

Hydrographic Services Review Panel (HSRP)
FINDINGS AND RECOMMENDATIONS
National Ocean Service

Mapping and Charting Contracting Policy and Expansion Strategy and Core Capabilities

HSRP Tasking

The National Ocean Service (NOS) has initiated a process to update its 1996 mapping and charting contracting policy for services provided under the Act of 1947 and the Hydrographic Services Improvement Act. This process is in response to the congressional report accompanying NOAA's FY 2005 appropriations:

The Committee expects NOAA to work with the private mapping community to develop a strategy for expanding contracting with private entities to minimize duplication and take maximum advantage of private sector capabilities in fulfillment of NOAA's mapping and charting responsibilities. NOAA shall submit a report on such a strategy to the Committee no later than November 1, 2004.

In its report, NOAA indicated its intention to work with the Hydrographic Services Review Panel – the HSRP was established by Congress to advise the NOAA Administrator on the execution of the Agency's hydrographic services mission and includes representatives of the private mapping community – to update its 1996 contracting policy.

HSRP Findings and Recommendations

After an in-depth review of NOAA's existing contracting policy, public comments, legislative history, and full and open discussion of the surrounding issues, the HSRP submits the following findings and recommendations on NOAA's contracting policy.

The HSRP finds that:

- The provision of hydrographic services, including the acquisition and dissemination of hydrographic data, is a core mission requirement of NOAA under the 1947 Act and the Hydrographic Services Improvement Act (HSIA) of 1998, as amended.
- The federal government's interest in and responsibility for executing these hydrographic services missions is manifest and non-delegable.
- There is a continuing critical and urgent national need for hydrographic data and services for the public purposes of navigation safety, environmental protection, efficient

commerce, homeland and national security, coastal stewardship and resource management.¹

- NOAA is authorized to procure, lease, evaluate, test, develop, and operate vessels, equipment and technologies necessary to ensure safe navigation and maintain operational expertise in hydrographic data acquisition and hydrographic services.²
- The HSRP believes that NOAA must maintain an in-house capability to conduct hydrographic surveys, maintain and disseminate hydrographic databases and products, evaluate new technologies, and oversee contracts for additional high-quality hydrographic survey work and products. In order to maintain its necessary operational expertise, it is essential for NOAA to continue to maintain a viable operational core capability. The maintenance of this core capability is a mission requirement and is inherently governmental in nature. To guarantee the uninterrupted provision of hydrographic services, this core capability must include both capital assets and intellectual resources.
- NOAA is authorized to utilize state-of-the-art technology to improve its efficiency in the execution of its hydrographic services missions.³
- NOAA is authorized to enter into contracts and other agreements with qualified entities for the acquisition of hydrographic data and the provision of hydrographic services.⁴
- NOAA has been directed by Congress to execute its hydrographic services missions “to the greatest extent practicable and cost-effective” through contracts or other agreements with private sector entities.
- Contracting for hydrographic services has only more fully evolved since the implementation of NOS' Mapping and Charting Contracting Policy in 1996 and the passage of the Hydrographic Services Improvement Act of 1998. The HSRP recognizes that there has been a remarkable expansion in the amount of contracting for hydrographic services since that time.
- The use of contracting for hydrographic services has enhanced NOAA’s ability to accomplish its hydrographic services missions.
- There continues to be differing views on what the proper resource allocation should be between NOAA and private industry hydrographic services and, at times, conflicting expansions and contractions in the discretion authorized to NOAA to exercise its

¹ *An Assessment of the U.S. Marine Transportation System*, Marine Transportation System Report to Congress, September 1999 and *The International Association of Independent Tanker Owners (INTERTANKO) Annual Review*, 2004, http://www.intertanko.com/about/annualreports/2004/3_3.html.

² HSIA

³ The Act of 1947

⁴ HSIA

operational expertise in determining the most effective resource allocation to achieve the greatest public good.

- Congressional appropriations report language has strongly encouraged NOAA to contract for half of the agency's hydrographic services.
- The extent of the required expertise, capability and core competency is related to the nature and depth of the underlying governmental interest. The level of outsourcing is better linked to *the reason* the government is funding and conducting the activity than the nature of the activity itself. This does not mean that even when the governmental nature of the activity is high that a substantial portion of the activity could not be performed by contractors. The government's interests and responsibilities for surveying and mapping vary broadly and should be an important consideration when balancing the level of contracting with maintaining a core capability. In determining that balance for NOAA's navigation services, the governmental interest includes meeting the requirements for high accuracy navigation data to support safe and efficient marine operations, Maritime Domain Awareness, and ecosystem applications for coastal stewardship.
- NOAA's hydrographic data activities are neither entirely "commercial in nature" nor entirely "inherently governmental." Both terms suggest an "either/or" conclusion that is an ill-fit for the government, contractors, and most importantly to the public and the users of NOAA's hydrographic services. The central issue is not surveying and mapping itself; rather it is the underlying reasons the government requires geospatial data.
- As a public agency, NOAA has an obligation to conduct its activities, including contracting, efficiently. Any future examination of the issue should include a fair and viable comparison among a variety of public and private approaches. But costs should be only part of the equation. The public may have a paramount interest in maintaining a governmental capability and in ensuring it retains the best contract services, perhaps even at some additional cost.
- A one-dimensional, comparative-cost metric, such as cost-per-square-mile, should not be used as the primary determining factor in attempting to establish the appropriate balance between public and private hydrographic services capabilities. Despite the obvious attraction of a simple objective metric, numerous cost-comparison studies and reports have failed to withstand critical review. The cost basis between NOAA resources and private industry resources are not directly comparable.

Therefore, the HSRP Recommends:

- NOAA should continue to utilize a mix of in-house resources and contracting to accomplish its hydrographic services mission.
- NOAA should maintain its necessary operational core capability then contract for the remainder of its hydrographic services to the extent of available funding. Costs and productivity should be closely monitored within each category (i.e., public and private) of hydrographic survey resources.

- NOAA should use its operational expertise to define and defend resources needed for its necessary core capability – defined in terms of the maintenance and renewal of capital resources and equipment, continuity of qualified personnel, research and development, and sufficient contract management capacity – required to guarantee the government’s interest in and responsibility for the delivery of hydrographic services to the public.
- The core hydrographic services capability should include, but is not limited to:
 - technical staff with the highest level of expertise to perform and advise NOAA’s in-house hydrographic services and to review, collaborate with, direct, and advise contractors for hydrographic services;
 - a national system of geodetic control, water level and current monitoring stations, and systems that provide real-time physical and oceanographic information;
 - a national integrated ocean observing system;
 - a coordinated research and development program for hydrographic services; and
 - legal and contracting staff experienced in contracting for hydrographic services.
- NOAA should complete its “NOAA Fleet Analysis of Alternatives” and consult with the HSRP regarding the recommended number of hydrographic survey vessels needed to support NOAA’s governmental interest in executing its missions.
- NOAA should seek additional funding for contractual services to reduce the backlog of critical and high priority hydrographic surveying needs.
- NOAA should continue to work collaboratively with the private sector to improve the overall quality and efficacy of hydrographic surveys and products.
- NOAA should determine the optimal resource allocation between in-house and contracting resources based on the strength of the governmental interest, and the particular operational capabilities of either government or private industry resources that may make one more suitable.

It is the Panel’s fervent hope that its findings and recommendations will assist NOAA in achieving a more permanent and complete resolution to its contracting policy strategy, an issue that has generated varying degrees of uncertainty for the agency and private sector for more than a decade.