



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

February 15, 2008

ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

Ms. Fay Ott, Associate Administrator  
Government Contracting Business Development  
U. S. Small Business Administration  
409 3rd Street S.W., Suite 8000  
Washington, DC 20416

Re: First Small Business Procurement Scorecard Response from DoD for Fiscal Year 2008

Dear Ms. Fay Ott:

The Department of Defense (DoD) is pleased to submit the Small Business Procurement Scorecard for Fiscal Year 2008 Plan. DoD believes that it has thoroughly answered each of the nine questions.

DoD is proud of its small business achievements and believes that this response will highlight the success of DoD's small business program.

If you have any questions, please feel free to contact me at 703-604-0157 or by email at [anthony.martoccia@osd.mil](mailto:anthony.martoccia@osd.mil).

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony Martoccia".

Anthony Martoccia, Director  
Department of Defense Office of Small  
Business Programs

Attachment:  
As stated



**SBA February 2008 Scorecard  
Department of Defense Response**

**1. Implemented strategic plan to increase the value of competitively awarded contracts to small businesses during the period.**

Department of Defense Small Business Programs are integrated into the Under Secretary of Defense (Acquisition, Technology, & Logistics) Strategic Goals Implementation Plan for FY 2008. Small business activities are called out in the following goals:

- Goal 2.2.2 Establish and institutionalize Small Business Program Initiatives that are crosscutting to the Department to improve program and procurement alignment with Department policy objectives, joint capability, and balanced portfolios.
- Goal 5.2.3 Expand non-traditional supplier participation (including Small Businesses) in DoD acquisition.

The Department of Defense (DoD) Office of Small Business Programs (OSBP) has aligned its activities to support the AT&L goals. The mission of the DoD OSBP is to accomplish the following:

- Advise the Secretary of Defense on all matters related to small business.
- Represent the Secretary of Defense on major small business matters addressed at the OSD level.
- Develop DoD-wide small business policy and provide oversight to ensure compliance by all military departments and defense agencies.
- Provide Military Departments, Defense Agencies, and Procurement Technical Assistance Centers (PTACs) with training and tools to foster an environment that encourages small business participation in defense acquisition.

In order to fulfill its strategic goals and mission, DoD OSBP seeks out opportunities and strategic activities to increase small business dollars competitively awarded by DoD military departments and agencies. There are 22 of these agencies within DoD.

One such example of how DoD OSBP has employed its strategy to increase small business participation is close monitoring of the Competitiveness Demonstration Program to reinstate small business set-asides when appropriate and allowable. DoD OSBP is currently in the process of reinstating set-asides in Construction for the Departments of the Army and the Navy.

DoD OSBP has made it clear to the acquisition workforce that the Department places a priority on the competitive award of contracts to small business. Defense Procurement and Acquisition Policy (DPAP) issued a memorandum on 26 July 2007 distributing

OFPP's memorandum on enhancing competition in Federal acquisition and reiterated DoD's commitment to competition.

The individual DoD agencies have independent strategic goals or plans to increase small business competitive awards:

*United States Department of the Air Force*

The Air Force has completely revamped its strategic plan and strategic planning process for FY 2008. It has established goals, objectives, actions and metrics which are designed to increase awards to small business. This plan was collaboratively developed by the Major Command directors of the Air Force Small Business program. The objectives are in alignment with the Air Force's Strategic Objectives as well as the Secretary of the Air Force's goals. The main intent of the new approach is to move the Air Force "Beyond Goals" by fully integrating the Air Force small business vision of making small business the solution of choice as much as possible with the Air Force objectives and with every AF acquisition.

The Air Force's Strategic Objective Goal #1, "Create and Deliver the right small business solutions to the warfighter" contains objectives that will "maximize prime contract awards to small business and Historically Black Colleges and Universities" through increasing the number of first time small business government awardees, and increasing the number of small business awards occurring due to Acquisition Strategy Panel participation by the Air Force Small Business program. The goal further contains a strategy to align small business capabilities to program requirements by considering every eligible acquisition for small business set-asides, with special emphasis on Service Disabled Veteran Owned Small Businesses.

*The Defense Logistics Agency*

The Defense Logistics Agency (DLA) "One Book" documents DLA policies, processes and procedures on a single web site. It provides an impetus for the Agency-wide effort to standardize and streamline policies, processes, and procedures to improve performance and control costs. The Chapter on DLA's Small Business (SB) Program is its internal SB Standard Operating Procedure across the agency. It contains a requirement for DLA Purchasing Activities to develop a yearly SB strategy. The requirement is to develop a new or updated strategy each fiscal year, addressing principal initiatives to be pursued to promote improvement in the DLA SB Program, and to support the accomplishment of DLA SB goals. Plans for FY 2008 are currently being implemented.

Agency SB strategies for FY 08 are: researching National Stock Numbers (NSNs) for recommendation to set-aside for small business; identifying new sources in socio-economic areas that may be challenging for DLA by locating, informing, educating, and increasing their participation in DLA acquisitions; and, working with acquisition personnel throughout the acquisition process to incorporate incentives and provisions that enhance small business opportunities in DLA strategic arrangements.

*United States Department of the Navy*

The Navy Office of Small Business Programs (OSBP) is implementing a strategic and execution plan that was developed by the Navy Acquisition Community in May 2007. Additionally, the Navy OSBP Director has scheduled one-on-one meetings with the Commanders of each Navy's Head Contracting Activity to discuss the Navy Strategic and Execution Plan and encourage them to increase contract awards to small business at each Command. The Navy's OSBP developed and is implementing Head Contracting Activities Small Business Champions to increase awareness and opportunities for each small business concern. A champion is a Command who becomes the Navy's advocate and strong supporter for that small business concern. The Champion's responsibility is to increase Command awareness and increase contract award opportunities for its chosen small business concern. The champions for the service-disabled veteran-owned small business (SDVOSB) are the Naval Air Systems Command (NAVAIR) and the U. S. Marine Corps Installation and Logistics (MARCOR). The champion for women-owned small businesses (WOSB) is Naval Sea Systems Command.

An updated DoD Directive for DoD Small Business Programs has been developed by DoD OSBP and is in its final review. The Directive updates policy and responsibilities, under Section 2323 of title 10, United States Code (U.S.C.) (Reference (b)), Sections 631-657f of title 15, U.S.C. (Reference (c)), and Section 1544 of title 25, U.S.C. (Reference (d)), for implementing and managing the following statutory and regulatory requirements within the Department of Defense: small business, service-disabled veteran-owned small business, Historically Underutilized Business Zone small business, small disadvantaged business, women-owned small business, Historically Black Colleges and Universities and Minority Institutions, DoD Pilot Mentor-Protégé Program, Indian Incentive Program, Small Business Innovation Research (SBIR), and Small Business Technology Transfer (STTR). The Directive outlines the roles and responsibilities of the DoD Office of Small Business Programs and the directors in establishing and administering small business programs, to maximize small business participation.

DoD OSBP conducts or participates in several major outreach events to increase small businesses participation in DoD contracting, including the DoD Mentor-Protégé Conference which is held in March and provides valuable information and training to potential small business protégés and successful small business protégés and large business mentors.

DoD OSBP also conducts an annual conference and technology showcase event featuring recent Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Phase II award winners. It provides a venue for the small businesses to make connections with potential business and government partners/customers to facilitate the further development of their SBIR/STTR-funded technologies. It tends to attract about 600 participants and has exhibition and training sessions running in parallel to the core brokered matchmaking activity.

The individual DoD agencies also conduct dozens of outreach events:

*The Missile Defense Agency*

The Missile Defense Agency (MDA) has developed an outreach calendar of events that lists conference/events that are upcoming with a focus on Veteran-Owned, SDVOSB, HUBZone and Small Disadvantaged Businesses.

*United States Special Operations Command*

United States Special Operations Command (USSOCOM) will be the featured command at the “Special Operations Forces Industry Conference (SOFIC)” in May 2008 by the Greater Tampa Chamber of Commerce. During this major community event, the USSOCOM OSBP will be hosting a Small Business Day on 20 May 2008 with an anticipated 300-500 small businesses attending. The USSOCOM OSBP will provide informative briefings, training, one-on-one sessions, and educational workshops on this day. The USSOCOM Acquisition Executive will be the keynote speaker and the USSOCOM Director of Procurement will also make remarks.

*Defense Logistics Agency*

In an effort to increase the number of qualified small business contractors that can compete for contracts with the Defense Logistics Agency (DLA), their small business program sponsors, co-sponsors and participates in Business Fairs, Conferences, Seminars and Training events. At these events, DLA small business representatives can meet one-on-one with small businesses, providing information on prime and subcontracting opportunities, along with educating them on how to do business with DLA, thus, improving opportunities to award contracts to capable, competent, and committed small businesses. DLA representatives are most often speakers at these events, allowing them to inform and train hundreds of small businesses nationwide.

