



# Delivering the Goods

News from the U.S. Coast Guard Acquisition Directorate

December 2009

## Second National Security Cutter, Waesche, Delivered to Coast Guard

By Linda M. Johnson

WASHINGTON—The second National Security Cutter (NSC), Waesche, was preliminarily accepted by the U.S. Coast Guard in a ceremony at Northrop Grumman Shipbuilding in Pascagoula, Miss., last month. Preliminary acceptance represents the official transfer of ownership from the shipbuilder to the government and is a major milestone in Waesche’s transition to becoming a fully operational Coast Guard cutter.

The Coast Guard’s Assistant Commandant for Acquisition, Rear Adm. Ronald J. Rábago, presided over the November ceremony on the cutter’s flight deck that celebrated Waesche entering “In-Commission Special” status.

“The crew was mustered and at attention as we formally began the process to bring Waesche into the Coast Guard fleet. As a member of the acquisition team, this was a very satisfying day. Handing the ship’s keys to the commanding officer of our newest cutter was a real thrill for me. After years of hard work by hundreds of Coast Guard men and women and craftsmen from the shipbuilding industry, this was the day we were all waiting for,” Rábago said. “[Their] work will serve our nation, and the Coast Guard, for decades to come, providing for our safety and security.”

Preliminary acceptance kicks off Waesche’s one-year warranty period, during which the Coast Guard will work with the shipbuilder to resolve outstanding discrepancies and complete the build process. While in “In-Commission Special” sta-



Capt. James Knight, Rear Adm. Ronald J. Rábago, Capt. Lance Bardo and Cmdr. Troy Hosmer salute during the “In-Commission Special” ceremony for Waesche, marking the official transfer of ownership from the shipbuilder to the Coast Guard. U.S. Coast Guard photo by Petty Officer 2nd Class Thomas M. Blue

tus, Waesche will not be performing regular patrols but will conduct crew training and equipment testing. Waesche will sail away from Pascagoula shipyard in early January and make her way to her homeport in Alameda, Calif., to prepare for formal commissioning in May.

“Hundreds of people have poured themselves into the acquisition and construction of this fine ship over the past three plus years. We have been chosen to take this brand-new, major national asset to sea to prepare her for a lifetime of service in public safety and national security,” said Capt. Lance Bardo, the Waesche’s prospective commanding officer.

Delivery also marks the signing of the Material Inspection and Receiving Report, known as a DD250. The signed DD250 represents conditional acceptance of the cutter by the Coast Guard. It formally documents the cutter’s inspection, delivery by the shipbuilder and receipt by the government. The DD250 also

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notes any outstanding discrepancies or work items requiring resolution before final acceptance.

During the recently completed trials, the U.S. Navy's Board of Inspection and Survey recommended acceptance and described Waesche as "a very clean and capable platform," meeting or exceeding readiness expectations. The positive results of Waesche's acceptance trials reflect lessons learned from the first NSC, Bertholf (WMSL 750).

Waesche is far ahead of her predecessor in terms of fit, finish and mission readiness, according to Bob Merchant, Northrop Grumman Shipbuilding's vice president of surface combatants and U.S. Coast Guard programs.

"Waesche and her Legend-class sister Bertholf are the largest and most technologically advanced cutters the Coast Guard has ever acquired, capable of meeting the most challenging 21st century missions," Rábago said at the ceremony. "Bertholf has already distinguished herself with a successful and significant drug bust while on her first operational patrol. I am excited for Waesche and the great things you will all do very soon."

The 418-foot Waesche is the second ship in the new Legend-class of cutters designed to be the flagship of the Coast Guard's modernized fleet. Eight cutters are planned for the class.

"We are well along the way to building the eight National Security Cutters that the Coast Guard needs to perform its many missions," Rábago said. "The 378-foot cutters that the NSC will replace are at the end of their service lives. We can't replace them soon enough."

Waesche was assembled using fewer grand blocks than Bertholf, a trend which is expected to continue with



The second National Security Cutter, Waesche, completed acceptance trials off the Mississippi Gulf Coast in early October.

*Photo courtesy of Northrop Grumman Shipbuilding*

the construction of the third NSC, Stratton. Stratton is approximately 30 percent complete and is expected to be christened by her sponsor, first lady Michelle Obama, this coming summer.

