MG Barry Bates

USA, Vice President, Operations, NDIA
National Defense Industrial Association

“The Premier Defense Association!”

12/3/09
About Us……

- Non-profit, educational association
- Work with industry, government and all military services
- 1,601* corporate members
- 75,545* individual members (21,843 Gov’t)
- 52 Chapters
- 32 Divisions
- Army heritage

*12/3/09
Vision

America’s leading Defense Industry association promoting National Security

Mission

- **ADVOCATE**: Technology for War-Fighter and First Responder
- **PROMOTE**: Government - Industry National Security Team
- **PROVIDE**: Forums for information flow between Government and Industry
Activities

- 70-80 Conferences
- 30 Exhibitions
- Advocacy for broad industrial base issues
- *National DEFENSE* magazine
- Annual *Top Issues* document
- Studies and reports
Chapters

• Extend NDIA ‘reach’ across the U.S.

• Provide geographic focus for NDIA vision and mission

Divisions

• Provide ‘functional’ focus for NDIA mission

• Populated by corporate members

• ‘Mission Area’ oriented
Affiliates

Association for Enterprise Information

National Training & Simulation Association

Precision Strike Association

Women In Defense

(www.ndia.org)
Small Business Activities

- Small Business Division
- Intellectual Property Study – Small Business Oriented
- Congressional Testimony
- Annual Small Business Top Issue
- Advocate for SBIR reauthorization
- Annual Small Business Award – Sridhar Award
- “How To” Breakfasts
- Advocacy for Broad Small Business Issues
International Outreach

• NATO Industry Advisory Group (NIAG)
  – Wayne Fujito, Chair of the US NIAG and NDIA representative
  – NATO's Partnership for Peace (PfP) Program since 1994

• Established Forums - International Division
  – US-Korea: Defense Industry Consultative Committee (DICC)
  – US-Italy: Defense Industry Cooperation Group (DICG)

• Other International Cooperation/Exchange
  – Security Cooperation Industry Group
  – Defense Attache Luncheons
  – Periodic Exchanges/Meetings
    • US-UK
    • US-Canada
    • US-Sweden
    • US-Australia
    • US-Norway
13th Annual Small Business Conference

- Small Business Legislation and Policy Updates
- Business Opportunities
  - Small Business Administration
  - Department of Army
  - Department of Homeland Security
  - Major Defense Contractors
  - AMC Opportunities Fair
- Interface with Senior Army Acquisition Leaders
- Economic Outlook
  - National Economy
  - Small Business
  - Breakout Sessions w/Special Interest Topics
Large Business Participants

3M
AAI Corporation
Agility Defense & Government Services
ATK
BAE Systems
Battelle
Boeing
CSC
Defense Holdings, Inc.
General Dynamics – OTS

Honeywell Technology Solutions, Inc.
Hewlett Packard
IBM
ITT Communications Systems
KBR
Lockheed Martin
Oshkosh Corporation
VSE Corporation
National Defense Industrial Association

“*The Premier Defense Association!*”

12/3/09
AMC Small Business Program

Partners for Success: Small Business & the Military

LTG James H. Pillsbury
Deputy to the Commanding General
What I Want To Leave You With

• Support entrepreneurs and their innovative spirit.

• Build productive partnership

• Steadfast environment necessary for America’s small businesses to succeed.
AMC Small Business Program

VISION: Achieving optimum small business participation by seeking small business solutions first

Mission

Ensure that a fair portion of contract awards is placed with small business enterprises

AMC CONTRACTS FOR:
• Weapon systems and equipment
• Research & Development
• Spare parts
• Maintenance
• Other services (eg. IT, Engineering Support, Logistics, etc.)
Small Business is... BIG BUSINESS in AMC!

- More than 27 Million American small businesses
- Employ about half of all private sector employees
- Highly Innovative – 13 more patents per employee than large firms
- Generate more than 50% of U.S. gross domestic product
- Major force in the nation's net job change
- More than 27 Million American small businesses
- Responds more than 27 Million American small businesses
- Generate more than 50% of U.S. gross domestic product
- Major force in the nation's net job change
Small Business is Big Business in AMC

ARMY FOCUS AREAS:
Potential Business Opportunities

- Ground Combat Vehicle
- Force Protection
- Logistics & supply chain management
- MRAP & M-ATV
- Thermal imaging & optics
- Wireless Network technologies
- Weight/cube reductions
- Unmanned/Autonomous systems/robotics
- Power management
- Miniaturization & nanotechnology
- IT Support

Potential Business Opportunities

- Advanced Sensor development

Small Business is Big Business in AMC
Speech Control of Unmanned Ground Vehicles

This technology captures speech in the ear canal and uses it to control devices and communications. Heads-up and hands-free operation, with increased situational awareness, decreased training time and improved man-machine interface.

