MG Barry Bates

USA, Vice President, Operations, NDIA
WELCOME!

to the
14th Annual
Small Business Conference

“Small Business and the Military: Success Through Partnership”
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 exchange between Government and Industry
About Us……

- Non-profit, educational association
- Work with industry, government and all military services
- 1,769* corporate members (over half small business)
- 88,040 individual members; 25,779 Government
- 52 Chapters
- 34 Divisions

*11-17-2010
Activities

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

Association for Enterprise Information

National Training & Simulation Association

Precision Strike Association

Women In Defense
• Business & technology monthly
• 67,500* Subscribers
• 168,750* Readers
• Cover Story w/feature articles
• Departments:
  – President’s Perspective
  – Letters to Editor
  – Washington Pulse
  – Security Beat
  – Defense Watch
  – Tech Talk
  – NDIA News

*11-17-2010
Annual “Mega Directory”

- August Issue of *National DEFENSE* Magazine, plus….140 page supplement:
  - DoD Acquisition Directory
  - Committee & Division Directory
  - Chapters & Officers
  - Annual Events Calendar
  - Affiliate Overviews
  - Corporate Index of Capabilities
    - Alpha by capability
    - Alpha by company
Top Issues

- NDIA’s national ‘agenda’
- Derived from member inputs
- Guides advocacy and educational activities
- Distributed to:
  - Members of Congress
  - Government Leaders and Policy Makers
  - Event attendees
  - Others
Top Issue 4:
Increase Government Contract Usage of All Small Businesses

- Unified parity among all small business categories (8A, WOSB, SDVOSB, HUBZONE, HBCU & MI, Indian Incentive [including Alaskans and Hawaiians], SDB) during federal contract competitions
- Disincentives for not meeting small business subcontracting goals
- Improving intellectual property protection for small businesses
- Permanently reauthorize the Small Business Innovative Research (SBIR) Program
- Repeal the three percent withholding on all government contracts
- Encourage participation of qualified small businesses for OCONUS projects.
NDIA would like to thank our Promotional Partners

3M

BAE SYSTEMS

LOCKHEED MARTIN

We never forget who we’re working for®

VSE CORPORATION

Integrity - Agility - Value
And our 2010 Displayers!

3M
AAI Corporation
ATK
BAE Systems
Battelle
The Boeing Company
Cubic Defense Applications
DRS Sustainment Systems
DynCorp International
General Dynamics
Honeywell
HP Enterprise Services

IBM
ITT Corporation
KBR
Lockheed Martin Corporation
Northrop Grumman
Oshkosh Corporation
Raytheon Company
Savi Technology, A Lockheed Martin Company
VSE Corporation
Wells Fargo Capital Finance
National Defense Industrial Association

“Your Premier Defense Association!”
LTG James H. Pillsbury

USA, Deputy Commanding General, Army Materiel Command (AMC)
U.S. ARMY MATERIEL COMMAND
14th Annual Small Business Conference
17-18 November 2010

Small Business & The Military: Success Through Partnership

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

• AMC is committed to Maximizing Small Business Opportunities in Support of the Warfighter.

• AMC supports entrepreneurs and their innovative spirit.

• AMC is committed to Developing, Delivering and Sustaining Materiel for our Future Army while Maintaining a Decisive Edge.
AMC Small Business Program

VISION:
Achieving **optimum** small business participation by seeking small business solutions first in support of the Warfighter

**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... SMART BUSINESS!

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

ARMY FOCUS AREAS:
Potential Business Opportunities

- Target Acquisition
- Ground Combat Vehicle
- Force Protection
- Logistics & supply chain management
- Mine/Countermine equipment
- Thermal imaging & optics
- Wireless Network technologies
- Aviation Electronics
- Unmanned/Autonomous systems/robotics
- IT Support
- Research & Development
- Contingency Contracting

Small Business is Big Business in AMC
Dual Band Antenna

CREW
ResQvent™ - Treatment for Traumatic Brain Injury
System for TRlaging Key Evidence (STRIKE)
Staff Tool for Rapid Incident Prediction and Evaluation (STRIPE)
AMC Contract Awards FY10

(U.S. Business Total $69 Billion)

FY 2010 Goal
Office of Small Business Programs

Preliminary data
FPDS-NG
As of Sept, 30 2010

$56B

$13.3B

Small Business
Regular

20%
15%
10%
5%
0%

Percentage of US Business $

15.00%
19.00%

Goal
Actual
## FY10 AMC Small Business Program

### FY10 AMC Small Business Program ($13.3B)

<table>
<thead>
<tr>
<th>LCMC</th>
<th>Total US Bus</th>
<th>Total SM Bus</th>
<th>% Achieved</th>
<th>% Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMCOM</td>
<td>$15,795,983,032</td>
<td>$1,678,983,303</td>
<td>10.6%</td>
<td>10.4%</td>
</tr>
<tr>
<td>ASC</td>
<td>$4,300,482,000</td>
<td>$713,791,100</td>
<td>16.5%</td>
<td>15.0%</td>
</tr>
<tr>
<td>CECOM</td>
<td>$14,000,771,454</td>
<td>$2,790,435,620</td>
<td>20.49%</td>
<td>17.6%</td>
</tr>
<tr>
<td>JM&amp;L LCMC</td>
<td>$2,358,600,215</td>
<td>$413,848,779</td>
<td>17.50%</td>
<td>29.4%</td>
</tr>
<tr>
<td>RDECOM</td>
<td>$5,524,380,705</td>
<td>$2,006,003,570</td>
<td>36.31%</td>
<td>29.0%</td>
</tr>
<tr>
<td>ACC</td>
<td>$10,801,921,021</td>
<td>$4,235,736,916</td>
<td>39.2%</td>
<td>46.1%</td>
</tr>
<tr>
<td>TACOM</td>
<td>$15,993,039,903</td>
<td>$1,476,472,957</td>
<td>9.1%</td>
<td>10.3%</td>
</tr>
<tr>
<td>AMC FY09</td>
<td>$68,866,558,769</td>
<td>$13,315,272,245</td>
<td>19.40%</td>
<td>15.00%</td>
</tr>
</tbody>
</table>

Preliminary data FPDS-NG
As of Sept, 30 2010
Challenges—Need Your Support 2011

- Responsibly Drawdown equipment in Iraq and Afghanistan
- Major task – requires “creative” thinking and execution to accomplish
- Identify and Address Inefficiencies as we shape our Future Army
- We need your support to overcome the obstacles that inevitably develop in a logistics operation of this magnitude
- Ensure that Acquisition Process is Amenable to Technological Evolution
- Ensure that Acquisition Workforce has the capabilities to address future requirements
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
LTG William N. Phillips

USA, Principal Military Deputy, Assistant Secretary of the Army (Acquisition, Logistics and Technology) and Director, Acquisition Career Management
14th Annual National Defense Industrial Association Small Business Conference

CONTINUING OPPORTUNITIES FOR SMALL BUSINESS

LTG Bill Phillips
Principal Military Assistant to the Assistant Secretary of the Army (Acquisition, Logistics and Technology) and Director, Acquisition Career Management
17 November 2010
Outline

• Contracting
• Army Contracting
• Acquisition & Efficiencies
• Takeaways

Goals:
• Understand Army Contracting
• Understand the Value of Acquisition
• Appreciate Acquisition & Contracting as Critical Warfighting Enablers
A “Transforming” Challenge to the Army
1. This Current Multi-Billion Dollar Company Started Off As A Small Business Financed By The Sale Of A VW Bus And An HP Scientific Calculator.
2. How much (dollars) does Army Contracting purchase in one day?

a) ~ $ 400M
   The last day of FY10 the Army placed $5.48 Billion on contracts in one day!
3a. How much did we spend on LOGCAP since inception?
$ 36.4B LOGCAP III (as of 30 September 2010)
$ 3.1B LOGCAP IV (as of 30 September 2010)

3b. How much did we spend on LOGCAP last year?
$ 2.4B LOGCAP III
$ 3.1B LOGCAP IV $5.5 Billion

3c. How much was awarded to small business for LOGCAP in FY10?
$ 6.8M LOGCAP III
$606.0M LOGCAP IV $612.8M
4a. How much did we spend in Contracted $’s for Fiscal Years 2008, 2009, and 2010?

