



Department of the Army Small Business Program



Army Small Business Conference

November 4, 2003

Ms. Tracey Pinson

Director, Office of Small and Disadvantaged
Business Utilization (SADBU)

Office of the Secretary of the Army

"Our Army at War -- Relevant and Ready"



Vision



As An Integral Part Of The Army Team, We Will Be The Premier Small Business Organization In The Federal Government, Changing To Meet The Challenges Of Today, Tomorrow And The 21st Century.



SADBU Duties and Responsibilities

Advise Army Secretariat on Implementing Laws Concerning the Small Business Program

Enhance Ability of SB, SDB, WOB and HBCU/MI to Participate in Army Contracting Programs

SMALL BUSINESS ADVOCATES

Afford Equitable Opportunity for SB to Provide Quality Goods and Services at the Best Value

SERVICE ORIENTED TEAM

Establish Challenging Small Business Goals for Army Major Commands

Provide Policy Guidance, Direction and Education to the Army Acquisition Community



Army Prime Contract Awards FY 03 Preliminary



	TOTAL DOLLARS	ACHIEVED	NAT'L GOAL
US Business	\$48,464		
Small Business	\$ 13,569	28.0%	23.0%
Small Disadvantaged Business	\$ 4,248	8.8%	5.0%
Women-Owned SB	\$ 1,810	3.7%	5.0%
HUBZone Small Business	\$ 1,228	2.5%	3.0%
Service Disabled Veteran-Owned SB	\$ 101	0.2%	3.0%

Dollars Shown in millions



Army Subcontract Awards FY 03 (1st Half)



	TOTAL DOLLARS	ACHIEVED	TARGET
US Business	\$2,194		
Small Business	\$1,331	60.7%	57.8%
Small Disadvantaged Business	\$ 247	11.3%	9.0%
Women-Owned SB	\$ 206	9.4%	9.1%
HubZone SB	\$ 74	3.4%	2.5%
Service-Disabled Veteran-Owned SB	\$ 8	0.4%	3.0%

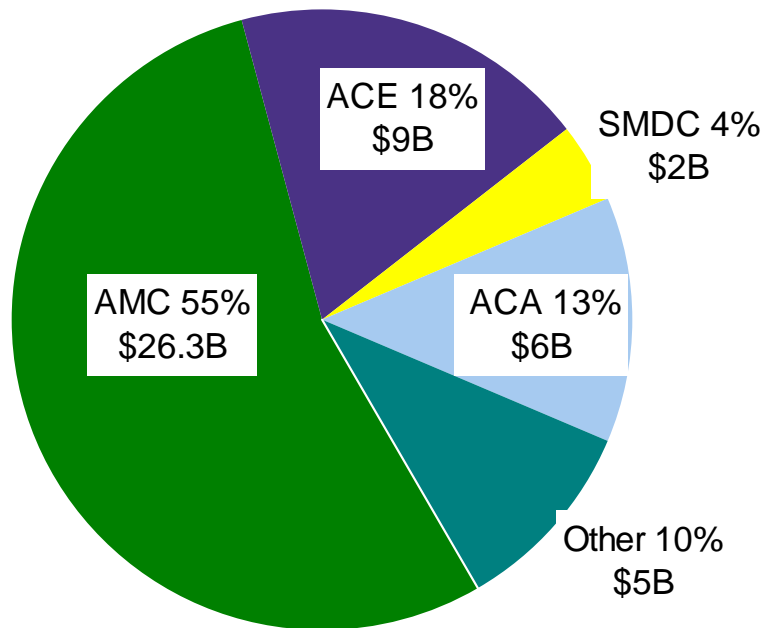
Dollars Shown in millions



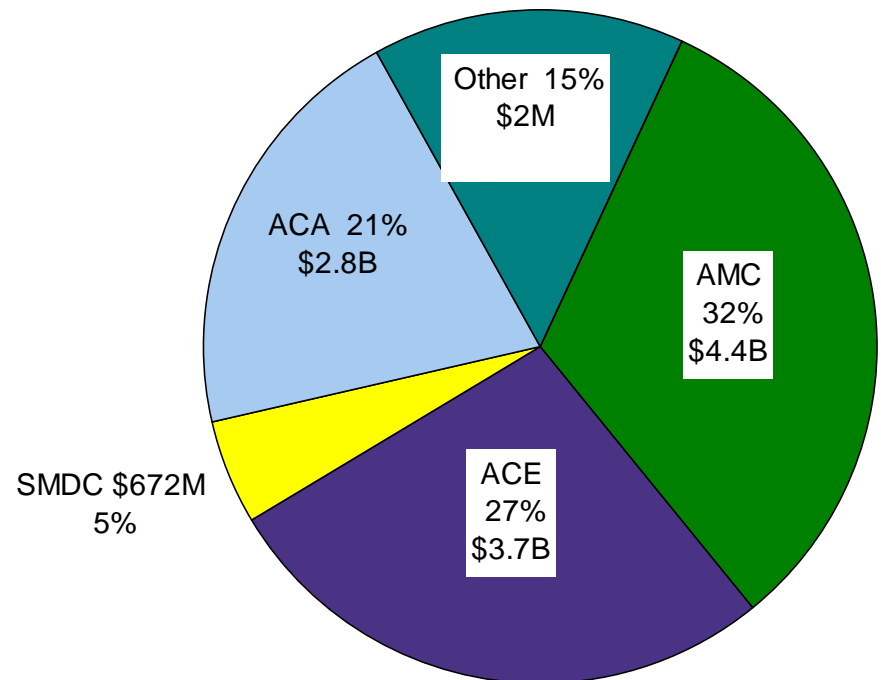
Army Small Business Prime Contract Awards FY 03 Preliminary



