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6th Annual National Small Business Conference

1-3 June 2009

Agenda

Monday, 1 June 2009

KEYNOTE ADDRESS
- Mr. Dan Smith, President, Integrated Defense Systems, Raytheon Company

DEFENSE OUTLOOK: WHY THE AIR FORCE NEEDS THE AGILITY, EFFICIENCY AND INNOVATION OF SMALL BUSINESS TO ACCOMPLISH ITS MISSION
- Mr. John Caporal, Deputy Director, U.S. Air Force Office of Small Business Programs

NEW ENGLAND SMALL BUSINESS OUTLOOK
- Mr. Robert Baker, President, Smaller Business Association of New England (SBANE)

SMALL BUSINESS SUCCESS STORY
- Mr. Brian Hart, President, Black-I Robotics

Tuesday, 2 June 2009

LEGISLATIVE UPDATE
- Mr. Pete Steffes, Vice President, Government Affairs, NDIA

TEAM SUBMARINE OVERVIEW
- Mr. Jack Evans, Executive Director, PEO Submarine, Naval Sea Systems Command

INSTALLATION OPPORTUNITIES PANEL

Panelists:
- Mr. Richard Lombardi, Executive Director, USAF Electronic Systems Center, Hanscom Air Force Base, MA
- CAPT Michael Byman, USN, Commander, Naval Undersea Warfare Center Division, Newport, RI
- Ms. Cheryl DeLuca, Director of Contracting, U.S. Army Soldier Systems Center

GRAND BALLROOM A
- Naval Undersea Warfare Center Division Newport Small Business Advocate, Mr. David Rego, Naval Undersea Warfare Center Division, Newport, RI
- 10 Things You Should Know About What a Prime Values in Their Integrated Supply Chain, Dr. Kenneth W. Sullivan, Center for Management and Economic Research (CMER) University of Alabama, Huntsville
- Mergers and Acquisitions, Mr. Paul Serotkin, Senior Advisor, Venture Management, Mr. Erik Thamm, President and CEO, Log.Sec Corporation, Mark Shappee, Managing Director, Venture Management, Inc.

GRAND BALLROOM B
- Competition Management, Mr. Ernie Robinson, Procurement & Production Analyst, Competition Management Office, Mr. Shelley Muhammad, Competition Advocate, Competition Management Office

- Hanscom Air Force Base Small Business Specialist Briefing, Mr. Bill Donaldson, Hanscom Air Force Base, Massachusetts
- Innovations in Expanding the Participation of Service Disabled Veterans in the Establishment and Operation of Small Businesses

GRAND BALLROOM C

- Legal Aspects of Teaming Agreements, Mr. Ralph Thomas, III, Partner, Barton, Baker, Thomas, & Tolle, LLP
- Accounting Requirements, Mr. Peter Witts, CPA, Principal, Peter Witts, CPA Mr. Michael Gitlen, CPA, Senior Government Accountant, Peter Witts, CPA Mr. Lawrence S. Nannis, CPA, Shareholder, Levine, Katz, Nannis & Solomon, PC
- What's It Costing You By Not Having An Opportunity Identification & Qualification Process, Mr. William Scheessele, CEO/President, MBDi

VANDERBUILT

- Innovative Technologies - Avenues for Working with the Government, Mr. Eric Bankit, Associate, Director for the Office of Small Business Programs, Joint Munitions & Lethality Life Cycle Management Command, Picatinny Arsenal, NJ

Wednesday, 3 June 2009

GENERAL SESSION - "TOOLS FOR SUCCESS"

- **"INTELLECTUAL PROPERTY AND GOVERNMENT CONTRACTS"**
  1. Mr. Jacob Erlich, Partner, Burns & Levinson, LLP
  2. Ms. Alison Brown, President/CEO, NAVSYS Corporation
- "**HOW TO TANSITION TO THE COMMERCIAL SECTOR"**
  1. Ms. Cynthia Gonsalves, Acting Director, Office of Technology Transition
  2. Ms. Jenny C. Servo, Ph.D, President, Dawnbreaker, Inc.
- **"HOW THE STIMULUS WILL IMPACT THE NORTHEAST"**
  1. Mr. Joseph Donovan, Managing Director, Nelson Mullins Public Strategies

MONDAY, JUNE 1, 2009

10:00 am - 7:00 pm — **REGISTRATION OPEN**

10:00 am - 2:00 pm — **DISPLAY SETUP**

12:00 pm - 12:10 pm — **INTRODUCTION**
- Mr. Jay Lustig, *Chair, Conference Committee, Director of Business Development, Scientific Solutions, Inc.*

12:10 pm - 1:00 pm — **KEYNOTE LUNCHEON**
- The Honorable Jack Reed, *U.S. Senate, Rhode Island*

1:00 pm - 1:30 pm — **WELCOME AND ADMINISTRATIVE REMARKS**
- Gov. Donald Carcieri, *Governor, Rhode Island*
- Lt Gen Lawrence Farrell, USAF (Ret), *President, NDIA*
- Mr. Tyrone Taylor, *Small Business Division Chair / President, Capitol Advisors on Technology, LLC*
- Mr. Mike Gitlen, CPA, *President, NDIA New England Chapter / Senior Government Accountant, Peter Witts, CPA*
- Mr. Kenneth J. Nevor, *President, NDIA Greater New York/Connecticut Chapter / Partner, Shilay Associates, Inc.*

1:30 pm - 1:35 pm — **INTRODUCTION, KEYNOTE ADDRESS**
- Mr. Norm Harkins, *Raytheon Company*

1:35 pm - 2:15 pm — **KEYNOTE ADDRESS**
- Mr. Dan Smith, *President, Integrated Defense Systems, Raytheon Company*

2:15 pm - 3:00 pm — **"DEFENSE OUTLOOK: WHY THE AIR FORCE NEEDS THE AGILITY, EFFICIENCY AND INNOVATION OF SMALL BUSINESS TO ACCOMPLISH ITS MISSION"**
- Mr. John Caporal, *Deputy Director, U.S. Air Force Office of Small Business Programs*

3:00 pm - 3:30 pm — **NETWORKING BREAK**
Located in the Display Area

3:30 pm - 4:15 pm — **"NEW ENGLAND SMALL BUSINESS OUTLOOK"**
- Mr. Robert Baker, *President, Smaller Business Association of New England (SBANE)*

4:15 pm - 4:45 pm — **"SMALL BUSINESS SUCCESS STORY"**
- Mr. Brian Hart, *President, Black-I Robotics*

4:45 pm - 5:30 pm — **"UNDERSTANDING THE RELATIONSHIP BETWEEN THE BUSINESS AND DEFENSE COMMUNITIES IN TRANSITION"**
- COL Robert Simmons, USA (Ret), *Former Business Advocate for the State of Connecticut*

5:30 pm - 7:00 pm — **NETWORKING RECEPTION**
Located in the Display Area



TUESDAY, JUNE 2, 2009

7:00 am - 5:00 pm — **REGISTRATION OPEN**

7:00 am - 8:00 am — **CONTINENTAL BREAKFAST**
Located in the Display Area

8:00 am - 12:00 pm — **GENERAL SESSION - "*OPPORTUNITIES*"**

8:00 am - 8:10 am — **LEGISLATIVE UPDATE**
- Mr. Pete Steffes, *Vice President, Government Affairs, NDIA*

8:10 am - 9:00 am — "**TEAM SUBMARINE OVERVIEW**"
- Mr. Jack Evans, *Executive Director, PEO Submarine, Naval Sea Systems Command*

9:00 am - 9:30 am — **NETWORKING BREAK**
Located in the Display Area

9:30 am - 11:00 am — "**DEFENSE INDUSTRY PERSPECTIVE**"
Moderator: Mr. Norm Harkins, *Raytheon Company*

Panelists:
- Mr. Joel Taves, *Director, Seapower Capability Systems, Raytheon Company*
- Mr. Charles Marden, *Director, Business Solutions, Electronic Solutions, Operations, BAE Systems*
- Ms. Jean Ann Grandinetti, *Director, Supplier Relations, Agility Logistics Company*
- Mr. Jay Johnson, *Senior Director, Business Development, Textron, Inc.*
- Mr. Brett Rhodes, *Director, Military Business and Development, UTC/Pratt & Whitney Military Engines*

11:00 am - 12:00 pm — **INSTALLATION OPPORTUNITIES PANEL**
Moderator: Mr. Mike Gitlen, CPA, *President, NDIA New England Chapter / Senior Government Accountant, Peter Witts, CPA*

Panelists:
- Mr. Richard Lombardi, *Executive Director, USAF Electronic Systems Center, Hanscom Air Force Base, MA*
- CAPT Michael Byman, USN, *Commander, Naval Undersea Warfare Center Division, Newport, RI*
- Ms. Cheryl DeLuca, *Director of Contracting, U.S. Army Soldier Systems Center*

12:00 pm - 1:30 pm — **LUNCHEON**

TUESDAY, JUNE 2, 2009

1:30 pm - 5:00 pm **BREAKOUT SESSIONS - "*CAPTURE, STRATEGY, AND EXECUTION*"**

	1:30 pm - 2:30 pm	2:30 pm - 2:45 pm	2:45 pm - 3:45 pm	3:45 pm - 4:00 pm	4:00 pm - 5:00 pm
GRAND BALLROOM A	**Naval Undersea Warfare Center Division Newport Small Business Advocate** Mr. David Rego, *Naval Undersea Warfare Center Division, Newport, RI*	**NETWORKING BREAK IN THE DISPLAY AREA**	**10 Things You Should Know About What a Prime Values in Their Integrated Supply Chain** Dr. Kenneth W. Sullivan, *Center for Management and Economic Research (CMER) University of Alabama, Huntsville*	**NETWORKING BREAK IN THE DISPLAY AREA**	**Mergers and Acquisitions** Mr. Paul Serotkin, *Senior Advisor, Venture Management* Mr. Erik Thamm, *President and CEO, Log.Sec Corporation* Mark Shappee, *Managing Director, Venture Management, Inc.*
GRAND BALLROOM B	**Competition Management** Mr. Ernie Robinson, *Procurement & Production Analyst, Competition Management Office* Mr. Shelley Muhammad, *Competition Advocate, Competition Management Office*		**Hanscom Air Force Base Small Business Specialist Briefing** Mr. Bill Donaldson, *Hanscom Air Force Base, Massachusetts*		**Innovations in Expanding the Participation of Service Disabled Veterans in the Establishment and Operation of Small Businesses** See following page for panel details
GRAND BALLROOM C	**Legal Aspects of Teaming Agreements** Mr. Ralph Thomas, III, *Partner, Barton, Baker, Thomas, & Tolle, LLP*		**Accounting Requirements** Mr. Peter Witts, CPA, *Principal, Peter Witts, CPA* Mr. Michael Gitlen, CPA, *Senior Government Accountant, Peter Witts, CPA* Mr. Lawrence S. Nannis, CPA, *Shareholder, Levine, Katz, Nannis & Solomon, PC*		**What's It Costing You By Not Having An Opportunity Identification & Qualification Process** Mr. William Scheessele, *CEO/President, MBD*[i]
VANDERBUILT	**U.S. Army Soldier Systems Center Small Business Specialists Briefing** Mr. Phil Varney, *U.S. Army Soldier Systems Center, Natick, MA*		**Innovative Technologies - Avenues for Working with the Government** Mr. Eric Bankit, *Associate Director for the Office of Small Business Programs, Joint Munitions & Lethality Life Cycle Management Command, Picatinny Arsenal, NJ*		

5:00 pm **CONFERENCE CONCLUDES FOR THE DAY**

5:00 pm - 6:00 pm **RECEPTION HOSTED BY THE TOWN OF MIDDLETOWN, RI**

BREAKOUT DESCRIPTIONS

Naval Undersea Warfare Center Division Newport Small Business Advocate
Finding Acquisition Opportunities at Naval Undersea Warfare Center Division Newport.

10 Things You Should Know About What a Prime Values in Their Integrated Supply Chain
1. How do small businesses impact the aerospace/defense supply chain?
2. Steps to be more competitive in the aerospace business
   - Communication
   - Lean implementation (value stream mapping)
   - Increase value add to customer
   - Becoming proactive with customer (working groups and roundtables)
   - Understanding/challenging requirements
3. Future directions
   - Incentivized work in process
   - Collaboration tools
   - Long term agreements/long term contracts
   - Increased manufacturing in the U.S.

Mergers and Acquisitions
Paul Serotkin is Senior Advisor with Venture Management, an advisor to defense contractors looking to exit or seeking to grow by acquisition.

Competition Management
This presentation will cover AMCOM Competition Management Office's Mission, (CASL) Competition Advocate Shopping List, (SAR) Source Approval Request and how we relate to Value Stream mapping process. We will give detailed information on how a Small Business can get started doing business with the Government.

Hanscom Air Force Base Small Business Specialist Briefing
Finding Acquisition Opportunities at Hanscom Air Force Base.

Innovations in Expanding the Participation of Service Disabled Veterans in the Establishment and Operation of Small Businesses
The panel will discuss new business models to expand the participation of service disabled veterans in the establishment and operation of small businesses.

Moderator: Mr. Tom Kowalczyk, KMRM, LLC

- MAJ Mark O'Clair, USA, *Commanding Officer, Community Based Warrior Transition Unit for the New England Region*
- Mr. David Rego, *Small Business Advocate, Naval Undersea Warfare Center Division, Newport, RI*
- Mr. Joel Taves, *Director, Sea Power Capability Systems, Raytheon Company*
- Mr. Gerard Lorden, *The Lorden Group, Senior Vice President, Wealth Advisor, Morgan Stanley*
- Mr. Louis Celli, Jr., *Northeast Veterans Business Resource Center*

Legal Aspects of Teaming Agreements
Many times a small business enters into a teaming arrangement with a large business expecting a subcontract if the prime wins the contract competed for. Sometimes, however, either this does not happen, or, in the alternative, the subcontract that the small business does receive is of a much lower value with a significantly lighter scope of work than was initially expected. This instructional workshop is designed to teach small businesses how to structure, negotiate, and review teaming agreements with large businesses that are effective and enforceable. Small businesses will also learn how to deal with disadvantageous clauses that they are unable to have modified or deleted.

Accounting Requirements
Government Accounting 101: Principles of a FAR (Federal Acquisition Regulation) compliant Job Cost accounting system.

What's It Costing You By Not Having an Opportunity Identification & Qualification Process
Opportunity Identification & Qualification (OI&Q) is absent in most capture processes. OI&Q results in a valid opportunity pipeline, prudent investment of B&P funds and higher win probabilities. In this session, Bill Scheessele will share how an OI&Q Process can significantly impact your revenue growth.

U.S. Army Soldier Systems Center
Finding Acquisition Opportunities at U.S. Army Soldier Systems Center.

Innovative Technologies - Avenues for working with the Government
This presentation will cover the SBIR/STTR, Phase III actions, FAR based contracting, Consortiums, "Other Transactions Authority" and Grants/Agreements.

WEDNESDAY, JUNE 3, 2009

7:00 am - 12:00 pm	**REGISTRATION OPEN**
7:00 am - 8:00 am	**CONTINENTAL BREAKFAST** *Located in the Display Area*
8:00 am - 8:15 am	**OPENING REMARKS**
8:15 am - 12:00 pm	**GENERAL SESSION - "*TOOLS FOR SUCCESS*"**
8:15 am - 9:15 am	"**INTELLECTUAL PROPERTY AND GOVERNMENT CONTRACTS**" ▸ Mr. Jacob Erlich, *Partner, Burns & Levinson, LLP* ▸ Ms. Alison Brown, *President/CEO, NAVSYS Corporation*
9:15 am - 10:15 am	"**HOW TO TRANSITION TO THE COMMERCIAL SECTOR**" ▸ Ms. Cynthia Gonsalves, *Acting Director, Office of Technology Transition* ▸ Ms. Jenny C. Servo, Ph.D, *President, Dawnbreaker, Inc.*
10:15 am - 10:45 am	**NETWORKING BREAK** *Located in the Display Area*
10:45 am - 11:45 am	**"HOW THE STIMULUS WILL IMPACT THE NORTHEAST AREA"** ▸ Mr. Joseph Donovan, *Managing Director, Nelson Mullins Public Strategies*
11:45 am - 12:00 pm	**CLOSING REMARKS**
10:45 am - 12:00 pm	**DISPLAY DISMANTLE**
12:00 pm	**CONFERENCE CONCLUDES**



CONFERENCE COMMITTEE

CONFERENCE CHAIR: Mr. Jay Lustig
Mr. Jay Lustig is Director of Business Development for Scientific Solutions, Inc. of Nashua, New Hampshire.

- Mr. Andrew Davis, Davis Strategic Advisory Services, Inc.
- Mr. Bill Donaldson, Hanscom Air Force Base, MA
- Mr. Adam Erlich, Igeneco
- Mr. Jacob Erlich, Burns & Levinson, LLP
- Mr. Mike Gitlen, CPA, Peter Witts, CPA
- Mr. Theodore Hanselman, Holland & Knight, LLP
- Mr. Norm Harkins, Raytheon Company
- COL Fred Hyatt, USA (Ret)
- Mr. Walter Kneissler, Foster-Miller, Inc.
- Mr. Thomas Kowalczyk, KMRM, LLC
- Mr. Gerard Lorden, Morgan Stanley
- Mr. James Lynch, Retired Unisys Executive
- Mr. Lawrence S. Nannis, CPA, Levine, Katz, Nannis & Solomon, PC
- Ms. Beth Nass, Epsilon Systems
- Mr. Kenneth J. Nevor, Shilay Associates, Inc.
- Ms. Patty Nunn, Indus Corporation
- Ms. Dianne Proia, Proia & Associates, LLC
- Brig Gen Don Quenneville, USAF (Ret), Defense Technology Initiative
- Mr. David Rego, Naval Undersea Warfare Center
- Mr. Paul Serotkin, Venture Management, Inc.
- Mr. Jeff Seul, Holland & Knight, LLP
- Mr. Marshall Sugarman, TD Banknorth
- Mr. Joel Taves, Raytheon Company
- Mr. Henry Zolla, Raytheon Company

CHAIR, NDIA SMALL BUSINESS DIVISION
Mr. Tyrone Taylor, President, Capitol Advisors on Technology, LLC

VICE CHAIR, NDIA SMALL BUSINESS DIVISION
Mr. Ron Perlman, Attorney, Holland & Knight, LLP

DISPLAYING ORGANIZATIONS

AGILITY DEFENSE & GOVERNMENT SERVICES

BAE SYSTEMS

BURNS & LEVINSON, LLP

DATCON, INC.

U.S. DEPARTMENT OF HOMELAND SECURITY

FISHEYE SOFTWARE

QINETIQ NORTH AMERICA (FORMERLY FOSTER-MILLER)

GATEWAY VENTURES

GLOBAL RESCUE

MISSILE DEFENSE AGENCY

PEERLESS PRECISION, INC.

RAYTHEON COMPANY

ROLLS ROYCE NAVAL MARINE, INC.

SECHAN ELECTRONICS, INC.

SUPPLY CORE

TELE-CONSULTANTS

WILL INTERACTIVE, INC

THANK YOU TO OUR SPEAKERS

In appreciation for each speaker at the 6th Annual National Small Business Conference, a donation will made to the Wounded Warrior Project.

The purpose of the Wounded Warrior Project is to raise awareness and enlist the public's aid for the needs of severely injured service men and women, to help severely injured service members aid and assist each other, and to provide unique, direct programs and services to meet the needs of severely injured service members. Further information can be found at www.woundedwarriorproject.org.

Raytheon

Customer Success Is Our Mission

Our Vision
To be the most admired defense and aerospace systems supplier through world-class people and technology.

Raytheon at a Glance
• Chairman and CEO: William H. Swanson
• Global Headquarters: 870 Winter Street, Waltham, Massachusetts 02451
• 73,000 employees worldwide
• $23.2 billion in 2008 sales

Raytheon's Strategy
• Focus on key strategic pursuits, Technology and Mission Assurance to protect and grow our position in our four core defense markets:
— Sensing: Expand beyond traditional RF/EO to adjacent markets;
— Effects: Expand beyond kinetic energy-based weapons;
— C3I: Grow market presence through increased footprint and expand knowledge management;
— Mission Support: Expand beyond product support and engineering services to include
mission planning and training capabilities.
• Leverage our domain knowledge in these core defense markets, as well as in Mission Systems Integration,
Homeland Security, and Information Operations/Information Assurance.
• Expand our international business by broadening focus and expanding in adjacent markets.
• Continue to be a Customer Focused company based on performance, relationships and solutions.

A Global Leader in Technology-driven Solutions that provide Integrated Mission Systems
for our Customers
Raytheon Company is a technology and innovation leader specializing in defense, homeland security and other government markets throughout the world.

Businesses
• Integrated Defense Systems – Headquarters in Tewksbury, Massachusetts
• Intelligence and Information Systems – Headquarters in Garland, Texas
• Missile Systems – Headquarters in Tucson, Arizona
• Network Centric Systems – Headquarters in McKinney, Texas
• Space and Airborne Systems – Headquarters in El Segundo, California
• Raytheon Technical Services Company LLC – Headquarters in Reston, Virginia

Agility
Defense & Government Services

Agility is one of the world's leading providers of integrated logistics to businesses and governments. It is a publicly traded company with $6.3 billion in annual revenue and more than 32,000 employees in 550 offices and 100 countries. Agility brings efficiency to supply chains in some of the globe's most challenging environments, offering unmatched personal service, a global footprint, and customized capabilities in developed and emerging economies alike.

Agility's commercial division, Agility Global Integrated Logistics (GIL), is headquartered in Switzerland and provides supply chain solutions to customers in technology, retail, chemicals, and other industries. Agility Defense & Government Services (DGS), based in Washington, offers logistics services to governments, relief agencies and international institutions worldwide. Agility Investments, based in Dubai, draws on local insights from Agility's global network to identify real estate and private equity opportunities in Asia, Africa and the Middle East.

For more information visit our website: www.agilitylogistics.com

BAE SYSTEMS

BAE Systems is the premier global defense, security and aerospace company delivering a full range of products and services for air, land and naval forces, as well as advanced electronics, security, information technology solutions and customer support services. With approximately 105,000 employees worldwide, BAE Systems' sales exceeded £18.5 billion (US $34.4 billion) in 2008.
BAE Systems has a proud heritage of innovation, state of the art engineering and technical excellence and continues that tradition by delivering distinct advantage to customers in over 100 countries.

BAE Systems plc operates across six home markets: Australia, Saudi Arabia, South Africa, Sweden, the UK and the U.S. engaged in the development, delivery and support of advanced defense and aerospace systems in the air, on land, at sea and in space. The company designs, manufactures and supports military aircraft, surface ships, submarines, fighting vehicles, radar, avionics, communications, electronics and guided weapon systems. It is a pioneer in technology with a heritage stretching back hundreds of years. It is at the forefront of innovation, working to develop the next generation of intelligent defense systems.

The U.S. subsidiary of BAE Systems is headquartered in Rockville, Maryland, and is responsible for developing BAE Systems' transatlantic business, relationships with the U.S. Government, administration of BAE Systems' Special Security Agreement, and managing its U.S. based operating groups. These groups provide support and service solutions for current and future defense, intelligence, and civilian systems; design, develop, and manufacture a wide range of electronic systems and subsystems for both military and commercial applications; produce specialized security and protection products for law enforcement and first responders; and design, develop, produce, and provide service support of armored combat vehicles, artillery systems and intelligent munitions.

SBANE

Small Business Outlook

Event Profile Presentation

Agenda

- Previous Raytheon “Cutting Edge” Events
- Raytheon Supplier Financial Matches
- Management Assistance Statistics
- Lay-Off Aversion Program Through Management Assistance
- Alternative Capital Financing Programs
- “Profitable Connections”



Previous Raytheon “Cutting Edge” Events

- November 1 2007 – Warwick, RI
- March 4, 2008 – Beverly, MA
- May 13, 2008 – Waltham, MA
- June 17, 2008 – Portsmouth, RI
- December 11, 2008 – Westborough, MA
- April 7, 2009 – Portsmouth, NH

Raytheon Events

November 1, 2007

- Crown Plaza in Warwick, RI
- 167 attendees

March 4, 2008

- Metaxas Norman & Pidgeon LLP in Beverly, MA
- 114 attendees

May 13, 2008

- Westin Waltham
- 103 attendees



Raytheon Events

June 17, 2008

- Seapower Capability Center in Portsmouth, RI
- 89 attendees

December 11, 2008

- Double Tree Hotel in Westborough, MA
- 119 attendees

April 7, 2009

- Sheraton Portsmouth Harborside in Portsmouth, NH
- 136 attendees

TOTAL: 728 attendees



Raytheon Supplier Financial Matches

- SBANE impact on IDS
  - Fiscal Year 2008
    - 40 small businesses engaged
  - Year to Date 2009
    - 52 small businesses engaged

TOTAL: 92 small businesses

Raytheon
Integrated Defense Systems

SBANE

Management Assistance Statistics

- Impact of Assistance (2004 – 2008)
  - 2004 – 2005 Program
    - Amount Allocated: $250,000
    - Total Payroll: $33,415,648
    - Total Jobs: 740
  - 2006 – 2007 Program
    - Amount Allocated: $250,000
    - Total Payroll: $52,127,584
    - Total Jobs: 1,158
  - 2007 – 2008 Program
    - Amount Allocated: $100,000
    - Total Payroll: $28,115,110
    - Total Jobs: 614



Cumulative Statistics (2004-2008)

- Payroll Total: $113,658,342
- Jobs Total: 2,512

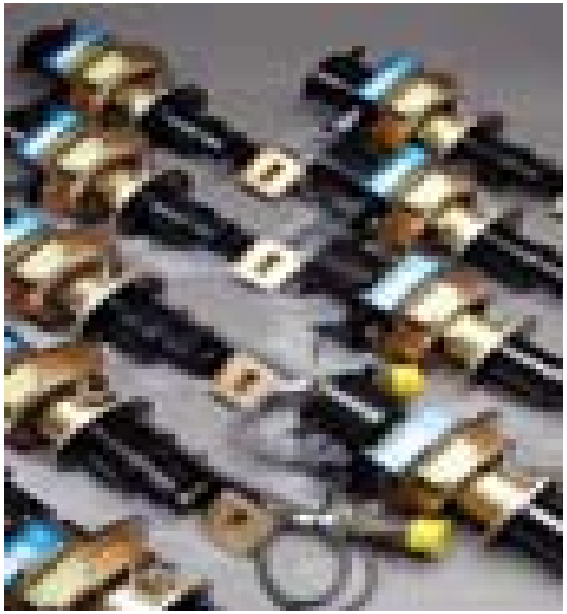
- State (Match) Funding: $600,000
- Private (Match) Funding: $600,000

- Total Funding: $1,200,000



Management Assistance / Lay-off Aversion

- Diamond Antenna
  - Founder: Jeffrey Gilling
  - Industry: Electromechanical assemblies
  - Location: Littleton, MA
  - Year Founded: 1994
  - Number of Employees: 48
  - Management Assistance: $17,500



Management Assistance / Lay-off Aversion

- ATC Technologies
  - Founder: Paul Kierce
  - Industry: Medical devices
  - Location: Wilmington, MA
  - Year Founded: 1987
  - Number of Employees: 16
  - Management Assistance: $20,000



atc technologies

Management Assistance / Lay-off Aversion

Headwall Photonics

- Founders: Larry Barstow & David Bannon
- Industry: Analytical instruments for chemical sensing
- Location: Fitchburg, MA
- Year Founded: 2003
- Number of Employees: 35
- Management Assistance: $8,000



Management Assistance / Lay-off Aversion

- AV Sportswear
  - Founder: Ronald Petrucci
  - Industry: Outerwear apparel
  - Location: Lynn, MA
  - Year Founded: 1987
  - Number of Employees: 35
  - Management Assistance: $16,000



Avalanche
OUTERWEAR AND ACTIVEWEAR

Alternative Capital Financing

- Cutting Edge Series, “Solving the Credit Puzzle”
  - January 27, 2009, Westin Hotel in Waltham, MA
  - Sponsored by Accounting Management Solutions, Inc.
  - 4 panelists from Quasi-public and private lending organizations
  - Addressed & identified non-traditional capital solutions
    - Finance growth or sustainability

AMS ACCOUNTING MANAGEMENT SOLUTIONS, INC. AN Inc. 500 COMPANY



“Solving The Credit Puzzle”

Alternative Capital Financing

- "Financing Comes in All Flavors"
  - February 12, 2009, Reservoir Place in Waltham, MA
  - 5 expert panelists from commercial finance companies
  - Each possessing variances in product offerings:
    - Pricing
    - Cash availability
    - Advance rates
    - Specific time periods



Alternative Capital Financing

- Capital Connections Series, “Liquidity for Growth”
  - March 12, 2009, Westin Hotel in Waltham, MA
  - Sponsored by Davis Malm & D’Agostine P.C. and SAMET
  - 5 panelists that represent the credit spectrum from:
    - Federal loan guaranties
    - Emerging technology loans
    - Tax-exempt bonds
    - Mezzanine capital
    - Private equity

DAVIS MALM & D'AGOSTINE P.C.
ORNEYS AT LAW

SAMET

Alternative Capital Financing

- Capital Connections Series, “Liquidity for Growth”
  - June 17, 2009, Marriot Hotel in Providence, RI
  - Business Partner - Citibank
  - 2 panels of financial experts, 7 panelists
  - Represent the credit spectrum from:
    - Federal loan guaranties
    - Emerging technology loans
    - Tax-exempt bonds
    - Mezzanine capital
    - Private equity



citibank

Profitable Connections

- ModuForm, Inc.,
  - Fitchburg, MA
  - Bill Weissman, President
  - Manufactures furniture to outfit college dormitories
- Challenge:
  - Need liquidity from non-bank source
  - Capitalize on backlog orders
- Solution:
  - $500,000 Mass Community Development Finance Corporation

Profitable Connections

- MarketForge Industries
  - Everett, MA
  - Dave Zappala, President & CEO
  - Manufactures food service equipment
- Challenge:
  - Supplemental working capital needed
  - New product line – save energy & water expenses
- Solution:
  - Boston Financial Resources
  - Pursue alternative financing channels
  - $600,000 Mass Community Development Finance Corporation

Profitable Connections

- CamBrooke FOODS
  - Framingham, MA
  - David and Lynn Paolella, CEO
  - Medicinal, dietary food supplements
    - Treat protein metabolism deficiencies



- Challenge:
  - Growth capital to expand Camino Pro™
  - Fund inventory & marketing campaign
- Solution:
  - $500,000 Mass Community Development Finance Corporation

Profitable Connections

- Source Code Corporation
  - Norwood, MA
  - Arthur Ataie, President
  - Assembles computers
    - Corporate & government users



- Challenge:
  - Infusion of liquidity to acquire other companies
- Solution:
  - **$1.5 million** in Mezzanine financing from Mass Capital Resource Company

INNOVATIVE TECHNOLOGIES – AVENUES FOR WORKING WITH THE GOVERNMENT



Eric J. Bankit
Associate Director
Joint Munitions & Lethality
Life Cycle Management Command
Office of Small Business Programs

THE TARGET AUDIENCE

- This event is a must for ambitious small companies in the defense industry looking to strengthen their existing business operations with the Department of Defense, medium to large-sized companies interested in establishing working relationships with small businesses.
- This presentation is aimed at firms, large and small, that are engaged in emerging technologies, research and development, and applied research.

Distribution Statement A. Approved for public release; distribution is unlimited

WHAT IS THIS PRESENTATION ABOUT??

- High Technology Opportunities that will result in FAR Contracts – SBIR/STTR
- High Technology Opportunities that will result in Other than FAR Contracts
  - Grants
  - Other Transactions
  - Cooperative Research and Development Agreements - CRADAs
  - Technology Investment Agreement (TIA)
- How to find the activities that are using these instruments
- How to position your firm for these opportunities

FAR BASED CONTRACTS – SMALL BUSINESS INNOVATIVE RESEARCH(SBIR)/SMALL BUSINESS TECHNOLOGY TRANSFER (STTR)

- Probably the best known federal government program for technology transfer
- The SBIR and STTR programs have provided small tech companies with more than $26 billion in funding since the programs were launched in 1982. Nearly 18,000 firms have participated, with 6,244 currently active in at least one project. Those companies have also obtained more than 67,500 patents. SBIR accounts for over half of all the federal R&D awards that small companies receive.
- portals for opportunities http://www.sbir.gov/ and http://www.er.doe.gov/sbir/
- Army, Navy, Defense Advanced Research Projects Agency, Defense Micro Electronics Activity, Defense Threat Reduction Agency, OSD now combined into one announcement

SMALL BUSINESS INNOVATIVE RESEARCH (SBIR)

FAR Contracting

The **Small Business Innovation Development Act of 1982** established the **Small Business Innovation Research (SBIR) Program.**

President Obama signed into law HR 1541 to amend PL 110-235 and to continue all small business programs through July 31, 2009.

Currently, **11 Federal agencies participate**.

Participating Department of Defense agencies include:

- Air Force
- Army
- Navy
- Defense Advance Research Projects Agency (DARPA)
- U.S. Special Operations Command, Defense Threat Reduction Agency (DTRA)
- Missile Defense Agency (MDA)
- National Go spatial Intelligence Agency (NGA; formerly NIMA)

Small Business Innovative Research (SBIR)

Program Purpose and Funding

- The Small Business Innovation Research program funds early-stage R&D at small technology companies and is designed to:
  - Stimulate technological innovation
  - Increase private sector commercialization of federal R&D
  - Increase small business participation in federally funded R&D
  - Foster participation by minority and disadvantaged firms in technological innovation
- Funding for the SBIR Program provides up to $850,000 in early-stage Research and Development funds for projects that:
  - Serve a DoD need
  - Have potential for commercialization in private sector and/or military markets

Small Business Innovative Research (SBIR)

The SBIR program includes a three-phased process:

Phase I – Project Feasibility
Companies apply first for a Phase I award of six months of up to $120,000 (agency dependent) to test the scientific, technical, and commercial merit and feasibility of a particular concept.

Phase II – Project Development to Prototype
If Phase I proves successful, the company may be invited to apply for a two-year Phase II award of up to $750,000 (agency dependent) to further develop the concept, usually to the prototype stage. Proposals are judged competitively based on:

- Scientific
- Technical
- Commercial merit (only Phase I award winners considered)

Phase III – Commercialization (Move products from lab to marketplace: military or private sector)
Following completion of Phase II, small companies are expected to obtain funding from the private sector and/or non-SBIR government sources (in Phase III) to develop the concept into a product for sale in private sector and/or military markets.

- Private Sector Funding
- Military can put other than SBIR funding into product development
- Awards are sole source but may be considered competitive since competition was obtained in Phase I

Small Business Innovative Research (SBIR)

Qualification and Award Eligibility

In order to qualify for the program, a business must:

- Be a small business, independently owned, organized for profit with its principal place of business located in the United States.
- Be at least 51% owned by U. S. citizens.
- Have no more than 500 employees.

Award Eligibility

In order to be eligible to receive awards:

- Principal investigator involved must be employed primarily by proposing firm.
- Two-thirds of Phase I and one-half of Phase II work must be accomplished by proposing firm.
- All work must be performed within the U.S.

Small Business Innovative Research (SBIR)

Copyrights, Patents, and Technical Data Rights

- In regards to **copyrights, patents, and technical data rights**, a small business:

  - Copyrights material developed under SBIR program
  - Retains patent rights to any invention developed
  - Retains rights in technical data, including software

  The Government retains a royalty-free license.

GRANTS

GENERAL INFORMATION

- DoD grants are federal assistance agreements under which payments in cash and/or in kind are made for specified purposes.
- Grants are assistance awards for which no substantial involvement is anticipated between the Federal Government and the recipient during performance of the contemplated activity.
- Recipients of DoD grants include individuals, nonprofit organizations, local and state governments, U.S. territories, and federally recognized tribal governments.
- Databases of contributing agencies
- DOD, DOE, NSF, EPA, SBA , NASA, Transportation Research Board, USDA Primary Sources of GRANTS
- http://www.grants.gov

Grants and Cooperative Agreements

- The acceptance of an assistance award from the Department of Defense creates a legal duty on the part of the recipient to use the available funds or property in accordance with the terms and conditions of the assistance agreement.
- Payments may be made in advance or as reimbursement for either work performed or costs incurred by awardees.
- Recipients are required to return to the Department of Defense
  - (1) the unused balances of advance payment awards (plus earned interest, unless recovery is prohibited by statute),
  - (2) any funds improperly applied,
  - (3) property or facilities purchased or otherwise made available under the conditions of the awards, unless legal title thereto is vested unconditionally in the recipient by the terms of the award.

COOPERATIVE AGREEMENTS

- Cooperative agreements are federal assistance agreements under which payments in cash and/or in kind are made for specified purposes. cooperative agreements should be used when the principal purpose of the transaction is to stimulate or support research and development for another public purpose.
- The major difference between grants and cooperative agreements is that grants are assistance awards for which no substantial involvement is anticipated between the Department of Defense and the recipient during performance of the contemplated activity, whereas cooperative agreements may require substantial involvement.
- However, the accounting treatment for the two types of agreements is similar. Recipients of DoD grants and cooperative agreements include individuals, nonprofit organizations, local and state governments, U.S. territories, and federally recognized tribal governments.

GRANTS AND COOPERATIVE AGREEMENTS

How do I find grant and cooperative agreement funding opportunities?

- Grants.gov provides "one-stop shopping" that will allow you to review synopses of all available competing funding opportunities for grants and cooperative agreements (and other types of financial assistance if the funding agency chooses) under the hundreds of discretionary grant programs.
- You can search by agency, category of activity to be funded, Catalog of Federal Domestic Assistance number, and other parameters. You also can sign up for email notification of newly posted opportunities based on parameters it provides. Grants.Gov FIND will include a link to the full funding opportunity announcement. Depending on the agency, these still may be published in the Federal Register or be posted on a website.

WHAT IS AN "OTHER TRANSACTION"?

- "Other transaction" is a shorthand expression used to refer to any instrument other than a procurement contract, grant, or cooperative agreement. Other Transactions, or OTs, are often used for prototype projects.

Other transactions are <u>usually</u> solicited as Broad Agency Announcements (BAA) on FedBizOPS

- ***Who is eligible to receive an OT award?***
  To receive an OT award, a proposer must meet either or both of the following criteria:
  1) There is at least one ***non-traditional defense contractor*** participating to a significant extent in the prototype project;
  OR
- 2) There are no ***non-traditional defense contractors*** participating to a significant extent in the prototype project, but at least one of the following circumstances exists:
- (i) at least **one third** of the total cost of the prototype project is to be paid out of funds provided by the parties to the transaction other than the federal government
  OR
- (ii) the senior procurement executive for the agency determines in writing that exceptional circumstances justify the use of a transaction that provides for innovative business arrangements or structures that would not be feasible or appropriate under a procurement contract.

Who is a non-traditional defense contractor?

- A non-traditional defense contractor is a business unity that has not, for a period of at least one year prior to the date of the OT agreement entered into or performed on (1) any contract that is subject to full coverage under the cost accounting standards prescribed pursuant to Section 26 of the Office of Federal Procurement Policy Act (41 U.S.C. 422) and the regulations implementing such section OR (2) any other contract in excess of $500,000 to carry out prototype projects or to perform basic, applied, or advanced research projects for a Federal Agency that is subject to the Federal Acquisition

COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS (CRADA)

- **What is a CRADA?**

  A CRADA is a written agreement between a federal research organization and one or more federal or non-federal parties (collaborators) to work together as partners on a research project of mutual interest. The CRADA opportunity is open to any company in private industry that is interested in taking advantage of it.

- **What's involved?**

  These written agreements typically consist of:

  -General provisions in a standardized format that provide the legal framework for the agreement

  -A Statement of Work (SOW) describing the objectives, tasks, and deliverables of the collaborative project

  Under a CRADA, the federal government activity may provide the collaborator, or the collaborator may provide the federal government either: Personnel, Services, Facilities, Equipment, or other Resources

- **Does the government provide funds?**

  The agreement involves no transfer of funds from the government. Although the names are similar, a CRADA should not be confused with a cooperative agreement (financial assistance typically used for competitive acquisition of cost-shared research services).

- **Are proprietary ideas protected?**

  Yes. At the conclusion of the cooperative effort, the results may often be considered proprietary. All parties agree to keep the research results confidential to the extent permitted by the law until they are published in scientific literature or presented at a public forum. The private industry cooperator can retain patent and intellectual property rights or retain an exclusive license to a patent. The government has the right to use any information, but must respect the proprietary rights of the cooperator. In addition, any other government agency may use the information emerging from a CRADA effort, but it, too, must protect the cooperator's proprietary rights. The proprietary right protection gives added incentive to the cooperator for transferring the technology or research development through marketing and commercialization efforts.

TECHNOLOGY INVESTMENT AGREEMENT

- Newest of the non-FAR based instruments available - 1998
- TIAs are a class of assistance instruments that may be used to carry out **basic, applied, and advance research projects** when it is appropriate to use assistance instruments, and the research is to be performed by a for-profit firm, or by consortia that include a for-profit firm. TIAs replaced two types of assistance instruments: "consortium agreements", a type of OT used by the Defense Advance Research Projects Agency (DARPA), and "cooperative agreements under 10 U.S.C. 2371", addressed in Part 37 of the 1994 Draft Interim Guidance DoDGARs, and also referred to as "flexible cooperative agreements". A TIA is a type of cooperative agreement (awarded under the authority of 10 U.S.C. 2358) when its patent rights provision complies with the Bayh-Dole statute (Chapter 18 of Title 35, U.S.C.). A TIA is a type of other transaction (awarded under the authority of 10 U.S.C. 2371) when its patent rights provision is less restrictive than is possible under Bayh-Dole. An OTs for prototype is not covered under the TIA classification.

WHAT ARE THE TWO KINDS OF TIAS?

Flexible Cooperative Agreement

- 42 U.S.C. 7256(a)
- Flexible (10 CFR 600 applies only if specified in agreement)
- Bayh-Dole Act and DOE patent statutes that provide for a free Govt. license and other restrictions, apply.

Other Than a Grant or Cooperative Agreement

- 42 U.S.C. 7256(g)
- Maximum flexibility
- Useful for consortia or teaming arrangements
- Exception to Bayh-Dole and DOE patent statutes.

TYPE OF RECIPIENT FOR TIA

- For profit firm must be involved in either:
  - performance or
  - commercial application of results
- TIAs particularly useful for awards to consortium that are not formally incorporated
  - consortia potentially provide a self-governance mechanism.

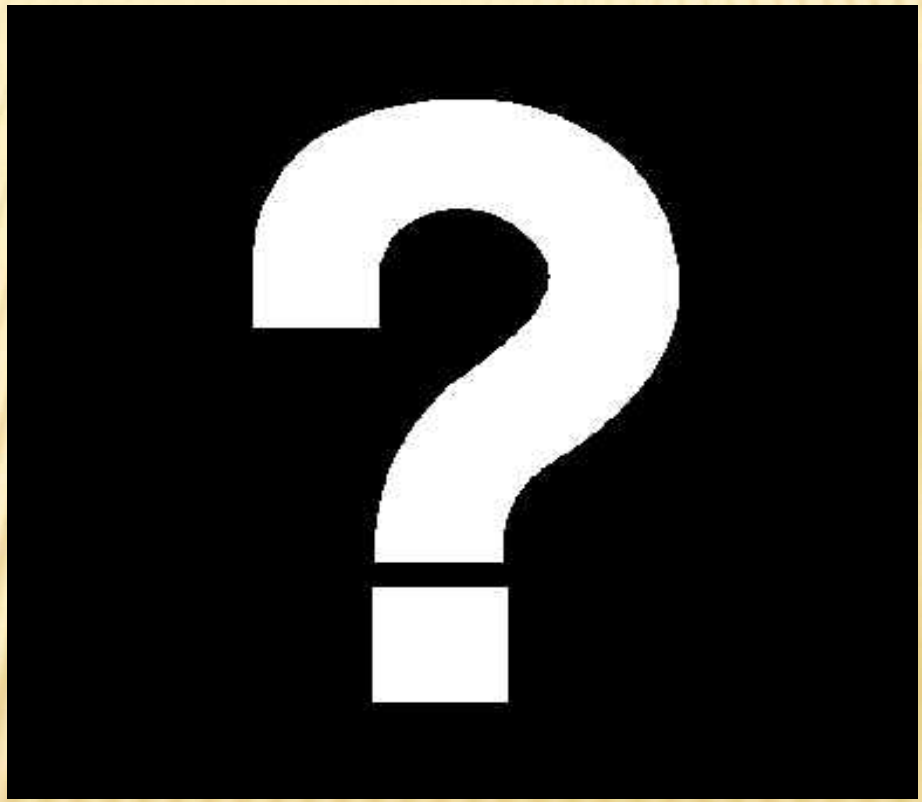
TIA RECIPIENTS COMMITMENT & COST SHARING

- To maximum extent practicable, non-Federal parties provide at least **50%** of the resources
  - Contracting Officer must seek cost sharing
- If this amount of cost sharing is impractical, Contracting Officer must determine whether other factors show recipient commitment to project success.

SOURCES FOR INFORMATION

- Websites
  - http://www.sbir.gov/
  - http://www.grants.gov
  - https://www.fbo.gov
- Small Business Specialists
- Consortiums
- Associations

QUESTIONS

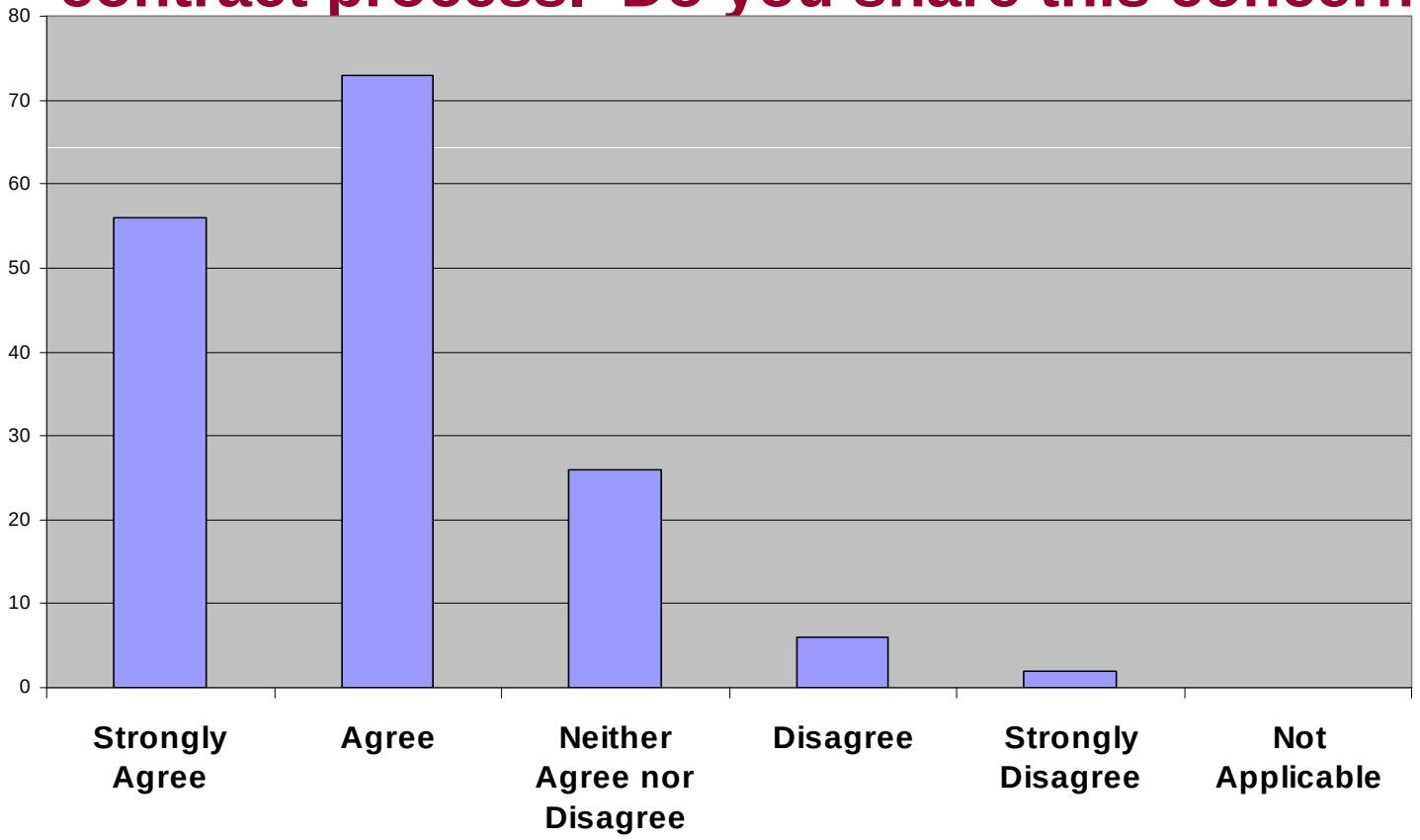


NDIA Small Business Division Subcommittee on Improving IP Protection for Small Businesses

June 3, 2009

Alison Brown
abrown@navsys.com
(719) 481 4877x102

Secretary John Young USD(AT&L) has expressed concern that DOD's access to innovation is at risk because many small businesses feel their intellectual property is put at risk through the prime contract process. Do you share this concern?



IP SubCommittee Actions

- Kick-off meeting held in Sept 2008
- Issued two Web Surveys on IP Protection Issues
- Held 5 meetings with invited panel discussions
- Held 3 working group meetings
- Web site includes reference material and minutes from meetings
- IP Protection training material is being presented after NDIA 6th Annual SB Conference
  - June 3rd from 1-3 pm

Key Issues Identified

- IP compromised during the solicitation or contracting process when provided in a technical or pricing proposal or delivered with proprietary markings
- Patent infringement occurring on Government contracts without proper levels of compensation due to FAR 52.227-1 Authorization and Consent clause
- Reports of various DOD labs appropriating properly marked proprietary IP and disseminating for use for procurement and other unauthorized purposes
- Reports on general ignorance or lack of enforcement of Non-Disclosure Agreements by Government personnel and others privy to proprietary IP
- Reports of failure to protect SBIR contract technical data in follow–on contracts

Prime/Sub IP Protection Issues

- Novel ideas for solving problems are often in conflict with technology solutions being developed by the prime itself
- IP data rights provisions are often flowed down on prime contracts from the Government which can be over restrictive in requiring access to proprietary data
- Elimination in the bid process can occur if subcontractors don't agree to prime conditions on IP rights even if statutory rights should be non-negotiable
- Small businesses cannot afford to enforce IP protection with either the primes or the government
- Ethical business dealings respecting the value of Intellectual Property are essential to encourage innovative small businesses companies to participate in Government acquisitions

IP Protection Methods

- Training on IP Protection Methods prepared by IP Methods Working Group
  - Proprietary Agreements
  - Data Rights Markings
  - Trade Secrets, Patents, Copyright
- Best Practices Review Process
  - Capture internal processes and procedures at major Prime Contractors for IP Protection
  - First Best Practices Review Panel held at NGC in April 2009

Key IP Protection Metrics (KIPM)

1. Corporation has an established policy for IP Protection of their suppliers
2. Corporation provides training material to their suppliers on their policy
3. Corporation provides internal training on their policy
4. Corporation has an identified individual responsible for implementing policy
5. Contact information provided for Corporate individual empowered to deal with reported IP Protection issues
6. Corporation have committed to a small business subcontracting plan
7. DCMA and SBA audit results show Corporation is meeting Small Business subcontracting goals

Patent Issue: FAR 52.227-1 Authorization and Consent

(a) The Government authorizes and consents to all use and manufacture, in performing this contract or any subcontract at any tier, of any invention described in and covered by a United States patent—

(1) Embodied in the structure or composition of any article the delivery of which is accepted by the Government under this contract; or

(2) Used in machinery, tools, or methods whose use necessarily results from compliance by the Contractor or a subcontractor with (i) specifications or written provisions forming a part of this contract or (ii) specific written instructions given by the Contracting Officer directing the manner of performance.

28 U.S.C. 1498(a)

Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the United States Court of Federal Claims for the recovery of his reasonable and entire compensation for such use and manufacture. . .

Experience of Tenebraex

- Developed and patented innovative method of hiding reflections from soldier's optics (ARDs) using own investor's capital (no government money used for R&D)
- At request of a major contractor, designed and built ARDs they used to meet a requirement in their response to an Army solicitation
- Contractor won solicitation and informed Tenebraex that they would make the ARDs themselves
  - " Due to the Authorization and Consent clause of the Federal Acquisition Regulation 52.227.1, we have no need to examine either the coverage or the referenced patent or its validity."
- Patent holder cannot sue the infringer - only recourse is to sue government in Court of Federal Claims
  - Suit for a royalty and legal fees >$1.5 million
  - File Administrative Action for royalty only >$150K

AF/Spectrum CRADA Experience



Purpose was to develop a new Munitions Assembly Conveyor (MAC)

AF agreed to protect Spectrum's pre-CRADA IP

UNIT agrees that any designs, technologies, or the integration of technologies developed under COLLABORATOR funds are proprietary to COLLABORATOR.

[12] Consistent with these provisions, an internal Air Force e-mail, dated on or about September 27, 2000, recognized – "Any preexisting proprietary data was specifically excluded under the CRADA as outlined in the work plan. Therefore, the CRADA has nothing to do with Spectrum data rights on data not generated under the CRADA. The government is under obligation to protect from release any pre-existing proprietary data."

CRADA Data is protected by Law

Per DFAR 252.227-7018(b)(4), *for 5 years from completion of the project,* the Government cannot disclose SBIR Data or Software except

- as expressly permitted by Contractor
- for evaluation purposes
- when necessary for emergency repair or overhaul of items operated by the Government

IP Rights breached in post-CRADA Procurement

- AF disclosed Spectrum's pre-CRADA IP to Gov't personnel drafting a RFP
- Provided Spectrum's IP to outside contractors in both draft and final RFP
  - Despite Spectrum's complaints that they included its IP
- Contract awarded to competitor

Court's Ruling

"The court need go no further. Based on the foregoing, it finds that the Air Force repeatedly breached the CRADA and that defendant should be held liable therefor."

> "The court has little doubt that the breaches here resulted in recoverable damages – at least sufficient enough to move this case into its next phase."
>
> "[T]he parties shall conduct at least one serious discussion regarding settlement."

Issues with Equal Access to Justice Act

- Equal Access to Justice Act (Public Law 96–481; 94 Stat. 2325 et seq.) "EAJA"
  - Was intended to make the justice system more accessible to individuals of modest means, small businesses, and nonprofit organizations through limited recovery of their attorneys fees when they prevail in disputes with the Federal Government;
- EAJA retains formidable barriers to attorneys' fees recovery as well as inefficient and costly mechanisms for determining the fees recovery
  - "Substantial justification defense", whereby the Government can deny attorneys' fees recovery to prevailing small parties if the Government can show that its position, although proven illegal, was not abusive or entirely unreasonable;
  - Hourly rate cap on attorneys' fees of $125, which is well below the market rate for competent legal services in many legal markets (especially for complex and high-risk litigation against the Federal Government) and thus prevents fair reimbursement of attorneys' fees for small parties and discourages competent counsel from undertaking meritorious cases on a contingency or reduced-fee basis; and
  - Outdated small business eligibility requirements, which have not increased or indexed for inflation the net worth threshold of $7,000,000 established in 1985

Protecting SBIR Developed IP

- Goal of SBIR program is to increase the number and quality of companies competing for DOD projects by improving the protection of IP
- DoD SBIR Program provides $1B R&D investment annually for Small Business IP development
- NDIA survey highlighted specific areas of concern regarding improper IP protection when SBIR technology is transitioning into other DOD acquisition programs

SBA SBIR Policy Directive IP Restrictions

- Government retains a royalty free license for Gov use of technical data resulting from SBIR
- Agency must refrain from disclosing SBIR technical data to outside the Government (except reviewers) and especially to competitors of the SBC
- Agency must not use the information to produce future technical procurement specifications that could harm the SBC that discovered and developed the innovation

Phase III SBIR Contracts

- SBIR Phase III status should be given for work that derived from, extends, or logically concludes work begun under a Phase I/II contract.
- Contractor should receive Preference for Phase III work
- Contract should be designated as an SBIR Phase III in FPDS.
- SBIR Data Rights Clauses should be included
- Agencies are making different determinations on what constitutes a Phase III

SBIR IP Issues Findings & Recommendations

- IP Protection Issues
  - "Pass-through" of Small Business IP to other contractors
  - Government use of Small Business IP in generating competitive procurements
  - Government or FFRDC use of Small Business IP in their own research
  - Misuse of material protected with SBIR data rights
- SBA Procurement Center Representative Role
  - Working Group assisted in developing training for PCRs in SBA SBIR Policy Directive
  - Training for SB in role of SBA PCR in identifying when acquisitions should be Phase III set asided

Consequences of IP Violations

- IP misuse can be considered a Federal Trade Secret's act violation
  - Punishable by fine and/or imprisonment and removed from office or employment
  - ***But -*** No documented cases could be found of Federal employees ever being prosecuted for misuse of a company's IP
- Federal Claims Court Actions
  - Damages can be awarded
  - ***But -*** Equal Access to Justice Act limits cost reimbursement for legal fees to significantly below market rates
- Small businesses cease sharing IP with Primes & Labs
  - Programs lose innovations that could benefit warfighter

NDIA IP Protection SubCommittee Meeting June 3rd BallRoom D

- 1:00 – 1:30 pm, Alison Brown, Overview of NDIA IP Protection Survey Results
- 1:30 – 2:15 pm, John Moran, Training in Methods of IP Protection
- 2:15 – 3:00 pm, Alison Brown, Role of an SBA PCR in SBIR Phase III Transitions



The Naval Undersea Warfare Center Division Newport

2 June 2009

Presented to:

National Small Business Conference,
Installation Opportunities Panel

By:

CAPT Michael W. Byman
Commander, NUWC Division Newport

Approved for Public Release
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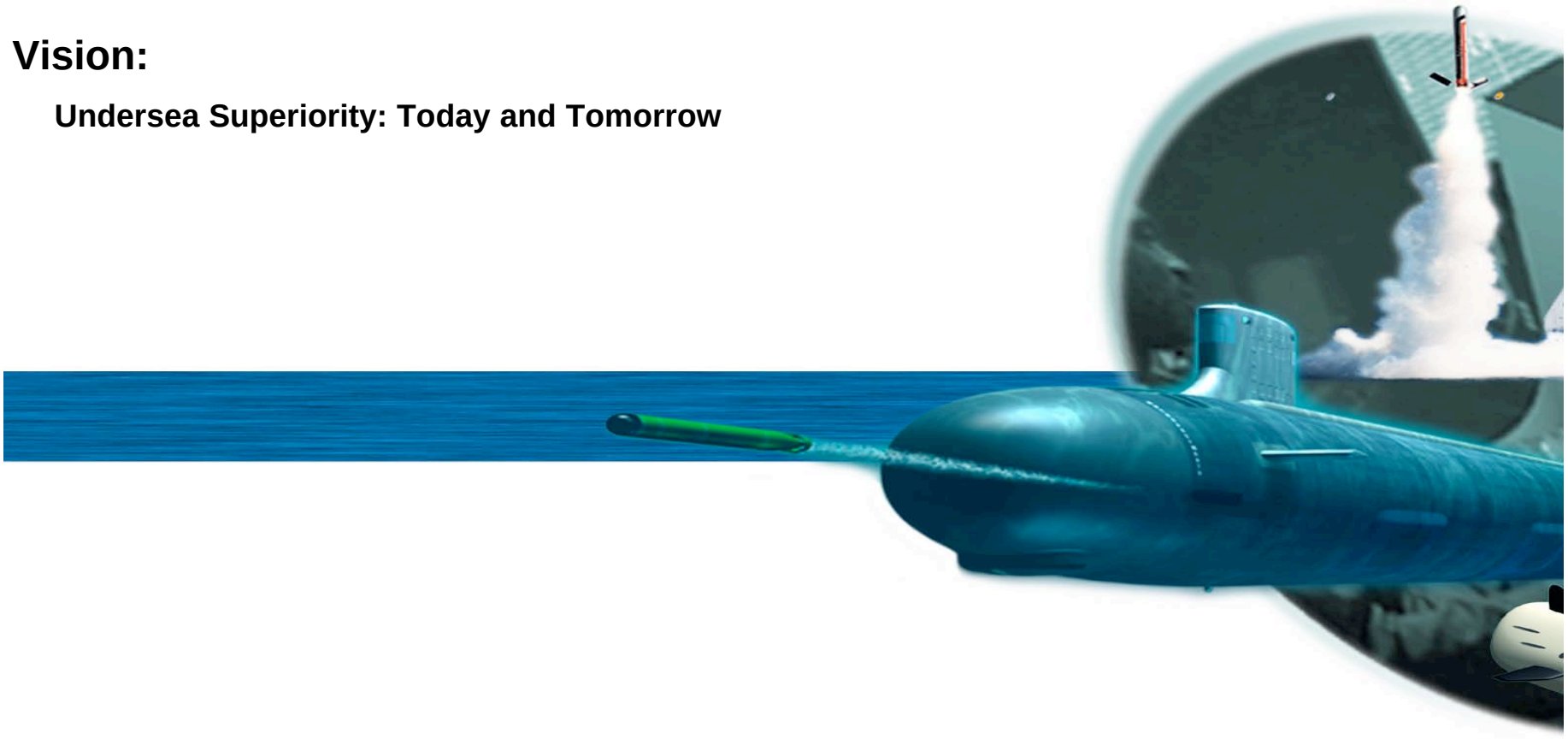
Mission and Vision

Mission

The Naval Undersea Warfare Center Division Newport provides research, development, test and evaluation, engineering, analysis and assessment, and fleet support capabilities for submarines, autonomous underwater systems, and offensive and defensive undersea weapon systems, and stewards existing and emerging technologies in support of undersea warfare. Executes other responsibilities as assigned by the Commander, Naval Undersea Warfare Center.

