

Aeronautical Systems Center

Dominant Air Power: Design For Tomorrow...Deliver Today



ASC Small Business Office

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U.S. AIR FORCE

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Potpourri



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- **SB Facts**
- **Market Research**
- **Limitation of Subcontracting**
- **Why Team?**
- **Types of Business Relationships**
- **Selecting Teaming Partners/Benefits**
- **Role of the Small Business Office**
- **Take Away**



SB Factoids

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1. SBs represent ____% of all employer firms.
2. SBs employ _____ of all private sector employees.
3. SBs pay ____% of the total U.S. private payroll.
4. SBs generate ____ to ____% of net new jobs annually.
5. SBs create more than ____% of nonfarm, private gross domestic product (GDP).
6. SBs are employers of ____% of high tech workers (such as scientists, engineers, and computer workers).
7. SBs make up ____% of all identified exporters.
8. SBs total approximately ____ million in the United States, with roughly 75% of the firms having no employees.



SB Factoids*



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1. SBs represent **99.7%** of all employer firms.
2. SBs employ **half** of all private sector employees.
3. SBs pay **44%** of the total U.S. private payroll.
4. SBs generate **60 to 80%** of net new jobs annually.
5. SBs create more than **50%** of nonfarm, private gross domestic product (GDP).
6. SBs are employers of **39%** of high tech workers (such as scientists, engineers, and computer workers).
7. SBs make up **97%** of all identified exporters.
8. SBs total approximately **23** million in the United States, with roughly **75%** of the firms having no employees.

***Source: SBA Office of Advocacy**



The Facts Will Set You Free



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- **Market research, market research, market research**
- **Its all about fear mitigation (perception of risk)**
- **Early involvement in the acquisition planning with the Small Business Office**



Limitation of Subcontracting



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- **Services = 50% of personnel costs in house**
- **Manufacturing = 50% of cost of production (excl material) in house**
- **Gen construction = 15% of cost of contract (excl materials) in house**
- **Special trade construction = 25% of cost of contract (excl materials) in house**

Ref: FAR 52.219-14



Limitation of Subcontracting



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SBSA, 8a competitive, 8a sole source

- Cooperative efforts of small prime and small 1st tier subs

HUBZone, SDVOSB

- Small 1st tier subs must be HUBZone or SDVOSB



Why Team?

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- **Enables firms to complement each other's capabilities**
- **Enables firms to offer the best combination of performance, cost & delivery**
- **Enables SBs to effectively compete for larger scale requirements**



Types of Business Relationships



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- **Prime/Subcontractor Relationship**
 - Prime is responsible for contract performance
 - Government has privity of contract only with the prime
 - Relationships normally identified before offer is submitted
- **Joint Ventures**
 - Contract in Joint Venture's name
 - Contract performance responsibility lies with Joint Venture
 - Agreement must include sharing profit/losses proportionate to each party's contributions to business operations



Types of Business Relationships cont'd



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- **Others – Mentor-Protégé**
 - DoD and AF Mentor-Protégé Programs
 - <http://www.selltoairforce.org>
 - Certain exclusions for joint ventures between SBA approved Mentor-Protégé Relationship (13 CFR 124.5)



Selecting Teaming Partners



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- **Compatible contractors**
- **Teaming agreement**
 - All must understand terms and conditions of agreement
- **Assess team member capabilities**
 - Business, financial, other resources
- **Assess team member past performance**
- **Assess legal constraints**
 - Organizational conflicts of interest
 - Debarments/suspensions
 - Qualification requirements
- **Assess team chemistry**
 - Management styles, corporate cultures, strategic visions



Teaming Benefits

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- **Teaming can expand opportunities**
- **Teaming can be a winning situation for all parties**

**Coming Together is Beginning,
Keeping Together is Progress,
Working Together is Success
- Henry Ford -**



Role of the Small Business Office



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- Duties and Responsibilities
 - Aid, assist and counsel small business
 - Enhance small business participation in acquisitions
 - Assist in conducting market research
 - Review/coordinate on internal documents
 - Subcontracting Plans, Acquisition Plans, etc.
 - Manage our outreach program

The Small Business Office is the first stop for all small businesses who are interested in doing business with Wright-Patterson Air Force Base





Take Away

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- **The ASC Small Business Office recognizes the importance of the contributions small businesses make to our national defense and we are dedicated to ensuring opportunities for small business participation.**
- **We will continue to build relationships, develop and implement education/training programs with our internal and external customers.**