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Update

Remember to check in on Electric Boat social media platforms for up to the minute news and information regarding shipbuilding milestones.

FEEDBACK

Please let us know what you think about this bulletin!

Send questions about any article, content suggestions and comments to the Supply Chain Communications Team at supplychaincomms@gdeb.com or EBSIB@gdeb.com

Letter From the Electric Boat Submarine Program Office

Dear Valued Supplier,

Previous letters and articles in the *Supplier Information Bulletin* have emphasized the COLUMBIA-class (CLB) ballistic missile submarine is the top priority for the United States Department of Defense, with the lead CLB hull scheduled to deliver to the U.S. Navy in 2027. While this delivery date quickly approaches, the VIRGINIA-class (VCS) fast attack submarine program also demands attention as the shipbuilding enterprise continues to ramp up to a production rate of 2 VCS and 1 CLB hulls per year.

Undersea warfare superiority has never been more critical for our nation than it is right now with current global tension and aggression. Adversarial nations are rapidly expanding their defense infrastructure and strengthening their militaries; which are profiled in sources like *Defense News* and the *United States Naval Institute (USNI)*, providing us with a snapshot into the current geo-political landscape and the threats our nation is facing. Amid this environment of increased threats and global uncertainty, submarines provide a critical asymmetric advantage for the United States.

While the emphasis on CLB is critical, we as an enterprise (shipbuilders, our suppliers, and the Navy) must work together more than ever to deliver VCS hulls at a rate of two per year in addition to CLB. Attack submarines are a critical component of the U.S. Navy's undersea dominance and "unfair" advantage over our adversaries. Manufacturing and delivering VCS hulls is paramount now.

Delivering a submarine to the Navy is a very complex process, involving millions of unique parts and components. Efficient shipbuilding requires critical material to be available on schedule to support the build sequences. As an enterprise we expect transparency with issues and challenges when they arise utilizing formal communication such as DPAS notifications and Vendor Information Requests (VIRs). Both topics are discussed in this issue. Identifying obstacles, asking for support early, and being candid with progress allow us to rally together to overcome those challenges and become stronger as an enterprise.

This not only supports Electric Boat but also ensures the U.S. Navy maintains undersea warfare superiority for our nation.

Enjoy the upcoming holiday season with friends and family and thank you for everything you do to deliver the advantage that protects our sailors, their families, and our freedom.

Sincerely,

Larry Runkle – Vice President VIRGINIA Program

Eric Snider – Vice President COLUMBIA Program



How You Can Help Us

Defense Priorities and Allocations System (DPAS) - An Overview

You are a critical asset in achieving the national defense strategy (NDS) and objectives of our nation.

As an Electric Boat (EB) trusted supplier and valued member of the shipbuilding industry, you may be familiar with DPAS set forth within 15 CFR Part 700 and FAR 52.211-15 Defense Priority and Allocation Requirements. DPAS is administered by the Bureau of Industry and Security (BIS), which is an agency of the United States Department of Commerce (DOC) to ensure timely availability of industrial resources to meet national defense requirements.

Purchase orders placed in support of a program approved for DPAS are referred to as “rated orders” and are identified by a priority rating and a program identification symbol, e.g., DX-A3. Among rated orders, DX-rated orders take precedence over DO-rated orders. Unrated orders are assigned the lowest priority. EB contracts that have no DPAS rating are considered unrated orders.

Please reference the below for the key elements of DPAS that must be accounted for as you execute Electric Boat Purchase orders.

Key Elements of 15 CFR Part 700: Mandatory Acceptance or Rejection

- EB notifies prospective supplier(s) of DPAS rating at the time of solicitation.
- The supplier must either accept or reject a rated order and provide EB notification according to the instructions provided in the DPAS regulation (15 CFR § 700.13).
- Any company in the United States must accept and fill a rated order for items that the company normally supplies. If the order is rejected, that supplier must provide the reasons in writing for the rejection to EB.
- A rated order shall be accepted or rejected, in writing, **within 15 working days** for DO rated orders and **10 days** for DX rated orders. Special requirements apply for emergency preparedness rated orders (See 700.13 (d) (2). Exceptions are found in 15 CFR 700.13(b).