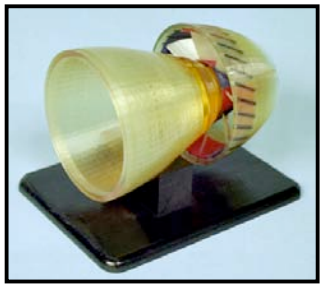
Vision:

Undersea Superiority: Today and Tomorrow



Working Together to Deliver the Best Solutions Quickly





Prototyping



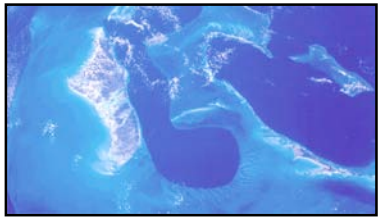
Undersea Warfare Analysis



Test & Evaluation

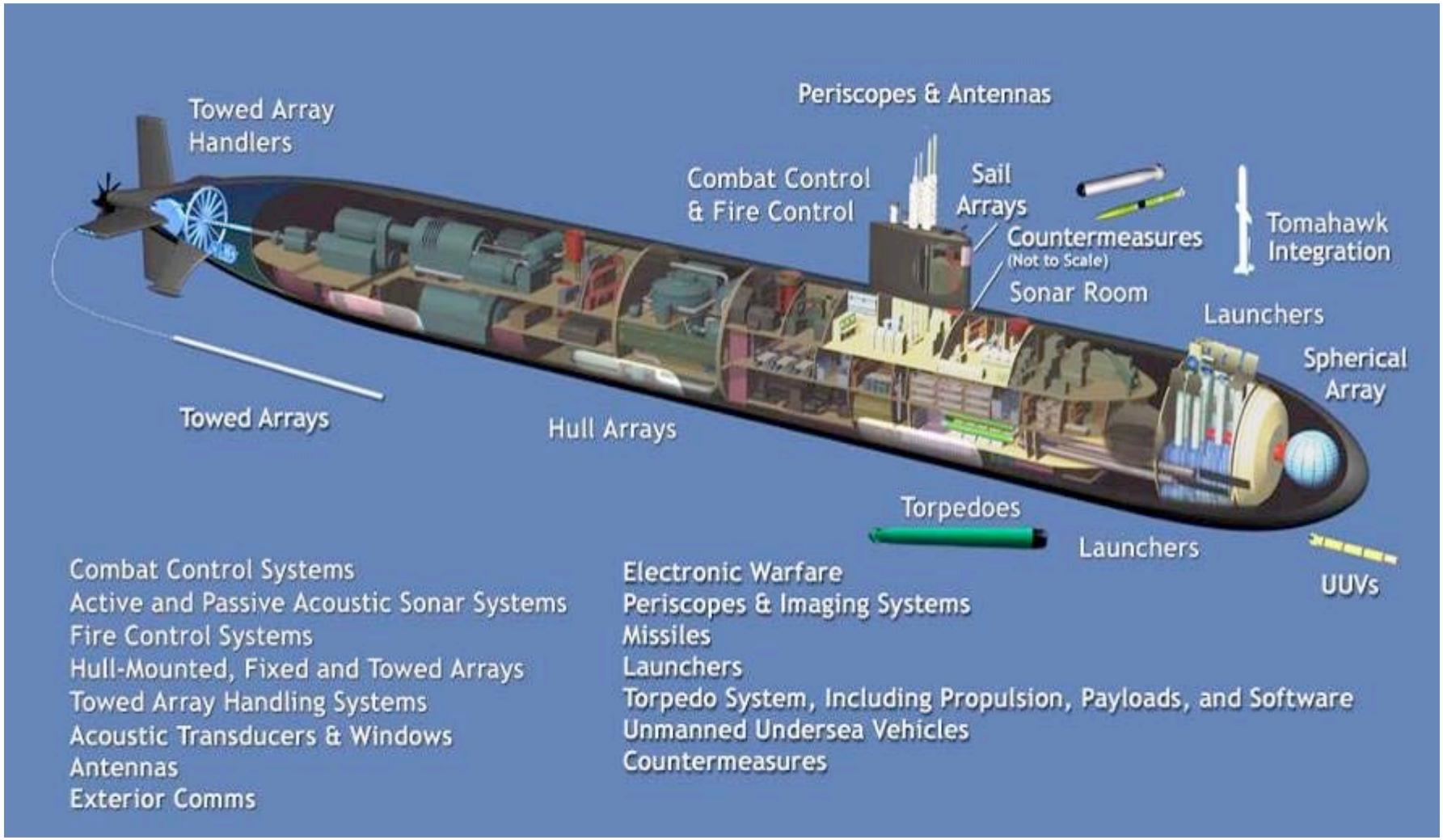
Operating Principles: (1) Teamwork, (2) Integrity, (3) Accountability, (4) Initiative, (5) Respect

Division Newport: 140 Years Of Progress

1869	1945	1966	1970	Today
				Naval Undersea Warfare Center Division, Newport 1992 - Present • Test and Evaluation • Engineering and Fleet Support • Autonomous Underwater Systems
Naval Torpedo Station at Goat Island 1869 - 1951 • Torpedo Repair • Torpedo Ranging and Testing • Torpedo School	Underwater Sound lab New London, CT 1945 - 1970 • Pioneers in Sonar Systems Development 	Naval Undersea Weapons Research and Engineering Station 1966 - 1970	Naval Underwater Systems Center 1970 - 1991 • Growth of Test and Evaluation Functions	

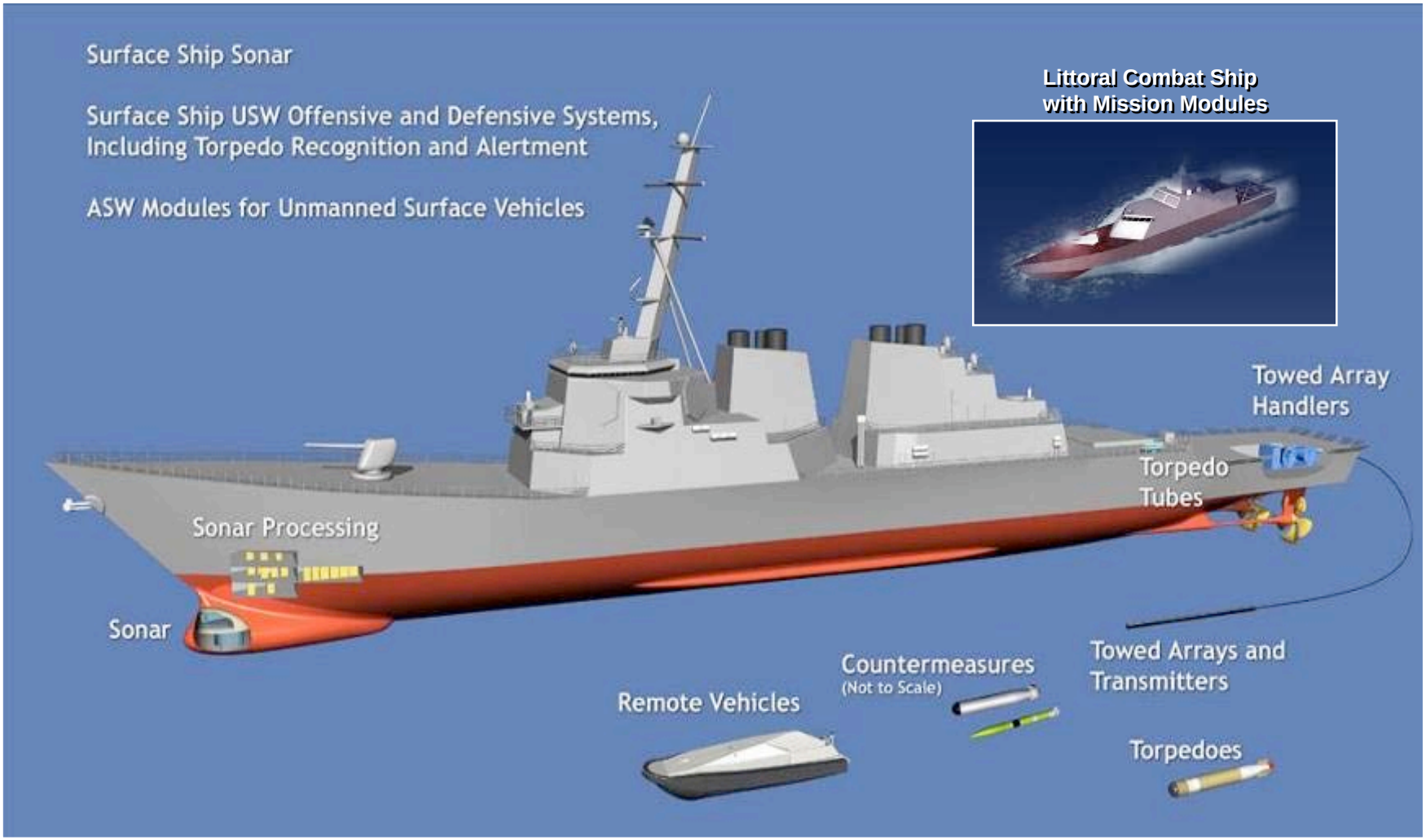
At the Forefront of Undersea Systems Development for Over a Century

NUWC's Contribution to Submarine Technology



NAVSEA WARFARE CENTERS NEWPORT

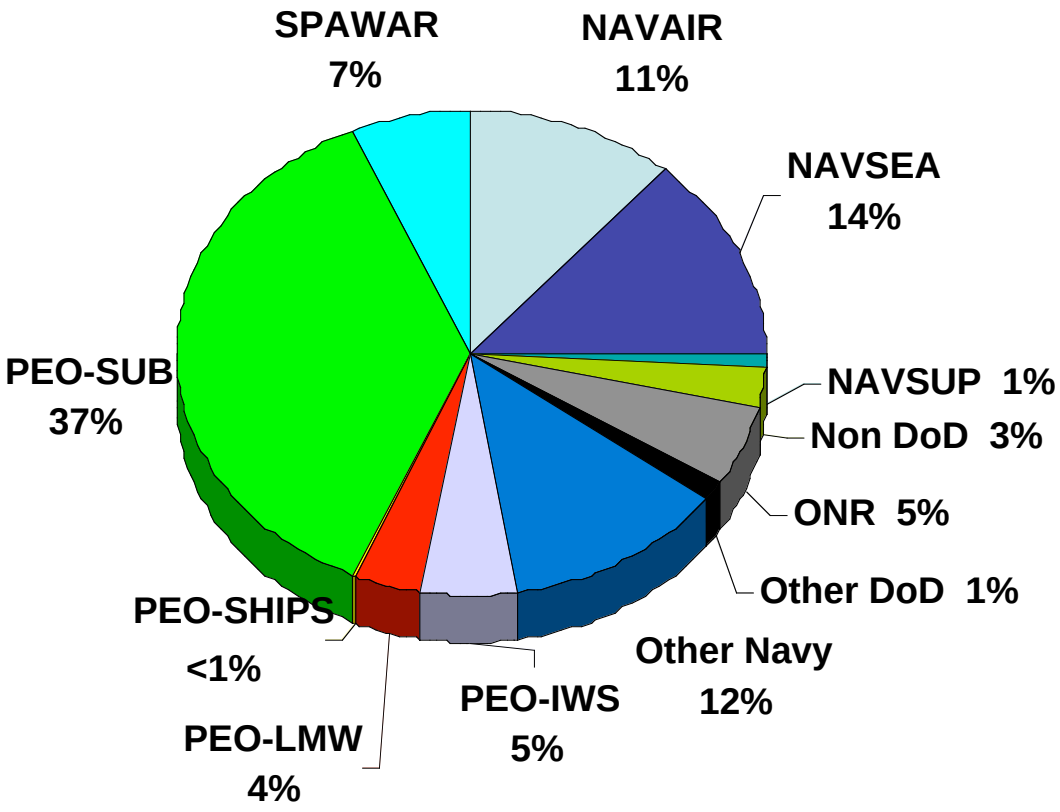
NUWC's Contribution to Surface Ship Technology



NUWCDIVNPT Customers

NAVSEA WARFARE CENTERS NEWPORT

Our FY08 Customers
$977.4M



Spectrum of Customers

- Fleet
- Program and resource sponsors
- Scientific sponsors
- Intelligence community
- Defense industry
- Non-defense industry
- Foreign Navies

We are a NWCF Activity

- We're not a congressional line item
- Customers decide whether to bring work to the Warfare Centers
- NUWC is accountable for efficient delivery of products and services

Provide Best Value to Our Customers

Small Business Opportunity Key Points of Contact

- **Mr. David Rego**
  - **David.rego@navy.mil**
    - **401.832.1766**
- **Dr. Theresa Baus**
  - **Technology Partnership Enterprise Office**
    - **Theresa.baus@navy.mil**
      - **401.832.8728**

Technology Partnership Enterprise Office (TPEO)

- **Partnerships and collaborations**
  - **Cooperative Research and Development Agreements (CRADAs)**
  - **Work for Private Party (WPP) agreements**
  - **Patent License Agreements**
- **Small Business Innovation Research (SBIR) & Small Business Technology Transfer (STTR)**
- **S&T Broad Agency Announcement (BAA)**

Leveraging Partnerships and Collaborations to Enhance Capabilities for the Warfighter

NAVSEA WARFARE CENTERS NEWPORT

Cooperative Research & Development Agreements (CRADAs)

- **Agreements between DIVNPT and one or more non-Federal parties to perform cooperative & mutually beneficial R&D consistent with the DIVNPT mission**
- **DIVNPT may provide personnel, services, facilities and equipment**
- **Non-Federal Collaborator may provide all of the above plus funds to DIVNPT**
- **Preference for small businesses**
- **Preference for businesses agreeing to manufacture products substantially in the U.S.**
- **Intellectual Property (IP) rights are covered in the agreements**

Navy Potential Contractor CRADA

- **Establishes need-to-know to gain clearance**
- **Replaces NPC program no cost contract agreements**
- **Company continues development of product or service and provides yearly report on progress**
- **Division files paperwork with DSS that starts clearance process**
- **Three years duration**
- **Up to SECRET**

NAVSEA WARFARE CENTERS NEWPORT

Work for Private Parties (WPP)

- **Provides private party access to Government facilities and expertise**
- **Non-collaborative agreement**
- **Private parties pay the Government & must recover all costs of use of the facility and associated Government labor**
- **References for details:**
  - **10 USC 2539B (Test Services)**
  - **10 USC 2563 (Engineering Services)**
  - **10 USC 2681 (AUTEC Range Services)**
- **Cannot compete with industry – Government has to be the only source for the work/services required**

NAVSEA WARFARE CENTERS NEWPORT

Patent License Agreements

- **Dual-use commercialization leverages NUWC's R&D**
- **Exclusive and non-exclusive licenses available**
- **License agreements in conjunction with a CRADA to support transition to commercial products**

To Date, NUWCDIVNPT has Licensed 103 Patents

NAVSEA WARFARE CENTERS NEWPORT

SBIR & STTR

Program Descriptions

- **Small Business Innovation Research (SBIR)**

2.5%
of extramural R&D $$

  - **Set-aside program for small business concerns to engage in federal R&D -- with potential for commercialization (11 federal agencies required to participate)**

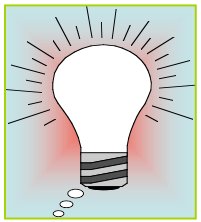
- **Small Business Technology Transfer (STTR)**

0.3%
of extramural R&D $$

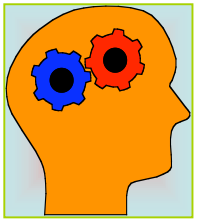
  - **Set-aside program to facilitate cooperative R&D between small business concerns and U.S. research institutions -- with potential for commercialization (5 federal agencies required to participate)**

www.dodsbir.net

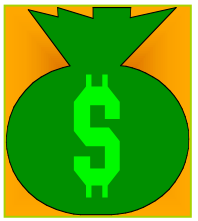
SBIR/STTR: 3-Phase Programs



- **PHASE I**
  - **Feasibility Study**
  - **~$100K for 6-9 months (SBIR) or 12 months (STTR)**



- **PHASE II**
  - **Full Research/R&D**
  - **~$750K for 2 - 2.5 years (SBIR) or $500K (STTR)**



- **PHASE III**
  - **Transition Stage**
  - **Use of non-SBIR/STTR Funds**

Role of the Resident Division Newport SBIR/STTR Coordinator

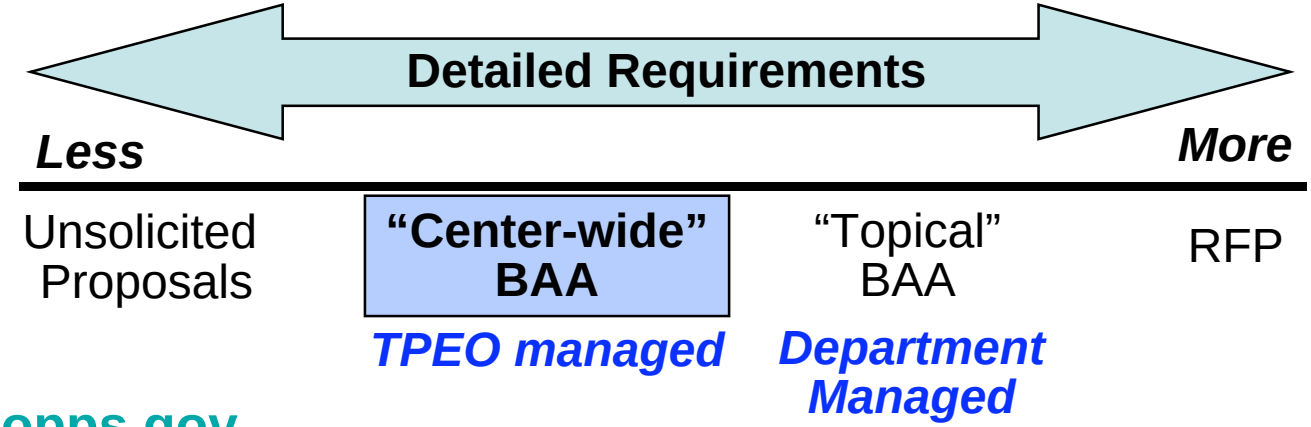
- **Coordinate all steps in Division participation**
  - **Topic calls**
  - **Proposal evaluation**
  - **Contract award**
  - **Funds allocation and expenditure**
- **Advise & inform on effective program use**
  - **Division scientists and engineers**
  - **Small businesses**
  - **Washington program managers**
  - **Prime contractors**
- **Facilitate partnerships for transition**
- **POC:**
  - **Mr. Jack Griffin, (401) 832-7283**
  - **John.F.Griffin@navy.mil**

Science & Technology Broad Agency Announcement (BAA)

- **Center- wide BAA (S&T focus) – always 'open' & currently posted – invitation to submit proposals**

For better defined technical needs:

- **Topical BAAs**
  - **Focused subject matter with more specific needs defined**
  - **published periodically (usually with a 'closing date')**



www.fedbizopps.gov

For NUWC specific BAAs see …

www.npt.nuwc.navy.mil/contract

TPEO Points of Contact

Technology Transfer Coordinator

- Cooperative Research and Development Agreements (CRADAs)
- Mary Sylvia, mary.sylvia@navy.mil (401) 832-3339

SBIR/STTR Program Coordinator

- Jack Griffin, john.f.griffin@navy.mil, (401) 832-7283

University & Industrial Programs

- Education Partnership Agreements
- Center Wide S&T Broad Agency Announcement
- Intergovernmental Personnel Agreements
- NPC CRADAs
- Dr. Greg Jones, gregory.b.jones1@navy.mil, (401) 832-1681

NAVSEA WARFARE CENTERS
NEWPORT

Collaboration on a Global Basis

Stable, Long Term Investments
-Stewardships-



Office of Naval Research Etc.



Service Laboratories/Centers

NWC
NWDC
Fleet &
Fleet Reps

International Symposium and Conference

Basic Research, Fundamental Ideas, Scientific Talent Pool

Educational Partnership Agreements +



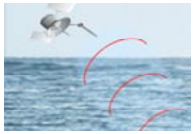
Academia



21 Educational Partnership Agreements



High Risk, High Payoff R&D







Foreign Military Sales

Armament Cooperation Programs

Data Exchange Agreements

Technical Cooperation Programs

Cooperative Research and Development Agreements

U. S. Allies

Demo/Validation, Production

Recent Alliances
- **Sandia**
- **Electric Boat**
- **Raytheon**
- **Northrop Grumman**



CRADA's



SBIR

Industry

IRAD


-WARNING-
INNOVATION
IN PROGRESS

Headquarters U.S. Air Force

Integrity - Service - Excellence

Small Business
Reaching Beyond Goals



U.S. AIR FORCE

Mr. Ronald Poussard
Director, Small Business Programs
SAF/SB
May 20, 2009

U.S. AIR FORCE
SMALL BUSINESS
BEYOND GOALS



U.S. AIR FORCE

Mission and Vision

- **Air Force Small Business Vision**

  We will reach *Beyond Goals* to make Small Business the solution of choice to meet the needs of the Air Force mission

- **Air Force Small Business Mission**

  To create and deliver strategies that bring innovative, agile and efficient Small Business solutions to the Air Force to fly, fight and win in air, space and cyberspace and it is exemplified through this *Beyond Goals* strategy

Innovation - Agility - Efficiency - Economy - Diversity!

U.S. AIR FORCE

Strategic Objectives Aligned to Air Force Priorities

Reinvigorate the Nuclear enterprise	Partner with the Joint Coalition team to Win Today's Fight	Develop and Care for Airmen and Their Families	Modernize Our Air and Space Inventories, Organizations, and Trainings	Acquisition Excellence
Create and Deliver the Right Small Business Options and Solutions to the Warfighter	Create and Deliver the right Small Business Options and Solutions to the Warfighter	Develop a Mission Ready Small Business Work Force	Create and Deliver the Right Small Business Options and Solutions to the Warfighter	Create and Deliver the Right Small Business Options and Solutions to the Warfighter
	Foster Awareness and Advocacy of Small Business Capabilities to Support Mission Needs	Foster Awareness and Advocacy of Small Business Capabilities to Support Mission Needs	Develop a Mission Ready Small Business Work Force	Develop a Mission Ready Small Business Work Force
			Foster Awareness and Advocacy of Small Business Capabilities to Support Mission Needs	Foster Awareness and Advocacy of Small Business Capabilities to Support Mission Needs
			Implement and Execute Initiatives to Achieve DOD Small Business Program Goals	Implement and Execute Initiatives to Achieve DOD Small Business Program Goals

U.S. AIR FORCE

A Strategy

Beyond Goals

- **Brings innovation, agility and efficiency of small businesses to mission of Air Force**
- **Pushes beyond traditional method of measuring success by percentages**
- **Ensures Warfighters' access to comprehensive set of capabilities**

From Small Business Advocates…
to Advocates for the mission…
met with small business solutions!

Small Business Solutions of Choice!

U.S. AIR FORCE

Small Business Mission Impact



Innovation

Agility

Efficiency

Economy

Diversity

Single Digit G & A

U.S. AIR FORCE

Small Business - New Goals

- **Deliver Solutions - tactical and strategic**
  - **Establish Small Business Solution Center**
  - **A market research/data analysis power house**
- **Increase Leadership Awareness**
  - **Focus Small Business accomplishments/value to the mission**
- **Create a Small Business Force**
  - **Community of Practice (COP), Outreach, enterprise knowledge**
- **Exceed 23%**
  - **Target strategies to strengthen the small business program**

U.S. AIR FORCE

Pilot Initiative SB Solution Center

- **Proactive market research to influence and shape acquisition strategies to promote small business solutions**

- **Places small business focus on:**
  - **Data analysis**
  - **Training**
  - **Strategic Sourcing analysis**
  - **Market research and outreach**
  - **Customer and industry outreach**
  - **Strategy development**

- **Provides Knowledge Sharing**
  - **COP**
  - **Collects data and lessons learned**
  - **Disseminates to the field**

- **Develops tools and implements processes to maximize utilization of small business**

U.S. AIR FORCE

"SBS Training Programs Bluing" Mandate

What are the needs of new SBS? They need to know ….

- **The mission of the Air Force Small Business Programs**
- **Their role in advising PMs/COs about SB Options/Solutions in support of the organization's mission**
- **How to justify SBSs' actions based on mission requirements supported with a business case presentation**
- **Their role in commodity councils and/or acquisition strategy panels supported with market research information**
- **How to provide input to update and revise laws, policies, and regulations that affect small business programs**
- **How to prepare "Contract Action Reports" that provide metrical snapshots that will assist commanders/directors, as well as SAF/SB, in measuring the organization's progress**

U.S. AIR FORCE

AF Small Business Success



"It's exactly what we need and practical for Vandenberg."

Mark Farias, Chief, Fire and Emergency Services, Vandenberg AFB, Calif.

- **Specialized fire trucks at Vandenberg AFB needed refurbishment/upgrades.**
- **Small Business solution provided customer-specific repairs that will add 10 years to a vehicle's life.**

"(Fire department officials) made sure they looked at every aspect, weighed all their options and really did their homework."

Dee Perry, 30th Space Wing Small Business Specialist

U.S. AIR FORCE

AF Small Business Success

- **Small Business Falcon Program at McGuire AFB – 75% reduction in bird strikes**
- **Washington Post Story, Nov 3, AF Looking for Falcons to Help Reduce Bird strikes in Iraq**



"Even with the most advanced technology available today, an 80-ton U.S. Air Force aircraft still relies on a winged ally that weighs in at about 2 pounds."

U.S. AIR FORCE

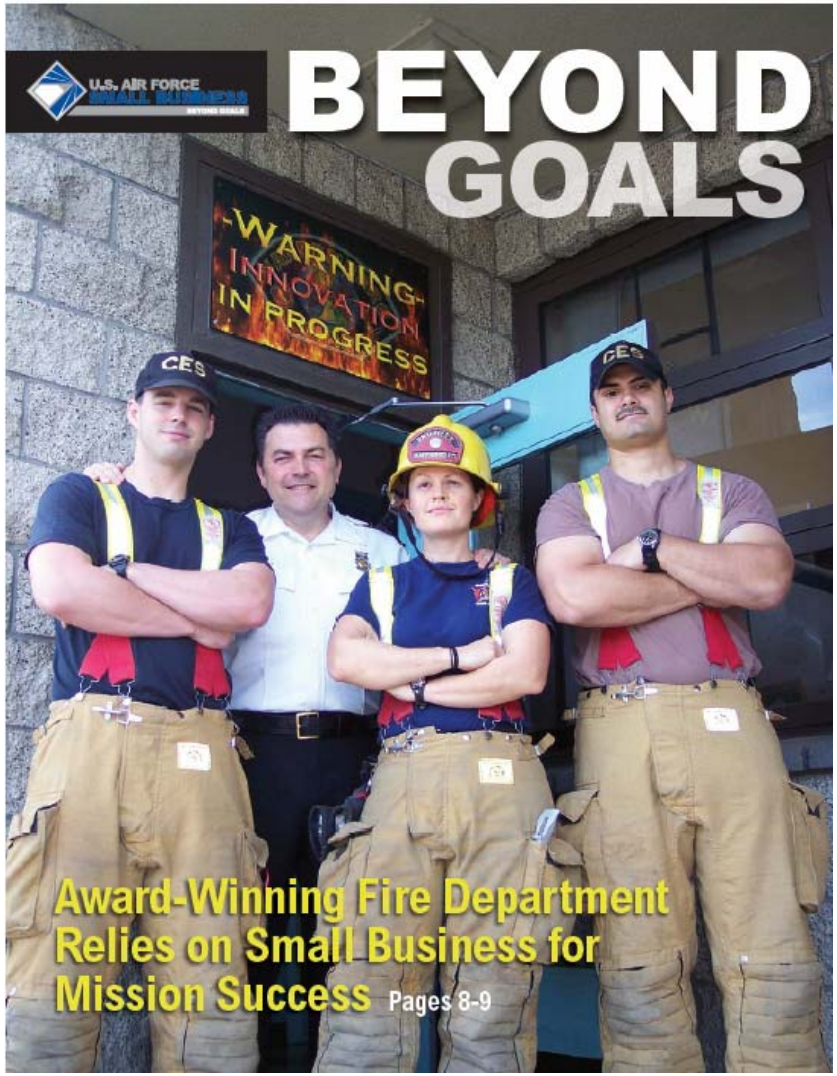
Booth



Integrity - Service - Excellence

U.S. AIR FORCE

Newsletter



U.S. AIR FORCE

Coin



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www.AirForceSmallBiz.org



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U.S. AIR FORCE

Contact Us

Office of Small Business Programs

SAF/SB

1060 Air Force Pentagon

Washington DC 20330-1060

703-696-1103

www.AirForceSmallBiz.org


Northeast Veterans Business Resource Center
501 (c)(3) Nonprofit Organization
We the People
insure domestic Tranquility, provide for the common defence, promote the
and our Posterity, do ordain and establish this Constitution for the United
SBA
U.S. Small Business Administration

Innovations in Expanding the Participation of Service Disabled Veterans in the Establishment and Operation of Small Businesses

NDIA
National Defense Industrial Association

Promoting National Security Since 1919

Hyatt Regency Hotel
Newport, Rhode Island
June 2nd, 2009

SBA
U.S. Small Business Administration

Serving American heroes, one business at a time.



Veterans Entrepreneurship and Small Business Development Act of 1999

Public Law 106–50
106th Congress

An Act

To provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes.

Aug. 17, 1999
[H.R. 1568]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

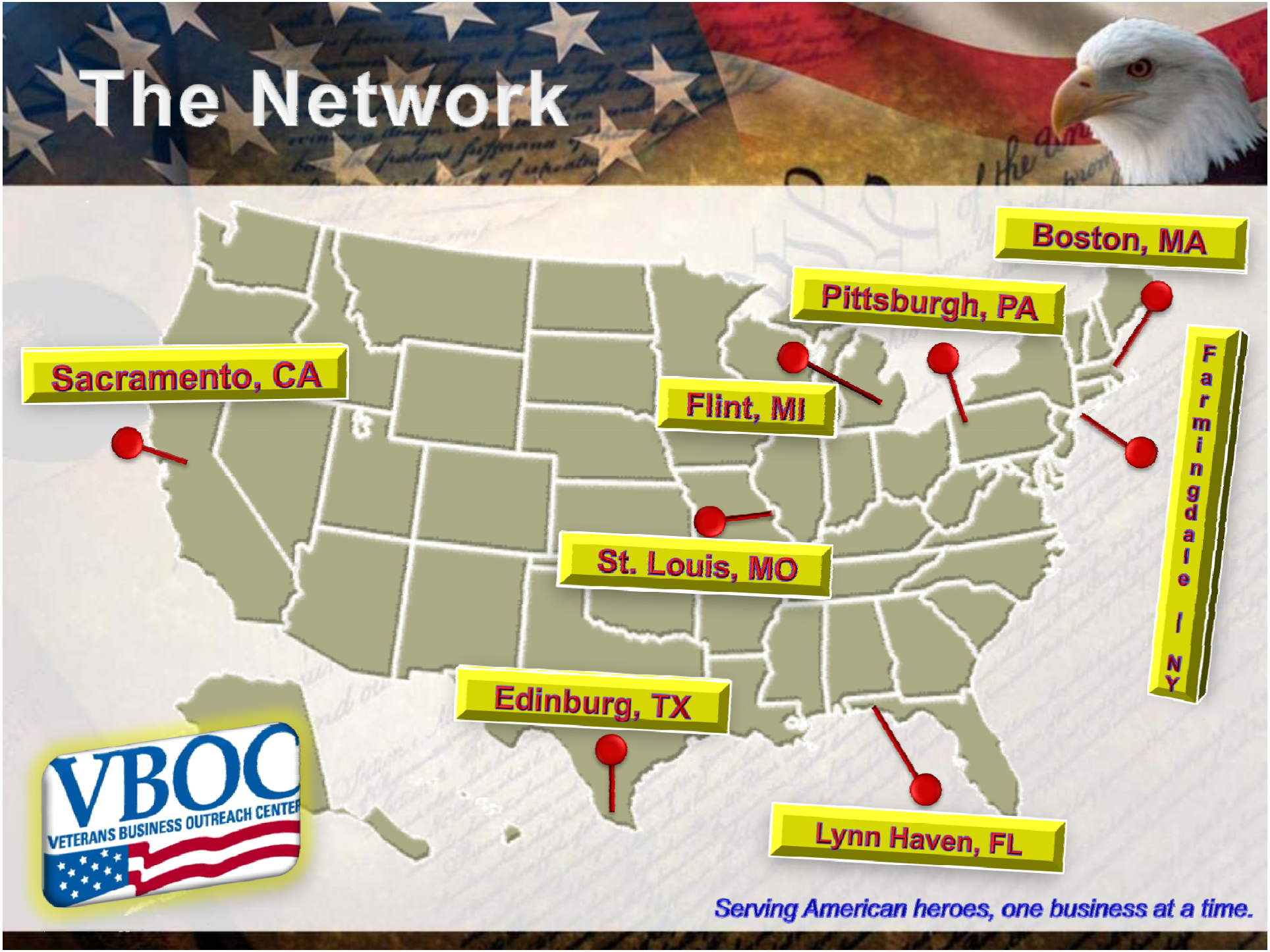
SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans Entrepreneurship and Small Business Development Act of 1999".

Veterans Entrepreneurship and Small Business Development Act of 1999.
15 USC 631 note.

SEC. 2. TABLE OF CONTENTS.

The Network



Serving American heroes, one business at a time.

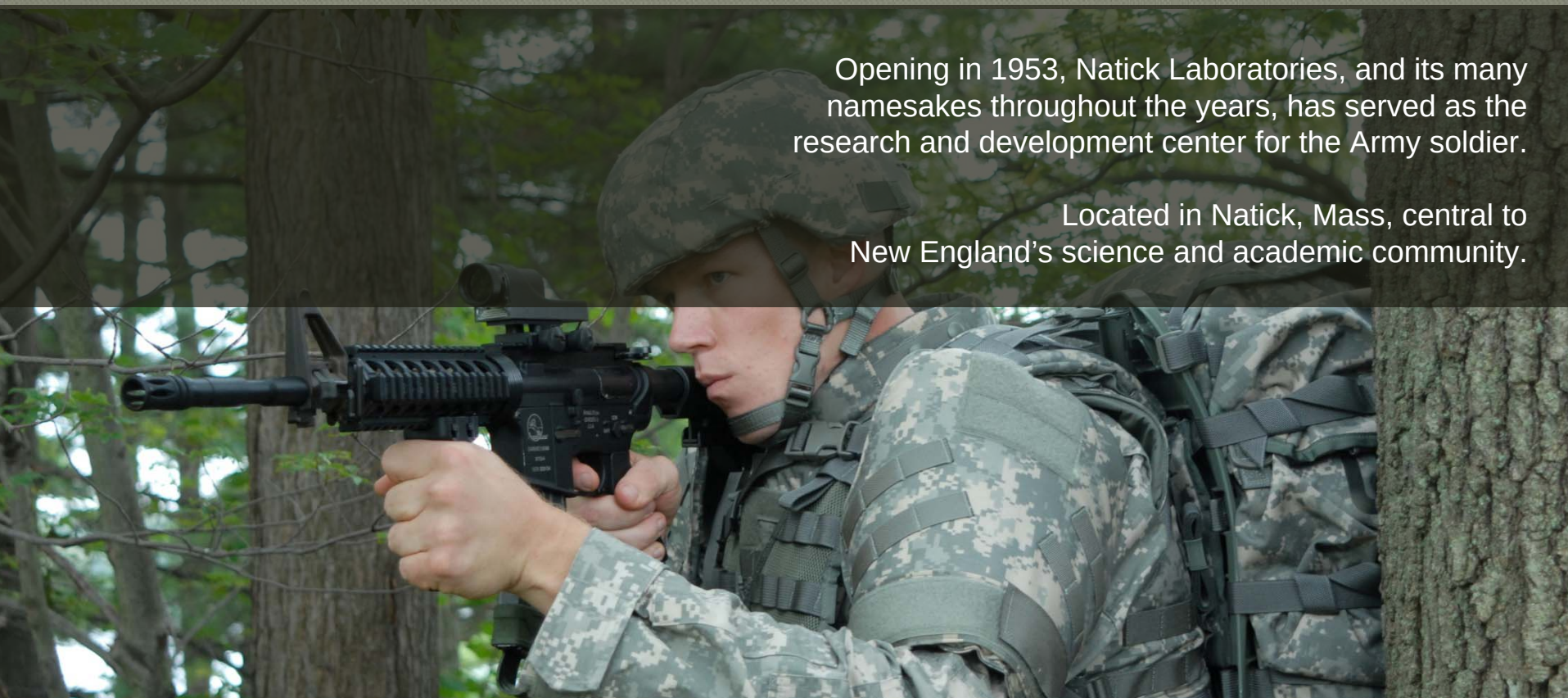
Services

Full Service Business Center

- Start Up
- Access to Capital
- Growth/Expansion
- Federal Procurement
- Marketing/Market Research
- Deployment Prep/Recovery


www.nevbrc.org
Lcelli@nevbrc.org (617) 938-3933
Northeast Veterans Business
Resource Center Inc.

RDECOM
Natick Soldier System Center
Natick, MA



Opening in 1953, Natick Laboratories, and its many namesakes throughout the years, has served as the research and development center for the Army soldier.

Located in Natick, Mass, central to New England's science and academic community.

Cheryl DeLuca
Chief, Natick Contracting Division

The Natick Contracting Division (NCD) is a full service contracting organization managing integrated acquisition including services, supplies and research and development

Mission:

In general terms: "Anything a Soldier wears, carries, eats, or lives in..." falls within our purview. When you see a soldier in the field, everything from helmet to boots, ballistic protection, shelter systems and parachutes were originally researched, developed, and acquired through the efforts of the Natick Soldier System Center and Natick Contracting Division.

Who do we support?
The Soldier.

Major Organizations Include:

Natick Soldier Center (NSC)

Program Executive Office - Soldier

PM Force Sustainment Systems (PM-FSS)

PM Special Operations Forces Survival Systems (PM-SOF)

United States Marine Corps

Integrated Logistic Support Center (ILSC)

Naval Health Research Center (NHRC)

Joint Program Executive Office for Chemical and Biological Defense

Joint Program Executive Office for Individual Protection

Army Combat Readiness Center (CRC)

Department of Homeland Security (DHS)

Installation Management Command (IMCOM)

Defense Advanced Research Projects Agency (DARPA)

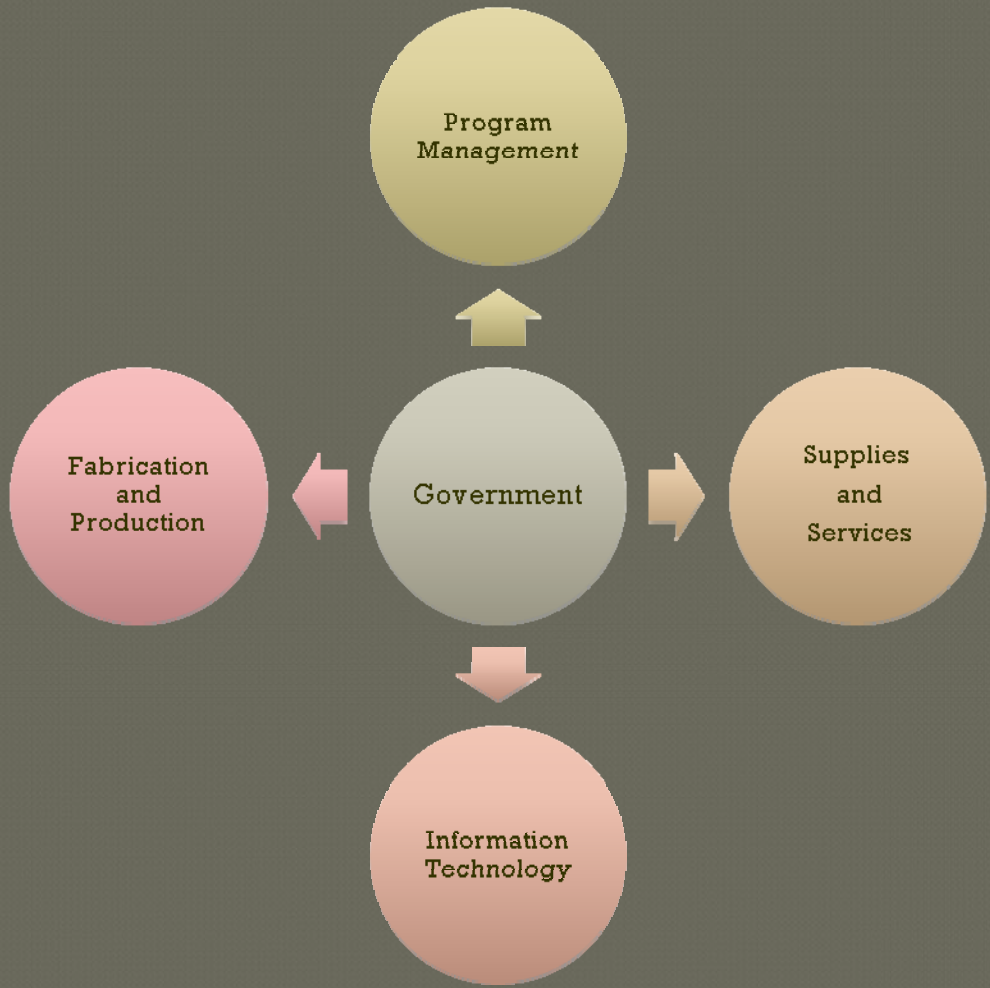
US Army Research Institute of Environmental Medicine (ARIEM)

US Coast Guard

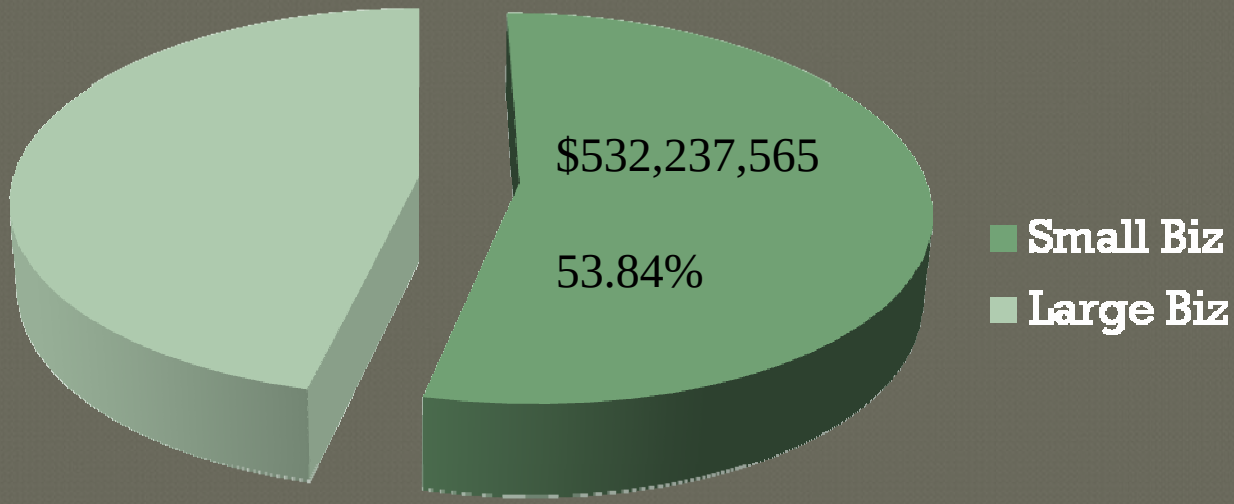
Small Business and Government

- Do not underestimate your business
- The U. S. Army outsources a wide variety of skill sets to small business.
- Small Business can get more than just left-overs
- Small Business brings the advantage of flexibility and affordability commensurate with its size.
- Direct participation in the partnership

Variety of Opportunities



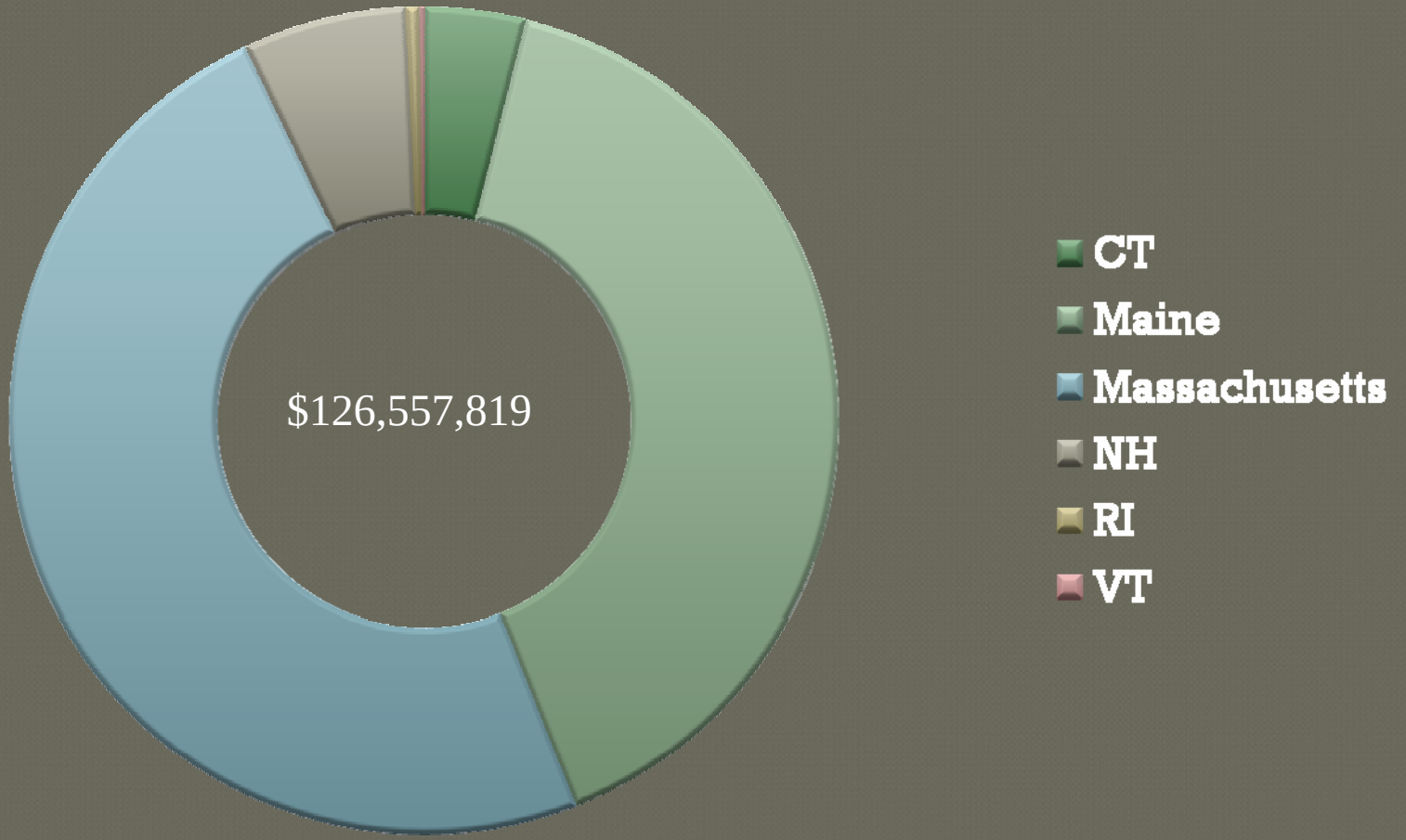
FY08 awards to small business



FY08 small business awards for New England: **$126,557,819**

NCD exceeded the U. S. Army FY08 goals by 11%

FY08 Small Business Awards for New England



Showcasing Small Business

SYSTEM: **Extended Cold Weather Clothing System (ECWCS)**

Business: **Atlantic Diving Supply Co.**

5-Year Program Value $707 Million

Insulated layering system
Fleece shirts and pants
Silk-weight undergarments



Showcasing Small Business

SYSTEM: The Large Area Maintenance Shelter (LAMS)

Business: Clamshell Structures



5-Year Program Value $87.2 Million

Semi-mobile shelter platform system supporting aviation and ground combat vehicles



Participation

SYSTEM:

The Joint Precision Airdrop System (JPADS)

Businesses:

Airborne Systems (LB)
S.E., Inc. (SB)
Para-Flite (LB)



5-Year Program Value $116.4 Million
10k and 2k configurations
This is a new air delivery system

Participation

SYSTEM:

Advanced Combat Helmet (ACH)



Businesses:

Specialty Defense Systems (LB)

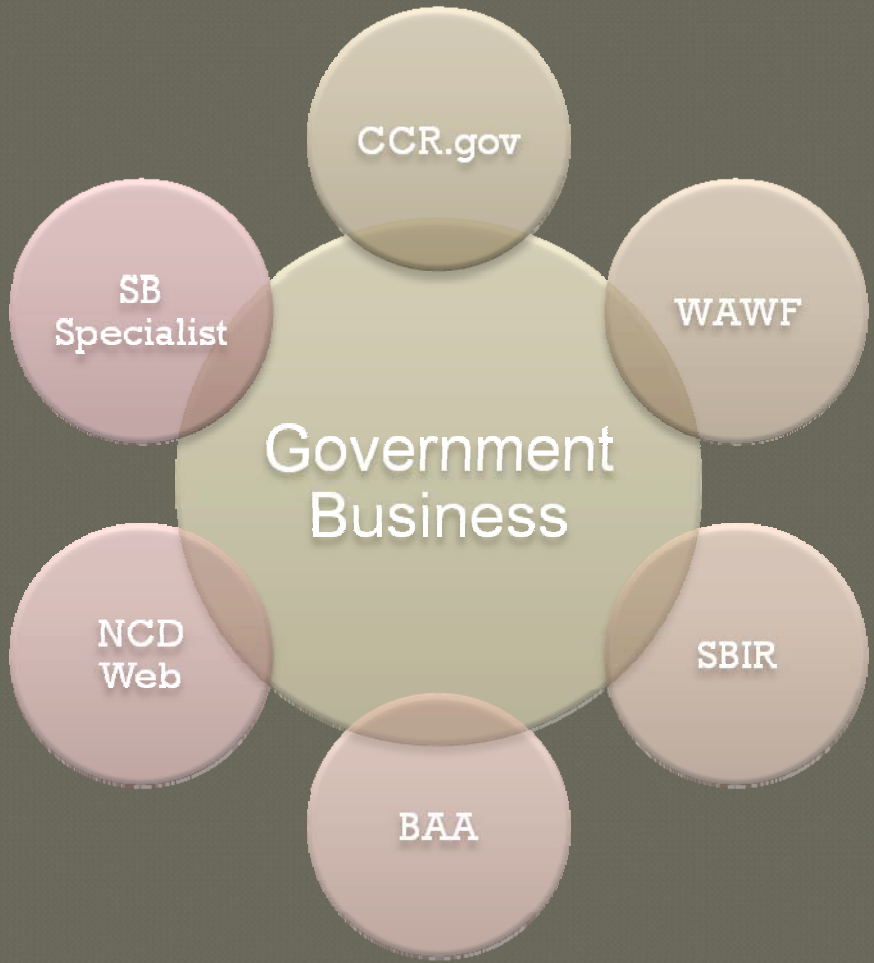
Mine Safety Appliance Company (LB)

Gentex Corporation (LB)

Rabintex USA (SB)

5-year Program Value $200 Million
Replaces the PASGT helmet

Where do I go from here?



https://www3.natick.army.mil

USAF Electronic Systems Center

Office of Small Business Programs ESC/SB

June 2009

Small Business Topics

Presented by
Bill Donaldson
(781) 377-2533

OVERVIEW

- News Items in the Small Business World
  - Rothe Development Corporation (US Court of Appeals)
  - International Program Group (GAO)
  - Delex Systems Inc. (GAO)
- Electronic System Center Opportunities
- Advice to Small Businesses - Subcontracting
- Questions

Small Business News

1. Rothe Development Corporation
   - Stems from 1990 contract; U.S. Court of Appeals (West Texas District) finding on 4 Nov 08
   - Potential impact on Small Disadvantaged Business
   - At issue is SDB classification, goal and related issues
   - Status: All over say for legal fees!
   - Policy/Regulation Changes
     - Eliminated the HBCU/MI goal
     - No effect on SDB status

Small Business News (con.)

2. International Program Group (IPG) Inc.
   - Stems from IPG protest to GAO; GAO finding on 19 Sep 08
   - Potential impact on **HubZone** / **SDVOSB** Set Asides
   - At issue is ***precedence*** of aforementioned Set Asides
   - GAO: HubZone S/A Mandatory when 2 or more capable **AND** 2 or more offers expected at Fair Market Price
   - At issue is contracting officer discretion between the two
   - Policy/Regulation Changes
     - HubZone trumps SDVOSB status

Small Business News (con.)

3. Delex Systems Inc.
   - Stems from Jun 08 Delex protest to GAO; GAO finding on 8 Oct 08
   - Potential impact on Fair Opportunity (FAR 16.505(b))
   - At issue is FAR 19.502-2(b) (Small Business Set Asides) harmonization with FAR 16.505(b) on M/A IDIQ contracts
   - Allows SB set asides in a *Fair Opportunity* Environment
     - Set-aside provisions (Rule of Two) apply to Task/Delivery Orders
     - TOs & DOs considered individual contracts
   - Status: Undergoing scrutiny by DOJ & OSD for effect on DoD programs - 15 Dec 08 Washington, DC Conference.

Delex….(Continued)

- Policy/Regulation Changes
  - In “Standby Mode”
  - Awaiting direction from OSD, OFPP or FAR
- Potential Outcomes:
  - Requiring Activity will complete Market Research as to SB capability & order of Precedence – 8(a) – HubZone – SDV
  - RFIs to SBs to determine if two or more are capable and will submit proposal (Navy PCO assumed not - w/o contacting)
  - Must be able to perform 50% of work – Limitations of Subcontracting Clause (FAR 52.219-14)
  - SBs must have capacity & capability
  - DD Form 2579 – Small Business Coordination required for each TO/DO – No “Blanket” 2579s!

Delex….(Continued)

- GAO (and SBA's) Logic:
  - "Rule of Two" implements Small Business Act (1953) and operates independently of FAR Part 6.
  - Nothing in CICA (1984) or Federal Acquisition Streamlining Act (1994) exempts TOs & DOs from the "Rule of Two"

- Implications:
  - Although GAO decisions are not binding on govt agencies, they are almost always followed, in part because any noncompliance is reported to Congress.

Delex….(Continued)

- Implications:
  - Procurement delays likely as govt agencies conduct requisite Market Research – more written determinations likely – Last Line in FAR Part 10: "Agencies should document the results of market research in a manner appropriate to the size and complexity of the acquisition."
  - Negates some of the simplicity of M/A IDIQs
  - No effect on GSA's Multiple Award Schedule (MAS) Program - Delex D/N overturn GAO's prior decisions that Small Business Set asides do not apply to GSA's MAS ordering procedures (FAR 8.404(a) & FAR 19.502-1) Both indicate SBSA Requirements D/N apply to MAS contracts.
  - Due to the way the SBA of 1953 is written, there is potential to petition FAR Councils & OFPP to exempt M/A IDIQs from the "Rule of Two" as done with GSA's MAS.

Delex….(Continued)

- So, Why the Delay?
  - Both proponents and opponents of the Delex decision are engaging in lobbying activities in connection with the ruling.

- In the Big Picture…
  - Delex is the first published GAO decision sustaining a bid protest under its new jurisdiction (May 27, 2008) over TOs and DOs of $10M and more.
  - Since then, more than 70 such protests were filed – most are still pending at GAO.

Electronic System Center Opportunities

- The United States Air Force Electronics System Center is a Research, Development, Test and Evaluation (RDT&E)Center. Our opportunities, as well as points of contact can be found at: http://www.herbb.hanscom.af.mil/ . When there, be sure to sign up for free email updates in the yellow box. Our opportunities can be found in the "Business Opportunities" box in the upper right hand corner of the home page.
- Call me at (781) 377-2533 or bill.donaldson@hanscom.af.mil

Advice to Small Businesses

The HERBB is not a panacea – among my peeves:

- Dollar Values not always advertised
- Interchangeable use of “RFI’ and “SSS”
  - Look closely
  - Never ASSUME
- Support Contractors are just that – not competitors!
- Unresponsive PCOs, PMs – Call me!
- Some items – “Long of Tooth”

Advice to Small Businesses (con.)

- Consider RFIs an ESSAY TEST – not FIB or T/F!
  - Sure you can't do everything – can you do half?
    - Explain how your team will do what you can't – be specific!
    - Use "big brother" to help w/ shortcomings
    - Know FAR 52.219-14 – Limitations on Subcontracting
    - 50% v 51%...or 15% (Construction) or 25% (Special Trades)…..
  - Timeliness is important, but sometimes not critical.
- Involve the SB Specialist early – Communicate!
- Attend Industry Days – Network, Network, Network!
- Let me do a Capability Briefing….PLEASE!!!
  - Industry Days – seldom used optimally by SBs.
  - Bring a "Gun" to the Gunfight – Knives don't do too well!

Subcontracting May be the Way

- In the DoD, since 1989 - Small Businesses average over 39% of Large Business subcontract dollars!
  - Goal is currently 37.2%
  - "Bad" years were:
    - 1991 – 34%
    - 2002 – 34.1%
    - 2004 – 34.5%
  - All other years ranged 37.0 to 42.5%

There are significant Subcontracting Opportunities!

Subcontracting Philosophy

- FAR 19.7 Requires large businesses to make a good faith effort to increase small business participation in their USG Contracts .

- 5 U.S.C. 637(d)(4)(f) directs that a contractor's failure to make a good faith effort to comply with the requirements of the subcontracting plan shall result in the imposition of liquidated damages.

- Contractor Performance Assessment Reporting System (**CPARs**) now considers subcontracting performance!

CPARS Subcontracting Assessment

- Compliance with terms and conditions of the contract for Small Business participation
- Compliance with individual subcontracting plan
  - Good faith effort towards meeting goals
  - Identification of potential sources and efforts made to assure SB had equitable opportunity to compete
  - Data from eSRS / SF 294s/295s
- Compliance with comprehensive plan including submission of any required program specific data

- May require DCMA/ACO/PCO input

CPAR Mechanics

- …In the Evaluation Areas of Block 18, the Assessing Official should assess whether the contractor met small/small disadvantaged and women-owned business participation goals in the Subcontract Management area on the Systems CPARS form and in the Business Relations area on the Services and IT CPARS form.

- Source: CPARS Instructions

How to Become a Supplier/Subcontractor

- Potential Supplier:
  - Contact LB's Small Business Liaison Officer
  - Become familiar LB's Products & Requirements
  - Submit Letter of Intro & Company Info to SBLO
- Large Business:
  - Advises Supplier on Potential Subcontracting Opportunities
  - Forwards materials to Purchasing/Engineering/Other Using Organizations
  - Performs supplier evaluation

How to Become a Supplier/Subcontractor (cont.)

- Typical Supplier Information Required:
  - -Type of Business -Number of Employees
  - -Financial Profile -Principal Product/Service
  - -Areas of Product Interest
  - -Description of Facilities/Equipment/Technical Capabilities
  - -Quality Assurance Standards (ISO Certification, Lean Principles, Six Sigma)
  - -Certifications – Small Business Categories
  - -North American Industrial Classification Codes

How to Become a Supplier/Subcontractor (cont.)

