

THE MONITOR AND MERRIMACK



Newsletter of the
Greater Hampton Roads Chapter
District 02 – Chapter 03
SOLE – The International Society of Logistics
Copyright 2008 SOLE
October 2015
© Copyright 2008 SOLE



Chapter Management Committee

Chapter Chairperson:

Charlie Littleton

Vice Chair – Membership:

Vacant

Vice Chair – Admin:

Carl Lilieberg

Vice Chair – Finance:

Rick Treto

Vice Chair – Education:

Lee Morris, CPL

Vice Chair – Professional &

Technical Development

Akalanka Warusavitharana,

CPL

Logistics Education

Foundation

(LEF) Liaison Vacant

Newsletter: Carl Lilieberg

Web Master: Charlie Littleton

In this Issue:

CPL Corner	2
Near Term Calendar of Events	3
Our October Business Meeting	4
Our September Tour	5
Our October Meeting Flyer	6
Article: Scrapping the Saratoga	7-8; 11-14
GHRC Management Page	9
Long Term GHRC Calendar	10

From the Chapter Chairman

Halloween Logistics

Have you ever thought about the 'invisible logistics tail' that's attached to Halloween? Here are a few 'scary' facts to ponder:

- The average person celebrating Halloween will spend \$74.34, compared to the \$77.52 spent last year? Total spending on Halloween this year is expected to reach \$6.9 billion. (Source: NRF)

- Competition for available retail space will be fiercer this year, as the market for Halloween pop-up stores has grown by 30% during the last 4 years. (Source: enVista)

- Last year, U.S. companies imported over 65,000 metric tons of Halloween paraphernalia, with the majority arriving in June, July, and August. That's the equivalent to three ocean cargo-ships (18,000+ containers) filled to the rim with orange and black goodies. (Source: Zepol)

- As the pumpkin-spice trend grows (pumpkin-flavored products accounted for \$361 million in sales in 2014), U.S. consumers now have the option of buying more than 100 different pumpkin-flavored foods including Pumpkin Spice Oreos, Pumpkin Pie Spice Pringles, Pumpkin Spice Jell-O, and even Pumpkin Spice Country Crock spread. (*And that doesn't include all of the Pumpkin-Spiced Lattes sold by Starbucks!*)
Reprinted from SOLEtter – Late October 2015 (V2N18)

Come join us this month for our speaker **Mr. Sultan Camp**, and his presentation on **“Social Media and the Logistics Professional.”** Look forward to seeing you there!

Charlie Littleton

Chairman GHRC SOLE

Coming Events:

**Thursday, 22
October
2015**

**Mr. Sultan Camp
Military Talent
Acquisition
(Candidate
Recruiter)
“Social Media and
the Logistics
Professional”**

**Teppanyaki Grill
and Buffet
7525 Tidewater
Drive, Suite 8
Norfolk, Virginia**

Certified Professional Logistician Corner

The next CPL Exam
will be given in
November 2015

**LOGISTICS PLANNING, IMPLEMENTATION,
METHODS AND TOOLS**

1. Systems engineering involves:
 - a. a process.
 - b. planning for logistics support requirements.
 - c. both a and b.
 - d. none of the above.
2. Reliability is:
 - a. the same as maintainability.
 - b. the probability that a system will give satisfactory performance for a specified period of time when used under stated conditions.
 - c. both a and b.
 - d. none of the above.
3. Maintainability planning:
 - a. is perhaps the most important factor in system design relative to logistic support.
 - b. is of little importance in design.
 - c. follows from logistic support analysis.
 - d. none of above.
4. Human factors planning:
 - a. involves how to motivate people.
 - b. emphasizes the cost of highly skilled labor.
 - c. focuses on man-machine interfaces.
 - d. involves recruiting and selecting new employees.
5. A safety plan is important because:
 - a. of the concern over consumerism and legalities.
 - b. of what will be covered in warranties.
 - c. both a and b.
 - d. none of the above.
6. A Formal Logistic Support Plan would include all of the following except:
 - a. supply support plan.
 - b. maintenance plan.
 - c. transportation and handling plan.
 - d. marketing plan.
7. Configuration management is also known as:
 - a. Systems design management.
 - b. structural management.
 - c. change control plan.
 - d. none of the above.
8. Which one of the following scheduling methods is the simplest?
 - a. critical path method.
 - b. PERT.
 - c. Milestone chart.
 - d. **all** three are very complex.
9. In critical path analysis, (CPM):
 - a. one is interested in finding the shortest time path of sequential event.
 - b. identification of the most expensive path is the object.
 - c. the most dangerous sequence of activities is sought,
 - d. none of the above.
10. PERT means:
 - a. planning, execution, and review technology.
 - b. programming, execution, and review time.
 - c. program evaluation, and review technique.
 - d. none of the above.