Mandatory Flowdown

Contractors are responsible for flowing down the received rating to their suppliers to obtain items needed to fill rated orders or to obtain replacements of inventoried items. Suppliers who receive rated orders must in turn place rated orders with their sub-contractors for the items they need to fill the orders. This provision ensures that suppliers will give priority treatment to rated orders from contractor to subcontractor to suppliers throughout the procurement chain.

Priority Rating requirements are flowed down to EB Suppliers via:

- EB subcontract Terms and Conditions (T&Cs)
- PO Line Item identification
- Standard Clause 17-233 Acceptance or Rejection of DPAS Rated Purchase Orders

Preferential Scheduling

Operations, including the acquisition of all needed production items, shall be scheduled to satisfy the delivery requirements of each rated order.

- Suppliers must give DX rated orders production preference over both DO rated orders and unrated orders, if necessary to meet required delivery dates, even if this requires the diversion of items being processed or ready for delivery against DO or unrated orders. Similarly, DO rated orders must be given preference over unrated orders.
- It is the supplier’s responsibility to reliably schedule, propose and execute work in a manner that meets the delivery dates for all programs.

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How You Can Help Us

DPAS Overview (continued)

Customer Notification Requirements

If a person has accepted a rated order and subsequently finds that shipment or performance will be delayed, the person must notify the customer immediately, give the reasons for the delay, and advise the customer of a new shipment or performance date. If notification is given verbally, written (hard copy) or electronic confirmation must be provided within one working day of the verbal notice. Suppliers have an obligation to make every effort to meet required delivery date for rated orders.

Source: <http://www.dema.mil/DPAS/>

The critical importance of the work being performed by EB and its supply chain has earned the COLUMBIA program a DPAS rating of DX-A3 and the VIRGINIA & Maintenance and Modernization programs a DO-A3 rating. EB purchase orders will clearly display the DPAS rating for supplier awareness.

Each Electric Boat supplier is responsible for understanding and adhering to 15 CFR 700 and FAR 52.211-15. Please ensure your workforce is well versed with the key elements contained herein, and as always, contact your EB Buyer if you have questions or concerns.

Thank you for your continued support to deliver on time to your commitments that allow all of us shipbuilders to achieve the national defense strategy and objectives of our nation.

Respectfully,

Jim Cassidy—Director of Subcontracts

In-depth Supplier Assessment (ISA) Safety Findings Pallet Stacking

In previous issues of the *Supplier Information Bulletin (SIB)*, the Electric Boat In-depth Supplier Assessment (ISA) teams have provided findings related to safety at various facilities with the expectation that you will take a moment to review and, if necessary, make changes so that the risk of injury to your employees is reduced.

In the most recent issue of the *SIB*, there was a safety finding regarding the wearing of safety gloves while working on a milling machine. To clarify, the finding was for not wearing safety gloves during the cleaning of metal shards while the machine was not in operation.

In this issue, the focus is on instances of improper pallet stacking. Observations from our ISA teams speak to multiple instances at multiple suppliers of pallets with loose material being stacked above the acceptable height of six feet.

Is Six Feet a Requirement?

The Occupational Safety and Health Administration (OSHA) guideline states, “Cargo, pallets and other material stored in tiers shall be stacked in such a manner as to provide stability against sliding and collapse” (Standard 1917.14).

According to the National Fire Protection Association (NFPA), wood pallets cannot be more than six feet in height, and no more than four feet in height for plastic pallets. In both cases, the piles must be separated by a minimum of eight feet of clear space or 25 feet of stored commodity.

Requirements and audits are formal portions of facility safety, but common sense should also dictate our approach. The average weight of a wooden pallet is 35 pounds with 1/2 inch boards and 40 pounds with 5/8 inch boards. Having a stack of pallets over six feet in height is a risk not worth taking. With the continued demands being placed on our suppliers, reducing preventable workplace injuries not only keeps your facility on schedule to meet those demands, but contributes to a more positive workplace environment.



Best Practices

Vendor Information Request (VIR) Expectations

From Electric Boat Waterfront Procurement Support,

When a vendor submits a VIR that contains errors, is missing information, or does not clearly identify the problem, it often leads to delay and churn in processing of the VIR. In order to facilitate timely review of VIRs, Electric Boat (EB) provides the following guidance and best practices.

