

Husbanding Service Provider (HSP) Price Analysis Factors



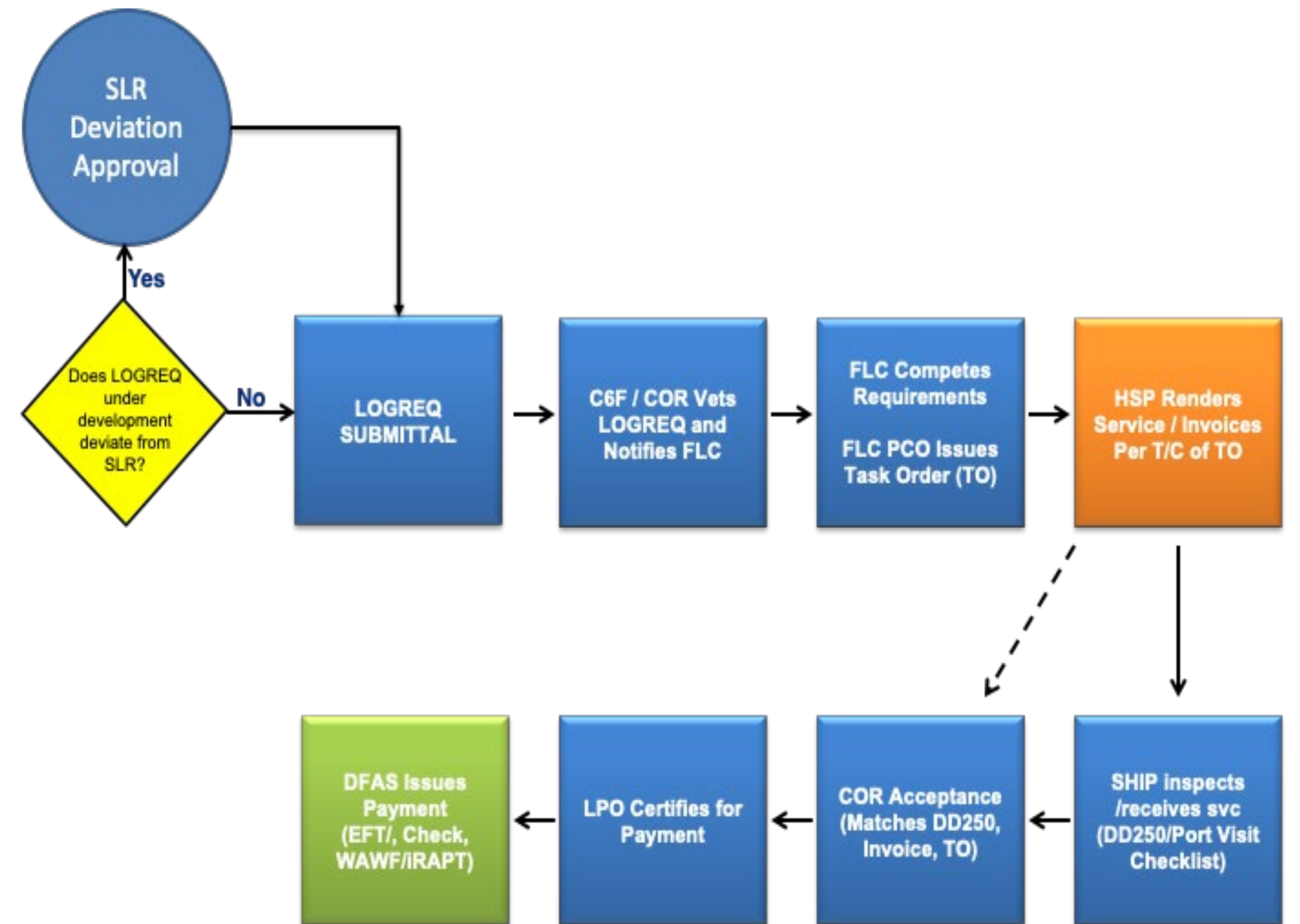
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Abstract

Since 2015, the Navy acquisitions community has undergone significant changes to oversight policies and contracting methods for husbanding services. The changes were imposed because of one of the largest corruptions and scandals in U.S. Navy history. The rapid effects of these changes have not been thoroughly analyzed.

In this thesis, there is data from the last five years totaling over 6,000 husbanding service contracts and port visits. They were analyzed to determine if the current process is having an adverse financial impact, including the financial impact of short-notice port visits, contractor competition, and the length of solicitation. A cross-tabulation methodology was used to determine if short-notice port visits request submissions have a financial impact on the cost of husbanding services.

