

Headquarters U.S. Air Force

Integrity - Service - Excellence

Air Force Small Business



Mr. John Caporal
Acting Director
Small Business Programs
SAF/SB

Solutions of Choice



The Foundation

“It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to **preserve free competitive enterprise...**”

“The essence of the American economic system of private enterprise is free competition. **Only through full and free competition** can free markets, free entry into business and opportunities for the expression and growth of personal initiative and individual judgment be assured. **The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this nation.**”

Small Business Act P.L 85-536



“**Small businesses** create two out of every three jobs in this country. So our recovery depends on them.

And if we want to keep America moving forward, we need to keep investing in our small businesses. This is, by the way, more important than just our economy. It’s also about who we are as a people.”

“Small businesses are **the backbone of our economy**. They are **central to our identity as a nation**.”

*Remarks by the President on the Small Business Jobs Initiatives
28 July 2010*



“...these traits make **small businesses** important to the Air Force. The Air Force thrives on innovation to include areas like unmanned aircraft and cyber where it is increasingly difficult to keep pace with the breakneck speed of technological advances.

Due to their size and narrow focus, **small businesses** can help us stay ahead by quickly adjusting to changing requirements and technologies, oftentimes with a personal touch.”

*Secretary of the Air Force Michael Donley
Air Force Small Business Training Conference
17 November 2009*



“The Air Force Small Business Innovative Research program, along with the Small Business Technology Transfer program, provides an excellent example of the collaborative spirit I think we need to face future acquisition challenges.

These programs leverage the **inherent advantages of small business innovation in order to meet warfighter requirements.**”

“We must continue to innovate our **relationships with small business in order to capitalize** on the very best ideas from industry.”

*Air Force Chief of Staff General Norton Schwartz
Systems Life Cycle Leadership Forum
4 March 2009*



Air Force Small Business 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!***



Vision and Mission

- **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**

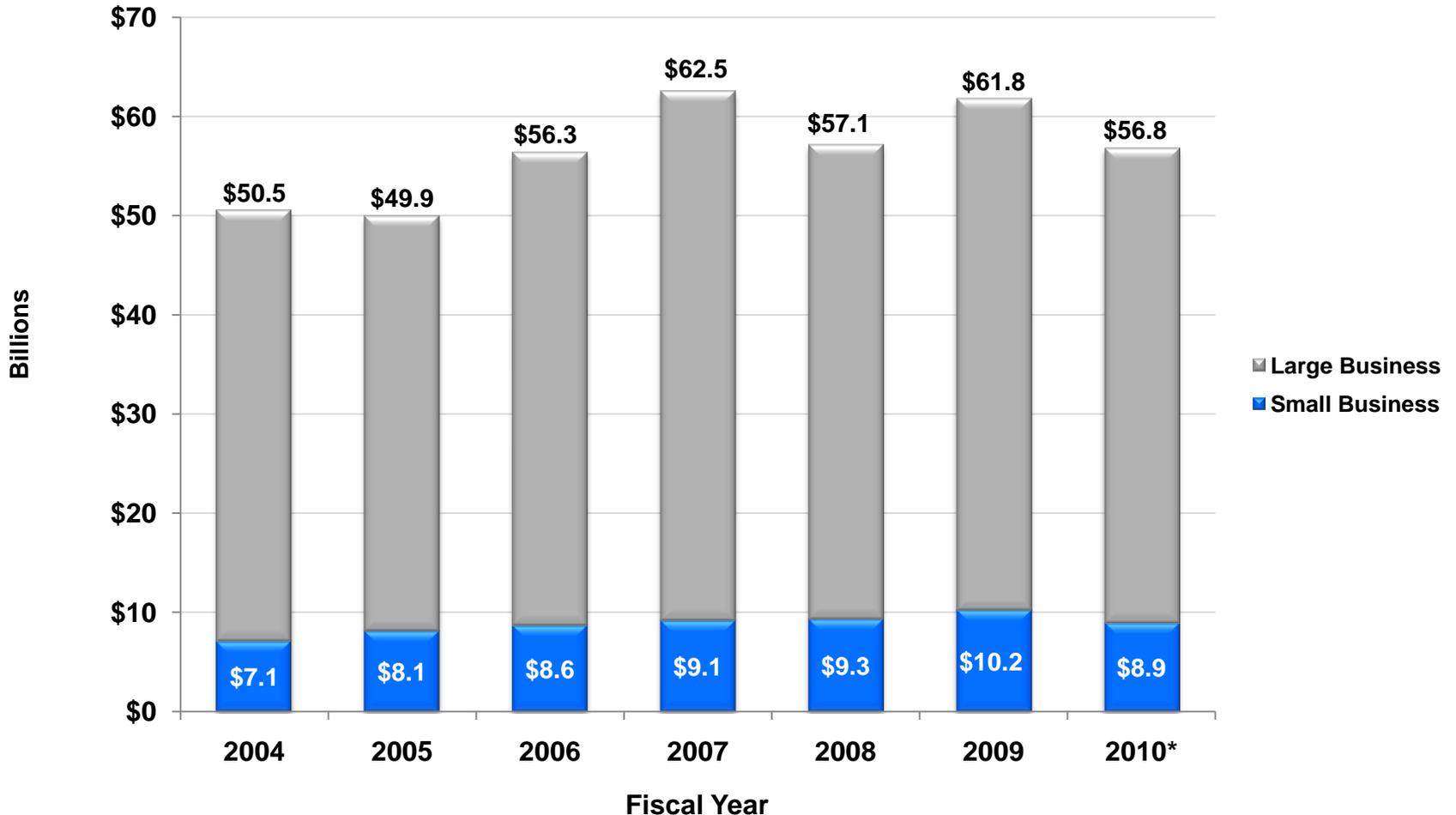
To create and deliver strategies that bring innovative, agile and efficient Small Business solutions to the Air Force to fly, fight and win in air, space and cyberspace and it is exemplified through this *Beyond Goals* strategy

Innovation - Agility - Efficiency - Economy - Diversity!

