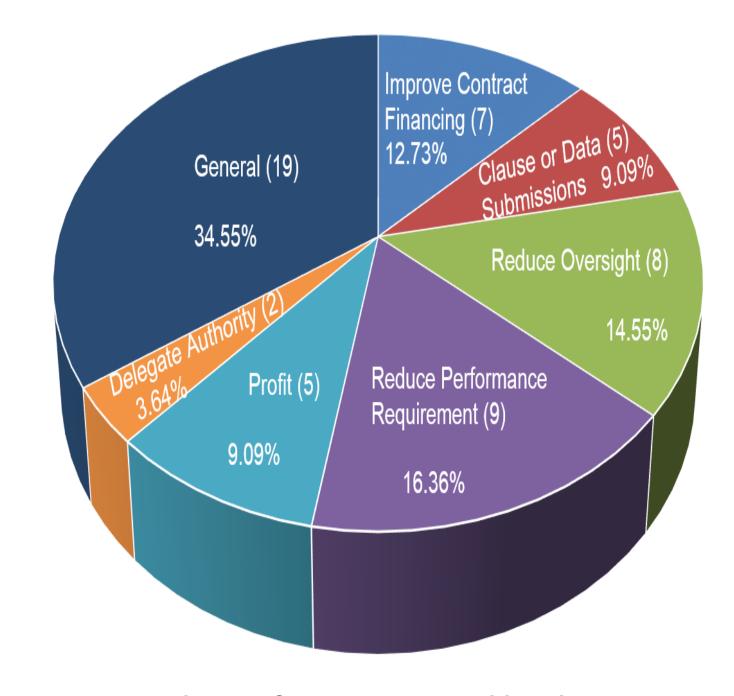
The Navy's Superior Supplier Incentive Program: Analysis Of Supplier Proposed Benefits



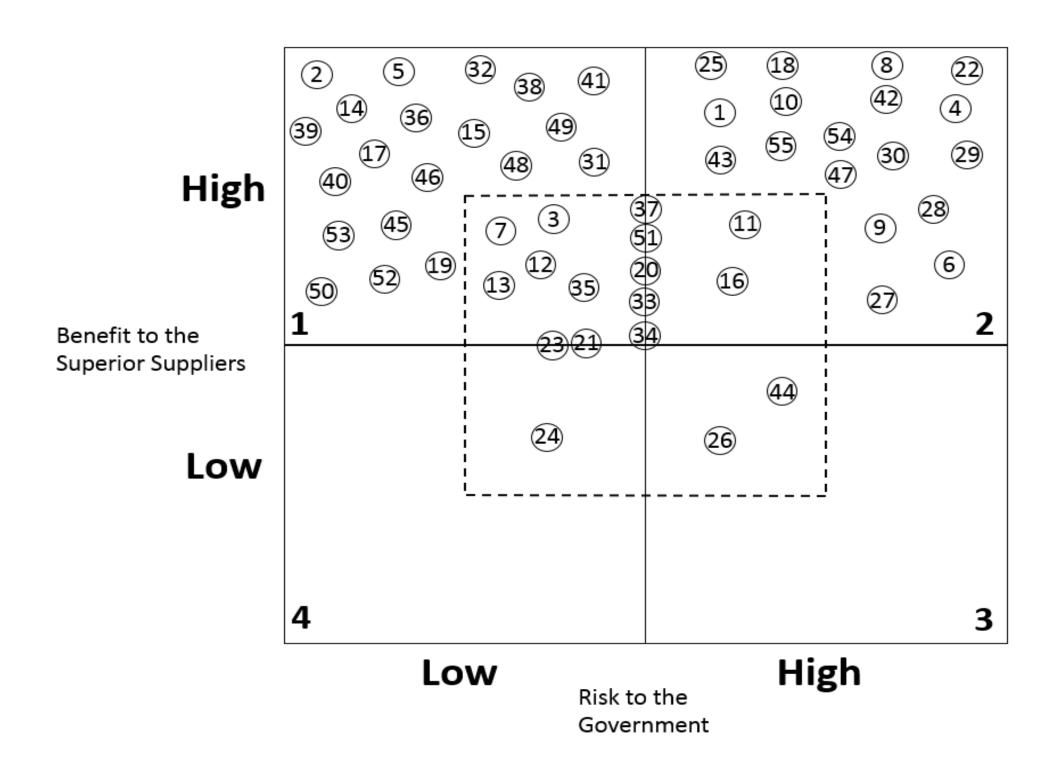
Overview

The DOD launched the Superior Supplier Incentive Program (SSIP) in 2013 to adopt industry best practices on supply and supplier management and explore opportunities to provide the high performing defense contractors with benefits or reliefs that would reduce administrative burdens and streamline processes. The Department of the Navy (DON) provided an opportunity for its 2014 Superior Suppliers to submit white papers suggesting possible reliefs or benefits that would improve efficiency.

This research analyzes the 55 proposed benefits using three frameworks: FAR policy analysis, contract management process analysis, and risk-benefit analysis to identify patterns or consistencies. The research reveal that FAR Part 42, Contract Management and Audit Services, and contract management phase represent the most frustration for the Superior Suppliers. The results of the analysis also can be used as a surrogate measure to identify for potential improvement in the DOD's current acquisition practices.



55 Proposed Benefits categorized by the DASN(AP)



Risk-Benefit Analysis Matrix

Research Questions

- How can the benefits proposed by the Superior Suppliers be analyzed to provide insight to Navy acquisition leadership?
- What are the implications of the analysis of the Superior Suppliers' proposed benefits for DOD contract management policy?

Methods

- FAR policy analysis: the proposed benefits were matched to their relevant FAR policies based on which policies may be affected if the proposed benefits were granted.
- Contract management process analysis: the proposed benefits were matched with their relevant phase(s) of the contract management process.
- Risk-benefit analysis: the proposed benefits were assigned a risk rating and a benefit rating to provide prioritization schema based on the risk to the government and benefit to the contractors.

Contract Management Phase	FAR Part(s)	# of Proposed Benefits	Distribution
Procurement Planning	16, 37, 39	5	19%
Solicitation Planning	16, 37	6	22%
Solicitation	N/A	0	0%
Source Selection	15, 42	3	11%
Contract Administration	15, 32, 34, 42, 45, 46, 48	11	41%
Contract Closeout	32, 42	2	7%
Total		27	100%

Quadrant One Proposed Benefits by Contract Management Process

Conclusions

The findings of the data analyses suggest that there may be numerous policy change opportunities in the contract administration phase and FAR Part 42, Contract Administration and Audit Services that would be low risk to the government and high benefit to Superior Suppliers.

Acquisition Research Program
Graduate School of Business & Public Policy

Donald Lee, MAJ, USN Lupei Chou, LT, USN

Advisors: Dr. Rene Rendon

Karen A. Landale, Maj, USAF, PhD