

DoD Office of Small and Disadvantaged Business Utilization

The Front Line of Innovation

Small Business Contributions to the Transformational Goals of the U.S. Military



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Business Utilization

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Outline

- **DoD Small Business Performance**
- **DoD & AT&L Goals**
- **Small Business Innovation Research (SBIR) Program, Small Business Technology Transfer (STTR) Program, DoD Mentor-Protégé Program**
- **HBCU/MI**
- **Congressional Issues**



Department of Defense Prime Contract Awards

(Dollars in Billions)

| Fiscal year | Total Awards | SB Awards | % of total | SDB Awards | % of Total | WOSB Awards | % of Total | HUBZone Awards | % of Total | SDVOSB Awards | % of Total |
|-------------|----------------|---------------|-------------|--------------|------------|--------------|------------|----------------|------------|---------------|------------|
| 2003 | \$187.5 | \$42.0 | 22.4 | 11.8 | 6.3 | \$4.7 | 2.5 | \$2.9 | 1.6 | \$0.3 | 0.2 |
| 2002 | \$157.1 | \$33.3 | 21.2 | \$9.1 | 5.8 | \$4.1 | 2.6 | \$1.7 | 1.1 | \$0.2 | 0.1 |
| 2001 | \$135.8 | \$28.3 | 20.8 | \$7.8 | 5.7 | \$3.0 | 2.2 | \$1.1 | 0.8 | \$0.1 | 0.1 |
| 2000 | \$122.4 | \$26.9 | 21.9 | \$7.0 | 5.7 | \$2.6 | 2.1 | \$0.5 | 0.4 | NA | ** |

SB= Small Business, WOSB=Women-Owned Small Business, SDVOSB=Service-Disabled Veteran-Owned Small Business, SDB=Small Disadvantaged Business, HUBZone=Historically Underutilized Business Zone

** Data not available



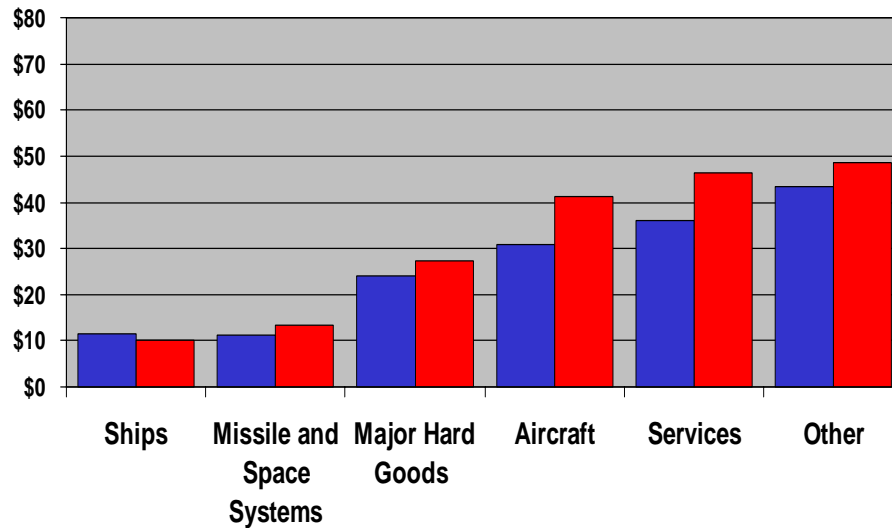
Defense Small Business Metrics Performance FY 2002-2003

| Fiscal Year | DoD Total Awards | DoD Small Business Awards | % of total |
|-------------|------------------|---------------------------|------------|
| 2003 | \$187.5 | \$42.0 | 22.4 |
| 2002 | \$157.1 | \$33.3 | 21.2 |