1. The Description of the Problem must correlate to and only apply to the listed Purchase Order(s) (PO) and Line Item(s) (LI) on the VIR. It is not acceptable to include additional POLIs in the description of the problem.
2. The VIR Reason must reflect the purpose of the VIR in accordance with the below definitions (e.g. Interpretation VIRs cannot be used to address non-conformances).
 - a. **NONCONFORMANCE:** To request acceptance of a nonconforming condition with drawings, specifications, or PO-invoked requirements – after the fact (e.g., fabrication error, work to unapproved procedures).
 - b. **SPECIFICATION CHANGE:** To request a proposed change to a procurement requirement – before the fact (e.g., PO requirement, ship spec, mil spec, procurement spec, system drawing, standard clause (SC), part number descriptions).
 - c. **INTERPRETATION:** To request an interpretation of drawings, specifications, or any requirement(s) of the PO.
 - d. **WELD REPAIR:** To request authorization to weld repair castings, plate, forgings, etc.
 - e. **DRAWING CHANGE:** To request a proposed change to an EB drawing. (Supplier drawing changes are to be submitted via the vendor drawing engineering review (VDER) process.)
 - f. **EB-SUPPLIED MATERIAL:** To communicate receipt of incorrect or insufficient material from EB and/or Huntington Ingalls Industries – Newport News Shipbuilding (HII-NNS), the need for additional material to replace rejected items, material received, or incorrect template or tooling provided by EB and/or HII-NNS.
 - g. **VPAR:** To submit required procedures or test reports to EB for approval (e.g., weld procedures, NDT procedures, factory test procedures, qualification test procedures, Final Assembly and Test (FAT) procedures, factory test reports).
3. If the same problem exists on multiple POLIs, it should be submitted as one VIR in lieu of separate VIRs.
4. Non-conformance VIRs shall be submitted in accordance with EB-2678 Section 7:
 - a. The VIR shall include a complete description of the nonconformance, quantity affected, proposed repair (as applicable), technical justification for acceptance, and the over-riding benefit to the Purchaser for acceptance of the nonconformance. The cause and corrective action shall also be addressed, including action taken to prevent recurrence.
 - b. Acceptance of nonconforming materials for a specific order or prior orders does not relieve Suppliers of their obligation to furnish all remaining items or material on the order, in strict conformance to all requirements. Any acceptance of a nonconformance will not serve as a waiver of requirements or establish a precedence for performance, regarding subsequent deliveries under current or future orders.



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Best Practices

VIR Expectations (continued)

5. The supplier shall include all pertinent information related to the stated purpose of the VIR:
 - a. Dimensions for gouges, false cuts, and pictures if permitted, etc.
 - b. Identify which piece parts/parts of an assembly are applicable to the Specification Change request.
 - c. If there is a dimensional deviation identify part and sheet/zone of the drawing, or provide a markup the drawing stating actual dimensions.
 - d. If requesting EB supplied material on a part that is not typically EB supplied, provide required size/quantity.
6. Before submitting a VIR regarding specification effectivity revisions, consult previous [Supplier Information Bulletin 2022 Volume 6 Issue 2](#).
7. Supplier's references to go see a different, or older VIR for info and data is not allowed. Each VIR is a stand-alone document and all info and data must be on each individual VIR. If past precedent exists the supplier should identify previous VIR and attach previous documentation.
8. If discussions were held with EB personnel about an issue, identify the EB employee the issue was discussed with in the VIR.
9. If identifying a non-conformance to invoked requirements, and the same material was completed similarly and delivered to Electric Boat, then "Previous Material Impacted" must be marked "Yes". Refer to EB-2678 for instructions on submitting a Letter of Advisement if nonconforming material was delivered but not previously adjudicated through a VIR.

Small Business Resources

As an entrepreneur, Small Business (SB) owners are innovative and quick to adapt, but that does not mean you have to do it alone. For SBs, there are a myriad of resources available to assist your company in various business needs. Electric Boat would like to summarize some helpful resources to enable SB success. Please visit each organization for additional information.

SBA-Small Business Administration: <https://www.sba.gov/>
Financial assistance resources.

APEX-(formerly PTAC): <https://www.apexaccelerators.us/#/>
For compliance issues preparation for Federal Contracting Opportunities.