- What Works:
  - Credibility
  - Quality Products – on time delivery – cost affordability
  - Proven Performance
  - Conferences/Trade Fairs – **INDUSTRY DAYS!!!**
  - Perseverance
  - Knowing the System
- What Doesn't:
  - Contacting High Level Executives
  - Demanding Business
  - Being Unprepared
  - Not Doing Your Homework

ESC Office of Small Business Programs

QUESTIONS?



“Show Me the (Stimulus) Money”

Business Opportunities Resulting from *the 2009 ARRA and Obama Administration*

2009 NDIA Small Business Conference
Newport, Rhode Island
June 3, 2009

Joe Donovan, Nelson Mullins Public Strategies

Nelson Mullins

The Agenda

- What's "Changed"
- Your Business Opportunities
- Keys to Success



❖ What's "Changed"

The Marshall Plan for America

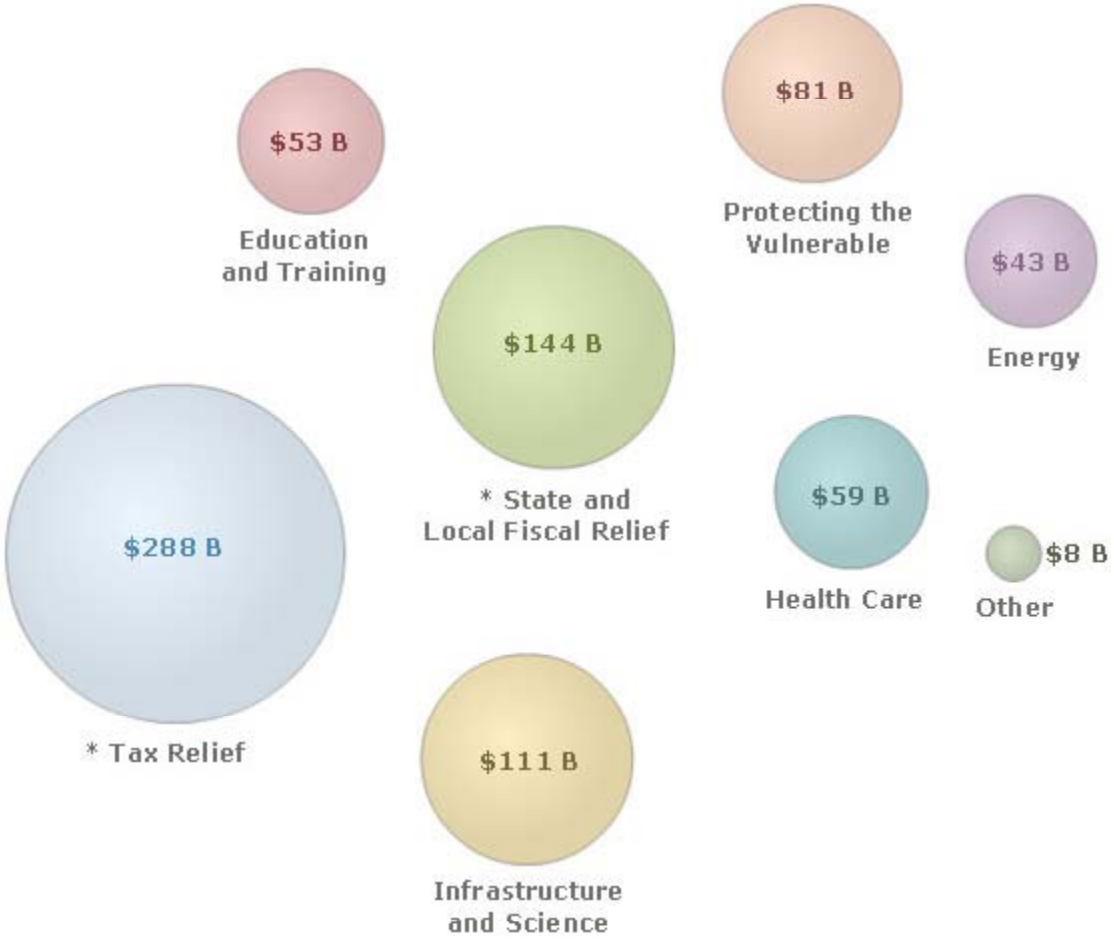


President Truman signs the Foreign Assistance Act of 1948

"The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty."

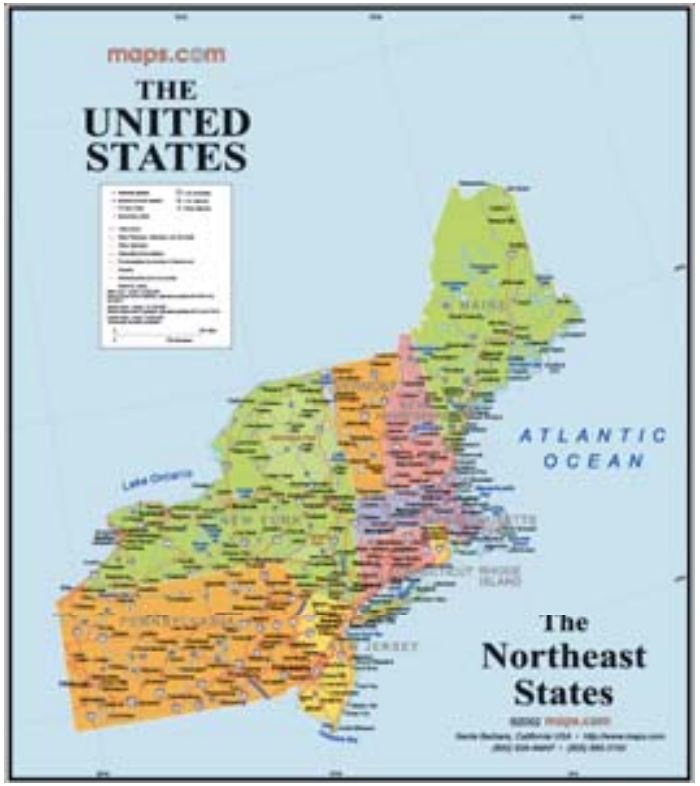
- Winston Churchill

2009 American Recovery and Reinvestment Act



Breakdown By State

www.recovery.gov



Connecticut:	**$1.43B**
Maine:	**$596M**
Massachusetts:	**$2.92B**
New Hampshire:	**$493M**
New Jersey:	**$3.15B**
New York:	**$9.59B**
Pennsylvania:	**$4.85B**
Rhode Island:	**$557M**
Vermont:	**$321M**

USDOT
TIGER
DOT.GOV

DOD Specific Funding

- Department of Defense ($7.4 billion)
  - Facility Restoration, and Modernization ($4.26 billion): Upgrade thousands of buildings, including energy-related improvements and upgrades to military medical facilities
  - Military Construction ($2.18 billion): New construction, including $1.33 billion for hospitals
  - Energy Conservation Investment ($120 million): Improving the energy efficiency of existing facilities
  - Energy Efficiency Technology RD&D ($300 million)
  - Homeowners Assistance ($555 million): Temporary expansion of homeowner assistance to qualified military and civilian personnel

DHS Specific Funding

- Department of Homeland Security ($496M)
  - St. Elizabeths/DHS Headquarters Consolidation
  - U.S. Customs and Border Protection (CBP)
    - Construction at land ports of entry, Non-Intrusive Inspection (NII) technology, border technology on the southwest border, tactical communications equipment and radios
  - U.S. Immigration and Customs Enforcement (ICE)
  - Transportation Security Administration
    - Explosives detection systems and checkpoint screening equipment
  - U.S. Coast Guard
    - Alteration of Bridges program, shore facilities and aids to navigation facilities, vessel repair/acquisition
  - Federal Emergency Management Agency

Is It Working??

Thanks to the outreach of the American Psychological Association … psychology has gained tremendous opportunities to show how our work can fuel the economy and improve the nation's health and well-being.

ARRA: $1.1 Billion for Comparative Effectiveness Research



❖ Your Business Opportunities

- Know where the opportunities could exist … what are the "but for's" in agencies? Contract vehicles?

- Who are the influencers and information resources (e.g. delegation members, agency committees, state officials and agencies, etc.)?

- How is your state supporting ARRA efforts and how can they be the vehicle to create new opportunities?

R&D=Feds, Product=States

Your Idea, Proposal

- What is the public sector play and who are the public sector partners that benefit?
- Accountability and transparency
- More details = less questions
- Success metrics: cheaper, faster, easier, job creator, etc.



Energy, Health Care Role?

- Funding opportunities in areas such as …
  - Materials technology
  - Contract manufacturing (custom parts, etc.)
  - Engineering (design, environmental, etc.)
  - System/software integration
  - Logistics, supply chain management









You have value as a member of the Defense Community, especially to a firm that isn't …

❖ Keys To Success

- Telling your story.





- Collaboration.

- Engaging influencers and forming a "public sector sales team."

Telling Your Story



- What is the value?
- Who/what benefits … beyond you?
- Multiplier effects (i.e. more jobs created, more people educated, cost savings, etc.)

Collaboration

- Who else is competing for funding?
- Partner roles?
- How does the investment attract more funding/create added value?
- How does the public benefit?





Engaging DC Officials

- Member staffs are crucial and will be your champions



- Committee staffs are business development resources, both public and private



- Many agencies still in flux, career personnel in key roles

Northeast Congressional Delegation

- Armed Services
  - 16 members/9 states
- Appropriations
  - 3 of 6 Senate Appropriators on Defense
  - 7 of 11 House Appropriators on Defense/ Homeland Security/ Military Construction/Energy





Thank you!



Joe Donovan
Nelson Mullins Public Strategies
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Nelson
Mullins

BURNS & LEVINSON LLP

RIGHTS TO GOVERNMENT FUNDED INTELLECTUAL PROPERTY

6TH Annual NDIA National Small Business Conference

Newport, RI

June 3, 2009

Jacob (Jesse) N. Erlich, Esq.

Partner

burnslev.com

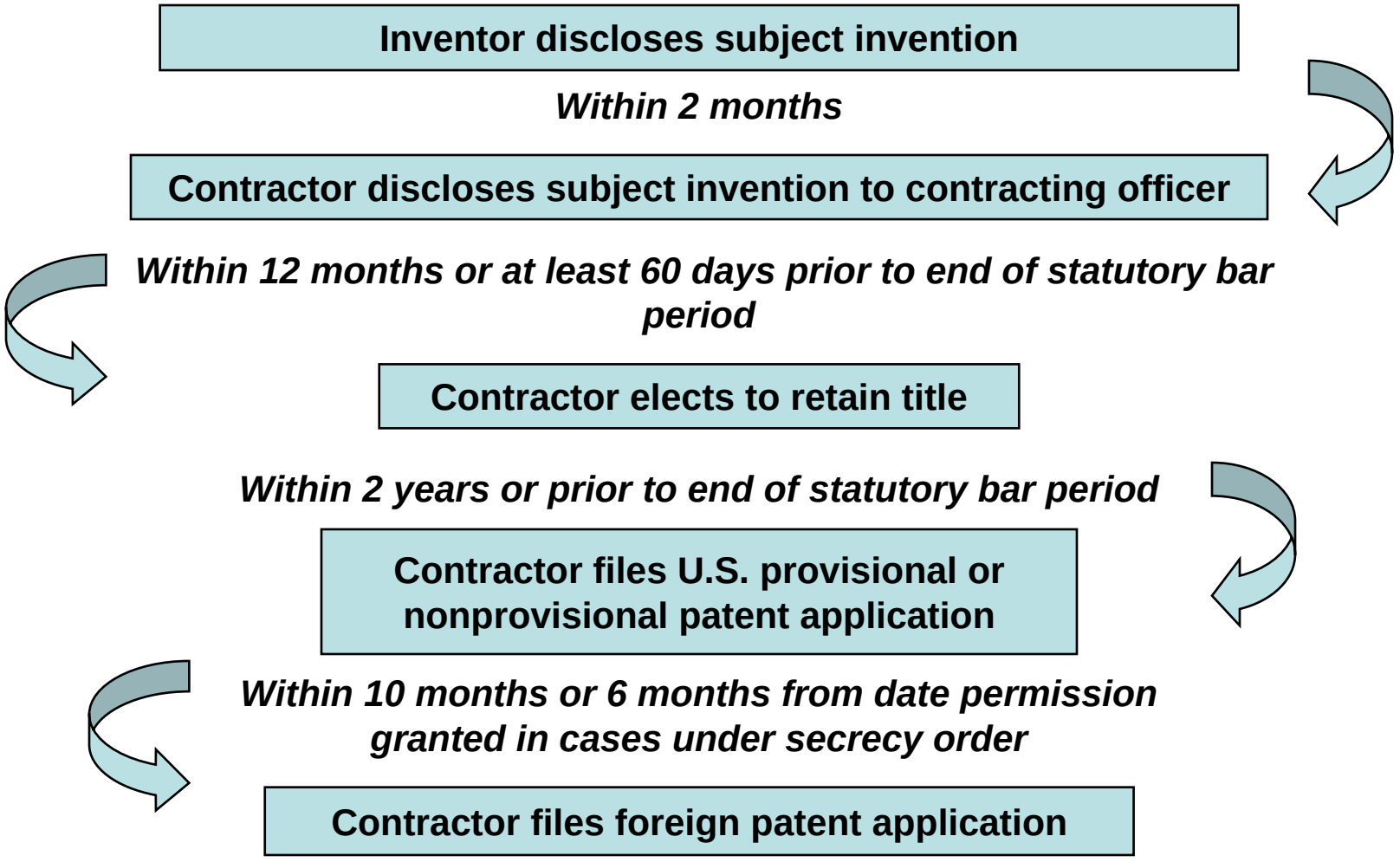
Key Definitions

- Invention
  - Any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code
- Subject Invention
  - Any invention of the contractor conceived or first actually reduced to practice in the performance of work under the contract.

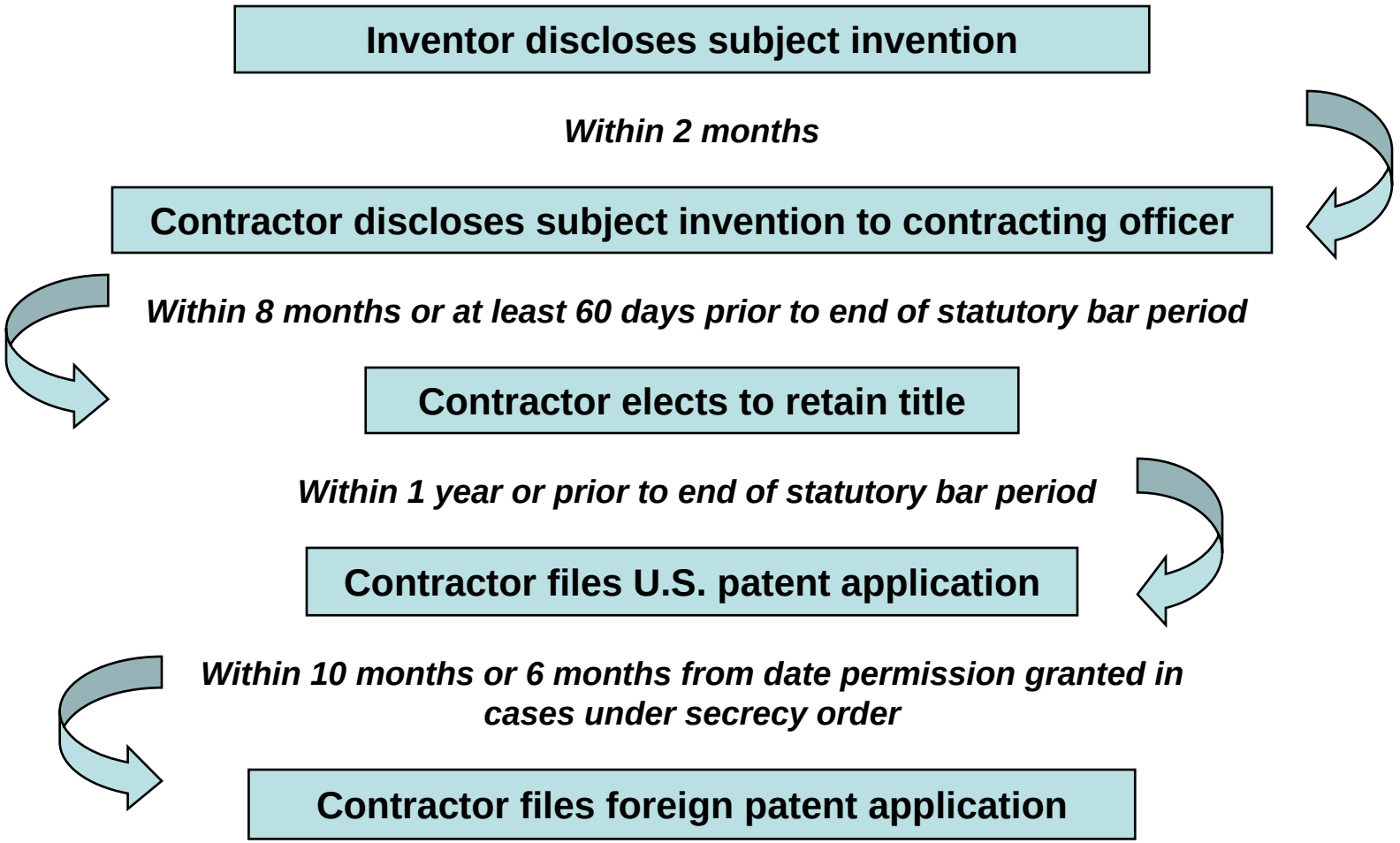
Contractor's Patent Rights Under FAR 52.227-11

- Contractor may retain the entire right, title, and interest throughout the world to each subject invention. With respect to any subject invention in which the Contractor retains title, the Federal Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world.
- With respect to any subject invention which the Government takes title, the Contractor shall retain a revocable, nonexclusive, royalty-free license throughout the world, except if the Contractor fails to disclose the subject invention to the Contracting Officer within the specified time.

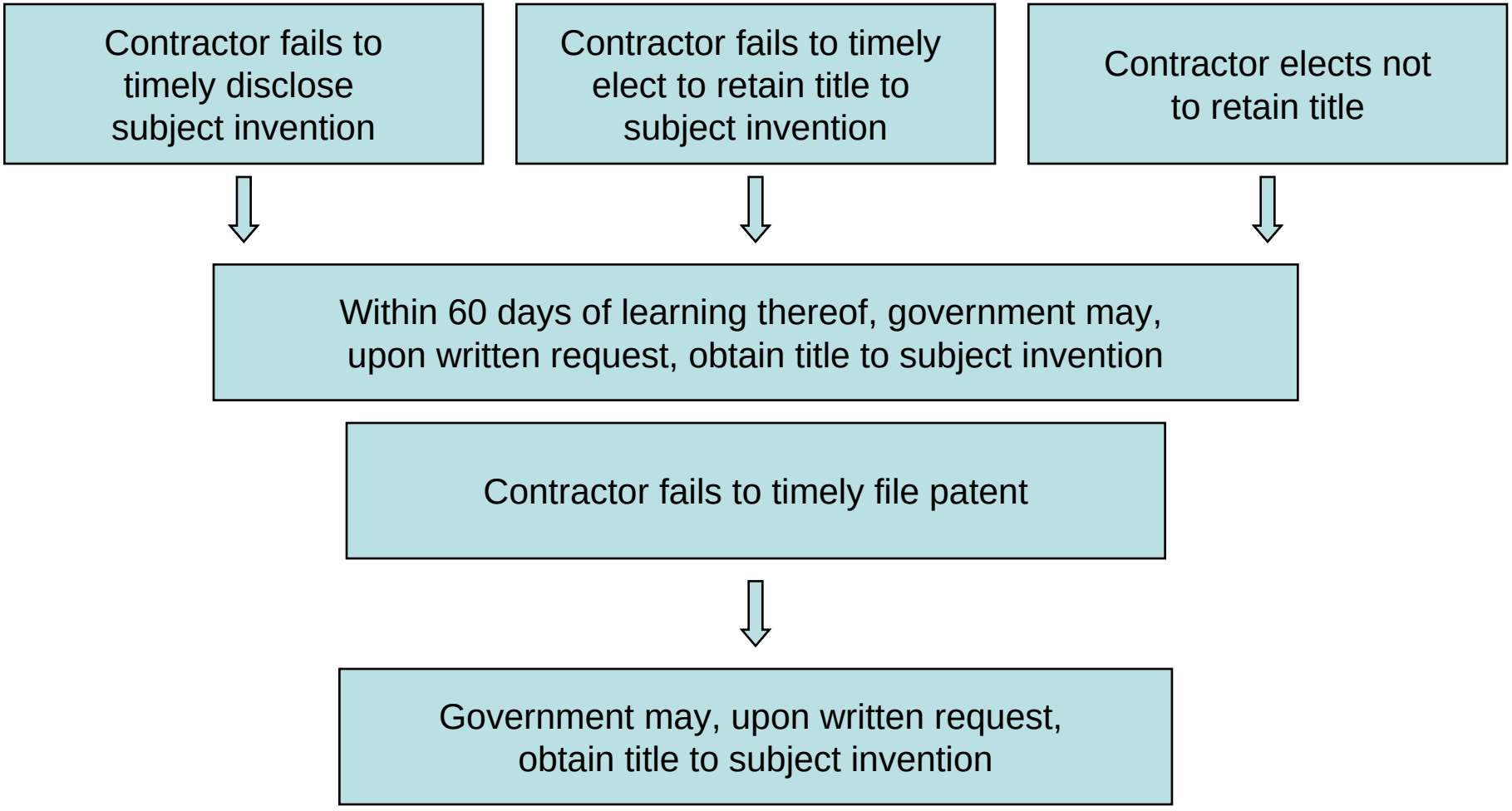
Timeline - FAR 52.227-11



Timeline – DFARS 252.227-7038



What If ?


Contractor fails to timely disclose subject invention
Contractor fails to timely elect to retain title to subject invention
Contractor elects not to retain title
Within 60 days of learning thereof, government may, upon written request, obtain title to subject invention
Contractor fails to timely file patent
Government may, upon written request, obtain title to subject invention

Subcontracts

- Subcontractor shall retain all rights as if subcontractor were contractor
- Contractor shall not, as part of consideration for awarding subcontract, obtain rights in subcontractor's inventions

Preference For U.S. Industry

- Contractor agrees that neither it, nor any assignee, will grant any person exclusive right to use or sell subject invention unless such person agrees to manufacture substantially in U.S. - waivers may be obtained

March-In Rights

- Federal Agency has right to require contractor, an assignee or exclusive licensee, to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to responsible applicants if:
  - Contractor or assignee has not achieved practical application of invention
  - Health & Safety needs not satisfied by Contractor or assignee
  - Public use specified by public regulations if not satisfied by Contractor or assignee

DATA RIGHTS EXCEPTIONS FOR SBIR-STTR PROGRAM

- Small business concern retains rights to data in performance of award for not less than four years
- Agencies are required to protect SBIR data rights developed from Phases I, II and III, including rights of subcontractors
- Agencies cannot condition Phase III award on giving up SBIR data rights – negotiations after award, by separate agreement, without pressure is permissible.

DATA RIGHTS EXCEPTIONS FOR SBIR-STTR PROGRAM

- SBIR data rights continue to be protected from date of delivery of last deliverable under award
- Any SBIR data that is protected and referenced under a subsequent SBIR award remains protected under protection period of subsequent award

Current Contract Export Control Provisions

- No additional contract provisions covering current Export Administration Regulations (EAR) and International Traffic Arms Regulations (ITAR)
- Contractors and subcontractors must abide by existing EAR and ITAR

Proposed Contract Export Control Provisions By Department of Defense

- Impose specific requirements upon government and contractor to identify and prevent unauthorized disclosure of information and technology controlled under EAR and ITAR
- Compliance program
- Training
- Periodic assessment to ensure compliance
- Currently under review by DAR Editor



NDIA SMALL BUSINESS CONFERENCE

Mr. Jack Evans

Executive Director,
Program Executive Office for Submarines

8 June 2009

Team Submarine

Mission:

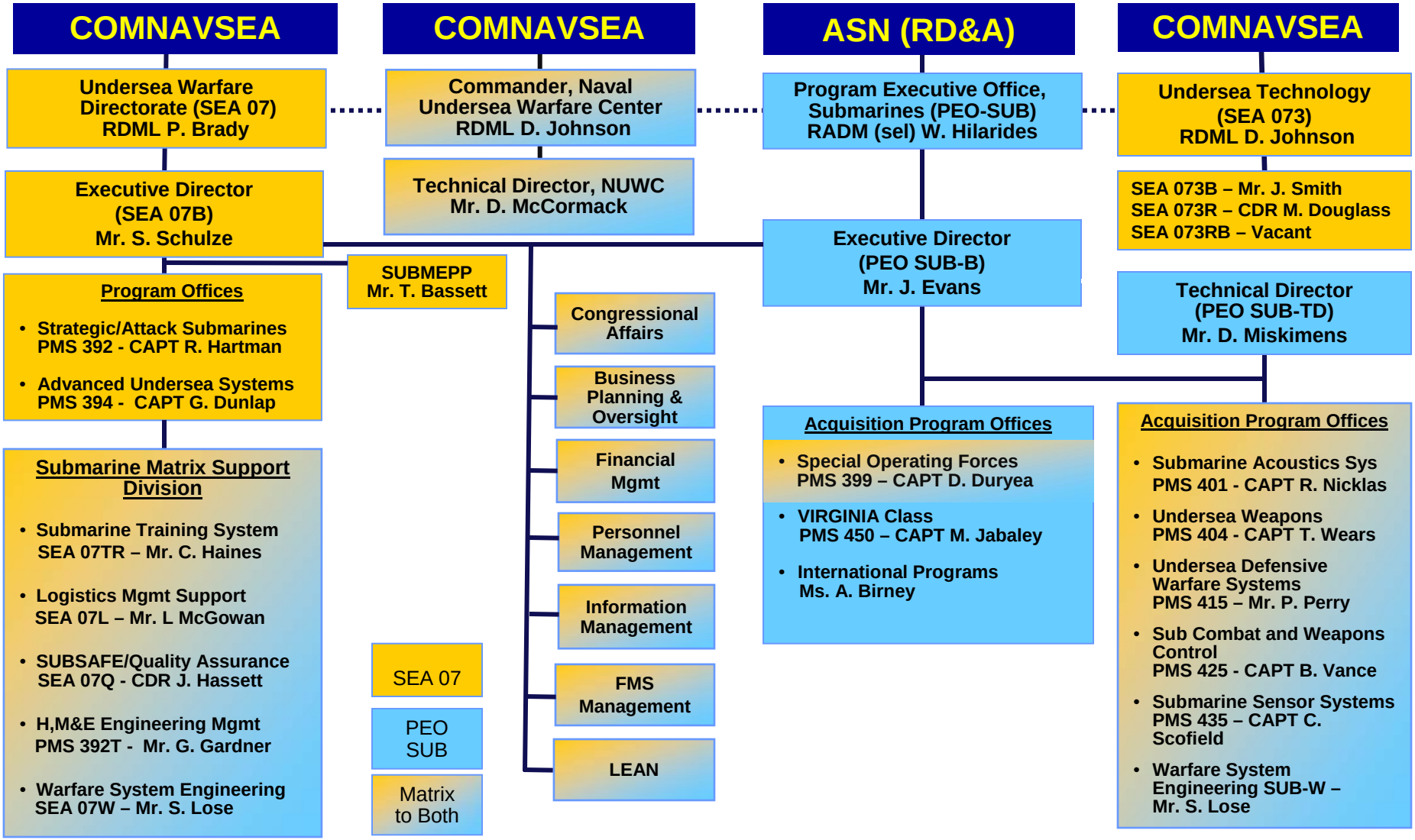
Keep America's Navy #1 in the World by Developing, Acquiring, Modernizing, and Maintaining the World's Most Capable and Cost-Effective Submarines and Undersea Systems.

Vision:

Remain the Leader in the Development and Implementation of Innovative Modernization, Acquisition, and Fleet Support Solutions for the Submarine Community.



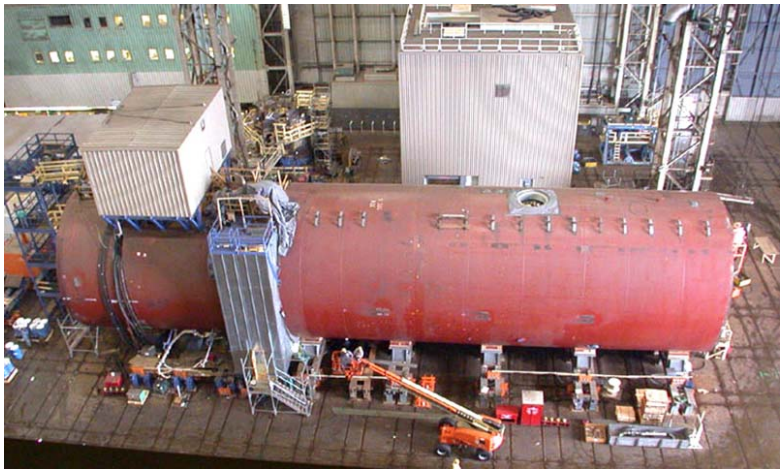
Team Submarine Organization Chart

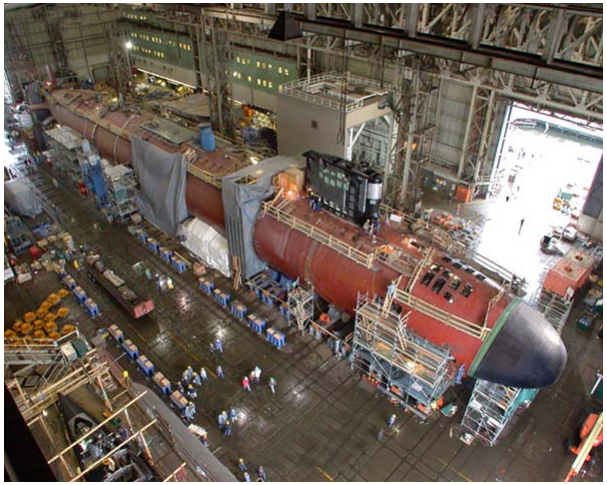


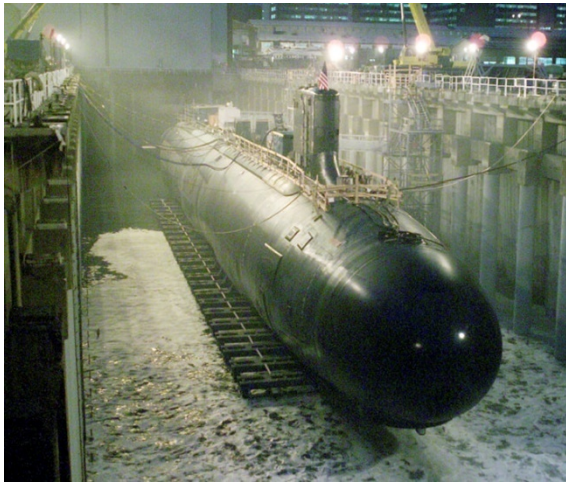
VIRGINIA Class (PMS 450)













Ships Under Contract

		Name/Hull	Auth Year	Contract Delivery	Actual or Target Delivery
Block I (CPIF)		USS VIRGINIA (SSN 774)	FY98	Jun 04	12 Oct 04
		USS TEXAS (SSN 775)	FY99	Jun 05	20 Jun 06
		USS HAWAII (SSN 776)	FY01	Dec 06	22 Dec 06
		USS NORTH CAROLINA (SSN 777)	FY02	Dec 07	21 Feb 08
Block II (FPIF)		USS NEW HAMPSHIRE (SSN 778)	FY03	Apr 09	27 Aug 08
Block III (FPIF)	MYP Ships	NEW MEXICO (SSN 779)	FY04	Apr 10	Sep 09
		MISSOURI (SSN 780)	FY05	Apr 11	Apr 10
		CALIFORNIA (SSN 781)	FY06	Apr 12	Jun 11
		MISSISSIPPI (SSN 782)	FY07	Apr 13	Feb 12
		MINNESOTA (SSN 783)	FY08	Apr 14	Aug 13
		NORTH DAKOTA (SSN 784)	FY09	Aug 14	Aug 14
		JOHN WARNER (SSN 785)	FY10	Aug 15	Jul 15
		SSN 786	FY11	Aug 16	Jul 16
		SSN 787	FY11	Feb 17	Oct 16
		SSN 788	FY12	Aug 17	Feb 17
		SSN 789	FY12	Feb 18	Aug 17
		SSN 790	FY13	Aug 18	Feb 18
		SSN 791	FY13	Feb 19	Aug 18

As of 4/23/09

VIRGINIA Class Block III Contract

- Awarded 22 December 2008
- 8 ship, 5-year, Multi Year Procurement Fixed Price Incentive Contract
- Delivers on FY12 challenge to reduce ship cost by approximately 20%
- Increases production to 2 VIRGINIAs per year in FY11 (aided by $588M plus-up in FY08), therefore supporting force structure requirements, stabilizing the industry and driving down cost
- Incorporates cost reduction design changes, including redesigned bow
- Continues successful teaming arrangement between GDEB and NGSB
- Properly allocates risk between the parties based on program maturity
- Includes Small Business Subcontracting Incentive Fee

Block III Ships				
FY09	FY10	FY11	FY12	FY13
SSN 784	SSN 785	SSN 786	SSN 788	SSN 790
		SSN 787	SSN 789	SSN 791



VIRGINIA Class Submarine Cost Reduction



$600M FY08-FY13 Program

3 ELEMENT STRATEGY

- Eight Ship Multi-Year Procurement Contract (Block III)
  - Legislative Proposal submitted along with Presidential Budget
- Construction Performance
  - 84 to 60 months
  - Capital Expenditure Program
- Design for Cost Reduction

Navy / Industry Teamwork Critical To Success

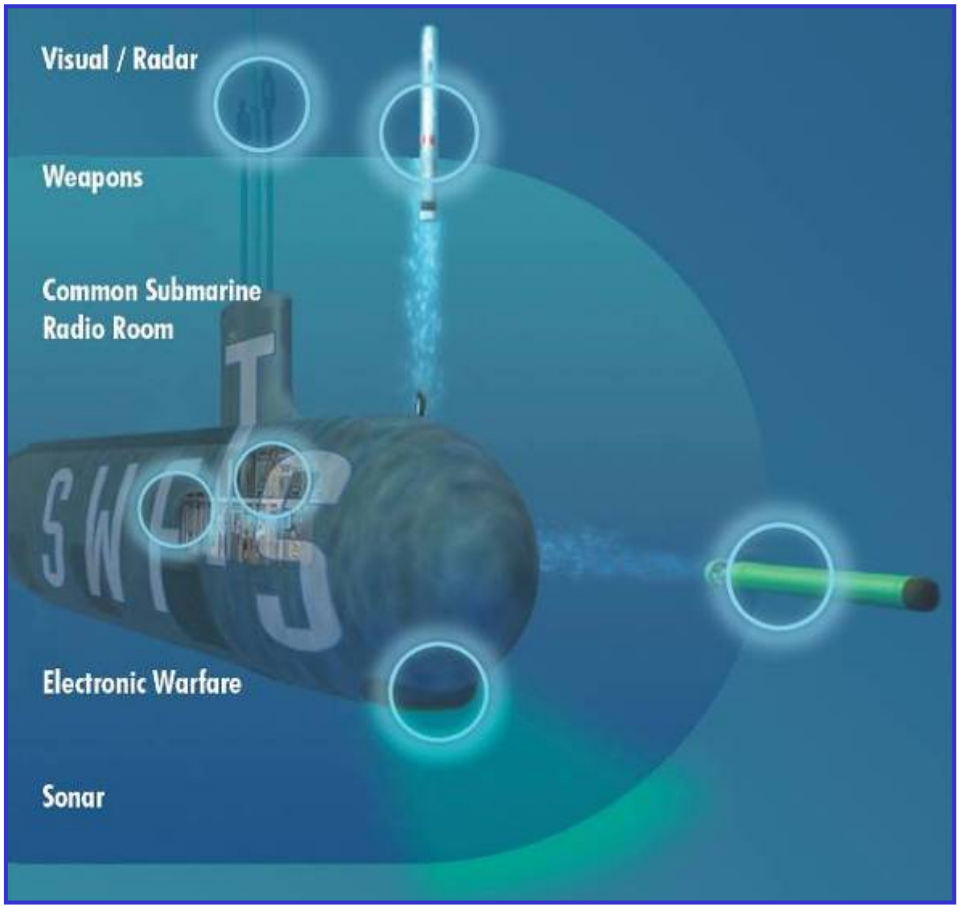
VIRGINIA Class:
Reduction of Total Ownership Costs (RTOC)



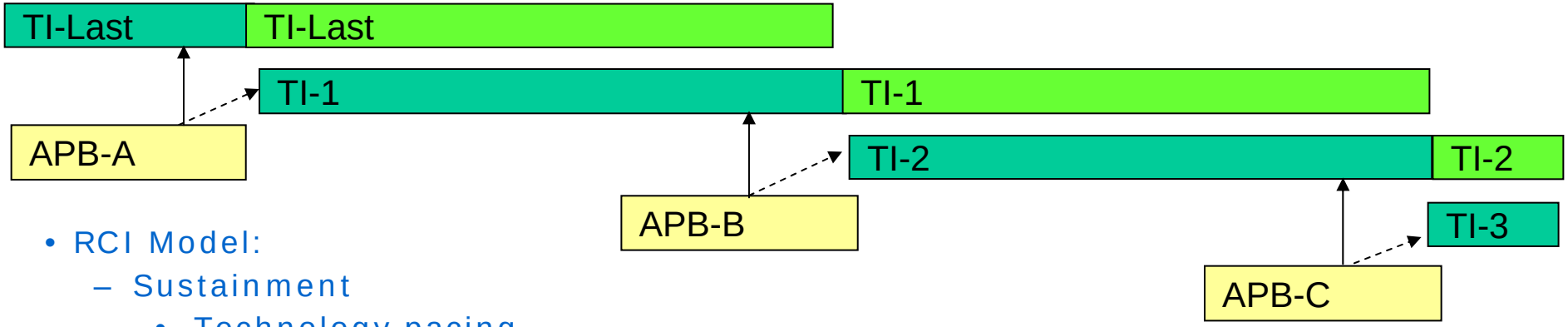
Building from the Successful VIRGINA Class Cost Reduction Team

Submarine Warfare Federated Tactical Systems (SWFTS)

- What it is
  - SWFTS is system of systems engineering and management that ensure warfare requirements are appropriately allocated and tested across subsystems
- What it is NOT
  - Acquisition Program
- What it does
  - Separates the platform timeline from the electronics timeline to ensure continued mission capability
- Coordination Planning/Execution—PEOSUB TD-B



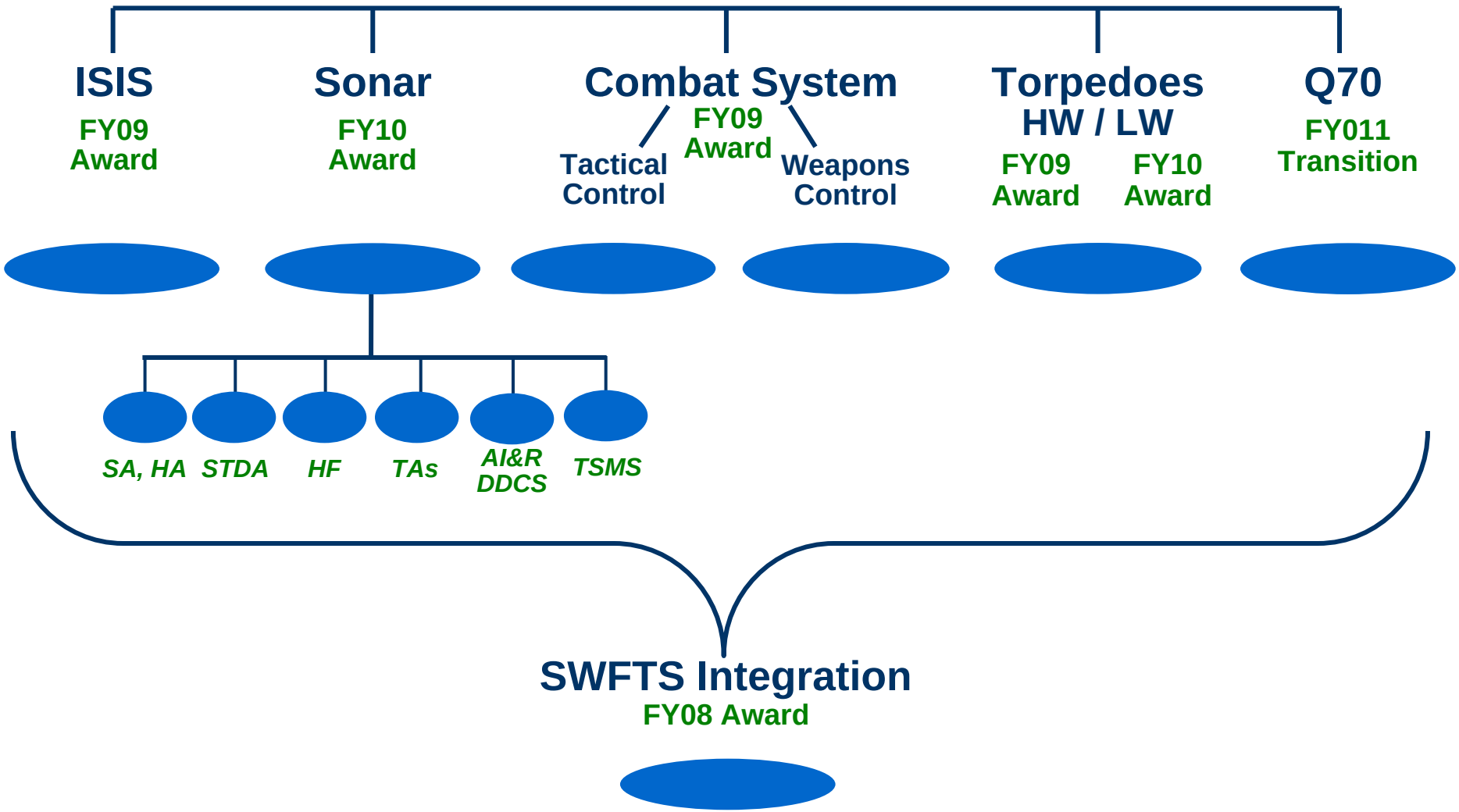
Rapid COTS Insertion (RCI) Business Model



- RCI Model:
  - Sustainment
    - Technology pacing
    - Minimizes obsolescence
  - Capability Insertion
    - Threat pacing
    - New sensors/capabilities intro within existing footprint
- Two Cycle Model (APB 09) better aligns modernization with Training/Doctrine products
- Modernization Rules
  - Each ship gets every other TI (hardware update every 4 years)
  - Special ship groups (SSGN/SEAWOLF/Guam) will all be kept at same TI level
  - No modernization within five years of decommissioning

Not All Programs Are On The Same Modernization Cycle

SWFTS Contracts: Open for Competition



Representative System Developments

Anti-Torpedo Torpedo (ATT)

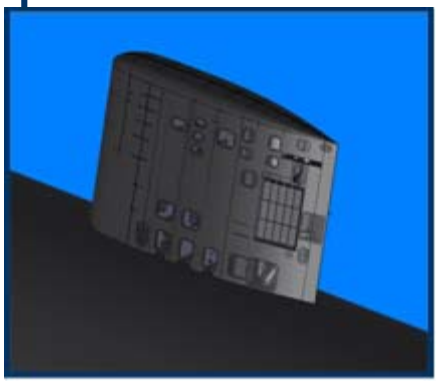






Next Generation Thin-line Towed Array & Handler

Flank Array



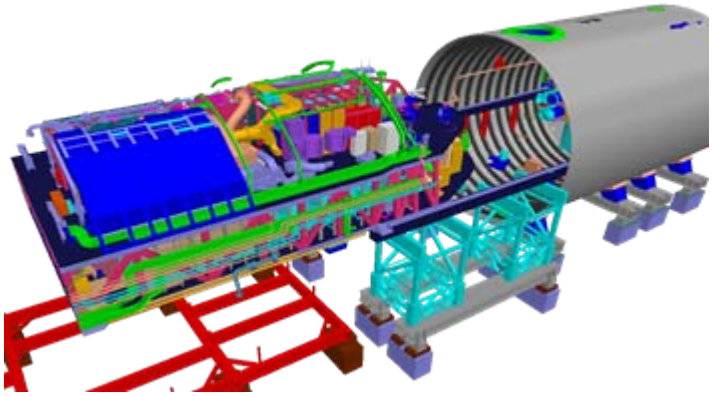
Low-Cost Conformal Array

PEO SUB and Small Business

- PEO SUB has a variety of methods for contracting with small businesses
  - Small Business Innovative Research (SBIR) Program
  - Active participant in the Small Business Technology Transfer Program
  - Incentivizes contracts to include small business participation
  - Host outreach conferences and programs
  - Advocates for small business outside of NAVSEA
  - Advertises success stories

PEO SUB Supports Small Business With A Multifaceted Approach

Small Business: Real Value to PEO SUB

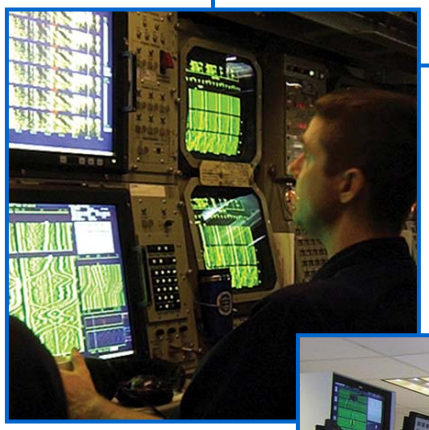




- Multiple Small Business Products used In-Service Submarines and VIRGINIA Class Submarines
  - Communications
  - Software
  - Display Console
  - Portable Weapon
  - Launch System
  - Sonar Sensors
  - Simulation
  - System Test Tools
  - Environmentally Friendly Products
  - Composite Materials

PEO SUB's Focus Areas

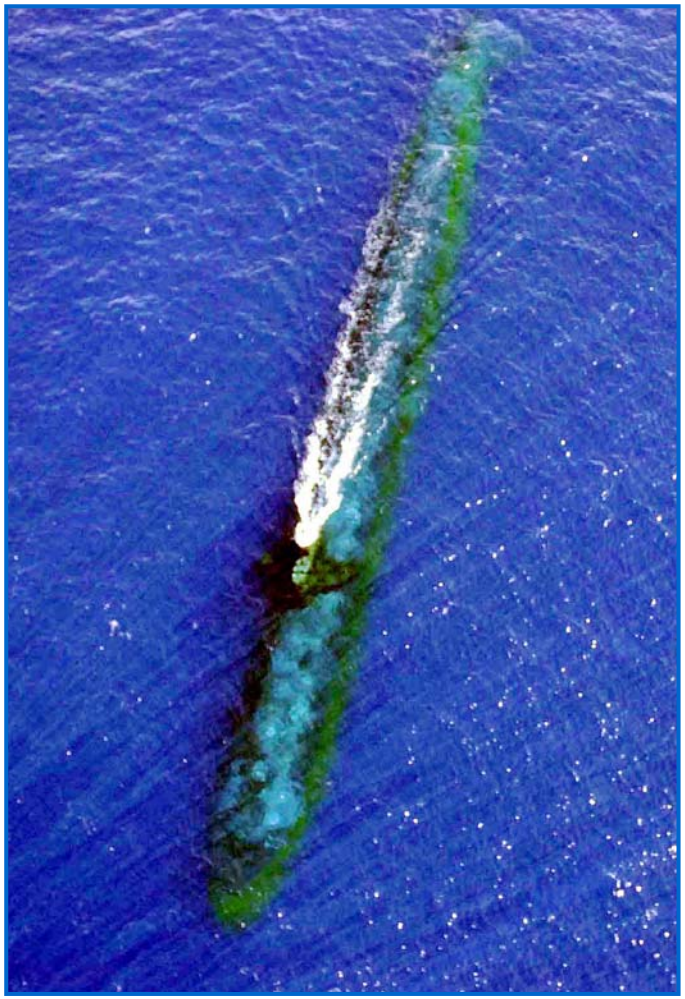






- VIRGINIA Class Cost Reduction
- Algorithms for sonar, fire control system, torpedoes, imaging, electronic support measures
- Submarine training technology
- Life cycle cost reduction
- Reliability improvement
- Material improvement

Team Submarine Proposed FY9.3 SBIR Topics



Topics to be approved by OSD week of 8 June

- Multi-Material Structures
- Real-time detection aid for enhancing ship's self-defense
- Universal Atmospheric Contaminant Scrubber for Submersibles
- Long Life Energy Storage Systems for Shipboard Sensor Applications
- Multi-Sensor Array Synchronization
- Secure Open Architecture Open System Technologies for Tactical Networks
- Sonar Detection / Classification Based on Material Identification
- Improved Safety in Large Format Lithium-Ion Cells and Batteries
- Opportunistic Energy Harvesting
- RF System Cost Reduction
- Submersible Navigation Techniques Available at Periscope and/or Mast Depths
- Band Limited Pulse Encoding and Signal Classification
- Innovative Damping Technologies
- Implosion-Proof SOF Mission Equipment Storage Container
- Synthetic Elements for Moving Line Arrays
- Submarine Surface Abandonment Slide
- Technologies for Reduced Source Level Sonar Systems
- Advanced Hull Sensor Array and Processing Concepts
- Innovative Mast Consolidation Concepts
- High Channel Count Optical Slip Ring
- Feedback Loop Mast Height Control System
- Transport Layer Independent Network Monitoring Capability
- Fiber Optic Cable Position Measurement System
- At-sea Reliability with Predictive Modeling
- Multi-Platform Active Heave Compensation System
- Secure Portable Systems for Tactical Networks
- Fatline Towed Array Straightening System

Points of Contact

Reduction in Total Ownership Cost (RTOC)

SBIR Primary Point of Contact

Christy Goff

Christy.Goff@navy.mil

202-781-4392



OHIO Class Replacement Program

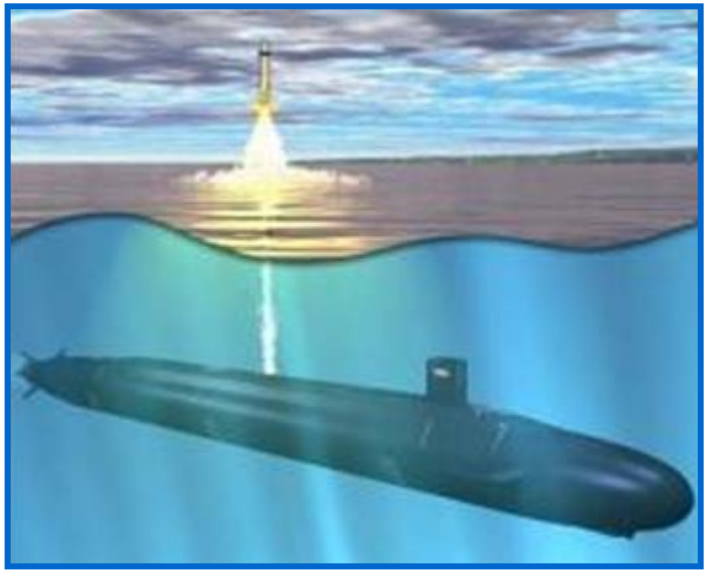
Program Manager
CAPT David Bishop
David.T.Bishop@navy.mil

202-781-2582

SBIR Primary Point of Contact
Byron Rose

Byron.Rose@navy.mil

202-781-1539



Questions?







GOVERNMENT ACCOUNTING REQUIREMENTS

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- **Basic Accounting Systems**
- Time Reporting
- DCAA Encounters

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CRITICAL ELEMENTS OF AN ACCOUNTING SYSTEM

- ***Designed in Accordance with GAAP***
- ***Proper Segregation of Direct and Indirect Costs***
- ***Identification and Accumulation of Direct Costs by Contract***
- ***Logical and Consistent Method for the Allocation of Indirect Costs***
- Accumulation of Costs under General Ledger Control
- ***A Timekeeping System of Employee's Time Charges***
- Labor Distribution of Direct and Indirect Labor
- Interim Determination of Costs Charged to Contracts
- ***Exclusion of Unallowable Costs***
- Identification of Costs by Contract Line Item or by Units
- Segregation of Preproduction Costs

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DESIGNED IN ACCORDANCE WITH GAAP

- FAR 31.201-2(a)(3) requires when considering allowability:
  - "A cost is allowable only when the cost complies with all of the following requirements:

    ….(3) standards promulgated by the CAS Board, ***if applicable***; otherwise, **generally accepted accounting principles** and practices appropriate to the particular circumstances."

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PROPER SEGREGATION OF DIRECT AND INDIRECT COSTS

- A government contractor's accounting system must identify accounts in its chart of accounts for direct costs and indirect costs
- The system must identify what costs are direct. Once the criterion is defined, it must be consistently applied

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INDIRECT RATE SYSTEMS

- Single Rate System
- Two Rate System
- Multiple Rate System

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How is an Indirect Expense Rate Calculated?

INDIRECT COST POOL
ALLOCATION BASE

Equals

INDIRECT EXPENSE RATE

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What is a Good Rate for a Government Contract?

- **Cannot Compare one Company to another!**
- **Companies have Different Rate Structures**
- **Composition of the Pool and Base are Different**
- **Company Location has Impact on Rates**
- **Type of Business has Impact on Rates**

THERE IS NO GOOD RATE FOR A GOVERNMENT CONTRACT

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Unallowable Costs per FAR Part 31

- Contributions
- Interest Expense
- Entertainment
- Fines & Penalties
- Other Unallowable Costs (reference FAR Part 31 and Agency Supplements)

It's OK to Incur Unallowable Expenses
They must be accounted for and withdrawn

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GUIDANCE FOR THE ALLOWABILITY OF COSTS

- **DCAA - FAR Cost Principles Guide** (www.dcaa.mil)
- **DCAA Contract Audit Manual (CAM) chapter 7 Selected Areas of Costs** (www.dcaa.mil)
- **FARSITE – FAR Part 31.205-xx** (http://farsite.hill.af.mil/VFFARA.HTM)





- Basic Accounting Systems
- **Time Reporting**
- DCAA Encounters

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TIMEKEEPING SYSTEM FOR ALL EMPLOYEES

- A government contractor's accounting system must have the ability to track employee's time spent on each work activity

TIMEKEEPING IS CRITICAL!!