Integrity - Service - Excellence



Total Dollars Obligated by the Air Force

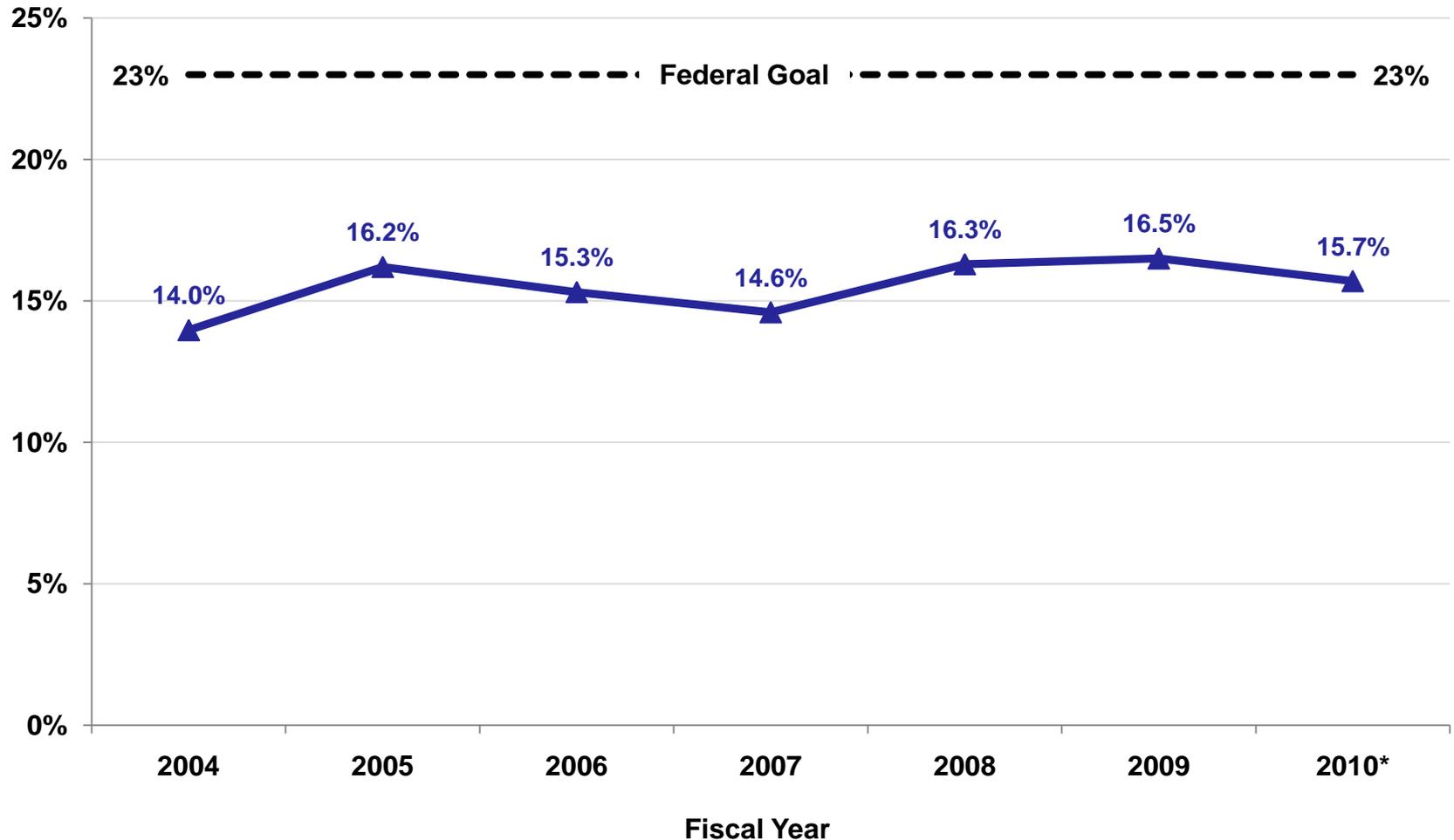


*FY2010 Data is not yet certified

Source: FPDS-NG 22 Oct 2010



Air Force Small Business Performance



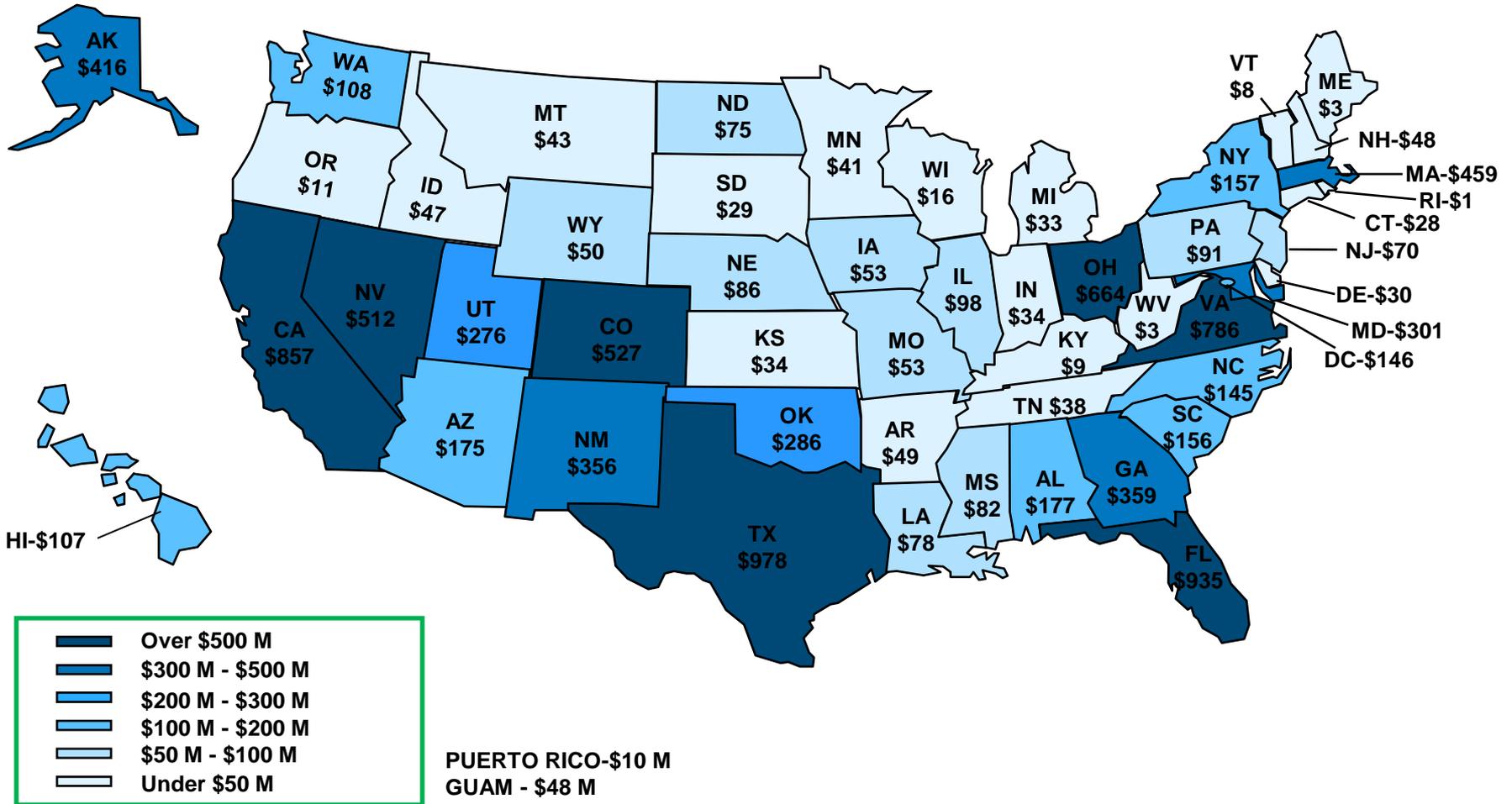
* FY2010 Data is not yet certified

Source: FPDS-NG 22 October 2010



AF SB Dollars Obligated by State (FY09)

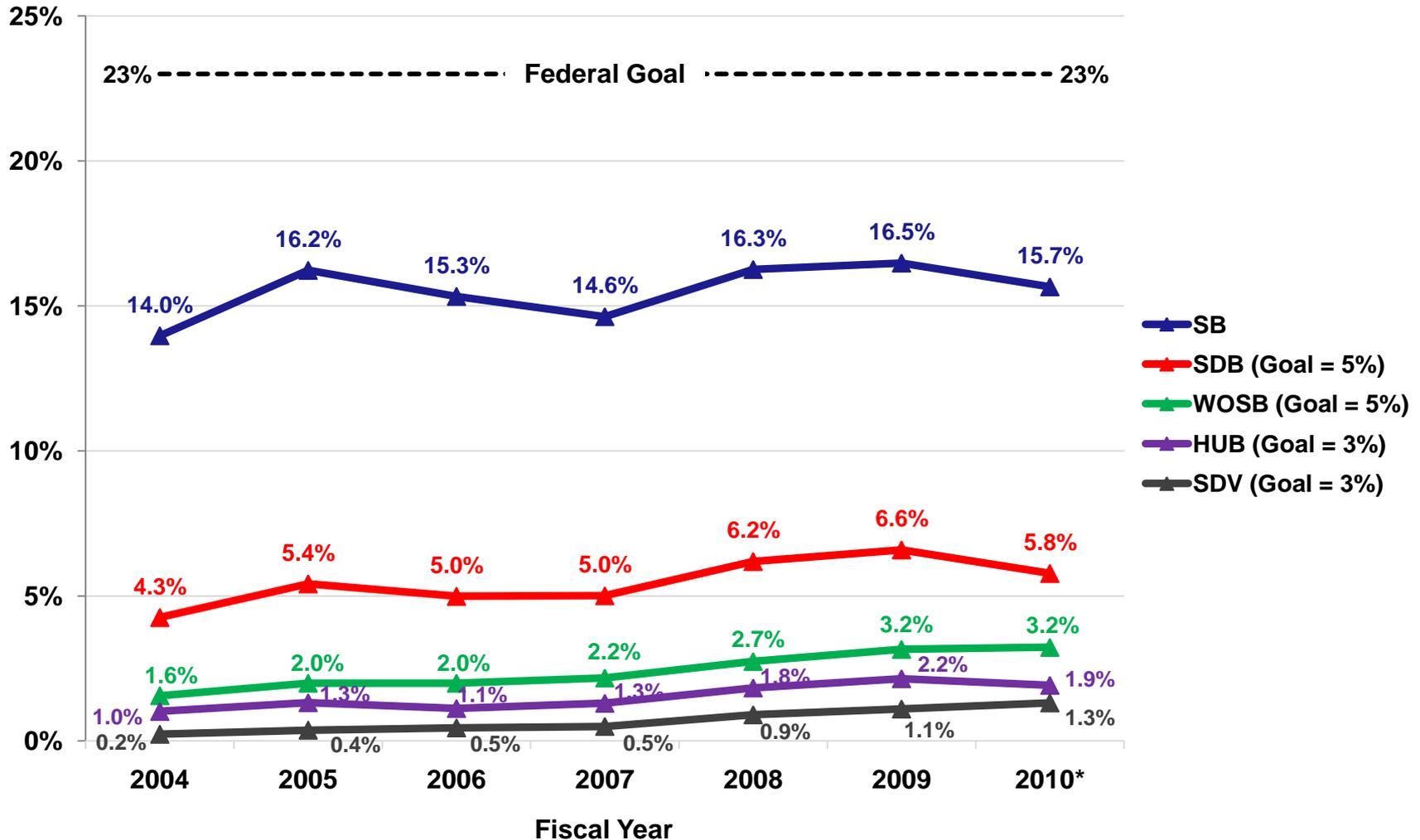
Total Dollars obligated to Small Business in FY09: \$10.2 Billion



