Message from the Director, OSBP

Lee Rosenberg

If you were at the conference, you heard Caroline Coleman from our contracting directorate discussing the upcoming MDA Engineering and Support Services, or MiDAESS, Program. If you weren’t there, please make sure you check out her slides that will be posted on our website. It is critical that you stay up with the progress of that program as it represents the single best way into the future to get prime service support contracts with the Agency. As she mentioned, there will be work set aside in that effort exclusively for small businesses and, I firmly believe, that teams of small businesses with complimentary skill sets who are able to team together will be able to compete with “the big boys” on the rest of the work. Let’s face it, those big guys will never be able to match your pricing structures and, ultimately, they often are using you to do the work anyway! The first solicitations should be issued after the first of the year and, hopefully, we’ll have everything awarded by the end of next September. It’s quite an ambitious schedule, so bear with us.
Message from the Director, OSBP cont…

As for the MDA Office of Small Business Programs, well, we are bidding a fond adieu to the National Capitol Region and moving to our new home in Huntsville, Alabama the end of October, so, be looking for new contact information as we make that transition. We’ll be transitioning in two phases with me, my deputy, Bob Sever and most of the small business office moving in October and the SBIR/STTR, HBCU/MI and Mentor Protégé Programs moving next June. I guarantee turmoil will abound as I figure out where my new office is and how to turn on my new computer, so please understand if we don’t respond as quickly as we have in the past during this transition period. It’s not that we don’t want to; it’s just that we probably haven’t yet unpacked that one box with all the important info in it.

Finally, I encourage you to make sure you keep us updated on your capabilities and that you respond to our sources sought. That is the best way to help me represent your interests in our acquisition strategy development forums as well as allow me to educate our program offices on the capability resident in the small business community.

A Recent Small Business Success Story

The MDA Information Management and Technical Operations Directorate is committed to encouraging and supporting small business opportunities. Recently, they engaged the MDA Office of Small Business Programs (MDA OSBP) and the MDA Directorate for Contracts to assist with market research to determine whether the Web-based Information Sharing Systems (known as WISS) contract could be competed as a small business set-aside. As a result of this market research, responsive capability statements were received, and the effort was set-aside for small businesses. Phacil, an 8(a) Small Disadvantaged Business was subsequently awarded a $5.7 million task order under the GSA’s Millenia contract, comprising a one year-base period and four one-year options. Phacil will provide engineering, operations, and maintenance services to support the MDA Portal under this award. This is a great success story for both Phacil and MDA and demonstrates the agency’s commitment to small business participation. Congratulations to Phacil on a job well done!
MDA Announces Test of Multiple Kill Vehicle’s Carrier Vehicle Divert and Attitude Control System

Lieutenant General Henry "Trey" Obering III, Missile Defense Agency director, announced testing of a key element of the Agency’s Multiple Kill Vehicle payload system.

The test conducted August 17, 2007 by Pratt & Whitney Rocketdyne at the National Hover Test Facility at Edwards Air Force Base, Calif., demonstrated the high performance rocket propulsion component of the payload system’s carrier vehicle. During an engagement with the enemy, this divert and attitude control component will maneuver the carrier vehicle, with its bandolier of 8-20 small kill vehicles, onto the path of the in-bound threat complex. With the enemy now in its sights, the carrier vehicle dispenses the kill vehicles guiding them to destroy their designated targets. This test was a major hurdle before next summer’s “hover” flight test of the Multiple Kill Vehicle at Edwards Air Force Base.

Designed to be a force multiplier for all of the land and sea-based weapons of the integrated mid-course missile defense system, the Multiple Kill Vehicle is a transformational program adding volume kill capability for the war fighter. In the event of an enemy launch, a single interceptor equipped with this payload, will not only destroy the reentry vehicle, but all credible threat objects including countermeasures the enemy deploys to try and spoof our defenses. This many-on-many strategy eliminates the need for extensive pre-launch intelligence while leveraging the Ballistic Missile Defense System’s discrimination capability, ensuring a robust and affordable solution to emerging threats.

The Ballistic Missile Defense System is being developed, tested and deployed as a layered defense for the U.S. homeland, its deployed forces, friends and allies against ballistic missiles of all ranges in all phases of flight.