MEP-Manufacturing Extension Partnership: <https://www.nist.gov/mep>
Private/Public organization to assist small and mid-size US manufacturers.

The above agencies are organizations created to help SBs to succeed, and contribute to the economy. Their services are available at no-cost or a discounted basis. Utilize these Subject Matter Experts to nurture your business for sustainability.

As a Prime Contractor, EB also has designated Small Business Liaison Officer, and may also offer resource assistance. Additional information about EB Small Business Liaison Officer can be found [here](#).

Please reach out to available resources, or ask for assistance directly from Electric Boat Small Business Liaison Office at sblo@gdeb.com.



Supplier Support

Standard Clause (SC) 76-87 and 76-128 Updates

From Electric Boat Submarine Materials and Laboratory Services,

Electric Boat has recently published updates to purchase order SCs 76-87 (First Article Inspection) and 76-128 (Foundry First Article). These updates should clarify several items that Electric Boat routinely receives questions about, and should help reduce Vendor Information Request (VIR) submittals.

SC 76-87 details submittal requirements for first article inspection, also commonly called “first article test”, or “FAT”. A FAT can entail many different things, such as validation that a component meets performance requirements, or that a cast or forged part possesses acceptable mechanical properties throughout and that it is represented by its conformance test feature. Meanwhile, SC 76-128 details procedural and submittal requirements for a casting Foundry First Article (FFA). An FFA validates that a foundry can produce a high quality casting of a given design, as indicated by satisfactory non-destructive testing, and that the casting meets dimensional requirements. In general, both FAT and FFA require successful completion prior to commencing serial hardware production.

The main change to both SC 76-87 and SC 76-128 is to provide a method for obtaining a one-time Buyer approval, via submittal of a Vendor Procedure Approval Request (VPAR), to not perform an FAT or FFA, as applicable, when supported by technical rationale. Currently, suppliers must request a waiver from performing FAT or FFA for each unique purchase order line item (POLI) via submittal of a VIR. The new one-time VPAR process should reduce supplier and shipyard churn.

Another noteworthy change to SC 76-87 specifically is clarification of the intent of the SC when applied to part numbers made from or involving HY-80/100 and HSLA-80 steel. Specifically, when SC 76-87 is applied to such part numbers, the intent of the SC is for the supplier to include a copy of the HY/HSLA manufacturer’s letter from NAVSEA that certifies the manufacturer to produce the material. While the shipyards are generally not directly involved with a manufacturer’s HY/HSLA certification efforts, which instead entails direct communication between the manufacturer and NAVSEA, the shipyards, and by extension, their suppliers, are still responsible for ensuring that purchased material is within the manufacturer’s certified limits.

The updates to SC 76-87 and SC 76-128 do not affect interchangeability, and do not necessitate re-performance of any previously-approved FATs and FFAs. Suppliers furnishing hardware or software to which these SCs are applied are however recommended to familiarize themselves with the updates.

Questions regarding these updates can be sent to supplychaincomms@gdeb.com for adjudication.

From EB Communications:

On October 11th, Electric Boat delivered the attack submarine Hyman G. Rickover (SSN 795) to the U.S. Navy.

Hyman G. Rickover is the 22nd submarine of the VIRGINIA class, which provides the Navy with the capabilities required to retain undersea dominance well into the 21st century.

This is the second submarine to be named for the “Father of the United States Nuclear Navy.”

Photo of PCU Hyman G. Rickover (SSN 795) departing Groton, Conn. for her final sea trials courtesy of EB Communications.





Supplier Support

Verify Sub-tier Assessment Program

General Dynamics Electric Boat (EB) [has contracted Verify](#) to deploy the Critical Sub-Tier Supplier Capacity and Capability Risk Assessment Program as an extension of their internal supplier assessment program. The mission of this program is to examine companies in the VIRGINIA and COLUMBIA class submarine extended supply chain to identify significant risks to program success and work with the suppliers to develop and implement corrective actions to mitigate those risks. The program promotes the welfare of individual suppliers and the defense industrial supply base through comprehensive consultation to resolve operational challenges and promote best business practices. The program is managed through EB's Materials Management Supplier Risk Group (SRG), and inquiries can be made to SupplierRisk@gdeb.com.

