



# MISSILE DEFENSE AGENCY SADBU



# UPDATE

A Quarterly Newsletter for Small Businesses

VOLUME VIII – NUMBER I

SMALL AND DISADVANTAGED BUSINESS UTILIZATION

March 2003

## Spectrum Astro

*A Small Business Success Story*



W. David Thompson, Founder, President & CEO (on right), and Patti Oleson, Chief Operating Officer

Spectrum Astro, a successful developer of space systems for the Department of Defense, NASA, and the United States missile defense program, continues to be a small business success story!

Founded in 1988, this innovative manufacturer's initial satellite series was the Miniature Sensor Technology Instrument (MSTI) Program, a series of three low-cost technology demonstration satellites sponsored by, first, the Strategic Defense Initiative Organization and then the Ballistic Missile Defense Organization (BMDO, now Missile Defense Agency) for the test of miniature sensor technologies in missile detection and tracking using infrared imaging. Developed with a cooperative effort between Spectrum Astro, NASA's Jet Propulsion Laboratory, and the Air Force Research Laboratory, the MSTI- 1, 2, and 3

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## HBCU/MI News

In November 2002, the Missile Defense Agency (MDA), Office of Small and Disadvantaged Business Utilization (SADBU) issued a Broad Agency Announcement (BAA-2003-01). The purpose of the BAA was to request submission of proposals from the Historically Black Colleges and Universities (HBCUs) and Minority Institutions (MIs), to conduct research on specific topics. This is a set-aside research program of MDA designed to promote participation and prepare HBCU/MI researchers for MDA's main research program.

In response, MDA has received 59 proposals from various HBCU/MIs. This is an increase in response of nearly 50 percent from our last BAA (2001-02) issued in November 2000. The proposals have been sent for evaluation to Science and Technology Agents (STAs), who are experts in the topical areas. The decision to award the contracts will be made after evaluations are completed. The final decision is expected to be announced in April 2003. Approximately ten (10) awards are anticipated, each covering a two-year performance period.

For more on MDA's HBCU/MI set-aside research program, please contact Dr. Pravat K. Choudhury, (703) 697-8012 or [pravat.choudhury@mda.osd.mil](mailto:pravat.choudhury@mda.osd.mil)◆

## New and Recent Contracts

On 16 January 2003, Composite Technology Development, Inc. was awarded a contract, valued at \$69,682.00, for the R&D SBIR Program to prove the feasibility of using embedded magnetoelastic particles to heat an EMC laminate remotely through high frequency RF fields. This contract has a six-month base period with no options and ends on 15 July 2003.

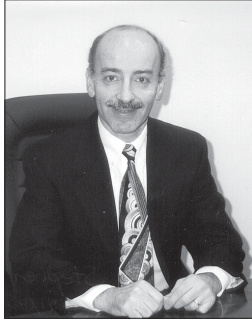
On 16 January 2003, Touchstone Research Lab LTD was awarded a contract, valued at \$69,986.00, for a SBIR Program Phase I proposal for enhanced carbon foam processing. This contract has a six-month base period with no options and ends on 15 July 2003.

On 13 January 2003, Abyl Consulting was awarded a contract,

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**Stephen M. Moss**  
Director/SADBU

## ***Director's Message***

In our effort to be more proactive in helping small businesses obtain contracts with MDA, I am pleased to announce that the MDA/SADBU Office will hold its 4<sup>th</sup> Annual Small Business Day Conference, Tuesday, May 13, 2003. The conference will be held at the Sheraton National Hotel, located at 900 S. Orme Street, Arlington, VA, from 8:30 a.m. to 2:00 p.m. This event is intended to expose small businesses to particular functions and contract opportunities of MDA directorates and deputates, so that they can market to them effectively.

The Small Business Day agenda includes MDA's leading technical and contracting experts sharing details of the Agency's contracting requirements, representatives of current MDA prime contractors, who will be available to discuss potential subcontracting opportunities, and expert guest speakers who will discuss relevant small business policy issues. For more information about MDA's Small Business Day and to register online, please go to [www.sbdays.mdaconferences.com](http://www.sbdays.mdaconferences.com).