Unlike other contract costs, labor is not supported by external documentation

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EFFECTIVE INTERNAL CONTROLS FOR TIMEKEEPING

- Segregation of Duties and Responsibilities
- Clear Policies and Procedures
- Maintenance of Internal Controls
- Constant Communication to Employees

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TIME SHEETS ARE ABSOLUTELY REQUIRED

Classification	S	M	T	W	Th	F	Sa	Tot
Project:								
Contract #1								
Contract #2								
Grant #3								
Commercial Work								
Non Direct:								
Overhead								
G&A								
Holiday								
Sick								
Vacation								
TOTAL								

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TIME SHEETS ARE ABSOLUTELY REQUIRED

- SHOULD REPORT BASED ON THE PAY PERIOD,
- ALL HOURS NEED TO BE REPORTED
- IF SALARIED AND WORK IN EXCESS OF 40 HOURS
  - PERCENTAGE OF EFFORT-UNCOMPENSATED OVERTIME
- IF HOURLY PAY BASED ON HOURS WORKED

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- Basic Accounting Systems
- Time Reporting
- **DCAA Encounters**

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- **Pre-Award Audits**
  - Accounting System Survey
  - Financial Capability Assessment
  - Cost or Price Analysis
- **Contract Performance Audits**
  - Incurred Cost Audits
  - Labor Floor Checks
  - Voucher Review

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PROCEDURES FOR ACCOUNTING SYSTEM SURVEYS

- Review of Chart of Accounts
- Review of Policies and Procedures
- Discussions with Contractor Personnel
- Copies of Timecards and Timekeeping Procedures
- Walkthrough of Transactions
- Explanation of Indirect Rate Calculations

PROCEDURES DO NOT INVOLVE DETAILED TRANSACTION TESTING. THE PROCEDURES ARE ONLY USED TO DETERMINE THE SUITABILITY OF THE SYSTEM FOR GOVERNMENT CONTRACTS

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COMMON ACCOUNTING SYSTEM DEFICIENCIES

- Use of Cash Basis Accounting
- No Job Order Cost Ledger or Accounting
- No Labor Distribution Reports
- Unallowable Costs not Accounted For
- No Written Policies and Procedures
- No Timekeeping Procedures
- No Time Cards

Peter Witts
Certified Public Accountant

LKN+S
LEVINE KATZ NANNIS + SOLOMON, PC
Telephone: 781.453.8700
Telefax: 781.453.8778

FINANCIAL CAPABILITY ASSESSMENT

- Historical Financial Statement Trend Analysis
- Timely Payment of Payroll Taxes
- Key Financial Ratio Analysis
- Credit Ratings
- Accounts Payable Aging
- Cash Flow Forecasts

Peter Witts
Certified Public Accountant

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Telephone: 781.453.8700
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INCURRED COST AUDITS

- Incurred Cost Submission – Due 180 days after close of year (6-30-2009)
- Cost-Type & T&M contracts (FAR 52.216-7)
- Audit of Allowability and Allocability of Costs Incurred
- Detailed On-Site Audit of Financial Records

Peter Witts
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Telephone: 781.453.8700
Telefax: 781.453.8778

LABOR FLOORCHECKS

- Unannounced On-Site Audit
- Interview Employees and Verify Labor Charges
- Tests Employees Knowledge of Timekeeping Practices
- Tests Actual Timekeeping Practices versus Company Policies

Peter Witts
Certified Public Accountant

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Telephone: 781.453.8700
Telefax: 781.453.8778

VOUCHER REVIEW

- Review of Company Billing Practices
- Trace Billed Direct Costs to Job Costs Ledgers
- Verify Company is using Proper Billing Rates
- Company is following the Terms of Contract for Billing

CONTACT INFORMATION:

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Phone: (781) 453-8700

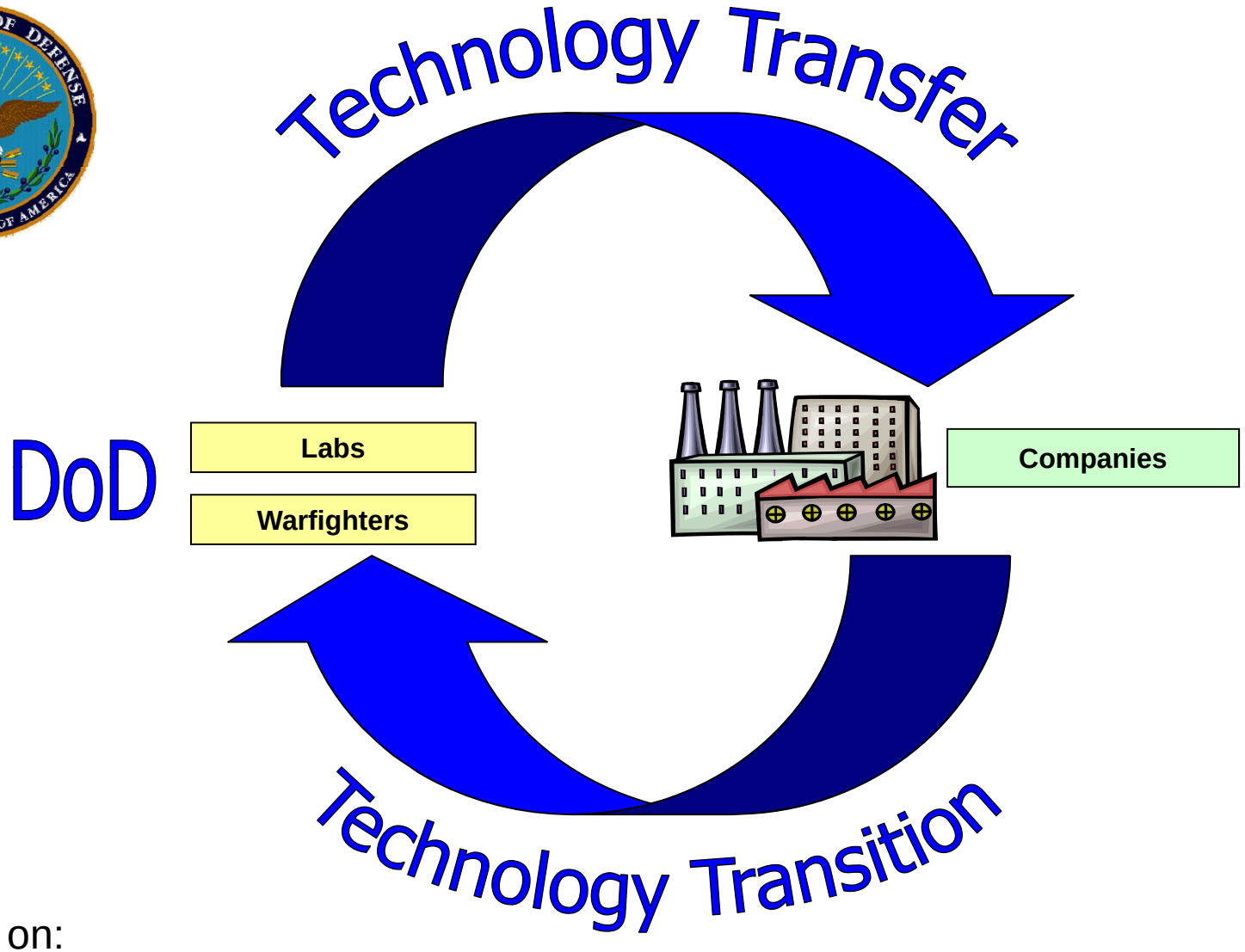
EMAIL: **lnannis@lknscpa.com**

How to Transition to the Commercial Sector

6th Annual National Small Business Conference
"Pathways to Success"

June 3, 2009

Cynthia E. Gonsalves, Deputy Director
Office of Technology Transition
Office of the Deputy Under Secretary of Defense
(Advanced Systems & Concepts)
cynthia.gonsalves@osd.mil **(703) 607-5326**



Based on:

15 USC 3710-15, Technology Innovation

10 USC 2515, Office of Technology Transition

10 USC 2359a, Technology Transition Initiative





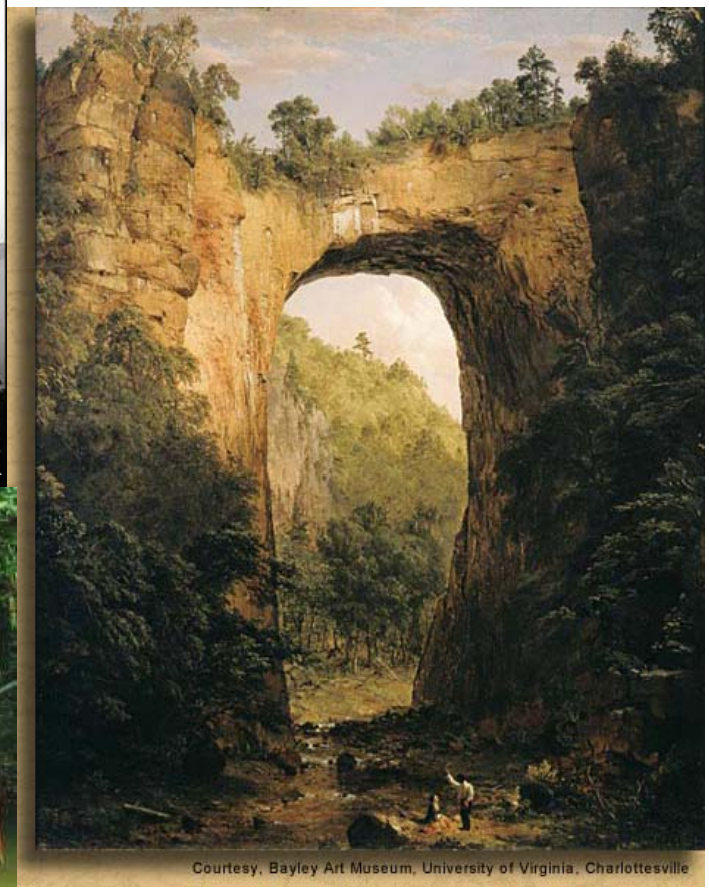





AFP






Courtesy, Bayley Art Museum, University of Virginia, Charlottesville

The Transition Lexicon

- ***Technology Transition:*** **Range of activities involved with improving, moving, maturing, & speeding technology to the marketplace**
  - In DoD, this usually applies to developing, adapting, or improving commercial **and** military technologies for use in weapon system applications. For example, monitoring technology movement to:
    - ✓ the next phase of acquisition; OR
    - ✓ an actual military system that has been or may be fielded; OR
    - ✓ a military / commercial test facility or depot
- ***Technology Insertion:*** **Introduction, placement, and integration of a demonstrated defense or commercial technology into a military system, component, or application**
- ***Technology Transfer:*** **Process of sharing, transmitting, or conveying technology data and information (intellectual property) between the government agencies, industry, and academia**
- ***Affordability:*** **Consideration of "best value" options that integrates performance, cost, producibility / manufacturability, reliability, supportability, and risk**
  - Does not mean the "cheapest"

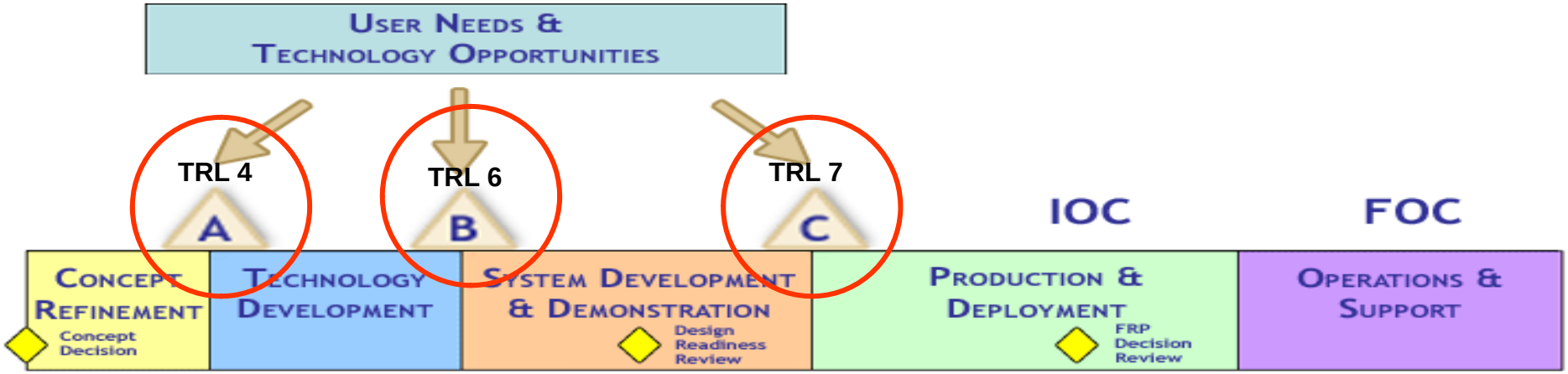
Technology Readiness Levels (TRLs)
Technology Readiness Assessments (TRAs)

TRLs: **A scale that describes the maturity of a technology with respect to a particular use**

Scale from 1 (least mature) to 9 (most mature)

- TRL 1 = "an idea"
- TRL 4 = "a lab experiment"
- TRL 6 = "a prototype ready for initial integration"
- TRL 7 = "ready for final operational testing"
- TRL 9 = "fielded and used as intended"

- ***Primary Purpose:*** **To help make decisions concerning the development and transition of technology. Uses:**
  - Provides a common understanding of technology status (maturity)
  - A factor in technical risk management
  - To help with: Transition of technology, funding, scoping acquisition programs
- **DoD requires all programs to conduct a TRA before commencing System Design and Development (that is, at Milestone B)**



http://www.defenselink.mil/ddre/doc/tra_deskbook_2005.pdf

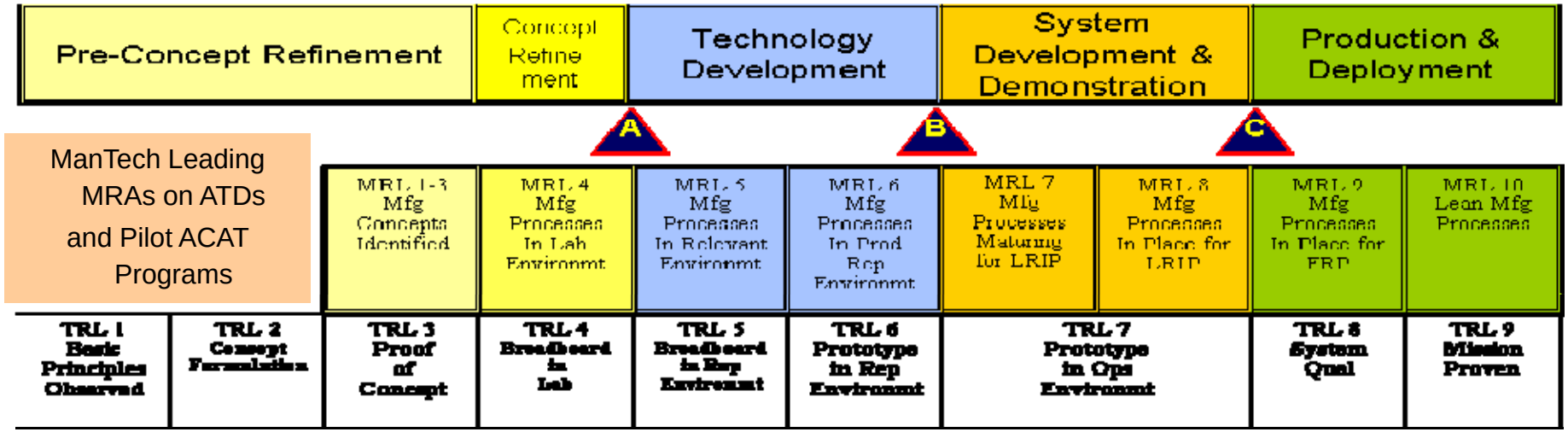
Manufacturing Readiness Levels (MRLs) & Manufacturing Readiness Assessments (MRAs)

Immature Technology & Unstable Manufacturing Processes

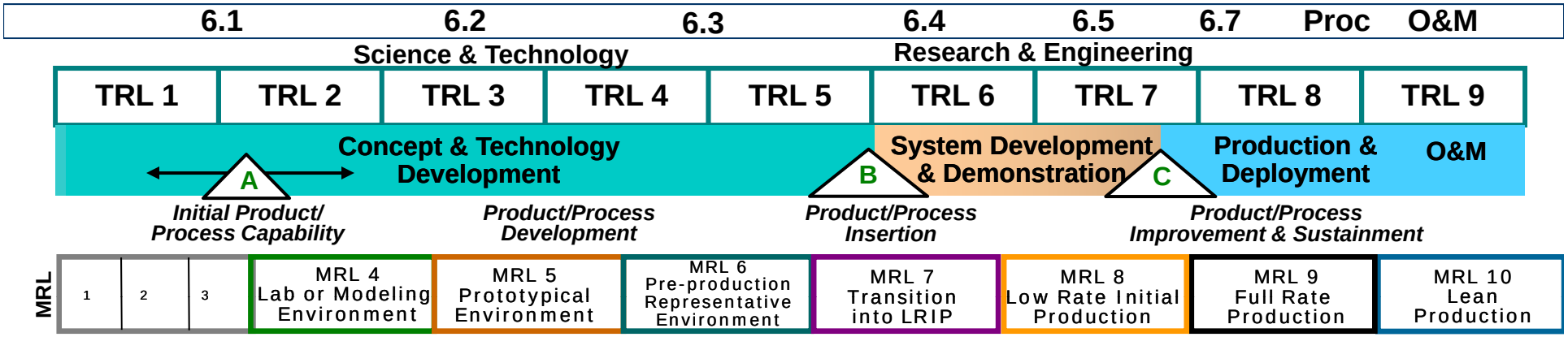
- **GAO study of 26 programs: RDT&E costs up by 42% with schedule slippage of 20%**

Manufacturing Readiness Levels (MRL) Developed

- **In collaboration with industry**
- **Common Standard and framework for identifying, communicating, and managing manufacturing risks**
- **Reconciled with TRLs**
- **Establish and promote manufacturing risk management as basic principal of technology development and acquisition programs**



Advanced Systems & Concepts Portfolio



COCOM /Joint/Coalition focused **Joint Capability Technology Demonstrations** ***Demo 1-3 yrs***

AC/JCTDs Transition Enabler – "joint peculiar" capabilities **JCTD Transition & DAE Pilot Program**

Industry "On" Ramp – Test to Procure Tech Refresh **Defense Acquisition Challenge**

Service, SOCOM Nominated - Test to Procure **Foreign Comparative Testing**

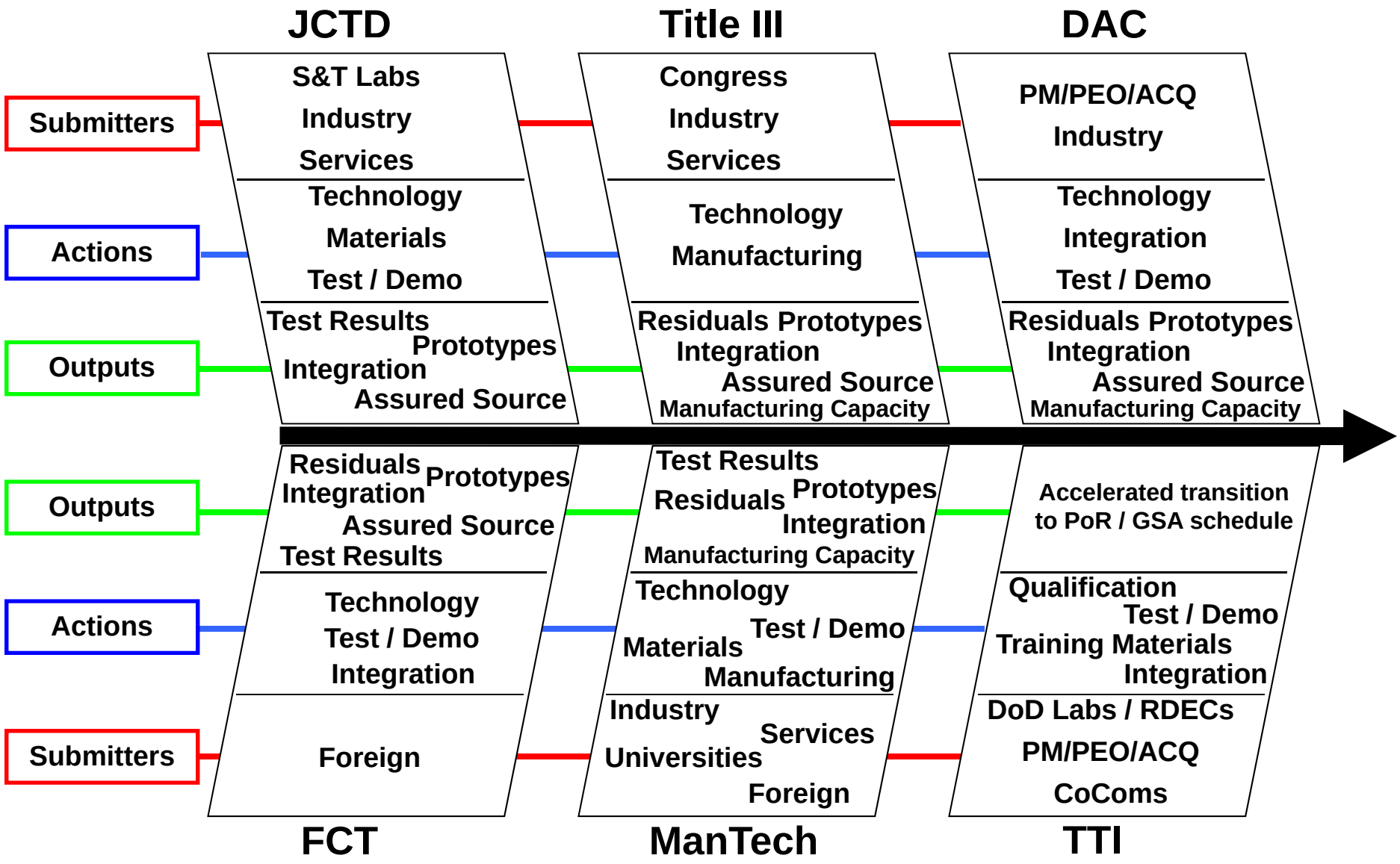
DOD S&T Push **Tech Transition Initiative**

DoD Technology Transfer **Formerly TechLink** ***to Private Sector***

Domestic Technologies Critical to National Security **Defense Production Act (Title III)**

ManTech Joint Investments **Defense Manufacturing Technology – Next-Gen Multi-Service Enablers**

Transition Programs



OUTCOME: *BETTER, FASTER, CHEAPER DEPLOYMENT TO THE FIELD*

TECHNOLOGY TRANSITION

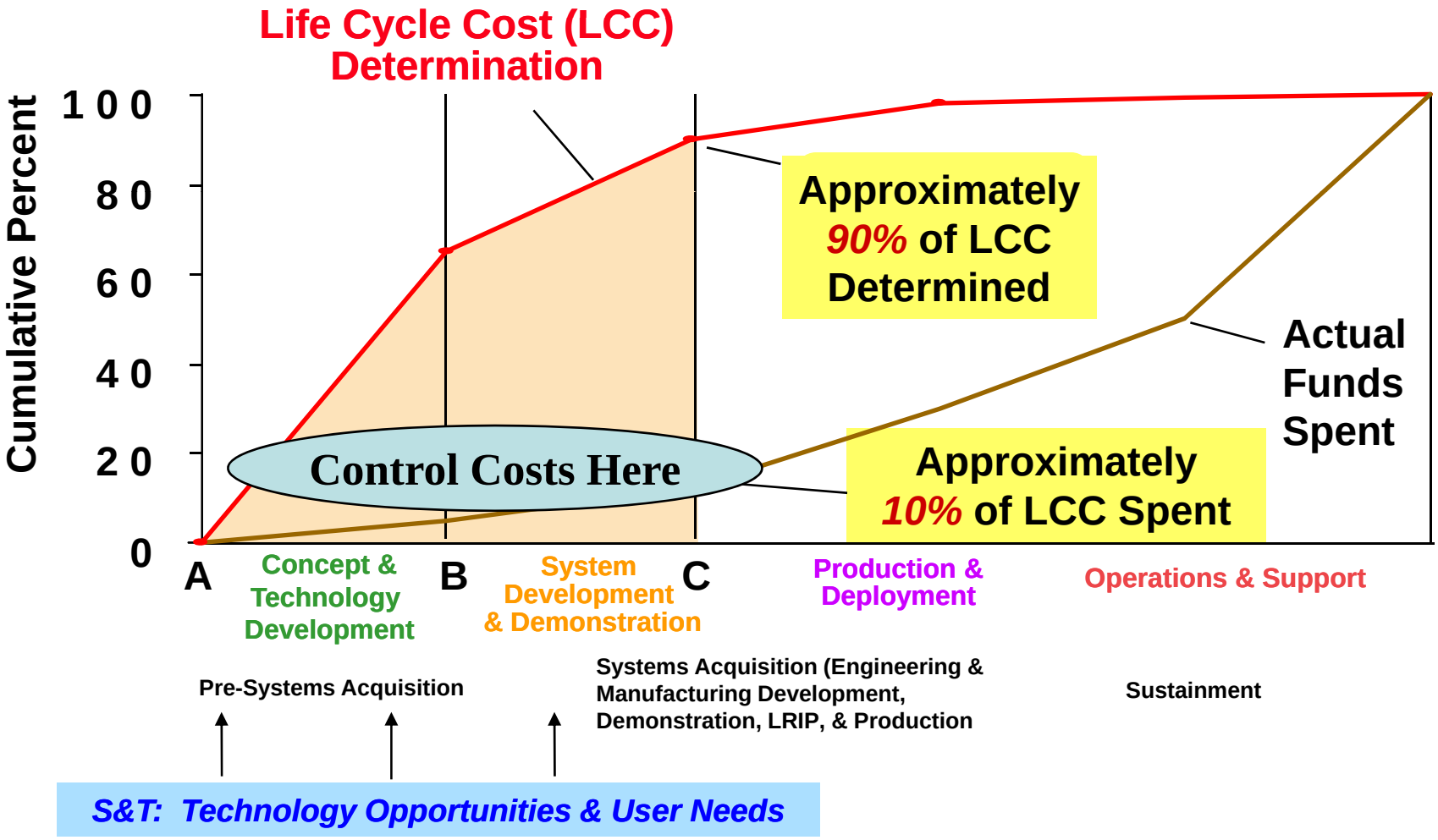
What is the intent?

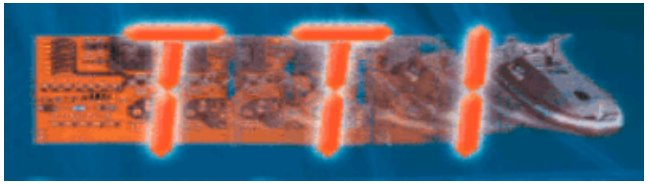
- Moved into an acquisition program of record
- Can be acquired/procured through normal DoD procurement (i.e., GSA schedule)
- Has addressed DOTMLPF satisfactorily
- Provides sustainable capability

Baseline Product/Technology no longer funded by S&T program.

The Need to Transition Technology Early

Acquisition Community is Focused on Cost Reduction Throughout Life Cycle





Technology Transition Initiative

- **Congressional Language**:
  - **Facilitate the rapid transition of new technologies from S&T into acquisition programs of the Department for the production of such technologies.**
- **Objectives**:
  - **Accelerate the introduction of new technologies into operational capabilities for the armed forces.**
  - **Successfully demonstrate new technologies in relevant environments.**

Weighted Criteria

- **TTI Funding Accelerates Product Transition***
- **Project is from DoD S&T Base ***
- **Cost Sharing to leverage funding***
- **Less than 4 years TTI Funding***
- **Established exit criteria**
- **Joint Focus**
- **Value to the Warfighter**
- **Technology mature – TRL 6 or 7**
- **Commitment to Acquisition/Procurement Path**



MCM USSV



Husky Mounted Detection System



JSGPM (M50) with ESLIs



Sense & Avoid for Small UAS

Technology Transition Agreements

- All TTI projects required TTA prior to release of funding
- Signed by S&T and Acquisition leaders in executing organizations and Director, OTT
- Template/guide provided in proposal preparation instructions
- Documents **commitment** to transition, transition plan details, resources required, **exit criteria**

TTAs are required for ALL TTI projects.

Examples of TTI Projects

Unmanned Sea Surface Vehicle
- Mine warfare mission package for LCS
- Accelerates capability by 2 years

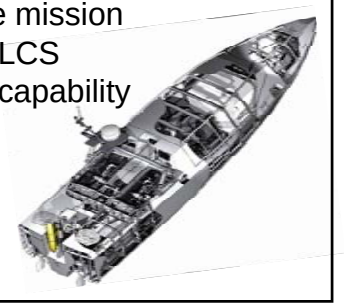








Image Compression for Digital Precision Strike
- High quality image transmission for SOF Mission Planning
- Accelerated delivery by 3 years

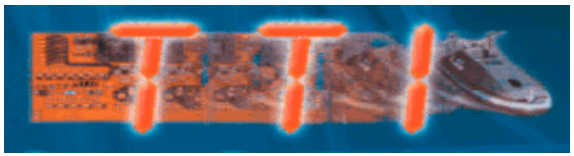
Sense and Avoid for Small UASs
- S&A for Army Shadow UAS
- Accelerates capability by 2 years





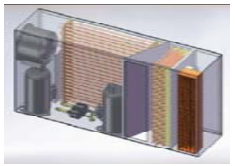


Electronic Image Intensifier for Apache Helicopters
- Fused imagery into single device for pilot
- Accelerates capability by 3 years



38 open projects











Tactical Idle Reduction
- Fuel savings for Army long-haul trucks
- Accelerates capability by 3 years

Defense Acquisition Challenge (DAC)

- ***Find & Test "Here & Now" Solutions***
  - **Projects begin within a year, end within 2-3 years**
  - **Testing at U.S. or foreign ranges**
  - **Project value: Range of $200K - $2M; average of $800K**
- ***OSD Selects & Funds Projects***
  - **Clear Goal: "Test to Procure"**
- ***Services & SOCOM Execute Projects***
  - **Nominate & prioritize their projects**
  - **PMs manage the tests**

Fund Testing of World-Class Items that Solve Warfighter's Problems

DAC – Testing Innovative Products for the Warfighter

The FY 2003 National Defense Authorization Act directed the Defense Acquisition Challenge Program to provide opportunity for:

- **"Increased introduction of innovative and cost-saving technologies into current acquisition programs of the DoD"**
- **"Any person or activity within or outside the DoD to**
  - ✓ **Propose alternatives, to be known as challenge proposals at the component, subsystem, or system level of an existing DoD acquisition program ...**
  - ✓ **that results in improvements in performance, affordability, manufacturability, or operational capability of that acquisition program"**
- **Focus on mature technologies ... TRL 7-8!**

DAC Impact

Examples of Warfighter Deployment (2003-2005 Testing)

Mini-Combat Trauma Patient Simulation System (Army & Medical Education Technologies, Inc)

- ✓ Realistic, virtual training provided for over 3500 medics
- ✓ Supports reduction of training attrition rate from 23% to 6%
- ✓ 14 simulators for Navy (Pendleton & Lejeune); 90 Army systems on contract
- ✓ Spiral in place to test follow-on tether-less Stand Alone Patient Simulator



Spray Cool™ for Counter Targeting System (INSCOM & Isothermal Systems Research Inc)

- ✓ Self-contained, hermetically-sealed housing that cools electronics
- ✓ Enables force protection against MANPADS & mortar attacks
- ✓ 5 systems deployed to OIF / won 2003 VE Achievement Award
- ✓ Facilitated risk reduction for follow-on technology (field programmable gate arrays)



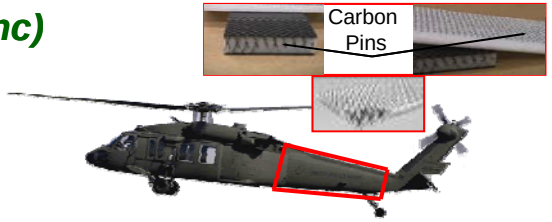
Enhanced Position Location Reporting System (Navy / USMC & Northrop Grumman Info Technology)

- ✓ Quality of Service for the Systems Planning Engineering & Evaluation Device
- ✓ Increased communications through optimum battlefield positioning of assets
- ✓ Deployed to II Marine Expeditionary Force in Iraq



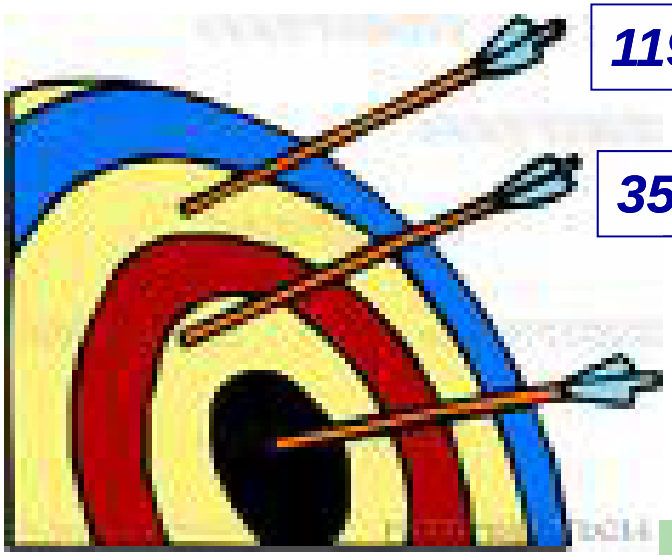
Lightweight Core Material for Blackhawk & Apache (Army & Aztex Inc)

- ✓ Composites for a lighter-weight aircraft structure
- ✓ Provides increased platform performance and range



DAC – Performance Measures

Program Level Metrics & Results (2003 - 2009, 7 Years)



119 Projects Started - 60 Completed

35 Projects – Procurements Worth $364M

30 Projects – Direct Support for Overseas Contingency Operations (OCO)

- **OSD Investment: $196M (constant FY09 dollars)**
- **Avg. Return-on-Investment (ROI) - - 5:1**
  - ✓ **Based on procurement & life cycle cost avoidance**
- **Vendor Teaming with U.S. Industry in 35 States & D.C**

Competitive - Supports Highest Priority Warfighter Needs

1975 Proposals Submitted

445 Proposals Endorsed by PoRs

119 Projects Funded

60% of Projects Awarded to Small or Mid-Sized Businesses

26% of Projects Awarded (15 of 58) to Companies Indicating "First Time Participation" with DoD (2006-2008)

Manufacturing Technology (ManTech)



- *ManTech is critical for moving **disruptive technologies** into **disruptive capabilities***
- *If you can't build **IT**, build **IT** affordably, reliably, and in a timely manner, you don't have **IT**.*
- *To have true capability, must be able to **move beyond the prototype "One-Off"***
- ***Operates Under Title 10 (Section 2521)***
  - ***Manufacturing process*** investments that provide product performance, operational, & affordability improvements
- ***All About Affordable & Timely Equipping of the Warfighter***
  - Defense essential needs **beyond normal risk** / interest of industry
  - **Pervasive needs** across systems, platforms, or components
- ***Transition of Validated Technology***
  - Scale-up of processes for S&T, ATD, IR&D, & ACTD products
  - Focus: Manufacturing **process investments**

ManTech Addresses Major QDR Issues – Affordability, Sustainability, Decreased Logistical Footprint

ManTech Recent Successes



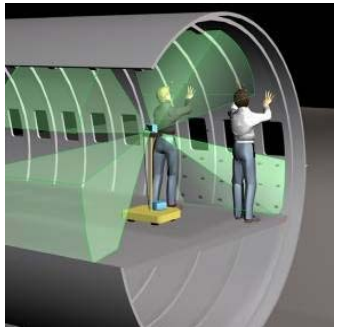
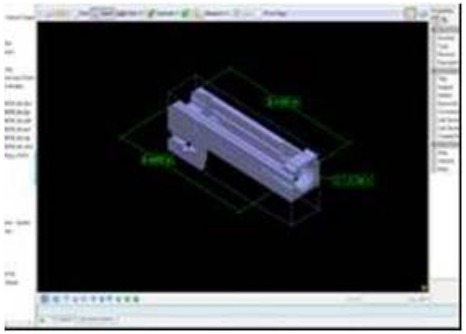


Illustration of Laser Image

Army MT New Uncooled Focal Plane Array - reduced unit cost from $16K to $2K per FPA, enabled supply chain to meet future Army procurement requirements



Navy MT - Reduced VA Class Submarine Labor 85% for 1,000s of submarine attachments and penetrations – saving more than 8000 labor hrs per ship



New Model Based Mfg – Piloted new mfg process data on critical M2 Barrels - new supply chain responded and reduced fab time 58%, cost reduced order of magnitude



DLA MT - Met Tank Tread Demand Surge for OIF

- **Vital Track component experienced accelerated failures**
- **Advanced casting tooling method enabled industry to meet surge and demand**





AF MT - AESA Radar mfg improvements reduced cost of active transmit/receive module for JSF And F-22 radars - $745M cost avoidance

Execution

Service & Agency RDT&E Centers

- Scientists & Engineers
- Technology Transfer Managers
- Intellectual Property Attorneys

DTIC - hosted Systems

- Defense Tech Transfer Information System
- IP Management Information System

DoD / Federal Working Groups

- Federal Laboratory Consortium for Tech Transfer
- Interagency Working Group for Tech Transfer
- DoD Tech Transfer Integrated Project Team
- Defense Tech Transfer Working Group
- 1401 Working Group

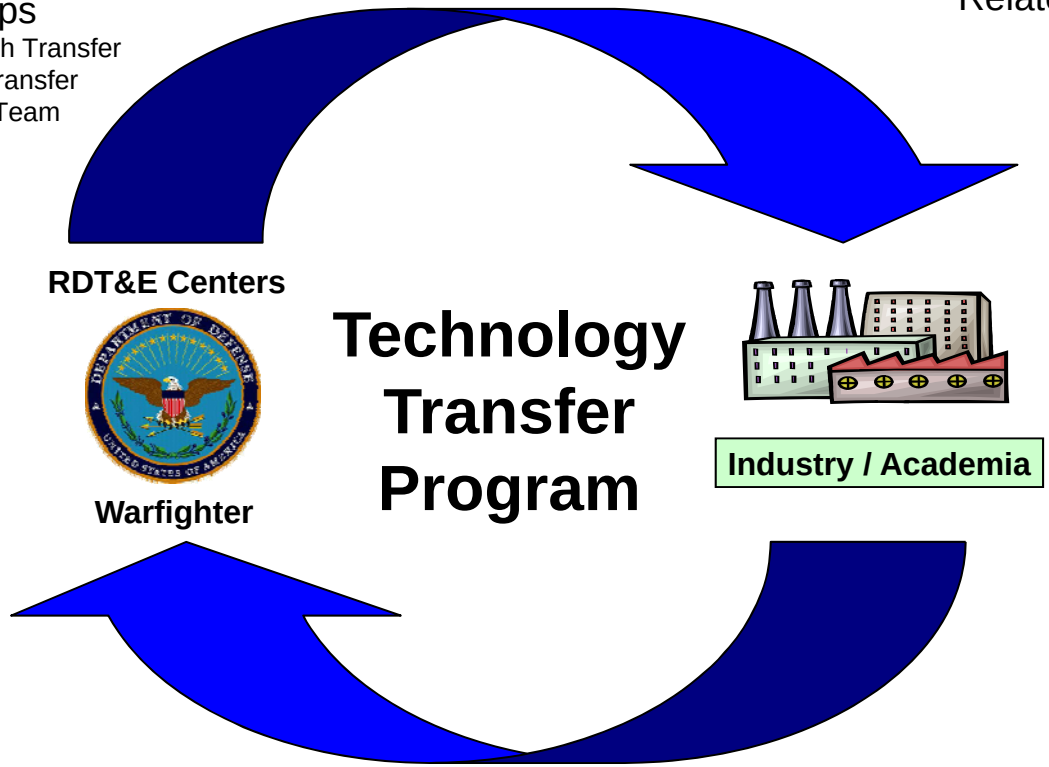
Facilitation

DoD & Non-DoD Funded Assistance

- DoD-wide Partnership Intermediaries
  - TechLink - FirstLink
  - SpringBoard - T2Bridge
  - TechMatch - MilTech
- DoD / Department of Commerce MOU
- Regional, state, local economic develop organizations

Related DoD Programs

- SBIR / STTR
- ManTech
- DACP
- IR&D
- TTI



Acquisition

Products & Services

- Industry partner further develops the technology, commercializes, and manufactures a product that is available for procurement and sustainment by the program of record for the Warfighter

Technology Transfer (T2) is the intentional communication of knowledge, expertise, facilities and equipment, and other resources for application to military and non-military systems. It includes spin on, spin off, and dual use.

Partnership Intermediaries

OTTPIN
OFFICE OF TECHNOLOGY TRANSITION PARTNERSHIP INTERMEDIARY NETWORK

- **Provide skill & capabilities not resident in DoD labs:**
  - **To LABS**
    - **Proactive, focused, and sustained marketing of lab technologies and capabilities**
    - **Pursue leads**
    - **Closer to the marketplace and can employ a technology pull approach**
    - **Facilitate communications with companies**
  - **To PARTNERS**
    - **Help find technology solutions or new product opportunities**
    - **Make government “red tape” invisible**
  - **To BOTH**
    - **conduct market research to establish value of licensable technologies**
    - **understand expectations**
    - **develop viable license applications and commercialization plans**

TechLink
FirstLink
Accelerating Innovation T2Bridge™
SpringBoard
DoD TechMatch
MILTECH



www.techlinkcenter.org

TechLink

KEY ACTIVITIES

1. Licensing DoD-developed technologies to companies
2. Establishing cooperative R&D agreements between DoD labs and companies
3. Helping DoD acquire innovative technologies through the DoD SBIR and IR&D programs

STATISTICS

1. Over 450 technology transfer partnerships established between companies and DoD labs
2. Brokered 50% of all DoD patent licenses nationwide FY 2003-2008
3. Providing 4:1 return on investment to DoD from technology transfer activities

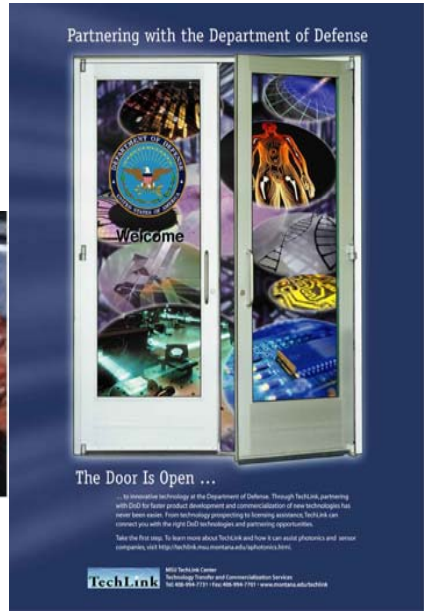






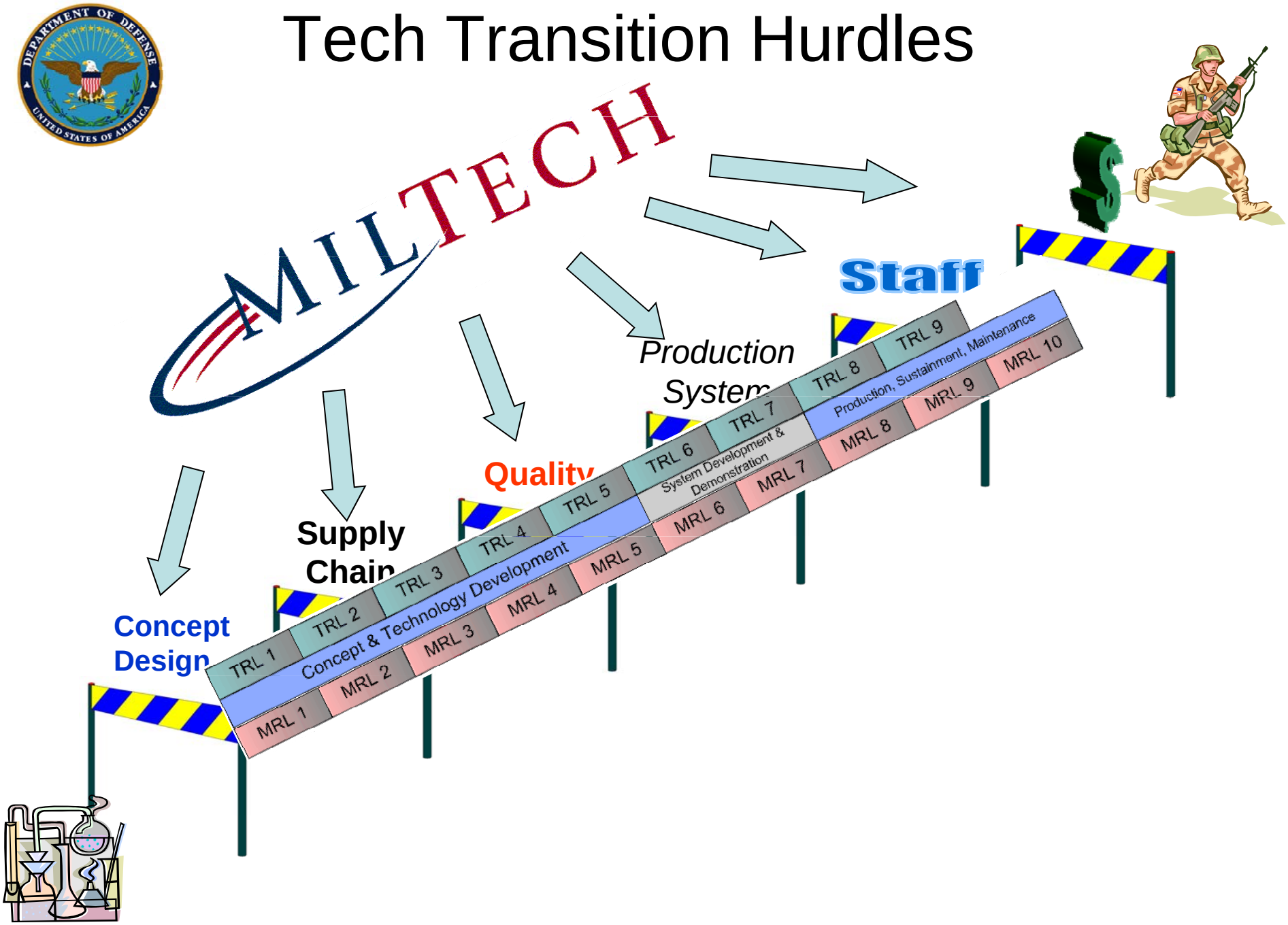






Moving Technology from Minds to Markets

Tech Transition Hurdles



Technology Transition & Insertion:
The View Depends on Where You Sit

- ***Warfighters***
  - Identify capability gaps, not technologies
  - Don't know what equipment they want, except at Radio Shack, Wal-Mart and Toys R Us
  - Need short term improvements for today, not tomorrow, much less 1 to 5 years from now

Operators and joint warfighters are hard-pressed to take the time to understand technology

- ***Technology Developers***
  - Generally, will not listen to the warfighters when they say what they think it is that they want
  - Working to create the next generation capability – cost and time are generally not relevant

Conversely, S&T / laboratory engineers do not appreciate what the warfighter needs or acquisition

- ***Service PMs, SPOs, Programs of Record (PoR)***
  - It's cost, schedule, & performance!
  - Risk is not desirable and you pay for it

- ***The Budget Process, Comptroller, Congress …***
  - DO NOT allow or incentivize risk
  - Timing: Two Budget Years plus ...
  - Little opportunity for 'quick' insertions within the budget year against a constantly changing threat

When is the last time you or someone you know received recognition for failure?

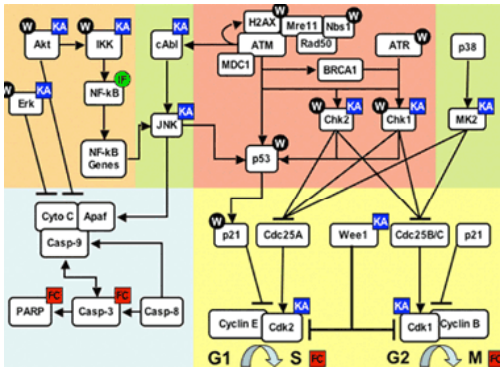




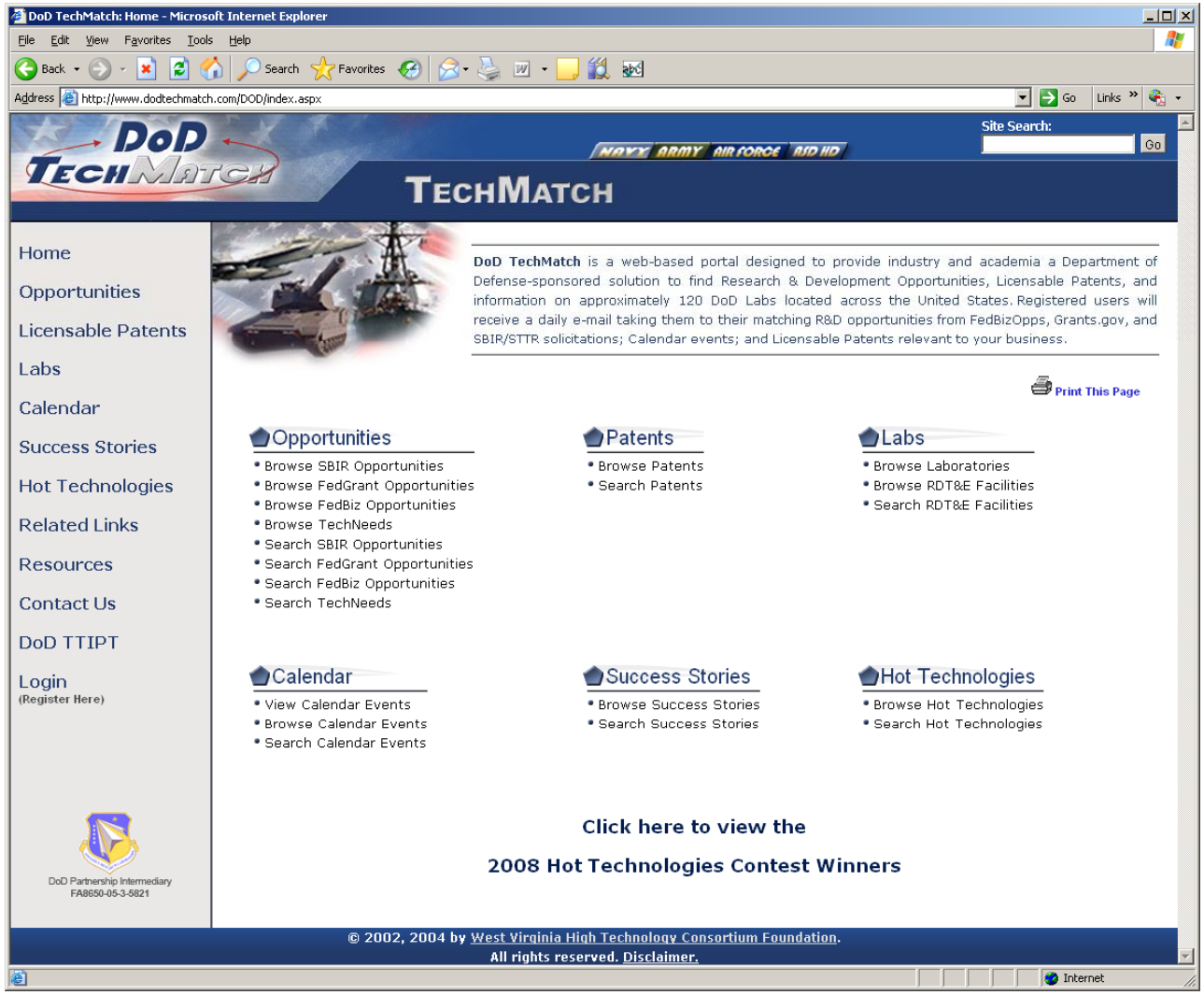


Pathways to Success





Contact Us



http:www.dodtechmatch.com

BACK-UP SLIDES

Defense Research & Engineering (DDR&E)

Key Transition Programs

	Purpose	Funding	Outcome
Joint Capabilities Technology Demonstration (JCTD)	CoCom capability gaps (joint warfare & GWOT)	~ $200M	Improved capability for existing programs
Defense Acquisition Challenge (DAC)	Challenge existing technologies	~ $30M / yr	Test new tech or equipment for DoD use
Foreign Comparative Testing (FCT)	Warfighter benefit from foreign ally	~ $30M	Test foreign NDI / commercial item for DoD insertion
Technology Transition Initiative (TTI)	Accelerate lab transition to warfighter	~ $30M	Accelerated insertion into production and/or fielding
Quick Reaction Funds (QRF)	Test emerging technology for acceleration	~ $30M	Fielded prototype & demo
Rapid Reaction / New Solution (RR/NS)	Test emerging technologies for GWOT	~$50M	Tested prototype funded by Pentagon for rapid field use
Manufacturing Technology (ManTech) & Mfg. S&T	Develop new or improved mfg. processes	~ $200M+ (Services) ~ $10-20M (OSD)	Prototype process for industry building DoD systems
Title III / Defense Production Act (DPA)	Develop critical domestic production capabilities	~ $18M	New domestic production lines or facilities
Technology Transfer Mechanisms	Transition S&T to market	~ $2M (DoD) + private	Production sources for military & commercial products
Force Transformation / Operational Experimentation	Integration of technologies & experimentation to meet CoCom needs	~ $20M / yr	Prototype systems and operational concepts

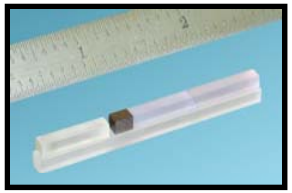
Improved Laser Rangefinder

Objective: Transfer, commercialize, and rapidly transition the Army monoblock laser technology for use in weapon systems

Challenge: "Ruggedize" the monoblock laser for field deployment and overcome manufacturing scale-up hurdles to meet accelerated DoD demand

Technology: A novel, solid-state "monoblock" laser resonator developed by the Army CECOM RDEC Night Vision Lab that reduces the number of components and improves alignment, reducing the size, cost, and power requirements of laser rangefinders

Status: Licensed from the Army by Scientific Materials Corp., Bozeman, MT, with **TechLink** assistance. **MilTech** helped the company ruggedize the laser and overcome manufacturing challenges. Now integrated into the Army's STORM (Small Tactical Optical Rifle Mounted) laser rangefinder/ target designators. Also being integrated into weapon systems on Stryker vehicles and attack helicopters. Being procured by the Army and deployed in Iraq and Afghanistan.









HemCon Bandage

Objective: Commercialize and rapidly transition the HemCon bandage to warfighter use in Iraq and Afghanistan

Challenge: Overcome manufacturing problems to improve product design, increase production, reduce cost, and ensure timely delivery to meet high DoD demand

Technology: A novel wound dressing that rapidly stops severe bleeding, bonds firmly, sterilizes wounds, and releases readily when desired. Recognized as one of the Army's "Top 10 Greatest Inventions of 2004"

Status: Developed by HemCon, Inc. with funding from the US Army Combat Casualty Care Research Program. **MilTech** helped HemCon to overcome manufacturing challenges to meet high DoD demand. By DoD directive on 9/20/05, every US soldier deployed to Iraq and Afghanistan is required to carry at least one HemCon bandage. Approximately 100,000 HemCon bandages have been delivered to DoD following **MilTech** assistance.





Grip-Activated Laser Aiming System

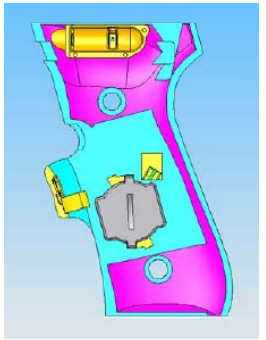
Objective: Ruggedize and waterproof the internal laser circuitry to improve reliability for DoD use in wet environments

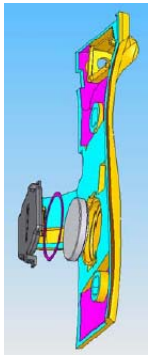
Challenge: The manufacturer, Crimson Trace, lacked the internal R&D staff to develop a ruggedized, waterproofed version of the Lasergrips to meet DoD needs

Technology: Compact, grip-activated laser aiming system. "Lasergrips" replace standard grips on a wide range of military pistols. Gentle pressure on the grip activates a laser that projects a red laser beam where the pistol will shoot. "Lasergrips" improve pistol marksmanship training and warfighter lethality.

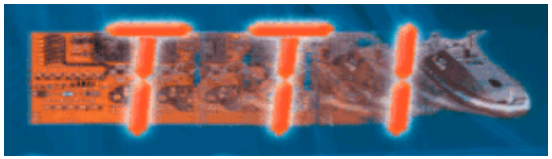
Status: **MilTech** successfully bridged the gap between company capabilities and DoD needs by developing a ruggedized, waterproof design of the "Lasergrips" that can be easily manufactured. This improved version is now being procured by SOCOM.







Technology Transition Initiative (TTI)



Congressional Language:

- Facilitate the rapid transition of new technologies from S&T programs of the DoD into acquisition programs of the Department for the production of such technologies.

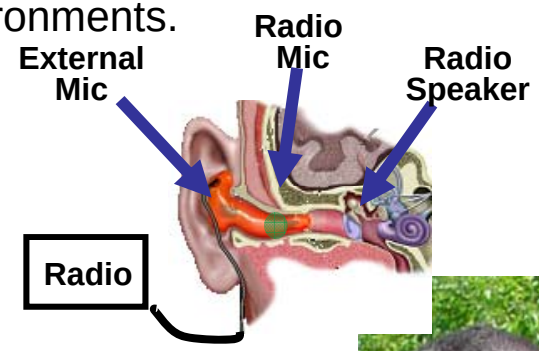
Objectives:

- Accelerate the introduction of new technologies into operational capabilities for the armed forces.
- Successfully demonstrate new technologies in relevant environments.

Criteria:

- TTI Funding Accelerates Product Transition*
- Project is from DoD S&T Base *
- Cost Sharing to leverage funding*
- Less than 4 years TTI Funding*
- Established exit criteria
- Joint Focus
- Value to the Warfighter
- Technology mature – TRL 6 or 7
- Commitment to Acquisition/Procurement Path







OSD PoC: Dan Altobelli
ODUSD (AS&C)
Dan.Altobelli.ctr@osd.mil 703-607-5312

TTI Criteria

Criteria	How evaluated/graded
Commitment to Transition	Most heavily weighted criterion; strong evidence of commitment to incorporate the technology into a weapon system or capability
Value to the Warfighter	Identify direct impact the ability to prosecute/win a war, save lives, or provide other operational enhancements/efficiencies; link to the appropriate Joint Capability Area; near-term impact to Global War on Terror
Established Exit Criteria	Key performance parameters identified
Potential for joint use	Joint Service/Agency/Combatant Command applicability is desirable
Technology Maturity at the time of proposal submission	Mature technologies ready to transition
Funding must accelerate technology transition into DoD acquisition/sustainment programs (Mandatory)	Fills a gap between current S&T and acquisition funding
Cost sharing to leverage TTI funding (Mandatory)	May be R&D, O&M or Procurement funds
Project duration must be 4 years or less (Mandatory)	Shorter duration projects rated higher than longer duration projects; goal is transition in 2 years or less
Technology must be from DoD S&T base (Mandatory)	Legacy funding for technology developed. (6.1, 6.2, 6.3, SBIR, DARPA, etc.)

Globalization of S&T

"In 2001, India graduated almost a million more students from college than the United States did. China graduates twice as many students with bachelor's degrees as the U.S., and they have six times as many graduates majoring in engineering. In the international competition to have the biggest and best supply of knowledge workers, America is falling behind."

--"The World is Flat", Friedman, 2005

China had 15 companies on Forbes Global 500 list in 2004, up by 4 from the 2003 rankings.

India had only 1 company on the Global 500 in 2003. In 2004, there are 4 Indian companies.

IBM Global Services India unveiled its global delivery centre in Hyderabad on June 14, 2005, the fifth IBM center in India.

China's Gross Domestic Product is now 2nd in the world to the U.S.

" The last 25 years in technology have just been "the warm-up act." Now we are going into the main event, and by the main event, I mean an era in which technology will truly transform every aspect of business, of government, of society, of life."
Carly Fiorina, ex-Hewlett-Packard CEO 2004

For the first time ever, all members of China's Politburo Standing Committee, the highest tier within the Communist Party, are card-carrying engineers.



Brian T. Hart

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www.blackirobotics.com

June 1, 2009

LandShark UGV

•141 Middlesex rd., suite 4, Tyngsboro, ma 01879 phone: 1.978.703.1236

About Black-I Robotics

- Black-I makes Unmanned Ground Vehicles (UGV) since 2005
- Affordable Robust Mid-Sized UGVs (ARMS UGV)
- Committed to an open source, open platform strategy
- “Jeep Chassis”

LandShark



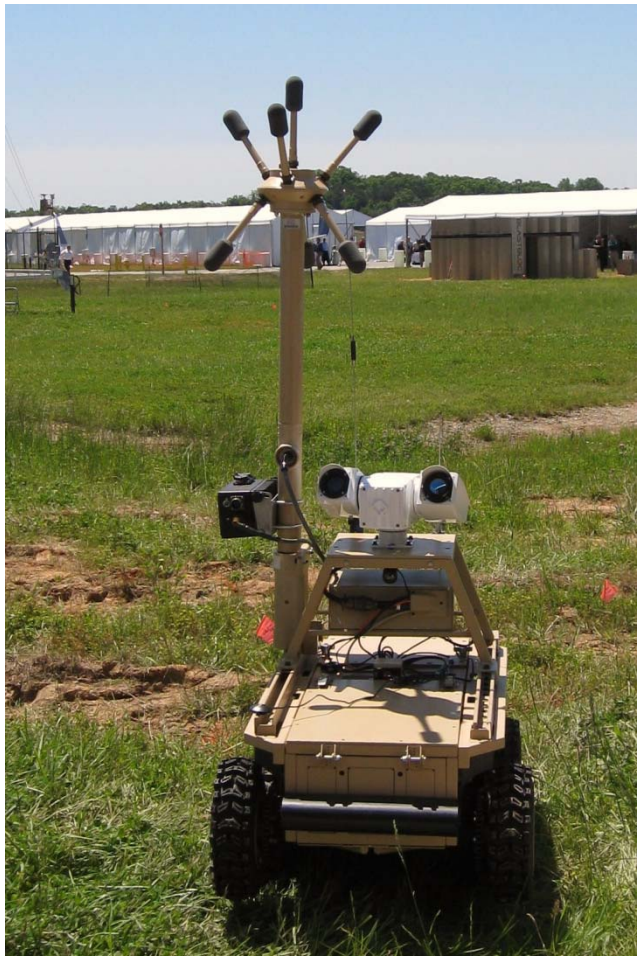








LandShark Series E





What We're Doing

- TSWG Contract FY08
  - Commercial Chassis Production Now
  - Full System with Arms & Payloads 2QCal09
- Logan Intl. Airport – VBIED Destroyer, Civilian Mkt. T&E Prototype
- Sandia National Labs - x-ray aiming
- NAVSEA Dahlgren Wolf Pack – 2 lethal, 2 non-lethal, radio relay, remote acoustic hailing device

Applications









Version “D” -- LandShark

Open Source Modularity Improves Price & Performance

- Open Source JAUS Software allows interchangeable parts
- PC/Tablet Based OCUs allows affordability and upgradability
- Mission Modularity Increases Apps.
- Several Missions for the Price of One

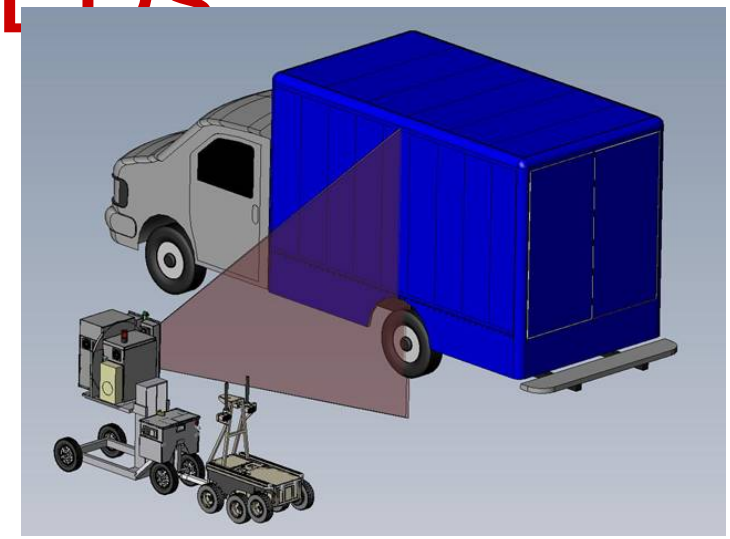


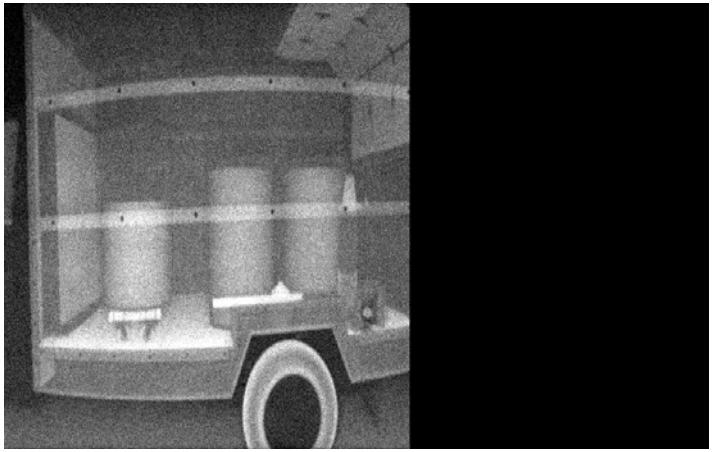
What We're Doing

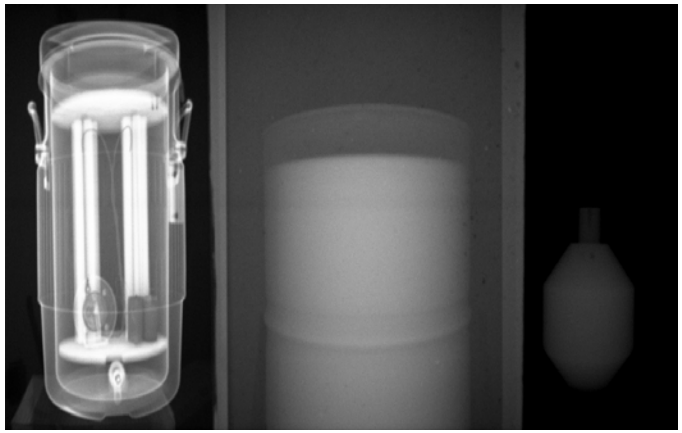
- Received "Popular Science 2008 Best of What's New Award for Security"
- Robotic Trailer for Z-Backscatter X-Ray system for AS&E
- Sarnoff Team for Complex Terrain Mapping with Vision Systems

LandShark Towing AS&E Z-Back Scatter X-Ray Trailer Against VBIEDs









LandShark with MREL Aqua Ram Disrupters









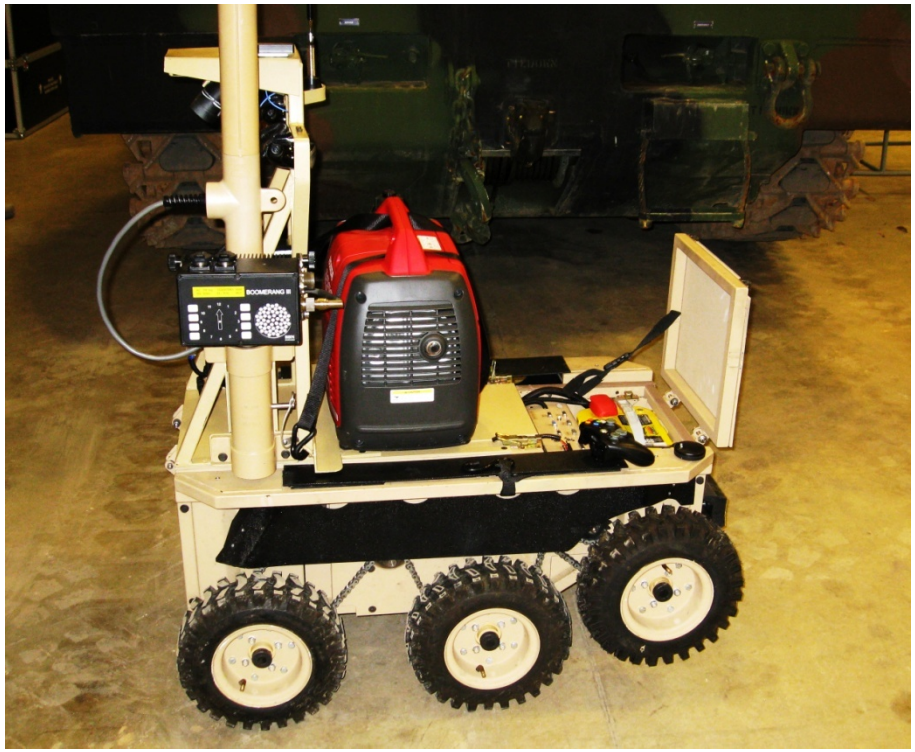
Remote Hailing Device

- Landshark D with a Moog Remote Acoustic Hailing Device attached.
- Navy recon and nonlethal hailing system.
- Drive a fence line, remotely communicate into a village.
- Slider rails allow quick mounting and dismounting of large payloads.