Pratt & Whitney Rocketdyne in Canoga Park, Calif., is a subcontractor of the Lockheed Martin Space Systems Company in Sunnyvale, Calif., the prime contractor for the Multiple Kill Vehicle payload system.

MDA Public Affairs contact: Rick Lehner, (703) 697-8997, richard.lehner@mda.mil
Subcontracting and Subcontracting Plans
(*sometimes, the best of both worlds*)

For many small businesses, at least those new to Federal procurement rules and regulations, being a subcontractor to another small business or large prime contractor that has a federal contract can open a world of opportunities. As everyone already knows, the Federal Government annually awards billions of dollars in contract actions. What you should also note is that Federal prime contractors, whether they are a large OR small business, also award billions of subcontracting dollars on an annual basis.

Subcontracting, initially to prime contractors, may be the key to “getting your foot” into the door and eventually lead you in the direction of becoming a prime contractor yourself. By being a subcontractor, the experience and knowledge you gain can be immeasurable. You will also best position your firm in gaining firsthand knowledge of the Federal procurement process, build a record of accomplishment, and solidify your understanding of potential federal customers’ environments. Additionally, you can posture your firm to win contracts that might otherwise be unattainable.

Furthermore, by initially being a subcontractor to a prime contractor, the prime can assist your firm in understanding the requirements of security clearances for your firm, provide personnel, build-on your contract delivery and performance records and position your firm for future requirements. In additions, all firms have limited resources, staffing, capital, etc., so subcontracting begins to sound better and better all the time. It sounds even better if you have not contemplated being a subcontractor and solely focused your efforts as a prime contractor for federal agencies.

Did you know federal procurement programs and legislative mandates place great emphasis in the area of subcontracting? Did you also know that Public Law 95-507, enacted in October of 1978, changed the emphasis prime contractors must place on subcontracting from “voluntary to mandatory” and from “best efforts to maximum practicable opportunity?” The law further requires large prime contractors receiving a Federal contract exceeding $550,000 ($1 million in the case of construction), which offers further subcontracting opportunities, to adopt a subcontracting plan with goals that provide maximum subcontracting opportunities.

So, what is a subcontracting plan? The Federal Acquisition Regulation has definitions for the various subcontracting plans where statutory requirements require a large business to develop, submit, and have an approved subcontracting plan, prior to award.
Subcontracting and Subcontracting plans cont…

What types of subcontracting plans are there? (The FAR defines subcontracting plans as follows:

A) Commercial Plan - means a subcontracting plan (including goals) that covers the offeror’s fiscal year and that applies to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line).

B) Individual contract plan - means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror’s planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

C) Master plan - means a subcontracting plan that contains all the required elements of an individual contract plan, except goals, and may be incorporated into individual contract plans, provided the master plan has been approved. (Note: A Master plan only contains the “boiler plate” elements required in all plans. The elements of a plan can be found at FAR 52-219.9. Master plans are approved by the Administrative Contracting Officer and good for up to 3-years from date of approval. The master plan is therefore used over and over again when firms bid against proposals. It takes on the aspects and becomes an “individual plan” when the firm attaches “subcontracting goals”, which are the actual dollars and percentages to be awarded with “all businesses” against a proposal AND, then only when the agency “approves the plan.”)

D) Comprehensive Subcontracting Plan - The DOD Comprehensive Subcontracting Plan Test Program authorizes the negotiation, administration, and reporting of subcontracting plans on a plant, division, or company-wide basis as appropriate.

Some say it is wise to get involved in the early stages of procurement. I disagree - I say you must get involved even before procurements are considered; you must understand a potential customer’s overarching mission. You must also do your homework as you begin to qualify any business as a potential marketing prospect. To be in the best of positions, you must read and fully understand their mission statement and sometimes the mission statement of their customers.