I am also very pleased to announce that the MDA/SADBU Office has recently launched an Internet-enabled database – the MDA Subcontracting Opportunities Website, known as MDASubOpps. The web address for the site is [www.mdasubopps.net](http://www.mdasubopps.net). This up-to-the-minute Internet tool will provide a “match making” service that identifies potential prime contractors or subcontractors that may be interested in establishing a business relationship. At MDASubOpps, contractors will be able to indicate MDA solicitations of interest to them. Large businesses that are competing for contracts can use this site to satisfy the Small Business Subcontracting Plan requirements of FAR 19.704. Potential prime contractors outline the capabilities they are seeking that will allow them to compete for the indicated solicitations, while potential subcontractors can highlight the capabilities they possess as required for the selected solicitations. Contact information can be accessed from the website database for all prospective contractors.

As always, my staff and I are available to provide you with any information you may need. We can be reached at (703) 697-8017. We hope to see you at the MDA Small Business Day Conference 2003! ♦

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## ***Small Business Database Update***

The MDA Small and Disadvantaged Business Utilization (SADBU) Office continually strives to maintain an up-to-date small business database with current data regarding participating small businesses. The SADBU Office appreciates your continued support in updating your small business database form. We are grateful for the efforts of the company representatives who took the time to research, review/revise, and return the information on the database forms. Among its many uses, the form helps to match a small enterprise's capabilities to MDA requirements.

We request that you periodically review your company's listing, and if it needs adjusting, please contact Ms. Valerie Johnson at (703) 575-2933, for assistance in updating your profile. If your firm is not yet listed in our database, we ask that you either contact the SADBU Office or download the small business database application by visiting the MDA/SADBU Web site at <http://www.acq.osd.mil/bmdo/>

[bmdolink/html/sadbu.html](http://bmdolink/html/sadbu.html). For an application or any other information, you may also contact one of the following: Mr. Stephen Moss, Director of the SADBU Office, at [stephen.moss@mda.osd.mil](mailto:stephen.moss@mda.osd.mil); Mr. Raymond Lambert, at [raymond.lambert@mda.osd.mil](mailto:raymond.lambert@mda.osd.mil); Dr. Pravat Choudhury, at [pravat.choudhury@mda.osd.mil](mailto:pravat.choudhury@mda.osd.mil); or Ms. Christina Ashton at [christina.ashton-contractor@bmdo.osd.mil](mailto:christina.ashton-contractor@bmdo.osd.mil). Please fill in the database application (hard copy) and mail it to the MDA/SADBU office along with your capability statement.

Registration in the database will ensure the timely delivery of announcements regarding the Annual Small Business Day Conference and the quarterly issuance of our newsletter, The SADBU Update. It also provides information to our program managers as and when needed. Thank you for your assistance in this regard. ♦

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# MDA NEWS... MDA NEWS...

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## SBIR Program

More than 7,200 proposals were submitted by the deadline of 5:00 PM EST on January 15, 2003 for the Department of Defense (DoD) Fiscal Year 2003.1 Small Business Innovation Research Program's (SBIR) Solicitation. The solicitation includes 102 MDA topics. The SBIR funds early-stage research and development projects at small technology companies. The projects serve a DoD need and have commercial applications. Small companies retain the intellectual property rights to technologies they develop under these programs.

The DoD 2003.1 SBIR Solicitation was reopened for receipt of proposals and proposal modifications at 6:00 a.m. Eastern Standard Time (EST) March 4, 2003 and will close at 6:00 AM EST, March 25, 2003. **Proposals received after the specified due date and time shall be governed by the provisions of FAR 52.215-1(c)(3).** Submissions must include the proposal cover sheets, technical proposal, Company Commercialization Report, and cost proposal to be considered a proposal. Proposals **must** be submitted via the DoD SBIR website at <http://www.dodsbir.net/submission> following the instructions contained in the solicitation, including the instructions specified in the solicitation for the DoD component to which you are applying. Offerors who have previously submitted proposals through the DoD SBIR website may confirm that their proposals are complete as submitted and/or make changes as necessary. **You do not need to resubmit your proposal if it is complete, you do not wish to revise it, and it was submitted in accordance with the solicitation instructions.** For more information contact the SBIR Help Desk at (866) 724-7457.♦

## STTR Solicitation

April 16, 2003, by 5:00 p.m. EST, is the deadline for receipt of proposals for the Department of Defense (DoD) Fiscal Year 2003 Small Business Technology Transfer (STTR) Solicitation. The DoD began accepting proposals on March 3, 2003. The Solicitation was released to the public on January 2, 2003. The solicitation consists of five MDA topics and four Defense Advanced Research Projects Agency (DARPA) topics, as shown below. The Army, Navy, and Air Force also have topics. For a complete description of the topics and details regarding the solicitation process, including proposal preparation instructions, evaluation criteria, and contracting information, go online to <http://www.dodsbir.net/solicitation/>.