*Defense Information Systems Agency*

The annual Defense Information Systems Agency (DISA) Customer Partnership Conference has dedicated tracks sessions for small business only. These sessions are designed to enhance a small business’ comprehension of the Agency’s mission and requirements. The DISA Office of Small Business Programs sponsors many small business outreach events.

Additional discussion of outreach activities and conferences to increase small business procurements are detailed in the answer to Question #3.

## **2. Demonstrated top-level Agency commitment to small business contracting during the period.**

The Department of Defense has a strong commitment to small business contracting. The Acquisition, Technology, and Logistics (AT&L) Strategic Goal Implementation Plan for FY 2008 cited the following milestones for implementing and refining small business initiatives that took place in FY 2007:

- Improved integration of SBIR identified small business technology capabilities with acquisition program requirements. Recent SBIR Phase II Transition conference held this Aug 21-23 in Crystal City and Commercialization Pilot Program supported by three Service Senior Acquisition Executives.
- Small Business Learning Center of Excellence has been established at Defense Acquisition University for DoD employees.
- Electronic School House for training small businesses.
- SDVOSB Contracting Improvement.
- Improved subcontracting plan, including more emphasis on major primes bringing in qualified small business suppliers.
- Focused use of Mentor-Protégé program to enhance small business reliability such as Enser in thermal batteries and ten agreements with Joint Robotics Program Office.

The Department of Defense Office of Small Business Programs Director, Mr. Tony Martoccia has unlimited access to the Deputy Under Secretary of Defense (Acquisition and Technology), Dr. James Finley. Mr. Martoccia has weekly meetings with Dr. Finley to provide updates on small business program issues. Dr. Finley in turn briefs Mr. John J. Young, the Under Secretary of Defense for Acquisition, Technology and Logistics on small business items.

DoD OSBP is pleased that Dr. Finley will be the keynote speaker at the 2008 DoD Mentor-Protégé Conference held 10-13 March in Daytona Beach, Florida.

An excellent example of high-level commitment within DoD is a forthcoming Small Business Industry Roundtable coordinated by DoD OSBP with The Council on Competiveness and hosted by Dr. Finley. The event will focus on overcoming barriers to contracting with DoD. DoD OSBP asked a range of industry groups to select small businesses to attend, so a wide range of small business types will be represented.

Kenneth Krieg, the former Under Secretary for Defense Acquisition, Technology and Logistics issued a Memorandum on 12 April 2007 encouraging use of GSA's GWAC (Government-Wide Acquisition Contract) for Service-Disabled Veteran Owned Small Business (SDVOSBs) for IT acquisition.

The director of DoD OSBP and the director of Defense Procurement and Acquisition Policy both issued policy memos in Fiscal Year 2007 encouraging the use of SDVOSB in DoD contracting.

The individual DoD agencies also have demonstrated high-level commitment to small business contracting:

*Defense Contract Management Agency*

The performance of the Small Business Office is directly linked to the performance rating of the Executive Director of the Defense Contract Management Agency (DCMA) Contracts Directorate. The Procurement Office has recently been transferred into the Contracts Directorate and will also have input into the Executive Director's performance rating. All direct reports to the Executive Director (including the Small Business Director and the Procurement Division Director) attend weekly management meetings to brief the Executive Director on the status of their programs.

*United States Department of the Army*

A memorandum dated 9 Jan 2008 signed by the Secretary of the Army to the Army Commanders re-emphasized the importance of meeting or exceeding the 3% goal to SDVOSBs. The Director routinely visits the Commanders to review the command's small business program and to personally discuss the program with the Commander. The Director briefs the Secretary of the Army periodically during the fiscal year on the Small Business Program. Recently, the SDVOSB Program was briefed during one of the key monthly meeting with Senior Army officials in attendance.

*Defense Microelectronics Activity*

The Defense Microelectronics Activity (DMEA) has demonstrated its commitment to small business contracting in the following ways:

- Senior managers' commitment to small business is considered in performance evaluations.
- DMEA's top-level commitment demonstrated by supporting outreach and marketing efforts through speaking opportunities.
- Director, DMEA was the keynote speaker at two day small business conference attended by hundreds of small businesses.
- Director, DMEA periodically conducts facility and laboratory tours for companies, many of whom are small business owned.
- DMEA Director of Contracting participated on a panel describing how to do business with the Government.
- DMEA Director of Small Business is a member of the Western Regional Small Business Council.

- Deputy Director, DMEA has directed that significant funding be set aside for actively promoting DMEA to small business through participation in national small business conferences, and local and regional outreach efforts.

#### *Defense Commissary Agency*

Top-level commitment at the Defense Commissary Agency (DeCA) is demonstrated through inclusion of a small business element in the Agency Director's performance plan. DeCA's Office of Small Business programs provides annual input to the Director's performance appraisal regarding DeCA's accomplishments and strategies to promote and increase small business opportunities.

#### *United States Department of the Navy*

Navy senior executives have demonstrated a renewed commitment to small business contracting. The following memorandums have been signed and distributed to the Navy Acquisition Community:

The Navy Senior Acquisition Executive (SAE) and the Navy Office of Small Business Programs (OSBP) jointly endorsed a SDVOSB memorandum on December 4, 2007 to focus attention on the Service-Disabled Veteran-Owned Small Business (SDVOSB) procurement program. Highlights of the memo include the following: "It is the policy of the Department of the Navy to provide maximum practicable opportunities in its acquisitions to SDVOSBs. Each member of your Navy and Marine Corps Acquisition Team are to review all current and future requirements with a view to increasing awards of prime contracts and subcontracts to SDVOSB concerns".

The Navy Senior Head of Contracting Policy (DASN(A&LM)) endorsed a memorandum to emphasize some of the responsibilities of the Department of the Navy when awarding contracts under the 8(a) Business Development Program on November 5, 2007.

DASN(A&LM) signed out a memorandum on January 8, 2008 to forward the OUD(AT&L)DPAP memorandum of November 7, 2007 that provided guidance on compliance with an oversight of requirements concerning Small Business subcontracting plans. This includes using the appropriate clauses for small business subcontracting plans when required by FAR 19.702, documenting the file when no subcontracting opportunities exist, and ensuring semi-annual subcontract reporting is accomplished.

#### *United States Special Operations Command*

The United States Special Operations Command (USSOCOM) Commander is briefed on goal achievements and although the Command has achieved the majority of its small business goals, he has directed continued improvement. Senior USSOCOM acquisition leaders have challenged the Command's acquisition community to specifically improve the HBCU/MI goal achievement which has traditionally not been good. Moreover, the USSOCOM Acquisition Executive (AE) requested the USSOCOM Program Executive



Officers (PEOs) review their portfolios to determine which projects would be suitable for HBCU/MI's. This top-level leadership emphasis resulted in an HBCU/MI award in FY2007 for the first time since 1996.

*Defense Logistics Agency*

On September 17, 2007, the DLA Vice Director signed a letter to DLA Commanders and Directors regarding its SDVOSB Procurement Program. The letter asked each activity to reinvigorate their efforts to increase business opportunities for SDVOSB concerns, increase the use of set-aside and sole-source authorities under the law, and assist DLA in meeting the three percent prime and subcontracting SDVOSB goals.

### **3. Planned significant events to increase small business participation in the procurement process during the period.**

As discussed in relation to Question #1 and DoD's commitment to increasing small business contracting, DoD OSBP conducts several annual outreach events to increase small businesses participation in DoD contracting:

The 2008 DoD Mentor-Protégé Conference will be held 10-13 March in Daytona Beach, Florida. This year's conference will feature distinguished guest speakers and sessions with a focus on business aspects of the Mentor-Protégé relationships and providing the necessary tools to strengthen Protégés into value chain leaders.

DoD OSBP is also organizing a DoD Small Business Training Conference to be held in June in Atlanta to cover a range of small business topics with the intent to provide additional resources for small business specialists and other acquisition personnel to enhance small business participation.

"Beyond SBIR Phase II: Bringing Technological Innovation to the Warfighter" is an annual conference and technology showcase event featuring recent SBIR/STTR Phase II award winners. It provides a venue for them to make connections with potential business and government partners/customers to facilitate the further development of their SBIR/STTR-funded technologies. It tends to attract about 600 participants and has exhibition and training sessions running in parallel to the core brokered matchmaking activity.

DoD OSBP also supports two annual SBIR/STTR National conferences targeting firms interested in learning about and participating in the SBIR and STTR Programs. In FY07, the fall event was held in Milwaukee, WI and the spring event was held on Durham, NC. The DoD and most of its participating components presented overview briefing, and conducted hundreds of one-on-one meetings with interested small business. DoD OSBP also supports numerous state and regional SBIR/STTR outreach events, as resources allow, to increase awareness of the Programs through the country. In FY07, events were supported in Colorado, Massachusetts, Virginia, Connecticut and Tennessee, among others.