UAV Bi-Directional Remote Video Terminal

Provides the Soldier w/the ability to easily control, task, manage and gain battlefield situational awareness. It intelligently monitors vital UAV and GCS systems and informs the users when parameters exceed defined limits. It gives minimally trained soldiers the ability to control UAVs payload and autonomously track fixed and moving targets.

Enhanced Chemical Decontamination

An immediate chemical hazard containment and neutralization system, offering protection from liquid and vapor chemical spills and releases from known or unknown origin – was voted an Army's Top Ten Greatest invention. Requires minimal training to use and has no logistical burden, allowing expanded utility for many safety response applications.
Roughly 3.3 million pieces of equipment in Iraq in addition to ongoing operations

No small task – requires “out of the box” thinking and execution to accomplish

Has to be efficient/effective – address the needs of our military and our obligations to American taxpayers

We are committed to overcoming the obstacles that inevitably develop in a logistics operation of this magnitude - - - we will need your support to accomplish
Final Thoughts

• WE continue to do GREAT things for our Soldiers during a period of persistent conflict

• RESPONSIBLE resource stewardship

• Should be ONE-TEAM with multiple players and a spectrum of skills working to a common purpose through Collaboration, Communication & Cooperation

• Can’t do this without each of you in this room
13th Annual Small Business Conference

December 2, 2009

Ms. Tracey Pinson
Director, Office of Small Business Programs
Office of the Secretary of The Army
VISION

To Be The Premier Advocacy Organization Committed To Maximizing Small Business Opportunities In Support Of The Warfighter And The Transformation Of The Army.
MISSION

• Advise the Secretary of the Army and the Army Leadership on Small Business Related Matters

• Spearhead Innovative Initiatives that Contribute to expanding the Small Business Industrial Base Relevant to the Army Mission and Priorities

• Leverage the Use of Minority Serving Educational Institutions in Support of Army Science and Technology Programs
<table>
<thead>
<tr>
<th>Category</th>
<th>Total Dollars</th>
<th>Achieved</th>
<th>Army Target</th>
<th>Nat’l Goal</th>
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<tbody>
<tr>
<td>US Business</td>
<td>$104,738</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Business</td>
<td>$29,508</td>
<td>28.17%</td>
<td>24.0%</td>
<td>23.0%</td>
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<tr>
<td>Small Disadvantaged Business</td>
<td>$11,272</td>
<td>10.76%</td>
<td>8.0%</td>
<td>5.0%</td>
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<tr>
<td>Women-Owned SB</td>
<td>$4,458</td>
<td>4.3%</td>
<td>3.5%</td>
<td>5.0%</td>
</tr>
<tr>
<td>HUBZone Small Business</td>
<td>$5,347</td>
<td>5.1%</td>
<td>3.0%</td>
<td>3.0%</td>
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<tr>
<td>Veteran-Owned SB</td>
<td>$3,509</td>
<td>2.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Disabled Veteran-Owned SB</td>
<td>$2,540</td>
<td>2.4%</td>
<td>1.2%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Source: FPDS-NG as of 11/6/09
ARMY OSBP FOCUS FY10

• Small Business Participation in Major Systems Programs (ASARC)
• Promote Greater Involvement of SBs in Army Contracts for Services (AASP)
• Service-Disabled Veteran-Owned SB Program
• Contract Bundling and Consolidation
• Continue support of HBCUs & MIs in the Acquisition Process despite the Rothe Decision
• Subcontracting Plan Development and Enforcement
• Accurate Data Reporting
• Staffing of Small Business Offices and development of SB personnel
MAJOR SYSTEMS PROGRAMS REVIEWED BY THE ARMY OSBP
Reviewed 1 Oct 08 through 30 Nov 09

1. Future Combat Systems
2. Family of Medium Tactical Vehicles Rebuy
3. Mine Resistant Ambush Protected All-Terrain Vehicle (MRAP Lite)
4. LW50
5. Biometrics
6. Joint Air-to-Ground Missile
7. Joint Cargo Aircraft
8. General Fund Enterprise Business System
9. Aerial Common Sensor
10. Extended Range/Multi-Purpose Unmanned Aircraft System
11. Guided Multiple Launch Rocket System Alternate Warhead Program
12. Common Infrared Countermeasures
13. Abrams Engine TIGER Program
MAJOR SYSTEMS PROGRAMS REVIEWED BY THE ARMY OSBP (continued)