## MDA 2003 STTR TOPICS

MDA03T-001	Data Driven Prognostics
MDA03T-002	Infrared materials modeling for next generation focal plane architectures
MDA03T-003	Develop and/or Improve Optical Coating Processes for Military Mirrors
MDA03T-004	Advanced Chemical Iodine Lasers
MDA03T-005	Thermal Decomposer for Peroxide
MDA03T-006	Ultra Tight Coupling for High Anti-Jam GPS/INS

## DARPA 2003 STTR TOPICS

DARPA ST031-001	Commercial Development of Stabilized Cellular Diagnostics and Therapeutics to Lessen Logistical Burden on the Battlefield
DARPA ST031-002	COTS-Based Multilingual Translator for Military/Industrial Application
DARPA ST031-003	Development of a Common Specification Method for Data Flow Graph Exchange
DARPA ST031-004	Automated Video Surveillance at Night

New requirement: All proposal submissions to DARPA must be submitted electronically. Proposals that are not submitted through the on-line Web site will not be accepted.♦

## **Three-Bid Rule In Effect**

Since a three-bid rule took effect in October 2002, Department of Defense procurement officers, including those at MDA, are required to obtain bids from at least three contractors before purchasing services exceeding \$100,000 from the federal supply schedules. The

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# SBA News

## SBAExchange Pilot Program Launched

The U.S. Small Business Administration (SBA) has announced the launch of the SBAExchange Pilot Program, which is an electronic purchasing tool designed to facilitate small business e-procurement opportunities, as well as enhance the efficiency and accountability of current government procurement procedures.

A streamlined electronic tool, the SBAExchange will allow agencies to award simplified acquisitions up to \$100,000 (including micro-purchases) and to make purchases and payments electronically with the Government-wide commercial purchase card. Utilizing SBAExchange, agencies will be able to award purchases over \$25,000 that have been posted in Federal Business Opportunities (FedBizOpps), on the condition that the announcement specifies the award will be made electronically. Furthermore, it will help small businesses compete for purchases that are currently being obtained through other contracting methods.

On March 30, 2003, the SBA plans to kick-off this pilot program nationally. At that time, agencies can begin awarding transactions through the system. To participate, small businesses must obtain an Internet-based Supplier Web Site from [www.SBAExchange.gov](http://www.SBAExchange.gov). A small business, through the Supplier Web Site, will receive:

- A fully hosted, supplier branded, e-commerce website;
- Exposure to federal buying authorities, large federal prime contractors and other large buying officials;
- An electronic catalog;
- A centralized order management system for receiving and processing Internet-based orders from federal, state, local and commercial buying authorities;
- A management system for tracking new business, as well as creating and submitting quotes and;
- Assistance in managing the new site.

The annual cost to participate in the SBAExchange Pilot Program is \$1,500. A transaction fee of two percent will be added to all orders. If you are interested in this Pilot Program, go to [www.SBAExchange.gov](http://www.SBAExchange.gov) to learn more. ♦



## SBA Lifts \$500,000 Loan Cap

On February 25, 2002, the U.S. Small Business Administration lifted a 5-month cap on SBA-backed loans and invited participating lenders to resume submitting applications for guaranteed loans up to the \$2 million statutory limit. The decision was made possible when President George W. Bush signed recently passed legislation that allows the SBA to implement a revised econometric subsidy model. The model allows for greater accuracy in the forecasting of the actual costs of the 7(a) loan program. The model will be applied retroactively to the beginning of the current fiscal year.

Using the econometric model in combination with appropriation levels noted in the Fiscal Year 2003 budget, the SBA will be able to endorse more than \$9.4 billion in 7(a) loans during the current year, plus \$1.8 billion in STAR loans that were agreed to previously.

For more information, call the SBA Answer Desk at 1-800 U ASK SBA or TDD 704-344-6640; or go to [www.sba.gov](http://www.sba.gov). ♦

## SAVE THE DATE !

### 4th Annual MDA Small Business Day Conference

### Tuesday, May 13, 2003

**You should be there !  
Space is limited, so make your  
reservations as soon as possible.**

<http://www.sbdays.mdaconferences.com>



# Congressional News

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## Sen. Snowe Chairs Senate Small Business Committee

The 108th U.S. Congress has commenced with a new Chair of the Senate's Committee on Small Business and Entrepreneurship. Senator Olympia J. Snowe (R-Maine) has taken control after the mid-term elections produced a Republican majority. Among Senator Snowe's priorities are:

- Assuring access to affordable health insurance for small businesses and their employees, as well as, entrepreneurs.
- Providing regulatory and tax relief for small businesses.
- Encouraging further growth and entrepreneurship in women-owned small businesses.
- Improving access to capital for small businesses.
- Increasing access and utilization of new technologies and e-commerce by small businesses.