DoD OSBP is participating in the 4th Annual National Veteran Small Business Conference and Expo to be held in Las Vegas in July.

DoD Agencies also have significant outreach and training events planned:

#### *Defense Information Systems Agency*

The Defense Information Systems Agency (DISA) has planned the following significant events to increase small business participation in the procurement process:

- A Forecast to Industry for 4<sup>th</sup> quarter 2008
- Industry Days
- Agency's Annual Customer Partnership Conference

*Washington Headquarter Service*

Outreach activities are an integral aspect of the WHS Small Business Office's agenda to increase small business participation in the procurement process during FY 2008. The Small Business Office has planned numerous outreach activities to provide detailed information and counseling to small vendors. The goal is to reach out to the small business community and foster relationships with as many capable, qualified small businesses as possible. Outreach activities include:

- Providing counseling and marketing assistance to firms interested in doing business with WHS.
- Participating in conferences sponsored by Federal, State, and local governments.
- Participating in special events for small businesses in general and events targeted to specific group(s) from amongst the designated socioeconomic categories.
- Participating in annual conferences sponsored by National and Regional organizations.
- Meeting one-on-one with small businesses to discuss their products, services, capabilities and qualifications.

*United States Department of the Air Force*

The Air Force will continue to be active in planning and participating in significant events to increase small business participation in FY 08. It co-sponsors the DoD Service Disabled Vets Conference in Las Vegas in July. This event is the largest Veteran's conference in the country with over 5,000 attendees. It also holds an annual AF Small Business Training Conference in Destin, Florida. This event provides training opportunities for small business specialists and some program managers and contracting officers. This year will focus on the strategic planning process for FY 09. The result of this planning should be new strategies to increase small business awards as well as an increased shared understanding of how to maximize small business participation. The Air Force Small Business office has also sponsored a meeting of Small Business specialists in the Southwest to discuss how to increase small business participation in response to the Contracting Installation Acquisition Initiative that will consolidate installation buying in five regional offices. Air Force major commands and installations will continue to sponsor local events ranging from teaming with other federal and local agencies to holding industry days to inform vendors of upcoming requirements. Air Force small business specialists and senior SB leaders also participate in the major command contracting conferences to relay small business information.

*Defense Commisary Agency*

As a part of its outreach program, Defense Commissary Agency (DeCA) has teamed with our Procurement Technical Center and plans to conduct a service-disabled veteran-owned business fair during FY 2008. It will also be working with the Small Business Administration and other small business advocacy offices to locate viable sources that can provide support to DeCA.

#### *National Geospatial-Intelligence Agency*

The National Geospatial-Intelligence Agency (NGA) semi-annually sponsors Industry Outreach Forums to provide Industry executives with NGA specific perspectives and schedules for upcoming procurement needs.

NGA SBPO has attended and continues to establish many small business events for FY08, to include SBIR and HBCU/MI program managers with SBA involvement. On 20 November 2007, NGA conducted a small business event in Nebraska and SBA (Kathleen Piper) participated. In February 2008, NGA is scheduled to participate in two upcoming events, one for the Government Contract Match-Making event and Small Business Fair, and the other is the Fort Belvoir Procurement Forum. Both will include SBA participation by NGA requests.

#### *United States Special Operations Command*

The Special Operations Forces Industry Conference (SOFIC) in May 2008 hosted by the Greater Tampa Chamber of Commerce will be a huge outreach event for United States Special Operations Command's (USSOCOM's) small business program. The overall attendance may reach over 3,000 large and small business representatives. During the Small Business Day, one-on-one sessions will be available for small businesses to meet with large business representatives and USSOCOM acquisition officials. One of the new initiatives for the OSBP will be to present for the first time, five breakout sessions conducted by DCMA, DCAA, APTAC, SBDC, IRS, and Universities. At one of these breakout sessions, local universities have been invited to brief on "Technology Incubators." In 2006, the Small Business Day was a huge success; it is anticipated that an increase in the number of small businesses attending SOFIC will occur in 2008 because of USSOCOM's success in 2006.

#### *National Security Agency*

The National Security Agency's Office of Small Business Programs hosts, at a minimum, twenty-two briefings entitled, "Doing Business with the National Security Agency." The number of registrants ranges from 26 – 40 and represents small businesses in all socio-economic categories.

The Agency's Industry Outreach and Facilitation group will host:

- 18 Tech Expos – throughout the year
- Two (2) "Business in a Minute" conferences

- Tech Expos exclusively for a specific socio-economic group, i.e. Service Disabled Veteran Owned Business
- NSA Acquisition/Industry Symposium (NA/IS) – SPRING 2008
- NSA Commercial Acquisition Conference (NCAC) – FALL 2008

The Office of Small Business Programs has or will participate in the following events:

- SMART Procurement Conference, Congressman Bartlett, Frederick Maryland, November 2, 2007
- OSDBU Conference, Prince Georges County, April 9, 2008
- Mentor Protégé Conference, March 10 – 13, 2008
- 4<sup>th</sup> Annual Service-Disabled Veteran Small Business Conference, Las Vegas Nevada, July 7 – 10, 2008

### *Defense Logistics Agency*

Defense Logistics Agency (DLA) Small Business Offices sponsor, co-sponsor and participate in Business Fairs, Conferences, Seminars and Training events. Its HQ Office of Small Business Programs compiles a list or “Calendar of Events” DLA will support or sponsor each quarter, in an effort to target and track DLA participation in small business events.

In socio-economic categories where it may be a challenge for DLA to find sufficient small business concerns (e.g., SDVOSB manufacturers), DLA is taking a focused approach to locate, inform, educate, and increase their participation in DLA acquisitions. DLA identifies conferences and publications directed at these sub-groups of the small business community and target our participation towards each.

If there are a number of new small business concerns interested in doing business with DLA, some components hold a “roundtable discussion” that includes small and large businesses, small business specialists, acquisition personnel, and SBA representatives. The purpose of these discussions are two-fold: to educate them on doing business with DLA; and, to try and resolve challenges small business concerns face when doing business with DLA and the Federal Government.

For example: One DLA sponsored conference in FY 08 was the Defense Energy Support Center (DESC) Small Business Networking and Training Conference held in Baton Rouge, LA, December 11, 2007. The conference was aimed at increasing small business participation in DESC acquisitions by finding concerns capable of providing energy commodities and services. Information was presented and shared with small businesses at the conference by DESC representatives, the Louisiana PTAC, and the SBA District Office in LA.

### *United States Department of the Navy*

The Navy OSBP is co-sponsoring the Blue Coast (East Coast) Small Business Training and Opportunity Conference with Armed Forces Communication and Electronic

Association Transformation Warfare (AFCEA East) Conference in Virginia Beach, Virginia. The overall conference is expected to host more than 1,000 conference participants. The Navy Small Business parallel conference is anticipated to host over 200 small businesses attendees with a focus specifically on information and training on how to do business with the Navy.

The Navy OSBP is one of several major co-sponsors of the 4th Annual National Veterans Conference and Expo which is expected to have over 1500 attendees. This conference will focus on veterans and service-disabled veteran owned small businesses.

The Navy OSBP is co-sponsoring the annual Navy Gold Coast (West Coast) Small Business Training and Opportunity Conference with National Defense Industrial Association (NDIA). The conference is expected to host over 1,000 small businesses attendees with a focus specifically on information and training on how to do business with the Navy.

#### **4. Demonstrates that small business data is accurately reported in FPDS-NG during the period.**

DoD OSBP ensures that the data that is input into the system is correct through training and reviews of the data. The Defense Procurement, Acquisition Policy (DPAP) is DoD's FPDS-NG lead and DoD OSBP works closely with DPAP to check the accuracy of the resulting data, as much as is possible, by running regular reports to identify major deviations with the data.

DPAP's Business Transformation Agency (BTA) developed a presentation for DoD FPDS-NG Training with "FPDS Tricks of the Trade" that is available on the DPAP website.

Defense Acquisition University (DAU) offers SPS100 "SPS FPDS-NG System Administrator" and SPS101 "FPDS-NG User" to provide information required to work with the Standard Procurement System (SPS) and Federal Procurement Data System Next Generation (FPDS-NG) Integration at the system administrator and at the user level. SPS is the current standard contract writing system for DoD acquisition personnel.

