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NEXT ISSUE: JULY 2008

Message from the Director, OSBP

Finally, we welcome Stanley McCall, from PbSi, our support contractor. Stanley retired from NASA Marshall Space Flight Center as the Small Business/Industry Assistant Officer and will be managing PbSi’s support efforts as it relates to assisting us with running our small business program. Additional background information regarding each of these individuals is provided later on in this newsletter.

If you stop by our office, please welcome these folks as the newest members of our MDA Office of Small Business Programs team.

By now most of you have read, or at least glanced at, the MiDAESS draft request for proposals that was issued the end of January and, hopefully, you were able to attend one of the Industry Days we held in conjunction with that release. For the uninitiated, the Missile Defense Agency Engineering and Support Services or MiDAESS Program will be responsible for acquiring all the future advisory, support services and infrastructure support services necessary to allow MDA to develop, test and field the Ballistic Missile Defense System (BMDS).

First off, I’d like to introduce three new members of our MDA Office of Small Business Programs team. Our new Outreach Program Manager is Lorena Henderson. Lorena comes to us from the Defense Contract Management Agency and she will be responsible for developing and executing our Outreach Program. Our new Subcontract Oversight Manager is Donna Cancel. Donna was the Contracts Director for our THAAD program before coming to us and she will be responsible for overseeing how our large business prime contractors are doing with regard to their subcontract plans.

Lee Rosenberg
Message from the Director, OSBP cont…

It is where the vast majority of prime contracting opportunities for small businesses will reside. It will also provide a great opportunity for teaming and subcontracting with other businesses, both large and small, in order to provide the various support services MDA needs. If you are not familiar with the program, I urge you to check out the FedBizOpps and download everything regarding the MiDAESS program (http://www.fbo.gov/spg/ODA/MDA/MDA-DACS/HQ0006%2D07%2D0%2D0012/listing.html).

NAICS codes…What are they? Where do they come from? Why are they important to Small Businesses?

“The North American Industry Classification System (NAICS, pronounced Nakes) was developed as the standard for use by Federal statistical agencies in classifying business establishments for the collection, analysis, and publication of statistical data related to the business economy of the U.S. NAICS was developed under the auspices of the Office of Management and Budget (OMB), and adopted in 1997 to replace the old Standard Industrial Classification (SIC) system. It was also developed in cooperation with the statistical agencies of Canada and Mexico to establish a 3-country standard that allows for a high level of comparability in business statistics among the three countries. NAICS is the first economic classification system to be constructed based on a single economic concept."

In case you’re wondering where this comes from, I lifted it from a really good website called “Ask Dr. NAICS” (http://www.census.gov/epcd/www/drnaics.htm#q1). Basically, NAICS are used by the Government to classify the entire industrial base and service industry base across North America into categories and then assign discrete codes that can then be used for various Governmental purposes. So, why are they important? For our purposes, they are important for two reasons; one, the Federal Acquisition Regulations require that the Contracting Officer, on all acquisitions above the micropurchase threshold, assign a NAICS code to the acquisition; and, two, a size standard is assigned by the Small Business Administration (SBA) to every NAICS code. For any particular NAICS code, this size standard defines what is a large business and what is a small business. Now here’s the rub…Contracting Officers, when assigning NAICS codes to an acquisition, use the NAICS code whose definition fits the product needed or work to be performed. Where there are multiple products sought or various types of work to be performed on a single acquisition, the Contracting Officer will pick the NAICS code whose definition covers the majority of the work. You notice I didn’t mention size standard anywhere in this process.

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Calendar of Events

April 15-17, 2008
9th Annual Science and Engineering Technology Conference/DoD Tech Exposition (NDIA)
North Charleston, SC

April 22-23, 2008
GSA’s International Products and Services Expo
Anaheim, CA

April 24, 2008
18th Annual OSDBU Procurement Conference
Upper Marlboro, MD

April 29-May 1, 2008
USACE 7th Annual Veterans and Small Business Training and Outreach Conference
Sparks, NV

May 12-15, 2008
DoD Procurement Conference
Orlando, FL

May 19-21, 2008
5th Annual Nat’l Small Business Conference (NDIA)
San Diego, CA

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Message from Director continued on page 3…
Message from the Director, OSBP cont…

For the purposes of determining which NAICS applies to an acquisition, the size standard doesn’t matter! The definition of the NAICS code is what matters! This is based on 13 CFR 121.402(b) which states,

“(b) The procuring agency contracting officer, or authorized representative, designates the proper NAICS code and size standard in a solicitation, selecting the NAICS code which best describes the principal purpose of the product or service being acquired. Primary consideration is given to the industry descriptions in the NAICS United States Manual, the product or service description in the solicitation and any attachments to it, the relative value and importance of the components of the procurement making up the end item being procured, and the function of the goods or services being purchased.” (emphasis added)

Nowhere do you find any mention of the size standard in the methodology prescribed for determining what NAICS applies to any procurement. Size standards are a by-product of the NAICS code selection process. That is, a NAICS code is selected for a particular purpose associated with its definition and the item or service to be procured. Once that selection is made, the assigned size standard then defines what is a large or small business for that procurement. Contracting Officers do not select NAICS based on their associated size standard (at least they’re not supposed to). This is often a misunderstood aspect of the procurement process and can be confusing to small businesses and Government program managers alike.