<table>
<thead>
<tr>
<th></th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>$165B</td>
<td>$132B</td>
<td>$138B</td>
<td>$435B</td>
</tr>
<tr>
<td>SMALL BUSINESS</td>
<td>$26.5B</td>
<td>$29.3B</td>
<td>$28.1B</td>
<td>$83.8B</td>
</tr>
</tbody>
</table>

5a. What proportion of Federal contracting is executed by the Army? (FY09)
   a) 25% ($132B / $539B)

5b. Defense contracting?
   a) 35% ($132B / $372B)
6. How long have contractors been supporting Warfighters on the battlefield?

a) Since the American Revolution
As conflicts become more complex, Commanders have been requiring more robust services in support of forces.

Force caps in Kosovo/Bosnia resulted in higher KR to Soldier ratios.

Shorter duration of conflict in DS/DS required less contractor support. Numbers do not include HNS from Saudi Arabia.

Simple Services > Longer Deployment / Nation Building > Complex Services

- Medical
- Laundry
- Food Service
- Shower Service
- Transportation
- Sanitation
- Maintenance
- Construction
- Intelligence
- Security

Complexity of Service

Complexity of Conflict

American Revolution 1:6

Civil War 1:5

World War I 1:20

World War II 1:7

Korea 1:2.5

Vietnam 1:6

Gulf War 1:60

Balkans 1:1

Iraq 1:1

Afghanistan 2:1 (peak)
Army Contracting: Workload up 1000%; Workforce down 25%

Army Contracting was unprepared for the explosion in global requirements in an era of persistent conflict.

- Gulf War
- Bosnia/Kosovo
- 9/11 OEF
- OIF

- Total Workforce
- Total Actions
- Total Dollars

Year

- 1987
- 1988
- 1989
- 1990
- 1991
- 1992
- 1993
- 1994
- 1995
- 1996
- 1997
- 1998
- 1999
- 2000
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009

Number of Actions

- 40,000
- 50,000
- 60,000
- 70,000
- 80,000
- 90,000
- 100,000
- 110,000
- 120,000
- 130,000
- 140,000
- 150,000
- 160,000
- 170,000
- 180,000
- 190,000
- 200,000
- 210,000
- 220,000
- 230,000
- 240,000
- 250,000
- 260,000
- 270,000
- 280,000
- 290,000
- 300,000
- 310,000
- 320,000
- 330,000
- 340,000
- 350,000
- 360,000
- 370,000
- 380,000
- 390,000
- 400,000

Contracting Personnel

- 4000
- 5000
- 6000
- 7000
- 8000
- 9000
- 10000
- 11000
- 12000
- 13000
- 14000
- 15000
- 16000
- 17000
- 18000
- 19000
- 20000
- 21000
- 22000
- 23000
- 24000
- 25000
- 26000
- 27000
- 28000
- 29000
- 30000
- 31000
- 32000
- 33000
- 34000
- 35000
- 36000
- 37000
- 38000
- 39000
- 40000
- 41000
- 42000
- 43000
- 44000
- 45000
- 46000
- 47000
- 48000
- 49000
- 50000
- 51000
- 52000
- 53000
- 54000

Total Dollars

- $35B
- $132B
- $165B
Increasing Complexity

Small Businesses Supporting the Apache Program:
11 of 24 FY2009 Contracts by PM Apache
24.3% of Boeing Mesa Subcontracts
Doing More Without More
OSD Efficiencies Initiative

Mission:
• Deliver the warfighting capability we need with the money we have. Obtain better value for the taxpayer by improving the way the DoD does business.

Task:
• Abandon inefficient practices accumulated in a period of budget growth.
• Learn to manage defense dollars in a manner that is “respectful of the American taxpayer at a time of economic distress.”

[Secretary Gates at the Eisenhower Library on May 8, 2010]

- 75% Improvement in Process Cycle Time
- 54% Reduction in Process Defects

165 CPI/LSS Projects Completed in FY2010 with $2.52B in Financial Benefits

Greater Efficiencies and Effectiveness!!

Must look for “efficiencies” inside programs and contracts--Affordability
Key Customers and Stakeholders

- Soldiers
- American Citizens
- Industry and Academia
- Peers, Superiors and Subordinates

Acquisition is a Team Effort.
Committed To Maximizing Small Business Opportunities In Support Of The Warfighter.

Topics:
• Understanding how Army Supports Small Business Programs
• Appreciate the Value of Small Business Partner Contributions
• Build on Success – Expand Relationships with Small Businesses
Key Actions

• Rebuild and Rebalance our Contracting & Acquisition Workforce
  – Our people are our most important asset

• Acquisition Transformation
  – Weapon Systems Acquisition Reform Act of 2009 (WSARA)
  – USD (AT&L) Value Task Force
  – Army Acquisition Review

• Rapid Acquisition
  – Small Business is significant source of new technologies to support our Brigade Combat Teams
  – Enable Warfighter capabilities through continuous upgrades / modernization
  – Incremental Enhancements – Better enable all of our formations through continuous upgrades

• Maintain our Technological Strength to Provide Decisive Edge to Warfighters
  – Update and modernize selected systems to best prepare Soldiers for combat
  – Small Business is significant source of new technologies to support our Brigade Combat Teams
  – Enable Warfighter capabilities through continuous upgrades / modernization
  – Incremental Enhancements – Better enable all of our formations through continuous upgrades

#1 Priority

U.S. ARMY PROVIDES INDUSTRY (BOTH SMALL AND LARGE) WITH OPPORTUNITIES FOR BUSINESS GROWTH
Small Business Innovation Research

- Mandated by Congress to be 2.5% of S&T budget
- FY10 SBIR budget was $244M
- For FY10 there were over 3500 small business proposals submitted to the SBIR office
- From these 3500 proposals, over 525 Phase I or Phase II SBIR awards have been made or are being negotiated.
Success Stories

SES:
Joint Venture to Manage Prototype Integration Facility (PIF)
UH-60 Doppler GPS Navigation System (DGNS)

A123 Systems:
Lithium Metal Phosphate Battery Cells & Packs
Success Stories

MicroTech:
Technology solutions, specializing in government computing environments

Hontek Corporation:
Erosion Protection Technologies

Leverage Small Business Innovations to Improve Soldier Products & Systems
Success Stories

Ultracell:
25W Reformed Methanol Fuel Cell for Soldier Power

SAVIT Corporation:
Wide Angle Robotic Vehicular Vision System (WARVVS)

Capture Emerging Technology to Support Efficiency Initiatives
... the vast majority of innovative and revolutionary components, systems, and approaches that enable and sustain our technological advantage reside in the commercial marketplace, in small defense companies, or in America's universities. Therefore, the Department will work to establish requirements and pursue specific programs that take full advantage of the entire spectrum of the industrial base at our disposal: defense firms, purely commercial firms, and the increasingly important sector of those innovative and technologically advanced firms and institutions that fall somewhere in between.