14. Integrated Air and Missile Defense (IAMD)
15. Stryker Mobile Gun System
16. WIN-T Increment 2
17. PEO EIS (Pre-CSB Army OIPT on General Funds Enterprise Business Systems (GFEBS) and the Global Combat Support System-Army (GCSS-A))
18. Brigade Combat Team (BCT) Modernization
19. Light Utility Helicopter
20. Apache Block III
21. Bradley Upgrade
22. CH47F
23. CHEM DEMIL-CMA
24. Excalibur
25. Extended Range/Multi-Purpose Unmanned Aircraft System (ER/MP UAS)
MAJOR SYSTEMS PROGRAMS REVIEWED BY THE ARMY OSBP (continued)

25. FBCB2  
26. FMTV  
27. GCCS-A  
28. GFEBS  
29. GMLRS  
30. HIMARS  
31. HMMWV  
32. IAMD  
33. JLENS  
34. Longbow Apache  
36. MCS  
37. NLOS-LS  
38. PATRIOT PAC-3  
39. PATRIOT/MEADS  
40. Spin-Out Early Infantry Brigade Combat Team (SO-EIBCT)  
41. UH60M Blackhawk Upgrade  
42. WIN-T Increments 1, 2, and 3
ACQUISITION STRATEGY SERVICE PANEL (ASSP) REVIEWS

• USACE Utility Monitoring and Control Systems (UMCS) – $900M
• AMCOM Aviation (C-12/RC-12/UC-35) Life Cycle Contract Support Services - $560M
• AMCOM Production Integration Facility (PIF) support services - $4.5B
• ACOE-Kansas City, CONUS Environmental Remediation Services - $830M
• Army Contracting Command – Rock Island, Kuwait Base Operations and Security Support Services (K-BOSSS) - $3.14B
ACQUISITION STRATEGY SERVICE PANEL (ASSP) REVIEWS (Continued)

- RDECOM Afghanistan National Security Sector Development and Fielding Program (ANSSDFP) - $824M
- USASMDC/ARSTRAT Systems Engineering and Technical Assistance Program - $2.75B
- USACC – Rock Island Heavy Lift Seven (HL7) Transportation Program - $1.1B
## FY08 SUBCONTRACTING DOLLARS

<table>
<thead>
<tr>
<th>Category</th>
<th>FY08 Dollars (in millions)</th>
<th>FY08 Achieved</th>
<th>FY08 Goal</th>
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</thead>
<tbody>
<tr>
<td>US Business</td>
<td>$117.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Business</td>
<td>$66.8</td>
<td>57%</td>
<td>45%</td>
</tr>
<tr>
<td>Small Disadvantaged Business</td>
<td>$18.1</td>
<td>15.4%</td>
<td>7%</td>
</tr>
<tr>
<td>Women-Owned</td>
<td>$11.5</td>
<td>9.8%</td>
<td>7%</td>
</tr>
<tr>
<td>HBCU/MI</td>
<td>$5.0</td>
<td>4.3%</td>
<td>1%</td>
</tr>
<tr>
<td>HUBZone SB</td>
<td>$3.8</td>
<td>3.2%</td>
<td>3%</td>
</tr>
<tr>
<td>Veteran-Owned SB</td>
<td>$14.7</td>
<td>12.5%</td>
<td>3%</td>
</tr>
<tr>
<td>Service Disabled Veteran-Owned SB</td>
<td>$13.4</td>
<td>11.4%</td>
<td>3%</td>
</tr>
</tbody>
</table>
MENTOR-PROTÉGÉ PROGRAM STATUS

Number of active agreements

- 24 agreements are in place
- 15 Mentors (11 large, 2 graduated 8a, 2 small firms)
- 24 Protégés (16 SDB, 13 8(a), 11 WOSB, 3 SDVOSB, 4 HUBZone, 7 Indian Owned)

For Army, 1 round of proposals in Fiscal Year 2009 -- Proposal due date: 15 FEB 2010

Protégé Statistics*

- 16 Small Disadvantaged Businesses
- 13 8(a) firms
- 11 Woman-Owned Small Businesses
- 3 Service Disabled Veteran-Owned Small Business
- 4 HUB Zone Small Businesses
- 7 firms owned by Indian Tribes

*Various protégés qualify under more than one category
POLICY ISSUES

• Parity among programs
• Insourcing
• 8(a) program regulations
• Rothe decision
Save the Date: July 19-22 2010

The 6th Annual National Veteran Small Business Conference & Expo

Sponsored by the Veteran Small Business Federal Interagency Council

www.nationalveteransconference.com | (703) 695-3220
OUTLOOK FOR THE ECONOMY AND CONSIDERATIONS FOR BUSINESS

Dr. Christian T. Lundblad

13th Annual Small Business Conference
Where are we now? Real U.S. GDP Growth

Source: Bureau of Economic Analysis
U.S. Unemployment Rate
(Percent)

Source: Bureau of Labor Statistics
Pushing on a String?