So, if different size standards are associated with different NAICS is a small business always a small business? The answer is, of course, it depends. In some cases, a business can be small on one procurement, by being smaller than the applicable size standard, and large on a different procurement because they are larger than the applicable size standard. Size standards are measured in one of two ways…number of employees or average annual revenue for the preceding three years. There is no particular rhyme or reason why one NAICS is measured with one standard and another NAICS a different standard. This is why it is so essential to identify the NAICS codes which apply to your business and their associated size standards. You will be called upon to certify your status as a small business when you submit your proposal and there are penalties for false certifications. Bottom line…know your NAICS and applicable size standards!

NAICS codes and their definitions can be found at:

Size standards can be found at:
SAVE THE DATE!
Missile Defense Agency
9th Annual Small Business Day Conference

The Missile Defense Agency (MDA) Office of Small Business Programs (OSBP) will host its 9th Annual MDA Small Business Day Conference, “MDA: Teaming for Global Missile Defense”, on July 21-22, 2008 at the Von Braun Center’s North Hall in Huntsville, Alabama. To kick off this event, there will be a networking reception and program held in the North Hall the evening before the conference (July 21st) from 6:00 p.m. to 9:00 p.m. The cost of this year’s conference will be $75.00 if registered before June 21, 2008 and $100.00 thereafter. Online registration will be available beginning March 28, 2008 at http://www.mdasmallbusiness.com/conference/. Additionally, onsite registration will be available during the evening reception and the day of the conference.

MDA’s mission is to develop and progressively field a joint, integrated, and multilayered Ballistic Missile Defense System (BMDS) to defend the United States, our deployed forces and our allies and friends against ballistic missiles of all ranges by engaging them in all phases of flight. The MDA Annual Small Business Day Conference is designed to assist contractors to expand their opportunities to participate in the development and fielding of the Ballistic Missile Defense System. In keeping with this concept, the emphasis for this year’s conference will be the Missile Defense Agency Engineering and Support Services program (MiDAESS).

The morning session will be designed to provide you insight into MDA’s mission and procurement opportunities. Lunch will then be served in the North Hall. Afterwards, there will be more opportunities for networking as well as breakout sessions where businesses can attend and listen to MDA managers and MDA prime contractors who will provide presentations concerning MiDAESS and potential contracting and subcontracting opportunities. All sessions will give attendee’s the opportunity to ask questions.

Representatives are encouraged to share business cards and any literature in an effort to take full advantage of this event. In addition, this event is also designed to help you have a better understanding of the requirements for conducting business with the Missile Defense Agency and its major Prime Contractors.

The hotels closest to the Von Braun Center are the Embassy Suites and the Holiday Inn. Information regarding these hotels is available on the conference website. Please visit http://www.mdasmallbusiness.com/conference/ for the agenda and updated conference information. We look forward to your participation in the 9th Annual MDA Small Business Day Conference.

Should you have any questions, please contact Mr. Robert Sever, MDA OSBP Deputy Director, at (256) 955-4409 or via email at robert.sever@mda.mil or Lorena Henderson, MDA OSBP Outreach Program Manager at (256) 955-2885 or via email at lorena.henderson@mda.mil.
National HBCU Week
The White House Initiative on Historically Black Colleges and Universities (HBCUs) has announced the dates for the 2008 National Historically Black Colleges and Universities Week. President George Bush will issue a proclamation recognizing September 7-13, 2008 as National Historically Black Colleges week. The annual conference will be held on September 8-10, 2008 in Washington, D.C. at the Hyatt Regency Washington on Capitol Hill.

Additional HBCU News
For more information regarding the HBCU/MI Program, please visit http://www.sellingtoarmy.com.

Laser Module Installation Completed Aboard Airborne Laser Aircraft

MDA News Release: 22 February 2008
08-NEWS-0004

Lt. General Henry A. “Trey” Obering, Missile Defense Agency Director, announced today that all six chemical oxygen iodine laser (COIL) modules have been installed aboard the Airborne Laser (ABL) aircraft. The ABL is being developed as a potential element of the nation’s ballistic missile defense system, and is the first to use directed energy to destroy ballistic missiles in their “boost” phase of flight.

The six COIL modules form the heart of the ABL’s megawatt-class chemical laser. Each module is roughly the size of a Mini Cooper automobile, and altogether the size of a large sport utility vehicle. The COIL sits in the rear of the highly modified 747-400F ABL aircraft. The modules house the chemical reactions required to generate the energy necessary to destroy a ballistic missile in flight. The COIL was successfully tested on the ground in 2005, demonstrating operationally significant power levels and lase durations. Since then, each module has been disassembled and refurbished in preparation for fully integrated testing this summer.