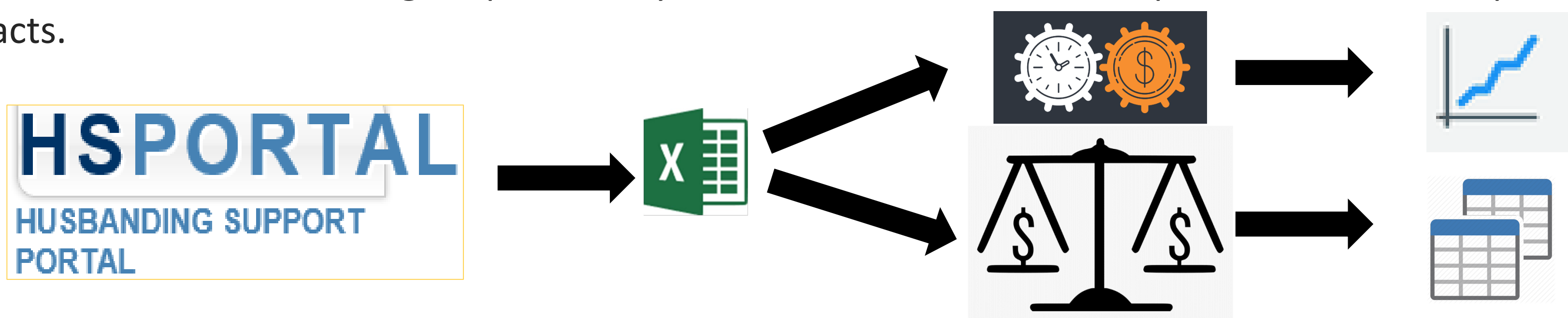
Cross-tabulation was also used to determine if the length of solicitation time makes a difference in the daily average cost. The authors used cost indexing to quantifiably determine if contractor competition affected the price of husbanding contracts. After a thorough quantitative analysis, the authors have determined that the current oversight policies and contracting methods do not have an adverse financial impact on the husbanding service process. Navy leadership must continue refining procedures to reduce processing time while increasing audit compliance.



Husbanding Service Provider Process

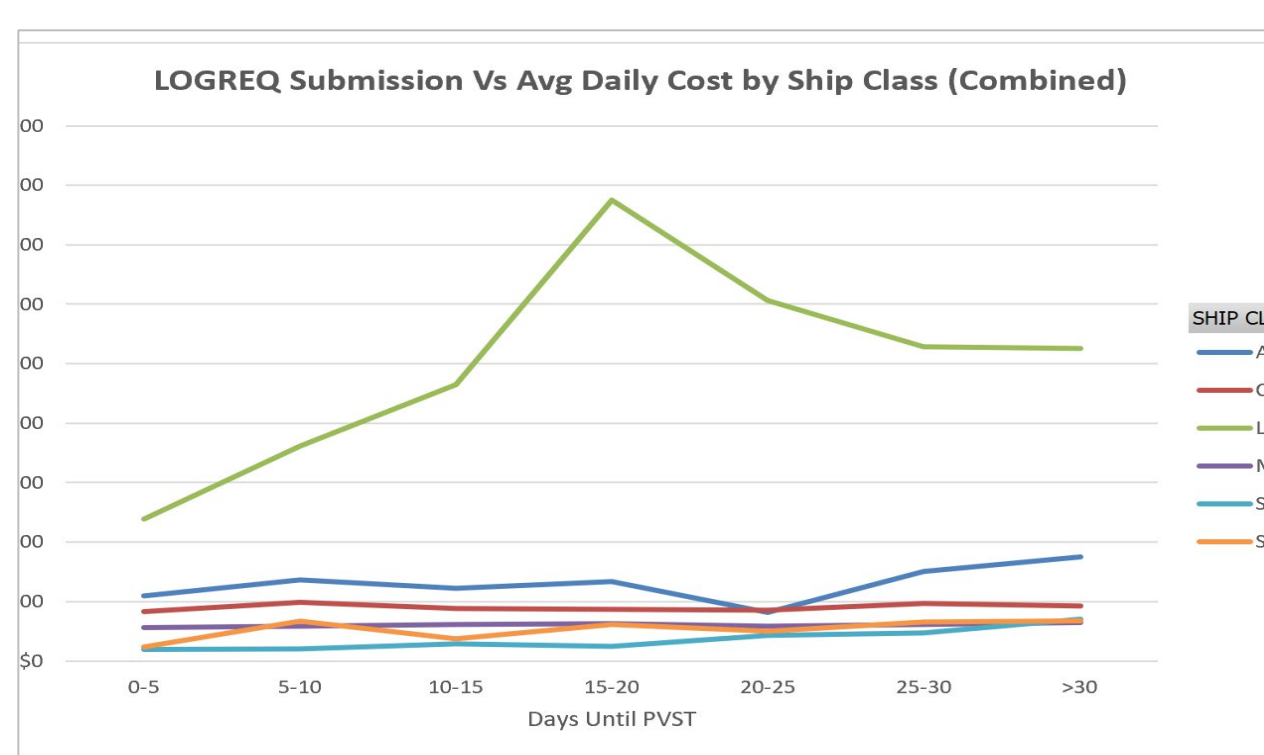
Methods

- Cross-tabulation methodology was used to determine:
 - (1) if short-notice port visit request submissions had a financial impact on the cost of husbanding services, and
 - (2) evaluated the impact of solicitation time on the cost to verify if there is a price advantage in allowing more time for contractors to submit their bids.
- The authors used cost indexing to quantifiably determine if contractor completion affected the price of husbanding contracts.



