

Department of the Army Small Business Program



"Our Army at War - Relevant & Ready"

3rd Annual Minority Serving Institutions Research Partnerships Conference 02 February 2006

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Office of the Secretary of the Army

Army Small Business Office



VISION



**To Be The Premier Advocacy Organization
Committed To Maximizing Small Business
Opportunities In Support Of The Warfighter
And The Transformation Of The Army.**

Army Small Business Office



MISSION



- Advise the Secretary of the Army and the Army Leadership on Small Business Related Matters
- Spearhead Innovative Initiatives that Contribute to Expanding the Small Business Industrial Base Relevant to the Army Mission and Priorities
- Leverage the Use of Minority Serving Educational Institutions in Support of Army Science and Technology Programs

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RESPONSIBILITIES

Advise Army Secretariat on Implementing Laws Concerning the Small Business Program

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

**SMALL
BUSINESS
ADVOCATES**

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

**SERVICE
ORIENTED
TEAM**

Establish Challenging Small Business Targets for Army Major Commands

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



SMALL BUSINESS IS.....



Big Business!

- 23 Million American small businesses
- Create more than 50% of industrial innovations/inventions
- Employ more than half of all non-farm private sector employees
- Generate more than 50% of U.S. gross domestic product
- Principle source for new jobs in the U.S. economy (60-80% during 1990s)

Smart Business!

- Innovative methods to achieve cost, schedule & performance
- 13 to 14 times more patents per employee than large firms and these patents are twice as likely to be among the 1% most cited
- Invented by small business:
 - ✓ **Airplane**
 - ✓ **Personal Computer**
 - ✓ **Soft Contact Lenses**
 - ✓ **Blackberry**
 - ✓ **Phraselator**

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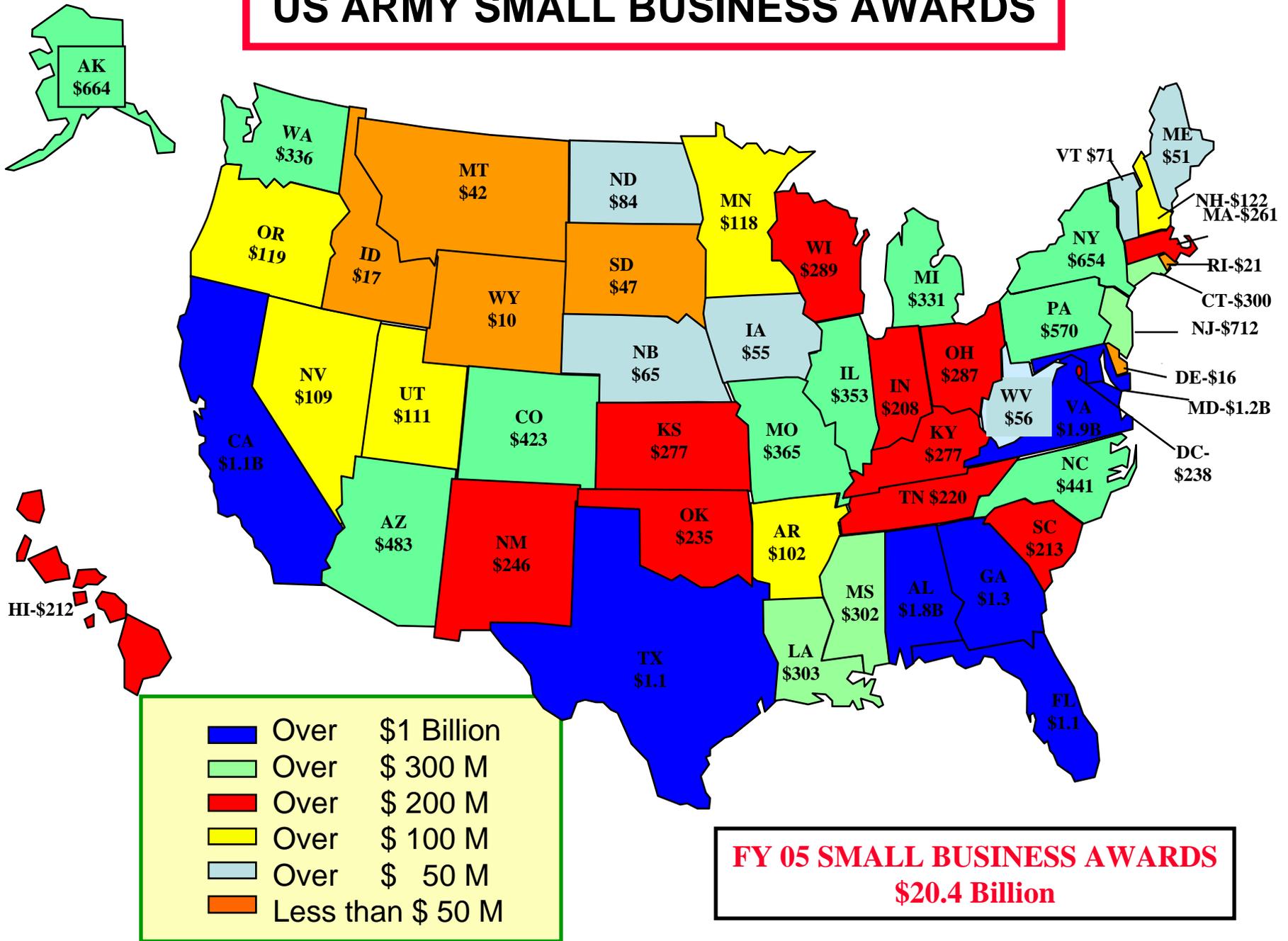
ARMY PRIME CONTRACT AWARDS FY 05 (01/23/06)