QUADRENNIAL DEFENSE REVIEW REPORT

February 2010
Seeking Innovation – An Example
Defense Acquisition
“Strength in Partnerships”

PARTNERING WITH ALL

White House
Department Of Defense
Marine Corps
Navy
Congress
Academia
Media
Air Force

SMALL AND LARGE BUSINESSES

DESIGN • DEVELOP • DELIVER • DOMINATE
SOLDIERS ARE THE DECISIVE EDGE
CONTINUING OPPORTUNITIES FOR SMALL BUSINESS

LTG Bill Phillips
Principal Military Assistant to the Assistant Secretary of the Army (Acquisition, Logistics and Technology) and Director, Acquisition Career Management
November 17, 2010
Ms. Tracey L. Pinson

Director, Small and Disadvantaged Business Utilization, Office of the Secretary of the Army
NDIA
14th Annual Small Business Conference

November 17, 2010

Ms. Tracey Pinson
Director, Office of Small Business Programs
Office of the Secretary of The Army
To be the premier advocacy organization committed to maximizing small business opportunities in support of the Warfighter and Army Force Generation (ARFORGEN)
• 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
## FY10 ARMY PRIME CONTRACT AWARDS

(Dollars shown in millions) **Preliminary Data**

<table>
<thead>
<tr>
<th></th>
<th>FY10 Spend</th>
<th>% Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US Business</strong></td>
<td>$104,249</td>
<td></td>
</tr>
<tr>
<td><strong>Small Business</strong></td>
<td>$27,732</td>
<td>26.60%</td>
</tr>
<tr>
<td><strong>Small Disadvantaged</strong></td>
<td>$10,269</td>
<td>9.85%</td>
</tr>
<tr>
<td><strong>Women-owned</strong></td>
<td>$4,487</td>
<td>4.31%</td>
</tr>
<tr>
<td><strong>HUBZone</strong></td>
<td>$5,613</td>
<td>5.38%</td>
</tr>
<tr>
<td><strong>Veteran-Owned</strong></td>
<td>$4,326</td>
<td>4.15%</td>
</tr>
<tr>
<td><strong>Service-Disabled Veteran-Owned</strong></td>
<td>$2,898</td>
<td>2.78%</td>
</tr>
<tr>
<td><strong>HBCU/MI</strong></td>
<td>$34</td>
<td>8.72%*</td>
</tr>
</tbody>
</table>

*Percentage of total education contract dollars
Source: FPDS-NG Data as of 11/15/2010
Note: This data is preliminary and has not yet been verified by the SBA
Army Small Business Achievements FY05-FY10

Source: FPDS-NG on 11/15/10
*FY10 data is not yet certified by the SBA
Army Small Business Program Achievements
FY05-FY10

Source: FPDS-NG on 11/15/10
*FY10 data is not yet certified by the SBA
Army SB Program
Achievements FY05-FY10

Source: FPDS-NG on 11/15/10
*FY10 data is not yet certified by the SBA
Army SDB Program Achievements FY05-FY10

Percentage of total Army spending

<table>
<thead>
<tr>
<th>Year</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending</td>
<td>$5,895.89</td>
<td>$6,178.34</td>
<td>$7,412.58</td>
<td>$9,163.70</td>
<td>$10,985.22</td>
<td>$10,247.77</td>
</tr>
<tr>
<td>Percentage</td>
<td>8.16%</td>
<td>7.91%</td>
<td>7.84%</td>
<td>6.68%</td>
<td>10.44%</td>
<td>9.85%</td>
</tr>
</tbody>
</table>

Source: FPDS-NG on 11/15/10

*FY10 data is not yet certified by the SBA
Army WOSB Program Achievements FY05-FY10

- **FY05**: $2,241.72, 3.10%
- **FY06**: $2,604.33, 3.33%
- **FY07**: $3,215.36, 3.40%
- **FY08**: $4,194.62, 3.06%
- **FY09**: $4,501.49, 4.28%
- **FY10**: $4,482.27, 4.31%

Percentage of total Army spending.

Source: FPDS-NG on 11/15/10

*FY10 data is not yet certified by the SBA*
Army HUBZone Program
Achievements FY05-FY10

Percentage of total Army spending

Army HUBZone Spending

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Spending</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY05</td>
<td>$2,095.25</td>
<td>2.90%</td>
</tr>
<tr>
<td>FY06</td>
<td>$2,799.87</td>
<td>3.58%</td>
</tr>
<tr>
<td>FY07</td>
<td>$3,554.41</td>
<td>3.76%</td>
</tr>
<tr>
<td>FY08</td>
<td>$4,322.00</td>
<td>3.15%</td>
</tr>
<tr>
<td>FY09</td>
<td>$5,310.03</td>
<td>5.04%</td>
</tr>
<tr>
<td>FY10*</td>
<td>$5,618.79</td>
<td>5.38%</td>
</tr>
</tbody>
</table>

Source: FPDS-NG on 11/15/10
*FY10 data is not yet certified by the SBA
Army SDVOSB Program
Achievements FY05-FY10

Percentage of total Army spending

Army SDVOSB Spending

Source: FPDS-NG on 11/15/10
*FY10 data is not yet certified by the SBA
Army Small Business Program Growth FY05-FY10

Source: FPDS-NG on 11/15/10
*FY10 data is not yet certified by the SBA
Army Small Business Spend FY05-FY10
(Dollars shown in billions)

Fiscal Year

FY05  FY06  FY07  FY08  FY09  FY10*

$18  $19  $22  $29  $29  $28

Large Business

$54  $59  $72  $108  $76  $77

Small Business

$0  $20  $40  $60  $80  $100

Source: FPDS-NG on 11/15/10
*FY10 data is not yet certified by the SBA
AMERICA’S ARMY: THE STRENGTH OF THE NATION™

Army Small Business Spending by State FY10*

Source: FPDS-NG on 1 Nov 2010
*FY10 data is not yet certified by the SBA
Many small businesses fall into more than one category, in which case their dollars are counted in each category. Therefore, the small business program totals exceed the small business total.
Army Installations with SDVOSB Over 3%

Source: FPDS-NG on 11/15/10
*FY10 data is not yet certified by the SBA
Army Portion of Government Wide Small Business Spending in FY09

<table>
<thead>
<tr>
<th>Category</th>
<th>Army</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business Dollars</td>
<td>$29.22B</td>
<td>$67.58</td>
<td>$96.80B</td>
</tr>
<tr>
<td>Small Disadvantaged Business Dollars</td>
<td>$10.94B</td>
<td>$22.46B</td>
<td>$33.40B</td>
</tr>
<tr>
<td>Service-Disabled Veteran-Owned Dollars</td>
<td>$2.58B</td>
<td>$6.22B</td>
<td>$8.80B</td>
</tr>
<tr>
<td>Women Owned Small Business Dollars</td>
<td>$4.51B</td>
<td>$11.79B</td>
<td>$16.30B</td>
</tr>
<tr>
<td>Certified HUBZone Small Business Dollars</td>
<td>$5.31B</td>
<td>$7.09B</td>
<td>$12.40B</td>
</tr>
</tbody>
</table>

Source: FPDS-NG on 9/15/10
“It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise…”

“The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business and opportunities for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this nation.”
“Small businesses create two out of every three jobs in this country. So our recovery depends on them.

And if we want to keep America moving forward, we need to keep investing in our small businesses. This is, by the way, more important than just our economy. It’s also about who we are as a people.”