Hybrid Configurable on Fly Electric or Gas/Electric

- All Electric or Hybrid Using Smart Charger
- 8 to 15 Hour Now or in Future
- 8-10 KW Multi-Fuel Gen. with Alternator & Electric Start



Counter Sniper Experiments Boomerang Acoustic Detector & Laser Veiling

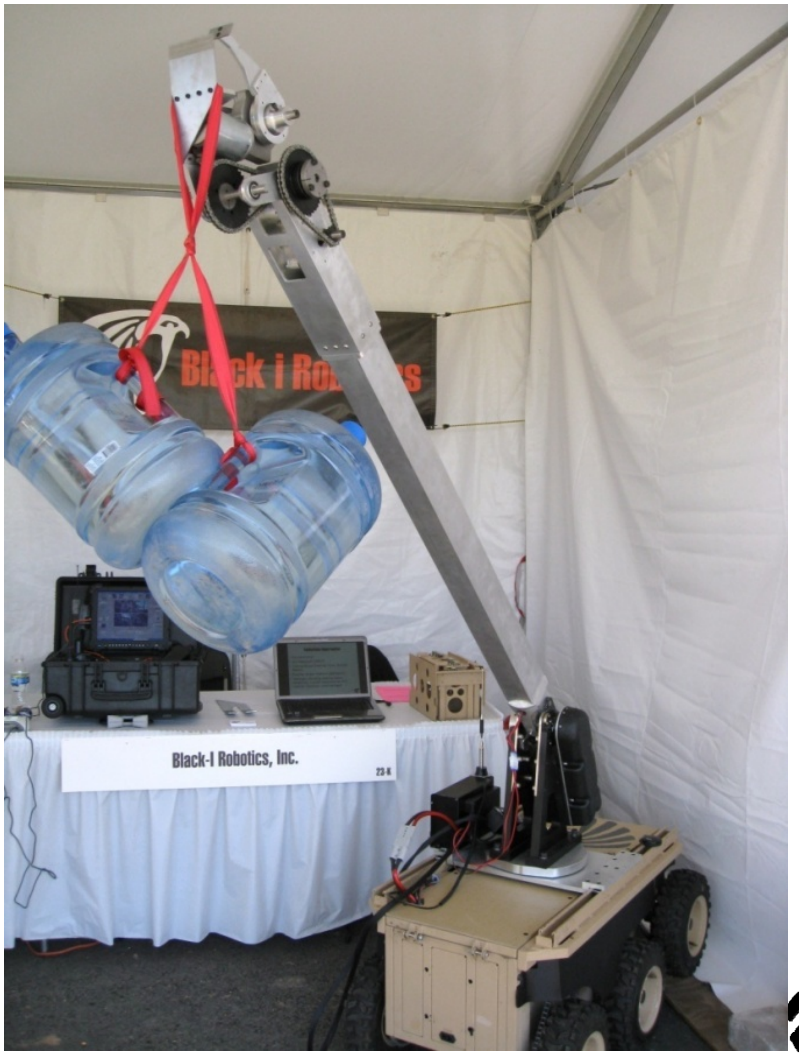






Heavy Modular Arm

- 100lb lift 6 feet
- 7800 ft.lbs at shoulder strength
- Half price of closest competitor
- Total modularity
- Factory Robotic Quality Controls Coming Next



Trailers, Towing, Tillers & Plows







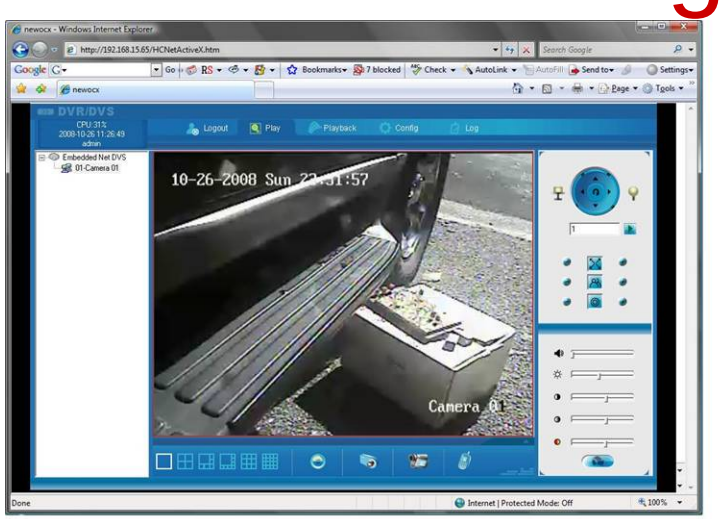


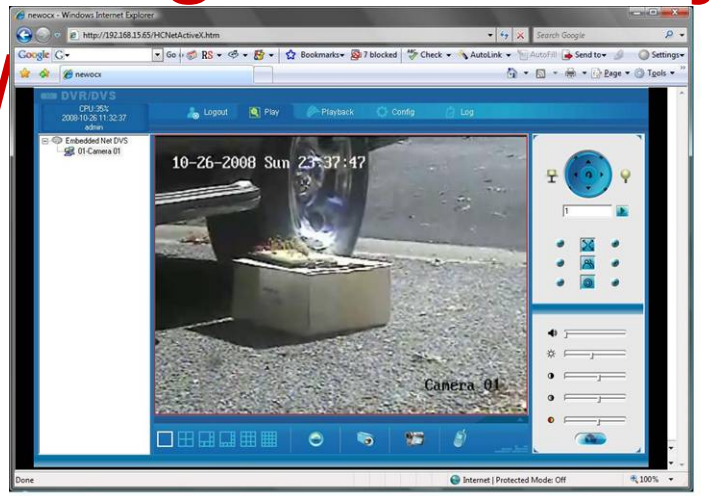
Marsupial Deployment of Cubic's Cougar with LandShark E

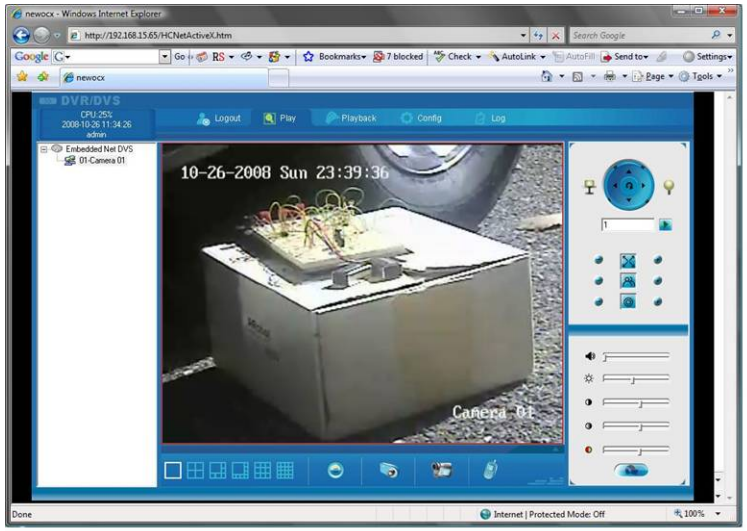


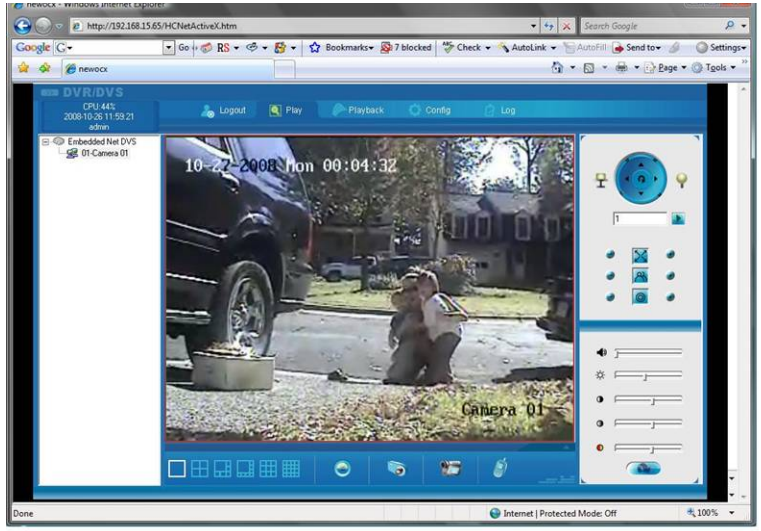


IP Protocol Cameras Allow Controlled Webcasting of Images to Many Viewers









Black-I Specific

- Product shifting to check points and perimeters and away from military EOD applications
- Targeting DHS and DOE and looking for a play in the private sector
- Targeting Open Sources and Partnering Wherever Possible

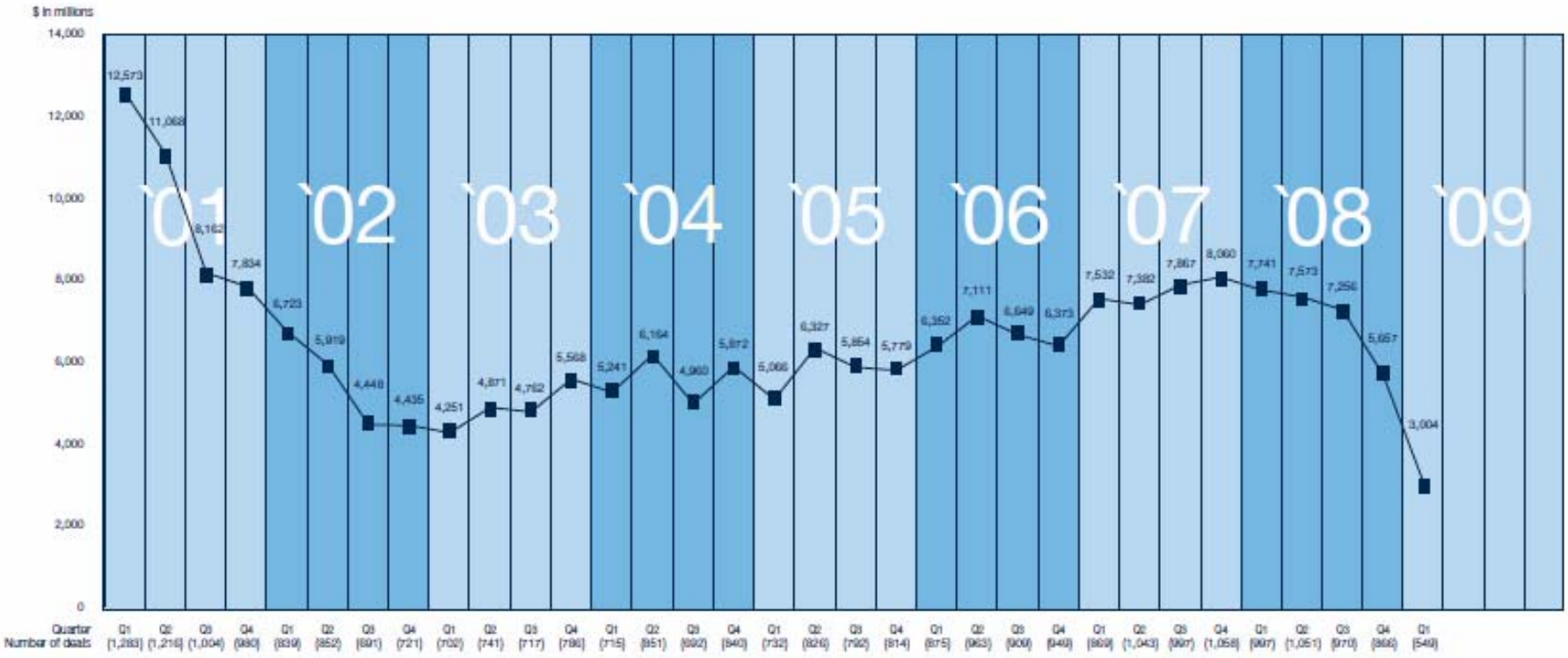
Difficult Environment

- Rare Opportunity to Grow by Multiples Yet
- Lobbying & Lonely
- Political Riptides (PA, MI)
- Third World Bus. Practices Within DOD
- Problematic Capital Markets

How Does a Small Company Raise New Capital?

- Traditional Banking
- IPO?
- Traditional Private Equity
- Merger & Acquisition
- Strategic Partnering

VC Investments



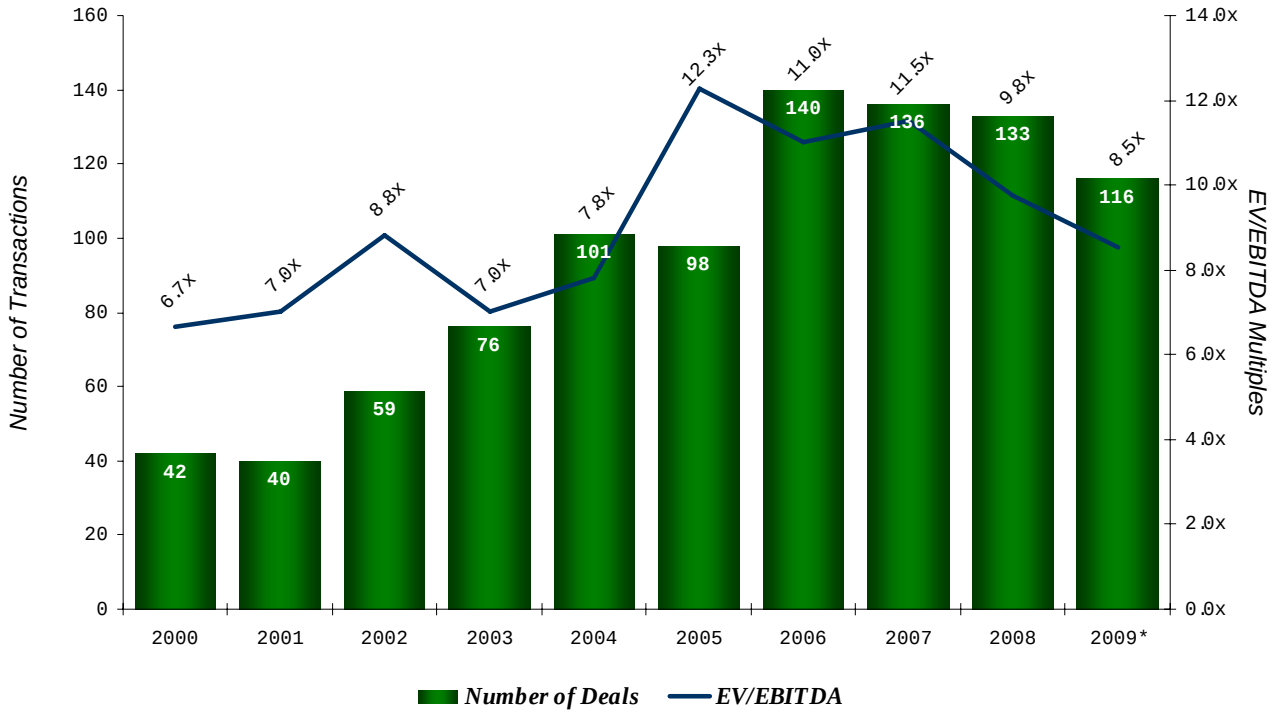
Funds for acquisitions by larger firms

- Acquisition funds are high
- Valuations are moderate and financial leverage in a purchase is low
- Is there a public play for a small company that does a roll up of related and like-minded

Defense Transactions & Valuations

- Over the past 10 years, average M&A Valuations have ranged from 7x to 12x LTM EBITDA
- Defense valuations peaked from 2005 to 2007
- Historical valuation median since 2000 at 8.7x with median activity level is approximately 100 deals per year

LTM period valuations currently at historical median level



Source: Houlihan Lokey's proprietary M&A database; Multiples reflect enterprise value to latest twelve months EBITDA prior to deal announcement
**Represents LTM as of 4/15/09*

Strategies That Are Working for Black-I

- Cost
  - Outsource.
  - Keeping fixed costs low.
  - Max. Variable Cost/Rev
  - Publicity over Advertising
- Price
  - Making products affordable by design

Strategies That Are Working for Black-I

- Speed
  - Move faster with today's information not last year's – Don't Wait for the Needs Statement
  - Partner for speed
- Focused Innovation
  - Licensing government technology
  - CRADAs and leveraging government work (NAVSEA)
  - IP Strategies – Use COTS, Trade Secrets and limited patents
  - Work the Hill
  - Riding the up escalator – target technology trends use only latest tech.
  - Markets less than 2 years out



Importance of Small Defense Businesses in War

- Military Warfare
  - Faster, Better Cheaper are all Small Business Strengths
  - Saving DOD from itself.
- Economic Warfare
  - Avoiding Dead-End Defense Programs
  - Making/Losing Jobs

Electronic Systems Center



Welcome to ESC

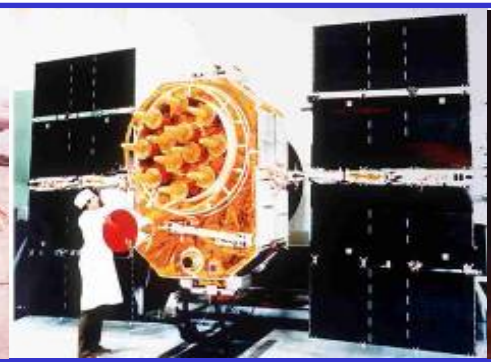
May 09

Overview

- Mission Overview
- History of ESC and Hanscom
- Enterprise Overview
- Hanscom Moving Forward

ESC Mission






Empower The Warfighter
To Leverage Information As An Effective Weapon
—Anywhere, Anytime!







Our Vision

War-winning Information Systems…

On time, On cost



Overview

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Laurence G. Hanscom

- The State House reporter for the Worcester Telegram and The Evening Gazette
- The founder and first president of the Massachusetts Wing of the Civilian Air Reserve (1940)
- Just prior to his death he had been lobbying for the establishment of an airfield in Bedford
- He was performing acrobatics when his plane crashed on February 9, 1941
- Land named Laurence G. Hanscom Field, Boston Auxiliary Airport at Bedford in June 1941 and subsequently Hanscom Air Force Base



ESC -- A Rich Heritage

1940's



1949
Cambridge Field Station Becomes AF Cambridge Research Labs (AFCRL)

1950's



1952
MIT est. Lincoln Lab

1958
MIT Forms MITRE Corp.

1960's
1970's



1961
ESD Established

1980's
1990's



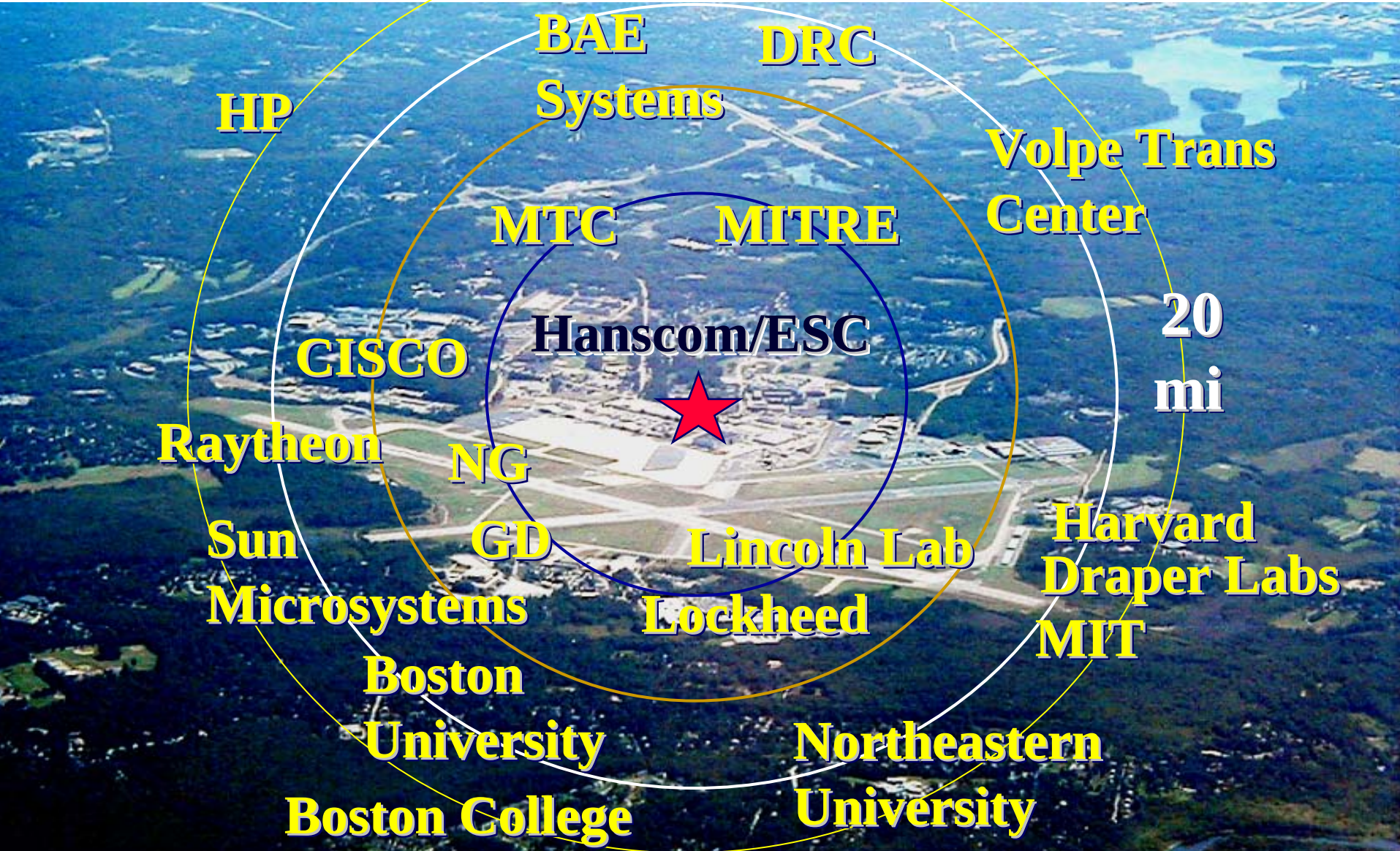
1992
ESD Redesignated ESC

2000+



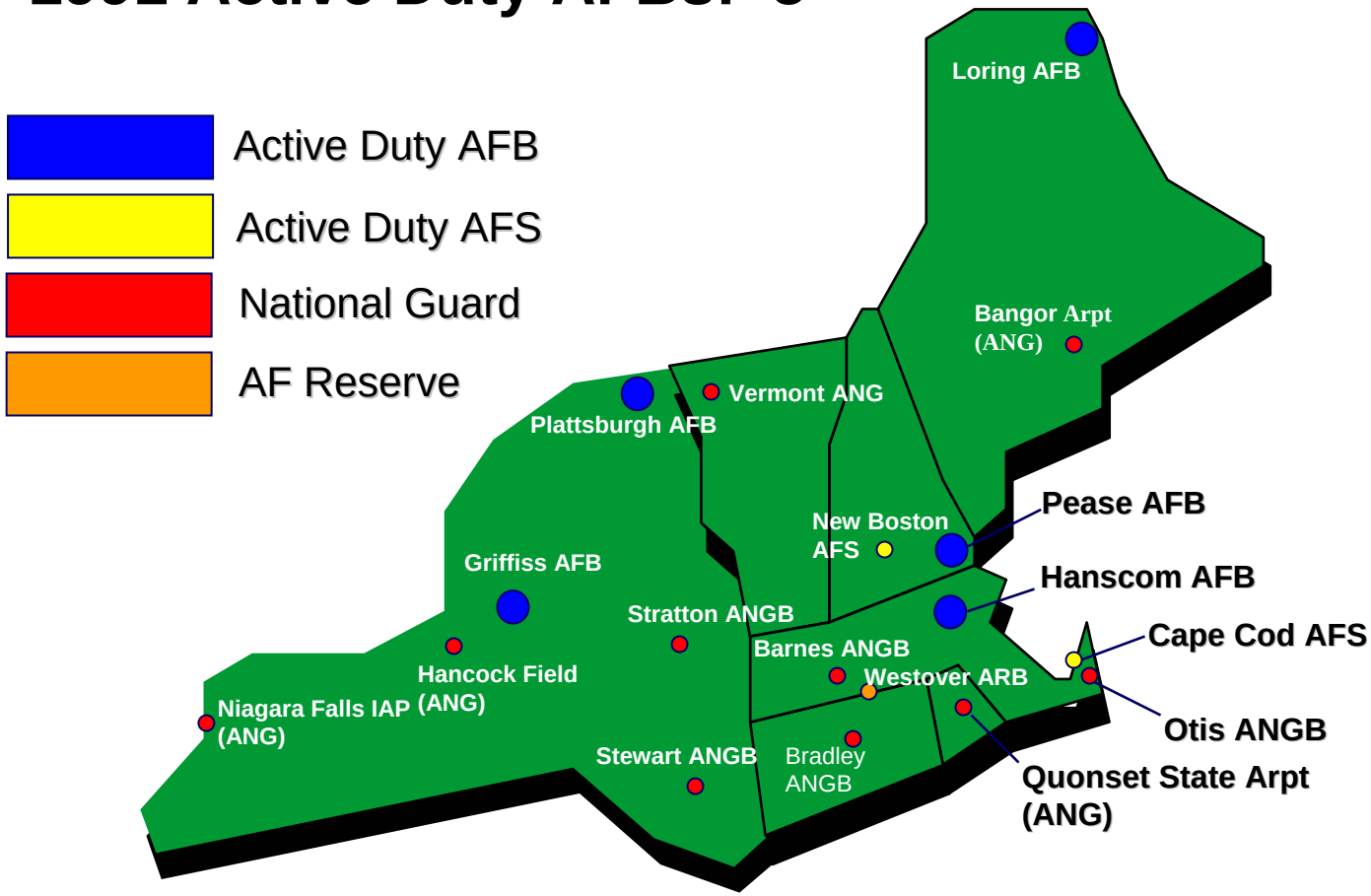
2005
ESC Reorganization (Wing, Group, Squadron)

Center of the Technology Hub
World Class IT Firms & Academia



AF Bases of the North East 1991

1991 Active Duty AFBs: 5



AF Bases of the North East Today

Current Active Duty AFBs: 1



Overview

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Hanscom's Economic Impact On Massachusetts (2007)

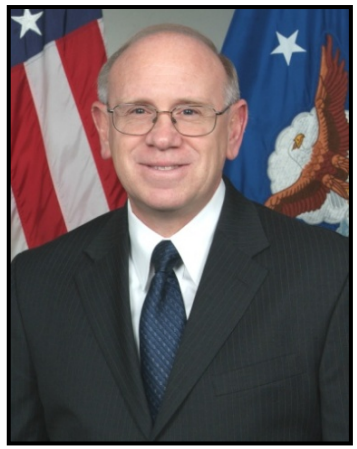
- 9th Largest Business Employer in MA
- Contract Awards: ~$1.6B
- Total Payroll--Hanscom Complex: ~$752M

ESC Key Leadership

ESC Mission Overview



Lt Gen Ted Bowlds
ESC Commander



Mr. Richard W. Lombardi
Executive Director



BG Terry Feehan
Vice Commander



Col Robert Dominguez
350 ELSW
C2 & ISR Systems



Col Dwyer Dennis
551 ELSW
Battle Management



Col Derrick Richardson
554 ELSW
Operations Support



Mr. Ron Mason
653 ELSW
Cyberspace/Netcentric



Col David Orr
66th Air Base Wing

Integrity - Service - Excellence

ESC Functional/Support Leaders



Lt Gen Ted Bowlds
ESC Commander

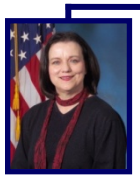


Col Doug Murdock
JA

MISSION SUPPORT



BG Terry Feehan
Vice Commander



Ms. Sheila Brennan
DP



Col Brian Shimel
FM



Col Doug Anderson
XP

ACQUISITION & RESOURCES



Mr. Rich Lombardi
Executive Director



Ms. Sue Angell
AQ



Mr. Steve Wert
EN



Col Hank Pandes
PK



Dr. Tim Rudolph
CTO



Dr. Charles Kelley
XR



Mr. Bill Donaldson
SB



Ms. Dana Townsend
EO

STAFF SUPPORT

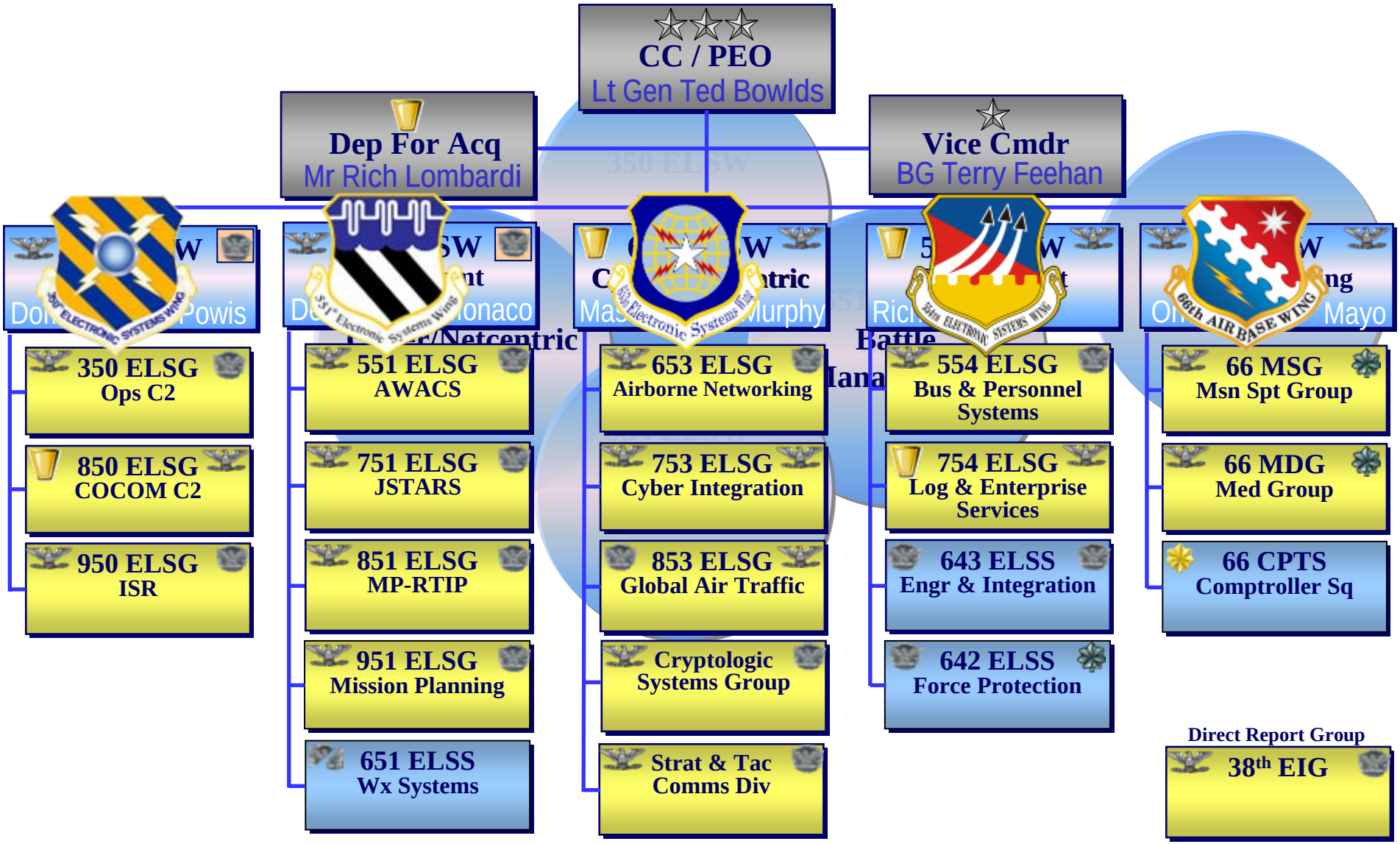


Col Russ Blaine
Chief of Staff

- CCX
- BA
- CCP
- CSH
- HO

Organized For Success

ESC Mission Overview



Distributed & Engaged

ESC Mission Overview

Hanscom AFB	~ 4,300 People
7 Major GSUs	~ 3,600 People
~400 Prgms/projects	~ $5+ Billion/yr



STRATCOM
(21)



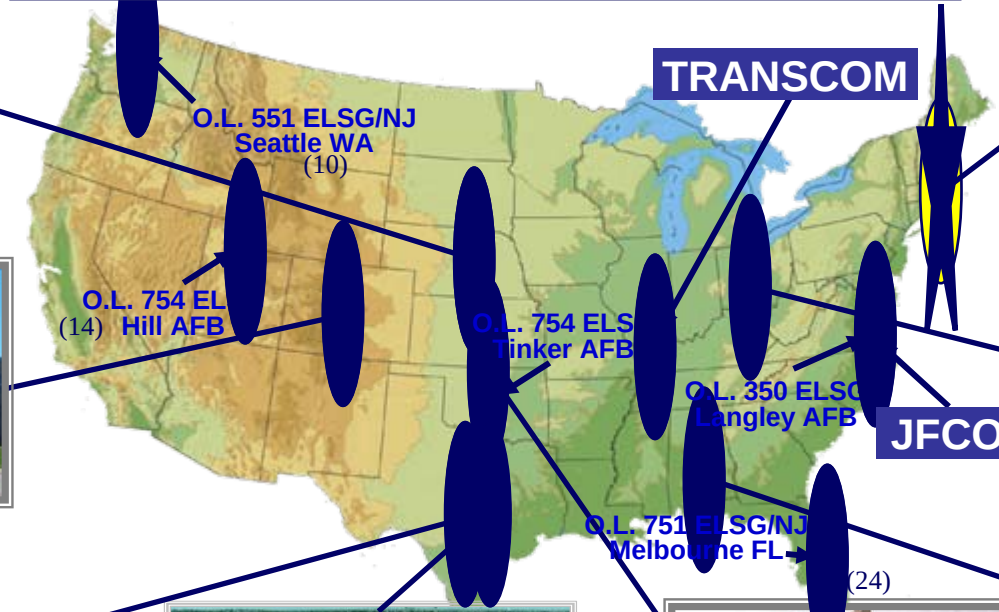
HQ ESC
Hanscom AFB MA
(2169)



NORTHCOM
NORAD
(135)



554 ELSG
Wright-Patterson AFB OH
(362)





Personnel Systems Div
Randolph AFB TX
(88)



Cryptologic Sys Gp (CPSG)
Lackland AFB TX
(613)



38th Eng/Install Gp (38 EIG)
Tinker AFB OK
(350)



754 ELSG
Maxwell AFB AL
(909)

Electronics Systems Center

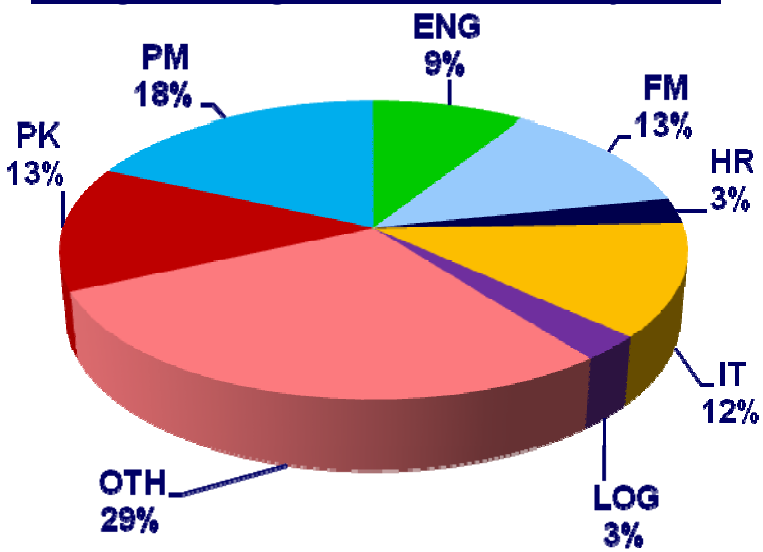
Demographics

As of: 2 March 2009

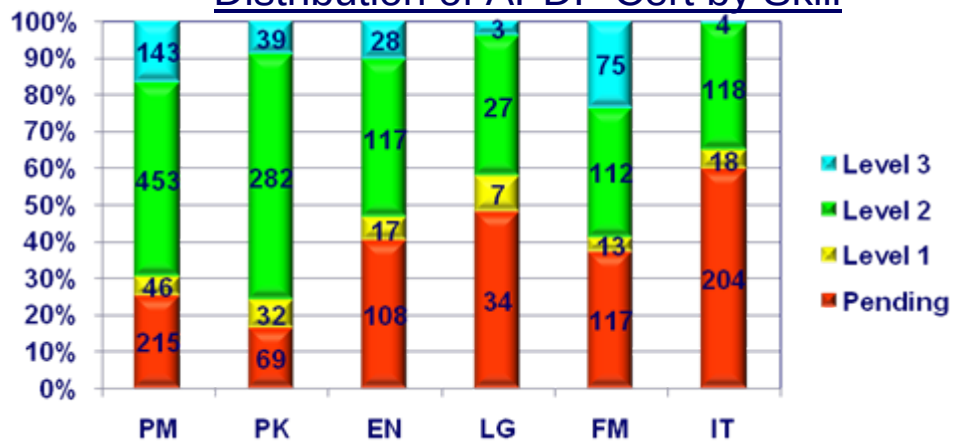
ESC Mission Overview

	CIV		ENL		OFF		CME		Total	
	AUTH	ASSN	AUTH	ASSN	AUTH	ASSN	AUTH	ASSN	AUTH	ASSN
HQ Staff	278	336	70	74	71	52	67	43	486	505
350 ELSW	357	283	27	26	264	195	739	721	1387	1225
551 ELSW	221	153	17	15	159	115	509	513	906	796
554 ELSW	1066	943	414	408	191	99	638	597	2309	2047
653 ELSW	695	587	141	151	178	146	1020	1016	2034	1900
66 ABW	423	400	245	278	52	62	271	211	991	951
TOTAL	3040	2702	914	952	915	669	3244	3101	8113	7424

Assigned Organic Workforce by Skill

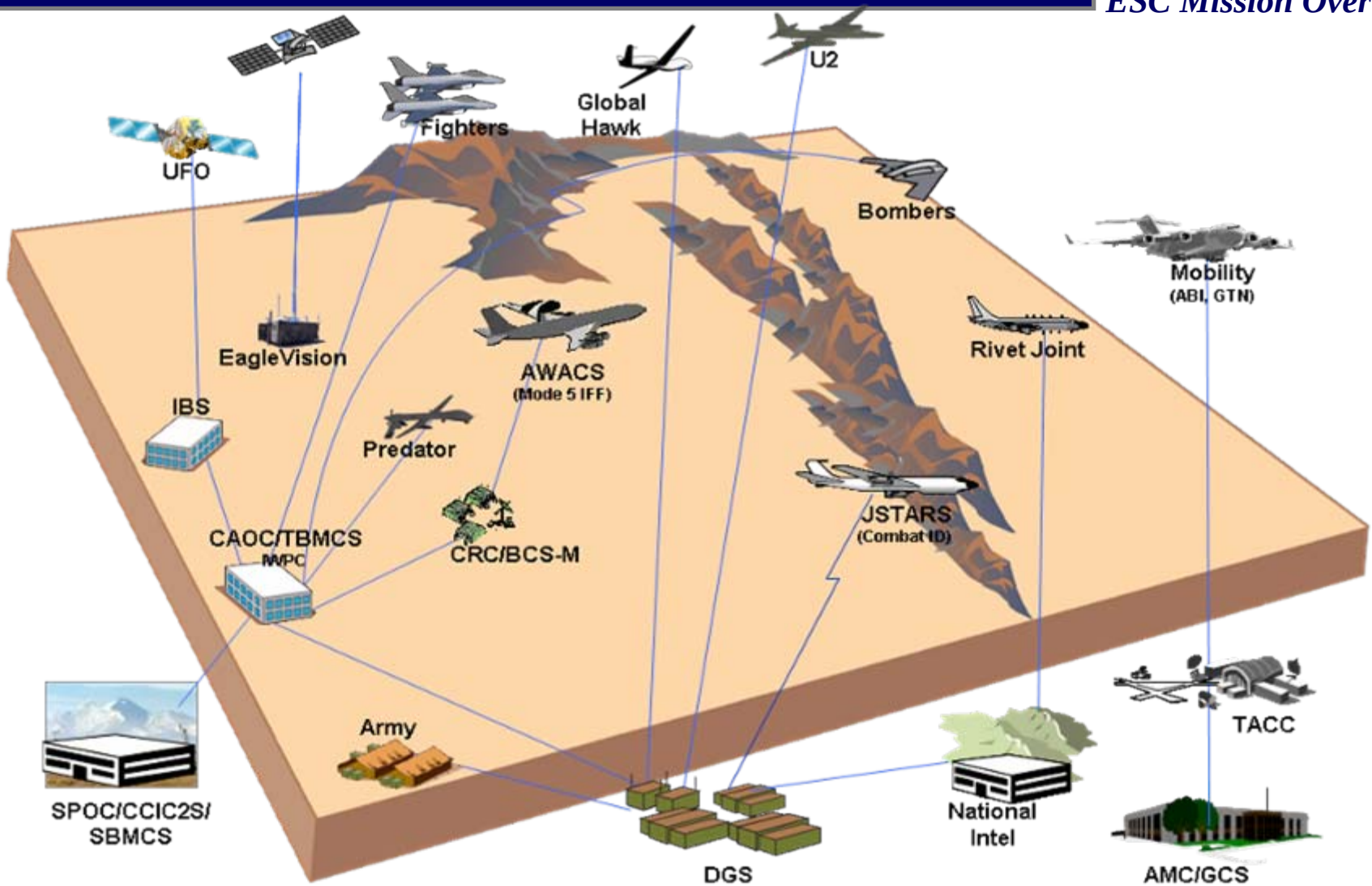


Distribution of APDP Cert by Skill



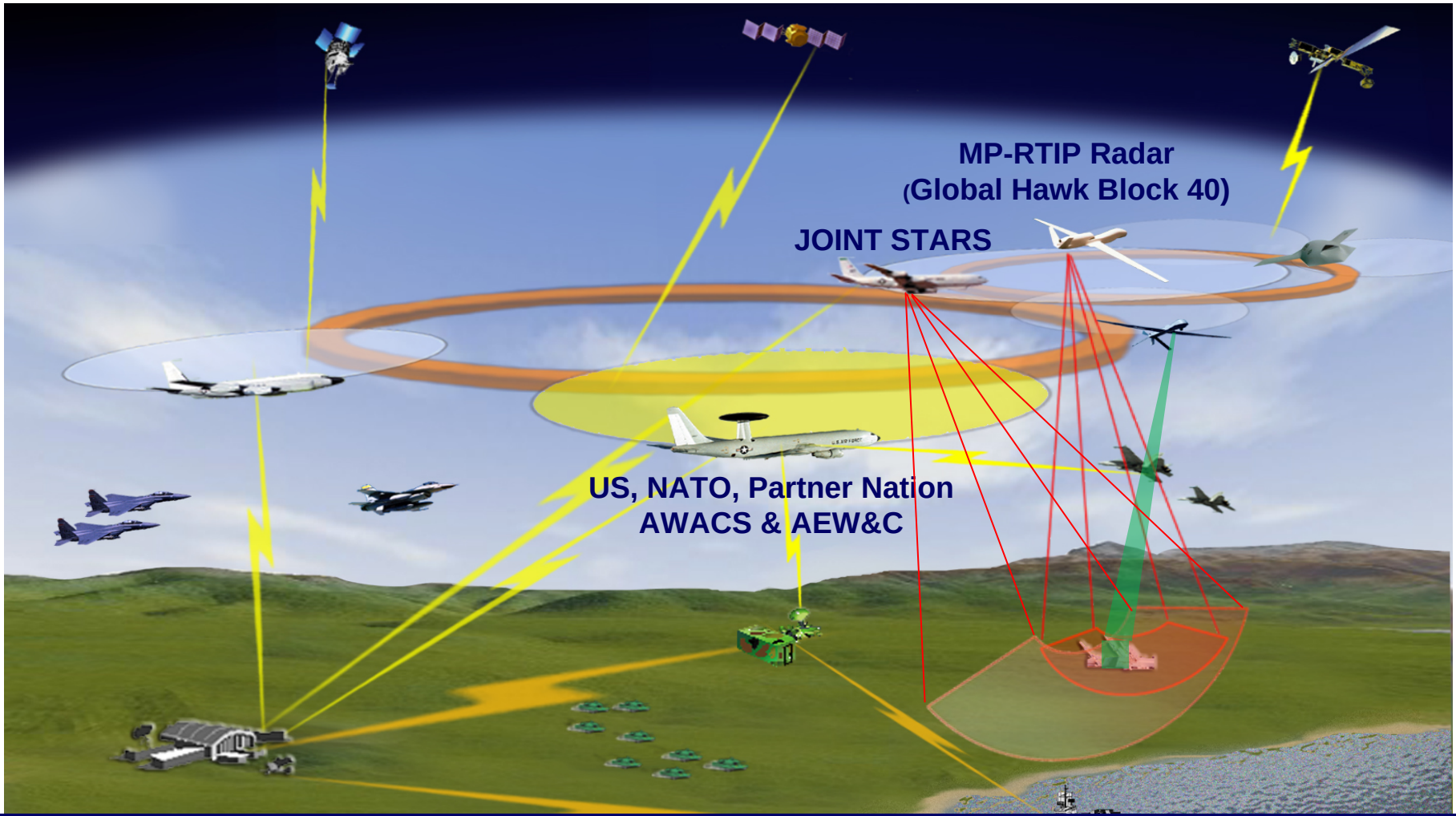
271 of 363 Critical Acquisition Positions are filled (77.7%)
219 of 271 assigned to CAPs are certified at appropriate level (80.8%)

350th Electronic Systems Wing
C2 ISR



551st Electronic Systems Wing
Battle Management

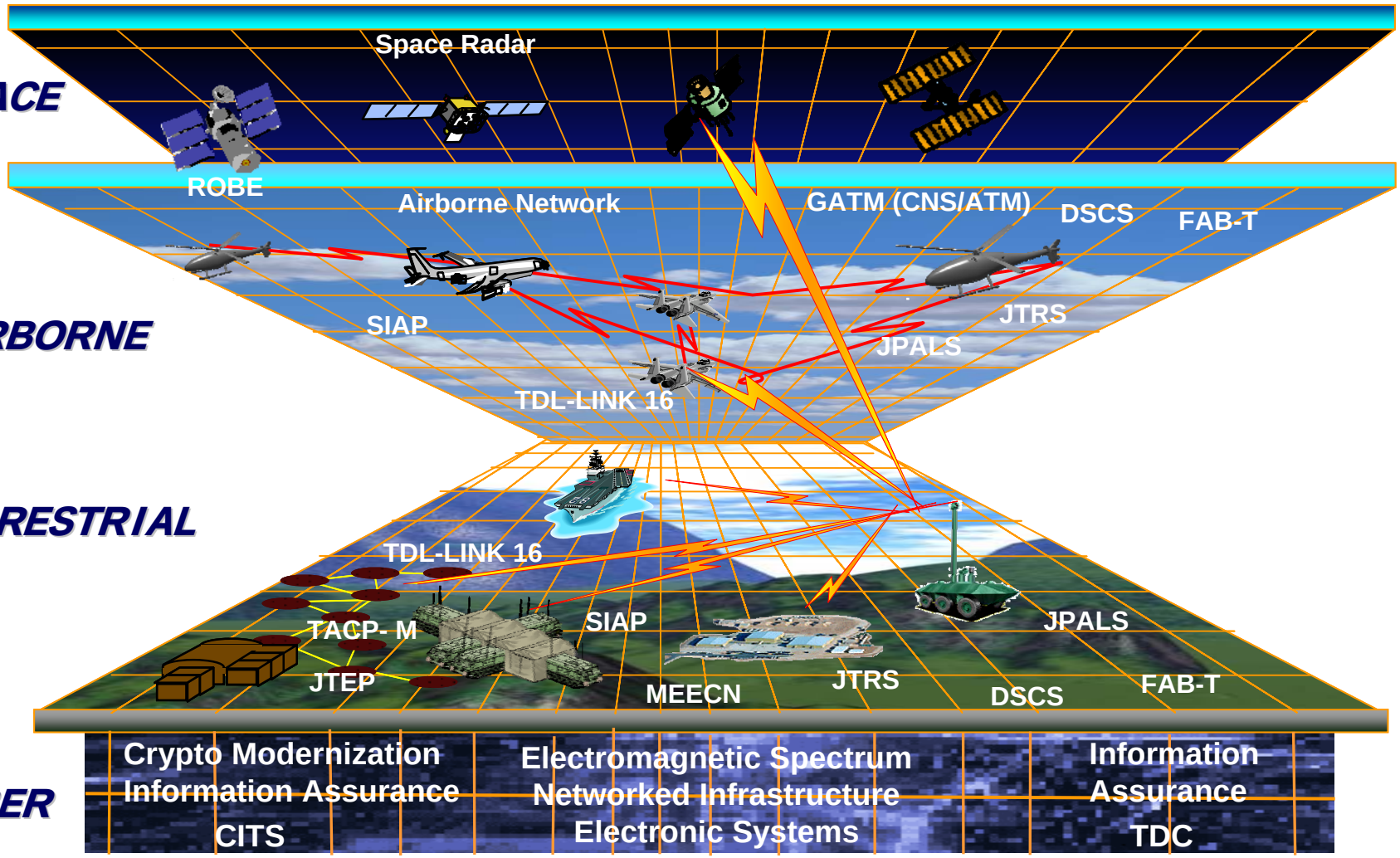
ESC Mission Overview



Building and Maintaining AF and Partner C2 & ISR platforms…
and Evolving Towards a Net-centric C2 Constellation

653d Electronic Systems Wing
Cyber/Netcentric Operations

ESC Mission Overview



Achieve net-centric operations where anything on the network can be dynamically integrated to support any mission…

554th Electronic Systems Wing
Operations Support

ESC Mission Overview








Airfield Ops	*Logistics Readiness*	*Munitions*
Judge Advocate	*Civil Eng / Safety*	*Contracts*
Acquisition	*Medical / Services*	*Financials*
Manpower	*Comm / Information*	*Comptroller*
Personnel	*Security Forces*	*Maintenance*



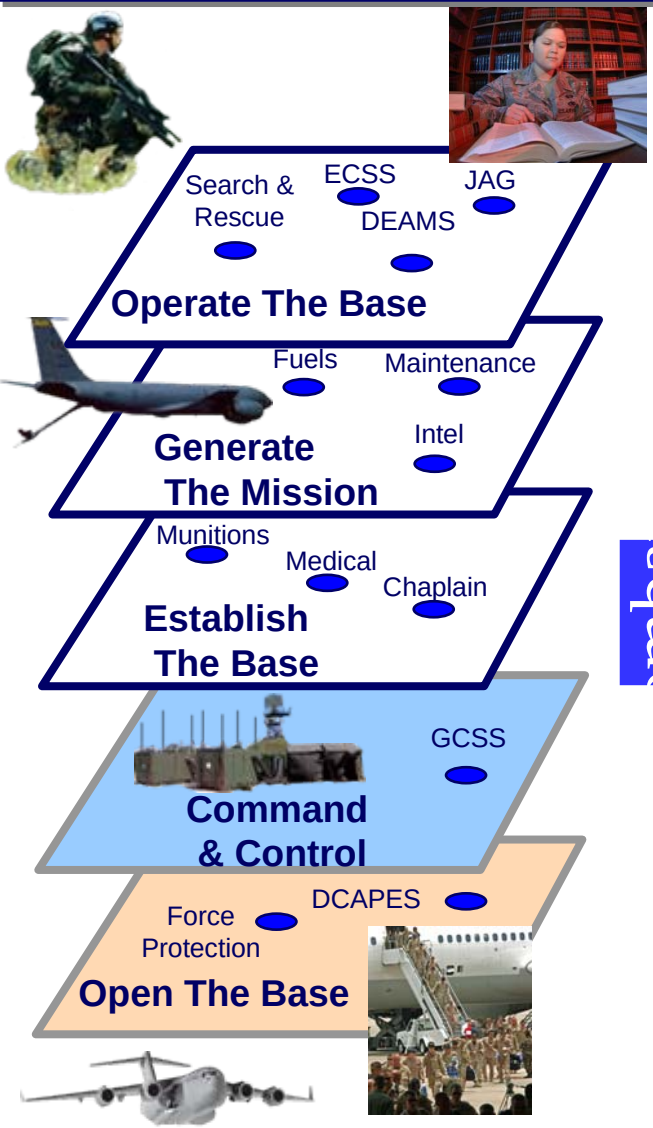


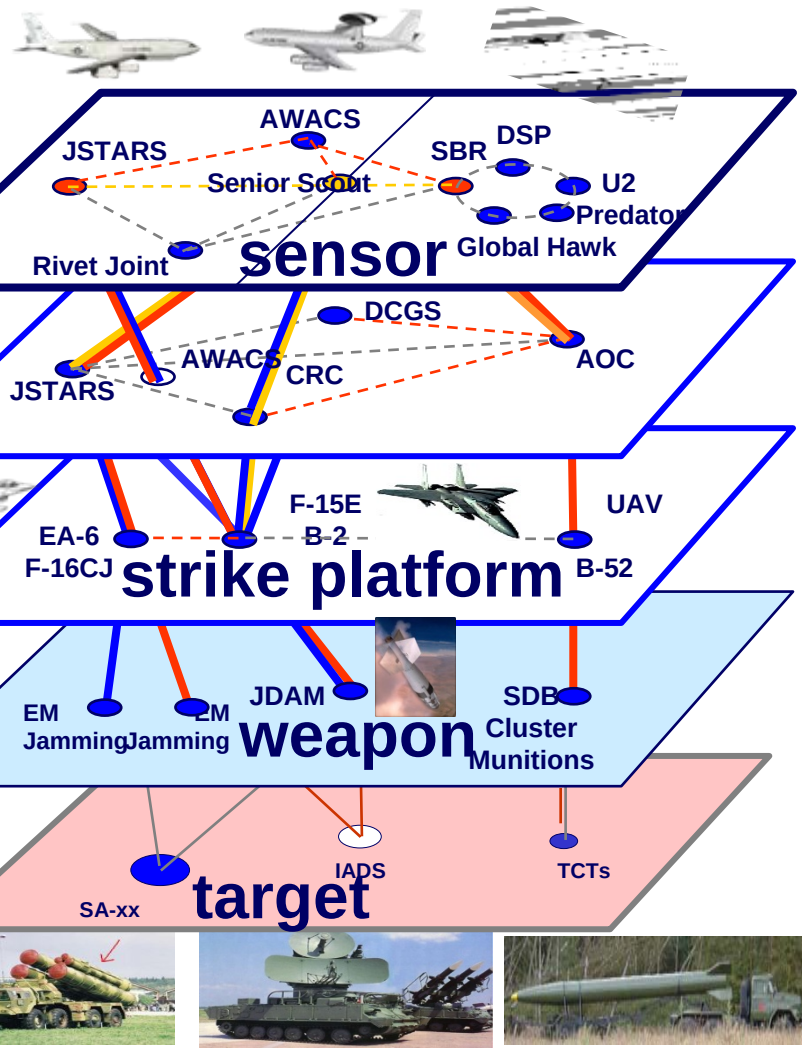



Supporting every Airman, every Civilian, every Retiree

ESC -- Mission Enabler

ESC Mission Overview





Integrity - Service - Excellence

Overview

- Mission Overview
- History of ESC and Hanscom
- Enterprise Overview
- Hanscom Moving Forward

Making progress… Replace Acquisition Mgt Fac, Phase I B-1600

- $12.8M MILCON – FY08 Insert approved
- Built in the 1950's - small rooms with long corridors
- Infrastructure deteriorated and inadequate
- Will provide suitable working space for ESC acquisition professionals







ESC Deployed Personnel

Since 2002

ESC Deployed Over 1100 of Its Members, and We Average About 200 Each Year In Support of the Global War on Terror











ESC & Hanscom AFB

A Rich Heritage…



Incredible Air Force People Shaping the Future…



…Putting the Cursor On the Target

MBD*i* Mastering Business Development, Inc.



NDIA
6th Annual National
Small Business Conference

Sell - Be Sold - Or Be Gone

OI&Q℠ Based on Human Intel

William B. Scheessele,
CEO/President, MBD*i*

MBDi Mastering Business Development, Inc.



Discussions – Questions – Decisions

- How do the following contribute to challenges you face in BD and revenue growth
  - Strategy
  - Culture
  - Capabilities
  - Personnel
  - OI&Q™ Process
  - Leadership
- What do you find most difficult regarding the role or process of Business Development?

MBDi Mastering Business Development, Inc.



The 4 Challenges to Building & Leading a Business Development Organization

1. Assessing Operational & Tactical BD Plans
2. Personnel & Organizational Assessment Realignment with Leadership Evaluation

MBDi Mastering Business Development, Inc.



The 4 Challenges to Building & Leading a Business Development Organization

3. BD Process Design & Implementation with Operations Support
4. Professional Development Curriculum Design & Implementation

MBDi Mastering Business Development, Inc.



Small Business Rule #1:
"Make Pay Every Friday"
"He who rides the tiger cannot dismount"

- The Dependent vs. Independent mindset and environment
- Your plan or you are part of someone else's plan

MBDi Mastering Business Development, Inc.



The People and Leadership Side of Business Development

- Top 3% in Their Profession
- Learned to Think Differently
- Understand Conceptual vs. Mechanical Challenges
- Study and Apply the Principles of Leadership

MBDi Mastering Business Development, Inc.



Leadership & Business Development

Being

Who We Are as an Individual

Knowing

What We Know and Can Apply

Doing

What We Are Capable of Doing

MBDi Mastering Business Development, Inc.



The 12 Competencies of Business Development

Be | **Know** | **Do**

Technical

Principles/Values

Goals

Mission

Plans

Business

Money

Purpose

Systems

Roles

Skills

People

MBDi Mastering Business Development, Inc.



