



# NOAA's Office of Marine and Aviation Operations

## Fleet Recapitalization Questions and Answers

March 13, 2017

All actions and projected timelines are based on an annual stable, continuous funding level at the FY16 appropriations (\$80M).

### 1. How many ships does NOAA need to build?

Based on projected end of service of ships in the NOAA Fleet by 2028, NOAA must construct up to eight new ships to maintain the capacity and capabilities for NOAA prioritized at-sea requirements. By the end of 2017, nine of NOAA's vessels will have reached the end of their normal design lives, which means that they are already working past the normal, expected, time at which they are considered mission capable, and beyond their depreciable asset lives. The eight vessels addressed in the NOAA Fleet Plan are able to continue - for now - their missions in an extended service life. We have invested major repair and maintenance funds into core systems to try to ensure we can run them as long as is safely possible.

By 2028, eight of these vessels will have reached the end of their extended service life, at which time they will no longer be able to operate. By 2030, another two ships reach the end of their extended service lives.

The NOAA Ship *Oscar Elton Sette* - based in Hawaii - and the NOAA Ship *Oregon II* - based in Mississippi - are currently projected to be the first vessels to come offline and be decommissioned around 2023.

For a full list of NOAA's ship and their Design and Extended Service Life estimates through 2028 and beyond, please see the **OMAO Fleet Without Investment** slide - page 11 of the OMAO 101 presentation at <http://www.legislative.noaa.gov/policybriefs/OMAO%20101%20013017.pdf>.

### 2. What missions will be impacted when ships start coming offline?

All of NOAA's at-sea missions will be adversely impacted, including charting and surveying; living marine resource assessment (including protected resources, fisheries science and management, and habitat conservation and restoration; and oceanographic monitoring, research, and modeling). The loss of NOAA ships without recapitalization will directly impact the nation's \$4.6 trillion in economic activity generated in U.S. seaports, which relies on accurate nautical charts; the \$200 billion seafood industry; nearly half of the Nation's population that live in coastal areas; \$746 billion in tourism; and industries, such as the \$985 billion agriculture industry, that rely on forecasts data fed by NOAA at-sea data. Please see ***The NOAA Fleet Plan: Building NOAA's 21st Century Fleet***

<http://www.legislative.noaa.gov/policybriefs/NOAA%20Fleet%20Plan%20103116.pdf>

### **3. How much will each ship cost?**

Based on best available information, acquisition of a Navy Auxiliary General Purpose Oceanographic Research Vessel (AGOR) type ship will cost approximately \$160 million, including Navy/NOAA project management and conceptual design; the actual cost is dependent on contract costs that can only be determined upon contract award.

#### **Funding to the Navy:**

##### **Phase I:**

- Project inception through preliminary design
- Acquisition documentation refresh, NOAA/Navy internal reviews, Milestone Review Board Approvals
- Issuance, selection, award and execution of the Preliminary/ Contract Design (PD/CD) competition between multiple vendors

##### **Phase II:**

- Detailed design and construction
- Design, integration, construction, testing, trials, and Preliminary Acceptance of new vessel
- Does not include post-delivery (spares, outfitting, shakedown or warranty)

#### **In-House and Support Contract:**

- Supports OMAO FTE and Support Contract work
- Provides NOAA inherently governmental functions and support for NOAA/Navy joint acquisition team
- The costs for the N/V Class B, C and D vessels will be determined through the acquisition, including contract award, processes.

### **4. Is Navy building the ship for you then?**

NOAA is partnering with the Navy to leverage the Navy's acquisition expertise as they led the acquisition for Auxiliary General Purpose Oceanographic Research Vessels (AGOR), the R/V *Sally Ride* and R/V *Neil Armstrong*. Partnering with the Navy will leverage government resources, resulting in savings of \$10 million and two years of time. We have signed an Interagency Agreement (IAA) with the Navy to facilitate this process.

### **5. When will you put out the Request for Proposals (RFP) and will it be open? Will one contractor do the design?**

It will be a full and open competition with multiple preliminary design contracts awarded, and a downselect to one contractor for detailed design and construction. Based on the notional schedule and assumptions that there will be a stable, annual appropriations, it will occur in the first quarter of each FY, and hirings will proceed on schedule.

NOAA expects to issue a RFP for preliminary design in March, 2018. The notional date for award is July 2018.

**6. Why do you need money now if you don't expect a contract award until the end of FY18 or to begin construction until FY19?**

Due to the unique nature of ships as non-separable capital assets with significant start-up costs, the U.S. Navy - on behalf of NOAA - must have adequate funds obligated and available for disbursement to attract serious bids from competent shipbuilders.