“Small businesses are the backbone of our economy. They are central to our identity as a nation.”
Executive Order
26 Apr 2010

• Focus on improving procurement opportunities for small business
• Help federal agencies achieve statutory small business goals
• Recommendations from Task Force included:
  1. Clearer Small Business policies
  2. Better trained workforce/hold agencies accountable for meeting Small Business goals
  3. Better use of technology and data
Executive Order
26 Apr 2010

- Focus exclusively on improving procurement opportunities for small businesses owned by veterans and service-disabled veterans
- Help federal agencies achieve at least 3% goal for SDVOSB
- Expanded mentor-protégé relationships
- Improve training and counseling to veteran-owned firms
Small Jobs Business Act
Public Law 111-240

• **Bundling**
  New FAR language is mandate to establish a Government-wide policy regarding bundling including teaming and joint venturing by small businesses, and publicizing the rationale for bundling.

• **Consolidation**
  The Senior Procurement Executive will now be required to consider market research, alternative contracting approaches, negative impact to small businesses, approaches as well as steps taken to ensure small businesses are included in the acquisition strategy. The Senior Procurement Executive will be required to make a determination that the benefits of the acquisition strategy substantially exceed the benefits of alternative contracting approaches for all contracts over $2M.

• **Subcontracting Misrepresentations**
  This will require offerors to submit a representation that they will make a good faith effort in the same amount as in their proposal.

• **Set-Asides for Multiple Award Contracts**
  Allows small business set-asides on MACs, set asides of orders under MACs and reservation of contract awards for small businesses under full and open MAC procurements.

• **Agency Accountability**
  Requires each procurement employee or program manager to communicate to subordinates the importance of achieving small business goals.
- **Payment of Subcontractors**
  Requires prime contractors to notify CO of payment of a reduced price to a subcontractor or any past due payment of more than 90 days. The results will be included in the contractor’s performance evaluation.

- **Repeal of the Small Business Competitive Demonstration Program**
  This will apply to the first full fiscal year after the bill is enacted.

- **Small Business Size and Status Integrity**
  Requires certification of small business size and status, including the signature of an authorized official, as well as annual certification in ORCA. Requires Government-wide policy be issued on prosecution of small business size and status fraud.

- **Training for Contracting Personnel**
  Requires courses for acquisition personnel in the proper classification of business concerns and small business size and status.

- **Updated Size Standards**
  Requires the SBA to review 1/3 of all the size standards every 18 months and make appropriate adjustments.

- **Mentor-Protégé program**
  Requires a GAO report on the effectiveness of the 8(a) M-P program. Allows SBA to establish M-P programs for HUBZones, WOSBs, SDVOSBs similar to the 8(a) M-P program.

- **Small Business Contracting Parity**
  Creates parity among the 8(a), HUBZone, SDVOSB and WOSB programs.
Proposed
FAR/DFARS Rules

• As a result of SB Jobs Bill Act of 2010 – two FAR cases have been opened:
  1. Socio-Economic Parity – report due to Civilian Agency Acquisition Council 27 October
  2. Repeal of the Competitive Demonstration Program – approved by DAR Council – sent to CAAC week of 15 October

• Other cases will be opened to address:
  1. MAC contracts – set-asides for SB
  2. Bundling/Consolidation
  3. Subcontracting Misrepresentations
  4. SB Subcontracting improvements
  5. Payment of subcontractors
  6. Annual certifications
Women Owned Small Business Program

- FR Final Rule effective February 4, 2011
- Two Categories
  1. Women Owned Small Businesses (WOSB)
  2. Economically Disadvantaged WOSB (EDWOSB)
- 83 4-digit NAICS codes are available for WOSB set-asides.
- Offeror required to provide documentation to prove eligibility in SBA Repository or to CO if repository not available
- Offeror must register WOSB/EDWOSB status in both CCR and ORCA
- Competitive set-aside for acquisitions equal or less than $5M for manufacturing/$3M for all others
- No sole source authority for this program
- Applies to prime contracts only
FY11 FOCUS

• Small Business Participation in Major Systems Programs (ASARC)
• Promote Greater Involvement of SBs in Army Contracts for Services (AASP)
• Accomplishment of 3% goal for Service-Disabled Veteran-Owned Businesses
• Contract Bundling and Consolidation
• Support of HBCUs & MIs in the Acquisition Process
• Subcontracting Plan Development and Enforcement
• Insourcing
• SB Participation in OCONUS contracts
• Staffing of Small Business Offices and development of SB personnel
Helpful Hints

• Periodically provide capability briefings to small business specialists and technical POCs
  • Build dialogue with technical requirements personnel

• Attend acquisition conferences, industry days and other outreach events

• Respond to Sources Sought Synopses or RFIs
  • Often the basis for small business set aside decisions

• Consider teaming
OSBP Web Portal
www.sellingtoarmy.info

- Small Business Specialists & Buying Activities, click on “Locations”
- Tutorial: 13 Steps to doing business with the Army
- Legislation
- Event Calendar
Office of Small Business Programs
Department of the Army

106 Army Pentagon, Room 3B514
Washington, DC 20310-0106
Phone: 703-697-2868
Fax: 703-693-3898

www.sellingtoarmy.info
Dr. Christian Lundblad

Edward M. O’Herron Distinguished Scholar & Associate Professor of Finance, The University of North Carolina at Chapel Hill, Kennan-Flagler Business School
The U.S. Economy

Professor Christian T. Lundblad
November 2010
Real US GDP Growth

Source: Bureau of Economic Analysis
What did it take to get here?
Fiscal Policy = Deficit Spending

Globally, the estimated collective cost of fiscal stimulus comes to several trillion USD

[http://www.economy.com/dismal/pro/data/grp.asp]
What did it take to get here?
Monetary Policy = Zero Interest Rate

Effective Federal Funds Rate (DFF)
Source: Board of Governors of the Federal Reserve System

Shaded areas indicate US recessions.
2010 research.stlouisfed.org
Immediate Challenges: Excess Capacity

Civilian Unemployment Rate (UNRATE)

Shaded areas indicate US recessions.
2010 research.stlouisfed.org
Immediate Challenges: Limited Inflationary Pressures?
Monetary Policy
Going Forward...

March Meeting Outcomes

Implied probability

0.0% - 0.25%

0.75%

0.50%

http://www.clevelandfed.org/research/data/fedfunds/index.cfm
Non-traditional Monetary Stimulus


- **US Treasury Securities** $811,669
- **Federal Agency Debt Securities** $154,105
- **Mortgage-backed Securities** $1,076,539
- **Direct Bank Lending** $176
- **Funds related to rescue of Bear Stearns and AIG** $112,022
- **Central Bank Liquidity Swaps** $61
- **Term Asset Backed Securities Loan Facility (TALF)** $30,694
- **Commercial paper/money market facilities** $0
- **Repurchase Agreements** $0
- **Other Credit** $94,062

Total (Sep 29, 2010): $2,281,328

Source: Federal Reserve
Inflationary Pressures?
Gold...
Inflationary Pressures?
Trade-Weighted USD Exchange Rate

This is particularly troubling…
Despite all this, unemployment remains an obstacle

- **Structural Unemployment?**
- Housing remains an issue
  - about 25% of mortgages are under water
  - new and existing home sales remain very weak (despite targeted stimulus)
- Firms face elevated uncertainty and frictions
  - Health care costs & Retirement plans
  - Regulatory uncertainty
  - Small businesses remain constrained
Where will the jobs be?

Shaded denotes recession

Civilian Unemployment Rate (UNRATE)
Average (Mean) Duration of Unemployment (UEMPMEAN)

Shaded areas indicate US recessions.
2010 research.stlouisfed.org
Where are the jobs expected to emerge?

Share of US employment
100% = 130 million

Innovative new sectors
- Biotech: 0.2
- Semiconductors: 0.3
- Clean technologies: 0.6

Existing large employment sectors
- Construction: 4.9
- Financial activities: 5.9
- Retail trade: 11.3

These areas are not coming back.