Two Types of Revenue Generators

Strategic Growth

Business Development "Hunter"



Organic Growth

Business Development "Farmer"

MBDi Mastering Business Development, Inc.



The Process and Skill Side of BD

$(OI\&Q)^{HI}$

- What is a Opportunity, Identification & Qualification process based on Human Intel
- Where and how does $(OI\&Q)^{HI}$ fit into your overall BD process?
- The Process, Skills, Thinking & Discipline of early $(OI\&Q)^{HI}$

MBDi Mastering Business Development, Inc.



Thank You for the Opportunity to Speak to you Today

We Look forward to seeing you at the next Executive Training Workshop

August 4-5, 2009

Annapolis, MD

NDIA NATIONAL DEFENSE INDUSTRIAL ASSOCIATION
STRENGTH THROUGH INDUSTRY & TECHNOLOGY

Call: 704 553 0000

Website: www.mbdi.com

MBDi

Make it happen

- Mission and the customer are always first and the Navy wants to do business with contractors that recognize that.
- The Navy recognizes the value of innovation that small businesses brings to the mission.
- Know the activity before you market them
- Know the potential customers at the activity
- Find the activities Small Business Specialist
- Obtain the activities procurement projections
- Identify large prime contractors who are not competitors but potential mentors and collaborators on future Govt requirements.

WHY IS NAVY IMPORTANT

- 70% OF THE WORLD IS COVERED WITH WATER
- 80% OF THE WORLDS POPULATION LIVES WITHIN 100 MILES OF THE OCEAN
- 90% OF COMMERCE TRAVELS ON WATER

NUWCDIVNPT

- 2008
  - OBLIGATIONS $ 350 Million
    - SMALL BUSINESS 50 %
    - SMALL DISADVANTAGED 8%
    - HUBZone .88 %
    - WOSB 9.13 %
    - SDVOSB 1.35 %

What we buy

- ENGINEERING SERVICES
  - TECHNICAL SUPPORT

HOW WE BUY IT

- Multiple Award Contract (MAC)
  - SEAPORT-E
    - ROLLING ADMISSIONS (NOW)

SUBCONTRACTING OPPORTUNITIES

- REQUIREMENT SOLICITED ON AN UNRESTRICTED BASIS THAT IS EXPECTED TO EXCEED $ 550 K MUST HAVE A SUBCONTRACTING PLAN THAT ADDRESSES THE UTILIZATION OF SMALL BUSINESS IN PERFORMANCE OF THE WORK

Resources

- The activities Small Business Advocate is a paid resource of information to the Small Business Contractor.
- More information on doing business with the Navy and contact information for Small Business Specialists can be found at
- http://www.acq.osd.mil/osbp/doing_business/index.htm
- http://www.donhq.navy.mil/OSBP/

REGISTRATION

Registration (CCR)

- www.ccr.gov
- **Mandatory** for all current & potential federal vendors
- Creates a Commercial and Government Entity (CAGE) Code that identifies your business within the federal purchasing/ payment system



REGISTRATION

- To register for CCR, you will need:
  - D&B DUNS Number: 1-800-333-0505
  - SBA Certification
    - For SDB and 8(a) Status: **www.sba.gov/sdb**
    - For HUBZone Status **https://eweb1.sba.gov/hubzone/internet/**
    - All other SB categories can self-certify
  - To renew annually by accessing your information with your TPIN & DUNS #



Module 1: Key Qualifications for Small Business

- Sources of information and assistance:
  - The PTAC office in your state or region
  - The SBA – Small Business Development Centers
  - Small Business Liaison Officers (SBLO) at prime contractors
  - Small Business Specialists at Federal Agencies

Websites for Information

SBA: www.sba.gov

DOD Office of Small Business Utilization: www.acq.osd.mil/sdbu

FAR: www.arnet.gov/far

Federal Register: www.access.gpo.gov/su_docs/aces/aces140.html

National Association of Women Business Owners(NAWBO): www.nawbo.org

Womenbiz: www.womenbiz.gov

More Websites for information

National Industries for the Blind: http://www.nib.org/about/about_NIB.

U. S. Department of Transportation: http://www.dot.gov/

DOD Native American Incentive Program: http://www.acq.osd.mil/sadbu/iip/

HBCU's/MI's: http://www.edonline.com/cq/hbcu/c_state.htm

Agency WebSites

http://www.sba.gov/

http://www.ccr.gov

http://www.commerce.gov/

www.osdbu.nasa.gov

http://www.dodneregional.org

SMALL BUSINESS POC

- Dave Rego
  - 401-832-1766
  - David.rego@navy.mil

Competition Management Overview for NDIA Small Business Conference Newport, RI



1 – 3 June 2009



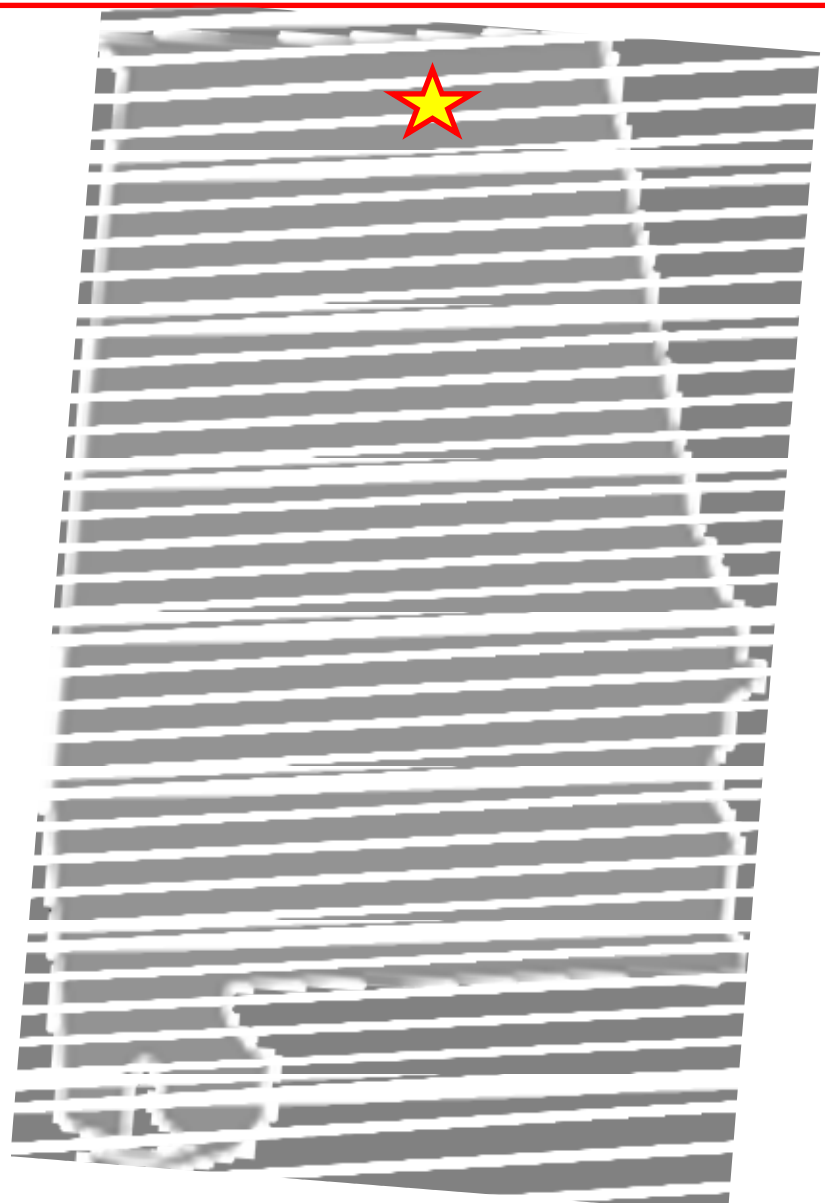
Presented by: Mr. Shelley Muhammad
Competition Advocate
Competition Management Office (CMO)

COMPETITION & READINESS

Topics

- CMO Mission
- CMO Origin/Authority
- Functions
- Organization – Who We Are
- Duties/Responsibilities IAW FAR
- What We Do? More Than J&A Reviews
- Competition Statistics
- Acquisition Documents Reviewed
- J&A Approval Levels
- Exceptions to Full & Open Competition
- CMO Home Page
- Competition Advocate's Shopping List (CASL)
- Standard Aviation & Missile Source Approval Request (SAMSAR)
- Commercial Acquisitions
- Reading Room
- Summary
- Where To Find Us

Redstone Arsenal Location



AMCOM

U.S. Army Aviation & Missile Life Cycle Management Command

Mission:

Provide and Sustain World-class Aviation and Missile Systems
to the Joint Warfighter Supporting National Security and Defense Strategies.

What We Do:

- Develop, Acquire, Field and Sustain Aviation, Missile and Unmanned Vehicle Systems
- Provide Worldwide Onsite Tech Assistance
- Maintain Airworthiness and Safety of Use of Supported Systems
- Maintain Army Metrology Program and Provide World-wide Army Test Measurement & Diagnostic Equipment (TMDE) Calibration and Repair Support
- Provide Contracting for AMCOM, 8 PEO's and Multiple Agencies

Total Workforce :
>9K (Includes Military)

What We Manage:

- 2 Depots – Shingo Awards (05-07) and Sec Army Environmental (07)
- Aviation Center Logistics Command at Ft. Rucker
- AMCOM Fleet Management Centers (AFMC) at Ft. Bliss and Ft. Sill
- Aviation and Missile Reset
- Army Metrology and TMDE Calibration and Repair Programs
- Aviation and Missile Foreign Military Sales and Security Assistance

PEO Aviation

- Apache Attack Helicopter
  - AH64 Apache
- Armed Scout Helicopter
  - OH-58D Kiowa Warrior
- Cargo Helicopter
  - CH47 Chinook
- Utility Helicopter
  - UH60 Black Hawk
- Aviation Systems
  - Aviation Mission Equip, Fixed Wing Aircraft, Air Traffic Control Systems
- Unmanned Aircraft Systems
  - Hunter, Shadow, Raven







PEO Missiles and Space

- Close Combat Weapon Systems
  - Tow, Javelin
- Joint Attack Munitions Systems
  - Hellfire, Joint Common Missile
- Lower Tier Project Office
  - Patriot
- Cruise Missile Defense Systems
  - Avenger, Stinger, Sentinel
- Non-Line of Sight Launch Sys
- Precision Fire Rockets & Msl Sys
  - ATACMS-BAT, MLRS
- Integrated Air & Missile Defense







AMRDEC

- Rapidly transitions technologies to the Joint Warfighter
- Performs system engineering and integration for PEOs/PMs
- Develops technologies for aviation, missile, and unmanned systems
- Provides technical support for platforms and weapons systems throughout their lifecycle
- Ensures the Government is a “smart buyer” and has “smart vendors”







AMCOM ELEMENTS

- AATD (Aviation Applied Tech Dir)
- CCAD (Corpus Christi Army Depot)
- Fort Rucker
- Garrison (Lab & Base)
- LEAD (Letterkenny Army Depot)
- RDEC (Research, Dev & Engr Ctr)
- SAMD (Security Assist Mgmt Dir)







OTHER ACTIVITIES

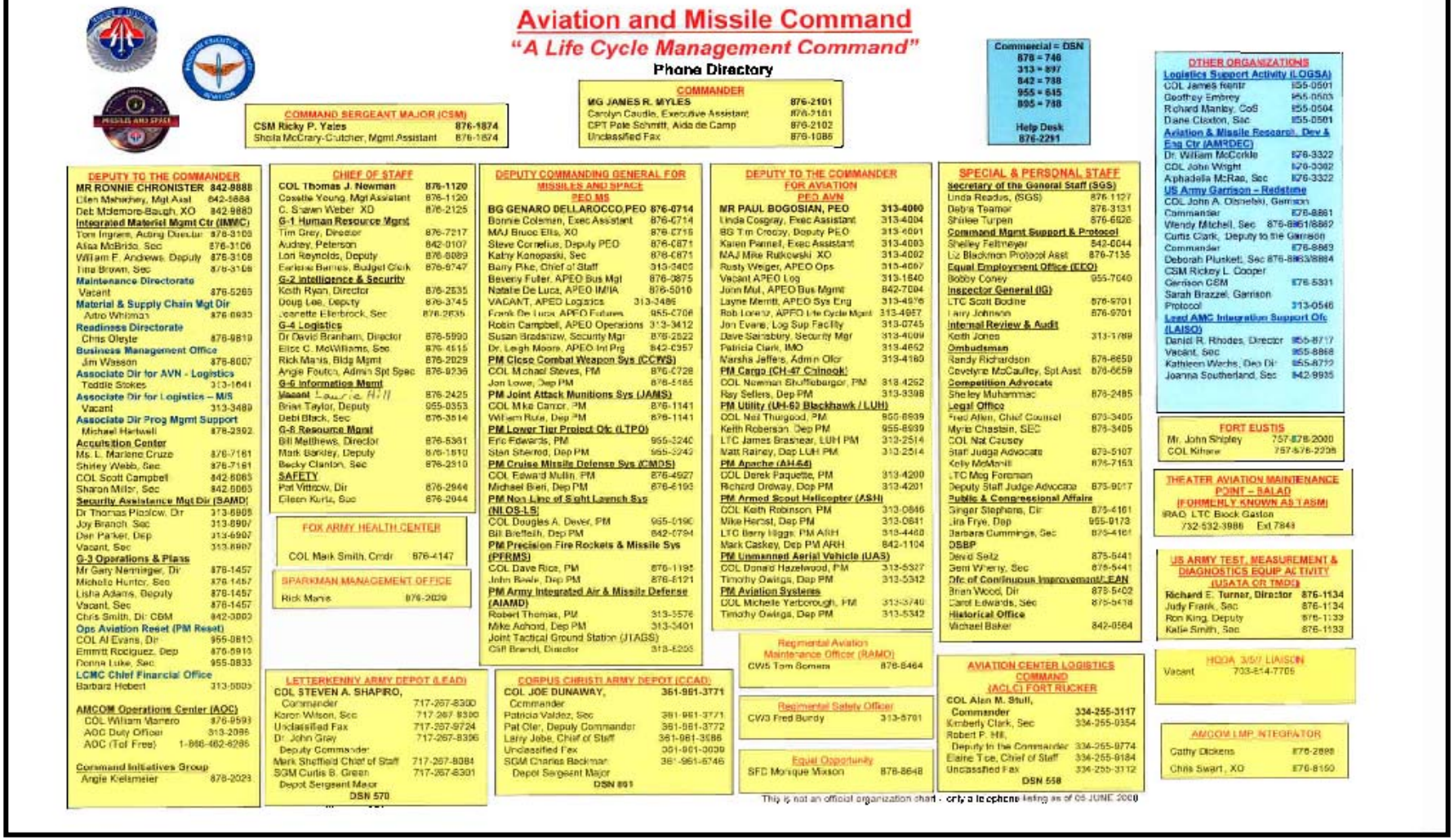
- LAISO (Lead AMC Integ Spt Ofc)
- LOGSA (Logistics Support Activity)
- PEO C3T (C-RAM & TOC Prod Ofc)
- PEO IEW&S (Aircraft Surviv Equip)
- PEO Soldier (Air Warrior)
- RTTC (Redstone Tech Test Ctr)
- Targets
- TMDE (Test, Measure & Diag Equip)
- UGV (Unmanned Ground Vehicle)



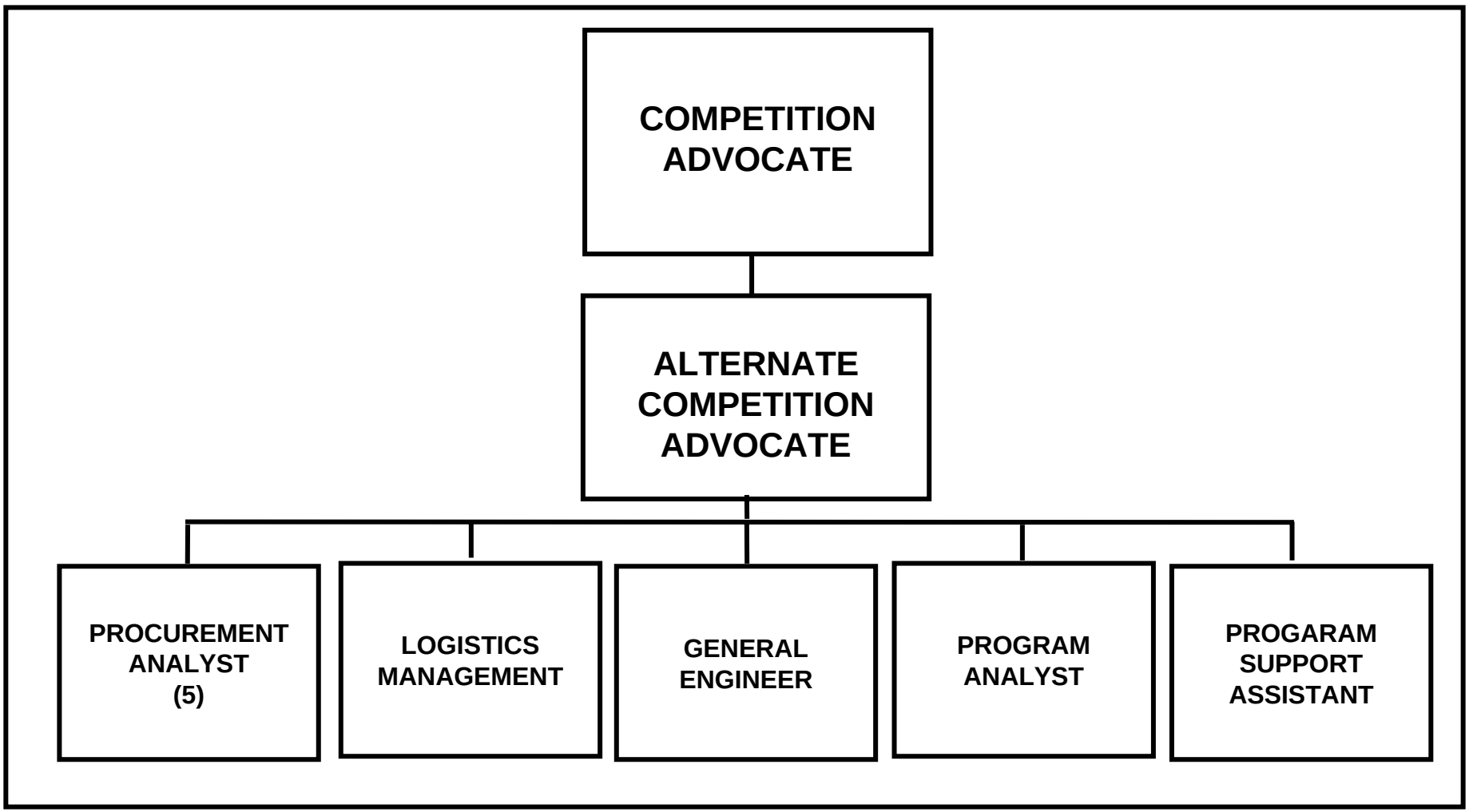




AMCOM Organization Chart



Organization – Who We Are



‘*Without Competition, You May as Well Be Burning Money*’



Competition Definition

Competition is the effort of two or more parties acting independently to secure the business of a third party by offering the most favorable terms.

CMO Mission

To unite with Team Redstone to promote full and open competition, oversee the Commercial and Non-Developmental Item (NDI) Program and expand AMCOM's industrial base to develop, acquire, field and sustain aviation and missile systems' technological superiority on and off the battlefield.

CMO Mission
(*Continued*)

- Promote Full and Open Competition by Eliminating:
  - Unnecessary Specifications/Drawings
  - Restrictive Need Statements/Provisions
- Challenge/Reduce Barriers or Obstacles
- Use Performance Specifications when Feasible
- Obtain Quality Products, Systems, Services on Schedule, at Fair and Reasonable Prices
- Acquire NDI/Commercial Items

Authority

- **Public Law 98-369: Competition in Contracting Act (CICA), 1984** ... Each MSC shall have an Advocate for Competition responsible for challenging barriers and promoting full and open competition while challenging specifications and restrictive need statements.

- **Public Law 103-355: Federal Acquisition Streamlining Act (FASA), 1994** ... Advocates for Competition ...shall promote the acquisition of commercial items ... and challenge burdensome contract clauses.

- **Public Law 104-106: Federal Acquisition Reform Act (FARA), 1996** ... shall ensure that the requirement to obtain full and open competition is implemented in a manner that is consistent with the need to efficiently fulfill the Government's requirements.

Competition Advocate Role IAW AFARS Subpart 5106.5

Subpart 5106.5 -- Competition Advocates

5106.501 -- Requirement.

- The Assistant Secretary of the Army (Acquisition, Logistics and Technology) (ASA(ALT)) appoints the Army Competition Advocate General.

- The Deputy Assistant Secretary of the Army for Policy and Procurement (SAAL-ZP) is the Army Competition Advocate General (ACAG).

- The ACAG has delegated to HCAs the authority to appoint the Special Competition Advocates (SCAs) at Army procuring activities and their alternates.

Competition Advocate Duties AFARS Subpart 5106.502

5106.502 -- Duties and responsibilities.

(b) (2) Special competition advocates must report to the Army Competition Advocate General (ref. 5101.290(b) (3)), no later than November 15 of each year, the following information:

(A) The level of competition achieved against their goal for the fiscal year and reasons for not attaining the goal.

(B) Significant actions taken to increase competition or overcome barriers to competition, number of new sources identified as a result of market research, notable savings or performance/quality enhancements resulting from competition, and employees recognized for initiatives to enhance competition.

(C) Mitigating factors affecting goal achievement. (D) A plan for competition in the coming fiscal year.

(E) Any other activities and accomplishments.

(F) Their competition goal for the coming fiscal year.

Responsibilities IAW FAR

According to **FAR 6.502(a),** Agency and procuring activity **competition advocates are responsible for promoting the acquisition of commercial items, promoting full and open competition, challenging requirements** that are not stated in terms of functions to be performed, performance required or essential physical characteristics, and challenging barriers to the acquisition of commercial items and full and open competition such as **unnecessarily restrictive statements of work, unnecessarily detailed specifications, and unnecessarily burdensome contract clauses.**

What is a Justification and Approval?

- A Contracting Officer shall not commence negotiations for a sole source contract, or award any contract without providing for full and open competition

- Each justification shall contain sufficient facts and rationale to justify the use of the specific authority cited.

J&A Approval Levels

➢ $550,000 and Below	Contracting Officer Certification (CO)
➢ $550,001 - $11,500,00	Competition Advocate or Alternate
➢ $11,500,001 - $78,500,000	Principal Assistant Responsible for Contracting or Deputy to the Commanding General (CG)
➢ $78,500,001 and Above	Department of Army (DA)

(Effective 28 Sep 06)

FAR Part 6 – Exceptions to Full & Open Competition

- 6.302-1 Only one responsible source, or a limited number of responsible sources
- 6.302-2 Unusual and compelling urgency
- 6-302-3 Industrial mobilization; engineering, developmental, or research capability; or expert services
- 6.302-4 International agreement
- 6.302-5 Authorized or required by statute
- 6.302-6 National security
- 6.302-7 Public interest

AMCOM
ACQUISITION DOCUMENTS REVIEWED

Turn-Around Goal is 2 days

		FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09 (As of 2nd Qtr 09)
J&A $ Breakout:										
	$550K - $11.5M	554	389	491	559	523	416	343	329	179
	$11.5M - $78.5M	110	80	97	107	129	97	97	99	62
	$78.5M & Over	12	22	26	16	32	12	28	31	5
	TOTAL J&A's	**676**	**491**	**614**	**682**	**684**	**525**	**468**	**459**	**246**
(Of the 459 J&A's: 418 Auth 1 -- 37 Auth 2 -- 3 Auth 3 -- 1 Auth 6)										
AP's		38	41	45	54	69	41	48	45	34
MDD's		28	36	45	47	29	17	0	0	0
Commercial Waiver's		0	1457	2614	2430	2591	1669	1198	1162	535
Other Document's		191	267	98	164	158	138	154	155	124
Re-Work's		104	95	90	165	143	150	144	207	143
	TOTAL Other	**361**	**1896**	**2892**	**2860**	**2990**	**1915**	**1544**	**1569**	**836**
TOTAL REVIEWED		**1037**	**2387**	**3506**	**3542**	**3674**	**2440**	**2012**	**2028**	**1082**

Note: $10M - $50M and $50M & Over applies to FY 00 - FY 04 / $10M - $75M and $75M & Over applies to FY 05 and FY 06

$550K - $11.5M, $11.5M - $78.5M & Over $78.5M applies to FY 07 and beyond

Competition Statistics

FY	GOAL %	ACTUAL %	COMPETITIVE OBLIGATIONS	NON-COMP OBLIGATIONS	TOTAL OBLIGATIONS
99	20.6%	25.1%	$ 1,194.3	$ 3,564.6	$ 4,758.9
00	19.0%	21.6%	$ 1,221.8	$ 4,433.4	$ 5,655.2
01	17.9%	22.0%	$ 1,278.9	$ 4,543.3	$ 5,822.2
02	18.0%	19.5%	$ 1,351.0	$ 5,561.5	$ 6,912.5
03	14.4%	18.9%	$ 1,695.6	$ 7,285.3	$ 8,980.9
04	15.2%	19.7%	$ 2,118.3	$ 8,647.0	$ 10,765.3
05	17.3%	24.8%	$ 2,670.0	$ 8,076.9	$ 10,746.9
06	19.4%	24.4%	$ 2,627.1	$ 8,161.1	$ 10,788.2
07	19.2%	30.3%	$ 3,041.7	$ 6,993.9	$ 10,035.6
08	19.5%	24.0%	$ 4,660.6	$ 14,732.4	$ 19,393.0
09	**19.0%**	**24.9%**	**$ 2,546.8**	**$ 7,693.2**	**$ 10,240.0**

(As of 2nd Qtr FY 09)

NOTE: FY 98 - FY 06 exclude FMS, OGA and Other Congressionally Directed Buys (Authorized by Statue, Source Directed FMS, Resale, Utilities, etc. --

These actions contain an Extent Competed Code = B (Not Available for Competition). These statistics were extracted from the DD-350 database.

FY 07 only excludes Other Congressionally Directed Buys as stated above. These statistics were extracted from the ACBIS database.

FY 08 and beyond has no exclusions. These statistics were extracted from the ACBIS database.

Functions

ACQUISITION PLANS

JUSTIFICATION & CERTIFICATION

JUSTIFICATION & APPROVAL

COMPETITION ADVOCATE

COMMERCIAL ITEM ADVOCATE

MARKET RESEARCH

ACQUISITION STRATEGY

CASL

COMPONENT BREAKOUT

REPORTING STATISTICS

POLICY

COMPLIANCE

COMMAND GROUP ADVISOR

REVERSE ENGINEERING

BEST VALUE

SPARE PARTS MANAGER

BUDGET

READING ROOM

PRICE CHALLENGE

READINESS & SUPPORTABILITY

SAMSAR/SOURCE DEVELOPMENT

ICAAP

We Do More Than J&A Reviews

- **Review Acquisition Documents:**

  Acquisition Strategies
  Justification and Approvals (J&A)
  Technical Justifications and Certifications
  Market Research Reports/Commerciality Determinations (MRR/CD)
  Commerciality Determination and Certification (CDAC) System

- **Other Competition Functions/Incentives:**

  Competition Advocate Shopping List (CASL)
  Commercial Item Advocate
  Component Breakout/Source Development - Standard Aviation & Missile Source Approval Request (SAMSAR)
  Reading Room
  Spare Parts Manager
  Readiness & Supportability
  Reverse Engineering
  Reporting Competition and Commerciality Statistics

Why Buy Commercial?

- **It is the law**:
  - Public Law 103-355
  - 1994 Federal Acquisition Streamlining Act

- **Federal Acquisition Regulation (FAR) 12.101**:

  (a) Conduct market research to determine whether commercial items or non-developmental items are available that could meet the agency's requirements.

  (b) Acquire commercial items or non-developmental items when they are available to meet the needs of the agency.

AMCOM

COMMERCIAL ACQUISITION METRICS

	TOTAL ACTIONS		COMMERCIAL ACTIONS	
	NUMBER	DOLLARS	NUMBER (%)	DOLLARS
FY 98	4,860	$5,202.0M	183 (3.8%)	$32.0M
FY 99	5,283	$5,711.0M	257 (4.9%)	$68.0M
FY 00	5,502	$6,452.0M	295 (5.4%)	$159.4M
FY 01	6,004	$7,354.4M	350 (5.8%)	$222.9M
FY 02	6,033	$8,632.6M	412 (6.8%)	$280.3M
FY 03	7,228	$7,286.3M	911 (12.6%)	$285.3M
FY 04	13,076	$12,225.4M	2,169 (16.6%)	$604.0M
FY 05	15,054	$11,909.6M	3,173 (21.1%)	$931.2M
FY 06	11,751	$11,941.3M	3,138 (26.7%)	$1,439.8M
FY 07	21,160	$13,513.5M	7,118 (33.6%)	$1,596.0M
FY 08	20,098	$18,662.4M	5,866 (29.2%)	$1,673.0M
FY 09	6,822	$10,391.3M	1,344 (19.7%)	$778.1M

(As of 2nd Qtr FY 09)

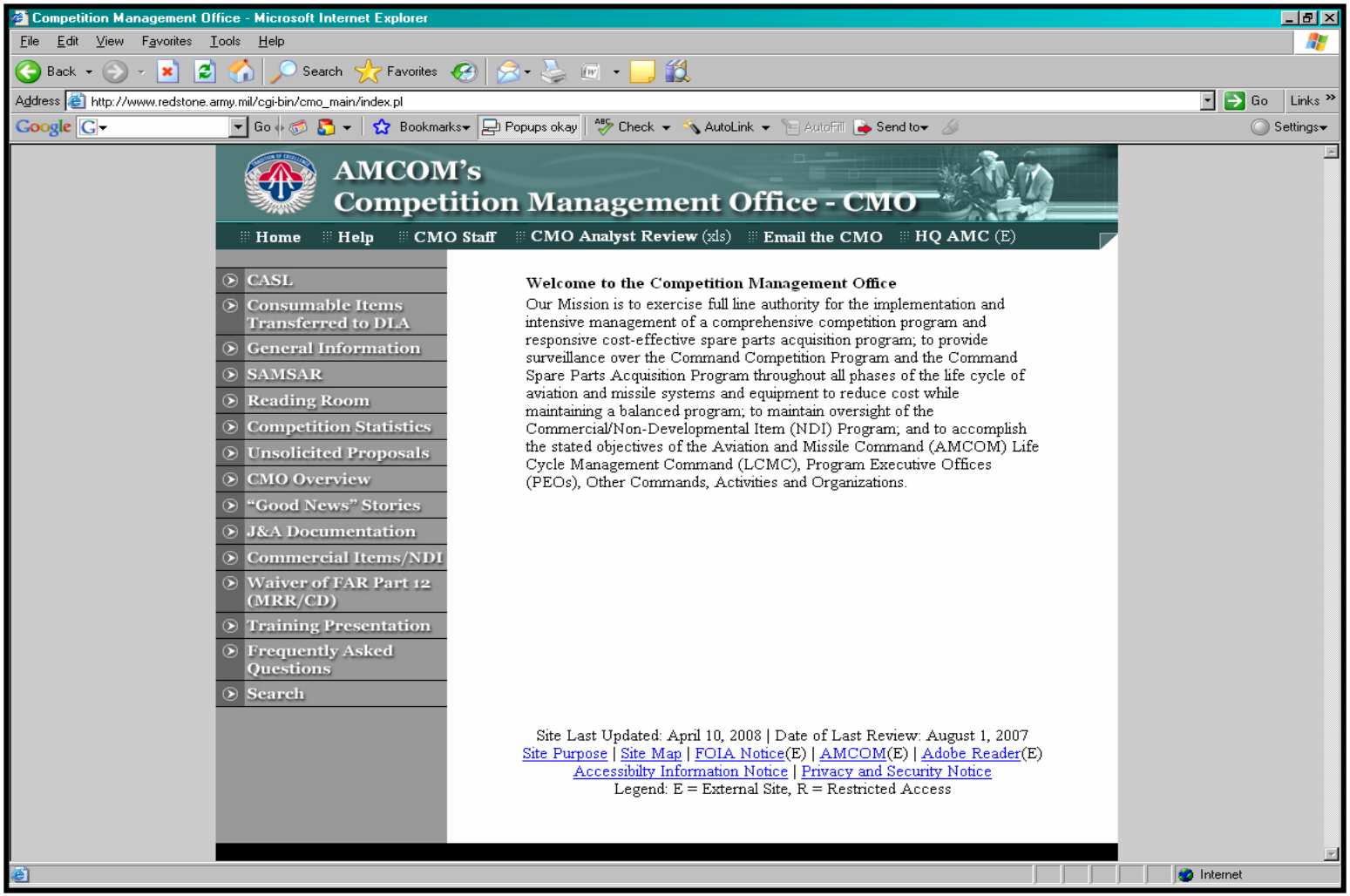
NOTE: * FY 98 - FY 06 extracted from the DD-350 database

* Total Actions where C14 = N or Y and Competitive Actions where C14 = Y

** FY 07 and beyond extracted from ACBIS database

** Total Actions where commercial procedures = A,B,C,D and Competitive Actions = A,B

Competition Management Office Home Page



CASL – Competition Advocate's Shopping List

What is CASL?

An automated, internet-based system for Aviation and Missile upcoming procurements covering up to 5 out-years in the areas of:

Spare/Repair Parts – Updated Quarterly

Maintenance & Overhaul – Updated Quarterly

Major Items/Services – Updated on an As-Needed Basis

Critical Safety Items (CSI) – Updated Nightly

Spiral Bevel Gears – Updated Annually

Benefits:

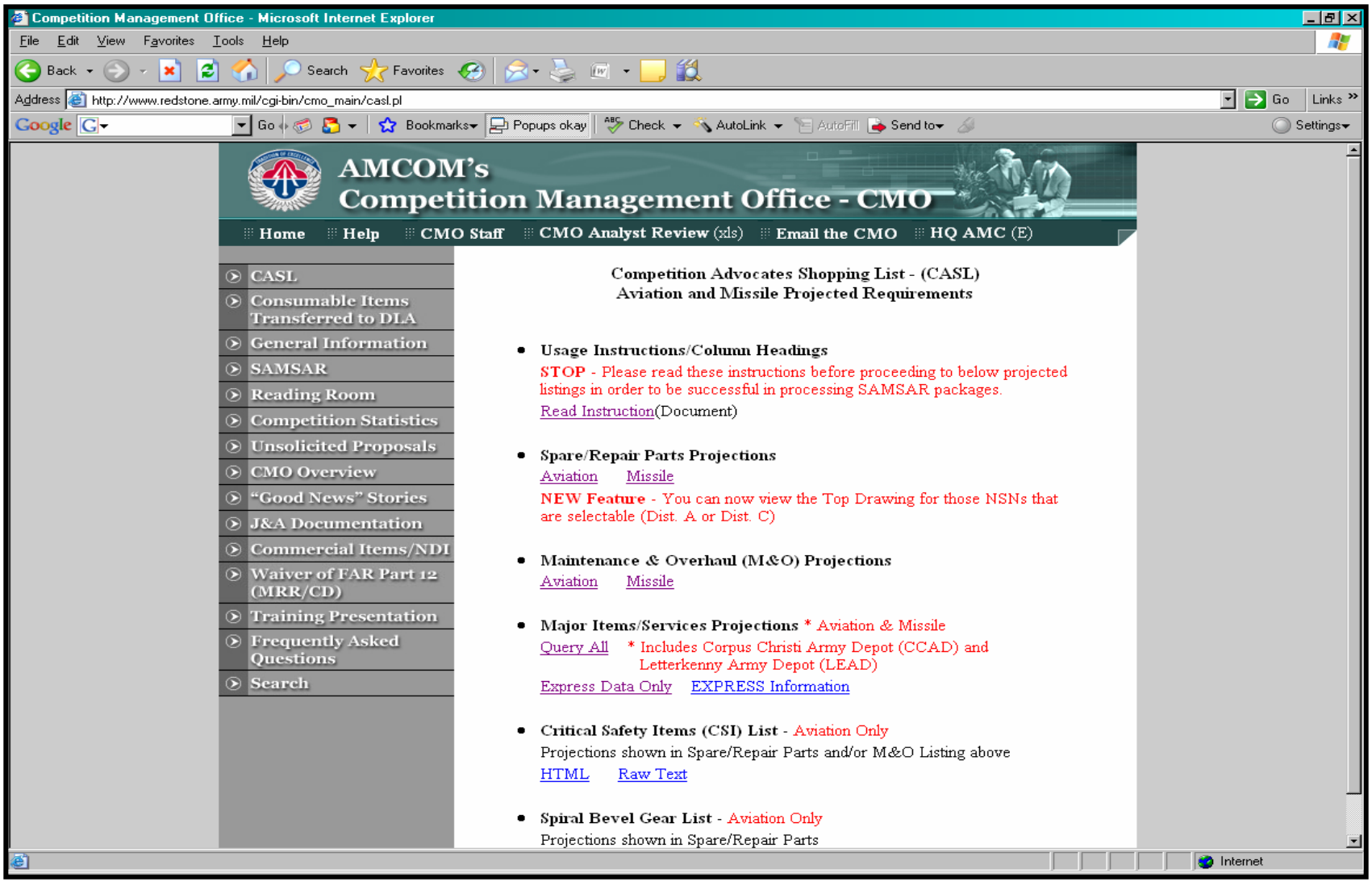
Single Point of Entry for Contracting Community to view AMCOM's Projected Requirements

Useful tool for 1st tier suppliers down

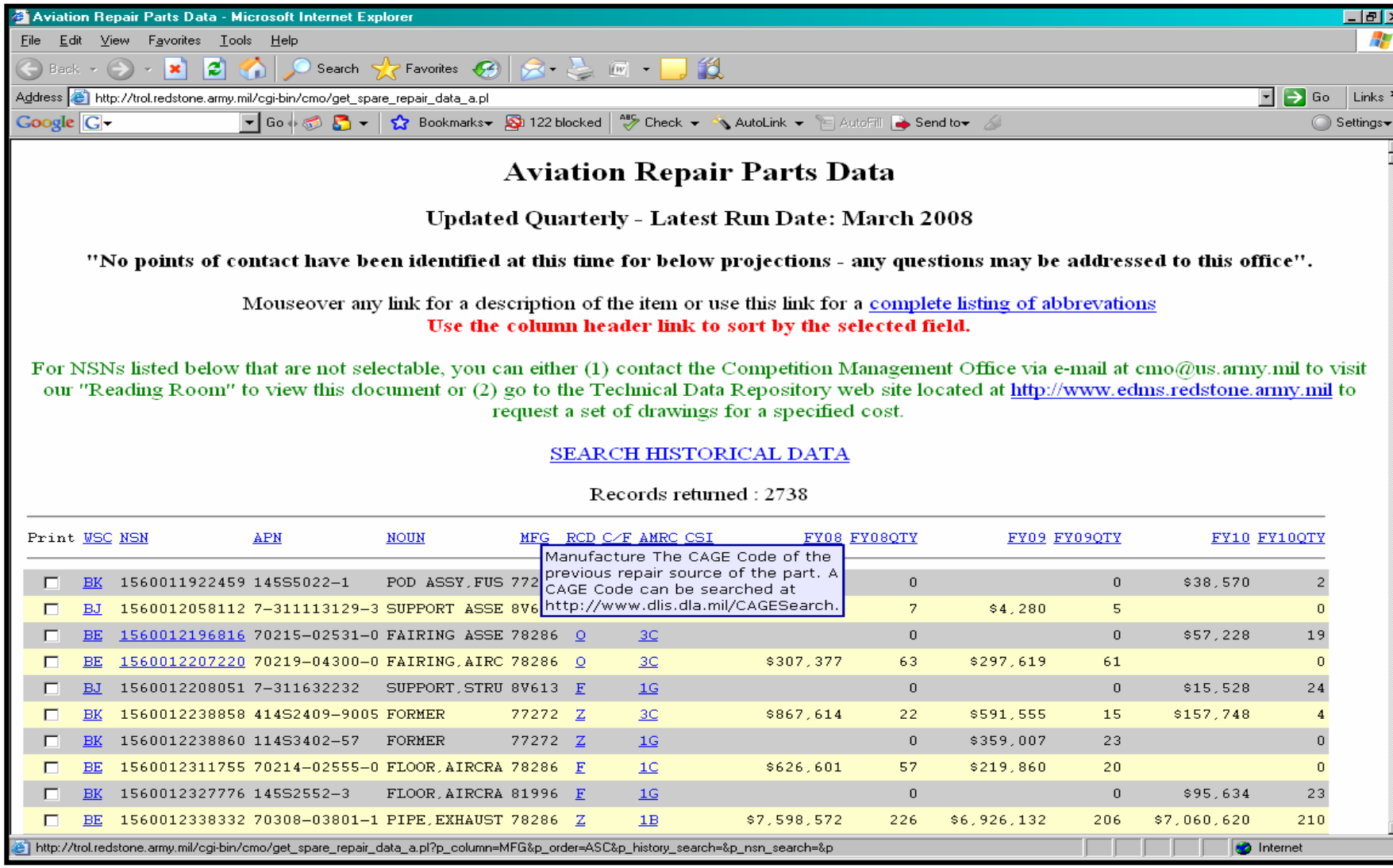
Serves as a Market Research Technique for the Contracting Community

Serves as the Source for Developing AMCOM's Annual Competition Plan and Small Business Plan

Competition Advocate's Shopping List (CASL)



Competition Advocate's Shopping List (CASL)



Aviation Repair Parts Data - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address http://trol.redstone.army.mil/cgi-bin/cmo/get_spare_repair_data_a.pl

Aviation Repair Parts Data

Updated Quarterly - Latest Run Date: March 2008

"No points of contact have been identified at this time for below projections - any questions may be addressed to this office".

Mouseover any link for a description of the item or use this link for a complete listing of abbrevations

Use the column header link to sort by the selected field.

For NSNs listed below that are not selectable, you can either (1) contact the Competition Management Office via e-mail at cmo@us.army.mil to visit our "Reading Room" to view this document or (2) go to the Technical Data Repository web site located at http://www.edms.redstone.army.mil to request a set of drawings for a specified cost.

SEARCH HISTORICAL DATA

Records returned : 2738

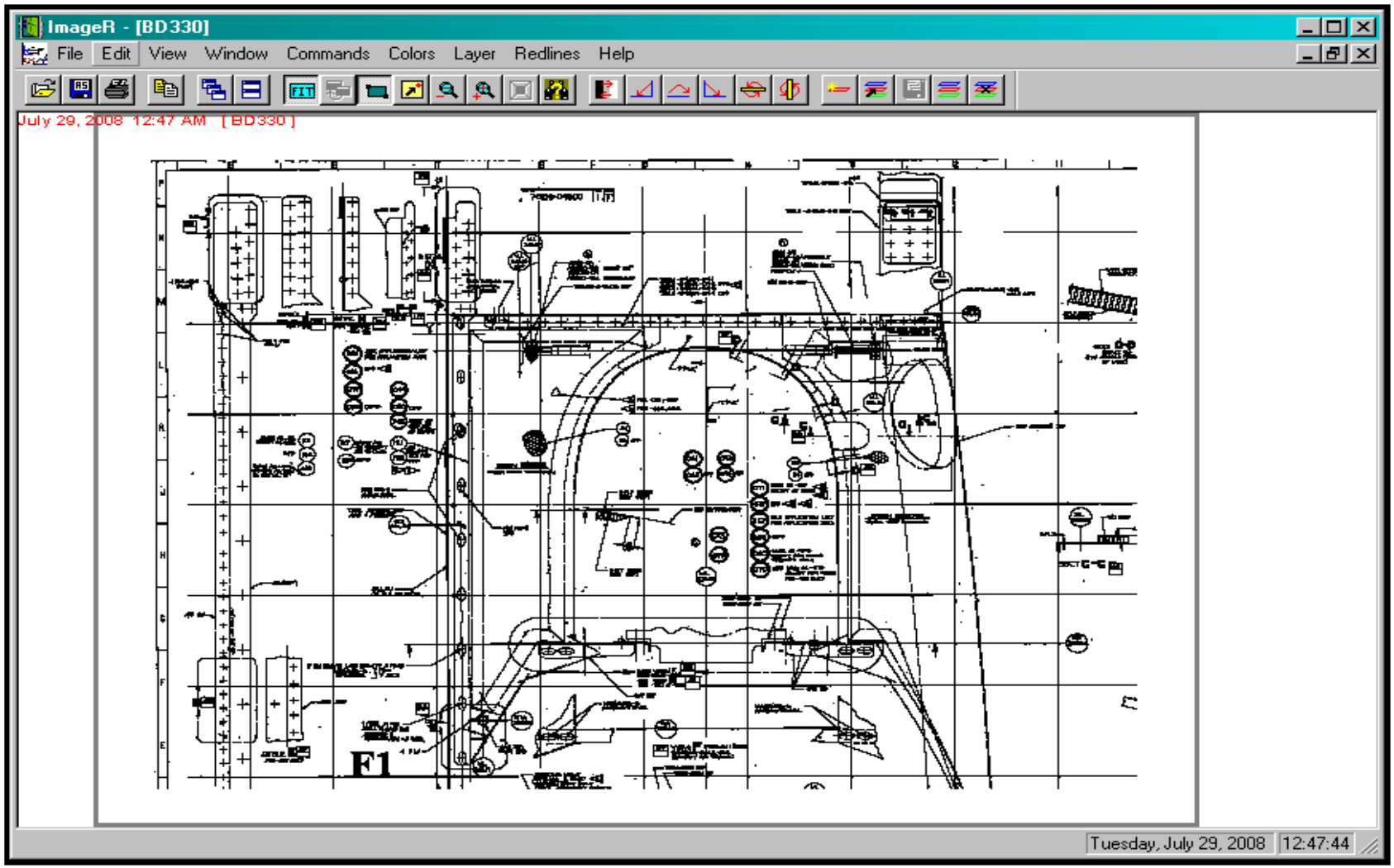
Print	WSC	NSN	APN	NOUN	MFG	RCD	C/F	AMRC	CSI	FY08	FY08QTY	FY09	FY09QTY	FY10	FY10QTY
☐	BK	1560011922459	145S5022-1	POD ASSY,FUS	772						0		0	$38,570	2
☐	BJ	1560012058112	7-311113129-3	SUPPORT ASSE	8V6						7	$4,280	5		0
☐	BE	1560012196816	70215-02531-0	FAIRING ASSE	78286	O		3C			0		0	$57,228	19
☐	BE	1560012207220	70219-04300-0	FAIRING,AIRC	78286	O		3C		$307,377	63	$297,619	61		0
☐	BJ	1560012208051	7-311632232	SUPPORT,STRU	8V613	F		1G			0		0	$15,528	24
☐	BK	1560012238858	414S2409-9005	FORMER	77272	Z		3C		$867,614	22	$591,555	15	$157,748	4
☐	BK	1560012238860	114S3402-57	FORMER	77272	Z		1G			0	$359,007	23		0
☐	BE	1560012311755	70214-02555-0	FLOOR,AIRCRA	78286	F		1C		$626,601	57	$219,860	20		0
☐	BK	1560012327776	145S2552-3	FLOOR,AIRCRA	81996	F		1G			0		0	$95,634	23
☐	BE	1560012338332	70308-03801-1	PIPE,EXHAUST	78286	Z		1B		$7,598,572	226	$6,926,132	206	$7,060,620	210

Manufacture The CAGE Code of the previous repair source of the part. A CAGE Code can be searched at http://www.dlis.dla.mil/CAGESearch.

http://trol.redstone.army.mil/cgi-bin/cmo/get_spare_repair_data_a.pl?p_column=MFG&p_order=ASC&p_history_search=&p_nsn_search=&p

Internet

“Top Drawing” Example



SAMSAR –
Standard Aviation and Missile Source Approval Request

- **What is SAMSAR?**
  - An automated, internet-based system for Aviation and Missile SARs
  - Electronic Submittal
  - Concurrent Evaluations
  - Electronic Tracking
  - Secure Access for Customers
- **Benefits:**
  - Simplified SAR process for suppliers of Aviation and Missile parts
  - Designed to accommodate electronic, hardcopy or hybrid submissions
  - Allows for tracking and more efficient processing of documents
  - Concurrent access is provided where appropriate to speed the SAR process
  - Metrics are available to determine opportunities for improvement

Reading Room

- What Is It?

  A dedicated room designed and configured to allow the viewing of Aviation and Missile top level drawings

  Contractor Briefings and Demonstration

  Training

- Who Can View?

  Active contractors registered in the Central Contractor Register (CCR)

  Any AMCOM Element or Team Redstone member

- What Is Required To View? (Protect Intellectual Property)

  Use and Non-Disclosure Agreement (DFARS 227.7103-7)

  Military Critical Technical Data Agreement (DD Form 2345) for export concerns or foreign customers

  Registration for Scientific Information and Technical Information Services (DD Form 1540)

Summary

- Ensuring timely delivery of quality products and services at a reasonable price
- Increasing the use of Commercial Technology
- Exceeding Competition Goals for 10 years in a row
- Providing Upcoming Business Opportunities to Industry
- Developing Simplified Qualification Processes for Aviation & Missile items

Where To Find Us

- ON THE WEB: http://www.redstone.army.mil/cmo, or
- From the AMCOM homepage, select “c” from the subject index and go down to Competition Management Office, or
- In The Building: Redstone Arsenal, Sparkman Center, Building 5303, 1st Floor, Room 3135

Important Points of Contact

- Acquisition Center's Public Website: https://wwwproc.redstone.army.mil/acquisition/
- Competition Advocate's Shopping List (CASL): https://ams8.redstone.army.mil/casl_cmo/casldba.casl_cmo_casl
- Standard Aviation & Missile Source Approval Request (SAMSAR): https://ams8.redstone.army.mil/casl_cmo/casldba.casl_cmo_samsar
- Office of Small Business Programs: Mr. David Seitz, david.seitz@us.army.mil
  U. S. Army Aviation and Missile Command
  ATTN: AMSAM-SB
  Redstone Arsenal, AL 35898-5000
  (256) 876-5441 / Fax (256) 842-0085
  http://www.redstone.army.mil/osbp/
- Manufacturing SAR: Angel Kirby, angel.kirby@us.army.mil cc: AE-K-TTS@amrdec.army.mil
  U.S. Army Research, Development, and Engineering Command
  (RDMR-AEK, Ms. Angel Kirby
  Redstone Arsenal, Alabama 35898-5000
  (256) 313-8993 / Fax (256) 313-3205
- Maintenance & Overhaul (M&O) SAR: William Alvarez, william.alvarez1@us.army.mil cc: AE-K-TTS@amrdec.army.mil
  U.S. Army Research, Development, and Engineering Command
  (RDMR-AEK, Mr. William Alvarez)
  Redstone Arsenal, Alabama 35898-5000
  (256) 313-6259 / Fax (256) 313-3205

Important Points of Contact (con't)

- Freedom of Information/Privacy Act Programs Office:

  U. S. Army Garrison
  ATTN: IMSE-RED-HR
  Bldg. 3687, 3465 Zeus Road
  Redstone Arsenal, AL 35898-5000
  (256) 876-6360 / Fax (256) 876-2057
  http://www.redstone.army.mil/foia

- Price Challenge Program (PCP):

  AVIATION POC:
  Commander
  U.S. Army Aviation and Missile Command
  ATTN: AMSAM-MMC-MM-AWL
  Redstone Arsenal, AL 35898-5000
  (256) 842-6776, Fax: (256) 842-0602

  MISSILE POC:
  Commander
  U.S. Army Aviation and Missile Command
  ATTN: AMSAM-MMC-MM-AWL
  Redstone Arsenal, AL 35898-5000
  (256) 876-3889, Fax: (256) 842-0602

- Reverse Engineering (RE) Program & Repair Parts Purchase or Borrow Program (RPPOB):

  Commander
  U. S. Army Aviation and Missile Command
  Competition Management Office
  ATTN: AMSAM-CM
  Redstone Arsenal, AL 35898-5000
  (256) 876-2485, Fax (256) 876-2045

- To Order Technical Drawings: http://www.edms.redstone.army.mil

- To Order Technical Manuals: http://www.ntis.gov/ordering.htm

- Defense Logistics Agency (DLA): http://www.dla.mil



Commitment – Integrity – Performance

VENTURE MANAGEMENT

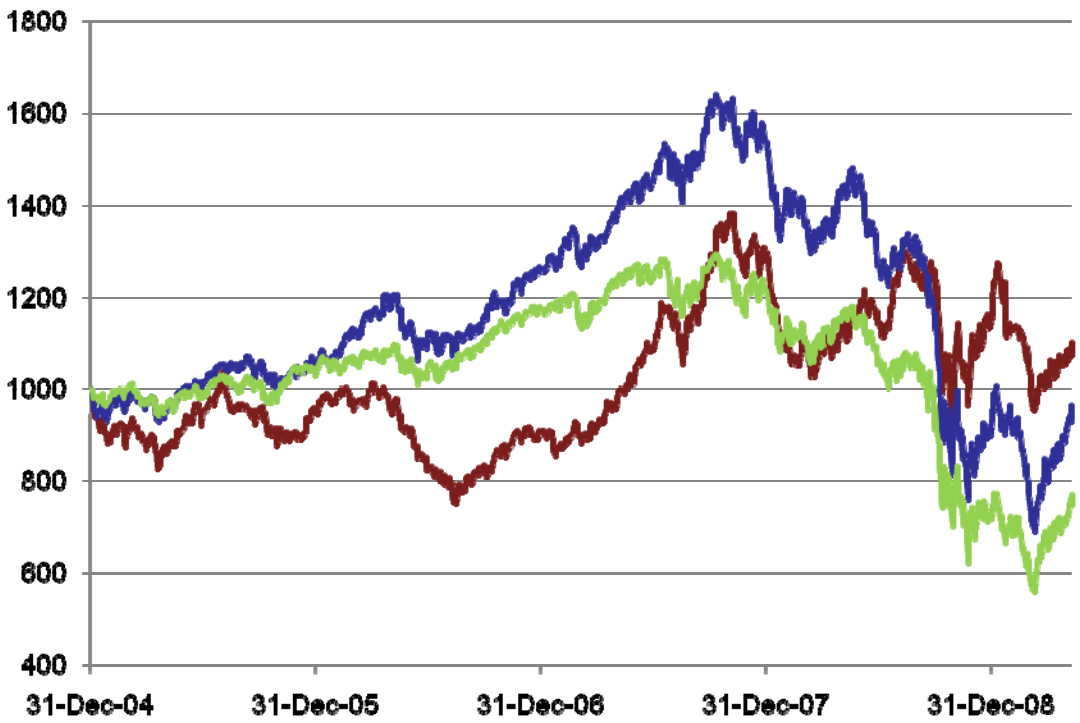
Defense Mergers & Acquisitions – June 2009

Overview

- VMI Index – Federal Services Company Outperform Broader Markets
- Debt and Equity Markets
- Defense M&A
  - '08-'09 Transactions
  - Changes in Contracting/Procurement
  - '09 Defense M&A Outlook

VENTURE MANAGEMENT

Federal Services Company Outperform Broader Markets

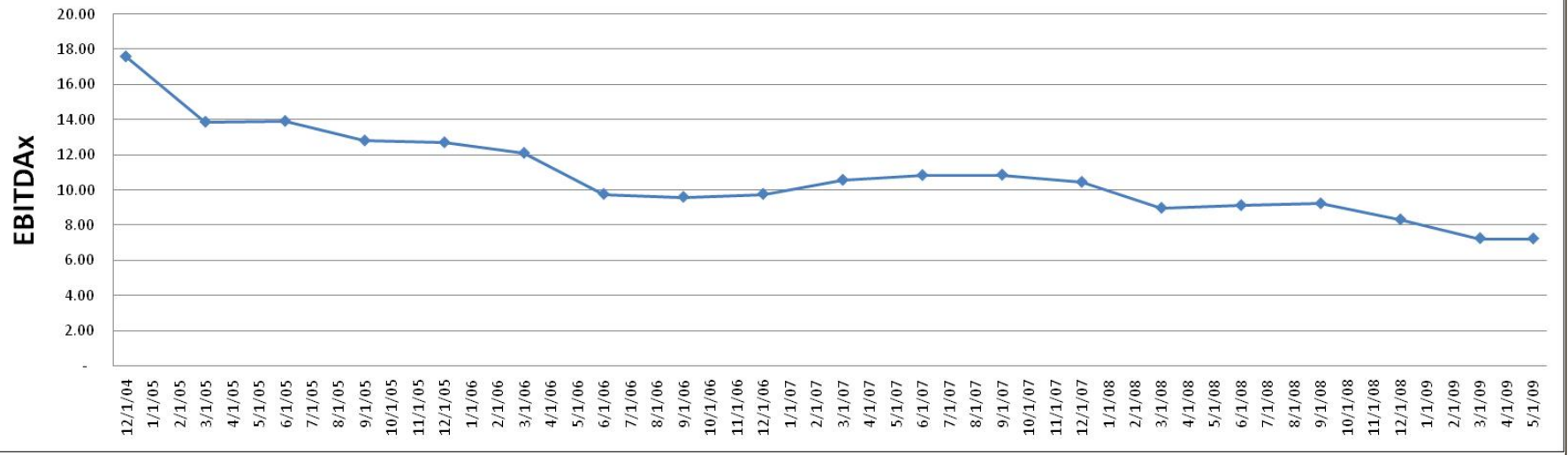


Gain/Loss from 12/31/04 Values

VMI Index:	10.0%
Spade:	-3.7%
S&P:	-23.3%

Source: Spade Index, Yahoo Finance and Venture Management

Total Enterprise Value/LTM EBITDA



Name	Ticker	Stock Price*	% of 52 Week High	LTM EBITDAx
Applied Signal Technology, Inc.	APSG	19.20	89.1%	9.39x
ARGON ST, Inc.	STST	18.82	69.0%	9.12x
CACI International Inc	CACI	39.85	74.7%	7.36x
Dynamics Research Corporation	DRCO	8.73	81.2%	5.18x
ManTech International Corporation	MANT	37.41	60.9%	8.07x
SRA International, Inc.	SRX	16.75	68.2%	7.61x
VSE Corporation	VSEC	27.03	56.6%	3.83x

* As of 5/8/09

Source: Capital IQ and Venture Management, Inc.

It's A Lender's Market

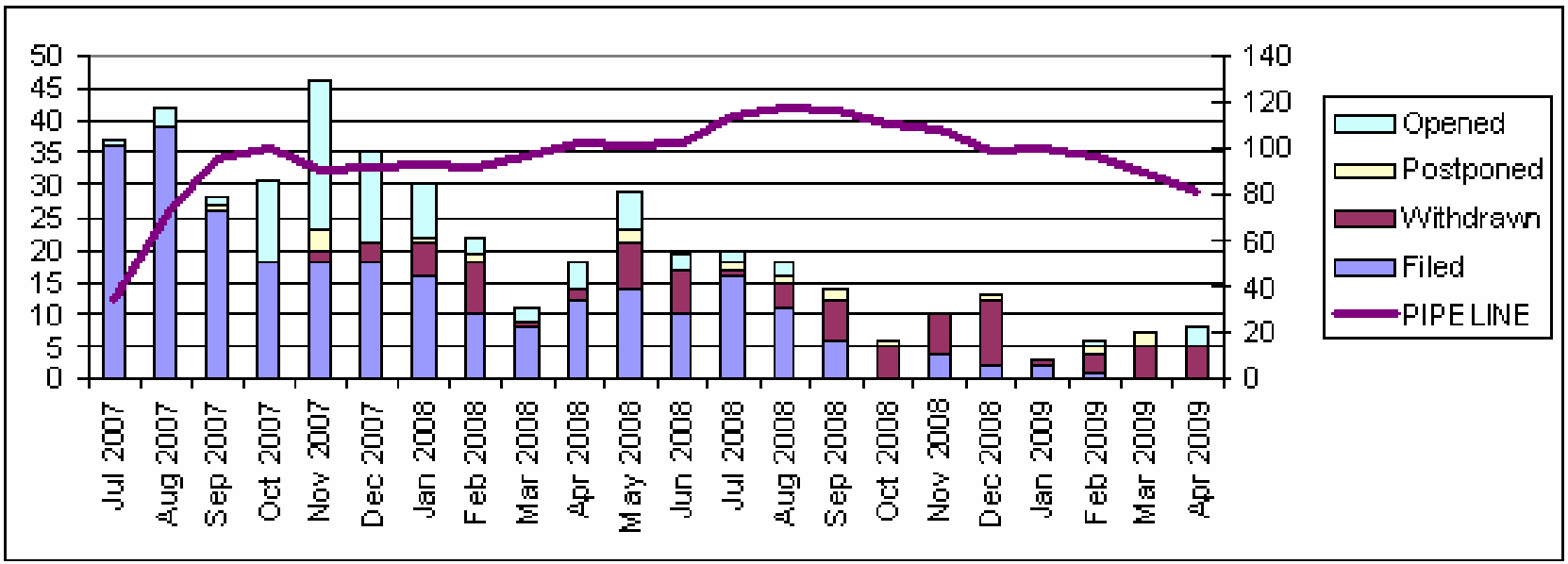
We interviewed senior lenders that finance M&A for defense and federal contractors.