Former Chairman, Senator John Kerry (D-Massachusetts) now serves as the Ranking Member on the Committee. The former Ranking Member, Senator "Kit" Bond (R-Missouri) has opted to chair the Transportation, Infrastructure subcommittee of the Environment and Public Works panel. Under Senate GOP rules, Bond cannot serve as the Small Business chairman if he is chairman of more than one subcommittee. Senator Bond also serves on the Appropriations Committee, and is chairman of its Veterans Affairs, Housing and Urban Development and Independent Agencies Subcommittee.♦

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### PROCUREMENT OPPORTUNITIES

Visit the MDA Business Acquisition Reporting Bulletin Board (BARBB) on the Internet  
<http://www.acq.osd.mil/bmdo/barbb/barbb.htm>

## Rep. Manzullo Reappointed as House Small Business Committee Chairman

U.S. House of Representatives Republicans reappointed Congressman Don Manzullo (R-Illinois) to serve as Chairman of the Committee on Small Business in the 108th Congress. Manzullo served as the committee's chairman during the 107th Congress. He intends to continue his efforts to reduce the enormous regulatory and tax burdens on the nation's small businesses. Manzullo believes less burdened small firms can help pull the struggling economy out of its tough times. Manzullo and Senator Olympia Snowe (R-Maine), chairwoman of the Senate Small Business Committee, are already battling the surging cost of health insurance. They both endorse the need for legislation that would create national Association Health Plans (AHPs), which would allow small companies to unite and purchase health insurance at group rates through national associations.♦

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*Remembering ...*



*...the women and men who lost their lives serving in the U.S. Armed Forces and the Space Program.*

Memorial Day - May 26, 2003

## *Note this...*

*The following is a U.S. General Services Administration news release from November 15, 2002.*

### **GSA's FAR Deviation Closes Small Business Contracting Loophole**

WASHINGTON, DC – Businesses holding government contracts will soon be required to certify their size and status each time an option period is exercised under the terms of a new policy announced today by the U.S. General Services Administration.

“We found that some GSA Schedules contract holders that were small when originally awarded a Schedules contract, are now large, and in some cases may have been purchased by larger companies but are still listed as small on GSA contracts,” said Boyd Rutherford, GSA Associate Administrator for Enterprise Development. “This is not how the small business programs were intended to function and results in lost opportunities for those businesses intended to be helped by these programs.”

This new policy is intended to address a loophole in Federal contracting that has allowed businesses to retain their status as “small” (and all the sub-categories) even after they no longer meet the requirements for being classified as small.

Previously, GSA and the Small Business Administration interpreted language from the Federal Acquisition Regulation (FAR) to mean that vendors kept their status as a small business for the five-year term of a GSA Schedules contract. At the end of the initial term, vendors would be able to retain that small business status into each of the three, five-year option periods.

Now GSA has approved a class deviation from the FAR intended to ensure that federal contracts intended for small businesses are available to contractors with legitimate small business status. David Drabkin, GSA's Senior Procurement Executive, issued the deviation on October 10, 2002.

The change means that contractors operating under the Multiple Award Schedules in GSA's Federal Supply Service, or under any other multiple award contracts, such as the FAST program in GSA's Federal Technology Service, will have to recertify that they qualify as a small business each time their contract or contracts are open for renewal. Failure to recertify could lead to exclusion from federal contracting.

GSA is a centralized federal procurement and property agency in Washington, D.C., that provides office space, supplies and services for the federal government. The agency, created in 1949 to increase government efficiency operates and manages 1,800 government-owned buildings and 6,500 leased buildings. It provides workspace for more than one million federal employees in more than 1,600 American communities.

**EDITOR'S NOTE:** *The MDA, through its SADBUs and General Counsel Offices, vigilantly advocated for this policy change; and believes that it will result in long-term benefits for small and 8(a) businesses, whether or not they are connected to MDA.♦*

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### **Spectrum Astro**

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spacecrafts were successfully built and launched, and went on to complete their on-orbit missions.