DoD activities individually ensure the accuracy of the data input into the FPDS-NG system:

##### *Defense Commisary Agency*

Defense Commisary Agency (DeCA) states that measuring performance and effectiveness of the small business program is dependent on the accuracy of the data loaded in FPDS-NG. The following are examples actions taken to ensure accuracy in reporting:

- Internal Procurement Management Review Checklist has an area focused on whether the Contract Action Reports (CARs) have been completed correctly upon obligation, deobligation, and when IDIQs are established.
- Prior to award of significant contracts, a template of the coding action is required for the contract review board to ensure proper information is provided in the CAR.
- Quarterly reports of individual contracts are reported per Division. These are sorted by contract and contractor name and reviewed to ensure consistency in reporting within the same contract/contractor.
- Annual CAR overall status and training will be provided to the Contracting Officers. Upon identification of trends in discrepancy of reporting, training sessions will be provided more frequently as needed to the Contracting Officer and Contract Specialists.

Because DeCA utilizes FPDS-NG to generate reports and measure the effectiveness of the Small Business program; two areas of special interest will be “Current FY Performance” and “Trend Analysis.”

Current FY performance will be monitored on a quarterly basis to ensure that the agency FY08 goals are being met. As previously mentioned, goal achievement by division will be monitored to identify significant deviations.

Trend Analysis will include taking the previous years achievements for the same commodities to identify significant deviations.

Status on whether significant deviations exist in the “Current FY Performance” and “Trend Analysis” will be reported to each Division Chief. If deficiencies exist, they will be requested to provide response on what their plans are to overcome barriers that prohibit goal achievement and strategies to increase small business participation. This response will be forwarded to the Director of Contracting.

#### *Defense Threat Reduction Agency*

At the Defense Threat Reduction Agency (DTRA) FPDS-NG reporting is an integrated module in the Standard Procurement System (SPS) contract writing software application. DTRA has funded onsite support from the SPS application developer, CACI, to assist its frontline contracting professionals with using SPS and FPDS-NG reporting.

DTRA’s CACI onsite support also supports senior DTRA managers to ensure that FPDS-NG Contract Action Reports (CARs) are both timely and accurate. CACI provides periodic reports to DTRA’s Contract Policy Chief and DTRA’s Director of Contracts regarding outstanding CAR’s which are then utilized for management follow-up purposes. The CACI onsite support provides DTRA’s Director, OSBP a very detailed Excel pivot table that permits our OSBP personnel to drill down into CAR data to verify accuracy.

#### *Defense Logistics Agency*

Defense Logistics Agency (DLA) developed and is currently executing a “FPDS-NG Data Management Plan.” The Plan assigns and defines responsibility for data validation, verification, and frequency to DLA personnel. Part of the plan is to provide certification of data accuracy and completeness to DOD at the end of each FY.

Data in FPDS-NG is also impacted by how accurately small businesses reflect their size and socio-economic status in the Central Contractor Registration (CCR). At outreach events, DLA small business representatives actively encourage small businesses to ensure their information in the CCR is accurate.

DLA sent a systems change request (SCR) to SBA, in cooperation with the SB Office at Army Material Command, requesting a change to the CCR for HUBZone and Service-



Disabled Veteran-Owned Small Business (SDVOSB) entries. The idea was that whenever small businesses create or update their profiles, depending on the information they provide, the CCR would display a “notice” telling them to check for eligibility for these two socio-economic categories. Specifically, the CCR system would:

- Display a “notice” of potential HUBZone eligibility, to be triggered by Zip Code entries, whenever small businesses create or update their profiles. This would be accomplished by cross-referencing the Zip Code of the small business with the SBA HUBZone list. The notice would provide the small business with a web link or other directions to learn more.
- Display a “notice” for Veteran-Owned small businesses, creating or updating their profiles, to check for Service-Disabled eligibility.

DLA sent the SCR to SBA in December 2006; it was approved in December 2007. CCR technical experts are working on how the “notice” page will look with the links and anticipate implementation in October 2008. With the new Veterans Administration (VA) legislation, requiring VA to verify Veteran and Service-Disabled Veteran status for VA contracts, there will be additional changes made that should further improve the accuracy of CCR information for veteran-owned small businesses who register.

DLA also worked with the Defense Acquisition University on the development of training for small business concerns wanting to do business with the Department of Defense. The training includes information on proper registration in the CCR.

#### *Defense Security Cooperation Agency*

Defense Security Cooperation Agency (DSCA)’s onsite Systems Administrator runs the FPDS-NG report to verify that the information is correct. After the System Administrator verifies the information, it is forwarded to the Contract Specialist to verify the data and its accuracy on the CAR. DSCA’s Contract Specialists plan to encourage businesses to update their CCR information to accurately reflect size and small business status.

#### *United States Department of the Navy*

The Navy Office of Small Business Programs (OSBP) has a dedicated person to manage all FPDS-NG small business reporting requirements. To ensure small business specialist were trained on the proper use of FPDS-NG, the Navy set up training on both the east and west coast on the how to access and utilize the reporting reports in FPDS-NG, the training was provided by Defense Manpower Data Center (DMDC). Additionally, to reduce errors, the Navy small business FPDS-NG Lead, retrieves FPDS-NG reports for all Navy HCAs and distribute them to the Associate Directors (ADs) to review for discrepancies. The ADs work within their Command to try and decrease coding errors by providing training, as well as review to other internal reports. The ADs then submit reports to this person for input into the Mid-Year and Final Reports. Furthermore, the

Navy OSBP meets with its ADs on a quarterly basis to discuss small business issues. It is through these efforts, we can increase data accuracy reporting.

**5. Demonstrates that policies and procedures are in place to ensure compliance with subcontracting plans and attainment of subcontracting goals during the period.**

DoD OSBP has current policies and procedures to ensure compliance with subcontracting plans and attainment of subcontracting goals during FY 2008. Specifically, the Director, Defense Procurement and Acquisition Policy, issued a memorandum 7 Nov 2007 that reminded the contracting and procurement workforce of the small business subcontracting requirements and provided information on available resources for guidance and assistance to improve compliance.

In an effort to ensure compliance with subcontracting plan requirements DoD has renewed focus on training the acquisition workforce. The DoD OSBP maintains a Community of Practice site at the Defense Acquisition University web page that contains information and training tools on subcontracting as well as a web cast covering the basics of subcontracting. The web cast can be viewed at the trainee's leisure and the charts are downloadable for future reference for DoD small business specialists to conduct training of their own. Additionally, DoD agencies conduct training of their own and partner with local small business resources. For example, the Director of Small Business Programs, United States Transportation Command (USTRANSCOM), coordinated training on 16 November 2007 by the Small Business Administrative Procurement Center Representative on Subcontracting Plans Reporting and Compliance. FY08 has been designated by the USTRANSCOM OSBP as the year of Subcontracting Management Awareness.

The Director, DoD OSBP has chartered a Subcontracting Program Managers Team to work on issues related to subcontracting including subcontracting management and compliance. Members include Air Force, Army, Navy, National Geo-spatial Agency, Defense Contract Management Agency, Defense Logistics Agency, and Missile Defense Agency. FY 2008 action items include assisting with DoD Implementation of eSRS, reviewing/rewriting policy for the DoD Comprehensive Subcontracting Plan Test Program, developing web cast training and sample Source Selection Guidance for evaluation of Small Business Participation in DoD acquisitions, and drafting new DoD scorecard guidance for subcontracting.

DoD is also working with large prime contractors to improve compliance and increase subcontracting opportunities for small business. Some examples are:

- Washington Headquarter Service (WHS) maintains a database of small companies that can be accessed by contracting staff and vendors for possible prime contracting, subcontracting and teaming opportunities.
- The Missile Defense Agency (MDA) OSBP plans to have more interfaces with large business Small Business Liaison Officers for our mutual benefit and share

data, when possible, to identify small business firms that have the potential to subcontract with the large businesses.

- Defense Information Systems Agency (DISA) conducts quarterly reviews with prime contractors with contract awards valued over \$50 million to ensure compliance with approved subcontracting plans and to discuss ways of increasing small business participation.
- Defense Commisary Agency's (DeCA) Small Business team attends progress meetings with contractors required to submit subcontracting plans and provides them with training on subcontracting plans and assistance where needed.