Source: FPDS - July 2010 - Determined by Principal Place of Performance State Code



Air Force Small Business Programs (FY04 – FY10)

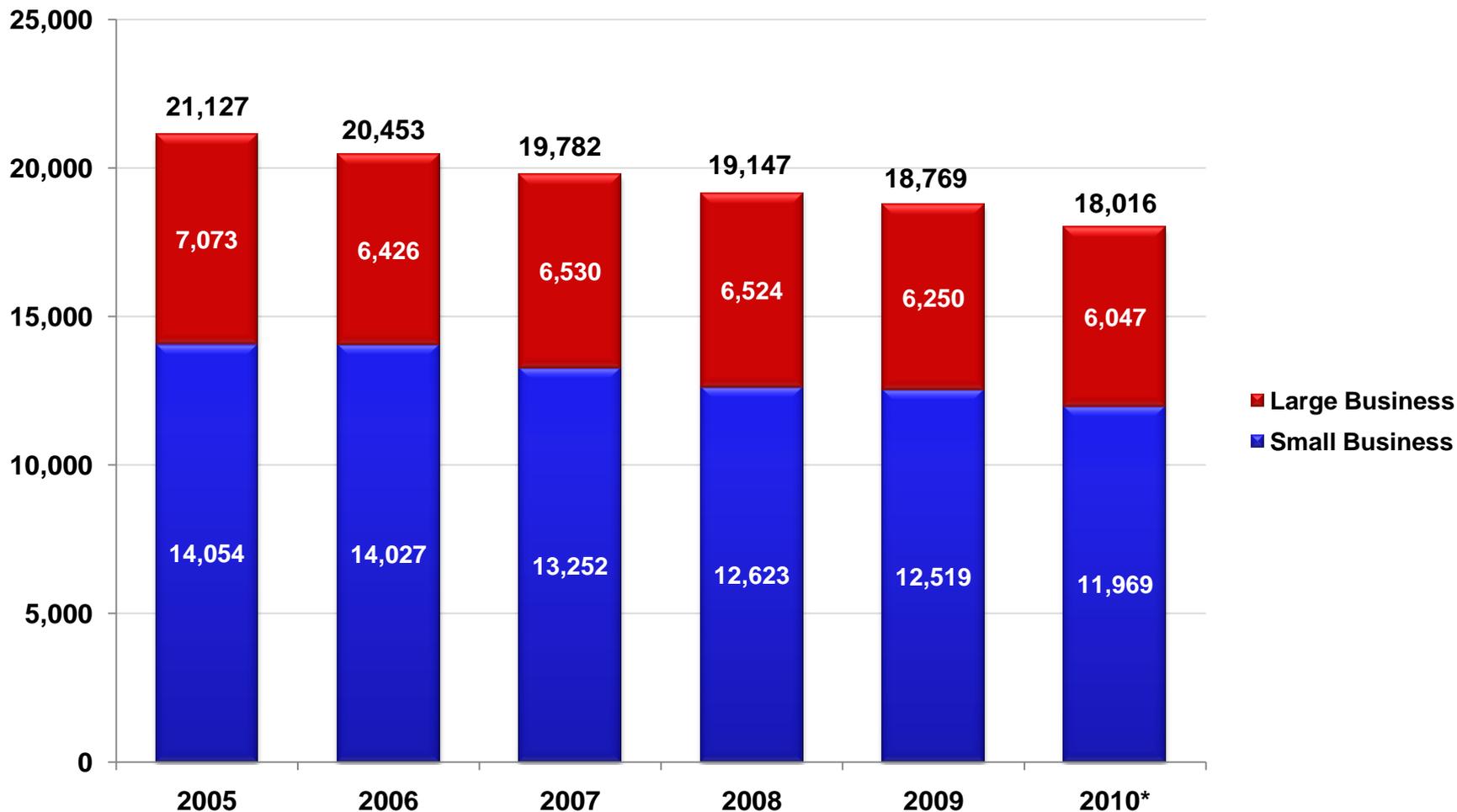


* FY2010 Data is not yet certified

Source: FPDS – 22 October 2010



Number of Prime Contractors performing work for the Air Force

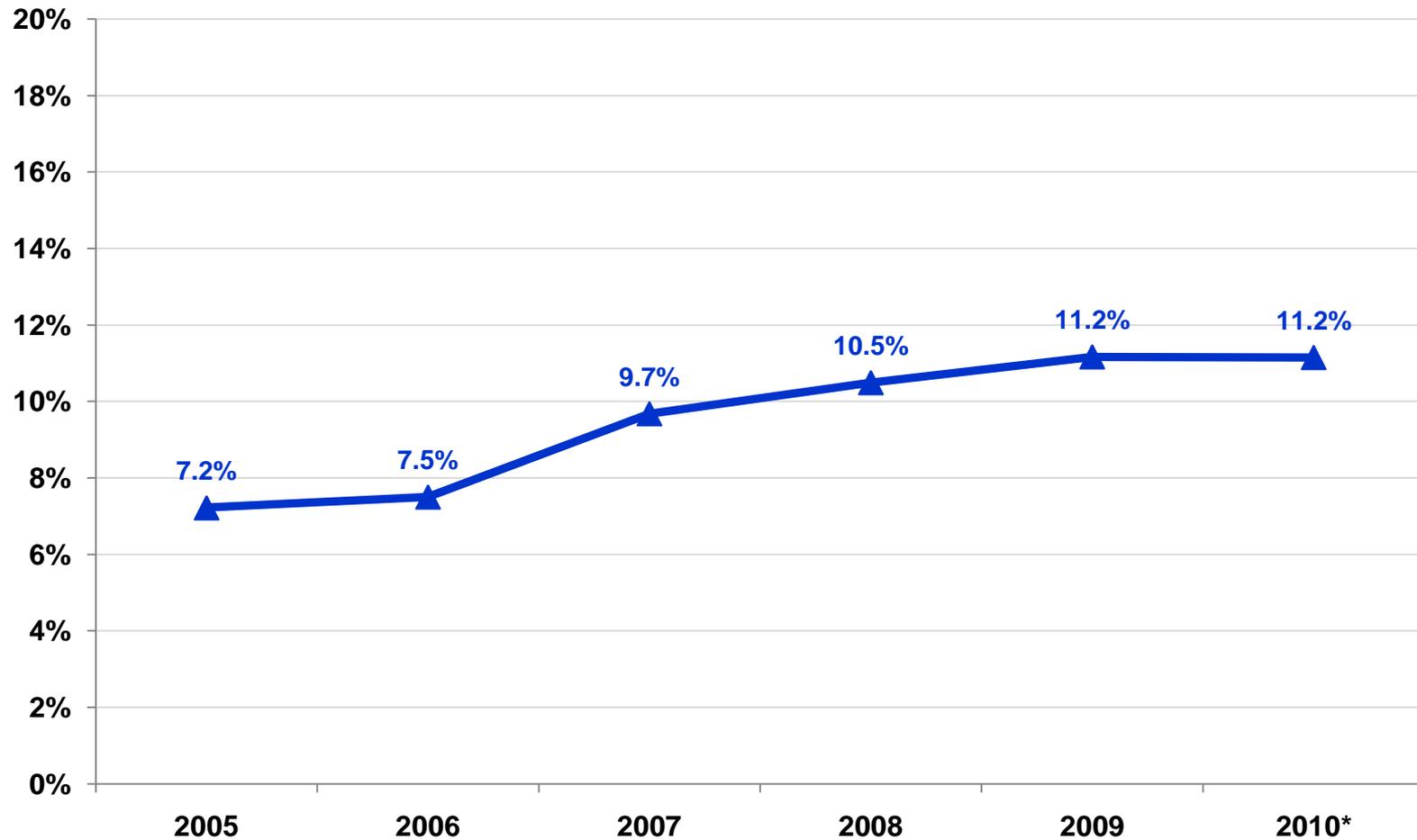


* FY2010 Data is not yet certified

Source: FPDS-NG (Oct 2010) – Number of contractors determined by distinct DUNS Numbers receiving obligations.