Spectrum Astro was able to parlay more satellite development contracts following the success of the MSTI series. In all, the company has successfully built and launched seven spacecrafts ranging in size from approximately 250 pounds to almost 2000 pounds. Spectrum Astro is currently developing five other individual spacecrafts for the Department of Defense and NASA, one of which will tip the scales at almost 10,000 pounds.

Today, Spectrum Astro is a full-service, space systems prime contractor specializing in the development of complex space systems, high performance, lower cost spacecraft and associated subsystems for sophisticated defense and scientific missions. In the last 15 years, the company has grown from a one-man operation to over 430 employees and revenues have increased to over \$160 million annually. In addition, Spectrum Astro's business practices have been recognized nationally by twice being named to the INC 500 List of America's fastest growing, private companies. In 2001, the company was a National Finalist for the prestigious Entrepreneur Of The Year Award in Manufacturing.

In 1999, Spectrum Astro's missile defense work increased substantially with the award of one of two Program Definition and Risk Reduction contracts valued at over \$275 million for the Space Based Infrared System Low (SBIRS Low) program. Three years later, the program was restructured and renamed Space Tracking and Surveillance System (STSS). Spectrum Astro is now an important major

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## **Spectrum Astro**

*(cont'd from page 6)*

subcontractor performing Systems Engineering and spacecraft business development for this vital Missile Defense Agency program.

Spectrum Astro owes much of its successful growth to the Missile Defense Agency and has become a prime contractor that the MDA can rely on for all phases of its system lifecycles, including system engineering and mission development, as well as design, development, production, and operation of complex missile defense systems. As a small business, Spectrum Astro also learned the value of working with other small businesses. On the SBIRS Low Program alone, Spectrum brought on board its team a host of other specialized small businesses, some with breakthrough technologies, to provide the best value to the government program managers. The culmination of Spectrum Astro's business practices make the company a successful small business and as a prime contractor it will continue to do important missile defense work for MDA.◆

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## **New and Recent Contracts**

*(cont'd from page 1)*

valued at \$12,225.00, to design and implement a proof-of-concept visualization prototype of ship-based missile data. This contract had a 45-day base period with no options and ended on 31 January 2003.

On 7 January 2003, Athena Group, Inc. was awarded a contract, valued at \$68,970.00, for R&D under the SBIR Program to develop an innovative, high-performance, secure processing architecture for system-on-a-chip (SOC) devices used in defense electronics systems. This contract has a six-month base period with no options and ends on 6 July 2003.

On 7 January 2003, MP Technologies, LLC was awarded a contract, valued at \$69,997.00, for R&D under the SBIR Program to study Multi-Color VLWIR FPA based on TYPE-II InAs/GaSb Superlattice Nanostructures. This contract has a six-month base period with no options and ends on 6 July 2003.

On 7 January 2003, Belford Research, Inc. was awarded a contract, valued at \$69,999.00, for a SBIR Program Phase

I proposal to research the feasibility to combine the technologies of SOI manufacture with strain-inducing wafer bonding to produce Strained-Si On Insular (SSOI) wafers. This contract has a six-month base period with no options and ends on 6 July 2003.

On 7 January 2003, Pacific Advanced Technology was awarded a contract, valued at \$69,993.00, for R&D SBIR Phase I to study the feasibility of developing an improved seeker by adding hyperspectral imaging and adaptive tuned spectral filtering. This contract has a six-month base period with no options and ends on 6 July 2003.

On 6 January 2003, Lithium Power Technologies, Inc. was awarded a contract, valued at \$69,990.00, for R&D under the SBIR Program to provide organic electrobytes for re-usable, high-performance thermal batteries. This contract has a six-month base period with no options and ends on 5 July 2003.

On 3 January 2003, Mayflower Communications Company, Inc. was awarded a contract, valued at \$69,986.00, for a SBIR Program Phase I Proposal for a secure, long range, high bandwidth telemetry solution using COTS Wireless Technology for range extension. This contract has a six-month base period with no options and ends on 2 July 2003.◆

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## **MDA News...Three-Bid Rule In Effect**

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federal supply schedules are a contracting program administered by the General Services Administration's Federal Supply Service. The rule implements Section 803 of the Fiscal 2002 Defense Authorization Act, a law passed by Congress to address concerns that Defense contracting officers were not generating competitive bids when purchasing services.◆

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# Legislation/Regulation Update

## Federal Acquisition Regulation

*Federal Acquisition Circular (FAC) 2001-11* was issued December 31, 2002.