Please see answers on Page 3

Near term Calendar of Events

GHRC SOLE

22 October 2015

**Mr. Sultan Camp, Military Talent Acquisition (Candidate Recruiter)
“Social Media and the Logistics Professional”**

ASNE

Dinner Meetings:

Every 3rd Tuesday, Springhill Suites, Newtown Road, Va. Beach, (1800-1900 Social Hour); 1900-2030 Dinner and Program;
Reservations: on line at ASNE Tidewater site.

21 October 2015

**RADM Haley - CNAL
*Carrier Readiness***

6 November 2015

**ODU Exposition
Old Dominion University
Frank Batten College of Engineering and Technology [Engineering Research Expo](#)**

18 November 2015

**RDML Galinis – CNRMC
*Future of SEA-21 and CNRMC***

NDTA

No events scheduled

CPL/CML CORNER ANSWERS

1	c	6	d
2	b	7	c
3	a	8	c
4	c	9	d
5	c	10	c



7 October 2015

GHRC Business Meeting Minutes

Convened at 5:00 PM Adjourned: 5:40 PM

Attendees

Mike Grimes, Rick Treto, Gina Baker, Akalanka Warusavitharana, CPL, Charlie Littleton,

Rick provided the financial status. Rick reimbursed Charlie for the web site hosting for the last quarter.

Charlie reviewed the upcoming schedule and changes in speakers. October is the only confirmed presentation. He is working on confirmations for upcoming months. Akalanka, and Charlie are working together to set up a November presentation/ tour of CMA CGM.

Line-up of Potential Speakers/Topics:

CMA CGM

NAVSEALOGCEN

Carrier Planning Activity

Duke Power

Old Dominion University

SURFMEPP

Newport News Huntington Ingles

Fleet Support Logistics Center, Norfolk

Provisioning Workshop

Joint Meetings: ASNE, NDTA

Charlie led discussion on Chapter Goals for the upcoming year. Primary vision is to develop a partnership with members to see how the chapter can help the individual or organization. Examples may include CPL/DML certifications, awards, training or other joint values for the member/organization. More meetings will be held to develop a vision and strategy for the future.

With no further business, the meeting was adjourned

Our September 2015 Event

Our Luncheon scheduled Tour on Thursday, September 24, 2015 of the Underway Replenishment Training Facility, Joint Expeditionary Base, Little Creek, Virginia was regrettably cancelled due to severe weather in the area.

We deeply appreciate the desire of all concerned to make this event a reality and hope to reschedule it in the future.

Transportation Topics

Higher clearance for Bayonne Bridge delayed to late 2017

(Reprinted from JOC.com 2 Oct 15)

Targeted completion of a \$1.3 billion project to raise the clearance for ships passing under the Port of New York and New Jersey's Bayonne Bridge has been pushed back more than a year, until late 2017

US warehouse, logistics sector warned of labor shortage

(Reprinted from JOC.com 30 Sep 15)

The much-publicized driver shortage in trucking is part of a larger employee shortage problem facing the entire transportation industry, including the warehouse and logistics sectors, according a new study





**Greater Hampton Roads Area Chapter
SOLE – The International Society of Logistics**

present

Mr. Sultan Camp

**Military Talent Acquisition (Candidate Recruiter)
ORION INTERNATIONAL**

Presenting:

**“Social Media and the Logistics
Professional”**



**11:30 to 1:00 PM
October 22, 2015**

**Teppanyaki Grill and Buffet
7525 Tidewater Drive, Suite 18
Norfolk, Virginia**

Please RSVP by contacting our Chairman, Mr. Charlie Littleton at clittleton@LCE.com or phone him at 757-857-1311 (ext: 4203) NLT cob Wednesday, 21 October. The luncheon is \$15.00 cash or check.

Driving Directions: From both east and west on I-64 take the Tidewater Drive Exit north and Turn Left into the Southern Shopping Center area (before the Little Creek Underpass).