Subcontracting continued on next page…
Subcontracting and Subcontracting plans cont…

Generally, once firms submit their proposals, their subcontracting plans have already been developed and subcontractors selected. Therefore, it is of vital importance that you cultivate your relationships with large prime contractors early and wisely. However, that does not mean you should “put all your eggs in one basket”. Diversification is key – never have only one customer – whether they are a federal agency or a prime contractor. In summary, subcontracting with a prime contractor may be the vehicle that you can “hitch your wagon” onto prior to becoming a “prime” with the government. Know your customer and their future needs. Position your firm as early in the process as possible, once subcontracting plans are developed - it may be too late.

Contact: Robert Sever, MDA Office of Small Business Programs, Robert.Sever@mda.mil

News From the Committee on Small Business

Nydia M. Velázquez, Chairwoman

Committee Approves Bill to Improve Investment Opportunities for Small Firms – Legislation Will Expand Access to Venture Capital and Angel Investors

WASHINGTON – Access to capital is a common and growing concern for many aspiring business owners, a problem that has only been exacerbated by the recent credit crunch. Many small firms are being confronted with limited financing options, and may not be aware of other opportunities that are available to them. Today the House Small Business Committee voted unanimously to adopt H.R. The Small Business Investment Improvements Act of 2007, introduced by Congressman Jason Altmire (D-PA), Chairman of the Subcommittee on Investigation and Oversight, to help ensure that entrepreneurs are able to secure the funding they require.

“Small businesses rely on access to affordable capital to develop their ventures and create jobs,” said Chairwoman Nydia M. Velázquez. “Angel investment and venture capital are two mechanisms that can help spur growth among small enterprises, but changes are necessary to ensure these programs are able to serve as viable resources for this nation’s entrepreneurs.”

As they currently stand, the SBA’s investment programs are ineffective, contributing to the more than $60 billion in unmet capital needs for small businesses. Venture capital and angel investment have the potential to address this problem, with angel investors alone accounting for the creation of more than 51,000 new businesses a year. These opportunities coupled with an SBA that is better able to provide capital to small businesses, will improve the ability of entrepreneurs to secure adequate financing.
Subcontracting and Subcontracting plans cont…

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*Subcontracting continued on next page…*
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Electronic Subcontracting Reporting System cont…

**Roles and Responsibilities:**

Prime contractors and subcontractors will be ultimately responsible for entering data into eSRS. The “prime contract number” is a key control element for the system to work and the key link eSRS will have the ability for all Lower-Tier Subcontractors input and monitoring. The prime contractor remains responsible for subcontracting “flow-down” provisions and of their immediate subcontractors. Verification and accuracy of Central Contractor Registration (CCR) data remains with the individual contractor.

For Missile Defense Agency, contracting officers and the MDA Office of Small Business Programs (DAS) will coordinate the review of the prime contractor’s submitted data within eSRS. Notification of a “pending” action will be submitted (via e-mail) to the respective individuals. After coordination, they will have the ability to review/reject/accept the electronic data as submitted by the prime contractor.

Though some federal agencies have already migrated to eSRS, the Department of Defense has not transitioned the requirement for prime contractors to begin using the system. Primes will continue to submit the SF 294/295 in “hard copy”…until they are formally notified to begin using eSRS. 

(Watch for more to come on this subject….)

*Contact Robert Sever, Office of Small Business Program, Robert.Sever@mda.mil*

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**TRIBUTE – Representative Parren Mitchell**

On May 28, 2007, our nation lost a pioneer who advocated for the ability of small businesses to receive a fair share of government contracts. Representative Parren Mitchell was the Chairman of the U.S. House of Representatives Committee on Small Business. As a U.S. Representative he spearheaded legislation that would establish aggressive programs to increase federal contract awards to small and minority businesses. Representative Mitchell authored Public Law 95-507 which, among other things, gave strength to the offices within executive agencies charged with advocating for small businesses also known as the Office of Small and Disadvantaged Business Utilization (OSDBU). Through this law, he put teeth in the government subcontracting program for small businesses and devised liquidated damages for noncompliance. Realizing the critical need for small business contractors to receive timely government payments he authored the Prompt Payment Act. In 1982, Representative Mitchell was responsible for the 10 percent minority business goal for the award of government contracts in the public works area under the Surface Transportation Assistance Act. The list is endless regarding the social and economic impact that Representative Parren Mitchell had during his tenure in the United States Congress. For a full access to the tribute of Representative Mitchell, access the following link:  

Sea-Based X-Band Radar Mooring System Installed cont…

The mooring system consists of eight 75-metric ton anchors attached to the sea floor, providing maximum safety for the vessel in the sometimes harsh Aleutian Island weather.