Although significant work remains before ground tests can begin, this phase of the COIL installation process represents a major step toward the ABL’s planned lethal demonstration against a boosting missile in 2009.
PTACs, SBDCs and SBLOs...Knowing Where to Get Help...

Looking for assistance with preparing for and possibly winning government contracts? Well, read ahead for a few nuggets of information which may put your company on the path to success with understanding government procurement activities!

**PTACs:** In 1985, Procurement Technical Assistance Centers (PTACs) were established under the Procurement Technical Assistance Cooperative Agreement Program (PTACAP) via Title 10 (Armed Services), Subtitle A, Part IV, Chapter 142 of the United States Code. The main objective of PTACs is to provide businesses all across the nation with an understanding of the requirements and guidelines of government contracting as well as the marketing know-how required to obtain and successfully execute federal, state and local government contracts. The creation of PTACs also sought to maximize support for the warfighter by improving access to capable suppliers, while supporting government agency efforts to meet mandated small business goals for contracting dollars. It was also DoD’s intention for PTACs to serve as economic simulators to improve local economies by helping US businesses successfully compete for government contracts, thereby creating and retaining jobs and bringing other economic benefits to states and local communities.

Overseen by the Defense Logistics Agency (DLA), there are 93 PTACs nationwide that offer a wide variety of distinctive services, many of which are free of charge. PTACs often work closely with Small Business Development Centers (SBDCs), universities, and other state and federal agencies, resulting in strong coalitions of technical knowledge and resources. If your company could benefit from assistance with bidder registrations and certifications, proposal writing, one-on-one business counseling, understanding technical specifications, and training regarding a variety of procurement related topics, then the local PTAC is an invaluable resource for your firm!

To learn more about all of the useful services provided by PTACs nationwide, please visit [http://www.aptac-us.org](http://www.aptac-us.org). If you wish to locate the PTAC nearest you, please visit [www.dla.mil/db/procurem.htm](http://www.dla.mil/db/procurem.htm) and select the state of your choice.

**SBDCs:** Since well before the 1970’s, the Small Business Administration’s (SBA) Small Business Development Centers, have operated in conjunction with the private sector, the educational community and federal, state and local governments to enhance economic development by providing small businesses with management and technical assistance. SBDCs offer a comprehensive selection of services at no cost to small businesses and are staffed by volunteer consultants from all sectors of industry including members of various professional and trade associations, law firms, financial institutions, academia, chambers of commerce, and organizations such as SCORE, the Service Corp of Retired Executives.

PTACs, SBDCs and SBLOs continued on page 7…
**PTACs, SBDCs and SBLOs cont...**

If specialized assistance is needed, SBDCs also provide access to a network of paid engineers and testing laboratory consultants who contribute knowledge and expertise in industrial, mechanical and scientific fields.

SBDCs supply small businesses with the latest information, training, and technical assistance in all facets of small business management such as marketing, obtaining sources of capital, production, organization, engineering/technical feasibility studies, and government contracting. SBDCs also make concerted efforts to reach minority members of socially and economically disadvantaged groups including veterans, women and the disabled who have small businesses or are thinking of starting their own business. Most centers also provide assistance to small businesses endeavoring to apply for Small Business Innovation and Research (SBIR) grants from federal agencies.

If you or your firm has an interest in locating the SBDC nearest you, please visit [http://www.sba.gov/aboutsba/sbaprogams/sbdc/sbdclocator/index.html](http://www.sba.gov/aboutsba/sbaprogams/sbdc/sbdclocator/index.html) for a complete listing of SBDCs in each region.

**SBLOs:** Small Business Liaison Officers (SBLOs) carry the responsibility within large businesses of assisting small businesses in doing business with their firm. SBLOs are commonly charged with developing source lists, which are used as guides to identify potential suppliers. In order to develop these source lists, SBLOs frequently utilize the Central Contractor Registration (CCR), input from various PTACs and SBDCs, information from the SBA, and contacts with a myriad of other industry sources targeted toward identifying suppliers who have the capability to effectively and efficiently produce the goods and services they require.

SBLOs also ensure the company’s supplier base is being continuously updated and that constant efforts are being made to locate, utilize and cultivate business relationships with Small Businesses (SBs), Small Disadvantaged Businesses (SDBs), Veteran Owned Small Businesses (VOSBs), Service-Disabled Veteran Owned Small Businesses (SDVOSBs), Woman-Owned Small Businesses (WOSBs), HUBZones, and Historically Black Colleges and Universities/Minority Institutions (HBCU/MI).