The Coast Guard issued a request for proposal from Northrop Grumman for the fourth NSC, Hamilton, earlier this year and is currently reviewing it for technical compliance.

For more information on the NSC project, please visit [www.uscg.mil/acquisition/NSC](http://www.uscg.mil/acquisition/NSC). ■

## Acquisition Process Showcased at the Coast Guard's 2009 Innovation Expo

By Rebekah Gordon

Coast Guard senior leadership, personnel in the field and industry came together to discuss ideas for new surface, air and command-and-control assets at the ninth annual Coast Guard Innovation Expo held last month in Virginia Beach, Va. The event featured more than 2,000 attendees and more than 300 exhibits, including one by the Coast Guard Acquisition Directorate (CG-9) on the theme of "fostering competition through industry engagement."

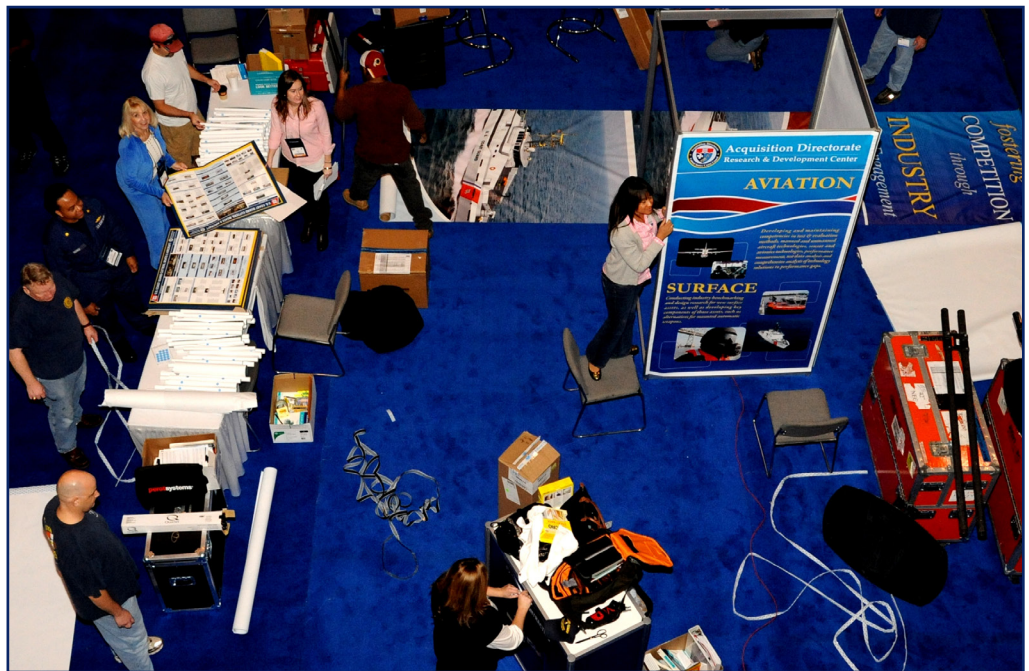
"It's a chance for Coast Guard innovators to interact with each other, and with senior leadership in the Coast Guard, on their ideas to improve the way we do business and the way we perform our missions," Lt. Cmdr. Rusty Dash, a member of the Coast Guard Innovation Council, said at the expo.

### Acquisition Panel

Rear Adm. Ronald J. Rábago, the Assistant Commandant for Acquisition and Chief Acquisition Officer, joined officials from his and other Coast Guard directorates on an acquisition panel to discuss the steps that go into delivering a new asset.

The panel included officials from those directorates that collaborate closely with CG-9 to bring an asset to fruition, including the Assistant Commandant for Capability (CG-7); the Assistant Commandant for Command, Control, Communications, Computers & IT (CG-6); and the Assistant Commandant for Marine Safety, Security and Stewardship (CG-5).

Using the successful Response Boat-Medium project as an example, the panel explained that delivering a new asset doesn't only fall into the acquisition directorate's domain. It includes early thinking, planning and development across the service.



Coast Guard Acquisition Directorate staff assemble their booth prior to the opening of the 2009 Coast Guard Innovation Expo. The acquisition exhibit focused on the theme of "fostering competition through industry engagement."