FAC 2001-11 amends the FAR as specified below:

### Final Rule

#### *Item I—Special Simplified Procedures for Purchases of Commercial Items in Excess of the Simplified Acquisition Threshold (FAR Case 2002-028)*

This final rule amends FAR Subpart 13.5 to extend the expiration date of the test of special simplified procedures for purchases of commercial items greater than the simplified acquisition threshold but not exceeding \$5,000,000 to January 1, 2004. This change implements Section 812 of the National Defense Authorization Act for Fiscal Year 2003 (Pub. L. 107-314). Section 812 amended Section 4202(e) of the Clinger-Cohen Act of 1996 (Divisions D and E of Public Law 104-106; 110 Stat. 654; 10 U.S.C. 2304 note).

The Federal Register notice for this rule is available at: <http://www.acqnet.gov/far/FAC/fac2001-11.pdf>.

### Interim Rule

#### *Item II—Section 508 Micro-purchase Exception Sunset Provision (FAR Case 2002-012)*

This interim rule extends the Electronic and Information Technology (Section 508) micro-purchase exception to October 1, 2004. This rule is of special interest to contracting officers and other individuals designated in accordance with FAR 1.603-3.

The Federal Register notice for this rule is available at: <http://www.acqnet.gov/far/FAC/fac2001-11.pdf>.

*Federal Acquisition Circular (FAC) 2001-12* was issued January 27, 2003.

FAC 2001-12 amends the FAR as specified below:

### Interim Rule

#### *Procurements for Defense Against or Recovery from Terrorism or Nuclear, Biological, Chemical or Radiological Attack (FAR Case 2002-026)*

This interim rule revises the Federal Acquisition Regulation (FAR) in order to implement Sections 852 through 856 and Section 858 of the Homeland Security Act (Pub. L. 107-296). Those sections increase the amount of the micro-purchase threshold and the simplified acquisition threshold for procurements and provide streamlined procedures for acquisitions of supplies or services by or for an executive agency that, as determined by the head of the executive agency, are to be used to facilitate defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack. The special increased thresholds and authorities under the Act apply to acquisitions resulting from solicitations issued before November 25, 2003.

The Federal Register notice for this rule is available at: <http://www.acqnet.gov/far/FAC/fac2001-12.pdf>.

### Proposed Rule for Comment

#### *Contract Bundling (FAR Case 2002-029)*

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) are proposing to amend the Federal Acquisition Regulation (FAR) to implement the recommendations of the Office of Management and Budget (OMB) in its report entitled, "A Strategy for Increasing Federal Contracting Opportunities for Small Business." (Available at <http://www.acqnet.gov/Notes/contractbundlingreport.pdf>.) Included in the report is a nine-point action plan designed to hold Federal agencies accountable for eliminating unnecessary contract bundling and mitigating the effects of necessary contract bundling on small businesses.

Written comments received by April 1, 2003 will be considered in the formulation of a final rule. Submit written comments to – General Services Administration, FAR Secretariat (MVA), 1800 F Street, NW, Room 4035, ATTN: Laurie Duarte, Washington, DC 20405. Submit electronic comments via the Internet to – [farcase.2002-029@gsa.gov](mailto:farcase.2002-029@gsa.gov). Please submit comments only and cite FAR case 2002-029 in all correspondence related to this case.

*Editor's Note: MDA plans to hold a panel discussion on Contract Bundling at its Small Business Day Conference on May 13, 2003.*

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## LEGISLATION/REGULATION UPDATE

(cont'd from page 8)

**FOR MORE INFORMATION, CONTACT:** The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, at (202) 501-4755 for information pertaining to status or publication schedules. For clarification of content, contact Ms. Rhonda Cundiff, Procurement Analyst, at (202) 501-0044. Please cite FAR case 2002-029. The TTY Federal Relay Number for further information is 1-800-877-8973.

## Defense Federal Acquisition Regulation Supplement (DFARS)

### *DFARS Transformation*

The Department is kicking off a major initiative to consider bold changes to the DFARS. For more information on this effort, go to the DFARS Transformation Homepage (<http://www.acq.osd.mil/dp/dars/new.html>). The public is encouraged to participate in generating ideas for improvements. To submit proposals, please go to: [http://emissary.acq.osd.mil/dar/dfars\\_pubcom.nsf/pubcomm](http://emissary.acq.osd.mil/dar/dfars_pubcom.nsf/pubcomm).