DoD agency small business specialists are increasing their participation throughout the entire acquisition process to engage program managers, requiring activities, and contracting officers on small business issues and provide advice that will lead to increasing subcontracting opportunities for small business and improving compliance with subcontracting requirements. Evidence of this is:

- DoD small business specialists are working to increase their participation in acquisition planning early in the process. The Army Subcontracting Program Manager attends many of the Acquisition Strategy meetings with the Director and works with procurement officials to ensure a fair proportion of the contracts are subcontracted to small business. Also, the Army OSBP meets periodically with the Residential Community Initiative (RCI) Office to review proposed Community Development and Management Plans to ensure they include small business participation. The NGA SBPO routinely collaborates with Program Managers and contracting personnel to assess subcontracting opportunities with small businesses.
- DoD is renewing focus on compliance by focusing on the recording of past performance information regarding subcontracting. For example, MDA expects that small business subcontracting performance on MiDAESS contracts will materially affect future contracts by playing a major role in the source selection for follow-on work by all businesses receiving MiDAESS contracts. Also, the Air Force is working with the CPARS program office to develop additional past performance evaluations for subcontracting. The DoD OSBP has endorsed this effort. By having a separate element/criterion for subcontracting, every DoD prime contractor with a subcontracting plan will be evaluated for their past performance in meeting the requirements of the plan. Over time the CPARS database will serve as a central depository of past performance data regarding subcontracting compliance that can be used for source selections on future acquisitions.
- DoD small business specialists are renewing focus on small business participation in performance of contracts by participating in source selections as advisors or evaluators. For example, the MDA OSBP is in the process of hiring a new

Government employee as a Subcontracts Oversight Manager. This person's job will be to oversee the performance of MDA large business prime contracts on their respective small business subcontracting plans. This individual will also provide advisory and assistance services to MDA Source Selection Boards with regard to large business subcontracting performance for use in evaluating proposals for source selections. Also, the Air Force pursues aggressive subcontracting goals and highlights the need to develop meaningful source selection evaluation factors for subcontracting in AF source selections. AF senior leadership has expressed the importance of the requirements organization to perform market research and data analysis to determine the maximum practical small business subcontracting goals that should be applied to a particular acquisition. In addition, DTRA has a long standing initiative to increase small business participation by including minimum subcontracting percentages for small business in Request For Proposal (RFP) evaluation criteria. Minimum RFP small business subcontracting goals are established based on the individual RFP technical requirements and market research.

- DoD OSBP also looks for ways to incentivize compliance with subcontracting goals and overall small business participation in the performance of contracts. Small business specialists encourage contracting officers and program offices to include small business subcontracting as a criterion for receiving contract performance incentives. For example, the WHS Small Business Office continues to monitor and report on prime contractors and their large business subcontractors for compliance of the socioeconomic subcontracting Award Fee factor stipulated in their contracts. The WHS Small Business Office communicates monthly with the prime contractors to discuss subcontracting activity and future opportunities for small companies. WHS also maintains a database of small companies that can be accessed by contracting staff and vendors for possible prime contracting, subcontracting and teaming opportunities.

The DoD continues to pursue implementation of eSRS to begin in the third quarter of FY 2008. Implementation of this system should improve the accuracy and availability of subcontracting data and provide data not previously available that can be used to establish subcontracting goals and monitor attainment at the DoD component level as well as overall DoD goal attainment.

## **6. Demonstrated no unjustified bundling has taken place during the period.**

It is DoD OSBP's goal to eliminate all unjustified bundling within DoD. To assist with ensuring no unjustified bundling occurs, DoD OSBP developed a Bundling Benefit Analysis Guidebook in October 2007 as a reference for DoD acquisition strategy teams in performing a benefit analysis prior to consolidating or bundling contract requirements. Any contracting actions that are consolidated are done in accordance with the appropriate regulations.

DoD OSBP runs the standard FPDS-NG Bundling Report quarterly to track all bundled actions. Any actions coded as bundled are reviewed with the appropriate agencies to ensure that the actions were properly coded. DoD has experienced some problems with the FPDS-NG marking some actions as "Bundled" that were not coded as "Bundled" when entered into the system.

The DoD agencies' small business offices are integral to ensuring no unjustified bundling has taken place:

### *United States Transportation Command*

The United States Transportation Command (USTRANSCOM) Director of Small Business Programs is a required coordination and signature on all USTRANSCOM procurement divisions' Acquisition Plans (AP). This coordination and signature on the AP is performed in conjunction with the required review of the DD Form 2579 and supporting documents, to ensure, among other things, that no unjustified bundling is considered.

### *Defense Contract Management Agency*

The Defense Contract Management Agency (DCMA) acquisition team works regularly with legal counsel and the agency's Small Business Office to re-examine procurements to ensure no unwarranted bundling has taken place. All DD Form 2579's over \$10,000 are signed by the Agency Small Business Specialist to ensure that the appropriate contracting method is used and that small businesses are considered.

### *United States Department of the Air Force*

The Air Force Office of Small Business Programs participates in all acquisitions greater than \$100 million and would review any bundling justification document associated with these acquisitions. In addition, the Deputy Assistant Secretary of the Air Force for Acquisition (Contracting) has directed that the small business programs office to review and coordinate on all consolidation documentation to ensure that no bundling situations exist. For actions under \$100 million, while the bundling documentation could be reviewed and approved at a lower level, sensitivity regarding the bundling issue remains high resulting in bundling packages as well as proposed bundling scenarios being sent to

the small business programs office for review. Small business staff also reviews the summary Contract Action Reports (CAR) to see if any actions have been coded as bundled.

#### *Defense Commisary Agency*

Defense Commisary Agency (DeCA) will continue efforts to avoid contract bundling. To date, no DeCA requirements are considered “bundled” and none of its requirements have been consolidated without being set-aside for small business concerns. All of DeCA’s acquisitions will continue to be reviewed and evaluated to ensure that bundling and consolidation are not pursued to the detriment of the small business community.

A few actions in FY06 and FY07 were erroneously coded to indicate bundling had occurred which included six actions (three contracts) in FY06 and one action in FY07. These actions have subsequently been corrected to show that they are not bundled contracts.

To prevent this issue from recurring, DeCA is instituting strategy to develop a quarterly FPDS-NG report to identify all contract actions that have been coded as bundled and verifying for accuracy.

#### *Department of Defense Education Activity*

Department of Defense Education Activity (DoDEA) conducts a pre-review panel of solicitations for procurements to ensure that adequate market research has been performed and that the appropriate acquisition strategy is applied. DoDEA does not have evidence of consolidation of multiple requirements and does not foresee any for FY 2008.

#### *United States Department of the Army*

Procedures are in place in the Army to ensure actions are reviewed by small business specialist to ensure compliance with bundling regulations. Army OSBP is notified if a proposed acquisition strategy involves substantial bundling that is unnecessary or unjustified or is not identified as bundled by the contracting activity.

The Small Business Advocate at the Army contacting commands participate in the strategy development phase of proposed acquisitions to eliminate the chances of unjustified bundling of requirements.

As a member of the Army Acquisition Service Strategy Panel, the OSBP Director reviews all new major acquisition strategies to ensure requirements are not unjustifiably bundled.

#### *United States Special Operations Command*

The United States Special Operations Command (USSOCOM) takes the bundling issue very seriously and the OSBP works with customers and Contracting Officers to prevent unjustified bundling.

Although USSOCOM has not participated in any unjustified bundling activity, there have been instances of incorrect contract coding. USSOCOM has taken the following steps to improve the coding process:

- USSOCOM will continue to monitor and evaluate acquisition requirements to avoid contract bundling as well as coordinate with the SBA Procurement Center Representative (PCR) to prevent problems in this area. Currently, the USSOCOM contracting leadership is emphasizing improved data integrity through increased oversight of FPDS-NG CAR reporting.
- USSOCOM will actively review large dollar contracts and pay special attention to proposed consolidation packages, justification and approval documents, and consult the SBA PCR when necessary to jointly determine the best acquisition strategy to meet requirements while considering small business interests.

#### *Defense Logistics Agency*

Defense Logistics Agency (DLA) does not do unjustified bundling. The Agency has established, documented policies and procedures in place to ensure that no unjustified bundles take place.

Within DLA, all proposed acquisitions of more than \$1 million that may result in the bundling of requirements must be approved by the DLA Integrated Acquisition Review Board (I-ARB). The I-ARB, headed by the DLA Senior Procurement Executive, reviews all major proposed acquisitions. The DLA Office of Small Business Programs is an advisor on the Board.

DLA policy requires that the Acquisition plan for a proposed bundled contract must provide written documentation to show the bundle is “Necessary and Justified.” The two-part determination is made with the aid of market research. It means not only that the bundle is considered essential from a management perspective, but also that the benefits accruing from the bundling of requirements, as compared to not doing so, would be measurably substantial (as defined in FAR 7.107(b)).

For DLA acquisitions less than \$1 million, an advance acquisition-planning template must be completed by the contracting activity for a proposed bundled contract and submitted to HQs DLA for approval.



## **7. Planned training to contracting staff/managers in executing small business/socioeconomic procurements during the period.**

DoD OSBP believes that training is key to a successful small business program and provides many opportunities for DoD acquisition personnel to gain training. For example OSBP conducts an annual Small Business Training Conference, which will be held in Atlanta in June 2008. DoD OSBP is working with the DoD agencies' small business directors to determine the items covered the course, to fill any gaps in small business knowledge and to address any "hot topics." More generally these training conferences cover a range of small business topics with the intent to provide additional resources for small business specialists and other acquisition personnel to enhance small business participation.