Did the Navy Get Taken? (Reprinted from Defense AT &L Magazine online, Sep/Oct 15)

AUTHOR: JOHN KRIEGER

Krieger is an intermittent professor of contract management at the Defense Systems Management College's School of Program Managers at Fort Belvoir, Virginia, and is an independent consultant with more than 35 years of government experience in contracting and acquisition.

“Think. The first responsibility of the acquisition workforce is to think. We need to be true professionals who apply our education, training and experience through analysis and creative, informed thought to address our daily decisions. Our workforce should be encouraged by leaders to think and not to automatically default to a perceived school solution just because it is expected to be approved more easily. BBP 2.0, like BBP 1.0, is not rigid dogma—it is guidance subject to professional judgment.”

That was how Under Secretary of Defense for Acquisition, Technology, and Logistics Frank Kendall described the first of a set of “key overarching principles that underlie BBP [Better Buying Power]” in his April 24, 2013, memorandum to the Department of Defense (DoD). He said BBP 2.0 should be approached with those principles in mind. In his White Paper introducing Better Buying Power 3.0, Kendall continued to emphasize the vital importance of thinking, “. . . nothing is more important to our success than our professional ability to understand, think critically, and make sound decisions about the complex and often highly technical matters defense acquisition confronts.”

In Kendall’s service, this, then, is a think piece. Although I personally loathe the phrase, it is designed to make you “think outside the box.” For those of you who may not be with DoD, let me suggest that you also should be thinking.

“Think. The first responsibility of the acquisition workforce is to think. We need to be true professionals who apply our education, training and experience through analysis and creative, informed thought to address our daily decisions. Our workforce should be encouraged by leaders to think and not to automatically default to a perceived school solution just because it is expected to be approved more easily. BBP 2.0, like BBP 1.0, is not rigid dogma—it is guidance subject to professional judgment.”

That was how Under Secretary of Defense for Acquisition, Technology, and Logistics Frank Kendall described the first of a set of “key overarching principles that underlie BBP [Better Buying Power]” in his April 24, 2013, memorandum to the Department of Defense (DoD). He said BBP 2.0 should be approached with those principles in mind. In his White Paper introducing Better Buying Power 3.0, Kendall continued to emphasize the vital importance of thinking, “. . . nothing is more important to our success than our professional ability to understand, think critically, and make sound decisions about the complex and often highly technical matters defense acquisition confronts.”

Did the Navy Get Taken? (Cont'd from Page 7)

In Kendall's service, this, then, is a think piece. Although I personally loathe the phrase, it is designed to make you "think outside the box." For those of you who may not be with DoD, let me suggest that you also should be thinking.

The Deal

There was a small article in the May 8, 2014, edition of the Navy Times titled "Navy pays 1 cent to scrap ex-carrier Saratoga." The story, below, was about the Navy decommissioning the aircraft carrier Saratoga and negotiating a contract for scrapping the ship. Here is the article in its entirety:

The decommissioned aircraft carrier Saratoga is officially headed for the scrapyards after the Navy paid one penny to a Texas scrapyards to dismantle the 81,101-ton flattop that once blockaded Soviet ships during the Cuban Missile Crisis.

Saratoga will head to Brownsville, Texas, later this year for scrapping by the company ESCO Marine, Naval Sea Systems Command said in a Thursday news release.

The Saratoga is the second of three conventionally-powered carriers destined for scrapping. All Star Metals received the Forrestal earlier this year, also taking on the flattop for a penny. A third contract is pending for the Constellation, with International Shipbreaking Ltd.

The one-cent payment is the lowest the Navy can offer to the company to take the flattop off the fleet's hands. ESCO Marine will keep the profits from the sale of the scrap metal.

The carrier, the sixth Saratoga in U.S. history, was decommissioned in 1994 after 38 years in service. Despite attempts to turn it into a museum, the Navy decided in 2010 that none of the applications to turn it into a public display was up to par. In addition to its pivotal role in the 1962 Cuban Missile Crisis, "Super Sara" was also involved in a 1986 airstrike against Libya.

The carrier is expected to make its way to Texas this summer from its current berth at Naval Station Newport, Rhode Island.