### *Homeland Security Act - Federal Emergency Procurement Flexibilities*

The Federal Acquisition Regulation (FAR) was changed via **FAC-012** on January 27, 2003 to implement Homeland Security Act purchasing flexibilities across all Federal Agencies. The Department of Defense is operating under similar Temporary Emergency Procurement Authorities authorized in Fiscal Year 2002. A summary matrix of the revised authorities is available as a word document at: <http://www.acq.osd.mil/dp/dars/matrix.doc>.

### **DFARS Change Notice 20021220**

DoD published the following final DFARS rules in the Federal Register on December 20, 2002. The final rules apply to solicitations issued on or after December 20, 2002, except as otherwise permitted by FAR 1.108(d).

#### **Final Rules:**

#### ***Extension of DoD Pilot Mentor-Protégé Program (DFARS Case 2002-D029)***

This final rule amends DFARS 219.7104 and Appendix I to implement Section 812 of the National Defense Authorization Act for Fiscal Year 2002 (Pub. L. 107-107). Section 812 extends, through September 30, 2005, the period during which companies may enter into agreements under

the DoD Pilot Mentor-Protégé Program. In addition, Section 812 extends, through September 30, 2008, the period during which mentor firms may incur costs that are eligible for reimbursement or credit under the Program. This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

The Federal Register notice for this rule is available at: <http://www.acq.osd.mil/dp/dars/fedregs/2002D029f.txt>.

#### ***Trade Agreements Act – Exception for U.S.-Made End Products (DFARS Case 2002-D008)***

The Department of Defense has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement the determination of the Under Secretary of Defense (Acquisition, Technology, and Logistics) that, for procurements subject to the Trade Agreements Act, it would be inconsistent with the public interest to apply the Buy American Act to U.S.-made end products that are substantially transformed in the United States.

The Federal Register notice for this rule is available at: <http://www.acq.osd.mil/dp/dars/fedregs/2002d008f.txt>.

### **DFARS Change Notice 20030214**

DoD published the following final, interim and proposed DFARS rules in the Federal Register on February 14, 2003. The interim and final rules apply to solicitations issued on or after February 14, 2003, except as otherwise permitted by FAR 1.108(d). The proposed and interim rules solicit public comments, which are due by April 15, 2003. A summary of each rule follows:

#### **Final Rule**

#### ***Emergency Acquisitions in Regions Subject to Economic Sanctions (DFARS Case 2002-D031)***

DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to authorize DoD personnel to make emergency acquisitions in direct support of U.S. or allied forces deployed in military contingency, humanitarian, or peacekeeping operations in a country or region subject to economic sanctions. The rule became effective February 14, 2003.

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## **LEGISLATION/REGULATION UPDATE**

(cont'd from page 9)

The Federal Register notice for this rule is available at:  
<http://www.acq.osd.mil/dp/dars/fedregs/2002d031f.txt>.

### **Interim Rule for Comment**

#### ***Contractor Performance of Security-Guard Functions (DFARS Case 2002-D042)***

DoD has issued an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement section 332 of the National Defense Authorization Act for Fiscal Year 2003. Section 332 provides temporary authority for contractor performance of security-guard functions at military installations or facilities in excess of those in place on September 10, 2001. The effective date was February 14, 2003.

Comments on the interim rule should be submitted on or before April 15, 2003, to be considered in the formation of the final rule. For more information, contact Mr. Steven Cohen at (703) 602-0293.

The Federal Register notice for this rule is available at:  
<http://www.acq.osd.mil/dp/dars/fedregs/2002d042i.txt>.

### **Proposed Rules for Comment**

#### ***Payment Bonds on Cost-Reimbursement Contracts (DFARS Case 2002-D030)***

DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to permit the use of alternative payment protections for fixed-price construction subcontracts between \$25,000 and \$100,000 issued under cost-reimbursement contracts. This change is consistent with the corresponding Federal Acquisition Regulation (FAR) policy applicable to fixed-price construction contracts.

Comments on the proposed rule should be submitted in writing on or before April 15, 2003, to be considered in the formation of the final rule. For more information, contact Mr. Euclides Barrera at (703) 602-0296.

The Federal Register notice for this rule is available at:  
<http://www.acq.osd.mil/dp/dars/fedregs/2002d030p.txt>.

#### ***Liability for Loss Under Vessel Repair and Alteration Contracts (DFARS Case 2002-D016)***

DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to increase a contractor's liability for loss or damage under vessel repair and alteration contracts, from \$5,000 to \$50,000 per incident. The increased dollar ceiling is based on adjustments for inflation and the need to provide a financial incentive for contractors to minimize loss or damage. DoD will consider all comments received by April 15, 2003. For more information, contact Ms. Sandra Haberlin at (703) 602-0289.