DoD OSBP also conducts an annual DoD SBIR/STTR Training Workshop. This annual event brings together 250+ SBIR administration and support personnel from across the Department to discuss developments in the program and receive training on all aspects of program implementation. The objective of the event is to provide a venue for the sharing of best practices and new policies and procedures to enhance the effectiveness of SBIR/STTR program implementation. This event is sponsored by DoD OSBP, with lead planning coordinated with the military departments on a rotating basis.

Additionally DoD OSBP office works with the Defense Acquisition University (DAU) to ensure that there are appropriate small business training classes for small business specialists such as CON 260 "Small Business Specialist," a hybrid course covering all aspects of the small business program consisting of 16 online hours and three classroom days. DAU also offers on-line "continuous learning" modules on small business topics such as HubZone, the SDVOSB program, set-asides for small business, and the SBIR/STTR program.

DoD Acquisition Personnel are required to have Defense Acquisition Workforce Improvement Act (DAWIA) Certification in Contracting, which is a standardized training program that includes coverage of small business programs. Once certification is gained, acquisition personnel are required to obtain 80 hours of continuous learning credits to maintain certification.

DoD OSBP and DAU jointly developed an on-line Small Business Community of Practice hosted on the DAU website to as a practical training resource. This Community of Practice provides an easy-to-use on-line source of small business program information for the acquisition workforce.

DoD OSPB staff also participates regularly in DAU-hosted Webcasts on small business topics such as SBIR/STTR and the basics of the small business program. In January 2008, DoD OSBP gave its Webcast spot to SBA which provided An overview of the Small Business Administration's programs. Mr. Calvin Jenkins, Mr. Art Collins, and Mr. Joe Lodd were the panel presenters.

The DoD agencies have individualized training programs for the acquisition and small business personnel:

#### *Missile Defense Agency*

In FY 2007 Missile Defense Agency (MDA) Office of Small Business Programs (OSBP) provided several training events to refresh contracting personnel on such subjects as the use of the DD Form 2579 and how to fill out Contract Action Reports (CARs) to accurately reflect the appropriate small business coding. MDA OSBP will continue to interact regularly with the MDA Contracting Directorate to provide additional training when identified as necessary. Several times throughout the year, MDA conducts 3-day mandatory Program Information Training Course and Handbook (PITCH) classes for all new government and support service contractor personnel. The classes focus on MDAs mission and operations; OSBP, is directly involved and provides an overview of the SB mission, objectives and responsibilities.

#### *Defense Contract Management Agency*

Defense Contract Management Agency (DCMA) small business office assigns contract specialists to give group training on small business procurement. The team continues to provide guidance on such things as sole source procurements and set-asides, how to ensure credit for small business awards, through correct identification of vendors in DCMA's electronic systems, and how to follow guidance from DoD in emphasizing this important resource.

#### *Washington Headquarter Service*

Washington Headquarter Service (WHS) will provide in-house small business training to new and existing acquisition staff in FY 2008. Training methods will be conducted classroom, face-to-face, online, e-mails and through reading materials. Subjects will include:

- Notification of WHS small business targets and initiatives.
- Subcontracting plans overview.
- Subcontract reporting requirements.
- Subcontracting reporting as well as the implementation of electronic Subcontract Reporting System (eSRS) and how to utilize it.
- Small business consideration in within the acquisition planning process.
- Familiarization of the 8(a) SBA-DoD Partnership Agreement.
- Information on 8(a) Program.
- Updates on small business legislation and initiatives and policy.

### *United States Department of the Air Force*

The Air Force Small Business specialist at each installation engages in continual training of the contracting personnel at the installation on the latest rules, trends, challenges and programs affecting small business. So far in FY '08, the Director has addressed the contracting squadron at Los Angeles AFB, Scott AFB, Wright Patterson AFB and Hanscom AFB. These visits include briefing top contracting leaders as well as the workforce. The Deputy Director held an hour long training session at Edwards AFB. The Associate Director conducted a similar session at the Bolling AFB Contracting Training event in November. The Air Force Outreach Program Office (now known as the Air Force Small Business Solutions Center) sets up an information booth at contracting events whenever possible. During the FY 07 Air Force Contracting Training Conference, the outreach office interacted with hundreds of AF Contract Specialists during an entire week. Many incorporated the training materials provided into training sessions when they returned to their installations. Information is included at those directs them to our Small Business Learning Center located at <http://www.selltoairforce.org>.

### *Defense Microelectronics Agency*

The Defense Microelectronics Agency (DMEA) Small Business Program Director periodically updates contracting staff and managers on small business issues and requirements. Since DMEA is a relatively small activity training is conducted through email updates, face to face contact, and small group discussions.

- Attendance by acquisition staff at the GovLink Conference – which is focused on small business issues, is required.
- Engineering Services Course dealing contract fiscal, legal, and Federal Acquisition Regulation processes is offered periodically to project engineers, supervisors, and other support personnel. Small business issues are discussed.

### *National Geospatial-Intelligence Agency*

National Geospatial-Intelligence Agency (NGA) has implemented an AC Continuous Experience, Skill and Study Program (ACCESS) which is designed to achieve contracting training that is versatile, dynamic, responsive, meaningful, just in-time, focused and current.

The SBPO intends to incorporate small business brown bags to ACCESS addressing DD2579's, Mentor-Protégé Program, Market Research and other educational areas to help the workforces better understand the purpose and responsibility of NGA to support small businesses.

NGA SBPO will continue to participate and brief the NGA workforce to educate them on small business/socioeconomic procedures and responsibility through Government Purchase Card Training, Intro NGA Acquisition Regulation Implementation (NARI) and AC Division Staff Meetings.

### *Department of Defense Education Activity*

The Department of Defense Education Activity (DoDEA) has conducted small business contracting training to include familiarization with FAR requirements, updates on Agency goals and other information obtained at quarterly OSBP meetings and annual Small Business Conference topics, such as eSRS. DoDEA also plans to supplement training via use of the DAU video course on basic subcontracting. Completion of CON 260 A&B (Small Business Specialist courses) will be recommended for inclusion in the Individual Development Plans (IDPs) for all DoDEA contracting specialists.

### *United States Special Operations Command*

The United States Special Operations Command (USSOCOM) Office of Small Business Programs (OSBP) has an aggressive training program. The following information describes the program:

The OSBP conducts training and Newcomer's Orientation for the HQ USSOCOM Directorate of Procurement contract specialists and contracting officers on a regular basis at each of the various locations in Tampa and the contracting staffs at Component Field Offices. As discussed in preceding paragraphs, the HQ USSOCOM Directorate of Procurement hosts an Annual Procurement Training Conference. At this event, the OSBP conducts training and provides updates in the small business areas to all of the Command's attendees.

In Dec 2007, all HQ USSOCOM personnel were provided annual training on market research, the Small Business Coordination Record (DD Form 2579), awards to HBCU/MIs, and marketing to USSOCOM. Due to budget constraints for travel expenses, training presentations are posted on the HQ USSOCOM Directorate of Procurement intranet portal for field contracting units to use and reinforced in person at the Annual Procurement Training Conference.

All personnel were encouraged to enroll in DAU Small Business Program Part A (On line) and Part B (Residency) course. The DAU/DOD OSD OSBP Small Business Community of Practices on line resources was introduced as a training resource. This Community of Practice has provided an easy-to-use on-line source of small business program information for the acquisition workforce.

### *National Security Agency*

The National Security Agency (NSA) Office of Small Business Programs provides quarterly mandatory training for contracting officers and contracting specialists. The following is a typical agenda for this training period:

- OSBP Mission and Staff
- Performance Goals
- "The Way Ahead"
- Threshold Increases

- Procurement Programs, i.e. 8(a), SDVOSB, HUBZone
- Focus for FY08 – Subcontracting Monitoring, Raising SDVOSB Performance
- Issues, i.e. Compliance with Acquisition Plan, Dissolve Set-Asides, and Non-Manufacturer’s Rule

The Office of Small Business Programs also provides training for the new Small Business Specialists and Business Managers throughout the year as new hires come into the Acquisition Directorate.

### *Defense Logistics Agency*

Defense Logistics Agency (DLA) provides, at least annually, small business utilization training to our Contracting personnel. Each buying activity provides small business introductory or program overview training for their workforce. Another training source DLA takes advantage of is the Defense Acquisition University (DAU). DAU’s acquisition and contracting courses, leading to DAWIA certification, and including the Small Business Program (CON 260) course are requirements for acquisition and small business office personnel. Additionally, if component small business personnel identify problems as they review procurement documents, they conduct training on a group or individual basis. This ensures small businesses have maximum practicable contracting opportunities under the law, and facilitates our efforts to increase the number of competitively awarded contracts to small businesses.