Veteran-Owned Business as a percentage of Air Force Prime Contractors

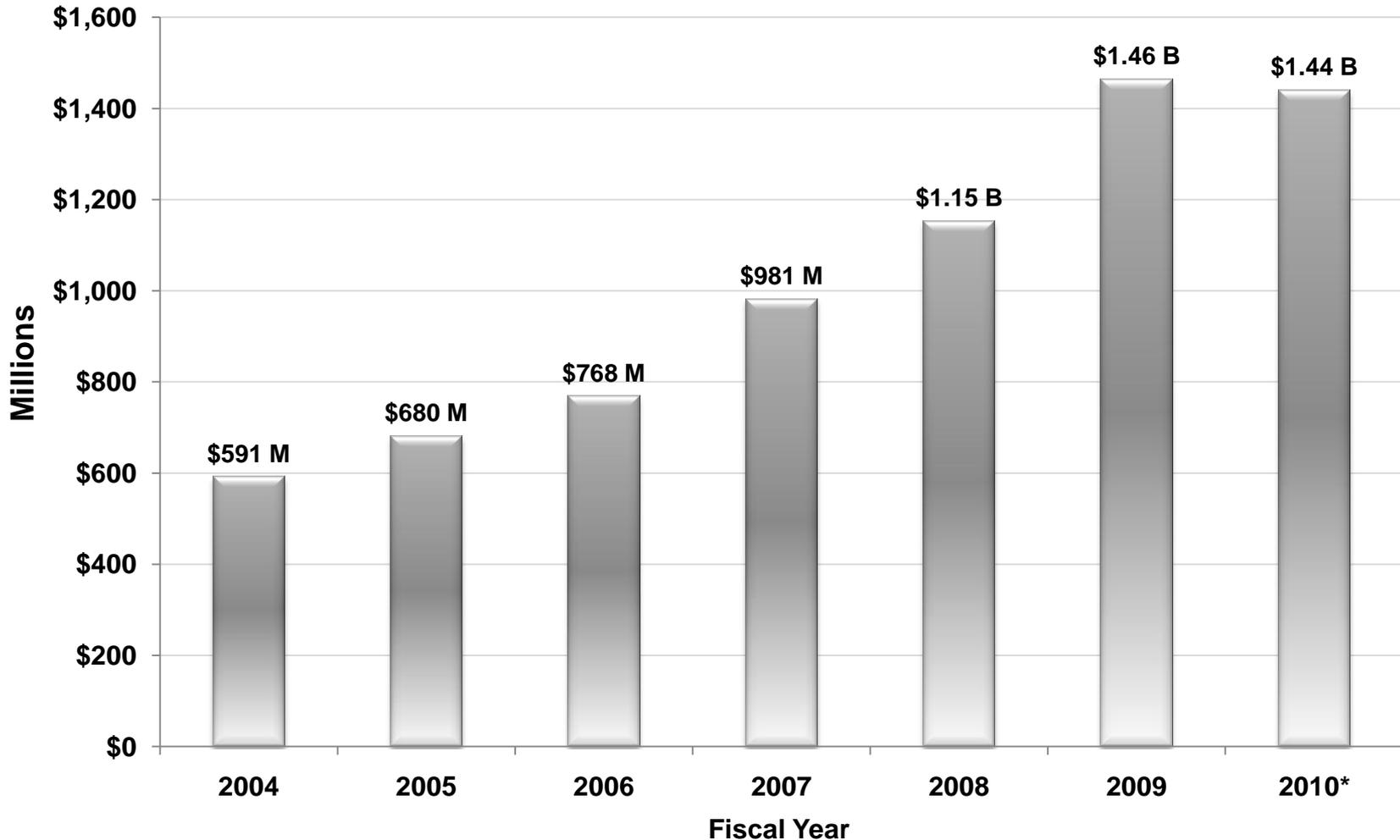


* FY2010 Data is not yet certified

Source: FPDS-NG 22 Oct 2010 - Number of contractors determined by distinct DUNS Numbers receiving obligations.



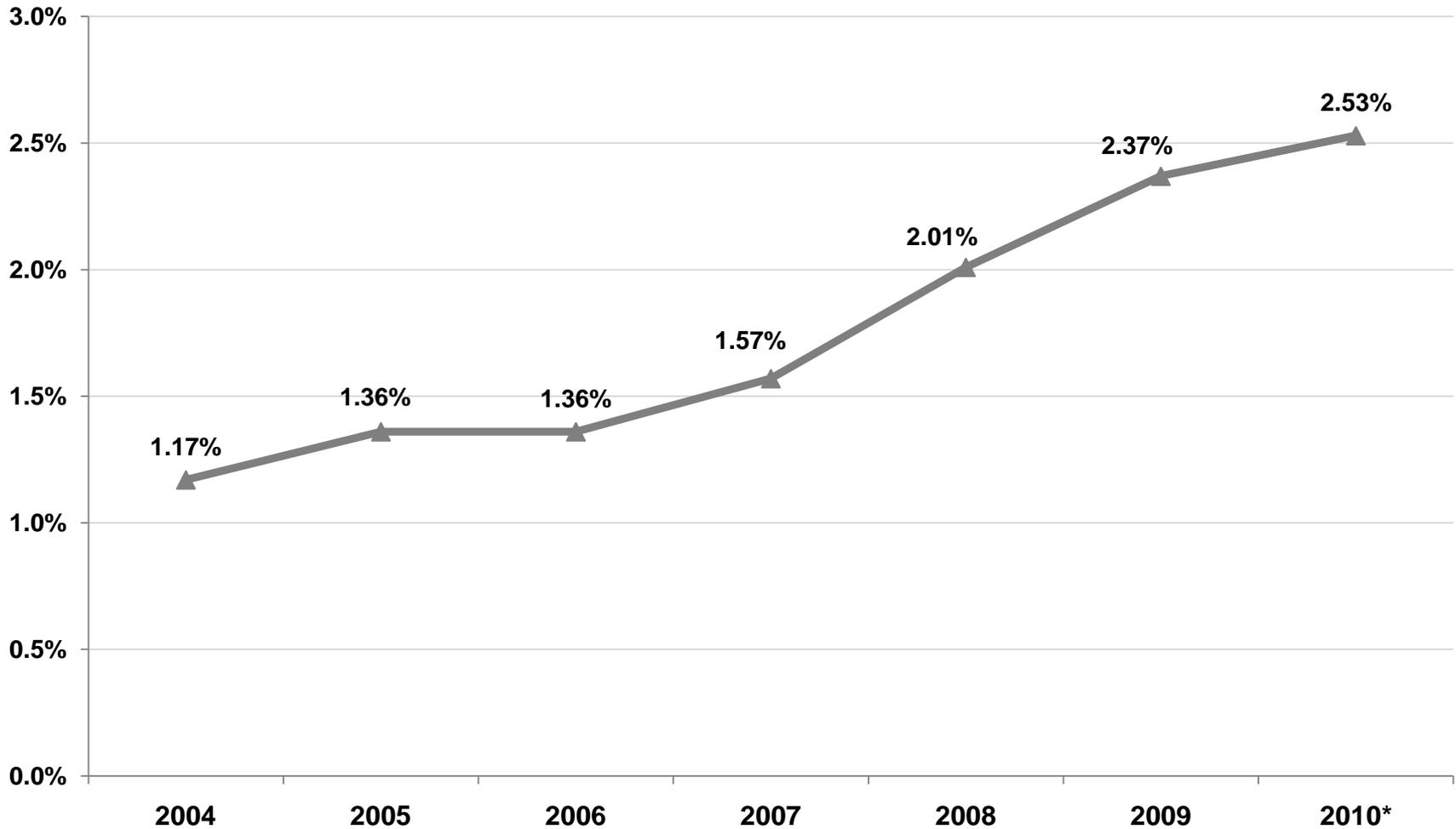
Total Air Force Dollars Obligated to Veteran Owned Small Business