The Federal Register notice for this rule is available at:  
<http://www.acq.osd.mil/dp/dars/fedregs/2002d016p.txt>.

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*SADBU UPDATE* is produced by *MTS Technologies, Inc.*  
for the Small and Disadvantaged Business Utilization Office of the  
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# Internet News

## Web Site Highlight

The Internal Revenue Service (IRS) provides the small business and self-employed community with helpful, free information at <http://www.irs.gov/businesses/small/index.html>. The link serves as a One-Stop Business Resource. It offers industry and profession specific information on numerous topics. For example, from the link, companies seeking a tool to help meet tax requirements can access the Small Business Tax Calendar. It includes information on diverse business issues and instructions and options for filing. Deadlines for various filings are listed in the calendar. The calendar is available online and on a free CD. The site also lists new toll-free numbers to reach the IRS. The site provides links to other useful non-IRS sites.



## Other Useful Web Sites:

- SCORE — the Service Corps of Retired Executives — is a nonprofit organization that provides small business counseling and training under a grant from SBA: <http://www.score.org>
- The SBA site with the State Tax Homepages: <http://www.sba.gov/hotlist/statetaxhomepages.html>
- The FedBizOpps home page: <http://www.fedbizopps.gov>
- The MDA home page: <http://www.acq.osd.mil/bmdo/>
- The MDA Small and Disadvantaged Business Utilization home page: <http://www.acq.osd.mil/bmdo/bmdolink/html/sadbu.html>
- The MDA SBIR/STTR Program home page: <http://www.winbmdo.com/>
- The MDA Information Resource Center <http://www.acq.osd.mil/bmdolink/html/tic.html>
- The MDA Office of Technology Applications: <http://www.acq.osd.mil/bmdo/bmdolink/html/transfer.html>
- The DoD HBCU/MI Program home page: <http://www.acq.osd.mil/sadbu/hbcumi/>

## CALENDAR OF EVENTS

- |                          |   |
|--------------------------|---|
| <b>March 17, 2003</b>    | <b>Congressman Albert Wynn's 8th Annual Fourth Congressional District Procurement and Business Expo</b><br>Rockville, MD<br>(202) 225-8699  |
| <b>March 18, 2003</b>    | <b>Alliance Opportunities for Small Business Mid-Atlantic Conference</b><br>Philadelphia, PA<br>(509) 838-8755  |
| <b>April 15, 2003</b>    | <b>Alliance Opportunities for Small Business New England Conference</b><br>Providence, RI<br>(509) 838-8755   |
| <b>April 15-17, 2003</b> | <b>36th Annual Chicago Business Opportunity Fair</b><br>Chicago, IL<br>(312) 263-0105   |
| <b>April 22-24, 2003</b> | <b>National SBIR Spring Conference</b><br>Washington, DC<br><a href="http://www.dodsbir.net/springconf03/default.asp">http://www.dodsbir.net/springconf03/default.asp</a>                                 |
| <b>April 23, 2003</b>    | <b>13th Annual OSDBU Procurement Conference</b><br>Show Place Arena<br>Upper Marlboro, MD<br>(800) 878-2940   |
| <b>May 2-9, 2003</b>     | <b>Michigan Minority Procurement Conference</b><br>Detroit, MI<br>(313) 873-3200  |
| <b>May 5-7, 2003</b>     | <b>Virginia Business Opportunity Fair</b><br>Richmond, VA<br>(804) 780-2322   |
| <b>May 7-8, 2003</b>     | <b>Pittsburgh Regional Minority Purchasing Council Trade Fair</b><br>Pittsburgh, PA<br>(412) 391-4423   |
| <b>May 13, 2003</b>      | <b>4th Annual MDA Small Business Day</b><br>Sheraton National Hotel - Arlington, VA<br>(703) 697-8017   |
| <b>May 21, 2003</b>      | <b>Naval Surface Warfare Center - Dahlgren Division 12th Annual Small Business Opportunity Fair</b><br>Dahlgren, VA<br>(888) 603-8899   |
| <b>June 24-28, 2003</b>  | <b>4th Annual WBENC (Women's Business Enterprise National Council) National Conference and Business Fair</b><br>New York, NY<br>(202) 588-9875 or <a href="http://www.wbenc.org">http://www.wbenc.org</a> |