Effective Federal Funds Rate (DFF)
Moody's Seasoned Baa Corporate Bond Yield (DBAA)
30-Year Conventional Mortgage Rate (WRMORTG)

Shaded areas indicate US recessions.
2009 research.stlouisfed.org
Non-traditional Monetary Stimulus

Fed Balance Sheet
The size and composition of assets on the Fed's balance sheet, in billions.

Graphic: WSJ
The Total Deficit or Surplus

(Percentage of gross domestic product)

Source: Congressional Budget Office.
Leading Indicators

**The Conference Board Leading Economic Index™** for the U.S. Improves; Sixth Consecutive Increase

The Conference Board Coincident Economic Index™ (CEI) for the United States

The Conference Board Leading Economic Index™ (LEI) for the United States
Downturns, while painful, are usually relatively brief [3.6 quarters, on average, across advanced economies] BUT, ...
Forecast Risks: Beyond the Immediate

(1) The “Unknown” Unknowns

(2) The Limitations and Tradeoffs of Active Policy

(3) Deflation or Inflation?

(4) Fiscal Unfunded Liabilities
Challenge #1: The U.S. Consumer

- Personal Consumption
- Investment
- Net Exports
- Government
Challenge #1: Excess U.S. Consumption is Over

Household Financial Obligations as a percent of Disposable Personal Income (FODSP)
Personal Saving Rate (PSAVERT)

Shaded areas indicate US recessions.
2009 research.stlouisfed.org

FODSP (Left)
PSAVERT (Right)
The days of excess consumption are over; where is the engine of the global economy?

Very low probability of a V-shaped recovery.

Consumer-oriented U.S. and global businesses will continue to struggle.

This raises particular challenges for China, Canada, Mexico, and others exporting nations.
Challenge #2: The Trade Imbalance

U.S. Exports, Imports, & CA Deficit
(Quarterly, Percent of GDP)

The Trade Imbalance
Foreign Holdings of U.S. Treasuries

(in %)

Bloomberg
Does fiscal policy work? Even among economists, this is controversial. What are the long-run tradeoffs?
Fiscal Policy: U.S. Debt as a Percentage of GDP

- World War I
- The Great Depression
- World War II

Actual vs. Projected Scenarios

CBO.gov
Fiscal Policy: U.S. Debt Held as a Percentage of GDP

This is a problem shared by most of the industrialized world.

Source: Congressional Budget Office.

Note: The extended-baseline scenario adheres closely to current law, following CBO’s 10-year baseline budget projections from 2009 to 2019 and then extending the baseline concept for the rest of the projection period. The alternative fiscal scenario deviates from CBO’s baseline projections, beginning in 2010, by incorporating some changes in policy that are widely expected to occur and that policymakers have regularly made in the past.
Near-term Head-winds

- Acknowledging significant uncertainty, we have reached the trough. The question is how robust the recovery will be.

- Things do not look particularly promising for the next two years. This is particularly true for firms linked to the U.S. consumer.

- SME financing will likely remain constrained. Aside from a few names, the banking sector is still hurting.

- The monetary and fiscal policy responses may provoke continued USD weakness.

- Re-regulation? Nascent protectionism?
The global economy must undergo a significant transformation.

(1) The emerging market consumer will (eventually) be the new engine of global growth. The U.S. driven model no longer applies.

(2) Natural resources and the environment. Green technology, yes, but potentially a very different supply chain and global model.

(3) Demographic challenges.

(4) Caveat: do not underestimate the resiliency of North American economy.
Mr. Joseph Jordan

Associate Administrator for Government Contracting and Business Development, U.S. Small Business Administration
Ms. Nancy Small

Director, Small Business Programs, AMC
NDIA Small Business Conference

Paul Gosling
VP, GPSC Defense
Defense

- Oshkosh Defense is a key tactical wheeled vehicle supplier for the U.S. and other international militaries
- Broad product line encompasses vehicles with payload capacities ranging from 2.5 to 70+ tons
- Innovation leader
- Leadership position in worldwide, integrated logistics support (ILS)
- State-of-the-art facilities in Oshkosh, WI and McConnellsburg, PA
What You Will Hear Today about M-ATV

• Personal involvement is needed to make the program successful for the Warfighters

• This is the Number One priority in the Department of Defense above all other DX rated contracts