Source: FPDS-NG 22 Oct 2010



Percentage of Air Force Dollars Obligated to Veteran Owned Small Business

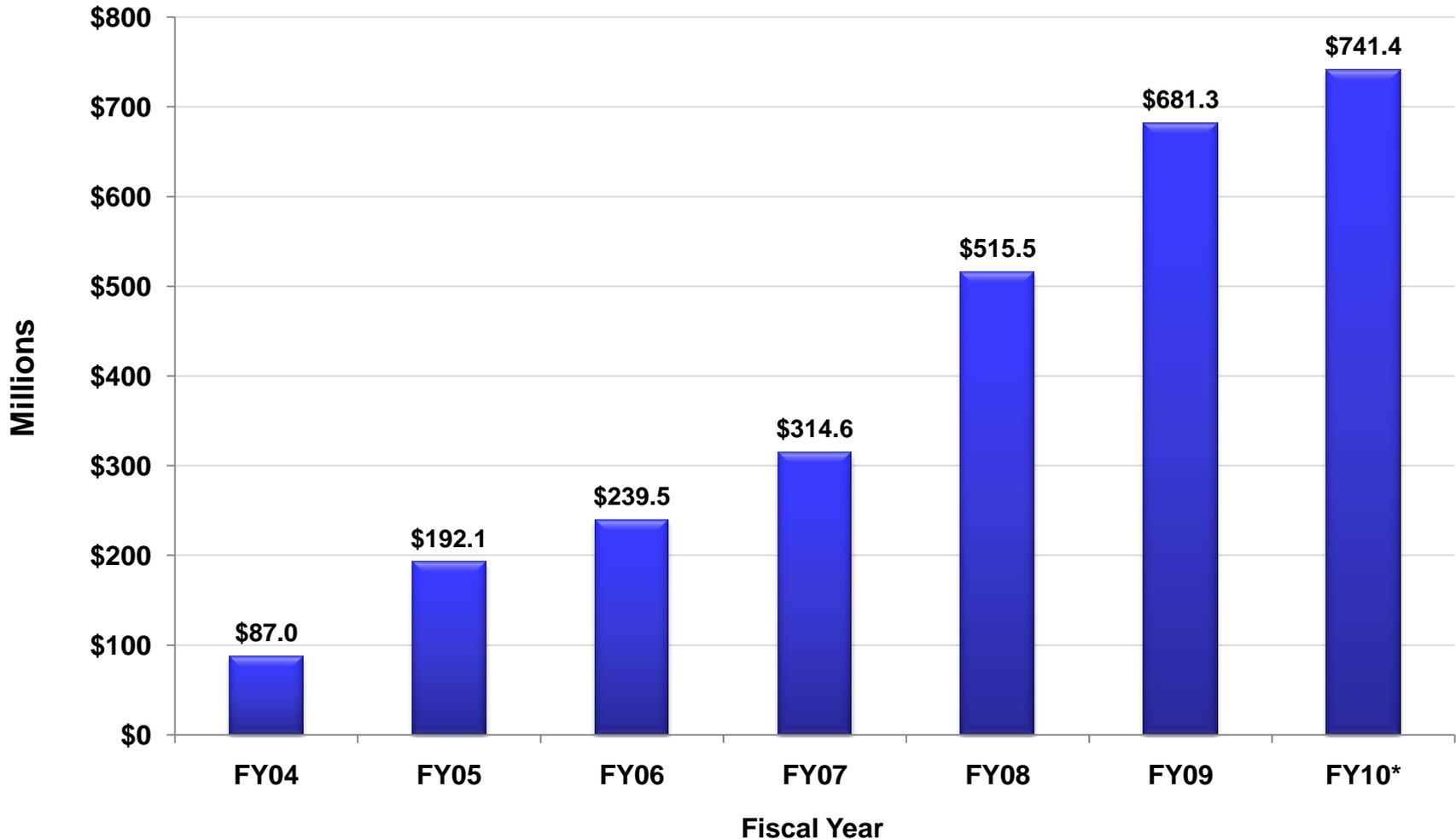


* FY2010 Data is not yet certified

Source: FPDS-NG 22 Oct 2010



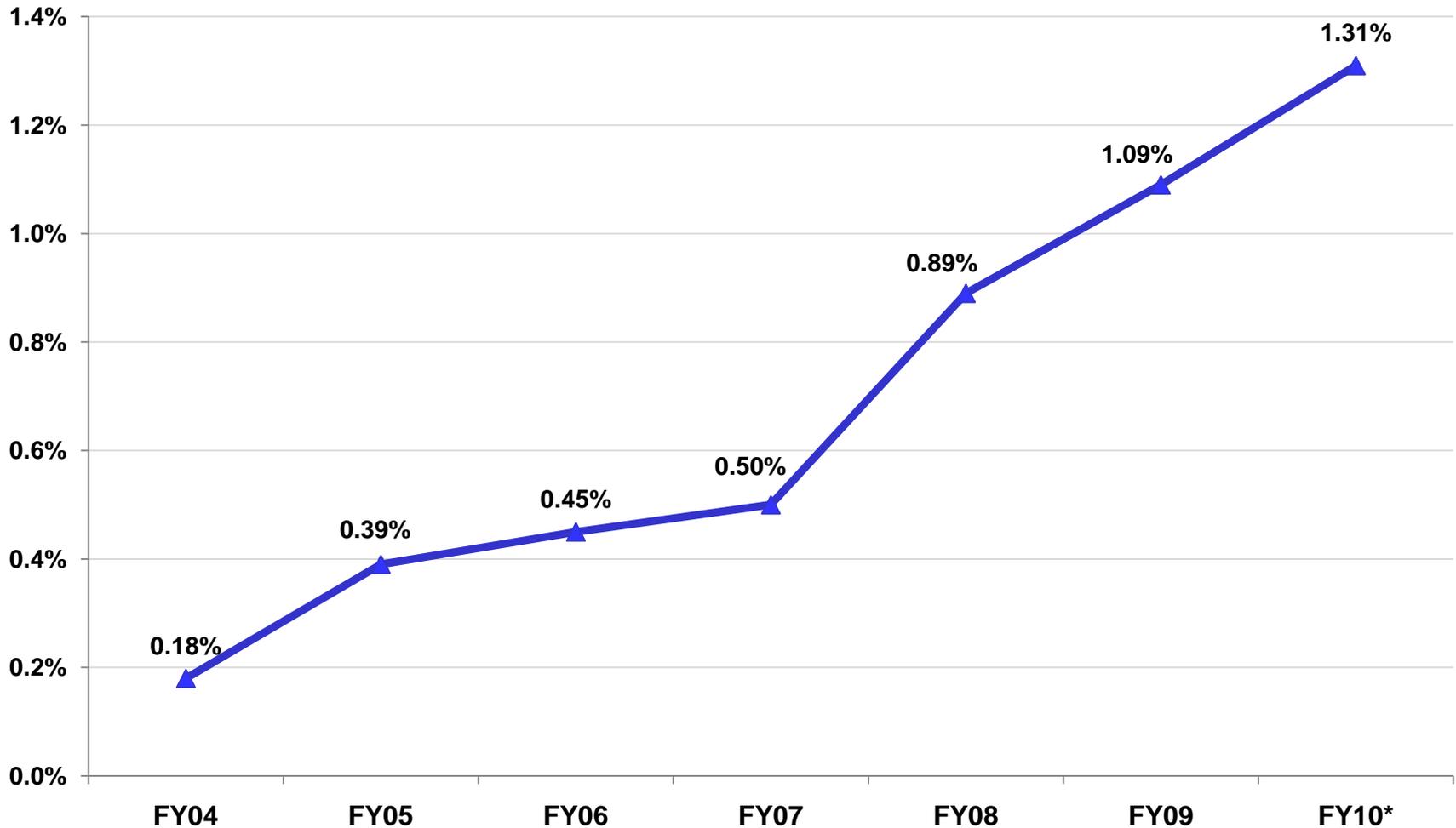
Total Air Force Dollars Obligated to Service Disabled Veteran Owned Small Business