In addition, DLA has an intranet web site, using the DLA eWorkplace tool, on which we established a “Small Business Collaboration Room.” The site provides small business resources, learning assets and information, along with each purchasing activity’s small business initiatives/strategies to increase SB participation. It is a place where DLA acquisition personnel can find information on and links to the following:

- Awards and Conferences
- Briefings and Presentations
- Initiatives
- Meetings
- Points of Contact
- Reference Library
- Regulations and Policies
- Tools, Templates and Forms
- Training Center

The site also allows users to share small business initiatives/strategies, ideas, and ask questions about how to improve their small business program.

Finally, together DLA HQs and component SB Offices, and HQs and field Senior Procurement Officials, conduct quarterly video teleconference (VTC) meetings. The purposes of the meetings are to provide:

- A Quarterly assessment of components' performance against their SB targets;
- Component personnel an opportunity to highlight areas where they need HQs assistance;
- Small business training; and,
- Migration of good ideas across the Agency.

**8. Planned to collaborate on formulation of small business procurement policy initiatives during the period.**

DoD OSBP will be as responsive and participate as much as possible with the SBA on procurement policy initiatives. Any small business procurement policy initiatives will be shared with SBA prior to issuance.

DoD OSBP has strong participation with SBA's Small Business Procurement Advisory Council (SBPAC) and the Director is currently a member of the SBPAC Executive Committee on Goaling. DoD OSBP also plays an active role in the FAR and DAR Councils.

Additionally the larger DoD agencies also are involved in procurement policy initiatives:

*United States Department of the Air Force*

The Director of Small Business at the Air Force participates on the DAR Small Business Committee.

*Defense Contract Management Agency*

The Defense Contract Management Agency (DCMA) Deputy Director of Small Business sits on the Small Business subcommittee for both the DAR Council and FAR Committee.

In 2003, DCMA negotiated a Memorandum of Agreement with the SBA on performing joint subcontracting compliance reviews. This MOA is reviewed annually and updated as necessary.

*United States Department of the Army*

The Army Small Business Office actively participates in small business policy formulation and has a member on the FAR Small Business Team and the DAR Small Business Committee. It also collaborates with Army Contracting Policy and other DOD Components on Legislative Initiatives that support small business.

*United States Department of the Navy*

The Navy Office of Small Business Programs (OSBP) will continue its collaboration to formulation small business procurement policy initiatives during FY 2008 by the following:

- Navy Small Business training conferences
- NAVFAC's Small Business web-based training
- Defense Acquisition University (DAU) training
- Streamlining the requirements for small business specialist
- Two-year 80 hours training requirements.

**9. Agency submits by attachment copies of all strategic plans and annual reports that became due to SBA during the reporting period (1 Oct 2007 – 15 Feb 2008).**

DoD OSBP recognizes the importance of timely submissions of reports to SBA. To that end, DoD OSBP has created an on-line office calendar with electronic reminders for all reporting requirements that were identified by SBA in the Scorecard Guidance.

The following reports became due during the reporting period (1 Oct 2007 – 15 Feb 2008) and are attached hereto:

- Small Business Technology Transfer (STTR) Annual Report (cover page only)
- Competitive Demonstration Program Report (3 pages, attachment not included)
- Progress Report on Increasing Opportunities for Women-Owned Small Businesses (3 pages)

DoD OSBP plans to submit the following reports in the period between 16 Feb 2008 and 30 June 2008:

- Small Business Innovation Research (SBIR) Annual Report
- Progress Report on Increasing Opportunities for Women-Owned Small Businesses (Will be attached to second Scorecard submission)
- Annual Report and Fiscal Year 2007 Update for Strategic Plan to Contract with Service-Disabled Veteran-Owned Small Business (SDVOSB) (Will be attached to second Scorecard submission)
- Annual Contract Bundling Report (Will be attached to second Scorecard submission)





OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

ACQUISITION  
TECHNOLOGY  
AND LOGISTICS

February 6, 2008

MEMORANDUM FOR U.S. SMALL BUSINESS ADMINISTRATION  
(ATTN: MR. EDESEL M. BROWN, JR., ESQ.,  
ASSISTANT ADMINISTRATOR, OFFICE OF  
TECHNOLOGY)

SUBJECT: Department of Defense (DoD) Small Business Technology Transfer  
(STTR) Program Annual Report for Reporting Fiscal Year 2007

In accordance with 15 USC 638(j)(1)(E), P.L. 102-564, P.L. 107-50 and SBA Policy Directive, find attached a copy of the Department of Defense (DoD) Small Business Technology Transfer (STTR) Program Annual Report for reporting fiscal year 2007. I apologize for the delay. We had some difficulty collecting and reconciling contracting and funding data from among our many participating components.

For your convenience, the report is provided in both paper and electronic form. If you have any questions, contact Mr. Michael Caccuitto, the DoD SBIR/STTR Program Administrator at (703) 604-0157, x146 or via e-mail at michael.caccuitto@osd.mil.

Anthony R. Martoccia  
Director, Office of Small Business Programs

Attachment:  
As stated





OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

January 31, 2008

ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

Ms. Fay Ott, Associate Administrator  
Government Contracting Business Development  
U. S. Small Business Administration  
409 3rd Street S.W., Suite 8000  
Washington, DC 20416

Re: Small Business Competitiveness Demonstration Program Report for FY 2007

Dear Ms. Fay Ott:

I am pleased to submit the Department of Defense's Small Business Competitiveness Demonstration Program Report.

I have attached a copy of the results achieved by the Army, Navy, Air Force and Other Defense Agencies, and the Department as a whole.

The Department of Defense (DoD) reported the following annual percents of dollar awards to small businesses and emerging small businesses (ESBs) under the designated industry groups (DIGs) and the rate of participation for goals in each category in the Small Business Competitiveness Demonstration Program:

**Construction** - DoD awarded more than \$19,893 million to U.S. firms. However, DoD did not meet the 40% goal for participation of small businesses since small businesses achievements were \$7,826 million or 39.3%. DoD did accomplish the 40% goal for participation of small businesses in Construction, North American Industry Classification System (NAICS) Group 237 (43.4%/\$2,162 million) and Group 238 (65.1%/\$1,036 million). However, emerging small business (ESB) concerns failed to achieve the 15% goal in any of the Construction NAICS Groups. Consequently, DoD only accomplished 7.8% for the entire "Construction" DIG.

**Waste Management and Remediation Services** - DoD awarded more than \$314 million to U.S. firms. However, DoD did not meet the 40% goal for small businesses as only \$76 million or 24.3% were awarded to small businesses. DoD also missed the ESB goal as only 5.3% or \$16.5 million were awarded to ESBs.

**Architectural, Engineering, and Related Services** - DoD awarded more than \$2,799 million to U.S. firms. However, DoD awarded only \$771 million or 27.6% to small businesses in this DIG in FY 2007. DoD only accomplished \$87.8 million or 3.1% for ESBs.



**Non-nuclear Ship Repair** - DoD awarded more than \$1,450 million to U.S. firms. Overall, DoD awarded \$546 million or 37.6% to small businesses, falling short of the 40% goal. ESB awards only achieved 8.7%/\$126 million, also falling short of the 15% goal.

**Landscaping and Pest Control Services** - DoD awarded more than \$129 million to U.S. firms. Overall, DoD awarded \$119 million or 92% to small businesses, well exceeding the 40% goal. DoD awarded \$26 million or 20.2% to ESBs, exceeding the ESB goal, as well.

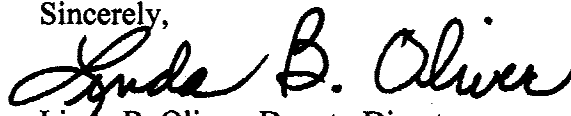
**Summary of Achievements** - The chart below provides a summary of DoD's annual percents of dollar awards to small businesses and ESBs under the DIGs and the small business participation goals in each category:

**Department of Defense – FY 2007**

NAICS CODE	SM BUS %	ESB %
<b>Construction</b>	<b>39.3%</b>	<b>7.8%</b>
NAICS Group 236	34.8%	6.4%
NAICS Code 236115	39.3%	0.0%
NAICS Code 236116	36.7%	0.2%
NAICS Code 236117	-	0.0%
NAICS Code 236118	37.4%	14.2%
NAICS Code 236210	32.7%	4.7%
NAICS Code 236220	35.1%	7.3%
NAICS Group 237	43.4%	9.2%
NAICS Code 237110	56.4%	7.5%
NAICS Code 237120	14.9%	2.8%
NAICS Code 237130	63.5%	6.8%
NAICS Code 237210	96.5%	0.1%
NAICS Code 237310	44.8%	9.9%
NAICS Code 237990	41.5%	9.5%
NAICS Group 238	65.1%	14.4%
NAICS Code 238110	57.3%	5.1%
NAICS Code 238120	94.7%	7.0%
NAICS Code 238130	61.6%	3.2%
NAICS Code 238140	79.5%	10.1%
NAICS Code 238150	62.2%	4.6%
NAICS Code 238160	79.5%	15.9%
NAICS Code 238170	52.7%	25.8%
NAICS Code 238190	39.2%	6.7%
NAICS Code 238210	75.8%	13.8%
NAICS Code 238220	79.7%	18.4%
NAICS Code 238290	39.1%	11.1%
NAICS Code 238310	56.8%	8.9%
NAICS Code 238320	83.7%	25.0%
NAICS Code 238330	87.0%	24.6%