• Delivery to the Warfighter is the number one priority

• Deliver a product that will help our son’s and daughter’s return home

• Remember why we are here today
Mission Tagline

“At Oshkosh, our main focus is to ensure that M-ATVs are waiting in theater for the Warfighters when they arrive rather than having the Warfighter wait for the vehicle”

Robert G. Bohn
Chairman and CEO
Oshkosh Corporation
M-ATV Background

• The U.S. Warfighter has an *Urgent Need* for an MRAP All Terrain Vehicle (M-ATV) that:
  ✓ Is lighter
  ✓ Has excellent off-road mobility
  ✓ Is highly maneuverable
  ✓ Maintains MRAP survivability

• The M-ATV must also:
  ▪ Meet an aggressive production schedule
  ▪ Be a non-developmental and mature system
  ▪ And be cost competitive
M-ATV Mobility

• Current MRAP vehicles have done their job in Iraq, where missions are primarily “on-road” .... but these MRAPs do not perform well in “off-road” missions.

• As the fight moves to the rough terrain of Afghanistan, the need for a highly mobile vehicle increases.

• A highly capable vehicle chassis and suspension that can (1) currently meet these mobility requirements, (2) is truly non-developmental and (3) can meet the M-ATV program’s aggressive schedule is the Medium Tactical Vehicle Replacement (MTVR) with TAK-4 independent suspension.

• The MTVR chassis and TAK-4 independent suspension is the backbone of Oshkosh’s M-ATV solution.
We Will Deliver

- This is an Urgent Need for Afghanistan
- The Oshkosh M-ATV was selected on June 30, 2009 for this need – MRAP level survivability with enhanced mobility
- Oshkosh leaned forward and began M-ATV production long before contract award
- The Warfighter and Taxpayer deserve a combat vehicle that can reliably take the Warfighter to the fight and back
- We will ensure that we deliver on or ahead of schedule, and that troops will not have to “wait” for these critical vehicles for the Afghanistan mission
Oshkosh Defense M-ATV Contracts

- **IDIQ Contract awarded 30 April 2009**
  - Delivery Order #1 for 3 test vehicles delivered to APG as part of production down select evaluation
  - Oshkosh selected for and awarded Initial Production Delivery Order (IPDO) (Delivery Order #2) on 30 June 2009

- **IPDO Award Highlights**
  - 2,244 Vehicles for $1.056 billion
  - 42 ea ASL & PLL parts packages
  - 11 ea De-Processing parts packages
  - Initial FSR Support (CONUS)
  - Level of Effort Engineering Support

- **Additional order announced 31 July 2009**
  - Additional 1700 vehicles plus spare parts for $1.05 billion

- **Additional order announced 14 September 2009**
  - Additional 352 vehicles plus aftermarket parts package for $189 million

- **Additional order announced 9 October 2009**
  - Additional 923 vehicles for $408.5 million

- **Additional order announced 10 November 2009**
  - Additional 1000 vehicles for $438 million
Delivery Schedule

- 30 DAC (July) 45 Vehicles
- 60 DAC (Aug) 50
- 90 DAC (Sept) 100
- 120 DAC (Oct) 385
- 150 DAC (Nov) 664
- 180 DAC (Dec) 1000
- 210 DAC (Jan 2010) 1000
- 240 DAC (Feb) 1000
- 270 DAC (Mar) 975
- 300 DAC (Apr) 1000

Total 6,219 Vehicles
Defense – Heavy Payload

HEMTT A3

LVSR

PLS

HET
US Army Family of Heavy Tactical Vehicles (FHTV)

- Heavy Expanded Mobility Tactical Truck (HEMTT)
  - 13-ton payload
  - 23,000+ produced to date
  - C-130 transportable
  - Several “family” variants
  - HEMTT A3
  - New and Recap A4

- Palletized Load System (PLS)
  - 18-ton payload - removable in less than 30 seconds
  - 5,900+ produced to date
  - 10,000+ Trailers to date
  - Container Handling Unit (CHU)
  - New and Reset
  - PLS Block I

- Heavy Equipment Transporter (HET)
  - 70-ton Tank Transporter
  - 4,400+ produced to date
  - Reset
Defense – Medium Payload

MTVR Cargo Variant

MTVR Dump Variant

MTVR Wrecker Variant

MTVR Tractor Variant
USMC MTVR Family of Variants

- Over 10,000 produced to date for USMC and Navy Seabees
- MTVR is “on-duty” in Afghanistan and Iraq
- 70% off-road / 30% on-road mission profile
- C-130 transportable
- Armor-ready at highest levels of protection

**Available Variants**
- Standard Cargo (MK23/MK25)
- Extended Cargo (MK27/MK28)
- Dump Truck (MK29/MK30)
- Tractor (MK31)
- Wrecker (MK36)
- HIMARS (Artillery) (MK37)