The SBX is a unique combination of an advanced X-band radar with a mobile, ocean-going, semi-submersible platform that provides the Ballistic Missile Defense System with an extremely powerful capability to track, locate and intercept threatening ballistic missiles before they can strike their target.  

News media contact is Rick Lehner, Missile Defense Agency, at (703) 697-8997

Electronic Subcontracting Reporting System

The Federal Funding Accountability and Transparency Act of 2006 (FFATA) (Public Law 109-282) requires that public access to information and Federal expenditures is open to the public via a “searchable website”. Further implementing the President’s Management Agenda for Electronic Government, the Small Business Administration (SBA), the Integrated Acquisition Environment (IAE), and other Agency partners began development of the “next generation” subcontract reporting and collection tool. One output or “tool” of these initiatives is the Electronic Subcontracting Reporting System (eSRS); an electronic, Government-wide, web-based system designed to maintain summary subcontracting data. Electronic Subcontracting Reporting System is designed to be a “real time” contract retrieval and interface with the Federal Procurement Data System – Next Generation (FPDS-NG) system.

Note: Only large businesses that receive contracts/contract modifications that require submission/approval of a subcontracting plan (i.e. Individual, Commercial or a Comprehensive) input data into the eSRS system - Reference FAR 19.702(a)(1) and (2))

Several federal agencies have already begun the process requiring contractors to enter data into the system; all Department of Defense (DOD) related contractors and subcontractors will be required to enter their subcontracting data in the near term. At this time however, use of the eSRS is unauthorized for DOD related procurements, (including those with the Missile Defense Agency). Until notified in writing, DOD contractors and subcontractors must continue submitting SF 294’s (Subcontracting Report for Individual Contracts) and SF 295’s (Summary Subcontracting Report) in accordance with the terms of the contract. Contract reporting terms and conditions will also require an amendment to reflect DOD’s implementation of the system.

Gone soon, will be the actual Standard Form (SF) 294 and the SF 295. The terms Individual Subcontracting Report (ISR) and Summary Subcontract Report (SSR) reports, respectively will replace the SF 294/295 forms.

Electronic Subcontracting continued on next page…
Missile Defense Exercise and Flight Test
Successfully Completed cont…

The exercise was designed to evaluate the performance of several elements of the Ballistic Missile Defense System (BMDS). Mission objectives included demonstrating the ability of the Upgraded Early Warning Radar at Beale Air Force Base, Calif., to acquire, track and report on objects. The test also evaluated the performance of the interceptor missile’s rocket motor system and exoatmospheric kill vehicle, which is the component that collides directly with a target warhead in space to perform a “hit to kill” intercept using only the force of the collision to totally destroy the target warhead. Initial indications are that the rocket motor system and kill vehicle performed as designed. Program officials will evaluate system performance based upon telemetry and other data obtained during the test.

The target was also successfully tracked by the Sea-Based X-band (SBX) radar and an Aegis Ballistic Missile Defense ship using onboard SPY-1 radar. The Missile Defense Agency is developing and deploying an extensive network of land and sea-based radars to detect and track all types of ballistic missiles and to provide targeting information to interceptor missiles through the Command, Control, Battle Management and Communication (C2BMC) system.

The Ground-based Midcourse Defense system currently has interceptor missiles deployed at Ft. Greely, Alaska, and Vandenberg AFB, Calif. Several U.S. Navy Aegis-class cruisers and destroyers with advanced SPY-1 radar have been modified for integration into the command, control, battle management and communication element of the Ground-based Midcourse Defense system.

MDA Point of Contact is Rick Lehner, Missile Defense Agency, at (703) 697-8997
The MDA issued a Broad Agency Announcement (BAA-HBCU/MI-07-02) on April 27th 2007. The BAA requested submission of proposals by July 2nd 2007 from the HBCU/MIs for set-aside research contracts. The purpose of this set-aside program is to promote participation and prepare HBCU/MIs to compete with major institutions of higher learning for research funding from all other available resources, and particularly from the Federal Government and their various agencies.