Serious questions about structural unemployment.
Despite all this, unemployment remains an obstacle

• Structural Unemployment?

• Housing remains an issue
  - about 25% of mortgages are under water
  - new and existing home sales remain very weak
    (despite targeted stimulus)

• Firms face elevated uncertainty and frictions
  - Health care costs & Retirement plans
  - Regulatory uncertainty
  - Small businesses remain constrained
The Federal Gov’t and Housing: Securitization Trends

US MBS annual gross issuance, $bn

- Private label
- CMO
- Agency backed

Source: Securities Industry and Financial Markets Association
Fed Balance Sheet

The size and composition of assets on the Federal Reserve's balance sheet, in millions.

- US Treasury Securities: $811,669
- Federal Agency Debt Securities: $154,105
- Mortgage-backed Securities: $1,078,539
- Direct Bank Lending: $176
- Funds related to rescue of Bear Stearns and AIG: $112,022
- Central Bank Liquidity Swaps: $61
- Term Asset Backed Securities Loan Facility (TALF): $30,694
- Commercial paper/money market facilities: $0
- Repurchase Agreements: $0
- Other Credit: $94,062

Total (Sep 29, 2010): $2,281,328

Source: Federal Reserve
Housing frictions translate to labor frictions.
Despite all this, unemployment remains an obstacle

• Structural Unemployment?

• Housing remains an issue
  ➢ about 25% of mortgages are underwater
  ➢ new and existing home sales remain very weak (despite targeted stimulus)

• Firms face elevated uncertainty and frictions
  ➢ Health care costs & Retirement plans
  ➢ Regulatory uncertainty
  ➢ Small businesses remain constrained
Taken together: Whither the U.S. Consumer?
Fiscal Austerity?
Debt as a Percentage of GDP

How does this fit into the U.S. historical record?

![Graph showing projected federal spending in 2020 with categories: Medicare (17%), Medicaid (8%), Social Security (22%), Defense (15%), Net Interest (14%), and Other Spending (23%). The graph also shows actual and projected debt as a percentage of GDP over time, with notable events such as World War I, World War II, and The Great Depression.]

Source: Congressional Budget Office, *The Long-Term Budget Outlook* (June 2010); *Historical Data on Federal Debt Held by the Public* (July 2010).
Ms. Karen Hontz

Director, Office of Government Contracting, Small Business Administration
Ms. Nancy Small

Director, Small Business Programs, AMC
Mr. John Kavazanjian

President and CEO, Ultralife Corporation
Use Small to Become Large

John D. Kavazanjian
Ultralife Corporation
• 1999 Revenues  $20M   $1M Defense
• 2010 Revenues  $175M  $110M Defense

• Battery and Energy Products
  – Top battery supplier to DOD and UKMOD

• Communications Products
  – SOTM system supplier to DOD
  – Top supplier of communications accessories
The Roadmap

- Partner with the development side
  - Easier to catch a new application than displace an old one
  - Understand market potential of development side product/service offering. Small Bus. product success is dependent

- Patience/Persistence/Value

- Contracting/Contracting/Contracting/Contracting

- Leverage your strengths
Partner With Development

- **Listen to their needs**
  - Sell what they want, not just what you have
  - Be responsive and flexible
  - Go for the win/win

- **Lots of Vehicles to do this**
  - SBIR
  - OSCR
  - BAA’s
Example-Pouch Cell

1992-1993  Army expresses interest in pouch tech-company decides to pursue

1993      SBIR Phase I
1994      SBIR Phase II
1995-1996 Internal Development
1997      SBIR Phase III
2000-2002 In House Commercialization
Patience/Persistence/Value

- Be patient. Needs are urgent but the process rules
- Persist. Users and agencies want to know that you have a long term commitment
- Bring value. Be able to explain in very simple terms how you can help in a unique way
- Partner with a large business
Example-MnO$_2$ Technology

2000-2002  OSCR Program for MnO$_2$ Manufacturing Tech. Development

2003-2005  Fielded technology in BA-5390 contracts for OIF

2008-2010  Achieved major market share
Partner With A Large Business

• Large business as a prime
  – Has incentives to use small businesses
  – All have active Small Business programs
    • Get engaged
    • Be professional-you are interviewing for a job

• A small business can also be a prime
  – Requires accounting and contracting infrastructure
Example-Land Warrior

1998  Engaged with Land Warrior Program and GD-sold our technology and development capability
2001-2006  Ongoing LW development with GD
2007-2008  Field testing
2009  Program not funded
2010  Program back and now deployed-supply through DLA
2010-Forward  Adoption by int’l allies
Unsuccessful Examples

• Small businesses as “pass through” distributors
  – No value add
  – Credit, payment and accounting issues

• Small businesses that do not take contracts and accounting seriously
  – Still need a contracting infrastructure
  – Still need auditable financial records
  – Still subject to other rules like ITAR
Contracting

- Small businesses are advantaged
  - Set-asides
  - Subject to fewer FAR reqmts than large Cos.
  - GSA Schedule Contracts
  - Prime contractors have incentives and requirements to use small businesses
    - Small business can prime for large business

- Learn how to work with Contracting Officers, DCMA and DCAA
Infrastructure

- Once you have started doing government business, use the infrastructure you have developed
  - People/satisfied customers will refer you
  - Contracting vehicles make it easier for others to do business with you
  - Experience of dealing with Buying Authority FAR requirements, and agencies like DCMA and DCAA
Get Engaged

• Resources are available
  – Learn what they are and use them
    • SBA Office of Government Contracting
    • Procurement Technical Assistant Centers
    • SBA online training courses
  – Ask when you don’t know

• Build your business and help the war fighter to continue to get the best technology and services available
Mr. Travis Schmuhl

“Family of Medium and Heavy Tactical Vehicles” Segment Commodity Manager for Defense, Oshkosh Defense Corporation
Oshkosh Corporation

Travis Schmuhl,
Senior Segment Commodities Mgr.
GPSC Defense
OSH KOSH CORPORATE & DEFENSE OVERVIEW

Our number one customer!!
Mission-Driven and Customer-Focused

Values, Mission, Expertise

Access Equipment  Defense  Fire & Emergency  Commercial

Customer Focused Innovation
## Defense Program Portfolio

### Development
- FMTV Variants (Variants)
- HEMTT A3 (Hybrid Electric)
- HEMTT A4 Block Upgrade
- HMMWV RECAP
- 4x4 Light weight cargo
- 8x8 Heavy load handling system
- Global HET
- Autonomous (Robotic) Vehicle Capability
- JLTV
- M-ATV Variants (Ambulance, Cargo, SOCOM)
- MTVR 4x4
- MTVR III
- On-Board Vehicle Power (hybrid)

### Production
- FMTV
- HEMTT A4
- HET (HET A1)
- PLS (PLS A1)
- MTT
- SandCat/TPV
- M-ATV
- TAK-4® ISS
- LVSR
- MTVR

### Sustainment
- Field Service Representatives (FSR)
- Theater Provided Equipment Refurbishment (TPER)
- Reset/RECAP
- Field Service Representatives (FSR)
- Support services – wheeled tanker
- DLA Parts
- Field Service Representatives (FSR)
- Field Service Representatives (FSR)
- Reset
GPSC Structure and Alignment

- Organizational Structure and Alignment
  - One voice to supply base
  - Customer focused, integrated in the Business Units
  - Leverage size & scale to provide superior synergies for suppliers
  - Standardized work/common processes

- Targets and Metrics
  - Suppliers aligned with Business Unit priorities
  - Clear and consistent to all levels of the organization
  - Responsibility and accountability
  - Common systems and tracking internal and external

- Work Streams Focused on Synergies, Size & Scale to Benefit both Oshkosh and our Suppliers
GPSC 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*
What Does OSK Look For in a Supplier?