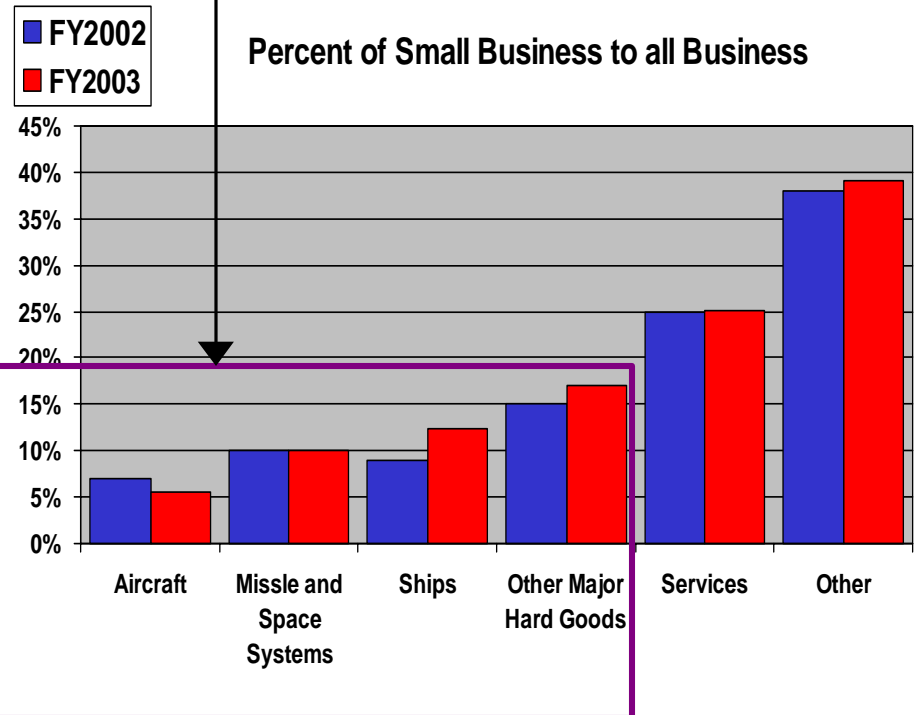
★ **Small Business Focus Area:
Manufacturing & Technology**

(Ships, Aircraft, Missiles, Space Systems, & Other Major Hard Goods)

DoD Prime Contract Awards to all Business
(in Billions)



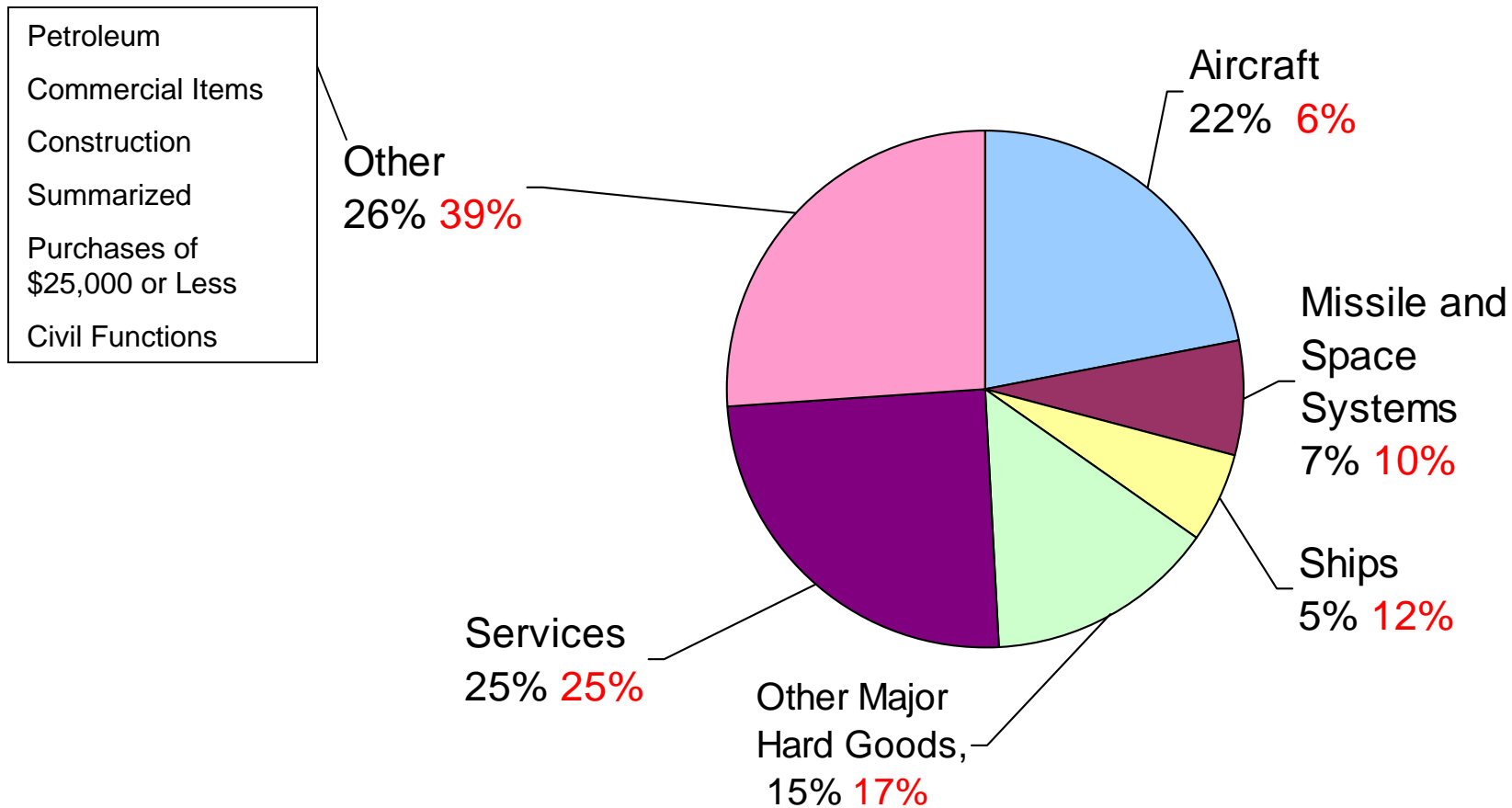
Percent of Small Business to all Business