**7. How can you obligate funds without awarding a contract?**

Funds will be obligated to the Navy for project management and contract awards for the NOAA Vessel (N/V) Class A, the Auxiliary General Purpose Oceanographic Research (AGOR) vessel. The Navy will award the contracts for the preliminary design to multiple vendors and for the detailed design and construction to the one vendor selected from the downselect. The full amount of funds for the detailed design and construction must be obligated from NOAA to the Navy prior to the Navy awarding the contract to the selected vendor.

**8. What is the status of appropriations? How many ships have been funded? Will this request be included in the president's budget for FY18?**

Congress appropriated \$80 million in FY16 and included \$75 in the FY17 Senate mark; however, NOAA is still waiting on final FY17 appropriations. These funds would go towards the first new ship, preliminary work on the second, and beginning the requirements process for N/V Class B and C vessels. The President's budget will provide additional details regarding NOAA funding. A budget outline is currently scheduled to be released on March 16.

**9. What concerns do you have about the potential budget cuts?**

Long-term recapitalization of the NOAA fleet requires an annual, stable funding profile on the order of the FY16 appropriation. NOAA will continue to proceed on schedule, as laid out in the NOAA Fleet Plan, or make adjustments based on available funding. By 2028 only half of NOAA's ships will still be operating. To ensure continuity in data acquisition and minimal impact to NOAA products and services, and the industries they support, it is important that NOAA continue to adhere to our timeline.

**10. Are you building only one type of ship? Will the ships be dedicated to one specific mission area like your Fisheries Survey Vessels?**

Based on NOAA's initial analysis there are four types of ships required to meet priority requirements. The NOAA Fleet Plan describes these four vessel classes, each of which focuses on a primary mission and activities and has capability for secondary mission(s) and activities. Each vessel will be multi-mission capable, but will focus on capabilities required for activities in their primary mission area. We are leveraging the design process and advances in technology to provide capabilities for secondary missions as well. The four classes and mission/activity areas are:

- **NOAA Vessel (N/V) Class A (AGOR variant):** Primary mission Oceanographic Monitoring, Research and Modeling; secondary missions Assessment and Management of Living Marine Resources (not trawl capable) and Charting & Surveying.
- **N/V Class B:** Primary mission Charting & Surveying; secondary missions Assessment and Management of Living Marine Resources (not trawl capable) and Oceanographic Monitoring, Research and Modeling.

- **N/V Class C:** Primary mission Assessment and Management of Living Marine Resources; secondary mission Charting & Surveying; shallower draft to conduct near-shore missions.
- **N/V Class D:** Primary mission Assessment and Management of Living Marine Resources; secondary missions Charting & Surveying and Oceanographic Monitoring, Research and Modeling; deeper draft with significantly longer at-sea endurance than Class C.

For a summary of the 4 types/classes of ships and their associated primary and second mission capabilities, please see page 8 of *The NOAA Fleet Plan: Building NOAA's 21st Century Fleet* <http://www.legislative.noaa.gov/policybriefs/NOAA%20Fleet%20Plan%20103116.pdf>.

**11. Will these ships be able to work in the Arctic, near shore, or only in deep, warmer waters?**

The types of ships include the NOAA Vessel (N/V) Classes A, B, C and D. N/V Class A will be able to work worldwide. N/V Classes B and D will also be deeper draft and capable of working on the high seas. N/V Class C will be designed to conduct near-shore limited range trawl-based activities for assessment and management of living marine resources. The specific degree of Arctic capabilities will be determined during the requirements analysis and design processes.

For a summary of the 4 types/classes of ships and their associated primary and second mission capabilities, please see page 8 of *The NOAA Fleet Plan: Building NOAA's 21st Century Fleet* <http://www.legislative.noaa.gov/policybriefs/NOAA%20Fleet%20Plan%20103116.pdf>.

**12. When will these ships start coming online?**

With consistent support from Congress and regular and timely appropriations, we plan to leverage the Navy's Auxiliary General Purpose Oceanographic Research Vessel (AGOR) specifications and previous work to bring the first N/V Class A on-line in 2023 and the second 6-12 months later. Pending stable, continuous funding at the FY16 levels, we will also be working on the acquisition of N/V Class B and C vessels.

For a summary of the 4 types/classes of ships and their associated primary and second mission capabilities, please see page 8 of *The NOAA Fleet Plan: Building NOAA's 21st Century Fleet* <http://www.legislative.noaa.gov/policybriefs/NOAA%20Fleet%20Plan%20103116.pdf>.