- Knowledge – of overall industry, specific commodity, and technology benchmarking
- Ability to identify strengths and weaknesses
- Attention to detail
- Obsessed with continuous improvement
- Strive for stretch targets
- Sustainable cost advantage = Best-in-Class value
- Adapt quickly to a rapidly changing environment
- Superior Culture, Behavior, and Performance
Oshkosh Supplier Profiling System

In order to better understand the capabilities of prospective suppliers Oshkosh has developed a Supplier Profiling System. The URL address for this site is:

http://osn.oshkoshcorp.com/

Click here to access system
Oshkosh Supplier Profiling System

• After you have accessed the site develop a Login ID using a valid email address. If your password is forgotten, you can click on the forgot password link to have it sent to email.

Complete all 10 areas

- You will know when this is finished, all 10 sections will have a green check mark next to it.
- The form asks for detailed information but you can update/change the data at any time.
Oshkosh Supplier Profiling System

• Sampling of information requested:
  – Commodity/Service provided
  – NAICS code
  – Business Classification
  – Locations/Facilities
  – Manufacturing Capabilities
    • Brochures/manuals can be downloaded
  – Annual Sales
  – Do you have quality systems in place?
  – Etc.

This is your initial contact with Oshkosh, include any and all information that you would like us to know about your company. Keep in mind that we receive many inquiries, so emphasize what makes your company different.
What happens with the information once all areas of the supplier profiling system have been completed?

- Based on the information provided an email will be sent to the appropriate commodity council to determine if there is a current opportunity for your company.

- Your information will also be kept on file for one year for further consideration as new opportunities arise.

- Communication with the supplier on overall feedback
Thank You!
Mr. Tim J. Foreman

“Department of Veterans Affairs” Executive Director, Office of Small and Disadvantaged Business Utilization
14th Annual Small Business Conference

November 18, 2010

Tim J. Foreman
WELCOME

- VA’s Office of Small and Disadvantaged Business Utilization (OSDBU) is proud to lead the Federal Government in procurements to Service Disabled Veteran Owned Small Business (SDVOSB)

- For this and other reasons – VA earned an “A” on the Small Business Administration (SBA) Annual Scorecard

- Impact of Public Law 109-461 – provides unique advantages to VA for procurements to SDVOSB and other Veteran Owned Small Business (VOSB).
Public Law 109-461 - Advantages for Veterans

- Sole Source and Set Aside for contracts
- Applicable to SDVOSB and VOSB
- Mandatory if included in the database maintained by the Secretary for verification of small businesses – the Vendor Information Pages (VIP)

**OTHER STATUTES**

OSDBU’s Mission for Non-Veteran’s’s

- Small Business
- HUBZone
- Women Owned Business
- Small Disadvantaged Business
  - --8(a)
All VA Small Business Procurements – Except Veterans (AS OF 9/30/2010)
<table>
<thead>
<tr>
<th>Verification</th>
<th>Subcontracting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outreach</td>
<td>Counseling Service</td>
</tr>
<tr>
<td>Protest</td>
<td>Vendor Day</td>
</tr>
<tr>
<td>Debarment Committee</td>
<td>Federal Contractor Certification</td>
</tr>
<tr>
<td>Mentor-Protégé</td>
<td>Transparency Initiative</td>
</tr>
</tbody>
</table>
VERIFICATION

- VA verification to reduce likelihood of fraud

- Backlog of about 1,929 applications awaiting timely (90-day) VA verification

- Corrective action – refocus activities of the Center for Veteran’s Enterprise (CVE) program office

- Staffing shortages

- Five key contracts to assist processing
OUTREACH

- Over 100 conferences and offsite speaking engagements during CY 2010

- Host 7th Annual National Veteran Small Business Conference and Expo 2011 will be held at the Ernest N. Morial Convention Center August 15-18, 2011, in New Orleans, LA

- “Matchmaking”
PROTESTS

- Who has standing to protest and the process involved
- Typical protest issues
- Internal VA requirements to achieve protest decision
- OSDBU attempts to complete a protest decision within 30 days; the reality is that it can take months to resolve a complex protest
SUSPENSION AND DEBARMENT COMMITTEE

- OSDBU’s Executive Director Chairs the Debarment Committee

- Committee provides recommendations to VA’s Senior Procurement Official, who serves as the Debarment Official

- Deliberates on cases of reported fraud

- Not a punitive body
MENTOR-PROTÉGÉ

- All participants must be “Verified” in the Vendor Information Page (VIP) database

- Protégé receives guidance from more experienced business

- Mentor receives credit for effort

- VA’s Pilot Mentor Protégé Program closed August 13, 2010 after receiving 119 submissions for the initial 25 agreements

- Open season application periods to follow for other interested parties
VA OSDBU’s next major challenge

Subcontracting is seriously lagging behind prime contracting

Planned collection of additional information from subcontractors to validate performance

Anticipate much improvement via VA’s T-4 Program
COUNSELING SERVICES

- Face-to-face meetings with business owners
- Counseling tailored to business need – based on customer issues
- Works with Procurement Technical Assistance Centers (PTACs) and Small Business Development Centers (SBDCs) regarding marketing and business development activities and other certificate programs
VENDOR DAY

- Hosted monthly as adjunct to outreach initiatives
- Often provides forecast of goods and services needs
- Anticipate introducing a Virtual Vendor Day
FEDERAL CONTRACTOR CERTIFICATION

- Four progressive levels of training on understanding Federal contracting, preparing knowledgeable proposals and performing competently on the contract

- Exclusive delivery through qualified Procurement Technical Assistance Centers (PTAC)

- Comprehensive certification exam for each level

- Level 1 and Level 2 launched, Levels 3 and 4 to follow in the next 18 months
TRANSPARENCY INITIATIVE

- Website posts numbers/programs/actions/performance
- Unification and relocation of OSDBU
- SBA Scorecard link:
PERFORMANCE ROUNDUP

- Best in SDVOSB
- Only agency to measure VOSB and provide performance information
- High small business procurement performance
- Earned an “A” from SBA
VA ARRA Procurements
As of September 30, 2010
All VA Small Business Procurements
(As of 9/30/2010)

SB: 33.5% (Goal), 36.7% (Actual)
SDB/8(A): 5.0% (Goal), 9.0% (Actual)
WOSB: 5.0% (Goal), 3.2% (Actual)
HUBZONE: 3.0% (Goal), 2.1% (Actual)
SDVOSB: 10.0% (Goal), 19.8% (Actual)
VOSB: 12.0% (Goal), 22.8% (Actual)

GOAL | ACTUAL
VA Office of Small & Disadvantaged Business Utilization

www.va.gov/osdbu / 1-800-949-8387

For VIP Verification Questions:
VA Center for Veterans Enterprise
1-866-584-2344

QUESTIONS?
Ms. Peg Meehan

“Defense Logistics Agency (DLA)” Director, Office of Small Business Programs, DLA
DLA & Small Business
Overview

Ms. Peg Meehan
Director, DLA Office of SB Programs
November 18, 2010
Agenda

• DLA Mission
• Full Spectrum Global Support
• Global Supply Chains
• Small Business Points of Contact
• Other Mission Support
• Marketing to DLA
Mission: Supporting the Warfighter

We are America’s combat logistics support agency. Our mission is to provide best value integrated logistics solutions to America’s Armed forces and other designated customers in peace and in war, around the clock, around the world.
Full Spectrum Global Support

Supply Chains
- Land Systems
- Maritime Systems
- Aviation Systems
- Fuel/Energy
- Subsistence
- Medical
- Clothing & Textile
- Construction & Equip