Department of Defense Product Mix Fiscal Year 2003

Black=Total Percent DoD Prime Contract Awards
Red=Percent Awarded to Small Business





Leadership and Goal Alignment



Leadership Alignment



Goal Alignment

SECDEF Top 10 Priorities

- Successfully Pursue the Global War on Terrorism
- Strengthen Combined/Joint Warfighting Capabilities
- Transform the Joint Force
- Optimize Intelligence Capabilities
- Counter Proliferation of WMD
- Improve Force Manning
- New Concepts of Global Engagement
- Homeland Security
- Streamline DoD Processes
- Reorganize DoD and USG to Deal with Pre-War Opportunities and Post-War Responsibilities

USD (AT&L) Seven Goals

- ❑ Acquisition Excellence with Integrity
- ❑ Logistics: Integrated and Efficient
- ❑ Systems Integration & Engineering for Mission Success
- ❑ Technology Dominance
- ❑ Resources Rationalized
- ❑ Industrial Base Strengthened
- ❑ Motivated, Agile Workforce

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Goals and Objectives: A Closer Look

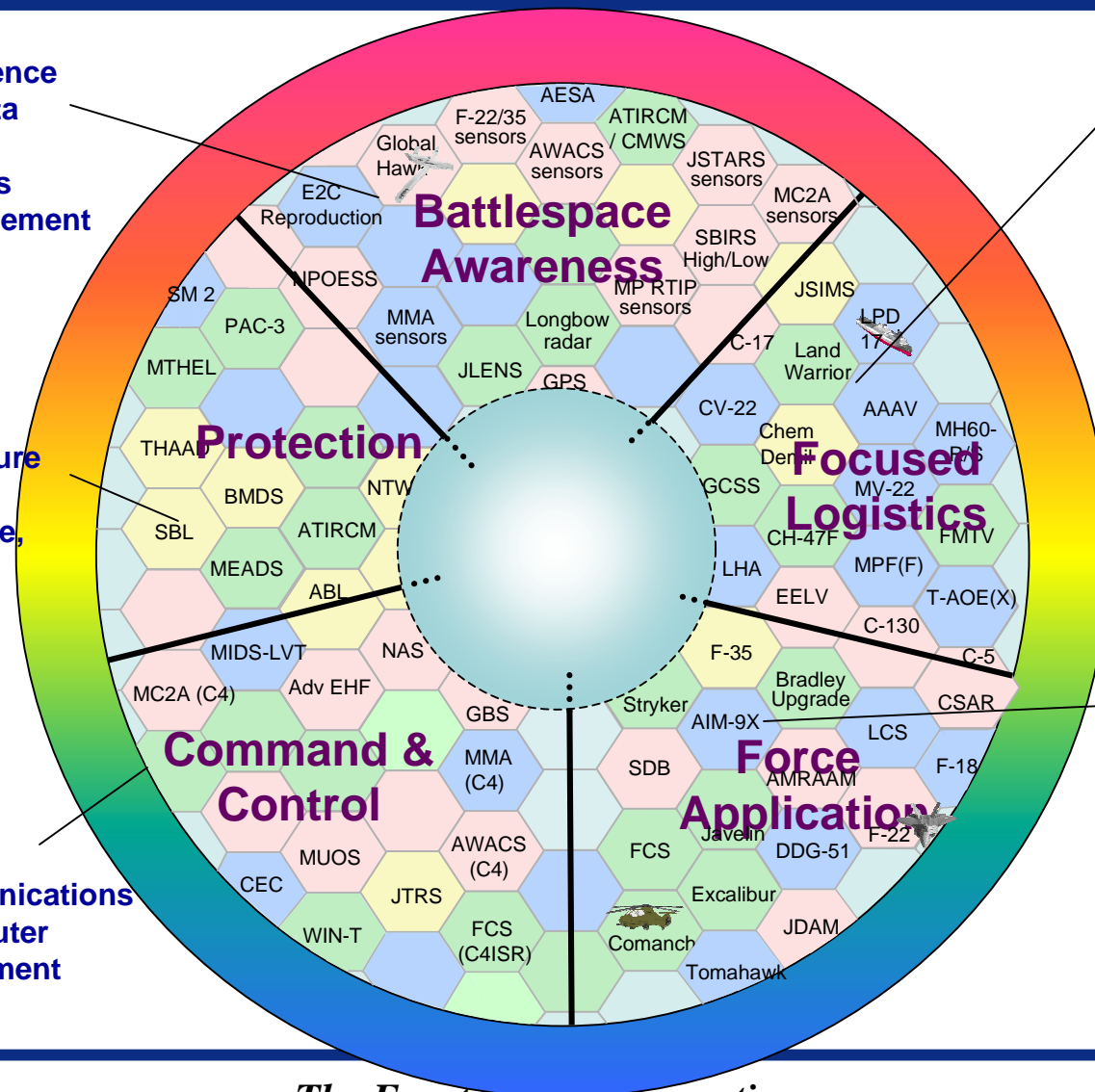
- **Acquisition Excellence with Integrity**
- **Logistics: Integrated and Efficient**
- **Systems Integration & Engineering for Mission Success**
- **Technology Dominance**
- **Resources Rationalized**
- **Industrial Base Strengthened**
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Mapping to Proposed JWCA/JCIDS Functional Architectures