Inclusion on Prime Contractor’s supplier lists is paramount for small businesses seeking to engage in subcontracting opportunities. Every effort should be made to register with CCR and with local PTACs and SBDCs to ensure that small businesses receive the recognition and exposure they desire. Outreach activities such as conferences, tradeshows and expositions are also great channels to meet and interact with SBLOs and others seeking to engage in teaming or subcontracting activities.
For the first time, a team supporting the Missile Defense Agency under the auspices of the Department of Defense Mentor-Protégé Program will receive the prestigious Nunn-Perry Award, named in honor of former Senator Sam Nunn and former Secretary of Defense William Perry. First awarded in 1995, the prize recognizes Mentor-Protégé teams that have excelled in technical developments, cost effectiveness, and increased business opportunities for small disadvantaged firms.

This year’s recipients are the team of Northrop Grumman Mission Systems Sector, the Mentor and Prime Contractor, and Boecore, the Protégé and Subcontractor to Northrop Grumman, providing information technology and engineering services at the Missile Defense Integration and Operations Center (MDIOC), located at Schriever Air Force Base, Colorado.

Northrop Grumman Corporation (NGC) has participated in the Mentor-Protégé Program since 1992 and has received 15 Nunn-Perry Awards. Boecore is a woman-owned small business and has built a strong reputation for delivering quality engineering and IT services through three separate subcontracts with NGC.

Under the provisions of the three year Mentor-Protégé Agreement, Boecore receives development assistance in emerging technology services, contract and subcontract development, strategic planning, capability maturity model integration, quality assurance, operational infrastructure, and marketing.

MDA Mentor-Protégé Team Wins 2008 Nunn-Perry Award

NAVY SCORES DIRECT HIT ON SPY SATELLITE, Associated Press, February 21, 2008. A U.S. Navy cruiser blasted a disabled spy satellite with a pinpoint missile strike that achieved the main mission of exploding a tank of toxic fuel 130 miles above the Pacific Ocean, defense officials said. Destroying the satellite's onboard tank of about 1,000 pounds of hydrazine fuel was the primary goal, and a senior defense official close to the mission said Thursday that it appears the tank was destroyed, and the strike with a specially designed missile was a complete success. Defense Secretary Robert Gates ordered the shootdown … While Pentagon officials stressed that the satellite strike was a one-time incident, it certainly will spin off massive amounts of data and research that can be studied by the military as it works to improve its missile defense technologies. Officials had expressed cautious optimism that the missile would hit the bus-sized satellite, but they were less certain of hitting the smaller, more worrisome fuel tank. In a statement released after the satellite was shot, the Pentagon said, "Confirmation that the fuel tank has been fragmented should be available within 24 hours." But a short time later, several defense officials close to the situation said it appeared the fuel tank was hit.
MDA Mentor-Protégé Team Wins 2008 Nunn-Perry Award cont…

The team received the award at the Nunn-Perry Awards Dinner March 12 during the annual DoD Mentor-Protégé Conference at Daytona Beach, FL.

To view past recipients of the Nunn-Perry Award, please visit http://www.acq.osd.mil/osbp/mentor_protege/.

Pictured Above (l-r): Scott Boe, Boecore, COO; Tracy Sharples, Boecore, Director of Information Technology; Kathy Boe, Boecore, President & CEO; The Honorable Dr. James Finley, Deputy Under Secretary of Defense (Acquisition and Technology), U.S. Department of Defense; Calvin Freeman, Northrop Grumman, Director of Procurement; Brian Esterby, Northrop Grumman Program Manager, Missile Defense Integration and Operations Center; Anthony Martoccia, Director, Office of Small Business Programs, Department of Defense

MDA in the NEWS!

From the MDA Digest…

DOD SET TO BOOST SPENDING FOR COMMUNICATIONS, ELECTRONICS, AND INTELLIGENCE, Military Aerospace and Electronics online, February 14, 2008. … U.S. defense agencies in 2009 plan to spend $4.79 billion on procurement, and $2.5 billion on research and development. Defense agencies include … the Missile Defense Agency (MDA). … One of the perennial heavy hitters of defense-wide research programs -- the Missile Defense Agency (MDA) -- proposes spending $8.9 billion next year. MDA research projects next year include $2.08 billion for ballistic missile defense midcourse defense segment; $1.16 billion for shipboard Aegis ballistic missile defense; $1.02 billion for ballistic missile defense terminal defense segment; and $1.08 billion for ballistic missile defense sensors.
Proposed SBA ’09 Budget Boosts Small Business Financing to $28 Billion, Supports Outreach to Underserved Markets

WASHINGTON – President Bush today announced a proposed FY 2009 budget for the U.S. Small Business Administration that increases small business lending capacity by 37 percent, increases funding for SBA’s ongoing operational reforms and supports a steady staff of more than 2,100 fulltime employees.

The President proposes $657 million in new budget authority for SBA in FY 2009, a 15.5 percent increase over the FY 2008 enacted level and a 6 percent increase in core operating budget over FY 2008. Including anticipated carryover funds for disaster lending and other revenues, the total spending package for the year would be $819 million.

That budget level provides funding for more than $1 billion in loans in the major changes since the 2005 Gulf Coast hurricanes. As a result, SBA eliminated a backlog agency’s improved disaster assistance program, which underwent of more than 100,000 Katrina loan applications and put more than $6 billion into the hands of disaster victims rebuilding their lives and communities along the Gulf.