NAICS Code 238340	97.8%	1.6%
NAICS Code 238350	22.6%	5.4%
NAICS Code 238390	38.7%	0.8%
NAICS Code 238910	74.5%	10.7%
NAICS Code 238990	55.8%	14.7%
<b>Waste Mgmt &amp; Remediation Svcs</b>	<b>24.3%</b>	<b>5.3%</b>
NAICS Group 562	24.3%	5.3%
NAICS Code 562111	59.1%	17.1%
NAICS Code 562119	8.2%	0.4%
NAICS Code 562219	56.7%	1.2%
<b>A&amp;E and Related Services</b>	<b>27.6%</b>	<b>3.1%</b>
NAICS Group 541	27.6%	3.1%
NAICS Code 541310	25.5%	5.1%
NAICS Code 541330	27.2%	2.6%
NAICS Code 541360	42.0%	6.4%
NAICS Code 541370	58.3%	16.5%
<b>Non-nuclear Ship Repair</b>	<b>37.6%</b>	<b>8.7%</b>
NAICS Group 336	37.6%	8.7%
NAICS Code 336611	37.6%	8.7%
<b>Landscaping and Pest Control Svcs</b>	<b>92.0%</b>	<b>20.2%</b>
NAICS Group 561	92.0%	20.2%
NAICS Code 561710	88.1%	21.2%
NAICS Code 561730	92.2%	20.1%

DoD is currently evaluating the reinstatement of restricted competition in the appropriate designated industrial groups for eligible agencies in order to increase small business achievements. DoD is also reviewing opportunities for increasing awarded dollars to emerging small businesses.

Sincerely,  
  
Linda B. Oliver, Deputy Director  
Department of Defense Office of Small  
Business Programs

Attachment:  
As stated



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

February 15, 2008

ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

Ms. Fay Ott, Associate Administrator  
Government Contracting Business Development  
U. S. Small Business Administration  
409 3rd Street S.W., Suite 8000  
Washington, DC 20416

Re: Progress Report on Increasing Opportunities for Women-Owned Small Businesses

Dear Ms. Fay Ott:

The Department of Defense (DoD) is pleased to submit a report detailing activities it has taken and planned for increasing opportunities for women-owned small businesses (WOSBs). DoD is committed to meeting the 5% goal for WOSBs and believes that the activities detailed in the attached report have a direct effect on WOSB achievements and that DoD is on track to meet or exceed the goal in the near future.

If you have any questions, please feel free to contact me at 703-604-0024 or by email at [anthony.martocchia@osd.mil](mailto:anthony.martocchia@osd.mil).

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony Martocchia".

Anthony Martocchia, Director  
Department of Defense Office of Small  
Business Programs

Attachment:  
As stated



**Department of Defense Progress Report on Increasing Opportunities for Women-Owned Small Businesses (Feb 2008)**

The Department of Defense Office of Small Business Programs (DoD OSBP) is committed to providing maximum opportunities to women owned small businesses (WOSB). Pending regulations to allow for more preferential treatment for women-owned small businesses, we follow the current Federal guidelines in attempting to reach the 5% goal for women-owned small business.

DoD has achieved continuous improvement in women-owned small business dollars and percentage. Since 2000, total dollars spent on WOSB firms have increased by \$4.7 billion. While DoD is still below the 5% goal, the gap is closing.

FY	Total SB Elig-Dollars	WOSB Dollars	WOSB Percent
2007 **	\$236.7	\$7.3	3.1%
2006	\$235.0	\$6.9	2.9%
2005	\$222.6	\$6.3	2.8%
2004	\$210.7	\$5.6	2.7%
2003	\$191.5	\$4.9	2.5%
2002	\$155.8	\$3.9	2.5%
2001	\$132.9	\$2.9	2.2%
2000	\$122.4	\$2.6	2.1%

\*\* Preliminary data (as of 23 Jan 2008)

*Highlights of key efforts by DoD to increase opportunities for women-owned small business are noted below:*

- The Defense Commissary Agency (DeCA) has internal policy in place that requires contracting officers to address opportunities for all small business categories to include WOSB in competitive acquisitions. Contracting Officers must document their acquisition strategy and submit the results to the DeCA Small Business Specialists for review and approval. The documentation must show efforts to provide maximum practical opportunities to small businesses (i.e.WOSB) or barriers that prohibit opportunities to increase small business participation. Following, the Small Business Specialist review of the acquisition strategy, assistance is given to acquisition personnel in market research to make certain small business concerns including WOSBs are provided opportunities at the acquisition planning stage. All acquisitions will continue to be reviewed and evaluated to ensure that WOSB concerns are included in competitive acquisitions when practical.
- United States Special Operations Command (USSOCOM) Office of Small Business Programs (OSBP) has recent implemented an initiative to contact by E-mail or other written notices, at least two responsible, responsive, and capable WOSBs for competitive requirements over the simplified acquisition threshold.

Some of the major resources for locating these SBCs is the SBA Dynamic Small Business Search (DSBS) engine, internet resources, contacts with other Federal Agencies, prime contractor Small Business Liaison Officers (SBLO), internal databases, the Federal Business Opportunity Web site, periodicals, and WOSB organizations directly. In addition, the USSOCOM OSBP aggressively searches out opportunities to boost the WOSB participation in acquisitions by conducting market research based on the Federal Supply/Service/NAICS code, the many WOSBs provide through internet searches, Procurement Technical Assistance Centers (PTAC) and Small Business Development Centers (SBDC). Acquisitions that are small business set-asides and full and open competition are posted on the Federal Business Opportunities (FBO) website unless the effort is an exception in accordance with (IAW) FAR 5.202.

- DoD OSBP's annual Mentor-Protégé Conference, which will be held 11-13 March 2008 in Daytona Beach, includes as a session on exploring available resources and options to bring more WOSB's into the Mentor-Protégé Program. Any lessons learned from the session will be transmitted to DoD agencies for growing WOSB participating in DoD's Mentor-Protégé program.
- The Air Force's Manufacturing Technical Assistance Production Program (MTAPP) has helped women-owned small business greatly while helping to replenish the industrial base. There are currently 31 women owned businesses in 15 states receiving manufacturing assistance under the AF program. In 2007, the AF had in effect agreements valued at \$5.9 M in support of women owned small business. Some of the categories of involvement include Airframe Structural Components, Aircraft Modifications, Aircraft Propellers and many other associated hardware, plating, sheet metal and assembly operations. The MTAPP program takes very seriously the challenge of getting women-owned small businesses positioned to compete in areas where they have had little impact before.
- Defense Logistics Agency conducts training, knowledge, and opportunities (TKO) seminars on "Doing Business with DLA" specifically targeting WOSBs. DLA representatives participate in SBA SCORE WOB workshops throughout the year. Periodic site visits to WOSBs in conjunction with small business-wide training activities are performed.
- The Defense Finance & Accounting Service (DFAS) Small Business Office utilizes a checklist that has been distributed to the CSD contracting office in their review of subcontracting plans to include WOSBs submitted by prime contractors and ensures that applicable small business policies, regulations, guidance, and procedures are being implemented properly (guidance is also posted on the DFAS intranet e-portal site). Also, as a refresher for subcontracting plan training, the Small Business Office will be presenting the August 8, 2007 Wendy Despres' DAU WebCast on Subcontracting along with the handout FACT SHEET.... "DoD Subcontracting Program: The Basics" at this year's DFAS-CSD Procurement

Forum in June 2008.

- DLA plans to sponsor small business outreach program conferences, in conjunction with the US Women's Chamber of Commerce/Women's Business Enterprise Council, targeted at WOSBs in different geographic locations to market its mission in supporting the Warfighter. This will in turn educate the small business community on how to do business with DLA, develop strategies to improve visibility of procurement opportunities with DLA, and partner with competent, capable, and committed small businesses in accomplishing the mission.
- Defense Logistics Agency (DLA) hosts an annual awards ceremony to honor contractors and customers. As a part of this awards program, WOSBs are presented awards by the Director, DLA, in the following categories: Vendor Excellence, Innovative Business Performer, and Outstanding Readiness Support.
- The Department of the Navy's The Naval Sea Systems Command (NAVSEA) conducted a Woman-Owned Small Business (WOSB) Conference, sponsored by Team Submarine, October 9-11, 2007, at the Florence Elston Inn & Conference Center at Sweet Briar College in Sweet Briar, Virginia.