Source: FPDS-NG 22 Oct 2010



Percentage of Air Force Dollars Obligated to Service Disabled Veteran Owned Small Business

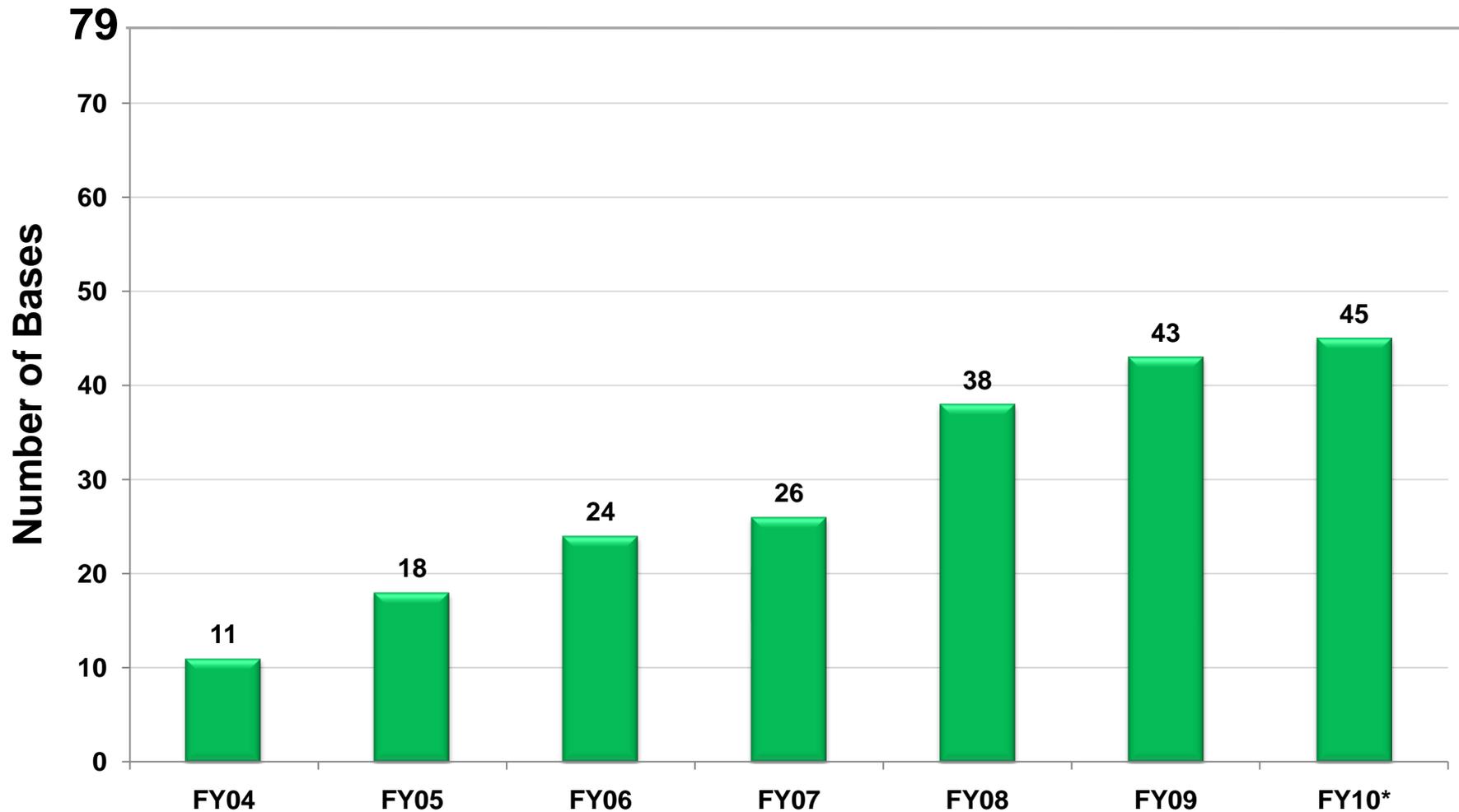


* FY2010 Data is not yet certified

Source: FPDS-NG 22 Oct 2010



Number of AF Installations awarding over 3% of their dollars to SDVOSBs

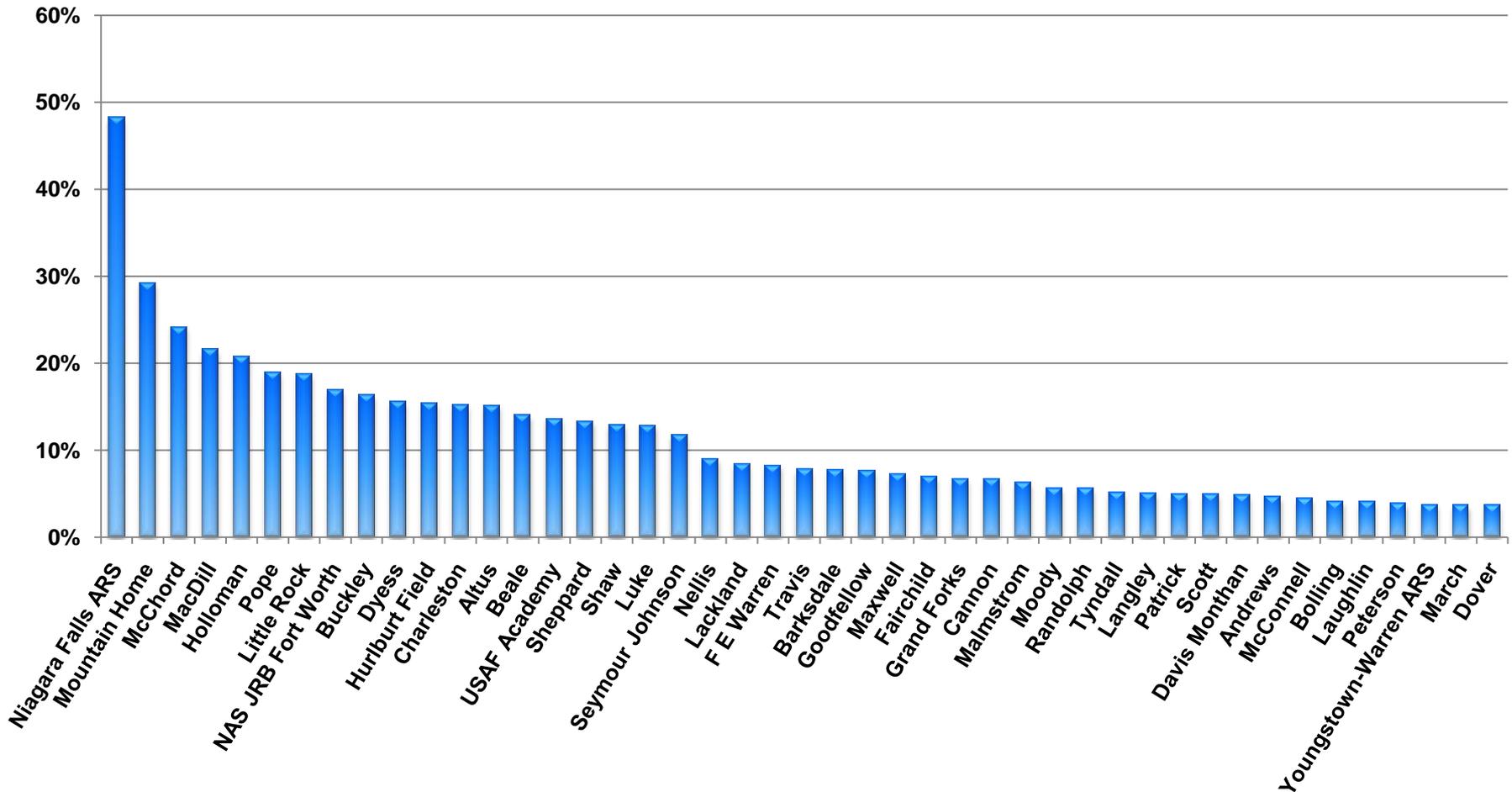


* FY2010 Data is not yet certified

Source: FPDS-NG 22 Oct 2010



Air Force Installations that obligated over 3% of dollars to SDVOSBs in FY10



* FY2010 Data is not yet certified

Source: FPDS – 22 October 2010



Growth in AF Dollars obligated (FY05-FY10)