“This is a fiscally responsible budget proposal which supports SBA’s mission to foster small business growth and assist home and business owners affected by a major disaster,” said SBA Administrator Steve Preston. “The increased lending capacity will also allow us to provide more capital to small business, enhancing our ability to boost the economy.”

“In addition, this proposal enables us to build on initiatives to improve operational efficiency, further strengthen our disaster assistance program and increase outreach to underserved markets in inner cities and rural communities. We also have several initiatives planned to improve federal contract opportunities, and training and counseling to women, veteran and minority entrepreneurs, which advances this budget proposal.

“We are enthusiastic about the year ahead and look forward to working with our congressional oversight committees throughout the budget process to ensure America’s small businesses have SBA resources to enable their success.” The budget would authorize more than $28 billion in its primary small business financing programs, including a level of $17.5 billion for the 7(a) Guaranteed Loan program, $7.5 billion for the Certified Development Company, or 504, loan program, and $3 billion for venture capital support under the Small Business Investment company program.
Proposed SBA ’09 Budget Boosts Small Business Financing to $28 Billion, Supports Outreach to Underserved Markets cont…

The agency also proposes a zero-subsidy Microloan program, allowing the agency to greatly expand its support to Microlenders across the country. In FY 2007 it cost the government more than 85 cents for each dollar loaned to a Microloan intermediary. This high cost limits the number of intermediaries which can be supported under the program, ultimately limiting the impact of the program itself. By raising the very preferential rate at which intermediaries borrow from as low as 2 percent below the five-year Treasury rate to 1.3 percent above the FY 2009 five-year Treasury rate, the agency can eliminate the subsidy cost of this program and greatly expand funding for Microloan intermediaries.

SBA would also discontinue technical assistance funding for Microlenders, and work with existing technical assistance providers, including the agency’s Small Business Development Centers, SCORE counselors, and Women’s Business Centers, to arrange technical help for Microloan clients.

On the technical assistance side, the budget requests more than $87 million for Small Business Development Centers, almost $12 million for grants to Women’s Business Centers and nearly $5 million for SCORE.

The proposed FY 2009 Budget also supports:

• Continued investment in employees through the successful “SBA University” training program, mentoring programs, succession planning, and proactive recruitment of highly qualified staff
• Continued modernization of the loan management and accounting system;
• Assisting federal agencies as they target a total of $85 billion in prime federal contracting dollars to be awarded to small businesses in FY 2009
• $250,000 for a competitive grant program to support innovative entrepreneurial development in inner-city and rural geographies
• Management of Business Gateway to provide a single site resource connecting government to small businesses and entrepreneurs
• Strengthening and upgrading the agency’s information technology infrastructure to provide an effective, secure, and highly available information system
FedBizOpps and MiDAESS

FedBizOpps.gov is the single government point-of-entry (GPE) for Federal government procurement opportunities over $25,000. Government buyers, such as MDA, are able to publicize their business opportunities by posting information directly to FedBizOpps via the Internet.

MDA began publicizing information regarding the Missile Defense Agency Engineering and Support Services (MiDAESS) effort on August 24, 2007. For complete information regarding MiDAESS including the original solicitation, modifications and slides from all of the MiDAESS Industry Days, please follow the links and screen shots below:

2. In the “Quick Search” Box, type in MiDAESS as indicated below
3. Press “Go”
FedBizOpps & MiDAESS cont...

4. The screen shot below shows all entries within FedBizOpps regarding MiDAESS.

5. Click on any of the postings under the “Title” heading as shown below:

March 06, 2008

Agency: Other Defense Agencies
Office: Missile Defense Agency
Location: MDA-DACS

Posted: March 06, 2008
Type: Modification 12
Title: R -- MiDAESS Acquisition
SOL: HQ0006-07-R-0012
FedBizOpps & MiDAESS cont...

6. Next, a page displaying the synopsis, modifications, and any other information regarding MiDAESS, will be visible:

7. Click on any one of the highlighted headings to view additional information:
Small Businesses Nominate Over Eighty Regulations For Review And Reform Nominations Made in Response To Advocacy's r3 Initiative

Reprinted from www.sba.gov/news

WASHINGTON, D.C. - Small business owners and their representatives have nominated over eighty existing regulations for review and reform in response to the Office of Advocacy's Regulatory Review and Reform (r3) initiative. The "Top 10" nominated rules will be transmitted to appropriate federal agencies for review and reform.

"The fact that our office received over eighty strong nominations shows that small businesses are concerned about the cumulative weight of regulations," said Chief Counsel for Advocacy, Thomas M. Sullivan. "Not only will the strongest and most compelling cases make our Top 10 list, the rest of the nominations are giving us insight into regulatory areas of most concern to small business."