**Future Variants**
- Load Handling System (LHS) 6×6
- Load Handling System (LHS) 8×8
- MTVR-L (4×4)
# Global Procurement Supply Chain 4 Priorities

## Delivery / Supply Chain
- Develop Supply Chain Capability
  - On time delivery to station
  - Premium freight
  - Achieve budgets (Logistics, Inventory, Containers)
  - Value chain mapping
  - Ensure strong Supply Chain capability
  - Manage critical supplier issues
  - Support Manufacturing Footprint

## Quality / Launch
- Quality / Cost Improvements
- Total Cost Approach
  - Plant Disruptions/ Stock outs/ Down time
  - Flawless Launch Execution
  - Waste elimination
  - Warranty improvement

## NPD - Program Management
- New Programs @ Right Quality, Right Time, Right Cost
  - Right resources dedicated to the project
  - On time achievement of milestones
  - Quality of engineering / design / services / technology
  - Design to cost vs. cost of design

## Competitiveness
- Best Landed Cost Globally
  - Best landed cost (TLC)
  - Sustainable cost structure
  - Cost driver / detailed supplier cost break downs
  - Value creation vs. competition
  - Grow Best Performing Suppliers
  - Global Sourcing
  - Proactive Supply Base Restructuring

---

**Suppliers Must Perform To All Four Priorities**
Working Together (1 Team, 1 Voice)

Global Procurement and Supply Chain
- Raw Materials
- Hydraulics
- CBG
- Logistics
- Shared Services
- Fabrication
- Electrical
- Powertrain
- Indirect M&E
- International

Suppliers

Commodity Teams

Business Segments & Engineering
- Access
- Commercial
- Defense
- Fire & Emergency
- Corporate NPD
- Indirect / M&E

Working Together (1 Team, 1 Voice)
Global Procurement Supply Chain (GPSC) Complexity – M-ATV

- 2 Assembly Plants
- 1740 Part Numbers
- 230 Direct Suppliers
- 329 Spare Parts/Volumes to 260,000/Month
- 6244 Units Shipped by 04/10
Supplier Readiness Process Flow

Supplier Readiness Assessment

Common Process
Common Tool Set
Common Approach
One Voice to Suppliers

Prioritize

Supplier Data Collection and Verification

Mitigation plans for constraints

Get to “GREEN”

Monitor, Report & Follow up
Capability Planning

• Capacity (OE and Aftermarket)
  – Manpower
  – Machine
  – Tooling
  – Bottleneck analysis & management

• Plan for every part
  – Quality
  – Packaging
  – Value chain mapping

• Flexibility
  – Lead time
  – Aftermarket demand
  – Engineering improvements

**EXAMPLE**

Sample production plan

1,000 Trucks per Month + Aftermarket requirements (up to 120% of OE demand)
Understand The Entire Value Chain

- Must have a similar process as OSK is using for our T1’s
  - Part number focused
  - Detail driven
  - Value chain mapping
- Don’t assume readiness, verify data, travel to suppliers
- OSK will help and travel to key suppliers as well
Communications & Engineering Change Management

• Engineering changes are reviewed by change management review team

• Changes are made through Oshkosh Configuration management System

• Suppliers must reference the drawing revision on the PO to the engineering drawing revision which the part made from

• Oshkosh tactical purchasing distributes revision prints.

• If supplier notices PO verses Print Revision discrepancy, supplier should contact their tactical buyer

• Design and process changes must be approved by Oshkosh prior to implementation
Supplier Performance Is Critical To Flawless Launch And Program Execution

- Leadership must be engaged, are you personally committed to these 4 priorities for Oshkosh?
- Know your status, do you have the management process in place?
  - Seek feedback regularly
- Ask the right questions / challenge status quo / verify the data
- Understand risks, and be proactive to mitigate them – this extends to your suppliers
- Execution and accountability – do you have the right people assigned?

“Most Often Today the Difference Between a Company and its Competitors is the Ability to Execute”
Business Categories

- **Small** – see SBA size standards for your particular NAICS code
- **SDB** – Meet the requirements laid out in 13 CFR 124
- **WO** – 51% owned by one or more women and whose management and daily business operations are controlled by one or more women.
- **VO** – not less than 51% owned by one or more veterans and whose management and daily business operations are controlled by one or more veterans.
- **SDVOSB** - not less than 51% owned by one or more service disabled veterans and whose management and daily business operations are controlled by one or more service disabled veterans.
- **HUBZone** – small business, located in a historically underutilized business zone, owned and controlled by one or more US Citizens and at least 35% of its employees reside in a HUBZone.
Compliance with the small business subcontracting program is not optional – it is mandatory for government prime contractors.