GHRC Executive Board Officers:

Charlie Littleton, 757-857-1311(4203)
Chairman

Membership Vice Chairman
Vacant

Rick Treto, 757-578-3338
Finance Vice Chairman

Akalanka Warusavitharana, CPL
Professional and Technical Development Vice Chairman

Lee Morris, CPL, 757-464-5252
Education Vice Chairman

Carl Lilieberg, 757-496-8945
Administrative Vice Chairman

CHAIRMAN/WEBMASTER

CHARLIE LITTLETON

5301 ROBIN HOOD ROAD,
SUITE 108

NORFOLK VA. 23513-2406

PHONE:

(757) 857-1311 (4203)

FAX: 757-857-0916

(757)

E-MAIL:

clittleton@LCE.com

Chapter MAILBOX:

The Mailing Address is:
Greater Hampton Roads Area
Chapter of SOLE – The
International Society of Logistics
P.O. Box 4684
Virginia Beach, Va. 23454

We are on the Web at:

www.ghrc-sole.org



Long Term 2015 Calendar Greater Hampton Roads Chapter Monthly Schedule

	Business Meeting	Lunch/Tour	Speaker/Topic
October	7 October	22 October	Mr. Sultan Camp, Military Talent Acquisition (Candidate Recruiter) “Social Media and the Logistics Professional”
November	5 November	16 November	TBA
December	7 December	17 December	TBA



Happy Halloween

Did the Navy Get Taken? (Cont'd from Page 8)

Your reaction, like the editors of the Navy Times, presumably, is probably, “Gosh, the Navy got a great deal on that one.” After all, how much must it cost to dismantle and scrap a more than 50-year-old aircraft carrier? The costs associated with environmental issues alone must be astronomical—well, at least significant. It is a good thing for the Navy that the Courts and Boards take a rather elastic view of what constitutes adequate consideration (see below), as they will only pay ESCO Marine one cent. According to the Government Contracts Reference Book (Fourth Edition):

CONSIDERATION: A performance or return promise that is the inducement to a contract because it is sought by the PROMISOR in exchange for his promise and is given by the PROMISEE in exchange for that promise. Restatement (Second) Contracts § 71 (1981). . . . The requirement for consideration does not require that what is relied upon for consideration be equivalent in value to the promise; the consideration need only have “some value.”

Based on the above, you might feel safe in presuming that the Navy negotiated a very, very good deal. You might be right. Might be

Yard Sales



My reaction, on the other hand, was what some people might consider cynical, “Did the Navy get taken?” The key to my reaction is two sentences, “The one-cent payment is the lowest the Navy can offer to the company to take the flattop off the fleet’s hands. ESCO Marine will keep the profits from the sale of the scrap metal.” First, let’s deal with an acquisition subtlety that is apparently lost on the article’s author: ESCO Marine is the offeror; it makes the offer. In the give and take of discussions or negotiations, the Navy could have made one or more counteroffers to what ESCO Marine originally offered.

Now, let’s deal with another, more important, subtlety. Even if the terminology were correct, why is one cent the lowest offer the Navy can make? Why should the Navy have paid even one red cent? (Sorry I could not help

Continued on Page 12

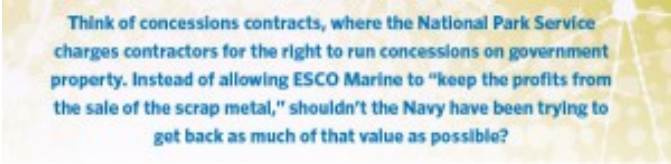
Did the Navy Get Taken? (Cont'd from Page 11)

myself.) Consider the Saturday morning yard sale. In many instances, when we have things we don't need or want, we just toss them. When we have accumulated an excess number of items we don't want (e.g., clothes, dishes, books, DVDs) we have a number of ways to divest ourselves of them. One solution, of course, is to just throw them in the trash. If there is a lot of stuff, we may have to do this incrementally or pay to have it hauled away. If we believe there is still some residual value, we may contribute the stuff to a charity and take a deduction on our income taxes.

Another alternative, if there is residual value, is to hold a yard sale or garage sale. You are all familiar with the yard sale, where we get other people to pay us for the privilege of hauling off our unwanted goods, our junk, and our trash. In some cases, those people, especially the Early Birds, will turn around and resell our stuff for a profit—if they are really keen eyed and knowledgeable, for a significant profit. Think “Antiques Roadshow” sort of profits

Why didn't the Navy hold a “Shipyards Sale” or “Ship Yard Sale”? Instead of paying one cent for scrapping the Saratoga, why didn't the Navy charge the contractors for the privilege of scrapping the carrier? Think of timber contracts, where the Forest Service charges contractors for the right to cut down trees. Think of concessions contracts, where the National Park Service charges contractors for the right to run concessions on government property. Instead of allowing ESCO Marine to “keep the profits from the sale of the scrap metal,” shouldn't the Navy have been trying to get back as much of that value as possible? Presumably, this acquisition was negotiated competitively. When all is said and done, All Star Metals and International Shipbreaking Ltd. were successful offerors on similar contracts. Shouldn't the Navy have been able to use the benefits of that competition to get the best deal for the government?