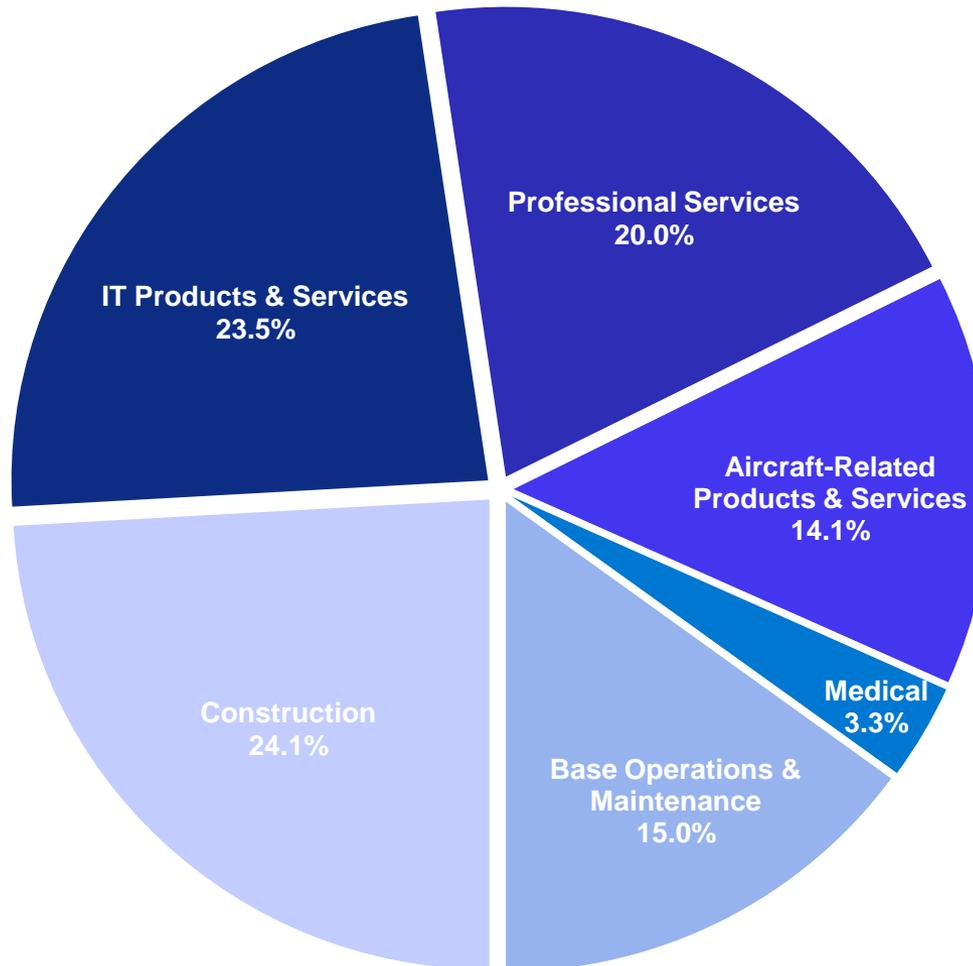


* FY2010 Data is not yet certified

Source: FPDS-NG 22 Oct 2010



FY10 Air Force Dollars Obligated to SDVOSBs - by Industry



* FY2010 Data is not yet certified

Source: FPDS – 22 October 2010



Long Range Acquisition Estimate

The LRAE:

- **Meets the intent of the Small Business Act (Public Law 85-536) requirement to prepare a forecast of expected contract opportunities**
- **Is a Market Research tool that assists in developing acquisition strategies**
- **To be most effective, must be input when the requirement is identified and updated as projections change**



UNDER SECRETARY OF THE AIR FORCE
WASHINGTON

SEP 2 2010

MEMORANDUM FOR ALMAJCOM-FOA/CC

SUBJECT: Long Range Acquisition Estimate (LRAE)

One of the most valuable tools the Air Force has to communicate with industry regarding future mission requirements is the Long Range Acquisition Estimate (LRAE). The Air Force relies on the defense and commercial marketplace for critical supplies and everyday items to accomplish its mission.

To assist with planning and locating additional sources of supply, it is important to develop long-range acquisition estimates and make them available to industry by using the LRAE tool on (<http://AirForceSmallBiz.org/opportunities/index.php>).

The LRAE meets the intent of the Small Business Act (Public Law 85-536, as amended) requirement to prepare a forecast of expected contract opportunities or classes of contract opportunities. FAR 5.404 also states that the agency head, or designee, may release long-range acquisition estimates to assist industry planning and to locate additional sources of supply. Additionally, the LRAE is an important market research tool that assists in developing acquisition strategies, and it is a valuable tool for all companies interested in doing business with the Air Force.

To be most effective, LRAE data must be input when the requirement is identified, and it must be subsequently updated as projections change. Encourage your requirements planners to team with Contracting Officers and Small Business Specialists to establish a process to achieve optimum results in forecasting and in maintaining up-to-date records in the LRAE.

For questions or to obtain more information, please contact Eugene Toni at the Air Force Small Business Programs Office at 703-696-2130 or at Eugene.Toni@pentagon.af.mil.



AirForceSmallBiz.Org SB Specialist Locator & LRAE



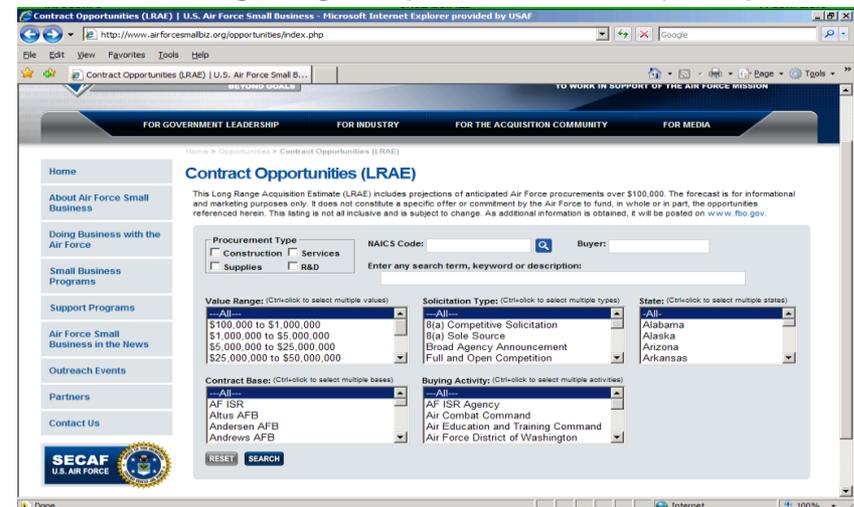
Small Business
Specialist Locator

Long Range
Acquisition Estimate

Small Business Specialist Locator



Long Range Acquisition Estimate (LRAE)





Small Business Jobs Act

■ **Bundling**

- New FAR language is mandate to establish a Government-wide policy regarding bundling including teaming and joint venturing by small businesses, and publicizing the rationale for bundling.

■ **Consolidation**

- The Senior Procurement Executive will now be required to consider market research, alternative contracting approaches, negative impact to small businesses, approaches as well as steps taken to ensure small businesses are included in the acquisition strategy. The Senior Procurement Executive will be required to make a determination that the benefits of the acquisition strategy substantially exceed the benefits of alternative contracting approaches for all contracts over \$2M.

■ **Subcontracting Misrepresentations**

- This will require offerors to submit a representation that they will make a good faith effort in the same amount as in their proposal.

■ **Set-Asides for Multiple Award Contracts**

- Allows small business set-asides on MACs, set asides of orders under MACs and reservation of contract awards for small businesses under full and open MAC procurements.