**13. What is the exact timeline for construction of the first vessel?**

Thanks to support from Congress in the FY16 enacted budget, and hopeful comparable funding in FY17, for the first vessel, we anticipate a contract award for preliminary design in Q4 of FY18, detailed design in Q2 of FY20, and construction beginning in Q2 of FY21. Construction is expected to take 24 months and be completed in Q2 of FY23.

**14. Can a shipyard in our state bid for the contract?**

Any shipyard that meets requirements may submit bids for the contract. Once the formal contract process begins, notices will be issued in the Federal Register and all interested congressional offices will be notified. Under federal procurement policies, once open for bid, NOAA cannot disclose bid information until a contract is awarded.

**15. Can you provide more details on the contract requirements in advance?**

No. Once the formal contract process begins, notices will be issued in the Federal Register that will contain all specifics and requirements for the proposed contract(s). Under federal procurement policies, once open for bid, NOAA must not disclose who has bid until a contract is awarded and other details and information will also be prohibited from disclosure.

**16. May we submit letters in support of a shipyard in our state if they make a bid?**

Statements of support for a specific shipyard from any federal agency, branch of government, partner or stakeholder will have no bearing on the procurement or contract process.

**17. Once the ship is built, where will it be homeported?**

NOAA cannot predict at this time exactly where the new vessels will be homeported. NOAA's fleet of research and survey vessels are a national asset that must have the flexibility to go where the mission requirements are and where the nation needs them. In order to ensure that NOAA is providing the best value to the taxpayer, the agency takes a number of factors into consideration when administratively assigning a homeport, which due to the investment required and disruptions that may be created, is considered 'permanent' until such time as needs, mandates, and circumstances demand that it be reassessed and/or changed. As ships begin to come offline, and as mission mandates evolve, NOAA will continue to assess where best to place all assets - including the new ships - either in permanent homeport assignments or forward deploying them to meet critical needs.

**18. Why are you requesting funds to build new ships when you cannot maintain the ones you have? We have heard the IG will be issuing a report on your maintenance issues.**

NOAA has implemented a progressive maintenance program and rotational staffing program to keep ships operating well beyond their design lives. With many ships operating beyond their depreciable life, investment in new assets is essential for continuity of operations. Building new ships is the most efficient and effective way to meet NOAA's at-sea data requirements, and provide critical products and services to the Nation.

**19. Are you considering emerging technologies instead of building big, new ships? What about the private sector? Can't they do this work?**

NOAA is always evaluating and testing emerging technologies to meet mission needs but technology cannot replace the need for vessels in the near future. NOAA ships, and the technical workforce that operates them, are highly specialized. There are limited commercial options that have the required capability to meet NOAA's at-sea data requirements, the capacity to meet seasonal and geographic requirements, and the highly specialized instrumentation and workforce required. In *The NOAA Fleet Plan: Building NOAA's 21st Century Fleet*, NOAA has outlined our recommendations that include:

- Sustain capabilities with up to 8 new ships
- Start now with AGOR design: meets requirements, known platform, leverages resources and time
- Increase use of existing NOAA ships & small boats
- Increase use of private sector charters
- Strengthen partnerships
- Integrate emerging technologies

For a summary of technology and charter analysis, please see page 36-38 of ***The NOAA Fleet Plan: Building NOAA's 21st Century Fleet***

<http://www.legislative.noaa.gov/policybriefs/NOAA%20Fleet%20Plan%20103116.pdf>.

**20. Why can't you do more chartering (commercial and UNOLS) and partnering to meet your needs?**

Charters and partnering are a very important part of meeting NOAA requirements and we currently use these to the extent possible. These best practices are not new ideas and NOAA has been implementing them for a long time. The only way NOAA is going to get ahead in meeting requirements is by building ships that specifically meet NOAA requirements in the most efficient and effective ways. The value of the products and services NOAA provides to the Nation rely on NOAA maintaining an in-house capability.

**21. How do you plan to keep us updated on this recap program?**

OMAO and NOAA's Office of Legislative and Intergovernmental Affairs will provide regular briefings for all interested staff, monthly updates in the Fleet Update that is sent to Congress, and special email notices for major milestones or timely information.

**22. Who do we speak with to get a briefing for our Member?**

To request a Member briefing on the NOAA Fleet Plan, please contact Tim Bagley, Senior Policy Advisor, NOAA's Office of Legislative and Intergovernmental Affairs, [timothy.bagley@noaa.gov](mailto:timothy.bagley@noaa.gov).