

**MEMORANDUM OF AGREEMENT (MOA)**  
**Between**  
**Naval Sea Systems Command (NAVSEA)**  
**Naval Air Systems Command (NAVAIR)**  
**Naval Supply Systems Command (NAVSUP)**  
**Defense Contract Management Agency (DCMA)**  
**Regarding**  
**PROCUREMENT OF CRITICAL MATERIAL USED ABOARD NAVAL SHIPS,**  
**SUBMARINES, AIRCRAFT CARRIERS, and DEEP SUBMERSIBLES**

References:

- (a) DCMA Navy Special Emphasis Program's Quality Assurance Instructions
- (b) DCMA Navy Special Emphasis Program's Management Instructions

**1. Purpose:**

Foster a strategic partnership among NAVSEA, NAVAIR, NAVSUP, NSTR PGH (NAVSEA 08) and DCMA to develop a long term NAVY vision for supplier product quality across the Navy Enterprise and to develop DCMA/Navy oversight methods, practices, and procedures that support this long term vision. The objective is to develop the most effective and efficient approach for procurement and oversight of critical material for application across the Enterprise.

Establish an Executive Steering Committee (ESC) responsible for execution of this MOA.

**2. Background:**

In 2005, DCMA and NAVSEA entered into a strategic partnership in support of a mutual realignment initiative to improve supplier performance, supplier product quality, and continuously improve government oversight methodologies for critical material. During the initial operations under this MOA, NAVICP has provided vital contributions in the process of improving supplier product quality. NAVSEA offered NAVAIR the opportunity to benefit from strategic partnership initiatives for improving supplier product quality and supplier oversight in the Aircraft Launch and Recovery Equipment (ALRE) program. Through email correspondence, NAVSEA, NAVSUP and NAVAIR agreed to participate in this strategic partnership.

This MOA is a continuation of the DCMA and NAVSEA Strategic Partnership, adding NAVSUP and NAVAIR.

### **3. Scope:**

This partnering initiative is directed at critical material indentified in the programs below:

- Naval Nuclear Propulsion Program (NNPP)
- Nuclear Plant Material (NPM)
- Level I Program
- Submarine Safety (SUBSAFE) Program
- Deep Submergence Systems Scope of Certification Program
- Naval Propulsion Program (NPP)
- Submarine Fly By Wire Ship Control Systems Program
- Aircraft Launch and Recovery Equipment (ALRE)

Supplier oversight by DCMA is conducted under the Navy Special Emphasis Programs (NSEP), identified in references (a) and (b), and ALRE, to be incorporated into future revisions of references (a) and (b). All aspects of the naval nuclear program for supply management, supplier oversight, and quality assurance are under the cognizance of NAVSEA 08 who retains sole authority for all nuclear material management program elements.

### **4. Executive Steering Committee (ESC):**

The ESC shall establish initiatives necessary in this strategic partnership to ensure implementation and execution of this MOA for improving the procurement process of critical material. The ESC shall establish measures to ensure continuous improvement in all areas of the procurement process.

#### **Membership**

- NAVSEA 04P, chair
- NAVSEA 05, Technical Warrant Holder Representative
- NAVAIR 4.8.
- NAVSUP, NAVICP OS
- NSTR PGH (NAVSEA 08)
- DCMA Director NSSD
- DCMA NSEO CMO Commanding Officer
- and Ad Hoc Participants as necessary to support ESC agenda items

#### **Areas of Focus:**

The ESC shall establish near, mid and long term initiatives consistent with this MOA's purpose for improvements to the procurement process as one enterprise/cooperation (Government and Shipbuilders). This includes establishing

common business processes for supplier product quality, oversight, outreach, contracting, sourcing, ethics, fraud, and performance measures. The enterprise approach shall include:

- Establish and ensure the successful completion of near term (1-3 years), mid term (3-7 years) and long term (7-15 years) enterprise initiatives for continuous improvement of common business processes.
- Identify business transformation obstacles and propose solutions.
- Establish a culture of partnership between industry and government to support fleet requirements.

**5. Duties and Responsibilities:**

- a. ESC members shall brief their leadership as directed.
- b. ESC members have an open invitation to attend leadership briefings with regards to this MOA.

**6. Agreements:**

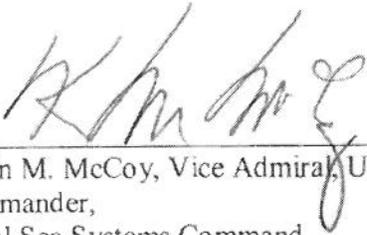
Each command agrees to act on ESC meeting minutes as an official source of communications; however this does not preclude independent command direction being administered via the organization's policy, such as letters, memorandums, etc. The ESC will function in a collaborative working environment to reach a consensus on ESC actions.

NAVSEA, NAVAIR, NAVSUP and DCMA agree to provide the following independent resources, ensuring critical shipboard material procurement program success:

- DCMA will provide an appropriately staffed, qualified and trained workforce.
- NAVSEA and NAVAIR will provide timely direct technical support to this strategic partnership, including but not limited to: improving QAR knowledge, improving supplier understanding for Navy specifications, standards and drawings, providing direct technical support to in-plant QARs, monitoring and measuring supplier quality performance and participating in supplier quality performance evaluations.
- NAVSUP (NAVICP) will execute the mutually agreed upon business processes for a common approach to critical material procurement.
- NAVSEA and NAVAIR have responsibility for identification of CSI.
- Each command will participate in supplier evaluations.
- Each command will provide ESC members and other resources necessary to ensure the ESC meets regularly and actions (e.g. working groups, IPT, procedure changes...) initiated by the ESC are executed.

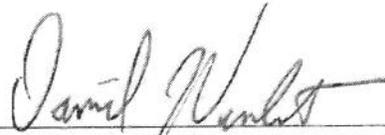
7. Review:

The ESC shall review this MOA at least once every three years and propose revisions to the Command signatures for approval, as necessary. The ESC shall consider the strategic partnership progress toward MOA purpose/objectives, lessons learned, and desired future state of the strategic partnership outcomes when reviewing the MOA.



Kevin M. McCoy, Vice Admiral, USN  
Commander,  
Naval Sea Systems Command

DATE: 7 Oct 2008



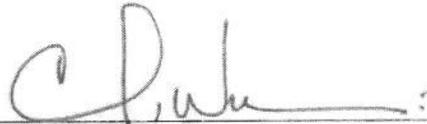
David J. Venlet, Vice Admiral, USN  
Commander,  
Naval Air Systems Command

DATE: 7 Nov 2008



A. S. Thompson, Rear Admiral, SC, USN  
Commander,  
Naval Supply Systems Command

DATE: 9 Sep 2008



Charlie E. Williams Jr.  
Director,  
Defense Contract Management Agency

DATE: 5 Sep 08