Public Laws mandate the following small business goals:

- 23% small business subcontracting goal
- 5% small disadvantaged business subcontracting goal
- 5% women-owned small business subcontracting goal
- 3% HUBZone small business subcontracting goal
- 3% service-disabled veteran-owned small business and veteran-owned small business goal
Where should you register?

• #1  http://www.ccr.gov – dynamic small business search

• #2  http://www.oskgpsc.net – locate documentation pertinent to all Oshkosh suppliers.
What Oshkosh forms are pertinent to you?

- **BSC** – Business Status Certification
  - should be filled out annually and submitted online
- **P-200** – Quality Self Audit Form

Both located on [www.oskgpsc.net](http://www.oskgpsc.net)
In Divisional Suppliers,

Customs Service has announced a new mandatory requirement for all ocean container imports into the U.S. This program is 10+2 and will go into effect January 26th, 2010. It requires 10 pieces of information to be committed to Customs 24 hours before the loading of the container. Some of this data must come from our supplier. If the information is not complete, the container will be held with your goods. Oshkosh and Subsidiaries have set a 100% compliant by November 1st, 2009.

You can find additional information on the 10+2 program at:

www.customs.gov/xp/cgov/trade/cargo_security/carriers/security_filing/

Oshkosh Divisions are now building a database of part numbers for all import items. You may be asked by the Buyer to provide specific information about the parts you currently supply as required by U.S. law. This will ensure our transportation efforts will go smoothly as the 10+2 program is initiated.

As a supplier to Oshkosh, import goods into the U.S. via Ocean Freight, used in the manufacturing of products from Oshkosh, you are also affected. Although Oshkosh does not require the data for parts we do not directly import, it is vital we confirm that you understand the 10+2 requirements and are compliant. Our intent is to minimize the risk of supply interruptions with you.

Thank you for your support.
The Oshkosh Corporate Procurement Team is dedicated to bringing materials and services of the highest quality and best value to our customers.

What's behind the links:

Contacts - Direct you to your Purchasing Agent and Divisional Buyer

Supplier Standards Guide - Understand how we do business. This Guide is a reference attachment to all of our Purchase Orders.
- Business Classification Certification - required submittal for all new suppliers. Classification information can be found in the Supplier Diversity link.

Specifications - These links will provide specific information with respect to components and standards:
- Materials
- Painting/Coatings
- Aesthetic Paint Standards
- Material Finishes
- Oshkosh Drawings and Viewers

Quality Assurance - This section includes:
- Oshkosh Quality Audit/Self Suney P-200 Form
- Supplier Performance Ratings
- SQA-03 Initial Sample Inspection report
- P-500 Production Parts Submission Warrant
- P-300 Pre-Production Parts Verification Form (PPVF)
- QC-56 Material Review Board Report
- PCH-9 Sample Part Layout Tag

Procurement Operations - These links will direct you to interactive procurement activities:
- Production PO Status Report - Current open production PO's due within 28 days
- Production Supplier Release - Current supplier weekly production release schedules
- CLS Procurement - Automated product support system for Defense Parts
- Product Support - Defense Service Orders
Questions on the quality self audit form should be directed to Brian Heim in our Quality Department 920-235-9151 #22939.
The NAICS code – best describes the goods or services being acquired and the principal purpose of the procurement.
Questions and Contacts

Questions on the BSC should be directed to Gena Miller, SBLO
gmiller@oshkoshcorp.com
920-235-9151 ext. 22626

Questions on becoming a supplier should be directed to
Eric Meulemans, Strategic, GPSC Defense
emeulemans@defense.oshkoshcorp.com
920-235-9151 ext. 22633
EDGE® Innovation Network
Eric Nelson
General Dynamics C4 Systems

Where the Cutting Edge Meets the Tactical Edge
What Does the EDGE® Do?

The EDGE® enables user-centric technology innovations to be rapidly developed at industry and academia expense and made available to Warfighters and First Responders in an expedited manner.

