2019 MUNITIONS EXECUTIVE SUMMIT
APRIL 2-4 2019 PARSIPPANY, NJ

Presented by:
Mr. Joseph A. Fedeler
Email: jfedeler@novatechusa.com)
Office Tel: (434) 239-1979 ext. 118

SMALL BUSINESS CHALLENGES
- Small Business, 38 full-time employees, 25 years in business.

- Manufacturing, Engineering Design/Analysis, Program Management for DoD, Nuclear, & Industrial markets.

- Design, manufacture, deployment of custom AAIE/AIE systems.

- Primary involvement in DoD contracting is the development and supply of precision components for munitions.

- Currently executing first large Government prime production contract (MK84 Bomb Fin Assemblies).

- SBIR phase I and II contracts with DoD & DoE; R&D with National Labs; DOTC/NAC initiatives.
Extremely Long Procurement Cycle

- Elapsed time from initial Sources Sought to actual contract issuance challenges a small business not accustomed to drawn out procurement cycles.
- Further exacerbated when pricing has to be extended multiple times over 3-12 month period (impacts G&A rates, labor & material costs, ultimately reduces the profit line).

Possible Solutions:

- Small business needs to understand the long-term commitment associated with pursuing Government business. Budget accordingly and be sure it is worth it.
- Procurement activities that can be performed concurrently (versus serially) should be considered by the Government.
- Vest more responsibility/accountability with procurement officers.
Ever Increasing Flow-Down of Requirements from Gov’t, to Prime Contractor, to Sub-Prime Contractor, and so on.

- A small business often resides several levels below the prime contractor.
- 15 years ago, a sub-prime purchase order was basic and short.
- The same PO today may be 30 pages and usually includes the verbiage “....all requirements shall be flowed to all subcontractors and their subcontractors.....”
- This additional burden (or perceived burden) may be enough to discourage small business participation.

Possible Solutions:

- Limit what needs to be flowed down beyond the prime contractor.
- Trim unnecessary procurement system requirements at all levels.
- Communicate to elected officials that we don’t need more unnecessary requirements.

EXAMPLE: 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving.
WHY? Executive Order 13513, October 1, 2009.
CDRL and SDRL Documents, Multiple Review & Submittal Levels

• When not the prime contractor, small business often has a document review cycle with the prime contractor and then a second (and often very similar) review cycle with the Government filtered through the prime contractor.
• Net result is additional time spent, over-run of NRE, and hesitation to pursue more DoD contracts.

Possible Solutions:

• Encourage small business IPT participation with the prime contractor to obtain Government feedback earlier in the review process (we currently have prime contractor customers accommodating this participation).
• Consider cost type contracts for NRE activities where substantial review and approval of new processes, tooling, gages, etc. is necessary. This incentivizes all parties to streamline the process.
• Work to standardize expectations across different Government IPTs for the most common submittals.
Difficult to Learn Who Does What, Who to Call, What Forms to Submit, etc.

- DCMA/DCMC/Gov’t QAR delegation for a contract or subcontract is often unclear, especially when contract activities occur at various locations. Often we are months in to contract activities before learning who the appropriate Government rep is.
- Wide Area Work Flow – extremely difficult to navigate the first time. Help desk support would provide incorrect information, codes specified in contract didn’t match required codes in online system, etc.

Possible Solutions:

- This is similar to starting a program with a new commercial customer (SAP, ERP, etc. requirements to learn). Small business needs to spend time and learn the systems.
- Hire a retired Government procurement person to shorten the learning curve.