	Total Dollars	Achieved	Army Target	Nat'l Goal
US Business	\$70,802			
Small Business	\$20,381	28.8%	27.0%	23.0%
Small Disadvantaged Business	\$ 6,658	9.4%	8.8%	5.0%
Women-Owned SB	\$ 2,625	3.7%	4.1%	5.0%
HUBZone Small Business	\$ 2,226	3.1%	3.0%	3.0%
Service Disabled Veteran-Owned SB	\$ 501	0.7%	0.9%	3.0%

Dollars shown in millions

US ARMY SMALL BUSINESS AWARDS





INSIDE THE NUMBERS



- Small Business: \$19.9B (Exceeded Target)
- Small Disadvantaged Business: \$6.5B (Exceeded Target)
- Women Owned: \$2.5B (First Federal Agency)
- HUBZone: \$2.1B
Target/Goal: 3.1% (Highest in Federal Government)
- SDVOSB (FY03 – FY05):
Increased dollars from \$100M to \$454M
Increased percentage of dollars by 350%

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MENTOR-PROTÉGÉ PROGRAM



- Provides incentives to prime contractors to develop the technical and business capabilities of SDBs and other eligible protégés to increase their participation in both prime contracts and subcontracts
- Prime contractors may be reimbursed labor costs or receive to credit towards SDB subcontracting goals
- The Defense Authorization Act for fiscal year 2005 extended the MPP until 30 Sep 2010 for approval of new agreements, and until 30 Sep 2013 for incurred costs
- Army Pilot 8(a) Graduate Mentor-Protégé Program
 - **Seeks to get graduated 8(a) firms involved in mentoring emerging 8(a) firms**

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MENTOR-PROTÉGÉ PROGRAM



- DoD delegated approval authority to services beginning FY 2004
- Army goal is to engage industries to shape and expand the industrial base to support the warfighter
- Seeking agreements with strong technical component, or focus on innovative transfer of state of the art technology
- Policy, guidance & instructions on Army SADBUs website: www.sellingtoarmy.info

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MENTOR PROTÉGÉ PROGRAM

Program Status



- Army Agreements Should Focus on High-Tech Solutions for the War Fighter
- 36 Active Agreements
 - 22 Mentors
 - 36 Protégés (Can Have Only 1 Active Agreement)
- 7 Mentors are Graduated 8(a) Firms
- FY05 Round III – 9 New Agreements Pending
- Army Awarded 1st MP Agreement in DOD Based Solely on the Protégé's SDVOSB Status
- For Army, 2 Rounds of Proposals for FY 2006
 - 15 December and 15 April

