Presentation To The Tennessee Valley Federal Small Business Programs Conference

30 JUN 09

LTG Patrick J. O’Reilly, USA
Director
Missile Defense Agency
Missile Defense Goals

- **Enhance protection of deployed forces, allies and friends against existing threats**
  - Field more Terminal High Altitude Area Defense (THAAD) and Standard Missile-3 (SM-3) interceptors
  - Begin conversion of 6 additional Aegis ships
- **Maintain a long-range midcourse capability to defeat rogue state threats against U.S.**
  - Complete emplacement of 26 Ground-Based Interceptors (GBIs) at Fort Greely and 4 at Vandenberg Air Force Base
  - Extensive development to enhance GMD capability continues
  - Plan for a European Missile Defense to the extent allowed by law*
- **Balance midcourse Research & Development with early intercept Research & Development**
  - Terminate midcourse Multiple Kill Vehicle
  - Terminate Kinetic Energy Interceptor program
  - Cancel Air-Borne Laser (ABL) Tail #2 and focus program on Research & Development
  - Demonstrate early intercept technologies to hedge against threat growth

* European Missile Defense and other missile defense policies are under QDR cognizance
New Missile Defense Initiatives

- Precision Tracking Satellite System Planning
- Airborne Infrared System To Support BMD
- Transportable VLS
- Land-Based SM-3
- Risk Reduction For Extended Range THAAD
- Other SAP

Engage on STSS Demo Satellites
Engage on Airborne Infrared (sea-based SM-3)
Engage on Airborne Infrared (land-based SM-3)

New Initiatives Will Increase MDA Government Large And Small Business Opportunities Starting In FY10
Early Intercept

- Early intercept will help us achieve key operational- and cost-efficiencies
  - Chance to kill before countermeasures deploy with easier intercepts than boost phase
  - Greater chance to shoot-look-shoot (doubles inventory efficiency)
  - Optimized asset locations to maximize standoff distances

- What's changed since 2002: leveraging today's technologies
  - Interceptors with substantial burnout velocities
  - Rapid closure of fire control loops demonstrated with hardware-in-the-loop
  - Over-the-horizon sensors for netted coverage
  - Affordable, continuously-available sensors
Small Business Utilization In MDA

• Statutory Small Business Goals for DoD:
  • Total Small Business 23%
  • Small Disadvantaged Business 5%
  • Woman Owned Business 5%
  • Service Disabled Veteran Owned 3%
  • Historically Underutilized Business Zones 3%

MDA estimates that 34.1% of its acquisition dollars eventually flows to small businesses

• 6.0% of MDA acquisition dollars are awarded as prime contracts to small businesses*
• 9.3% are awarded to small businesses as 1st tier subcontractors*
• MDA estimates another 18.8% of its acquisition dollars flow to small businesses through 2nd tier and below subcontracts**

* Based on FY 08 reporting
** Based on FY 07 reporting
Organizational Conflict Of Interest (OCI) Concerns

• Contractors and subcontractors must decide, particularly with respect to the quality, acquisition support and engineering functional areas, which type of work to perform
  
  Either: Support major developmental programs
  Or: Provide Advisory and assistance services to the agency
  
  Waivers to be used sparingly

• To prevent contractors from obtaining an unfair competitive advantage

• To prevent bias in situations where a contractor is placed in a position where it can favor its own services or products (or “disfavor” its competitors)
  
  (Sources: FAR Part 9; GAO decisions)

• Completed 92 OCI meetings with industry as of February 2009
  - 162 Requests between December 2008 – February 2009
  - Others requested periodically during the year

• General Meeting Results
  - Topics specific to company interest (i.e., clarification of what they can do)
  - 49 Companies determined “OCI Free” – letters released 11 MAR 09
  - Remaining companies need to submit additional data on parent company
### MiDAESS Advisory & Assistance Support (A&AS) Scope And Schedule

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<tr>
<th>Functional Capability Group</th>
<th>Scope</th>
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| **Group 1: QSMA Support**   | • Quality, Safety, & Mission Assurance (QSMA)  
- 100% small business set aside |
| **Group 2: Acquisition Support** | • Acquisition Management  
• Business and Financial Management  
• Legislative Affairs  
• International Affairs  
• Logistics Management |
| **Group 3: Engineering Support** | • Engineering  
• Test  
• Advanced Technology  
• Information Management & Technology Operations |
| **Group 4: Infrastructure & Deployment Support** | • Infrastructure and Environment  
• Warfighter Operations and BMDS Training Center |
| **Group 5: Agency Operations Support** | • Executive Support  
• Public Affairs  
• Human Resources |
| **Group 6: Security and Intelligence Support** | • Security and Intelligence Support  
- No small business set aside |

- Work is aligned across programs for better BMDS “integration” and “sharing of expertise” across the Agency
- MDA will administer contract vice paying other government agencies’ administrative costs
- A&AS augments expanding MDA government workforce
- Two competitions in MiDAESS functional areas
- Small Business Set Aside – 38%
- Full and open – 62%
- Schedule  
  - 17 JUN RFP released  
  - 8 JUL final review with all offerers to include sample task orders  
  - 17 AUG industry proposals due to MDA  
  - ~ 90 days for source selection  
  - 1st awards in November 2009
Small Business and Advanced Technology Exploration

- Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STTR) programs
  - Fourth largest program in DoD
  - 160 SBIR Phase I awards, 90 Phase II awards in FY08
  - $137 million SBIR/STTR funding in FY08

- SBIR/STTR focus areas
  - Reduce time from threat launch to intercept
    - Detect
    - Acquire
    - Track
    - Battle Management
    - Assured Communications
    - Fire Control
    - Interceptor fly out time (miniaturization)
    - Hit Assessment
  - System lifetime operational readiness and reliability
PB11 Milestones

FY 2009

April
- Capabilities Assessment Report (CAR), Based on PCL ‘07

May
- Received from STRATCOM

June
- Prioritized Capabilities List FY09 (PCL)

July
- Space Posture Review (SPR)
- Nuclear Posture Review (NPR)
- Quadrennial Defense Review (QDR)
- Ballistic Missile Defense Review (BMDR)

Aug
- PBR 11
- Submit to OSD(C)
- Program Review

Sept
- PBD/PDM Cycle

Oct
- Due to Congress

Nov
- Deliver To Congress

Dec
- MDA PB11 Submission Due to Congress

Jan

Feb

FY 2010

FY11 MDA Budget Driven By U.S. Policy Reviews