Total Awards (\$48,464M)



Small Business Awards (\$13,569M)

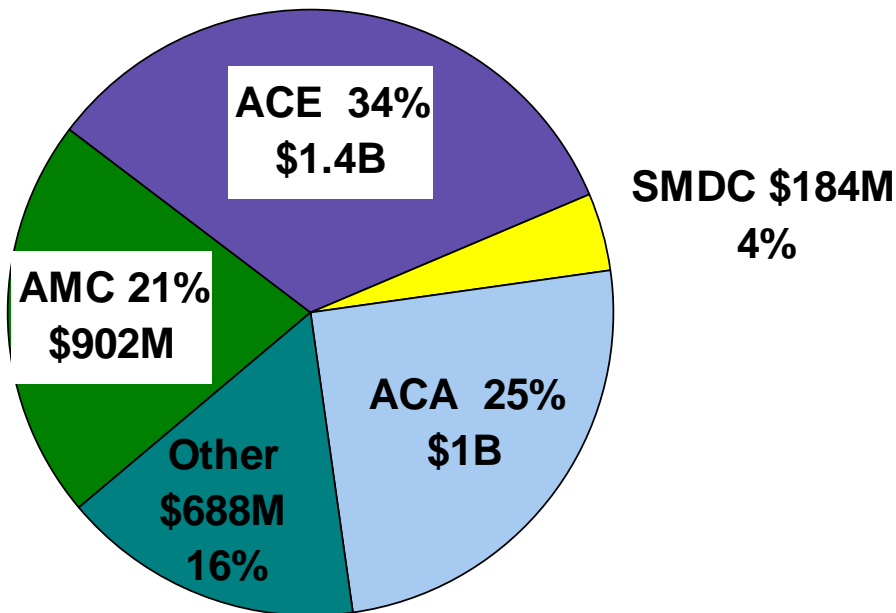




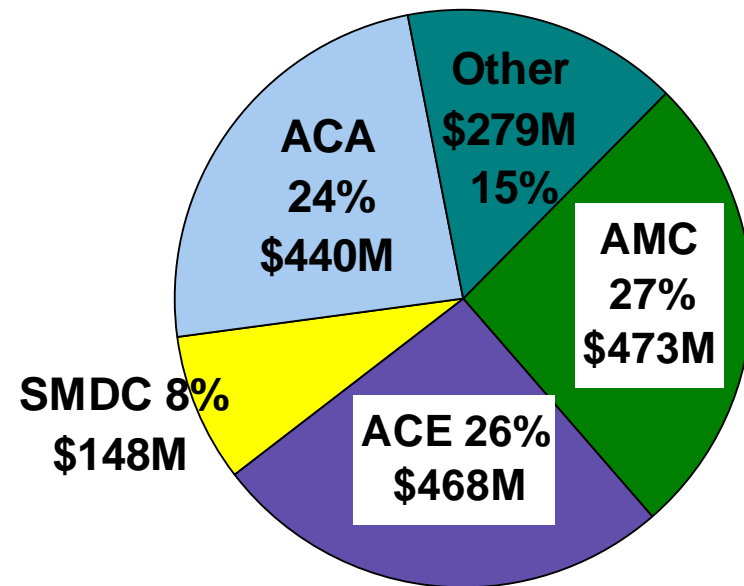
Army SDB/WOSB Prime Contract Awards FY 03 Preliminary



**SDB Awards
(\$4,248M)**



**WOSB Awards
(\$1,810M)**





FY 03/04

Army Small Business Reinvention Initiatives

(Submitted to OSD)



- Reemphasize Small Business Program support to Army Program Managers and Program Executive Officers
- Ensure that small businesses have adequate opportunity to participate in competitive sourcing and privatization initiatives.
- Enhance communication and outreach with the small business community through aggressive E-commerce interaction.