(Note: Some additional money could be made by selling pieces of the Saratoga as souvenirs instead of scrap. I personally have souvenirs from or of several ships, including the USS Constitution and the USS Constellation.)



Think of concessions contracts, where the National Park Service charges contractors for the right to run concessions on government property. Instead of allowing ESCO Marine to “keep the profits from the sale of the scrap metal,” shouldn't the Navy have been trying to get back as much of that value as possible?

The USS Constitution

The reason for my reaction is because of a story, perhaps apocryphal, of the USS Constitution turnaround. For those unfamiliar with the story, we should begin with a discussion of the turnaround, which last occurred on July 4, 2014. The purpose of turning around the USS Constitution is to equalize wear from tidal and stream effects on both the port and starboard of the vessel. Now, according to the story, it formerly cost the Navy a bundle to turn around the Constitution. But then the winner of the competition started to advertise that it had won the

Did the Navy Get Taken? (Cont'd from Page 12)

contract. In the next competition, the competitor significantly undercut the incumbent, thus winning the “bragging rights.” The downward spiral continued until one year the winning offer was, amazingly, just \$1. However, the story then turns truly amazing, because in the next competition the Navy was paid for the rights to turn around the Constitution, sort of like on a concessions contract. The next contract brought the Navy even more money. Unfortunately, I have been unable to verify this story, although I went to a considerable effort—well, at least a moderate effort.



My attempt to verify the story began in what I consider an easy way, I asked my oldest brother. This was done for two reasons: He lives in the Boston area and he has been involved in acquisition much longer than I. He told me there had been no stories in the Boston Globe, even though it was time to turn around the ship. He indicated he had heard the same story when he was in acquisition training. I tried to verify the story with the USS Constitution Museum, which could not do so, but, referred me to the U.S. Navy’s Public Affairs Officer for the USS Constitution. He was unable to verify the story, but referred me to the fiscal officer for NHHHC (i.e., Naval History and Heritage Command) Detachment Boston. As of publication date, there has been no response from NHHHC. My search of the fedbizopps Website turned up solicitations for repositioning and turnaround services for the USS Constitution, but no award announcements.

Whether or not the story of the turnaround of the USS Constitution is true, shouldn’t we use it as an archetype in appropriate circumstances? I contend that is what a thinking member of the acquisition workforce would do. That is exactly what Kendall would want us to do in discussing the role of the Acquisition Team in the “Guiding Principles” of the Federal Acquisition Regulation (FAR). Leeway is needed to take an expanded view of what can be accomplished by thinking critically, FAR 1.102-4(e):

Continued on Page 14

Did the Navy Get Taken? (Cont'd from Page 13)

The FAR outlines procurement policies and procedures that are used by members of the Acquisition Team. If a policy or procedure, or a particular strategy or practice, is in the best interest of the Government and is not specifically addressed in the FAR, nor prohibited by law (statute or case law), Executive order or other regulation, Government members of the Team should not assume it is prohibited. Rather, absence of direction should be interpreted as permitting the Team to innovate and use sound business judgment that is otherwise consistent with law and within the limits of their authority. Contracting officers should take the lead in encouraging business process innovations and ensuring that business decisions are sound.

Admittedly, that is not totally opening the floodgates. The Acquisition Team does have to follow the law, which is our box. After all, as Charles Laughton said as Inspector Javert, the icy policeman in the classic 1935 film adaptation of "Les Misérables": "Right or wrong, the law is the law and it must be obeyed to the letter." But, if the Acquisition Team thinks critically, and takes innovative approaches to what may seem mundane or routine matters, we can help to achieve Better Buying Power.

One last thought: If the Navy got taken in the ESCO Marine negotiation, it also got taken in All Star Metals and International Shipbreaking Ltd. negotiations, other acquisitions negotiated for one cent.

The author may be contacted at john.krieger@dau.

Editor Comment: One would have to trust the Navy had some good rationale for this decision based on cost avoidance or the effect on the environment involved in various contractual or operational options.