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HURRICANE RELIEF ARMY PRIME CONTRACT AWARDS



	Dollars Awarded	Achieved	National Goal
Total Contract Dollars	\$ 2,679,994,605		
Small Business	\$ 718,506,357	26.6%	23.0%
Small Disadvantaged Business	\$ 476,645,781	17.8%	5.0%
Women-Owned SB	\$ 133,883,639	5.0%	5.0%
HUBZone SB	\$ 184,599,580	6.9%	3.0%
Service Disabled Veteran-Owned SB	\$ 25,340,916	0.95%	3.0%

As of 29 Nov 05

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HURRICANE RELIEF EFFORT



US Army Corps of Engineers

<http://www.usace.army.mil/>

Small Business Administration (SBA)

http://www.sba.gov/disaster_recov/index.html

Federal Business Opportunities

<http://www.fedbizopps.gov/katrina.html>

FEMA

<http://www.fema.gov/press/2005/katrinabusiness.shtm>

Department of Homeland Security – Open for Business

<http://www.dhs.gov/openforbusiness>

Hurricane Contracting Information Center

<http://www.rebuildingthegulfcoast.gov/>

www.sellingtoarmy.info

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ARMY SMALL BUSINESS REINVENTION INITIATIVES FY 05



- Promote opportunities for firms located in HUBZones through a comprehensive outreach initiative of strategic partnering with other DOD and Federal Agencies, regional match-making events, and co-marketing with other programs such as HBCU/MI, SDVOSB and 8(a).
- Maximize value of small business to the war fighter by promoting contracting opportunities in contingency operations.
- Promote utilization of small businesses as subcontractors in acquisitions of combat systems such as the Future Combat System (FCS).
- Continue to promote the increase awareness of the SDVOSB Program through an innovative outreach program.

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ARMY SADBUC FOCUS FY 06/07



- Small Business Participation in FCS and Major Army Programs
- Support of BRAC through HUBZone Initiatives
- Service-Disabled Veteran-Owned Small Business Opportunities
- Contract Bundling and Consolidation
- Increased role of HBCUs & MIs in the Acquisition Process
- Residential Communities Initiative
- Subcontracting Policy and Enforcement



ARMY FCS PROGRAM



Subcontract Goals Based Upon Boeing Comprehensive Goals

FCS SDD Goals	(% of Boeing Subcontract Dollars)
Small Business	17.5%
Small Disadvantaged Business	3.5%
Woman Owned Small Business	2.5%
Historically Underutilized Business Zone	0.3%
Veteran Owned Small Business	1.5%
Service Disabled Veteran Owned	0.2%

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



HBCU/MI PROGRAM LEGAL GUIDANCE



- P.L. 99-661, National Defense Act 1987
Section 1207
 - Established the 5% Goal for SDBs, HBCUs and MIs (10 USC 2301).
- **Key Areas:** contracting and subcontracting opportunities in procurement, research, development, test and evaluation, military construction, and operations and maintenance.



HBCU/MI GUIDANCE



1. **E.O. 13256** - Historically Black Colleges and Universities etc
2. **General Orders** - GO 2001-01 assigns HBCU/MI program responsibilities to the SADBUI office.
3. **Army EEO Programs** are governed by AR 690-12 Equal Employment Opportunity and Affirmative Employment Program.

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HBCU/MI FUNDING - CONTRACTS



	Total HEI	Total HBCU/MI	Achieved	Nat'l Goal
FY 00	\$261	\$20	7.5%	5.0%
FY 01	\$277	\$43	15.4%	5.0%
FY 02	\$297	\$35	11.9%	5.0%
FY 03	\$341	\$55	16.0%	5.0%
FY 04	\$381	\$44	11.4%	5.0%
FY 05	\$438	\$66	14.9%	5.0%

Dollars shown in millions

www.sellingtoarmy.info