■ **Agency Accountability**

- Requires each procurement employee or program manager to communicate to subordinates the importance of achieving small business goals.



Small Business Jobs Act

- **Payment of Subcontractors**
 - Requires prime contractors to notify CO of payment of a reduced price to a subcontractor or any past due payment of more than 90 days. The results will be included in the contractor's performance evaluation.
- **Repeal of the Small Business Competitive Demonstration Program**
 - This will apply to the first full fiscal year after the bill is enacted.
- **Small Business Size and Status Integrity**
 - Requires certification of small business size and status, including the signature of an authorized official, as well as annual certification in ORCA. Requires Government-wide policy be issued on prosecution of small business size and status fraud.
- **Training for Contracting Personnel**
 - Requires courses for acquisition personnel in the proper classification of business concerns and small business size and status
- **Updated Size Standards**
 - Requires the SBA to review 1/3 of all the size standards every 18 months and make appropriate adjustments.
- **Mentor-Protégé program**
 - Requires a GAO report on the effectiveness of the 8(a) M-P program. Allows SBA to establish M-P programs for HUBZones, WOSBs, SDVOSBs similar to the 8(a) M-P program.
- **Small Business Contracting Parity**
 - Creates parity among the 8(a), HUBZone, SDVOSB and WOSB programs.



Proposed FAR/DFARS Rules

- **As a result of SB Jobs Bill Act of 2010 – two FAR cases have been opened:**
 - **Socio-Economic Parity – report due to CAR council 27 October**
 - **Repeal of the Competitive Demonstration Program – approved by DAR Council – sent to CAAC week of 15 October**

- **Other cases will be opened to address:**
 - **MAC contracts – set-asides for SB**
 - **Bundling/Consolidation**
 - **Subcontracting Misrepresentations**
 - **SB Subcontracting improvements**
 - **Payment of subcontractors**
 - **Annual certifications**



Interagency Task Force on Federal Contracting Opportunities for Small Businesses

Executive Order

26 Apr 2010

- **Focus on improving procurement opportunities for small business**
- **Help federal agencies achieve statutory small business goals**
- **Recommendations from Task Force included:**
 - **Clearer Small Business policies**
 - **Better trained workforce/hold agencies accountable for meeting Small Business goals**
 - **Better use of technology and data**



Interagency Task Force on Veterans Small Business Development

Executive Order

26 Apr 2010

- **Focus exclusively on improving procurement opportunities for small businesses owned by veterans and service-disabled veterans**
- **Help federal agencies achieve at least 3% goal for SDVOSB**
- **Expanded mentor-protégé relationships**
- **Improve training and counseling to veteran-owned firms**



Women Owned Small Business Program

- **Two Categories**
 - **Women Owned Small Businesses (WOSB)**
 - **Economically Disadvantaged WOSB (EDWOSB)**
- **SBA determines what NAICS codes applicable for set-asides based on whether women are under-represented or substantially under-represented in a specific industry**
- **Offeror required to provide documentation to prove eligibility in SBA Repository or to CO if repository not available**
- **Offeror must register WOSB/EDWOSB status in both CCR and ORCA**
- **Different protest of status rules – must terminate award if decision upheld unless in the public interest to continue performance**
- **Competitive set-aside for acquisitions equal or less than \$5M for manufacturing/\$3M for all others**
- **No sole source authority for this program**
- **Applies to prime contracts only**



AF Mentor Protégé Focus

- **The mission of Air Force Small Business is 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**
- **Air Force Small Business is not an advocate for small business—we are advocates for the mission, met with small business solutions**
- **Air Force is focusing on agreements that have a strong technical component or focus on innovative state of the art technology transfer in the domains of air, space, and cyberspace**
- **Air Force Small Mentor Protégé agreements will concentrate on the Air Force Key Focus Areas**



Major Challenges

-
- **Small Business performance trend – percentages leveling off**
 - **Perception that Small Business = high risk**
 - **“Insourcing” causing a disproportional impact on Small Business**
 - **Achieving maximum impact from the Presidential Executive Orders (26 April 2010) & Small Business Jobs Act**
 - **Subcontracting program is a “check-the-block” program**
 - **Consolidation and bundling (under strategic sourcing)**
 - **Civil engineering, medical, IT and Contracting**
 - **Perception vs. reality – work is too big for SB**
 - **Does not consider impact to local business (economy/jobs/community)**
 - **Inadequate market research**
 - **Resource challenges force “simple” sourcing approaches:**
 - **Single acquisitions take fewer resources than multiple acquisitions**
 - **Small Business Specialists are double and triple-hatted**
 - **Nearest Task Order contract for consolidated efforts**



Success Story - Small Business Champion



Over a period of five years Mr. Poore used the SBIR program as a means to develop the numerous advanced components and technologies required to develop the collaboration tool “Ubiquitous Collaboration” which enables various users on disparate networks to communicate with each other in a secure, real time environment.



Helpful Hints

- **Periodically provide capability briefings to small business specialists and technical POCs**
 - Build dialogue with technical requirements personnel
- **Attend acquisition conferences, industry days and other outreach events**
- **Utilize Long Range Acquisition Estimate at www.AirForceSmallBiz.org**
- **Respond to Sources Sought Synopses or RFIs**
 - Often the basis for small business set aside decisions
- **Consider teaming**



www.AirForceSmallBiz.org

The screenshot displays the Air Force Small Business website interface. At the top, the logo reads "U.S. AIR FORCE SMALL BUSINESS" with the tagline "PUTTING INNOVATION, EFFICIENCY & AGILITY TO WORK IN SUPPORT OF THE AIR FORCE MISSION". Navigation tabs include "FOR GOVERNMENT LEADERSHIP", "FOR INDUSTRY", "FOR THE ACQUISITION COMMUNITY", and "FOR MEDIA".

The main content area features several key sections:

- BEYOND GOALS:** A large graphic with a globe and an aircraft. Text describes a strategy to bring innovation, agility, and efficiency to the mission. It includes a video player and a "LEARN MORE ABOUT AIR FORCE SMALL BUSINESS" link.
- Locate a Small Business Specialist:** A search tool for finding specialists in various Air Force programs.
- Contract Opportunities:** A search interface for finding acquisition estimates (SAC) and identifying upcoming procurement opportunities.
- Outreach Events:** A calendar view for May 2009, listing events such as "Small Business Programs" and "Air Force Small Business in the News".
- SPOTLIGHT:** A section titled "Predators launch of course with help from Small Business" with a "CLICK FOR MORE INFO" link.
- NEWS:** A list of recent news items, including "Vendors get the government low-down" and "AF officials spread word about innovation".
- Current Statistics for Air Force Small Business:** A section with a bar chart and a "CHECK CURRENT STATISTICS" link.

On the left side, there is a navigation menu with links to Home, About Air Force Small Business, Doing Business with the Air Force, Small Business Programs, Support Programs, Air Force Small Business in the News, Outreach Events, and Contact Us. A "SECAF U.S. AIR FORCE" logo is also present.

At the bottom, a footer contains "DISCLAIMER | PRIVACY & SECURITY | SITE MAP | HELPFUL LINKS | PARTNERS" and "Page Last Updated: April 30, 2009".



Contact Us

Office of Small Business Programs

SAF/SB

1060 Air Force Pentagon

Washington DC 20330-1060

703-696-1103

www.AirForceSmallBiz.org



BACK-UP SLIDES



■ **Motivate Innovation**

- **Develop acquisition strategies to reward use and development of small businesses as a source of innovation**
- **Link Small Business Innovation Research (SBIR), Small Business Technology Transfer (STTR), Commercialization Pilot Program (CPP) to platforms**
- **Link Mentor Protégé Program to mission needs w/results**
- **On-ramps and off-ramps during performance**
- **Strengthen acquisition/small business policies**
- **Set small business requirements – not goals (services)**
- **Establish visible top-down commitment**



Initiatives (cont)

- **Increase Program Oversight**
 - **Develop contract incentives (rewards and penalties)**
 - **Ensure timely payments (examine impact of changes to Paid Cost Rule)**
 - **Assess and monitor commitments in subcontracting plans**
 - **Emphasize role of small businesses at PEO portfolio reviews**
 - **Require reporting of activities and results**
 - **LRAE Improvements**