Results

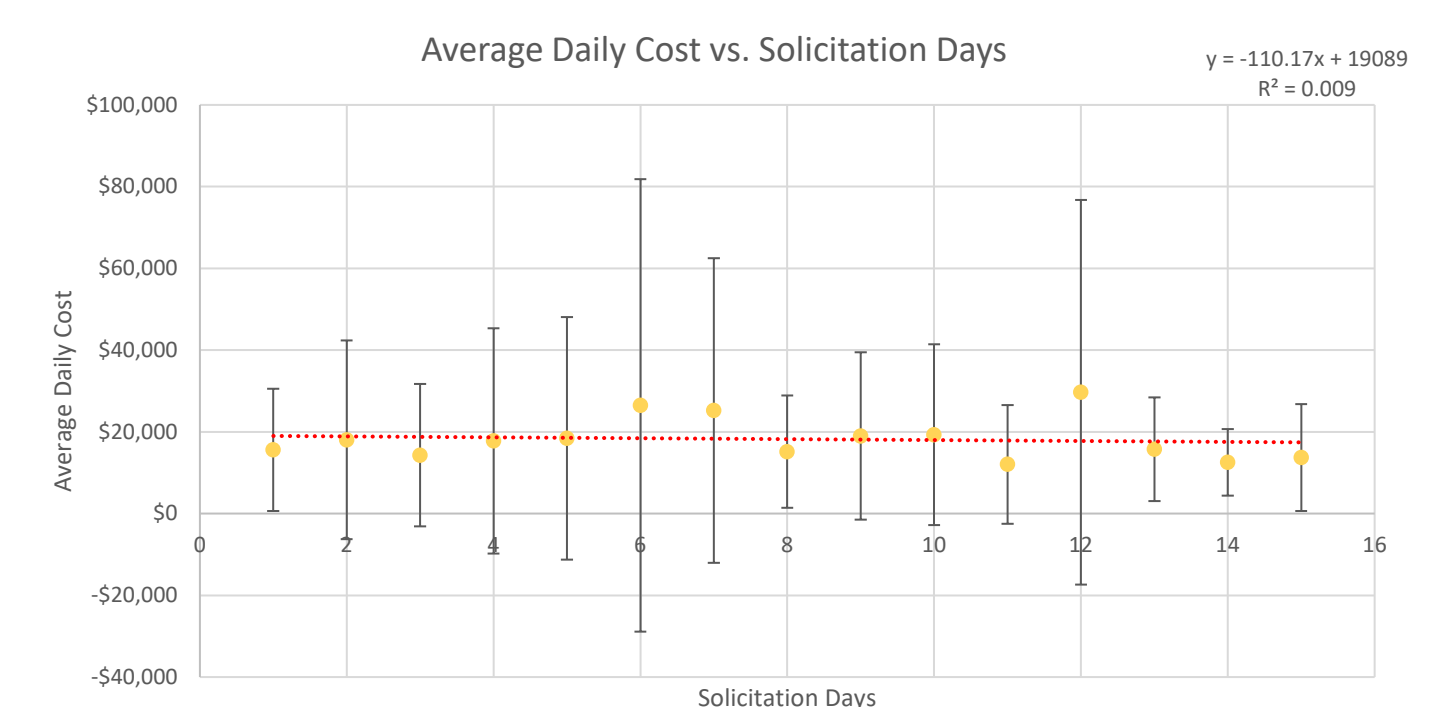
- The results show that short-notice port visit LOGREQ submissions have no financial impact on husbanding services received.
- In the revised acquisition strategy, increased competition drives the price down and establishes a relationship with contractors.
- The research determined that the amount of time a bid spends being solicited does not affect the average daily cost.



Short-Notice LOGREQ Submission vs Average Daily Cost

7th Fleet	FY 16	FY 17	FY 18	FY 19	FY 20	C	N	X
Changi Naval Base	C	C	C	C	C	5	0	0
Chinhae	N	N	C	C	C	3	2	0
Manila	N	C	C	N	X	2	2	1
Phuket	N	C	C	C	C	4	1	0
Pusan (Busan)	N	N	C	C	N	2	3	0
Sasebo	N	N	N	C	C	2	3	0
Sattahip	N	C	C	C	C	4	1	0
Sembawang	C	C	C	C	C	5	0	0
Subic Bay	N	C	C	C	C	4	1	0
Yokosuka	N	N	C	C	C	3	2	0
% Competitive ports	20%	60%	90%	90%	80%	34	15	1

Competition Period Summary



Average Daily Cost vs Solicitation Days

Abstract

Methods

Results

Recommendations