Their current thinking:

- Easier to get smaller deals completed
- Tighter loan terms:
  - More collateral
  - Higher fees
  - Harsher consequences for covenant breaches
  - Shorter term payback periods
  - More equity required in financed M&A deals
  - Greater diligence on contracts, backlog, financials
  - More 'structured' transactions – seller notes, earn-outs
  - Lower multiples on cash flow in determining maximum debt
  - Interest floors instituted on revolvers

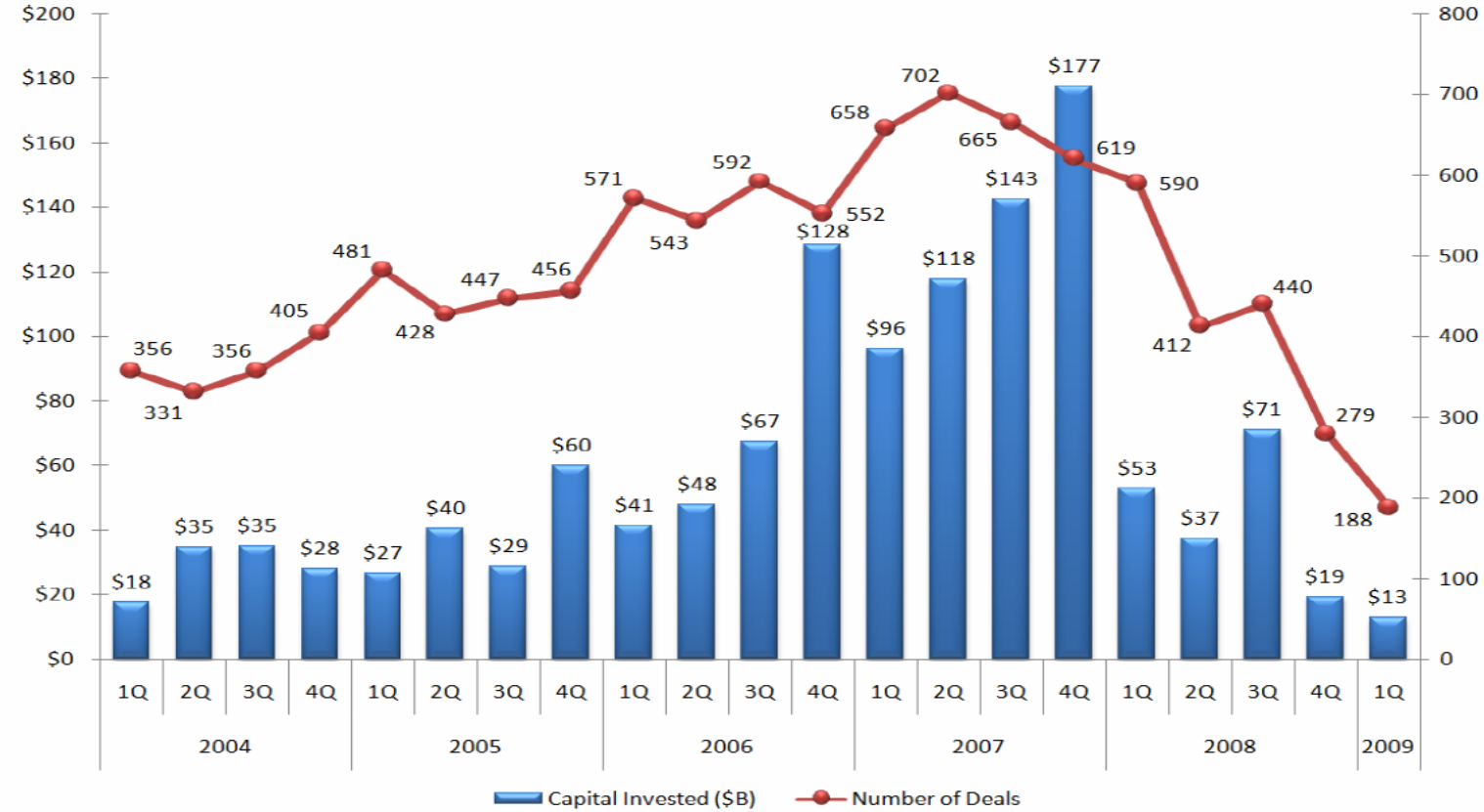
Capital Markets: Public Equity

- IPO Window Closed



Source: IPOBoutique.com

Private Equity Total Deal Flow

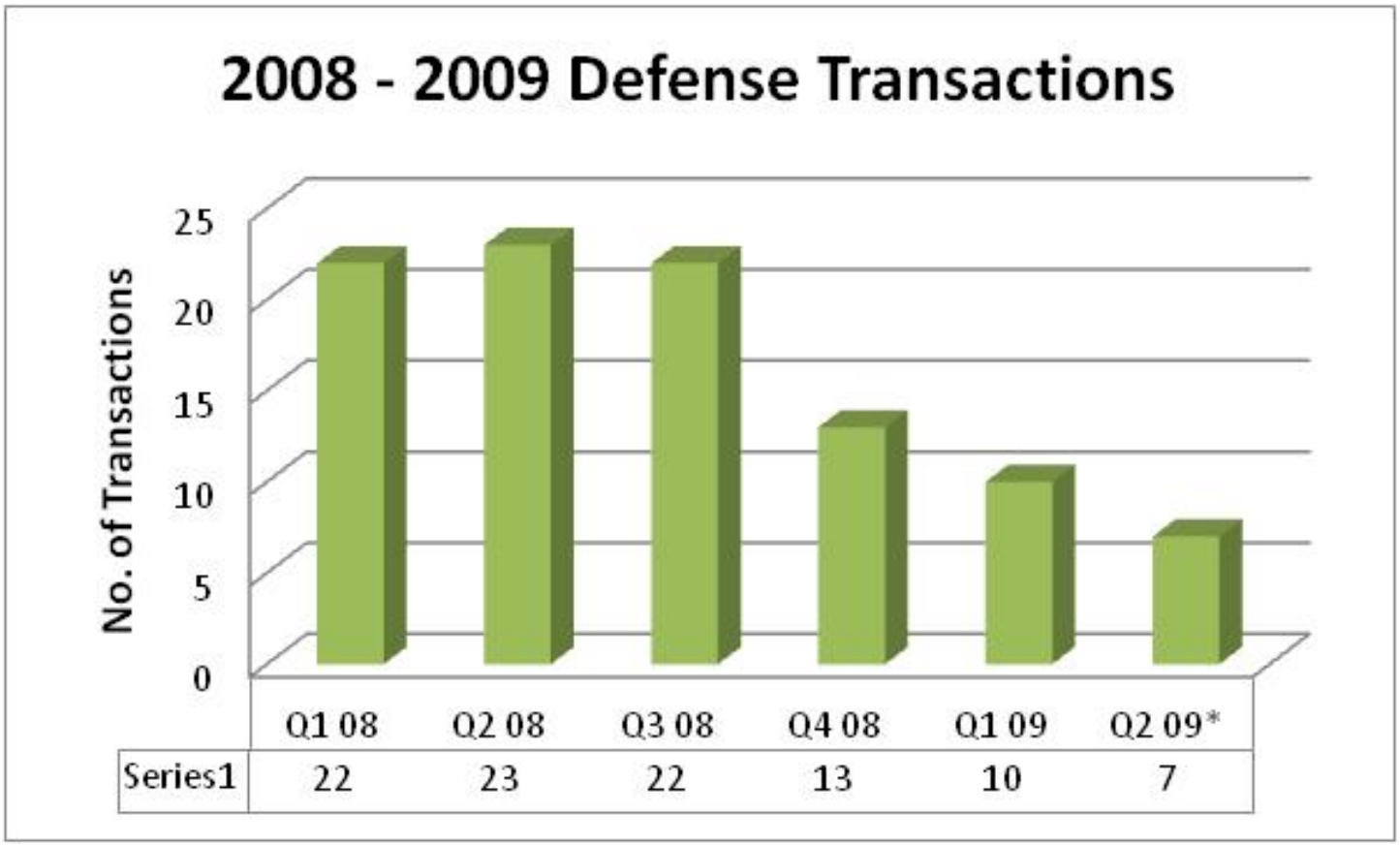


Source: PitchBook Platform

Impact on M&A Transaction Process

- Due diligence
- Bank approval
- ‘Structured’ Transactions
- Indemnity risk

Steady Decline in Activity



* Through May 15, 2009

Source: Venture Management, Inc.

Changes in Defense Sector

- **Obama Directive**:
  - More full and open competition,
  - Fixed price contracts,
  - Limit government outsourcing
- **Funding priorities** shifting toward
  - Education
  - Energy
  - Environment

VENTURE MANAGEMENT

Budget/Contract Environment for Federal Contractors

- Transparency
- Accountability
- Small business set-asides
- Tighter sole-source justifications
- DoD: bring more work in-house
- Fixed price contracts
- Funding uncertainties
- Acquisition workforce

Procurement Changes

Stimulus funding

- Quarterly progress reports
- Added disclosure for executive pay

DCAA Policy

- Culture shift
- Penalties for non-compliance

2H09 Outlook for Defense Buyers

- **Private equity groups** still active, waiting for return of debt markets
- **New funds** emerging from prior CEO/founders
- **Larger defense companies**, underleveraged and flush, motivated to acquire
- **Foreign appetite** for US companies

2H09 Outlook for Defense Sellers

- **Small business re-certification** impinges value
- **Mid-tier defense pure-plays** more apt to sell
- **M&A market** increasingly bifurcated**,** favoring companies with priority sectors/customers and distinguished capabilities
  - cyber-security
  - re-set/logistics
  - military health care IT
  - soft power
  - information assurance
  - intelligence
  - infrastructure
  - Collaboration/interoperability
  - Unmanned surveillance/warfare
  - Stealth technologies

Lots of Buyers of Defense Companies…

- Defense Contractors are flush with cash and excess debt capacity
  - $41.2B amongst top Tier A&D companies
  - +$2.1B among publicly traded Government Service pure plays
- Private Equity building pipeline, poised to launch

… but not a lot of deals

Hurdles to closed transactions

- Valuation expectations of sellers
- Banks and investors: less tolerance for risk
- Federal Spending shakeout
- “Time Kills All Deals”
- Hitting tolerance limits on Deal Terms



Commitment – Integrity – Performance

VENTURE MANAGEMENT

Mark Shappee, mark@venturemanagement.com, 805-644-5335
Jason Gayl, jason@venturemanagement.com, 202-329-2377
Paul Serotkin, paul@ventuemanagement.com, 781-750-8065

DAWNBREAKER®

THE COMMERCIALIZATION COMPANY

How to Transition to the Commercial Sector

Jenny C. Servo, Ph.D.

What is Commercialization?

"The process of developing markets and producing and delivering products or services for sale (whether by the originating party or by others)….. commercialization includes both government and non-government markets."

– *National Science Foundation SBIR Solicitation*

DAWNBREAKER®

- **Professional Services firm - Rochester, NY**
- **Worked with over 3400 SBIR/STTR firms**
  - Department of Energy, EPA, Navy, NSF ,NIH, NIST
  - Phase 2 - Commercialization Assistance Program (CAP)
    - Transition Assistance Program (TAP)
  - Phase 1 - Commercialization Planning Program (CP^2)
- **50% receive private sector investment**
  - 12-18 months of completing Commercialization Assistance program (CAP)

What is a commercialization strategy?

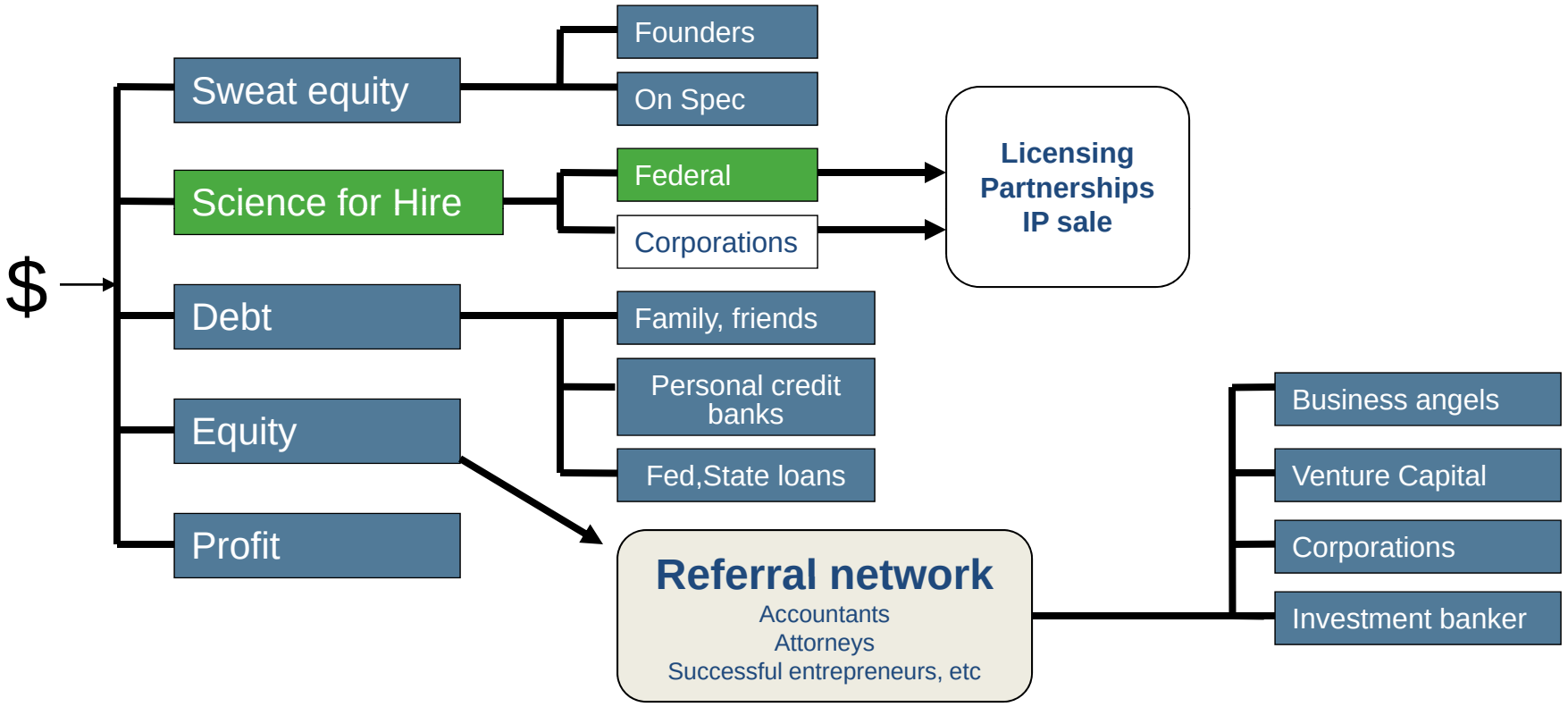
- **Not defined in solicitations……but alluded to**
  - "….your company's strategy for converting your proposed SBIR research into a product or non-R&D service with widespread commercial use -- including private sector and/or military markets."
    - *DoD SBIR solicitation*

Commercialization Strategy

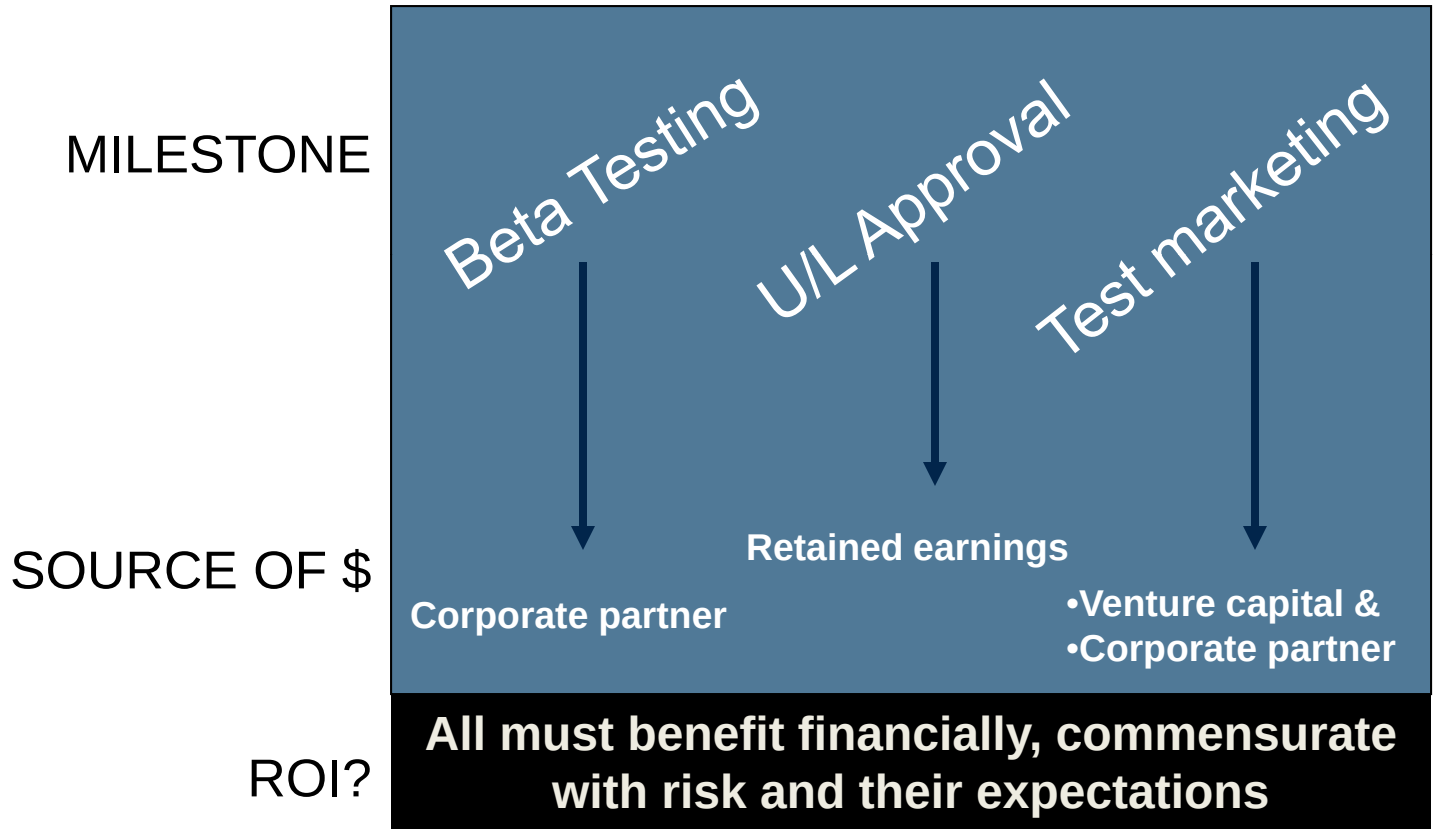
- **The series of financing options that a company entertains to move its technology from concept to the marketplace**

Milestone	How Funded?
Concept development	**Phase I SBIR**
Business case analysis	**G&A**
Prototype development	**Phase II SBIR**
Intellectual property protection	**Retained earnings**
Beta testing	**Corporate partner**
U/L approval	**Retained earnings**
Test market introduction	**Equity investment**
Marketing	**???**
Scale-up of Production	**???**

Roadmap to Financing Options



All require a Return on Investment!



Strategy selection process

- **Iterative ….. build and test**
- **Articulate at the outset and**
- **Revisit**
  - as you collect additional market data
  - as you develop the business case
  - during negotiations with partner/investor

Factors effecting commercialization strategy

- Mission
- Vision
- Business philosophy
- Your current situation
- Customer requirements of supplier
- Window of opportunity
- Competitors

Mission

- **Business functions**
- **Products and technologies**
- **Markets served**
- **Sustainable competitive advantage**

Sample Mission Statement

"Soarrell Medical Systems develops, produces, markets, and supports proprietary, patient-oriented software, biometric smart cards and readers which interface with computerized patient record (CPR) systems. We offer outstanding customer support and share the financial risk with medical practitioners. We are dedicated to making it easier for physicians in private practice to spend more time providing quality care."

Elements of Vision

- **5-years out**
  - Financial goals - revenue goals, profit margin goals
  - Market goals - customers served, market niche, geographic region, market share
  - Products and services
  - Image- How will you be perceived by customers, competitors, employees, community

Typology of Visions

	Revenue	Employees	Purpose	Public
Life-Style	$2 million	30-40	Support owners	Private
Foundation	$10 – 30 million	40-400	Start new industry	Private
High Potential	$20 – 30 million	500+	Growth & value	Go public

Business Philosophy

- I don’t want to give to control
- I want to try it all
- I want to enjoy myself
- I don’t care who gets rich

Current situation

- **Financial health**
- **Sustainable competitive advantage**
- **Stage of product/technology development**
- **Management**
- **Market readiness**
- **Risk: technology,market, management**

Competitors

- **Positioning to**
  - Take advantage of a window of opportunity
  - Broaden a customer base
  - Expand services

Customer requirements of suppliers

- **Financial stability**
- **Platform interface issues**
- **Quality - ISO, CE certified**
- **Continuous improvements**
- **Quantities and delivery schedules**
- **Customer support**

Sample strategy - Licensing

- **Vision: Life-style company**
- **Philosophy: Do what I enjoy**
- **Financing methods**

Start-up	**Sweat equity**
Concept development	**SBIR**
Intellectual property	**Retained earnings**
Application development	**Licensee**
Production	**Licensee**

Strategy - Strategic alliance

- **Vision: Foundation company (R&D and manufacturing)**
- **Philosophy: Conservative**
- **Financing methods**

Start-up	Sweat equity
Concept development	SBIR
Intellectual property	Retained earnings
Prototype development	SBIR
Production scale up	Equity investor, converted to debt
Marketing/sales	Strategic alliance

Strategy - Equity Investment in Parent Company

- **Vision: High potential venture**
- **Philosophy: Rich is good**
- **Financing options**

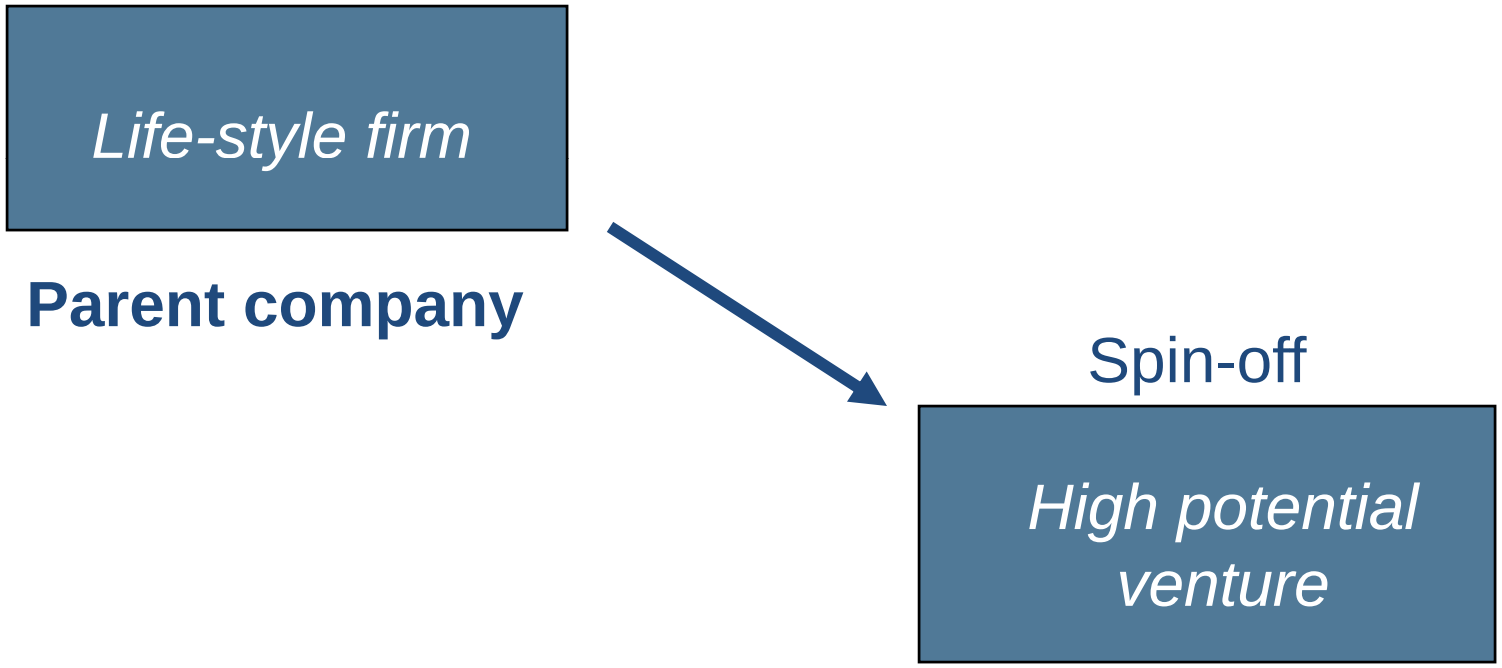
Concept development	Sweat equity
Prototype development	Science for hire
Production introduction	Private placement
Market penetration	Debt financing from equity investors

Sample Strategy - IPO

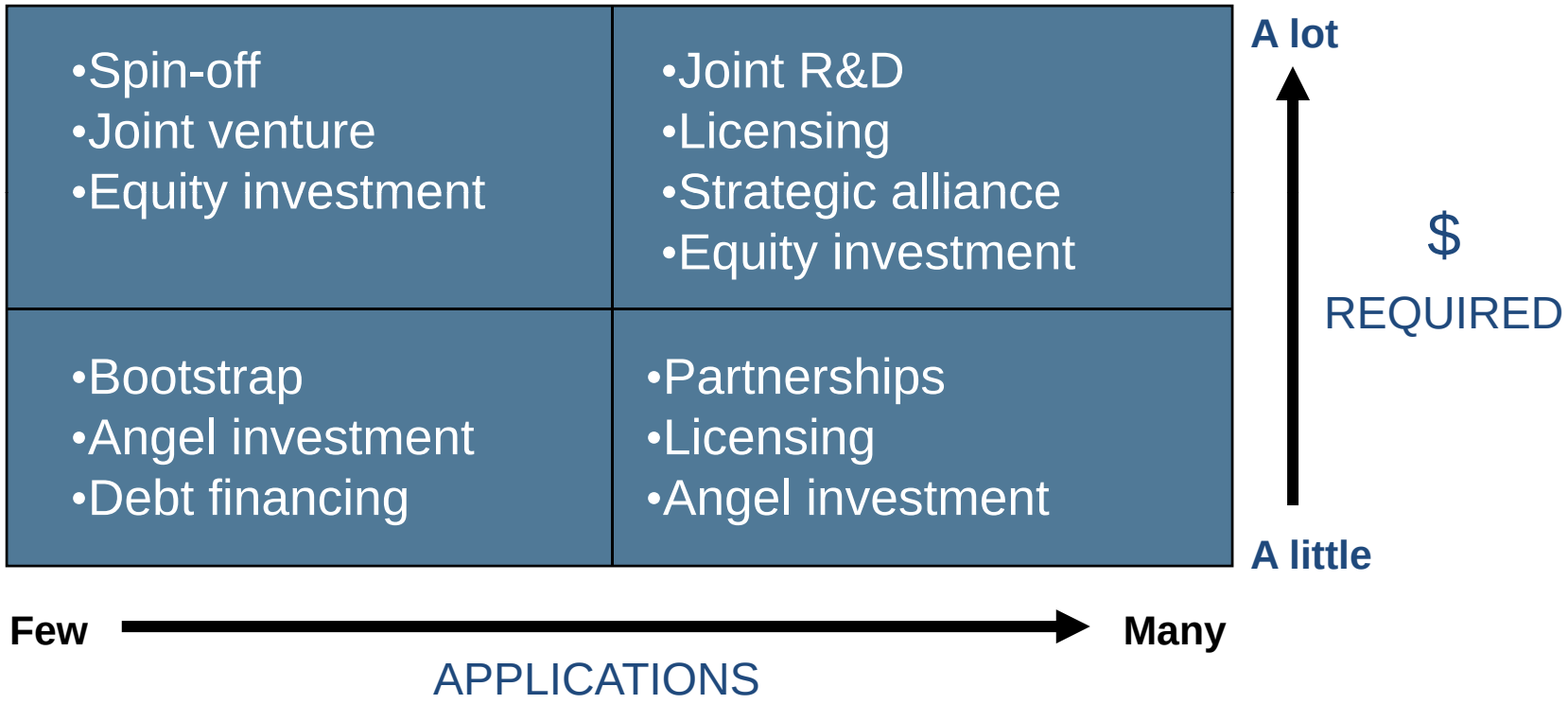
- **Vision: High potential venture**
- **Philosophy: I want to try it all**
- **Financing options**

Concept development	Federal funding
Prototype development	Seed financing from angels
Market test	Retained earnings
Market introduction	Equity - Fortune 500 company
Scale-up	Second round financing from VC
New facility	Private placement
Expansion	Line of credit, profits
Market penetration	IPO

Combination of strategies



Financing Options as a Function of Application & Resources Required

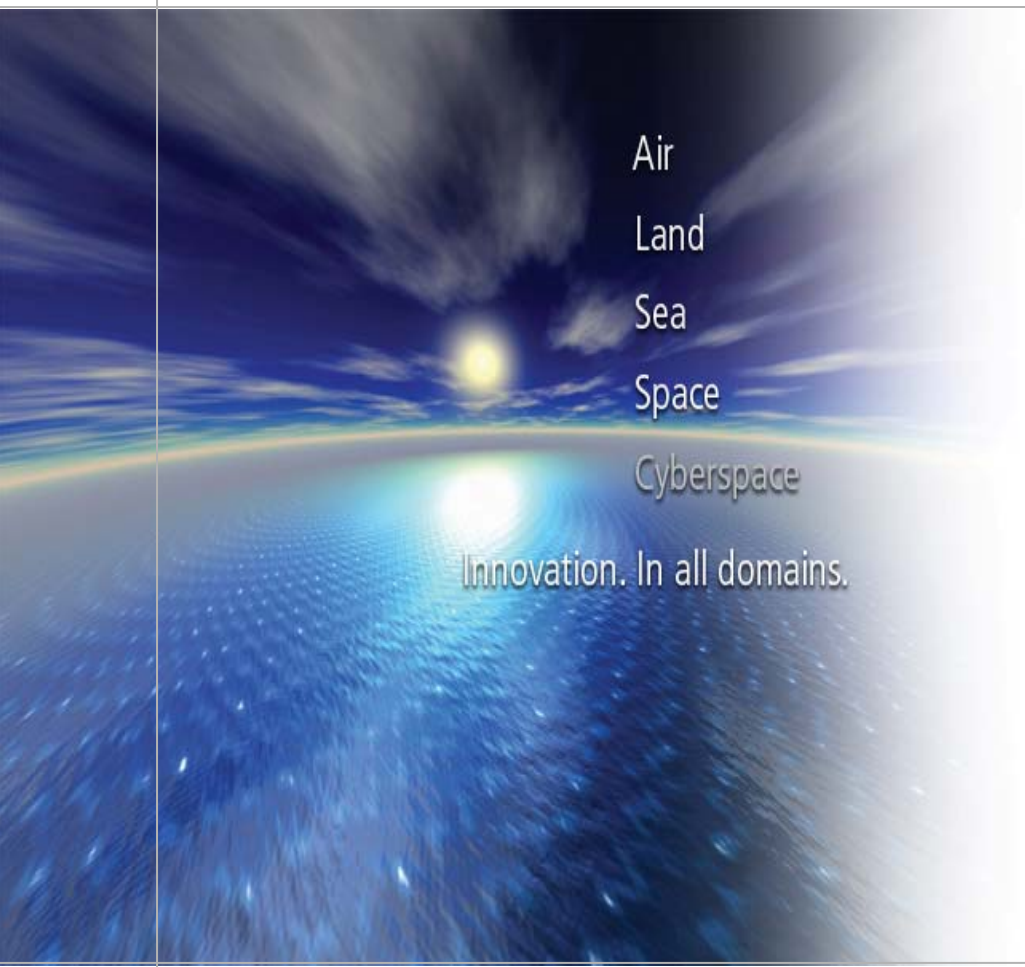


How -To

- **Management must**
  - Focus on growth of company, not just on completing the R&D
  - Understand the implications of pursuing a specific strategy
    - Licensing: attention to IP, contract law, relationships, audits
    - Angels: ROI, share control
  - Set aside time for this role, hire
  - Be measured on the extent to which

Raytheon

Customer Success Is Our Mission



Pathways to Success

June 1, 2009

Dan Smith
President
Integrated Defense Systems

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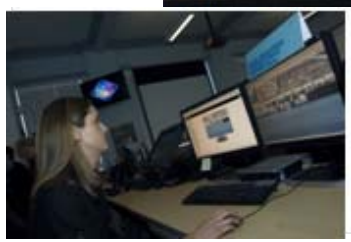

DefenseNews
May 4, 2009
www.defensenews.com
U.S. Navy Boosts Cyber Fo
TechWatch
Toward a 10
DARPA's ISIS Project Hea
WorldNews
Finland Moves Ahe d W
$700M Air-Defense Plans
C4ISR
Australian Government
Department of Defence
DEFENDING AUSTRALIA
IN THE ASIA PACIFIC CENTURY:
FORCE 2030
DEFENCE WHITE PAPER 2009
www.defence.gov.au
$ 534 B
U.S. FY2010 Defense Budget
+ 4 %
vs. 2009 Budget

We are in a Great Industry

Raytheon
Integrated Defense Systems













Our Nation needs what we know how to do …

Changing Landscape

Raytheon
Integrated Defense Systems

1945 – 1989
Cold War



1989
Fall of Berlin Wall



1990s
Industry Consolidation

NDIA
National Defense Industrial Association

2001



9/11
Global War on Terror

Today
Broader Security Environment

Global Downturn

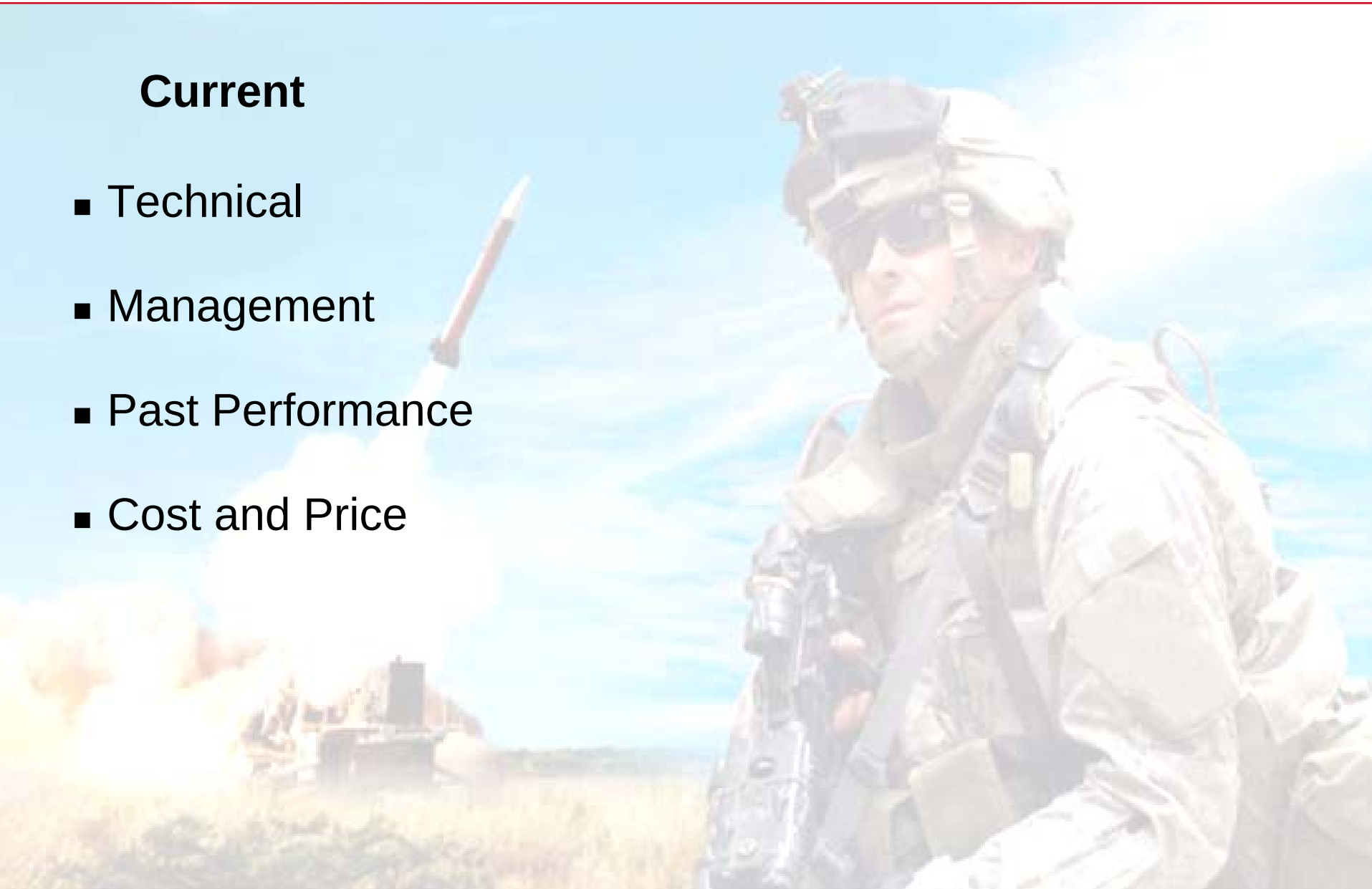
Non-State Actors

Natural Disasters



Changing Success Criteria

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Current

- Technical
- Management
- Past Performance
- Cost and Price

Changing Success Criteria

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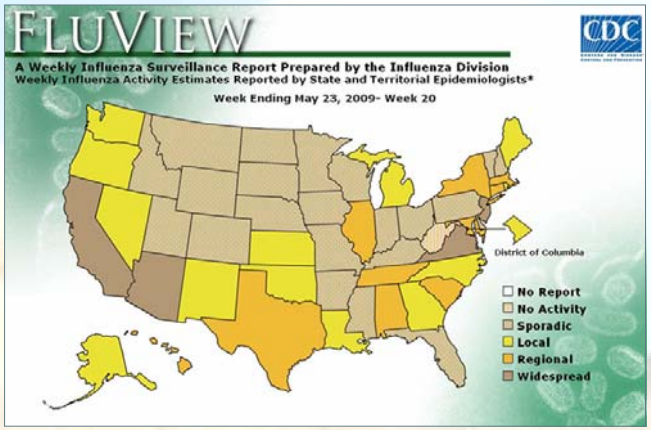
Cyber Security



Energy

Future

- Mission Assurance
- Speed and Agility
- Affordability
- Multi-use
- Talent Pipeline



Pandemic Management



Event Security

Getting to Future State

Raytheon
Integrated Defense Systems



Mission Assurance



Multi-use Systems

Speed/ Flexibility/ Affordability





Talent Pipeline

Our pathway to success

Pathway to Success:
Public – Private Partnership

Raytheon
Integrated Defense Systems



Summary

- Opportunity exists
- Evolving security environment
- Quality and performance matter
- Partnership = Truth, Trust, Intimacy, Legacy
- We are privileged. Be proud of what we do everyday!

We make a difference !

We Make A Difference

Raytheon
Integrated Defense Systems









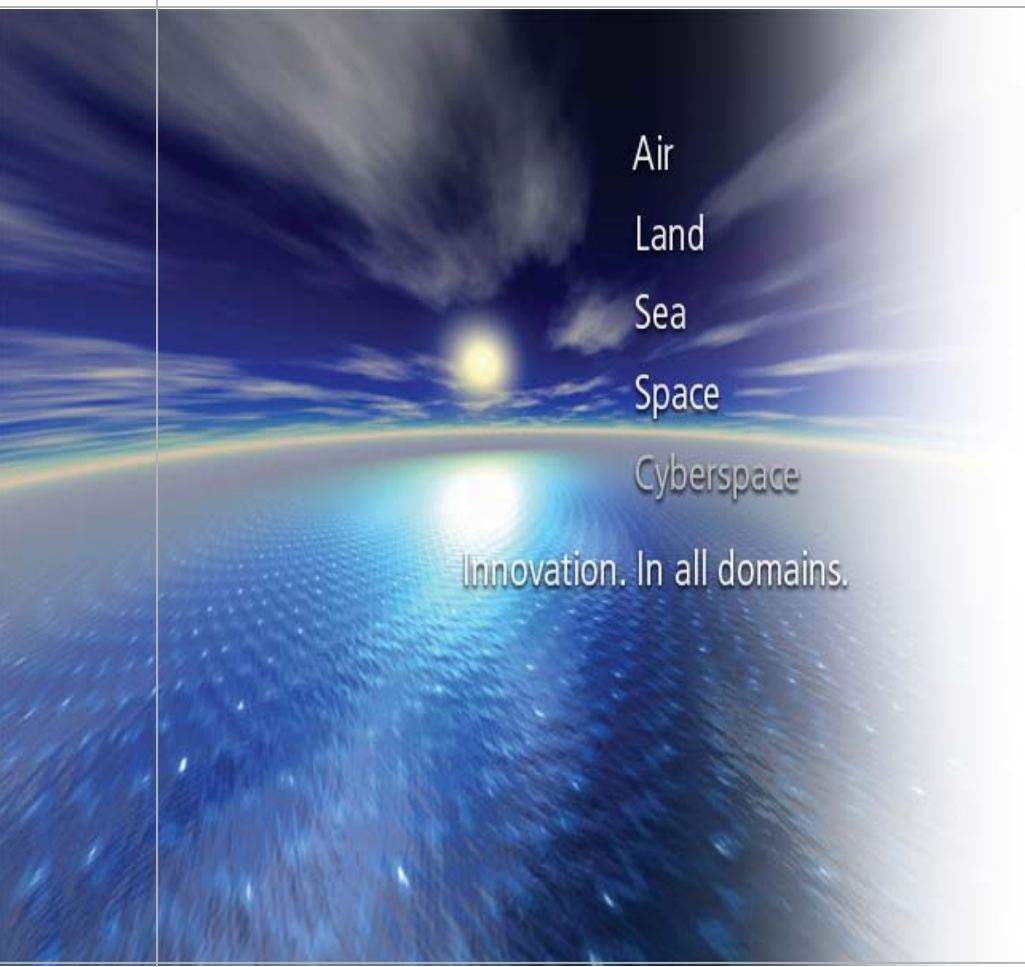






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Pathways to Success

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SMALL BUSINESS LEGISLATION INTRODUCED
111TH CONGRESS, FIRST SESSION
As of May 28, 2009

- S.177: Strengthening Our Economy Through Small Business Innovation Act of 2009
- H.R. 456: Disabled Veteran Small Business Eligibility Expansion Act of 2009
- H.R. 648: Woman's Business Ownership Act of 2009
- H.R. 1491: Securing Equity for the Economic Development of Low Income Areas Act of 2009
- H.R. 1538: Repeal of the Small Business Competitiveness Demonstration Program
- H.R. 1803: Veterans Business Center Act of 2009
- H.R. 1807: Educating Entrepreneurs Through Today's Technology Act

SMALL BUSINESS LEGISLATION INTRODUCED 111TH CONGRESS, FIRST SESSION Continued

- H.R. 1834: Native American Business Development Enhancement Act of 2009
- H.R. 1838: The Woman's Business Centers Improvements Act of 2009
- H.R. 1839: Retired Executives Building Better Businesses Act of 2009
- H.R. 1842: The Expanding Entrepreneurship Act of 2009
- H.R. 1845: The Small Business Development Centers Modernization Act of 2009
- H.R. 2415: Requires the Federal Government to use Federal Supply schedules to meet SDVOSB Goals
- H.R. 2416: Requires Department of Veterans Affairs to use Federal Supply schedules to meet SDVOSB Goals

H.R. 2352, The Job Creation through Entrepreneurship Act of 2009

- **Summary of H.R. 2352, The Job Creation through Entrepreneurship Act of 2009**

- **Establishment of Veterans Business Center Program**

  – Authorizes $10 million in FY 2011 and $12 million in FY 2011 for the SBA to expand entrepreneurial development assistance to veterans by increasing outreach facilities across the country; establishing specialized assistance programs; and updating the institutional structure designed to customize policies and programs targeted to the sector.

H.R. 2353: Job Creation Through Entrepreneurship Act of 2009 -Continued

- **Educating Entrepreneurs through Today's Technology**
- **Enhancing Native American Entrepreneurship**
- **Broadening the Women's Business Centers Program**
- **SCORE Program Improvements**
- **Expanding Entrepreneurship Act of 2009**
- **Authorizes the development of specialized assistance programs at Small Business Development Centers**

SBIR Legislative Update

- House Committee on Small Business is scheduled to meet on June 4th to formulate SBIR reauthorization and other potential legislative proposals based on the following general areas of interest:

  - **SBIR/STTR Reauthorization**
    - Amend the Small Business Act to extend through FY2011 the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs of the Small Business Administration (SBA). Include venture capital operating company restrictions.

SBIR Legislative Update (Continued)

- **Fast Track Authority**
  - Authorizes agencies to develop fast-track programs to eliminate funding delays by issuing Phase Two SBIR awards as soon as practicable, including simultaneously with the issuance of the Phase One award.
- **Program Focus on Applied Research**
  - Modify the purpose and policy of the SBIR and STTR programs to focus on promoting applied research and the development of projects governed by commercial business plans. Include energy-related, nanotechnology, and rare disease-related research topics as "special consideration" SBIR research topics.
- **Outcomes Database**
  - Requires: (1) SBIR and STTR small business participants to provide updated project information for purposes of updating agency databases which evaluate the outcome of Phase One and Two awards; and (2) participating agencies to develop and maintain such databases to include milestones where appropriate.

SBIR Legislative Update (Continued)

- **SBIR Outreach**
  - SBA to make two-year grants to organizations to: (1) conduct SBIR outreach efforts to increase small business participation; and (2) provide application support and entrepreneurial and business skills support to prospective participants.

- Senate Committee on Small Business and Entrepreneurship is scheduled to hold a SBIR Roundtable on June 4th.

SMALL BUSINESS LEGISLATION
111TH CONGRESS, FIRST SESSION
Continued

- The full *Text*, *Status*, and *Legislative Summary* for each Bill is available on line at:

  - www.thomas.gov

  - For questions and other assistance, contact:

Pete Steffes
Vice President, Government Policy
National Defense Industrial Association
(703) 247-9470
PSteffes@NDIA.ORG

Visit NDIA on line at WWW.NDIA.ORG

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Ten Things You Should Know - What Prime's Value in Their Integrated Supply Chains

Presented to
NDIA National Small Business Conference
by
Dr. Kenneth W. Sullivan, P.E.
June 2, 2009

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Areas of Focus

- Supply Chain Analysis
  - Multi-Tiered, Multi-Channel Supply Chains
  - Enterprise Value Stream Mapping
  - Data Mining Throughout Supply Chain

- Supply Chain Design and Optimization
  - Inventory and Network Optimization
  - Enterprise Approach to Solution
  - Development of Simulation Models

- Product Life Cycle Management
  - System Definition: Object BOM and Information BOM
  - System Design: Publish and Subscribe Network
  - Implementation

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Attributes

- Experiences in both public and private sector
  - "Best practices" implementation
  - Federal Government
    - US Army
    - US Air Force
    - Department of Transportation
    - NASA-MSFC
- Perceived as "non-competitive" partner
- Flexible and experienced workforce
  - Full-time, non-academic staff
  - Government and private sector experience prior to joining UAH
  - Interface with academic staff (subject matter experts)
- Customized training and implementation
  - Tailored for specific customer needs
  - On-site training and implementation

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Primary Customers

- AMCOM Office for Continuous Improvement
  - Supply chain analysis for Chinook, Apache and Kiowa
  - Identification of critical paths
- AMCOM Command Analysis Directorate
  - Supply chain modeling for Chinook blades and various aviation assembly platforms
  - Determination of optimum inventories to support readiness requirement
- Army Materiel Command (AMC)
- AMRDEC Supply Chain Integrated Product Team
- NASA Ares Program – Upper Stage Supply Chain Analysis

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Strategic Partners – The Company We Keep:

- MIT Forum for Supply Chain Innovation
- Lean Advancement Initiative (LAI) at MIT
- National Defense Industry Association (NDIA)
- National Council for Advanced Manufacturing (NACFAM)
- Supply Chain Council (SCOR)

"So where is this guy coming from?"

- NASA – MSFC (7 years)
  - Materials and Processing Laboratory
  - Chief Engineer/Project Office
- Private Sector (8 ½ years)
  - Precision Machine Shop (primarily aerospace)
  - High volume commercial production
- University of Alabama in Huntsville (8 ½ years)
  - Contract support to US Army (AMCOM) for Industrial Base Branch (Team Leader/Manager)
  - Lean implementation and training at government and private sector corporations
  - Team lead for UAH AMCOM supply chain analysis team
    - Multi-tired evaluation of the Army Aviation supply chain
    - Team visited over 50 suppliers

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Today's Reality

- Strategic Trends Shaping Industry and Government
  - Growing Specialization and Focus on Core Competencies;
  - Outsourcing in the Search for Lower Costs;
  - Continuing Movement Towards Globalization

- Implications
  - Manufacturers and Prime Contractors Have Become Integrators, Assemblers & Business Managers;
  - Hundreds of Companies and Organizations Now Work Together to Deliver Value to the Customer;
  - Critical Need for Integrated Management, Visibility, Coordination and Collaboration

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The Top 10 Things to Know

1. Your critical position in the big picture of delivering value to the final customer
2. Importance of communication and the role of supply chain roundtables
3. Supply chain management and metrics
4. Use of collaboration tools for forecasting and planning.
5. Lean Implementation in both manufacturing and business processes
   -- both within your organization and at the interfaces with other companies
6. Innovative strategies for increasing value added
7. Understanding requirements and challenging status quo
8. New and emerging contract structures
9. Economic, industrial and demographic trends
10. Supply Chain innovations such as incentivized work in process

1. Your critical position in the big picture of delivering value to the final customer

What is a Supply Chain?

"…every effort involved in producing and delivering a final product or service, from **the supplier's supplier to the customer's customer."**

Duclos, Vakurka, Lummus (2003)

"Supply chain management is a set of approaches utilized to efficiently integrate suppliers, manufacturers, warehouses, and stores, so that merchandise is produced and distributed at the **right quantities, to the right locations, and the right time, in order to minimize system wide cost while satisfying service level requirements."**

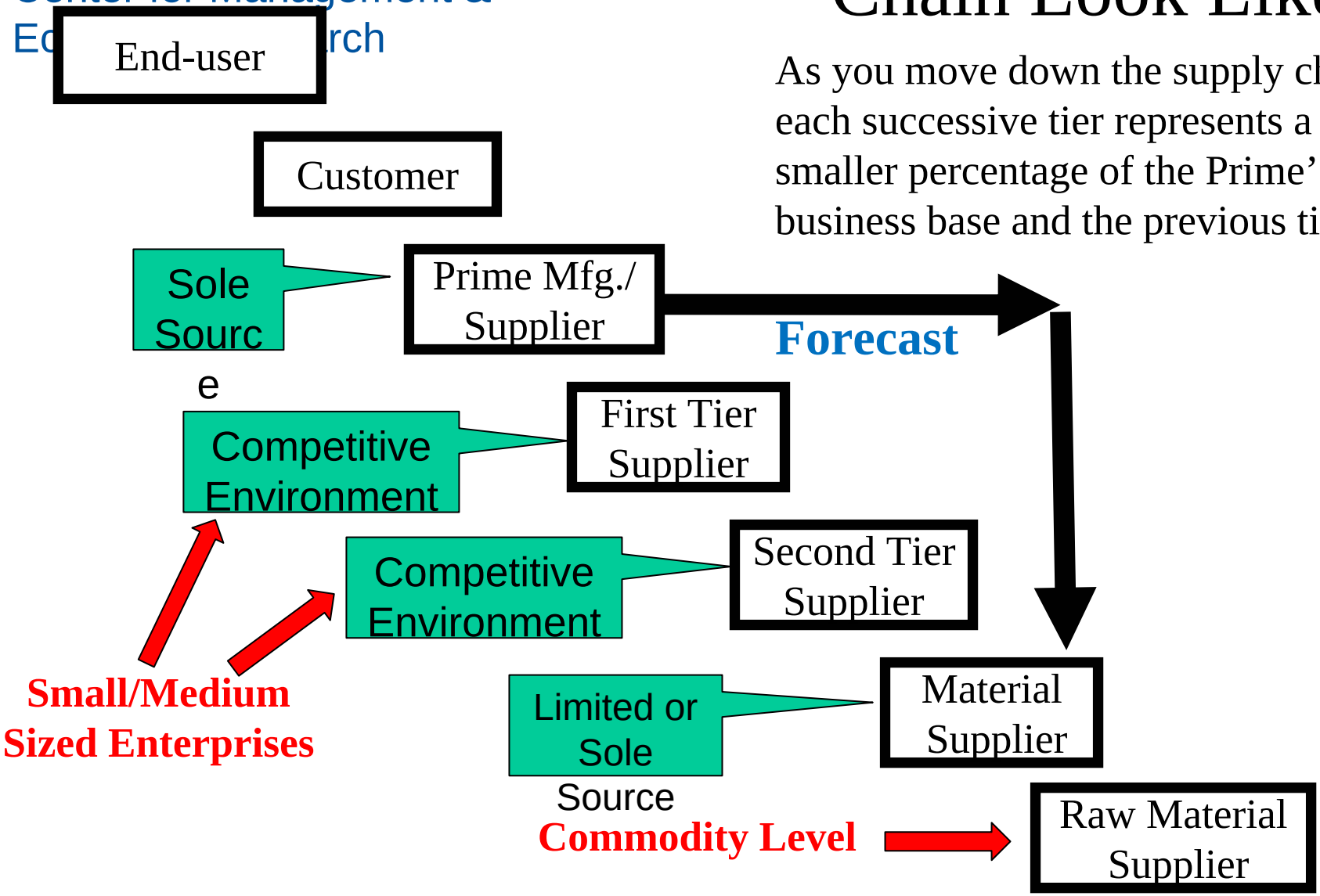
David Simchi-Levi, Philip Kaminsky and Edith Simchi-Levi
Designing and Managing the Supply Chain, 2nd Edition

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What Does a Supply Chain Look Like?

As you move down the supply chain, each successive tier represents a smaller percentage of the Prime's main business base and the previous tiers.