These innovations fulfill user needs by eliminating capability gaps in advance of, or accelerating the often cumbersome acquisition process.
Reasons for Creating the EDGE®

• Large integration programs require a better way to incorporate user feedback, and incrementally maintain pace with technology and capability advancements

• Over 100 member organizations provide a significantly larger shelf of products and capabilities for the warfighter to choose from than any single company could offer

• Focused on developing quick-turn capability solutions to priority needs

• An environment where technology developers work with customers and end-users to deliver products more likely to meet their expectations
EDGE® Key Tenets

Give the Government Options to Address Gaps and Needs in Months, Not Years

User-Defined Needs and Gaps
- Soldiers
- TRADOC
- PMs
- Other Users
- SMEs

Industry Innovation and IR&D
- EDGE Projects
- Government Feedback at No Obligation
- Very Rapid Prototypes (60-90 days) based on mature technologies

Acquisition Programs and Insertion Decisions
- Government options for normal acquisition
  - Rapid Fielding
  - Tech Insertion onto Program(s)
- Full and Open Competition

WHERE THE CUTTING EDGE MEETS THE TACTICAL EDGE
EDGE® Innovation Centers (EICs) are geographically dispersed and interconnected facilities providing space for customers, users, and members to work together.
Participating in the EDGE®

- EDGE membership establishes the contractual agreements and protection of IP that allows rapid initiation of work efforts

- Multiple membership levels that scale to size of company and desired membership benefits

- Members’ technologies, capabilities, and products are matched to priority customer needs and gaps to highlight opportunities
  - Opportunities to work direct with customer
  - Opportunities to work with other members

- EDGE also sends Call for Innovation when customer requests new capability that can’t be readily matched to a member

- Participation in projects and investment of IR&D is at the discretion of the member
Questions

http://www.EDGE-Innovation.com
Mr. Ted Rybeck

Chair and CEO, Benchmarking Partners
Department of Homeland Security

Office of Small and Disadvantaged Business Utilization (OSDBU)
Department of Homeland Security Mission

“We will lead the unified national effort to secure America. We will prevent and deter terrorist attacks and protect against and respond to threats and hazards to the nation. We will ensure safe and secure borders, welcome lawful immigrants and visitors, and promote the free-flow of commerce.”
“DHS is committed to a unified team approach involving senior management, small business specialists, acquisition personnel and program staff to support both critical homeland security missions and meet public policy objectives concerning small business participation on departmental procurements.”
Three Major Types of Business Opportunities at DHS

- Contracts and Subcontracts
- Research and Development
- Grants to State and Local Governments
8 Major DHS Buying Activities

★ Customs & Border Protection
★ DHS Headquarters Office of Procurement Operations
★ Federal Emergency Management Agency
★ Federal Law Enforcement Training Center
★ Immigration & Customs Enforcement
★ Transportation Security Administration
★ U.S Coast Guard
★ U.S. Secret Service
Role of the OSDBU

★ The OSDBU serves as the focal point for small business acquisition matters, and works closely with all DHS organizations to implement the program.

★ The OSDBU strives to create an environment in which small businesses have a meaningful opportunity to obtain DHS prime and subcontracts.

★ OSDBU and small business procurement information: please visit www.dhs.gov/openforbusiness
Role of the OSDBU

Major Activities

- FY 2010 Forecast of Contract Opportunities (includes a point of contact for each project)
- Listing of DHS large business prime contractors with small business prime contracting opportunities
- Links to DHS acquisition offices, small business specialists, and FedBizOpps
- Outreach Programs
- DHS Mentor-Protégé Program
Small Business Considerations

- 8(a)
- HUBZone
- Service Disabled Veteran Owned Small Business
- Traditional Small Business Set-Asides
- Small Business Teams or Joint Ventures
- Full and Open Competition – Subcontracting and DHS Mentor-Protégé Program
DHS Mentor-Protégé Program

★ Mentor-protégé program features three incentives: pre-award, post-award, and annual recognition

★ Mentor-Protégé Program is open to all small businesses

★ Details and application format available on the DHS small business website
## Small Business Prime Contracting
Preliminary Accomplishments – FY 2009

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal (%)</th>
<th>Accomplishment ($)</th>
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Strategic Positioning

★ Marketing tips from small businesses that have been successful in the federal marketplace:

– Review all background information

– Understand difference between use of pre-existing contract vehicles and open market buying – and position your firm accordingly

– Participate in small business outreach/networking activities

– Teaming
Other DHS Programs

- Research and Development Opportunities (featuring Broad Agency Announcements from the DHS Science and Technology Division)
- Small Business Innovation Research (SBIR) Program
- DHS Grants to State and Local Governments (potentially resulting in a state or local government procurement opportunity)
- For more information on DHS programs of interest to the business community, please visit www.dhs.gov/openforbusiness
Open Question Period

Ms. Carol Lowman

Deputy Director, U.S. Army Contracting Command
Open Question Period

- Mr. Steven Bryant
- Mr. Michael Gallagher
- COL Scott Campbell
- Mr. Stephen Carrano
- Mr. Martin Green
- Mrs. Sharon Crawford
- Mr. Michael Kelemen
- Mr. Paul Milenkowic