FY 03/04 ARMY SADBU FOCUS



- Residential Communities Initiative
- Consolidation and Regionalization
 - Army Contracting Agency
 - Installation Management
 - Competitive Sourcing
- PEO/PM Program Support
- OSD AT&L Reinvention Memo
- Contract Bundling
- Expand Opportunities for HBCU & MIs



Contract Bundling

Current Policy



- Divide proposed acquisitions of supplies and services into reasonably small lots (not less than economic production runs) to permit offers on quantities less than the total requirement.
- Plan acquisitions such that, if practicable, more than one small business concern may perform the work.
- Ensure that delivery schedules are established on a realistic basis that will encourage small business participation to the extent consistent with the actual requirements of the Government.



Contract Bundling “Unbundling”



- Title 13 Chapter I Part 125 “Government Contracting Programs” and the related FAR Parts 2, 7, 8, 10, 16, and 19 have been changed in order to implement the recommendations of the contract bundling findings stated in the OMB document titled, “Contract Bundling”.

FINAL RULE ISSUED!

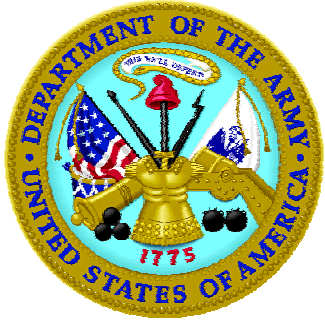


Contract Bundling

Key Changes



- Procurement planners shall coordinate the acquisition plan or strategy with the small business specialist if the amount exceeds the order/contract contemplated exceeds \$7 Million.
- If bundled, the incumbent must be identified and market research accomplished sufficient to indicate the impact on small businesses.
- Specify actions to mitigate bundling, and identify alternative strategies to reduce the scope of bundling, and rationale for **NOT** choosing them.



Contract Bundling

Acquisition Leader Considerations



- Think “what is a good business practice”
- If it doesn’t save REAL \$\$ it must be “critical to agency’s mission success” and approved by AAE.
- Write a small business strategy in the Acquisition Strategy.
- Bundled contracts will be tallied and reported to OSD.
- Market Research is NOT simply a “sources sought” synopsis.



Market Research Purpose



- Shape the acquisition strategy.
- Determine the type and content of the product description or statement of work.
- Develop the support strategy.
- Terms and conditions included in the contract.
- Evaluation factors used for source selection.



*** Good tradeoff decisions are made possible by early user involvement and the information gathered during market research.**



Market Research Principles



- Begin market research early.
- Involve users in the market research process.
- Good communication across functional areas and with industry and users .
- Successful market research is an iterative process.
- Tailor the Investigation.
- Refine as You Proceed.



Market Research Sources



- Procurement Marketing and Access Network (PRO-Net).
- Minority On-Line Information System (MOLIS).
- HUBZone website of the SBA eweb1.sba.gov/hubzone/internet/.
- Research and Information Division, Minority Business Development Agency, Department of Commerce.
- Local Chambers of Commerce.
- Procurement Technical Assistance Centers.
- Use local newspapers, including advertisements.
- State and local listings and agencies.
- The Veterans Corporation Business Directory <http://website.veteranscorp.org/BusinessDirectory/index.asp>.
- Existing company source lists.



Army FCS Program



- 30.7% of the FCS Concept Technology Development Phase II awards were to small businesses.
- Small Business strategy developed for the acquisition strategy for System Design Development Phase.
- Goals and reporting requirements will be flowed down to 2nd tier suppliers.
- Awards will be tracked and reported down to 3rd tier.



Army FCS Program



Subcontract goals based upon Boeing Comprehensive goals

FCS SDD Goals (% of Boeing subcontract Dollars)

- Small Business 17.5%
- Small Disadvantaged Business 3.5%
- Woman Owned Small Business 2.5%
- Historically Underutilized Business Zone 0.3%
- Veteran Owned Small Business 1.5%
- Service Disabled Veteran Owned 0.2%

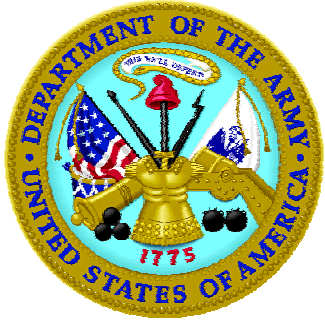
Note: These goals are based on dollars going to small business through and including the third tier of subcontracts.