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The Issue at Hand

1. Why do we need to continually improve an existing supply chain?
   - Requirements change (unforeseen)
   - Dynamics in supply base

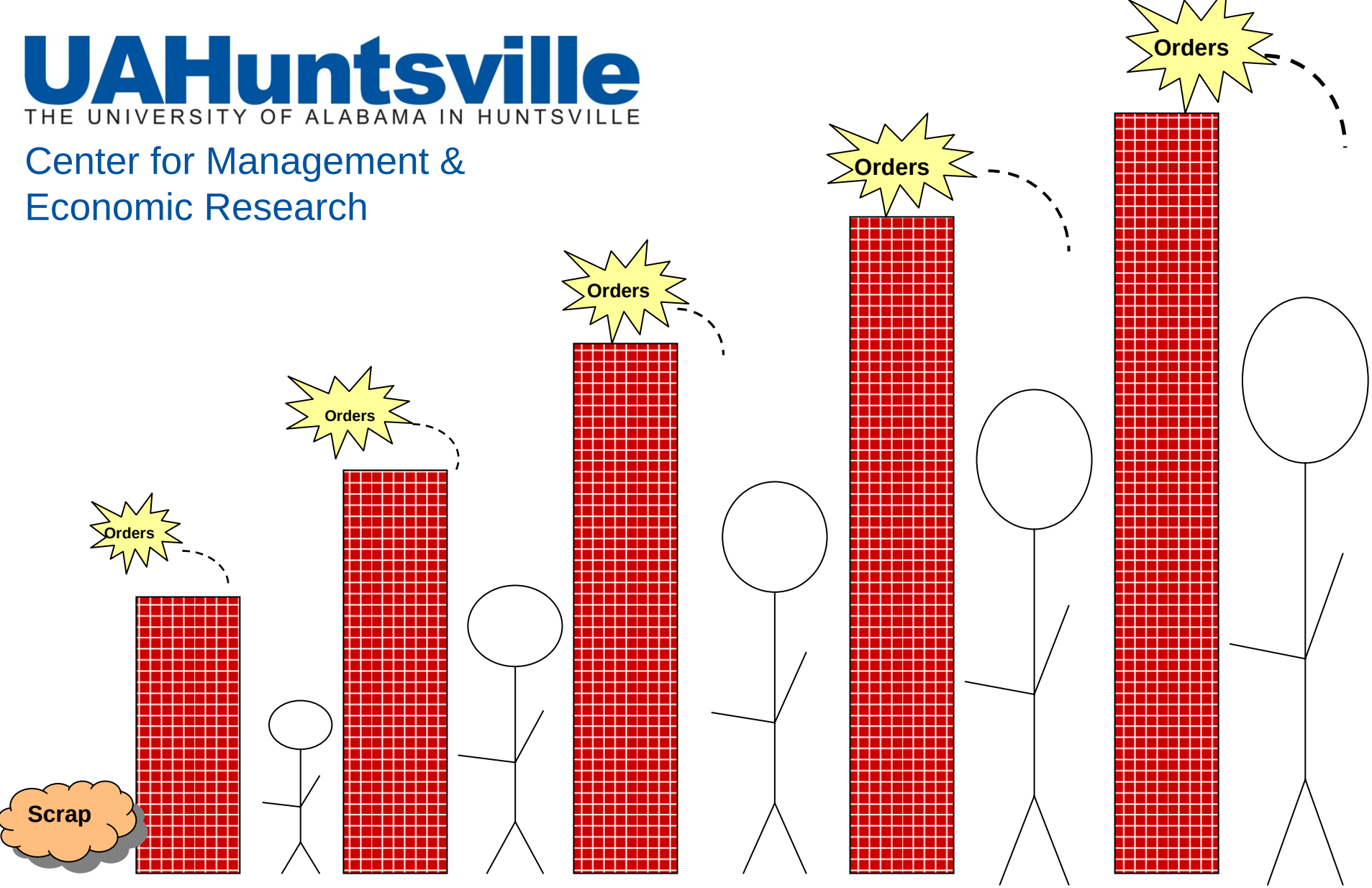
2. Why are we concerned about the supply base?
   - Approximately 70% of the parts assembled by the OEM are purchased/manufactured from suppliers*
   - Suppliers must function in a global market
     - DoD smaller percentage of business base
     - Cost of working on Government projects
   - Numerous single point failures

***Source: MIT Forum for Supply Chain Innovation**

2. Importance of communication and the role of Supply Chain Roundtables

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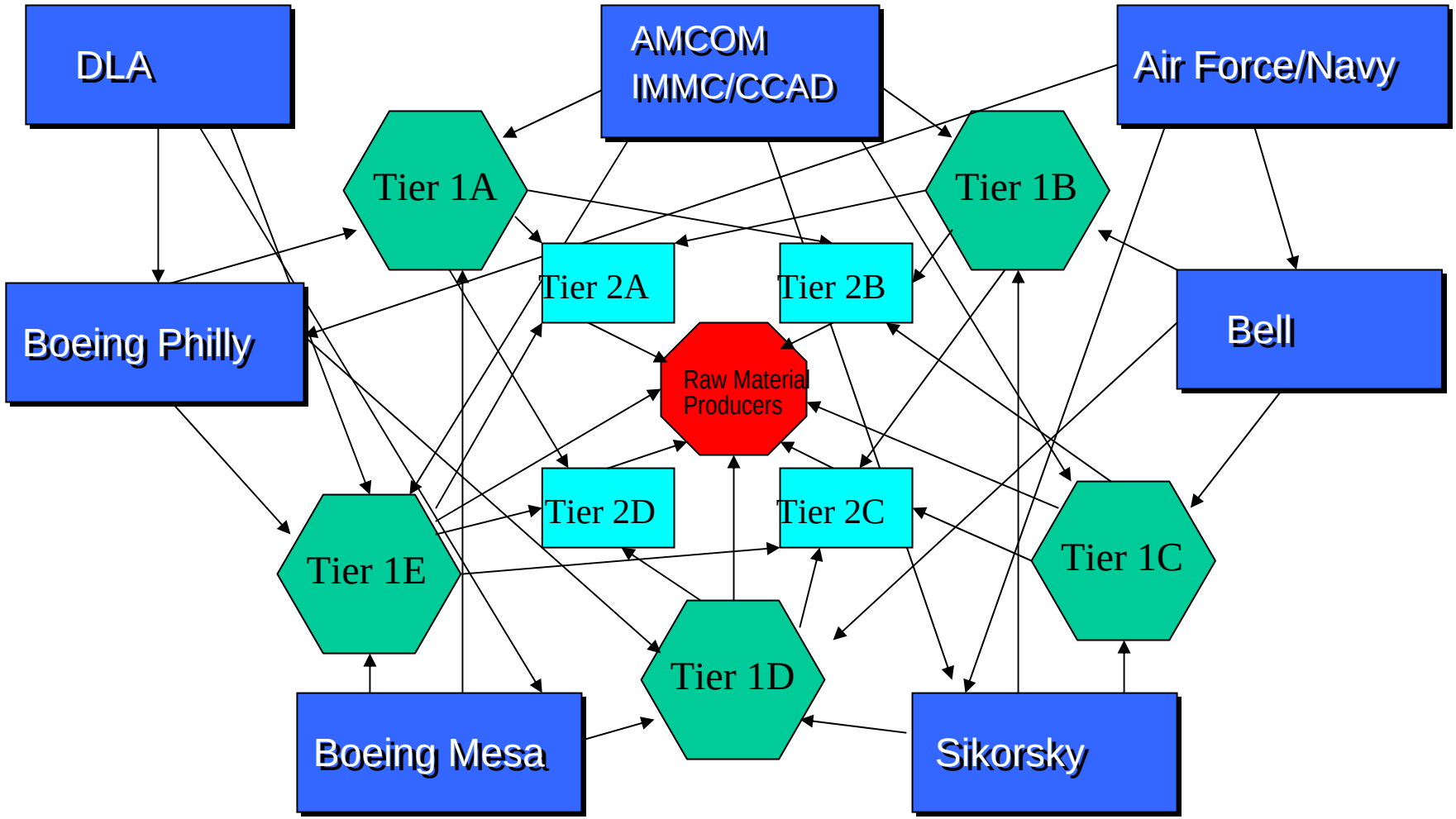
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Collaboration and Trust

- Companies in the supply chain are averse to risk and investment resulting in little or no inventories
- Lack of forecast/understand demand
- Share lessons learned
- Roadmap to/for SC implementation
- SC alerts
- Meet business expectations
- Develop a proactive culture
- Velocity of information

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Importance of Supply Chain Knowledge

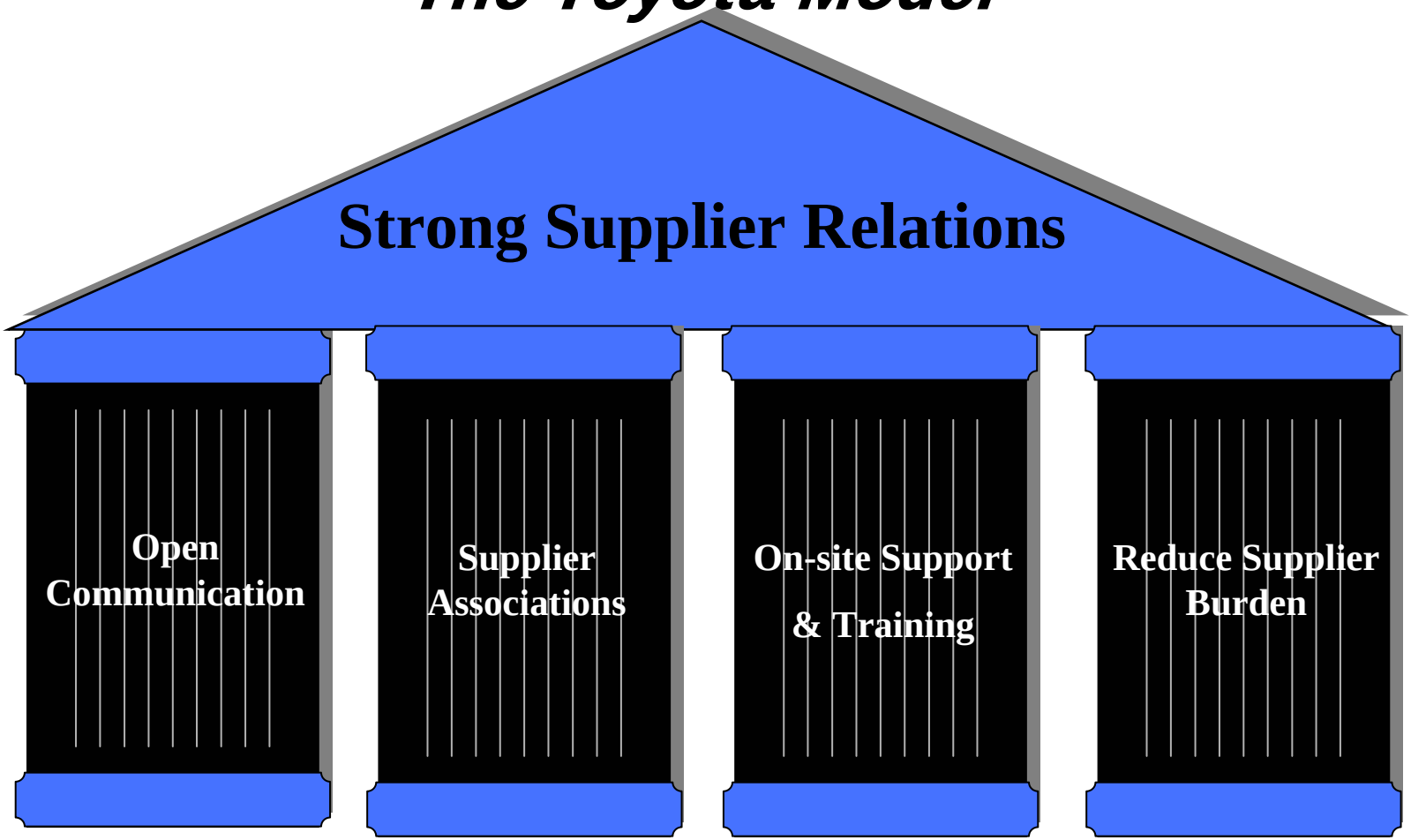


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Four Columns of Collaboration

The Toyota Model



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Supply Chain Roundtables

- Identify critical suppliers at all levels of the supply chain for selected critical assemblies
- Representatives from the customer, OEM and all levels of the supply chain presented current status of the project from their point of view
- Breakout groups met to discuss issues
- Actions developed and assigned
- Actions continually updated
- Roundtables reconvene every three to four months or until collaboration becomes part of culture
- *Suppliers can coordinate/initiate the roundtables*

Note: Often third party organizations can serve as an effective facilitator

3. Supply Chain Management and Metrics

Supply Chain Truths

A Supply Chain Must Be Structured According to Product Characteristics and Customer Demands

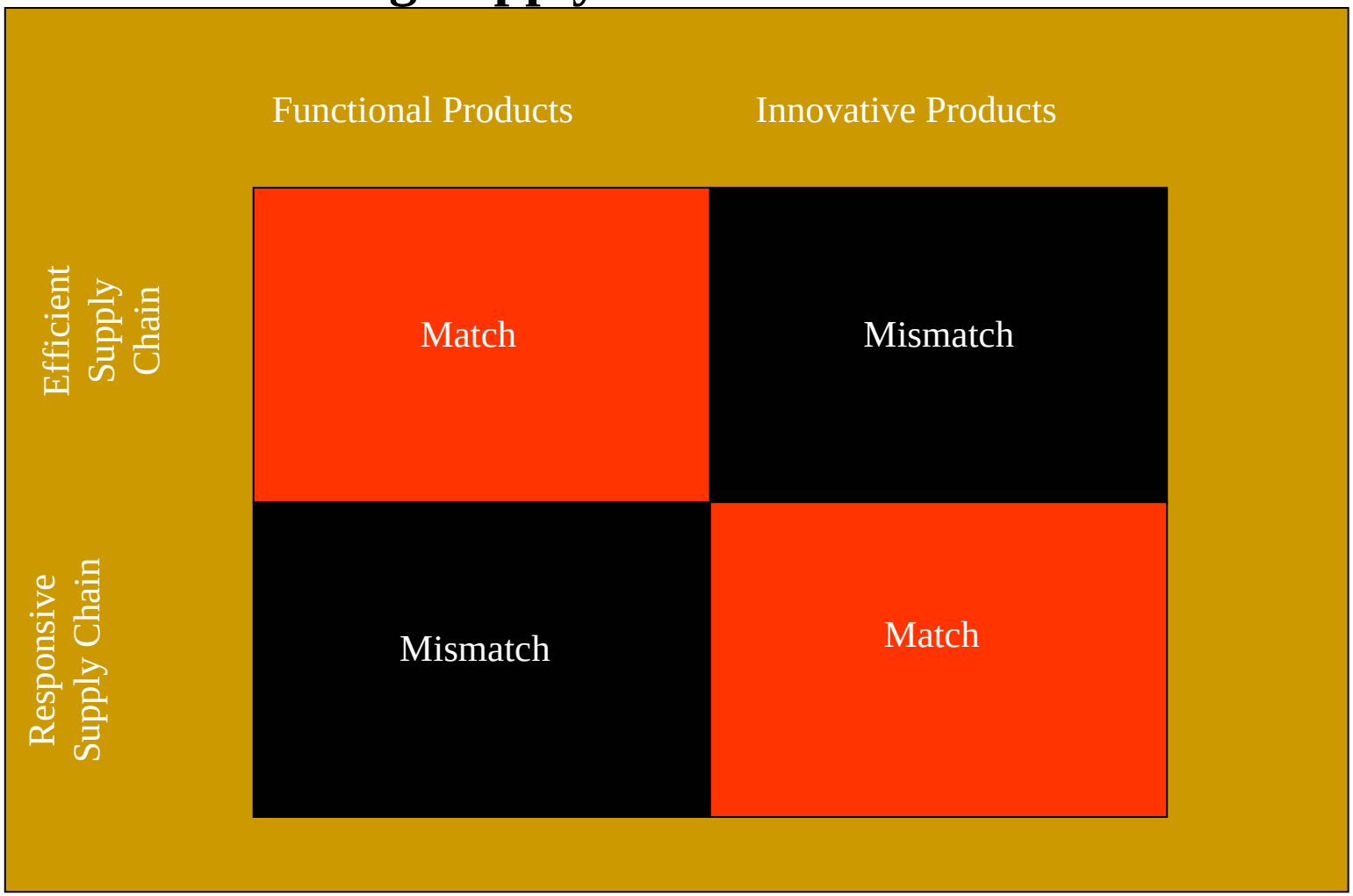
Supply Chains Must Be Planned (Designed) or Will Not Perform to Requirements

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Designing the Supply Chain for the Specific Product

- Many companies attempt to shove everything through one supply chain structure and then wonder why some problems continue;
- Must recognize that products have different characteristics and generally need to be managed in a different manner with an aligned supply chain; and
- Efficiency and Responsiveness are generally in direct conflict.

Matching Supply Chains with Products



Marshall L. Fisher, Harvard Business Review, March-April 1997

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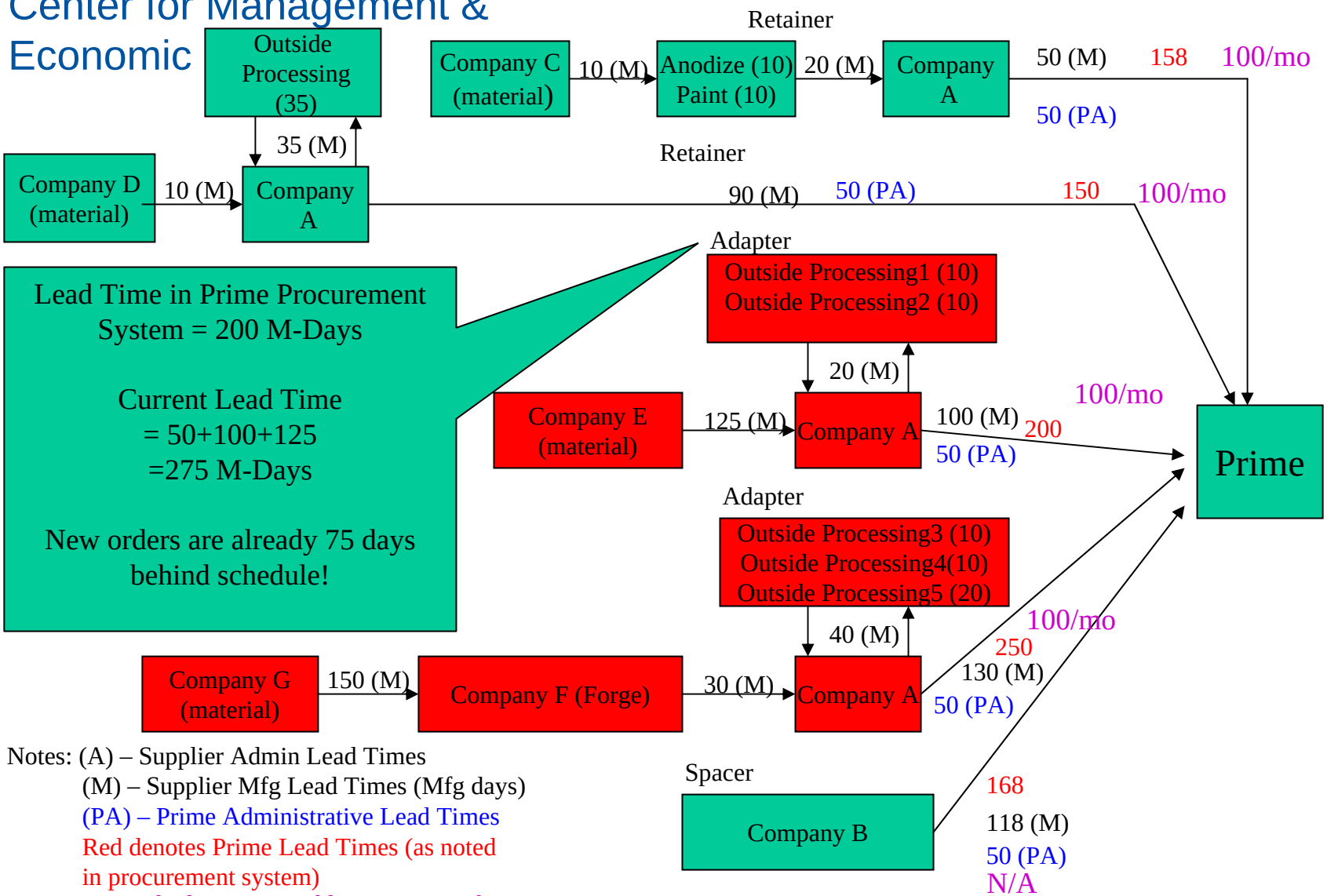
Process

- Identify Critical Parts for Analysis
- Visit Prime and Suppliers
- Map Supply Chain
- Identify Critical Path and Critical Sub-components
- Attack low-hanging fruit; identify longer term improvements-immediate results
- Look for opportunities to proliferate improved processes to other parts
- Raise overall supply chain awareness
- Removal of “stove pipe” mentality – enterprise approach

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Example Supply Chain Map

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Lead Time in Prime Procurement System = 200 M-Days

Current Lead Time
= 50+100+125
=275 M-Days

New orders are already 75 days behind schedule!

Notes: (A) – Supplier Admin Lead Times
(M) – Supplier Mfg Lead Times (Mfg days)
(PA) – Prime Administrative Lead Times
Red denotes Prime Lead Times (as noted in procurement system)
Purple denotes monthly capacity without impact to normal through put

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Performance Metrics

SCOR (Supply Chain Operations Reference) Model was designed to help:

- identify, define, and measure metrics across the supply chain

- identify weak links in the supply chain by using business best practices

- reduce costs through reduced inventories and improved order fulfillment time

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SCOR Bottom Line

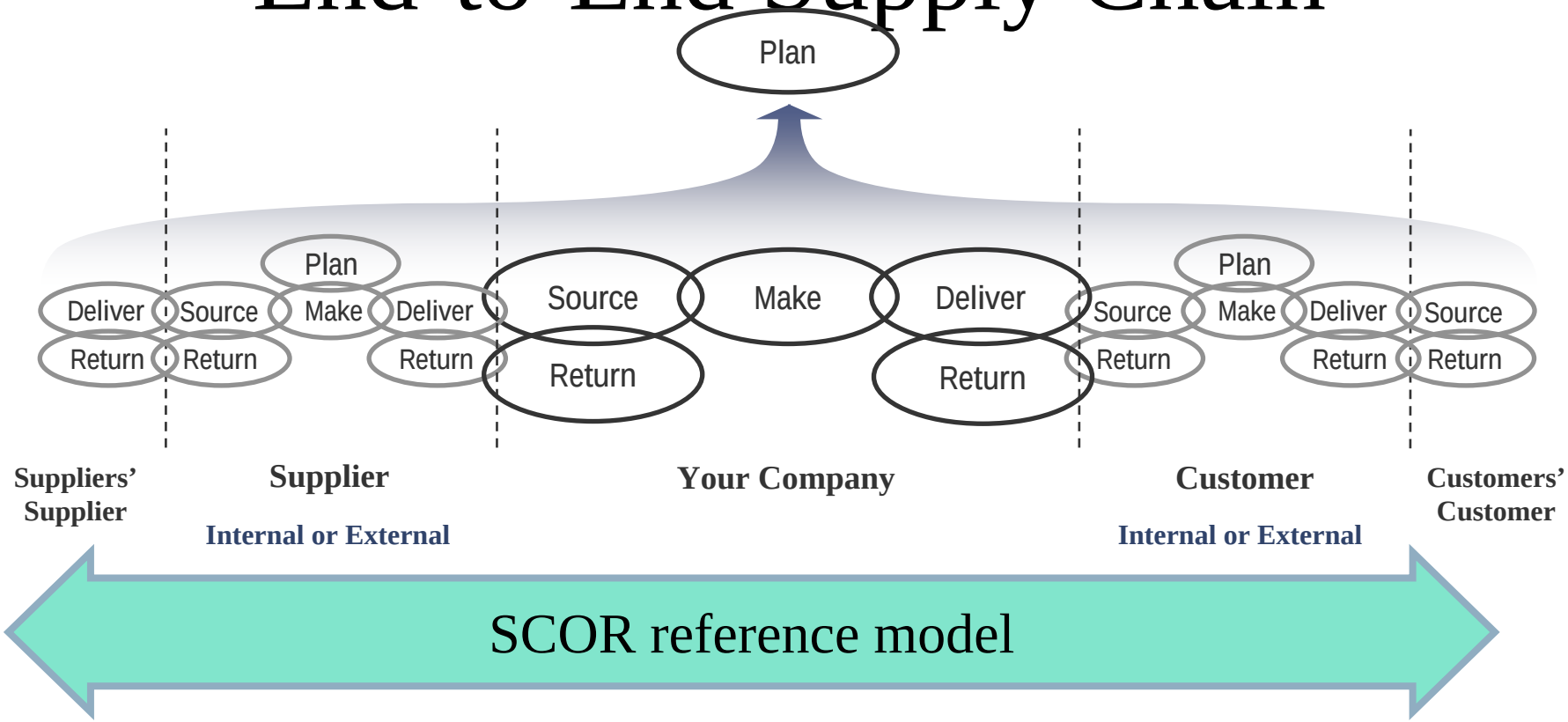
SCOR was developed around:

- **Common Terminology (e.g., Processes, Metrics)**
- **Common Definitions (e.g., Metrics – Perfect Order Fulfillment)**
- **Evolves around Common Processes in Enterprise Supply Chain:**
  - **Plan**
  - **Source**
  - **Make**
  - **Deliver**
  - **Return**

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End-to-End Supply Chain



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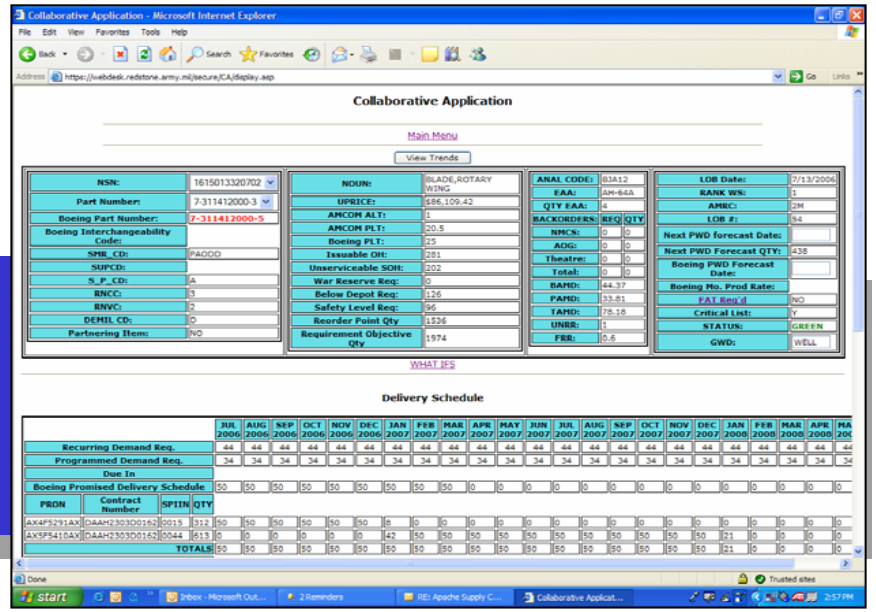
4. Use of collaboration tools for forecasting and planning

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Supply Chain Collaboration

Improving communication



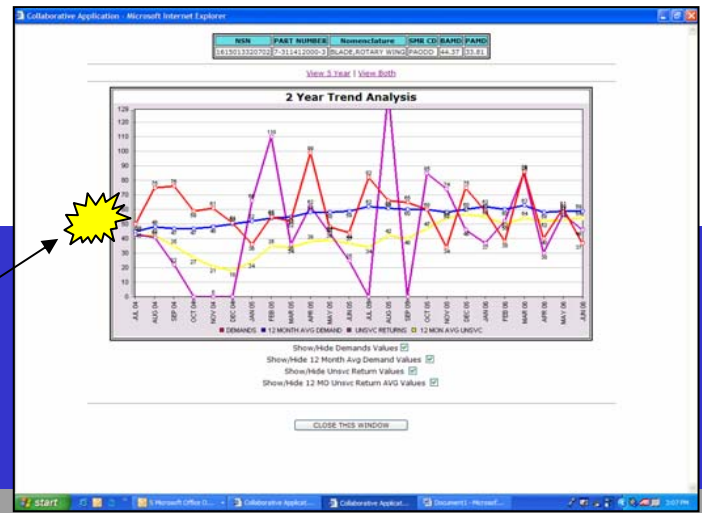
Powerful Web application that is a foundation of an Open Sharing Collaborative Environment

- Key to faster sharing of forecast, demand, Delivery data
- Performs "What-If" studies
- Creates custom reports

- Incorporates 2410 data for predictive demand analysis
- Provides analytical tools for supply management
- Aids advance posturing throughout the supply chain

Real-Time Data Sharing

Trend Data
2 yr and/or 5 yr



5. **Lean Implementation in both manufacturing and business processes**
   - **-- both within your organization and at the interfaces with other companies**

Lean . . .

A systematic approach

to identifying and eliminating waste (non-value-added activities)

through continuous improvement

by flowing the product

at the pull of the customer

in pursuit of perfection.

-- The MEP Lean Network

Lean Issues

- Lean associated with auto industry (Toyota)
- Perception it is difficult to apply in aerospace (machine shop) environment
- In reality, lean principles are applicable in all industries
- Lean principles are applicable in office environment and within supply chain
- Lean training and implementation in non-traditional production systems available
  - NIST Manufacturing Extension Partnership
  - MIT Lean Advancement Initiative
  - Customers
- Lean Tools
  - Value Stream Mapping
  - Kaizen Events

The Value Stream Mapping Objective



Document a product group's flow from raw material to finished part, and draw a visual representation using VSM symbols that represents every process and activity in the material and information flows.

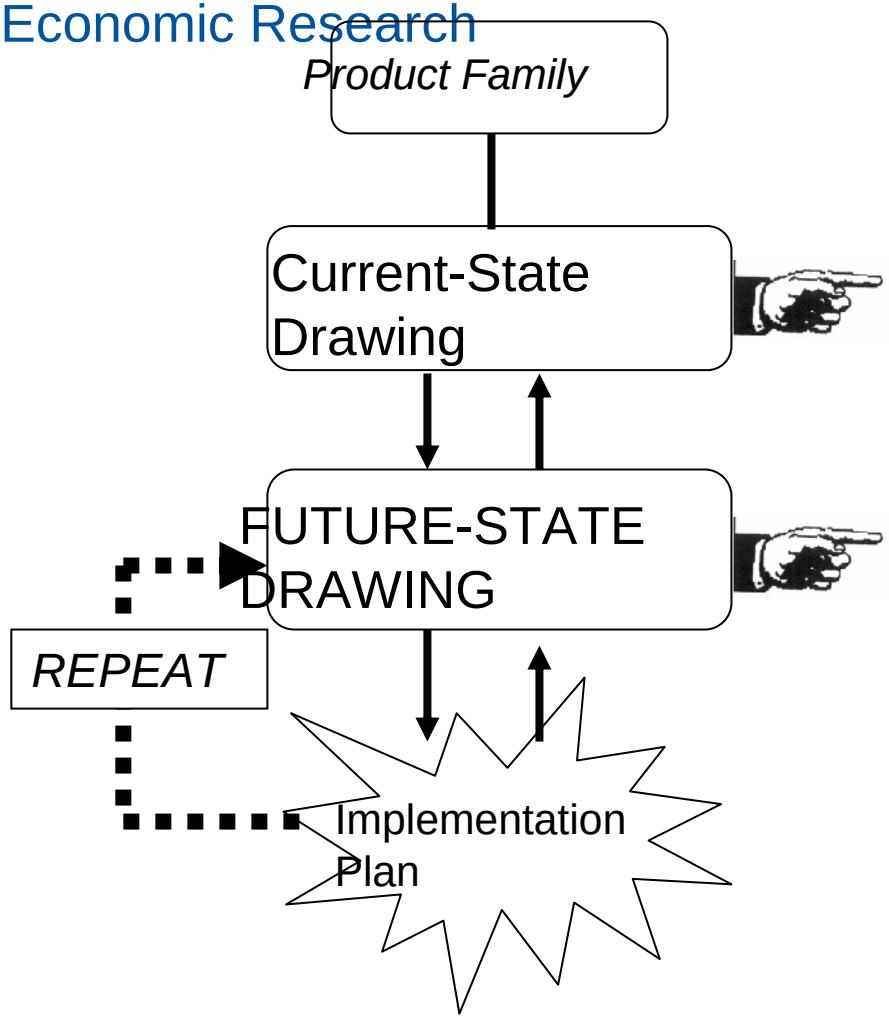




Next draw a future state of the value stream using VSM symbols to create the desired flow.

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Using the Value Stream Mapping Tool

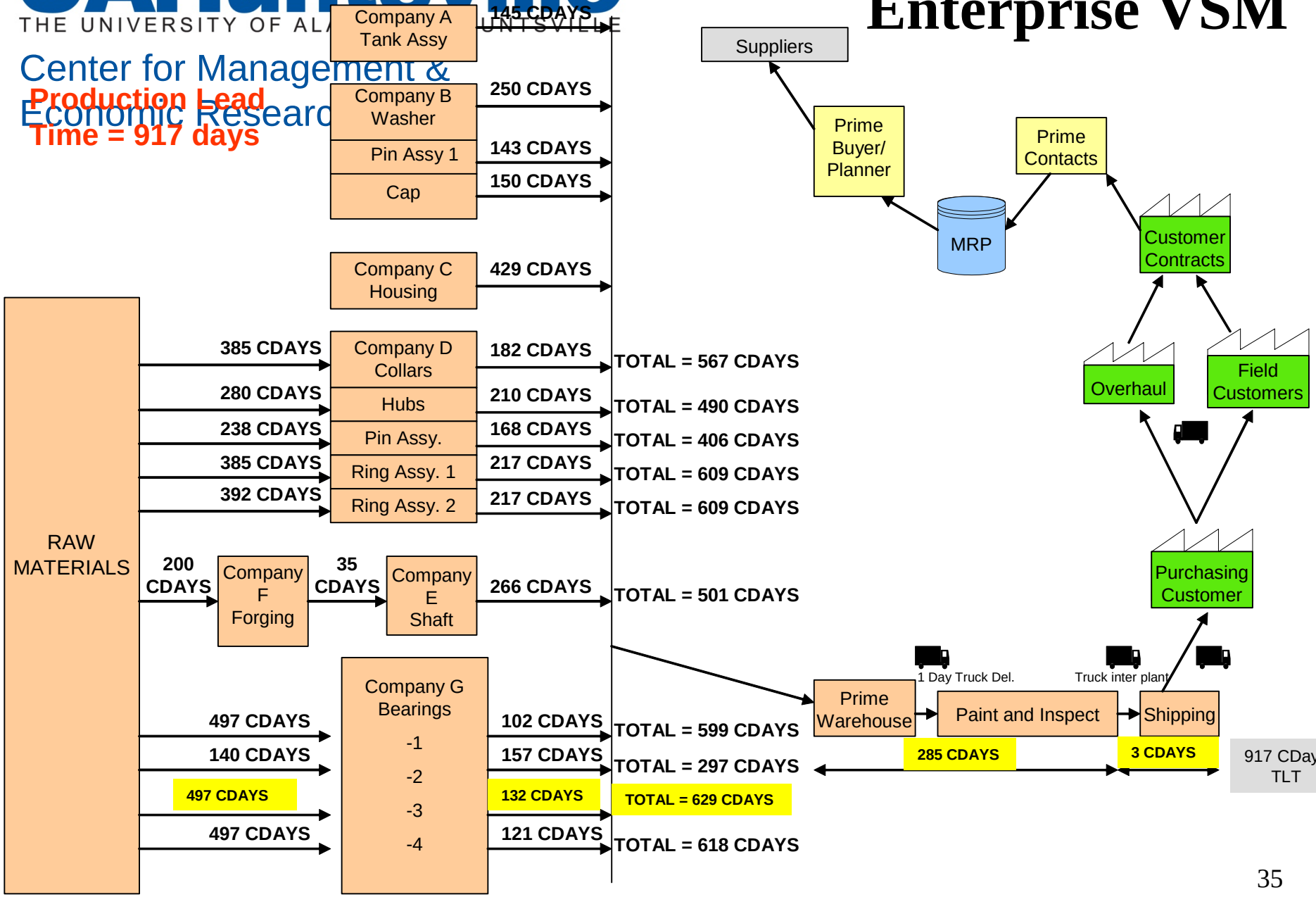


- Determining the product groupings, then for each:
- Understand how the shop floor currently operates. (Foundation for future state.)
- Design for a lean flow
- Determine how to get there!

Current State Enterprise VSM

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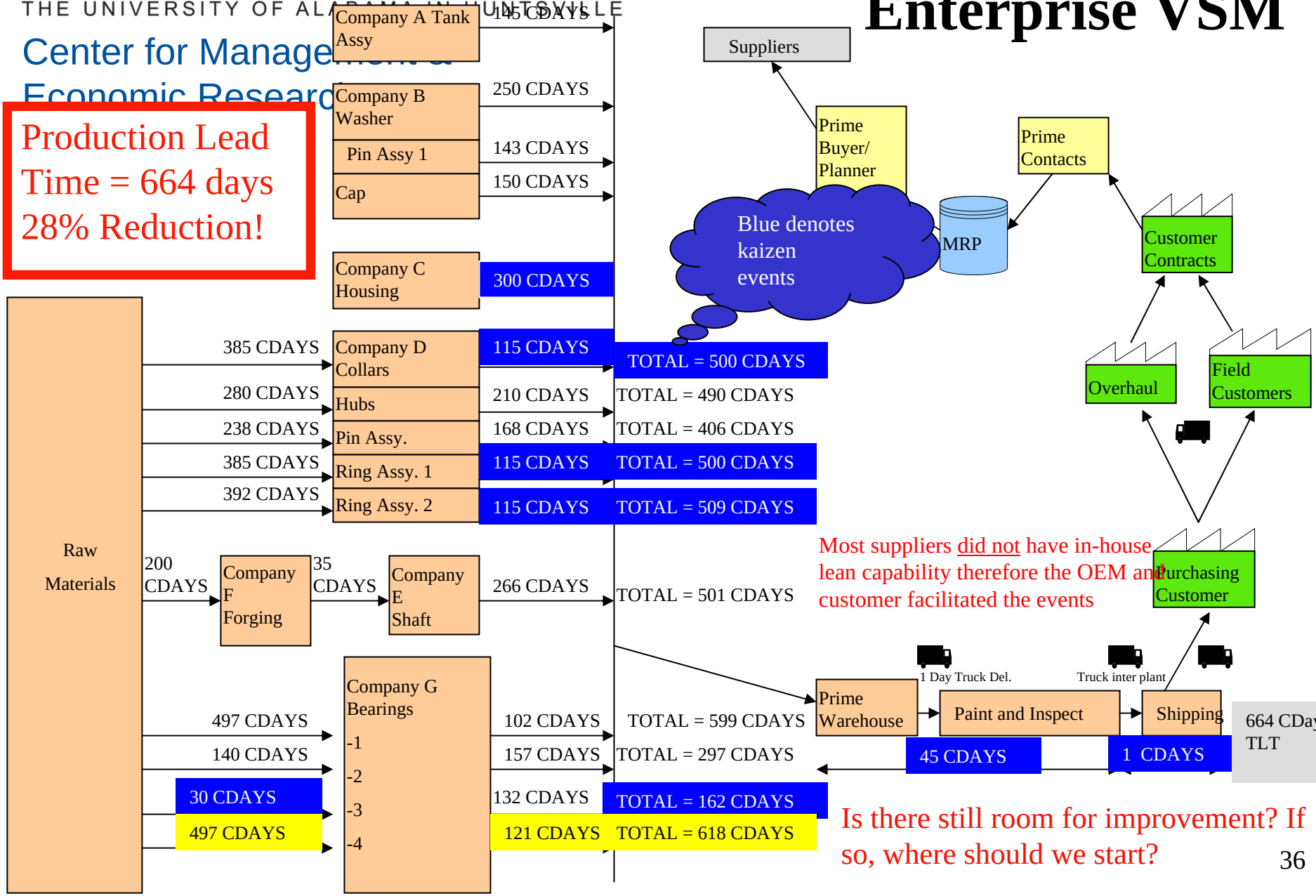
Production Lead Time = 917 days



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Future State Enterprise VSM

Production Lead Time = 664 days
28% Reduction!



Is there still room for improvement? If so, where should we start?

Kaizen Events

- Kaizen is the process of:
  - Identifying & eliminating waste
  - as quickly as possible
  - at the lowest possible cost
- Kaizen requires:
  - Continuous, gradual, persistent improvement
  - by all employees and management
- Kaizen utilizes:
  - Cross functional team
  - Focused scope
  - Aggressive goal

6. Innovative strategies for increasing value added

Adding Value

- More parts purchased = more oversight (overhead) cost required by prime contractors
- Suppliers can produce subassemblies or kits for prime
  - Cost savings to Prime: Supplier labor and overhead cost are probably lower than that of prime
  - Advantageous if supplier produces more than one part of the subassembly
  - Requires supplier to have/develop ability to manage multiple suppliers and perform subassembly QA
- Serve as prime on small projects
  - Avoids “bid busts”
  - Traditional primes serve as first tier supplier

Aircraft Assembly Suppliers

Company A
Bolt 134 Days

Company B
Shaft 176 Days

Company C
Rev Spring 155 Days

Company D
Bolt 210 Days

Company E
Bushing 080 Days

Company F
Bushing

Company G
Seal 120 Days
Seal 120 Days
Sleeve 120 Days
Seal 120 Day
Seal 189 Days

Company H
Rev Limiter 197 Days

Company I
ID Plate 120 Days
ID Plate 110 Days

Company J
Stop 210 Days
Nut Plain 239 Days
Nut 170 Days
Bracket Assembly

Company K
Shim 075 Days
Shim

Company L
Washer 167 Days

Company M
Support 119 Days

Company N
Weight

Company O
Sleeve Bushing 231 Days
Sleeve 120 Days
Washer 168 Days
Nut 155 Days
Key

Company P
Hub 300 Days
Hub-Class 320 Days
Pin-Class 290 Days
Pin 250 Days

Company Q
Pitch Housing

Company R
Cover 180 Days
Retainer 180 Days

Company RR
Cover 170 Days

Prime/LCMC

Company S
Bearing 180 Days
Bearing 170 Days
Bearing 230 Days
Bearing 250 Days
Bushing Sleeve 275 Days

Company T
Adapter 100 Days
Weight 113 Days
Liner 210 Days
Spacer 176 Days
Lower Liner 197 Days
Tank 281 Days
Bolt 260 Days

Company U
Base
Shield

Company V
Boot 260 Days

Company W
Weight 126 Days
Weight 100 Days

Company X
Collar
Cover Assembly

Company Y
S him 150 Days

Company Z
Ring 150 Days

Company AA
Shaft
Sleeve

Company BB
Washer 110 Days

Company CC
Washer 100 Days
Retainer 100 Days

Company DD
Droop Stop 250 Days
Arm 250 Days
Plate-Class 250 Days
Liner 197 Days
Block 275 Days
Stop 250 Days
Washer 280 Days
Pin Assembly 173 Days
Pin Assembly 210 Days
Plug 176 Days
Tank Assembly
Beam
Cap

Company EE
Washer 120 Days

Company FF
Tank

Company GG
Cover 080 Days

Company HH
Tank Assembly

7. Understanding requirements and challenging status quo

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What are the real requirements?

- Sources of Requirement?
  - Legislation
  - Government and/or Industry Policies and Procedures
  - Folklore
  - Interpretation of roadblocks (FAR)
  - "Not invented here" mentality?
  - "We have always done it that way"
  - Proactive versus reactive

“ The FAR is the most misquoted and misinterpreted book second only to the Bible!”

Kenneth Sullivan

Circa 2005

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Challenge the Status Quo

- Do the requirements make sense?
- Are you using the wrong requirements?
- Does Value Engineering support change? (Note: must work through primes)
- Historical failure rate data?

8. New and emerging contract structures

Long Term Contracts

- How do you want the supply chain to behave?
  - Customer and owner of supply chain must define this!
  - ***Contracts drive supply chain behavior!***
  - Are we rewarding Outcome A while hoping for Outcome B?

- Balance long term contracts with flexibility and adaptability;
- Incorporate provisions for volatile energy and commodity prices
  - Reduce risk to small businesses with long term contracts
  - Reduce risk of late deliveries due to funding
- Delivery Performance Incentives

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Performanced Based Logistics

- Buying performance – not parts
- Power by the hour
- Shifting risk to the supply chain
- Potential for higher profit margins
- All parties must understand the requirements and metrics

9. Economic, industrial and demographic trends

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Economic, industrial and demographic trends

- Shrinking Industrial Base in the US
- Some manufacturing returning to the US
  - Higher energy prices have changed the business model of off shore manufacturing
  - Rate of inflation in developing countries can quickly negate labor cost advantage
- Looming retirements
- Workforce development

10. Supply Chain Innovations such as incentivized Work in Process

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Strategic Inventory

Logic

- In Aerospace/DoD, most of the long-lead items have the least amount of value added to them
- Long lead-times require customer to invest large amounts of working capital in "pipe line"

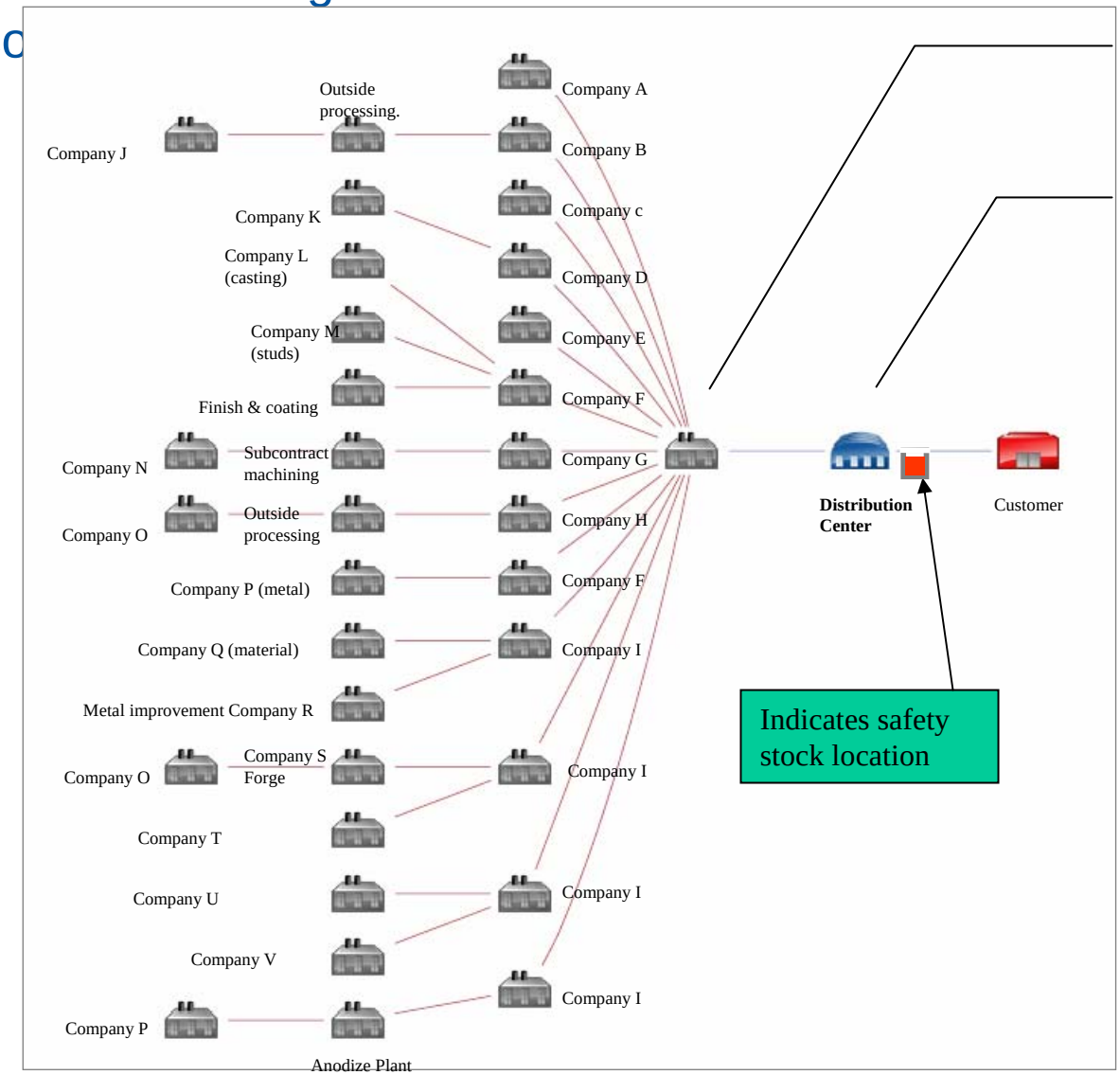
Pilot Project

- A joint AMCOM and DLA task is performing an analysis of four CH-47 parts to develop modeling methodology for strategically placing WIP
- Upon completion, the model findings will be used to develop pilot contracts to validate the strategic placement of inventory

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Modeling and Optimization
Overview of Base Case



Prime Plant:
Avg. Working capital value: $ 3,916,232
(material tied up in production)

Prime Distribution Center:
Avg. Safety stock holding cost: $ 89,774 / yr
Avg. Cycle stock holding cost: $ 7,252 / yr
Avg. Working capital value: $ 970,264

Avg. Safety Stock level: **55.1 units**
(on average, distribution center carries 3 months' of demand as safety stock)

Avg. Cycle Stock level: **4.45 units**

System-wide:
Total working capital: $ 5,315,086
(includes safety & cycle at the Distribution Center, and the materials tied in production at all plants)

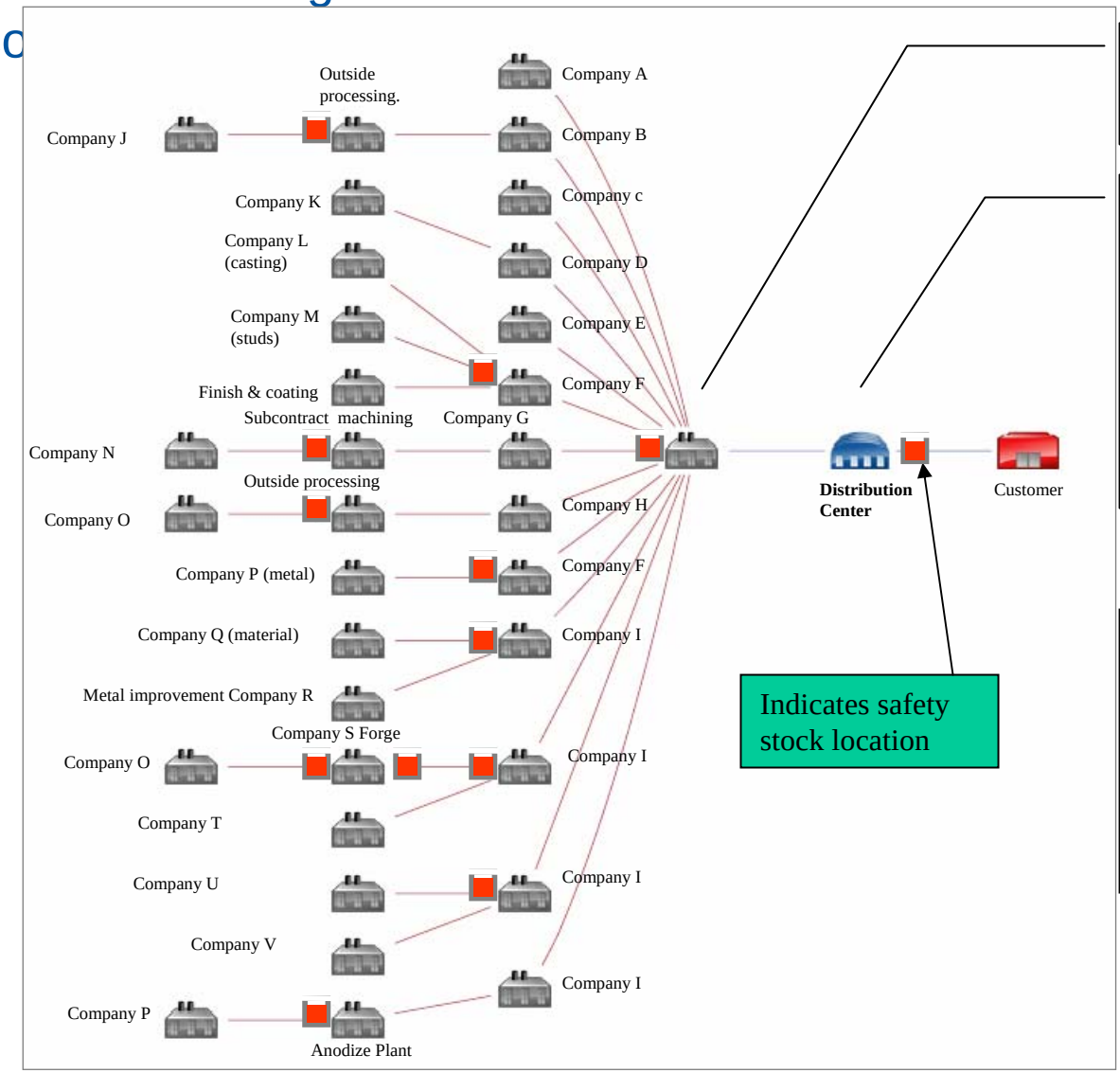
COGS: $ 3,519,504 / yr

Inventory turns: 0.66 / yr

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Using Strategic Inventory throughout the Supply Chain



Prime Plant & Vendors:
Avg. Working capital value: $ 1,503,484
(WIP + Safety Stock+ Cycle Stock)

Prime Distribution Center:
Avg. Safety stock holding cost: $ 25,880 / yr
Avg. Cycle stock holding cost: $ 7,252 / yr
Avg. Working capital value: $ 331,324

Avg. Safety Stock level: **15.88 units**
(on average, distribution center carries 3 months' of demand as safety stock)

Avg. Cycle Stock level: **4.45 units**

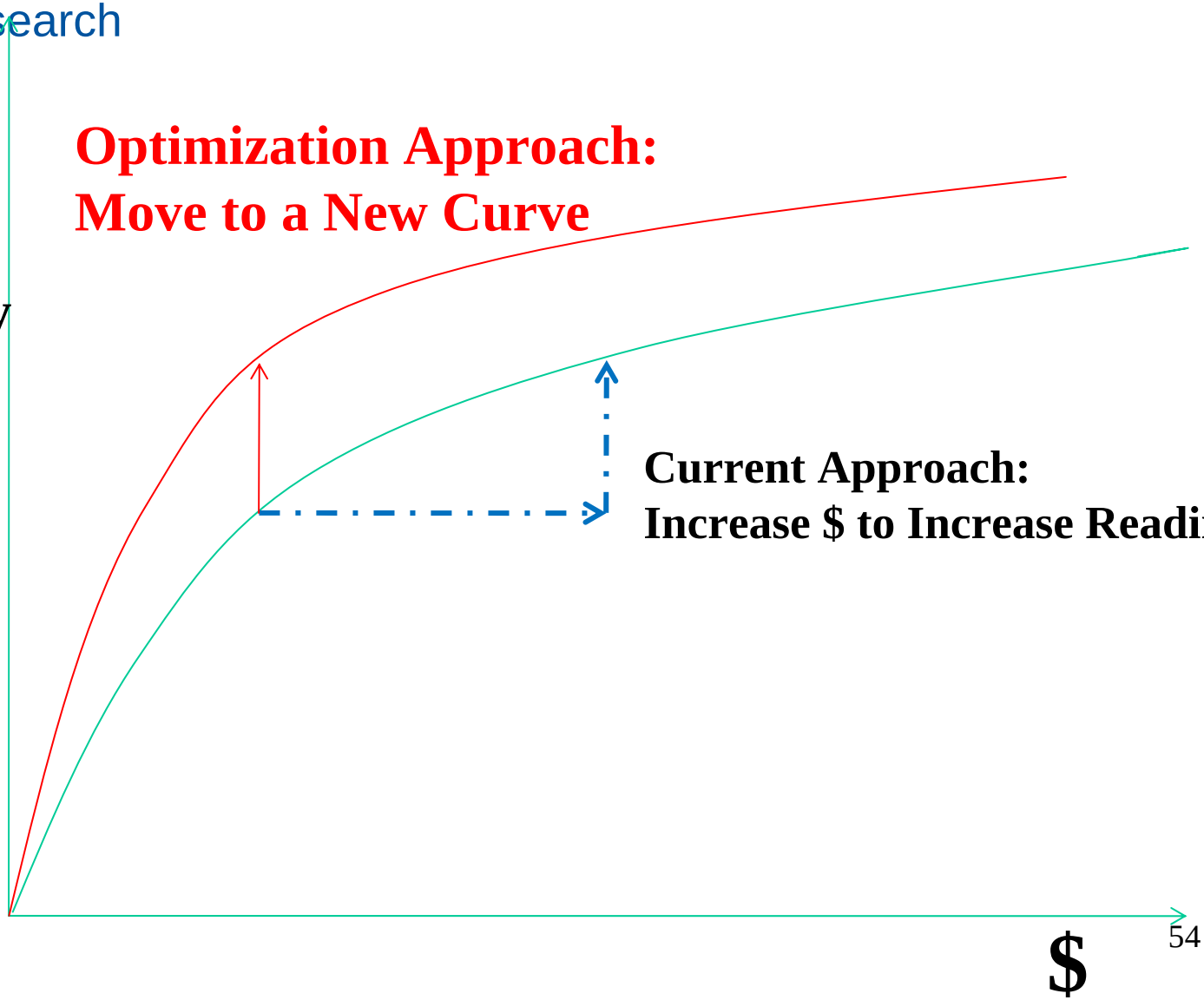
System-wide:
Total working capital: $ 1,834,808
(includes safety & cycle at the Distribution Center, and the materials tied in production at all plants)

COGS: $ 3,519,504 / yr

Inventory turns: 1.92 / yr

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Move to New Performance Curve Through Optimization



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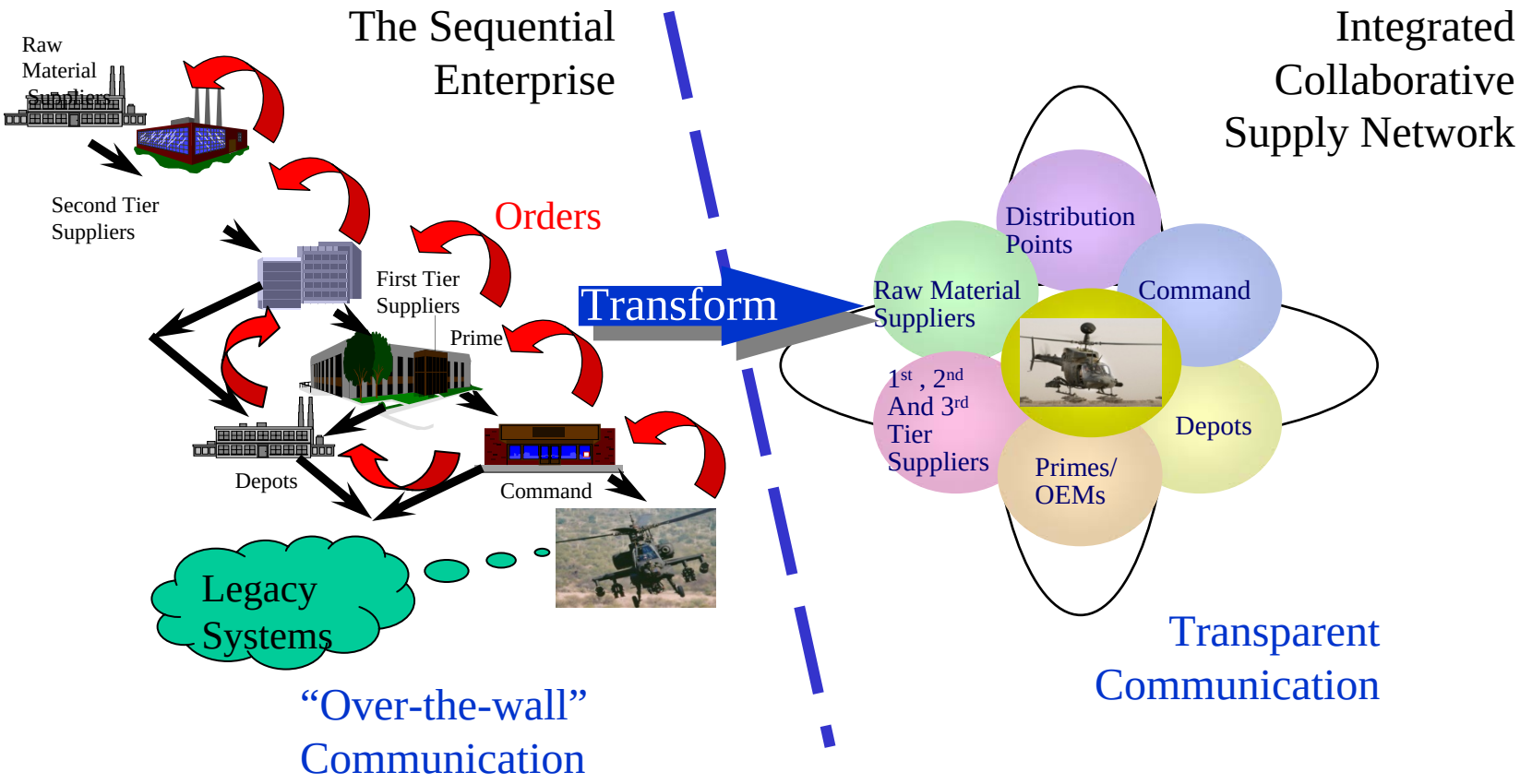
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Summary and Conclusions

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The Goal: Transform the Enterprise



Summary

- Small businesses are critical in the Aviation and Defense Supply Chain
- Be more involved!
  - Communication and collaboration
  - YCDBBSOYA
  - Challenge requirements
- Strategically expand your core competencies
  - Sub-assembly manufacture
  - Supply Chain and Program Management
  - Process transformation
- Invest in innovations
  - Processes
  - Systems
  - Technologies

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NDIA Mfg Division Survey

- Supply Chain Network Committee is performing a study of small to mid-sized suppliers that are or have been suppliers to the aerospace/defense industry
- Study is interested in identifying those factors that influence supplier involvement in this industry
- Short web-based survey is available on the NDIA web-site (www.ndia.org/Divisions/Divisions/Manufacturing)
- Participation is voluntary and all responses will be kept confidential
- Your participation is welcomed and needed.

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LEGAL ASPECTS OF TEAMING AGREEMENTS

6TH ANNUAL MULTICULTURAL BUSINESS CONFERENCE

June 2, 2009

Instructor:

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Hyatt Regency Newport
Newport, Rhode Island

INTRODUCTION: WHAT IS A TEAMING AGREEMENT?

- "An arrangement pursuant to which . . .
- A. Two or more companies form a partnership or joint venture to act as a potential prime contractor; or
- B. A potential prime contractor agrees with one or more other companies to have them act as its subcontractor under a specified government contract or acquisition program"

FAR 9.601

DETERMINING YOUR NEGOTIATION LEVERAGE

- 5 Reasons Why a Prime Would Be Interested in You

- Two Questions to Ask to Determine Which Reason Applies to You

SMALL BUSINESS'S OBJECTIVE IN NEGOTIATING THE TEAMING AGREEMENT

- Prime Contractor's Perfect World
- Subcontractor's Perfect World

BEFORE THE NEGOTIATIONS START

- The Pre-Nup
- “There ain’t no good guy; there ain’t no bad guy; it’s just you and me and we just don’t agree
- Protecting What Came Out of Your Mouth
- Advance Confidentiality Agreement

GETTING THROUGH THE FORMALITIES

- Getting it in Writing
- But Just What is it That You Have That's in Writing
- Memorandum of Understanding, Letter of Intent, or a Teaming Agreement

THE TEAMING AGREEMENT: A PROMISE OR A CONTRACT?

- A Short Lesson in Contracts
- Gratuitous Promise
- Non-Binding Expression of Interest
- Agreement to Agree
- Obligation to Negotiate in Good Faith
- Obligation to Award a Subcontract

GETTING TO THE HEART OF THE MATTER

- Essential Terms of the Teaming Agreement
- Notice of Intent
- Protection of Intellectual Property
- Termination Clauses

TERMINATION CLAUSES

- Termination for Convenience
- Termination for Convenience in Disguise

DISCLOSURE REQUIREMENTS

- Funny how things change all of the sudden – once the contract is won
- A Series of Unfortunate Events
- Protecting Yourself

PROSELYTIZING OF EMPLOYEES

- “Although the teaming arrangement with your company didn’t work out, we think you’d make a fine management employee with our company.”

DISPUTES AND DAMAGES

- Disputes: “I never thought it would come to this.” Litigation vs. Arbitration

- Damages: What to Ask for

WHEN THE SMALL BUSINESS IS THE PRIME

- Issue to Avoid: An SBA Determination of Being "Other Than Small" by virtue of:
  - Affiliation
  - Ostensible Subcontractor Rule

AFFILIATION

- When one firm controls or has the power to control another
- SBA considers factors such as ownership, management, previous relationships with or ties to another concern
- “Totality of Circumstances” Test
- Consequences of SBA Finding of Affiliation

OSTENSIBLE SUBCONTRACTOR RULE

- Subcontractor performs primary and vital requirements of a contract
- Small Prime is unusually reliant on Subcontractor
- Subcontractor was Prime but is no longer eligible because it has outgrown size

OTHER EXCEPTIONS TO AFFILIATION AND OSTENSIBLE SUBCONTRACTOR RULE

- SBA-Approved Mentor Protégé Relationships
- SBA-Approved 8(a) Joint Ventures
- Unapproved SBA 8(a) Mentor Protégé Joint Ventures on non-8(a) procurements

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