Distribution
- 26 Distribution Centers
- $98B DoD Inventory
- 52M sq ft covered storage

Disposition Services
- Co-located with customers
- Over $25B per year
- Reutilization & Marketing
- Reverse Logistics

Strategic Materials
- Critical items such as titanium, cobalt, and tungsten

Theater Support
- DLA Europe & Africa
- DLA Pacific
- DLA Central

Services
- Document Services
- Logistics Information Service
- Transaction Services
Global Supply Chains

**Troop Support**
- **CLI: Subsistence**
  - Food Service
  - Produce
  - Operational Rations

- **CLII: Clothing & Textile**
  - Recruit Clothing
  - Organizational Clothing & Individual Equipment

- **CLIV/VII: Construction & Equipment**
  - Facilities Maintenance
  - Equipment
  - Wood Products
  - Safety & Rescue Equipment

- **CLVIII: Medical**
  - Pharmaceutical
  - Medical/Surgical Equipment

**Aviation**
- **CLIX:**
  - Engine Components, Air Frames
  - Flight Safety Equipment, Maps
  - Environmental Products

**Land and Maritime**
- **CLIX: Maritime**
  - Valves, Fluid Handling
  - Electrical/Electronics
  - Motors, Packing/Gaskets

- **CLIX: Land**
  - Wheeled, Tracked & Heavy Vehicle Parts
  - Vehicle Maintenance Kits
  - Power Transmission/Engine/Suspension Components
  - Tires, Batteries and Small Arms Parts

**Energy**
- **CLIII: Energy**
  - DOD Executive Agent for all Bulk Petroleum
  - Natural Gas, Coal, Electricity
  - Aerospace Energy
Troop Support

**SUBSISTENCE: CLASS I**
- Food Service
- Produce
- Operational Rations

**CLOTHING & TEXTILE: CLASS II**
- Recruit Clothing
- Readiness
- Organizational Clothing & Individual Equipment

**CONSTRUCTION & EQUIPMENT: CLASS IV / VII**
- Facilities Maintenance
- Equipment
- Wood Products
- Safety & Rescue Equipment

**INITIATIVES**
- Prime Vendor Programs
- Medical Air Bridge (MAB)
- Common Food Management System (CFMS)
- Recruit Training Center Support
- Army Direct Ordering (ADO)
- Enterprise Buyers Forward
- Lumber Privatization

**MEDICAL: CLASS VIII**
- Pharmaceutical
- Medical/Surgical
- Readiness
- Equipment
Troop Support

Mr. Michael McCall
(800) 831-1110
(215) 737-2321
www.dscp.dla.mil/sbo

<table>
<thead>
<tr>
<th>CLOTHING &amp; TEXTILES</th>
<th>SUBSISTENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Ms. Joann Gatica</td>
<td>- Ms. Andrea Ingargiola</td>
</tr>
<tr>
<td>MEDICAL</td>
<td>CONSTRUCTION/EQUIP</td>
</tr>
<tr>
<td>- Mr. Paul Rooney</td>
<td>- Ms. Arlene Ruble</td>
</tr>
</tbody>
</table>
Land and Maritime

**INITIATIVES**

Tires Privatization Successor
MRAP/M-ATV Sustainment
Afghan Sustainment
Depot Level Reparables
Retail Supply, Storage & Distribution
Demand Planning Improvement Initiatives
Army Reset Support

**LAND:**

- Wheeled, Tracked & Heavy Vehicle Parts
- Vehicle Maintenance Kits
- Power Transmission/Engine/Suspension Components
- Tires
- Batteries
- Small Arms Parts

**MARITIME:**

- Valves
- Fluid Handling
- Electrical/Electronics
- Motors
- Packing/Gaskets
Land and Maritime

Ms. Cynthia Nevin

(800) 262-3272
(614) 692-5761

Aviation

INITIATIVES
LEAN / Six Sigma
Depot Level Reparables
Supply, Storage & Distrib.
Customer Targeted Outcomes
Gases / Cylinders Privatization
Chemicals / POL Privatization
Forward Presence
One Pass Pricing

• Engine Components
• Air Frames
• Flight Safety Equipment
• Aviation Lighting
• Fasteners
• Bearings
• Maps
• Environmental Products
Aviation

Mr. John Henley

(800) 227-3603
(804) 279-6330

http://www.dscr.dla.mil/userweb/sbo/
Energy

INITIATIVES

CENTCOM AOR Support
Open Market Bunker Support
Bulk Terminal Ops
Privatization
Garrison / Base Energy Support
Utilities Privatization Support
Alternative Fuel and Renewable Energy

• DOD Executive Agent for all Bulk Petroleum
• Natural Gas, Coal, Electricity
• Aerospace Energy
Energy

Ms. Joan Turrisi

(800) 523-2601

(703) 767-9465

Distribution

• Receive, Store, and Issue Globally
• In-transit Visibility
• Dedicated Delivery / Pure Pallets

26 Distribution Centers Worldwide
Disposition Services

- Reutilization (to Military Services & DOD Special Programs)
- Transfer (to Federal Agencies)
- Donation (to State and Local Agencies)
- Sales of excess DoD property
- Contingency Operation Support
- Demilitarization
- Precious Metals Recovery
- Hazardous Waste Disposal

119 Sites Worldwide
Disposition Services

Ms. Sheryl L. Woods
(269) 961-4071
http://www.drms.dla.mil

Distribution

Ms. Cathy Hampton
(717) 770-7246
DLA Contracting Support Office (DCSO)

- Supports the entire DLA Enterprise
  - IT
  - Management & Consulting Services
  - Training
  - Studies

Ms. Rosita Carosella
215-737-8514

NOT A SUPPLY CHAIN!
Document Services

Ms. Susan Rapoza
(717) 605-1557

Strategic Materials

Mr. Carlos Vidro-Martinez
(703) 767-6031
Doing Business With DLA

THE RIGHT CUSTOMER!
DLA Resources

DLA Associate Directors of SB - Each Procuring Activity

“How to Do Business With DLA”
http://www.dla.mil/db/

Procurement Technical Assist. Ctrs.
www.dla.mil/db/procurem.htm
Other Links / Resources

DOD OSBP
http://www.acq.osd.mil/osbp/

DIBBS DLA-BSM Internet Bid Board System
https://www.dibbs.bsm.dla.mil/

TKO (Training, Knowledge, Opportunities) Workshops
Mr. Michael R. Hutchison

“Enhanced Army Global Logistics Enterprise” Acting Executive Director and Principal Assistant Responsible for Contracting (PARC), Rock Island Contracting Center
Update on Enhanced Army Global Logistics Enterprise
For
14th Annual Small Business Conference

Michael Hutchison
Acting Executive Director
Rock Island Contracting Center
18 November 2010
Outline

• What is EAGLE?
• Why EAGLE?
• Scope of Requirement
• Acquisition History
• Industry Outreach
• Market Research
• Proposed Contract Type
• Proposed Courses of Action
• Timeline
What is EAGLE?