Army FCS Program



- Two set-aside packages
 - Situation Understanding awarded to Austin Information Systems, Austin TX (\$60M)
 - Small Unmanned Ground Vehicle award to be announced 6 August (\$21M)
- Subcontractor small business suppliers
 - 14 2nd tier suppliers identified thus far by Tier One supplier partners on 14 packages
 - 7 states represented



Mentor-Protégé Program



- DoD delegated approval authority to services beginning FY 2004
- Policy, guidance & instructions on Army SADBUs web site: www.sellingtoarmy.info
- Three rounds of proposals for FY 2004
 - Proposal due dates: 15 Dec, 15 Apr, 15 Aug
- Agreements 1-3 years
- \$500,000 per agreement, except manufacturing may be funded higher with justification



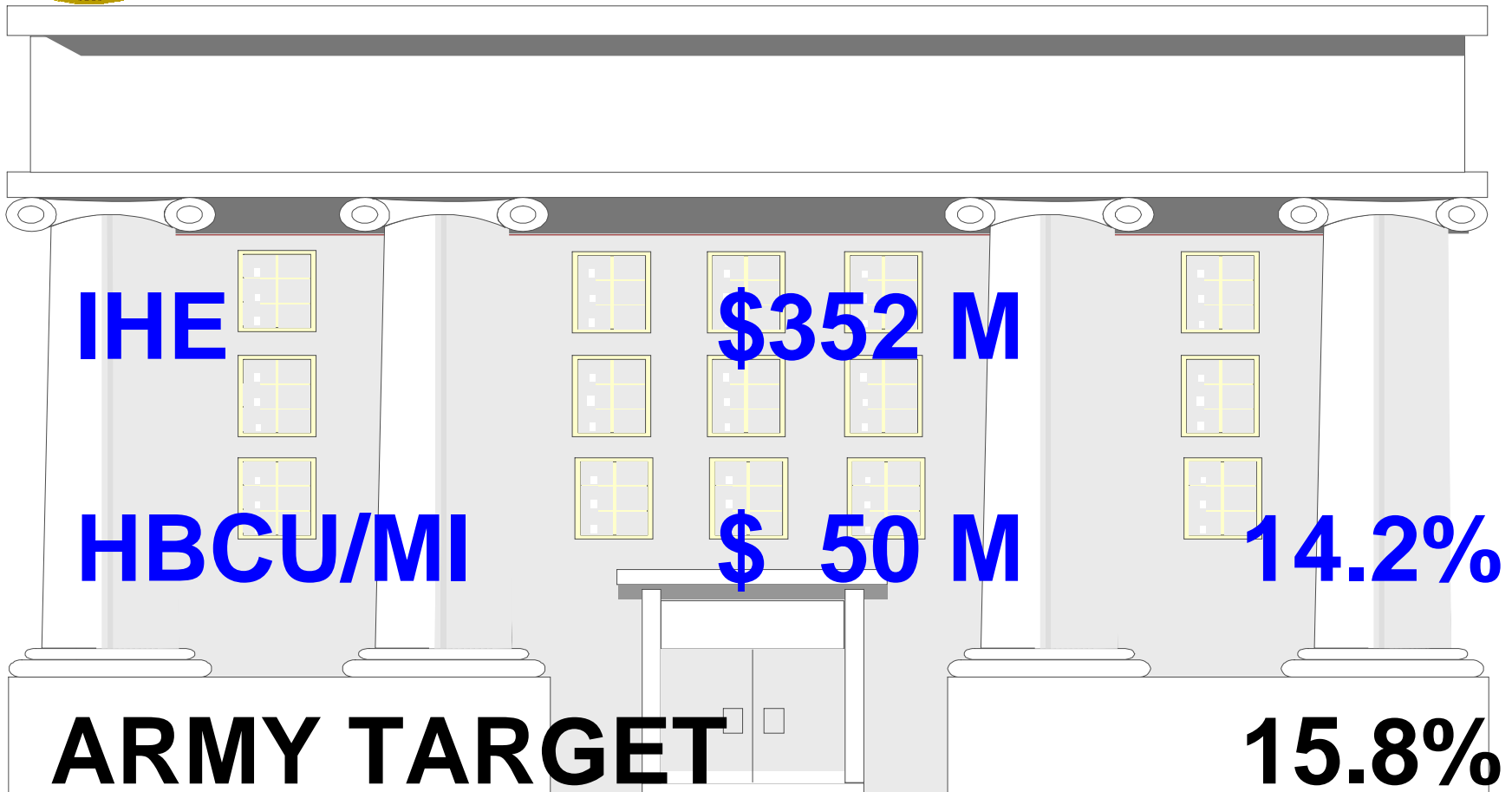
Mentor-Protégé Program



- Army goal is to engage industries to shape and expand the industrial base to support the warfighter
- Seeking agreements with strong technical component, or focus on innovative transfer of state of the art technology
- Structured process for submitting proposals
- Strong evaluation criteria
- Will involve Army Associate Directors
- Army currently has 22 active agreements



HBCU/MI PROGRAM FY 03 PRELIMINARY





**Small Business
is Big Business for
the Army**

Visit us on our Website: www.sellingtoarmy.info