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

Frank Ramos, Director
DoD Office of Small and Disadvantaged Business Utilization

NDIA National Small Business Conference, July 21, 2004
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)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Awards</th>
<th>SB Awards</th>
<th>% of Total</th>
<th>SDB Awards</th>
<th>% of Total</th>
<th>WOSB Awards</th>
<th>% of Total</th>
<th>HUBZone Awards</th>
<th>% of Total</th>
<th>SDVOSB Awards</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$187.5</td>
<td>$42.0</td>
<td>22.4</td>
<td>11.8</td>
<td>6.3</td>
<td>$4.7</td>
<td>2.5</td>
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<tr>
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<td>$33.3</td>
<td>21.2</td>
<td>$9.1</td>
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<tr>
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<td>$122.4</td>
<td>$26.9</td>
<td>21.9</td>
<td>$7.0</td>
<td>5.7</td>
<td>$2.6</td>
<td>2.1</td>
<td>$0.5</td>
<td>0.4</td>
<td>NA</td>
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** Data not available
The Front Line of Innovation

Defense Small Business Metrics Performance FY 2002-2003

<table>
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<tr>
<th>Fiscal Year</th>
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<th>DoD Small Business Awards</th>
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★ 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

The Front Line of Innovation
Department of Defense Product Mix
Fiscal Year 2003

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

Petroleum
Commercial Items
Construction
Summarized
Purchases of $25,000 or Less
Civil Functions

Aircraft
22% 6%

Missile and Space Systems
7% 10%

Ships
5% 12%

Other Major Hard Goods,
15% 17%

Services
25% 25%

Other
26% 39%

The Front Line of Innovation
The Front Line of Innovation

**Leadership and Goal Alignment**

**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

**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

**Leadership Alignment**

The Front Line of Innovation
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
- Motivated, Agile Workforce
The Front Line of Innovation

Mapping to Proposed JWCA/JCIDS Functional Architectures

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

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

- JBMC2
- Communications & Computer Environment

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

Key:
- = Army
- = Air Force
- = Navy
- = DoD

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

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

OSD AT&L (SADBU)
(703) 588-8631
DSN 425-8631
Or
Visit our web site at

www.acq.osd.mil/sadbu