• An integrated acquisition approach to Directorate of Logistics and other requirements
  ➢ Acquisition strategy
  ➢ Requirements definition – **KEY TO SUCCESS!**

### CURRENT

<table>
<thead>
<tr>
<th>AMC</th>
<th>IMCOM</th>
<th>FORSCOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOLs</td>
<td>FLRCs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Numerous</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contracts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>/ PWS</td>
<td></td>
</tr>
<tr>
<td>Multiple</td>
<td></td>
<td></td>
</tr>
<tr>
<td>POCs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fleets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRADOC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FMX</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### IMPERATIVES

• Seamless Support to SCs
• Integrate & Control Field Level Maintenance / Supply Capability
• Optimize Maintenance Capacity and Capabilities (Flexibility to Move Overflow / Workload to DOLs /Depots/Arsenals/OEMs)
• Standardized PWS / Processes / Metrics
• Build Augmentation Capability thru Contract Vehicle

### FUTURE

<table>
<thead>
<tr>
<th>AMC</th>
<th>Core Competencies Aligned in the Materiel Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single Source of Repair on an Installation</td>
</tr>
<tr>
<td></td>
<td>Standardized Acquisition Strategy</td>
</tr>
<tr>
<td></td>
<td>Single POC on an Installation</td>
</tr>
<tr>
<td></td>
<td>Installation Logistics Linked to AMC</td>
</tr>
</tbody>
</table>

ALL INFORMATION PRESENTED BY THE GOVERNMENT IS PROVISIONAL AND MAY BE SUBJECT TO CHANGE
Why EAGLE?

• Lack of common approach to satisfy requirements creates confusion

• Overlapping mission support solutions increase costs and reduce efficiencies

• Replacement of previous contracts that have expired or are nearing their ceilings

• Logistics environment requires the Army to transition seamlessly from mob/demob to mission support
• **Supply** - ensuring that material for operation and maintenance of war-fighting systems is available

• **Maintenance** - technical inspection and repair of equipment

• **Transportation Support** - movement, storage, accountability, and management of supplies and equipment

• **Plans & Operations** - support concept development, strategic planning, and operations

• **Food Service and Laundry** contracted outside of EAGLE
## Scope of Requirement

### SUPPLY
- SSA MANAGEMENT (CL II, IIIP, IV, V, VII, VIII, IX, & X)
  - SUPPLY MANAGEMENT REVIEWS
  - RECEIVING POINT
  - PACKING & CRATING
- CENTRAL ISSUE FACILITY (CIF)
- CLOTHING INITIAL ISSUE POINT (CIIP)
- INDIVIDUAL CHEMICAL EQUIPMENT MGMT PROGRAM (ICEMP)
- WAREHOUSE OPERATIONS
- HAZMART

- TECHNICAL SUPPORT TO STAMIS
- FUEL SUPPORT (CL IIIP BULK)
- INSTALLATION PROPERTY BOOK & EQUIPMENT MANAGEMENT
- FURNITURE MANAGEMENT PROGRAM (ACQ MANAGEMENT & REPAIR)
- RETAIL PROPERTY ACCOUNTABILITY
- WHOLESALE PROPERTY ACCOUNTABILITY
  - APS, PDTE, TPE, LBE
- AMMUNITION
  - SUPPLY (CL V)
  - MANAGEMENT OF AMMUNITION SUPPLY POINT (ASP)

### MAINTENANCE
- MAINTENANCE OF BASE OPS EQMT
- TACTICAL MAINTENANCE (AVN, MISSILE, GND, COMMEL)
- INSTALLATION MATERIEL MAINTENANCE ACTIVITY OPS
- CARC/ CORROSION PROTECTION PROGRAMS
- CONDITION CLASSIFICATION OF MATERIEL
- INSTALLATION MWO & WARRANTY PROGRAMS
- TMDE SUPPORT
- NATIONAL MAINTENANCE PROGRAM

### TRANSPORTATION SUPPORT
- CENTRAL TRAVEL OFFICE
- NON-TACTICAL VEHICLE SUPPORT
- TRANSPORTATION MOTOR POOL
- LICENSE EQUIPMENT OPERATORS
- HAZMAT SHIPMENTS
- RAILHEAD OPERATIONS
- HOUSEHOLD GOODS OPNS

- PERSONNEL & CARGO MOVEMENT (SHIPPING & RECEIVING POINT)
- LOCAL DRAYAGE OPERATIONS
- INSTALLATION TRANS OFFICE
- MOVEMENT PLANNING, ARRIVAL/DEPARTURE CONTROL GROUP

### PLANS & OPS
- SPT SVC PLANS
- CONTINGENCY GARRISON OPS
- TECHN SPT TO SPT SVC STAMIS
- HAZARDOUS MAT MGT PLAN
- SPT SVC AWARDS PROGRAMS

---

18 November 2010
Acquisition History

• Field and Installation Readiness Support Team (FIRST) Contract
  ▪ Competitively awarded in Oct 07
  ▪ $9 billion ceiling over 7 years
  ▪ Estimated $2.11 billion ordered in a 12-month period

• Global Maintenance and Supply Services (GMASS) Contract
  ▪ Competitively awarded in Oct 04
  ▪ Approximately $2.74 billion obligated over 5 year life

• Tinker Air Force Base Contract Field Team (CFT) Contract
  ▪ Competitively awarded in Oct 08
  ▪ $10.1 billion ceiling over 7 years ($2.3 billion ordered in first year)
  ▪ $650 million ordered in support of Army requirements in a 12-month period
Acquisition History

• Global Property Management Support Services (GPMSS) Contract
  ▪ Competitively awarded in Jun 06
  ▪ $750 million ceiling over 5 years

• Integrated Logistics Support Service (ILSS) Contract
  ▪ Bridge contract between GPMSS and EAGLE
  ▪ Competitively awarded in Sep 10

• Over 270 additional stand-alone contracts
  ▪ Estimated $800 million ordered in a 12-month period
Industry Outreach

- EAGLE Industry Day (17-18 May 2010)
  - 173 companies participated: 102 Small Businesses (59%), 66 Large Businesses (38%), NISH/Ability One or Unknown (3%)
  - 36 companies received break-out sessions

- Army Sustainment Command Advance Planning Briefing for Industry (APBI) - August 2010

- EAGLE One-on-One Industry sessions (30 Aug-1 Sep 2010)
  - 65 companies participated: 25 Small Businesses (38%), 40 Large Businesses (62%)

- Other Industry Outreach
  - Mission and Installation Contracting Command Industry Outreach - February 2010, August 2010
  - Professional Services Council brief to ACC MATOC IPT - March 2010
Market Research

- NAICS 561210, Facilities Support Services

- Sources Sought Notices
  - Issued 9 February 2010, closed 11 March 2010
    - 67 responses: 31 Small Businesses (46%), 36 Large Businesses (54%)
  - Issued 1 June 2010, closed 28 June 2010
    - 71 responses: 34 Small Businesses (48%), 33 Large Businesses (46%), 4 Unknown (6%)
  - Issued 4 August 2010, closed 3 September 2010
    - 47 responses: 13 Small Businesses (28%), 34 Large Businesses (72%)
Proposed Contract Type

- Multiple Award Task Order Contract
- One 2-year Base Period with three 1-year Ordering Periods (Award Terms)
- Estimated Dollar Value is $30 billion over a 5-year period
- Minimum contract award provided with basic contract awards
- 5 Courses of Action (COA) for Acquisition Strategy considered
Courses of Action (COAs) Presented at APBI

- Installation Size Standard Pools
- Installation Size & Functional Area Pools
- Set Aside/Full & Open Pools
- AFSB-aligned Pools
- Functional Area Pools
Timeline

- Issue draft Request for Proposal (RFP) 2nd Qtr FY 11
- Issue final RFP 3rd Qtr FY 11
- Contract Award 2nd Qtr FY 12
QUESTIONS?
Open Question Period

Mr. Jeffrey P. Parsons

Executive Director, Army Contracting Command
Open Question Period

- Mr. Bryon Young
- Mr. Stephen Carrano
- Mr. Harry P. Hallock
- Mr. Michael R. Hutchison
- Mr. Edward G. Elgart
- Mr. Bruce B. Berinato
- Ms. Sarah Corley
- Ms. Valerie Lester