In response to this BAA, MDA received 40 proposals which were independently evaluated and ranked based on the quality of the proposals and their likely benefits towards the mission of the Missile Defense Agency. The proposals from the following institutions were selected for award:

- **North Carolina A&T**
  - A Study of Lattice Matched GaInSbN/GaSb Heterostructures for Long Wavelength and Very Long Wavelength IR Photo detectors

- **Oakwood College**
  - Spectroscopic Studies of New Lasing Nanomaterials

- **City University of New York**
  - Time-Frequency Analysis for Detection, Track, and Discrimination of Threat Objects in a Dense Object Environment

- **Howard University**
  - Modeling and Analysis of Rocket Plume RF-Line Emissions

- **Alabama A&M University**
  - Fast Detection and Analysis of Defects in Composite Missile Structures Using Laser Scanning Techniques

- **North Carolina A&T**
  - Advanced Wavelet Transform Approach to Multi-Sensor Image Fusion

- **Hampton University**
  - Distributed Energy-Aware Data-Centric Routing and Storage for unpredictable Events Detection and Tracking

- **University of Texas: El Paso**
  - Investigation of Al4H6/AlH3 for a High Energetic Solid Rocket Fuel

The awards are for a period of two years.

For further information please contact Dr. Pravat K. Choudhury, Program Manager at 703-553-3402 or Pravat.choudhury@mda.mil
Small Business – Legislative Updates

H.R.2284
Title: To amend the Small Business Act to expand and improve the assistance provided by Small Business Development Centers to Indian tribe members, Alaska Natives, and Native Hawaiians.
Latest Major Action: 6/21/2007 Referred to Senate committee. Status: Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship.

H.R.2359
Title: To reauthorize programs to assist small business concerns, and for other purposes.

H.R.3206
Title: To provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through December 15, 2007, and for other purposes.
Latest Major Action: Became Public Law No: 110-57

H.R.1332
Title: To improve the access to capital programs of the Small Business Administration, and for other purposes.
Related Bills: H.RES.330
Latest Major Action: 5/1/2007 Read the second time. Placed on Senate Legislative Calendar under General Orders.

H.R.2397
Title: To reauthorize the women's entrepreneurial development programs of the Small Business Administration, and for other purposes.
Sponsor: Rep Fallin, Mary [OK-5] (introduced 5/21/2007) Cosponsors (2)
Latest Major Action: 6/19/2007 Referred to Senate committee. Status: Received in the Senate and Read twice and referred to the Committee on Small Business and Entrepreneurship.

H.R.2366
Title: To reauthorize the veterans entrepreneurial development programs of the Small Business Administration, and for other purposes.
Websites of Interest:

Missile Defense Agency (MDA)

Missile Defense Agency - MiDaess

MDA Business Acquisition Reporting Bulletin Board
www.mda.mil/barbb/barbb.htm

MDA Office of Small Business Programs
www.mda.mil/smallbusiness

MDA Technology Applications Program (Technology Transfer)
www.mdatechnology.net

Department of Defense Contracting Information

Defense Procurement and Acquisition Policy
http://www.acq.osd.mil/dpap/

SBA Office of Advocacy
http://www.sba.gov/advo

SBA Free Online Training
http://www.sba.gov/services/training/onlinecourses/index.html

FedBizOpps
Contact Information for OSBP Staff

Lee Rosenberg  
Director  
Lee.Rosenberg@mda.mil

Robert Sever  
Deputy Director  
Robert.Sever@mda.mil

Mike Zammit  
Program Manager  
SBIR/STTR  
SBIRSTTR@mda.mil

Dr. Pravat Choudhury  
Program Manager, Mentor Protégé and HBCU/MI  
Pravat.Choudhury@mda.mil

Kristin McDonald  
Administrative Assistant  
Kristin.McDonald.ctr@mda.mil

OSBP Main Office Number  
703-553-3400

7100 Defense Pentagon  
Washington, DC  20301

Phone: 703-553-3400  
Fax: 703-271-4342