Advocacy will transmit the Top 10 list to agencies in the spring and will work to ensure that the listed rules will be reviewed and reformed. In order to track agency progress, the recommended reforms will be posted on Advocacy’s website and an update on the status of reforms will be published twice a year. Advocacy encourages small businesses and their representatives to follow the progress of the reforms and comment to the agencies on that progress.

Advocacy created the r3 initiative because complying with federal regulations now costs our economy $1.1 trillion per year, which costs more per household than healthcare. The smallest of businesses bear the brunt of regulations. They annually pay 45 percent more per employee to comply with federal regulations than big businesses do.

Find our more about the r3 initiative and agency progress in reviewing and reforming the Top 10 rules by visiting www.sba.gov/advo/r3.

The Office of Advocacy, the "small business watchdog" of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats, and it funds research into small business issues.
NEW FAR RULE REQUIRES CONTRACTORS, BOTH LARGE AND SMALL, TO ESTABLISH CODE OF BUSINESS ETHICS

by Ronald S. Perlman and Susan Warshaw Ebner

Reprinted from the eFederal Small Business Report Volume 3 Number 15

A new FAR rule, and implementing contract clauses, has just been issued in final form in FAR Case 2006-007. The new rule mandates certain contractor business ethics and conduct requirements that may be of significant importance to companies that are typically prime or subcontractors to the government on contracts that are likely to be covered by the new rule’s requirements.

Specifically, on November 23rd, 2007, the FAR Council issued a final rule requiring contractors awarded contracts expected to exceed $5 million (total value, including options) that are to be performed in 120 days or more to establish and maintain a code of conduct and compliance program (including dissemination of codes to employees working on such contracts, training and auditing) and to display appropriate hotline posters within 30 days of the contract award.

The rule exempts contractors that are small businesses from certain formal training and control system requirements. It also exempts contracts that will be performed entirely outside the United States and contracts that constitute commercial acquisitions under FAR Part 12 from the code of conduct, display, training and control system requirements per new rule FAR 3.1004. However, Office of Federal Procurement Policy’s (OFFP) Paul Dennett has made clear that GSA Schedule acquisitions are not exempt from these requirements (See R. Brodsky, “Rule requires contractors to set, follow codes of ethics,” Government Executive (Nov. 29, 2007)).

Businesses whose contracts and subcontracts contain these provisions will be required to flow these clauses down to any business with which they subcontract where the subcontract meets the requirements for compliance.

In addition to this new rule, at the request of the Department of Justice, a new FAR case was published for comment on November 14, 2007. FAR CASE 2007-006, Contractor Compliance Program and Integrity Reporting, proposes additional ethics program/standard of conduct requirements on contracts and compulsory disclosure of suspected violations. Comments on this proposed rule were due on January 14th, 2008.

Previously, a number of the provisions in FAR Case 2007-006 had been included in FAR Case 2006-007, the FAR Case that resulted in the new FAR Contractor Code of Ethics and Business Conduct rule mentioned above, but they were moved out of that FAR Case and into FAR Case 2007-006 so that the FAR Council could further consider a number of comments received from the public.

With the new final FAR rule on Contractor Code of Ethics and Business Conduct, and the implementing clauses, effective December 24th, 2007, it is important that covered contractors have a working compliance program. Companies that obtain covered contracts will need to ensure their compliance with the rules within a very tight timeframe, within 30 days of contract award for new contracts meeting the threshold requirements, unless and extension is granted.

If you want to learn more about these new final and proposed rules or need assistance with the implementation of the new final rule, please contact Ronald S. Perlman and Susan Warshaw Ebner of Buchanan, Ingersoll & Rooney in Washington, DC at 202-452-5472.
2008 SBIR/STTR National Spring Conference to be Held in Orlando

The 2008 Small Business Innovation Research (SBIR) / Small Business Technology Transfer (STTR) National Spring Conference will be held in Orlando, FL from May 27th through May 30th. The conference will bring together not only federal program administrators from all of the 11 SBIR participating agencies, but also venture capital and angel investors, secondary market and traditional lenders, university and federal laboratory representatives and other experts who provide assistance with the scale-up of early-stage ventures. You will hear presentations by SBIR award winners who have successfully commercialized their research.

For 25 years the federal government has provided funding to small business engaged in innovative research through the SBIR Program. This year there is a $2.2 Billion appropriation set aside for the SBIR and STTR program.

Who Should Attend?
• Entrepreneurs Engaged in Innovative Physical or Bioscience Research
• Venture Capital and Angel Investors
• IP, Securities and Corporate Counsel
• Research Scientists from Public and Private Labs
• Audit, Accounting and Tax Professionals
• Commercial Lenders
• Public and Private Analytical Laboratory Managers
• Corporate CEO/COO/CFO
• Prime Contractor Procurement Representatives
• Economic Development, Workforce Development and Private Business Services
• Providers Focused on Knowledge-based Business Development
• University Technology Transfer, Grant and Contracts Administrators
• Elected and Appointed Public Officials interested in learning how they can participate in the growth of a Knowledge Economy
• State SBIR Program Representatives (who will be identified during the conference)

For more information or to register for the National Spring Conference, visit the official website: http://www.sbirflorida.org/.