- All source intelligence
- Environmental Data
- Own Force Info
- Predictive Analysis
- Knowledge Management

- Deployment-
- Distribution
- Sustain
- Medical
- Mobility
- Logistics C2



- Personnel & Infrastructure Protection (OPSEC< missile defense, Electronic protection)
- Computer Network Defense
- Counter & Non-Proliferation
- Consequence management

- JBMC2
- Communications & Computer Environment

- Land, Maritime, Air, Space Operation
- Joint Targeting
- Conventional, nuclear, computer network, electronic attack
- Psychological & special Ops
- SEAD
- Military Deception

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SBIR & Mentor-Protégé Program Alignment Initiative



Aligning the Mentor-Protégé program with the high-tech SBIR/STTR program will:

- Allow DoD to focus on selected innovative technology topics essential to DoD industrial transformation
- Apply resources to take qualifying SBIR/STTR small business firms from conception to the end product through a Mentor-Protégé development plan
- Facilitate a fast-track return on investment to the DoD
- Enhance synergy between the programs
- Provide an industrial base tool that will complement the SBIR/STTR program



HBCU/MI Program Contribution to DoD

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- ***A comprehensive DoD HBCU/MI Program is intended to enhance mission readiness by advancing institutions of higher education to better serve the Department of Defense through the utilization of:***
 - **Contracts**
 - Technical Capabilities
 - Mentor-Protégé Program
 - Leadership and Educational Training
 - **Grants**
 - Basic and Applied Research
 - **Science infrastructure assistance**
 - Laboratories
 - Equipment
 - **Workforce pipeline enhancement**
 - ROTC
 - Cooperative Education
 - Internships



Congressional Issues

- ★ **Small Business Size Standards**
- ★ **Contract Bundling**
- ★ **Service-Disabled Veteran-Owned Small Businesses**



Service-Disabled Veteran-Owned Small Business

- ***Veterans Entrepreneurship and Small Business Development Act of 1999*** (P.L. 106-50)
Established 3% contracting goal.

- ***Veterans Benefits Act of 2003*** (P.L. 108- 183) - Section 308 -
Establishes procurement program for service-disabled veteran-owned small business (SDVOSB) concerns —
 - Permits restricted competition (set-asides) if:
 - there is a reasonable expectation that two or more SDVOSBs would bid and award could be made at a fair market price

 - Permits sole source award when:
 - there is not a reasonable expectation that two or more SDVOSBs would bid (but award must be at fair and reasonable price)
 - Up to \$5M for manufacturing
 - Up to \$3M for all other types of contracting opportunities

 - SDVOSB set-aside not permitted if procurement would otherwise be made from Federal Prison Industries or pursuant to the JWOD Act.



OSD Small Business Office

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Visit our web site at

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