You nominate your suppliers to enter the program. SRG personnel can meet with you to provide details about the program, and if you feel that one of your suppliers could benefit from the program, you would be asked for your supplier's primary contact name, phone, and email. Once permission is obtained from you, Verify personnel would then reach out to your suppliers to share more specific details about the program. You would then be encouraged to provide additional information as to any issues that your company may be encountering with each supplier for which Verify will seek root causes and corrective actions.

The assessment process involves a series of telephone interviews with supplier personnel, followed by a three-day on-site assessment at the supplier's facility. Upon conclusion, Verify will review the results with the supplier and provide detailed recommendations of measures the supplier should take to resolve any areas of concern. Verify will work with them to construct a mitigation plan with concrete actions, target completion dates, and a forecast of risk score improvement, continue to monitor the plan implementation, and ultimately conduct a brief on-site confirmation of all actions.

Verify will report the findings and mitigation plans to you as the direct customer, and also to Electric Boat. The results and mitigation progress for all of your participating suppliers will also be available for review via the Verify Supply Chain Risk Management web portal as dashboards and supplier scorecard reports (access fees apply).

General Dynamics Electric Boat provides all funding for the assessment program (except for portal access). Verify conforms to the highest standards of confidentiality, protection of strategic and intellectual property and will enter Non-Disclosure Agreements with customers and suppliers as required.

We look forward to working with you to ensure the highest performance and health of your suppliers. Please reach out the Supplier Risk Group via email (SupplierRisk@gdeb.com) if you are interested in learning more about the Verify program.

Keel Laying for Future USS Tang (SSN 805)

From EB Communications,

The keel laying ceremony for the future VIRGINIA-class submarine USS Tang (SSN 805) was held on August 17th at the Electric Boat Quonset Point facility.

The ship's sponsor, Mimi Donnelly, is the daughter-in-law, wife, and mother of U.S. Navy submariners. She was accompanied at the ceremony by her husband, retired Vice Admiral Jay Donnelly.

Donnelly joined Electric Boat welder Allison Fasulo to help weld her initials onto a steel plate, which will be permanently mounted in a place of honor on the completed vessel.



Electric Boat welder Allison Fasulo and Ship Sponsor Mimi Donnelly. Photo: EB Communications.



FROM THE SECURITY DESK

Insider Threats and the Bystander Effect

From Electric Boat Operations Security,

If you witnessed a coworker engaging in suspicious behavior, would you speak up? The Bystander Effect is a social phenomenon that refers to the tendency of people not to intervene or help in emergency situations where others are present. The Bystander Effect can happen in a variety of situations from medical emergencies to public bullying and harassment, or even in reported suspected espionage or potential insider threats. [The Cybersecurity and Infrastructure Security Agency has tools and resources available](#) for you and your company to utilize.

So why don't people want to get involved? When employees suspect a coworker may be an insider threat, some people worry about not being believed, taken seriously, or retribution by the subject or supervision. They may also be concerned that they are incorrectly interpreting a situation and that their report may have negative consequences for a potentially innocent person. All of these reasons are understandable.

You might notice a coworker violating company policy by taking controlled documents out of your facility, taking pictures inside your facility, or possessing unauthorized USB storage devices. You may become aware that a coworker has a gambling problem, is suffering from financial problems, or is having mental health issues. Some may think that these situations are not a big deal, but the fact is, they may be a sign of a bigger problem.

Employees who become insider risks often evolve from a critical pathway of personal and work stressors, personal predispositions, and organizational responses. What you are observing may just be one small piece of what your coworker is experiencing and what others may be observing. That's why it is important to report, even if you're unsure it's the right thing to do. Your company should have investigative processes in place to look into every report, get to the truth, and ensure that employees aren't negatively impacted by superfluous reporting. It's never wrong to make the report when you observe such activity or when something just doesn't feel right. By reporting a small thing, you may help your company's insider threat program deter and detect potential issues early on. Your report about a coworker is about turning them around, not turning them in.



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Happy Holidays from Electric Boat

The holiday season is a time for all of us to visit with friends and family, reflect on the past year, and look forward to the upcoming year.

Take a moment to acknowledge the men and women of our submarine force who are out on patrol protecting the freedoms that permit us to enjoy this special time of year.