MDA in the NEWS!
From the MDA Digest…

FLOATING FUTURE; CAN NEW DESIGNS DELIVER THE LONG-AWAITED RETURN OF AIRSHIPS?, Popular Mechanics, February 1, 2008. Always on the verge of a seeming comeback, airships are back in the spotlight, touting new technologies. The Defense Advanced Research Project Agency recently announced funding for an innovative, ballast-free airship technology created by Aeros Aeronautical Systems, based outside Los Angeles. … Other companies are planning their own first flights within the next few years. Each has a design that it promises will launch a new era of lighter-than-air transportation. To blanket hundreds of miles with high-resolution radar, the 450-ft.-long, unmanned High Altitude Airship will use old-fashioned lifting gas to ascend. A top-mounted solar array may enable this massive radar platform to stay aloft for up to a month…

Floating Future continued on page 18…
FLOATING FUTURE cont…

The airship's radar system is still being developed, but Lockheed is scheduled to fly a full-size prototype of the ship by the end of 2009. The Missile Defense Agency is a potential user. This unmanned, 62-ft.-dia. diesel/electric hybrid broke the world airship altitude record in 2003, reaching 20,000 ft. Designed for scouting and surveillance, the SA-60 can fly autonomously. Its round design gives it more low-speed maneuverability.


The National Defense Industrial Association (NDIA) will be hosting the 4th annual MDA SBIR/STTR Industry Day on August 6th and 7th at the new Gaylord National Hotel in National Harbor, MD. The Industry Day will focus on enhancing the SBIR and STTR Process for MDA and the Small Business Community. Research Area Leads will give briefings on the following technology areas of interest to MDA during the Phase I SBIR and STTR solicitation period:

- Interceptor Technology*
- Space Technology*
- Manufacturing and Producibility*
- Radar Technology*
- Modeling, Simulation and Phenomenology
- Command, Control, Battle Management and Communications (C2BMC)
- Directed Energy
- Information Assurance
- Insensitive Munitions/Safety

*Represents both the SBIR and STTR solicitation

Small businesses will have an opportunity to meet with topic authors and key technical representatives from MDA prior to the proposal submission period. This is also a great opportunity for small business representatives to meet with DoD Prime contractors developing missile defense systems for MDA. For reasons of competitive fairness, direct communication between potential bidders and topic authors is prohibited after August 24th - the last day of the SBIR and STTR pre-solicitation period.

Conference Objective: MDA’s goal is to realize a return on investment by acquiring technology that can be transitioned into the Ballistic Missile Defense System (BMDS). The intent is simple. A better informed small business community is more likely to submit stronger, more focused proposals and minimize duplication and mistakes - enhancing the SBIR process for MDA and the Small Business Community. The Industry Day provides small businesses with a "one-stop shopping" opportunity to learn about the MDA SBIR and STTR programs.
4th Annual MDA SBIR/STTR Industry Day cont…

“Who Should Attend?” Small companies in any industry looking to respond to MDA's SBIR or STTR solicitations and provide innovative technologies to the missile defense community; medium to large sized companies interested in establishing working relationships with small businesses with innovative technologies and approaches; and government advanced technology program managers.

Please Note: MDA's topics will be published in the DoD SBIR 08.3 and STTR 08.B Solicitation, available at http://www.dodsbir.net. The solicitation will be available for pre-release on July 28, 2008.

Agenda: Not yet available, check MDA's SBIR/STTR website for updates: http://www.mdasbir.com

Registration available at NDIA: http://www.ndia.org/meetings/8160
For more information, you may contact Dani Rovenger at 703-247-2540 or by email drovenger@ndia.org.

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HOUSE SMALL BUSINESS COMMITTEE APPROVES MEASURE TO REQUIRE MORE AGENCY REVIEW OF REGULATORY BURDEN

*Reprinted from the eFederal Small Business Report Volume 3 Number 15*

The “Small Business Regulatory Improvement Act” (H.R. 4458) was unanimously approved recently by the House Small Business Committee. The bill would require federal agencies to conduct more extensive analyses of the impact of regulations on small businesses. Sponsored by Congressman Brad Ellsworth (D-Ind.), the bill would add new requirements for agencies under the Regulatory Flexibility Act (Pub.L.No. 96-354). The law, enacted in 1980, mandates federal agencies to consider the potential impact of regulations on small businesses.

The bill would make three major changes to the Regulatory Flexibility Act. 1) while existing law requires agencies to consider direct economic impacts of regulatory activity on small businesses, the bill would require that agencies also assess indirect impacts; 2) requires federal agencies to conduct a periodic review of all their regulations to determine whether they should be continued, modified, or eliminated all together; and, 3) requires agencies to notify the Small Business Administration of draft rules that are expected to have a significant economic impact on a large number of small businesses.
Small Business Legislative Updates

This section of our newsletter is dedicated to current and upcoming legislation affecting the small business community.