*U.S. Coast Guard photo by Petty Officer 1st Class Thomas McKenzie*

An acquisition starts with the identification of a mission need by operational forces and the development of requirements—quantifying what the item must do—from the project's sponsor. It then proceeds to engineering and cost analyses that are primarily conducted by the technical authority and sponsor. Then an acquisition strategy and a contract must be developed, and the project must be approved by the Department of Homeland Security (DHS) and authorized by Congress.

Claire Grady, the Coast Guard's senior procurement executive and Head of Contracting Activity, said elements that must be considered in the development of the acquisition strategy include the contract type (firm-fixed price vs. cost-plus), as well as how the item will be developed, tested, produced and fielded. Contract specifications that must be determined range from how an item

is to be fabricated to criteria for verifying compliance.

Once the contract is awarded, CG-9 then takes on a project management role until delivery, Rábago said. Close collaboration with the technical authorities and sponsor continues early and often. CG-9 also uses third parties, such as the U.S. Navy, for independent assessments and technical input. DHS remains the authority for major acquisition decision milestones. Throughout the process, CG-9 follows the Major Systems Acquisition Manual as its guide for major acquisition decision points.

As delivery approaches, the Coast Guard must develop a plan for training, establish a logistics plan and determine what roles the service and contractor will play in supporting the item, he explained. As Rábago said in his presentation, "acquiring and delivering an asset to the field

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requires the entire Coast Guard's involvement."

### Not Just Cutters

The expo also emphasized the breadth of innovation that is needed to propel the Coast Guard forward. It is not just about building a technologically advanced, high-visibility asset like a cutter. Innovation that is important to the Coast Guard also falls outside that realm, encompassing areas such as weapons, simulators and renewable energy.

"It really spans all aspects of the Coast Guard, from mission execution to mission support," Dash said.

Many of these types of ongoing innovation efforts—encompassing

applied scientific research, development, testing and evaluation of new technologies—occur at the Coast Guard Research and Development (R&D) Center in New London, Conn., which is part of CG-9. At any given time, the center is working on more than 80 projects, some of which were showcased at the expo.

"These events are excellent ways to pull together in one place a broad spectrum of programs that otherwise you wouldn't know about," Craig Baldwin of the R&D Center said on the expo floor. "It helps to in-



The Response Boat-Small pictured here was part of CG-9's exhibit on the research, development, test and evaluation program. *U.S. Coast Guard photo by Stefanie King*

novate, it helps to inspire people to work together. And that's one of the biggest things we take away." ■

## MASTER CHIEF AYER,

### Q. Why don't you have an acquisition project to replace the 140' WTGBs or 52' SPC-HWXs?

**A.** One question I get quite often is, "what are you doing to replace this boat or that cutter?" Feel free to insert the particular boat, cutter or aircraft of your choice into the above question. There are essentially two factors that determine whether the Acquisition Directorate (CG-9) will start managing a new project.

Before I address them, I need to point out that we don't actually "replace" anything—we buy assets to perform a specific mission. The new asset may end up replacing an older asset that is performing that mission today, but it may or may not be the same type of asset that we are currently using.

The first thing that happens is the sponsor asks us to acquire something to meet a mission requirement. In cases involving vessels, the sponsor would normally be CG-7 (Office of Boat Forces, Office of Cutter Forces, etc.). So if you believe we should be looking at buying a new asset for a current or future mission, the sponsor's program office is where you should start.

The second factor is the size of the project. Generally speaking, CG-9 manages major acquisition projects. That doesn't mean that we don't help with smaller projects; we assist whenever asked. The business of project management includes developing specifications, contracting for the work, monitoring costs, managing schedule and ensuring that the Coast Guard is getting exactly what we are paying for.

Of course, we all know there are many other factors that go into the Coast Guard's decision to start a new project of record, not the least of which is the current budget environment. But one thing is certain. Once CG-9 is asked to start managing a project, our focus is on acquiring the best possible asset for our operators in the field. We recognize that it's not the equipment that completes the mission, it's our people.

— MCPO Brett F. Ayer, Command Master Chief, Coast Guard Acquisition Directorate

[To submit a question for an upcoming Acquisition Directorate newsletter, please e-mail Master Chief Brett F. Ayer directly at: [Brett.F.Ayer@uscg.mil](mailto:Brett.F.Ayer@uscg.mil) or [acquisitionwebsite@uscg.mil](mailto:acquisitionwebsite@uscg.mil).]