H.R.4253
Title: To improve and expand small business assistance programs for veterans of the armed forces and military reservists, and for other purposes.
Cosponsors (3)
Related Bills: H.RES.921, S.1784
Latest Major Action: 02/14/2008 Became Public Law No: 110-186 [GPO: Text, PDF]

S.2612
Title: A bill to provide economic stimulus for small business concerns.
Sponsor: Sen Kerry, John F. [MA] (introduced 2/7/2008) Cosponsors (None)
Latest Major Action: 2/7/2008 Referred to Senate committee. Status: Read twice and referred to the Committee on Small Business and Entrepreneurship.

H.RES.921
Title: Providing for the concurrence by the House in the Senate amendment to H.R. 4253, with an amendment.
Sponsor: Rep Velazquez, Nydia M. [NY-12] (introduced 1/16/2008) Cosponsors (None)
Related Bills: H.R.4253
Latest Major Action: 1/16/2008 Passed/agreed to in House. Status: On motion to suspend the rules and agree to the resolution Agreed to by the Yeas and Nays (2/3 required): 406 - 2 (Roll No. 4).

S.2553
Title: A bill to modify certain fees applicable under the Small Business Act for 2008, to make an emergency appropriation for certain small business programs, and to amend the Internal Revenue Code of 1986 to provide increased expensing for 2008, to provide a 5-year carryback for certain net operating losses, and for other purposes.
Sponsor: Sen Kerry, John F. [MA] (introduced 1/24/2008) Cosponsors (2)
Related Bills: S.2552
Latest Major Action: 1/24/2008 Referred to Senate committee. Status: Read twice and referred to the Committee on Finance.

H.R.5037
Title: To require offices of the legislative branch to meet a threshold for participation by small business concerns owned and controlled by veterans with service-connected disabilities in procurement contracts entered into by such offices, and for other purposes.
Sponsor: Rep Boozman, John [AR-3] (introduced 1/17/2008)
Cosponsors (1)
Latest Major Action: 1/17/2008 Referred to House committee. Status: Referred to the House Committee on House Administration.
MDA OSBP Welcomes New Team Members!

_Donna Cancel – Subcontracts Oversight Manager_
After spending 27 years in Government Contracting with entities such as the US Army Missile Command, US Army Space and Missile Defense Command, Program Executive Offices Global Protection Against Limited Strikes and Air Space and Missile Defense and finally with the Missile Defense Agency (MDA), Mrs. Cancel joined the MDA Office of Small Business Programs as the Subcontracts Oversight Manager in March of 2008. Her role and responsibilities include oversight of all subcontracting activities (Subcontracting Plans and DD Form 2579 Requirements) for MDA contracts which includes working with contractors and Government Small Business Liaison Officers to ensure maximum opportunities are afforded to small businesses. Mrs. Cancel earned a Bachelor’s degree in Business Administration from Athens State College and a Master’s Degree in Management from Florida Institute of Technology. Please contact her (at 256-955-1271 or donna.cancel@mda.mil) if you have any questions or concerns regarding subcontracting issues.

_Lorena Henderson – Outreach Program Manager_
Lorena serves as the principal technical advisor to the Director, MDA, OSBP, in planning, developing and implementing MDA’s Small Business (SB) Outreach Program.
She joins us from DCMA where she served as an Administrative Contracting Officer and the Subject Matter Expert for the FAR, DFAR, Contract Financing and Wide Area Work Flow.
If you have any questions or concerns about MDA’s Small Business Outreach Program you can contact Lorena at (256) 955-2885 or by email at lorena.henderson@mda.mil.

_Stanley McCall – PbSi Program Manager_
Stanley McCall, Sr. is a native of Huntsville, Alabama and has seen the city grow from a small, cotton producing town to the hi-tech international metropolis it is today. Mr. McCall earned a Bachelor of Arts from Oakwood College as well as a Master’s in Personnel Management and an MBA in Finance, both from Alabama A&M University. Following college, Mr. McCall worked as a city planner and administrator for the City of Huntsville where he administered community development planning and employment training programs. Mr. McCall then moved on to serve in the federal work force for 21 years with NASA’s Marshall Space Flight Center. During his 21 years at NASA, Mr. McCall held a variety of positions such as Contract Specialist, Contracting Officer, Chief of the Small Purchasing section, Procurement MIS Administrator and finally, the Small Business/Industry Assistant Officer, which he held for 10 years until retirement. Mr. McCall brings a wealth of knowledge to the Performance-based Solutions, incorporated (PbSi) team where he currently serves as the Program Manager in support of the MDA Office of Small Business Programs. Mr. McCall also serves as the CEO for a development and property management company that develops and manages housing, assisted living and healthcare facilities across the northeastern and southeastern United States. Should you have any questions for Mr. McCall, please contact him at 256-955-4406 or via email at Stanley.mccall.ctr@mda.mil.
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