AMC Small Business Program Update

November 1, 2005

Scott A. Crosson
Associate Director for Small Business
(703) 806-9185
scott.crosson@us.army.mil

"Need to be faster, more agile, less bureaucratic - Need to fight this everyday."
"Need to be faster, more agile, less bureaucratic - Need to fight this everyday"
Small Business
A Critical Component of our Defense Industrial Base

Supporting America’s Warfighter

* in Army Transformation
  * Small Business Innovative Research
  * Modular structures, counter-intelligence analysis, training systems
  * Radio frequency tags

and on the battlefield today

* Unmanned systems, mine detectors
* Uniforms, body armor, ballistic blankets, munitions
* Air beam maintenance shelters and lightweight tactical tents
* AH-64 tail rotor blade erosion strips
* Batteries, antennas, night vision components, hand-held signal devices

CAPABILITY, CAPABILITY, CAPABILITY!

“Small businesses are vital to our Nation's economic capability and a critical enabler of our increased military capabilities. Agile and innovative, small businesses provide our Army and Nation essential support every day. From the laboratory to the foxhole, small business is there!”

Benjamin S. Griffin
General, Commanding
US Army Materiel Command

“Need to be faster, more agile, less bureaucratic - Need to fight this everyday"
"Need to be faster, more agile, less bureaucratic - Need to fight this everyday"

AMC Obligation Base

<table>
<thead>
<tr>
<th>Year</th>
<th>AMC</th>
<th>Rest of Army</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2001</td>
<td>$18.2B</td>
<td>$20.5B</td>
<td>$38.7B</td>
</tr>
<tr>
<td>FY 2002</td>
<td>$21.1B</td>
<td>$20.3B</td>
<td>$41.4B</td>
</tr>
<tr>
<td>FY 2003</td>
<td>$26.3B</td>
<td>$19.5B</td>
<td>$45.8B</td>
</tr>
<tr>
<td>FY 2004</td>
<td>$31.5B</td>
<td>$19.2B</td>
<td>$50.7B</td>
</tr>
<tr>
<td>FY 2005</td>
<td>$41.9B</td>
<td>$16.8B</td>
<td>$58.7B</td>
</tr>
</tbody>
</table>

Small Business Obligations (billions)

- AMC: $12.6B (64%)
- Rest of Army: $7.1B (36%)

58.5% of 62,421 contract actions awarded to small businesses!
69.4% competed!

> $1B growth past three years!
AMC Small Business Program
FY 05 Goals & Performance

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Obligations Millions 1 Oct 04 - 30 Sep 05</th>
<th>DA Target % of Obligations</th>
<th>Achieved % of Obligations</th>
<th>% of Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business</td>
<td>$7,138</td>
<td>15.5%</td>
<td>17.0%</td>
<td>58.5%</td>
</tr>
<tr>
<td>Small Disadvantaged Business</td>
<td>$1,047</td>
<td>3.5%</td>
<td>3.2%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Woman-Owned Small Business</td>
<td>$721</td>
<td>2.1%</td>
<td>1.7%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Service-Disabled Veteran-Owned SB</td>
<td>$98</td>
<td>1.0%</td>
<td>0.2%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Historically Underutilized Business Zone (HUBZone)</td>
<td>$251</td>
<td>1.0%</td>
<td>0.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Historically Black Colleges &amp; Universities/Minority Institutions (HBCU/MIs)</td>
<td>$22</td>
<td>11.8%</td>
<td>14.6%</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

06 Targets
- 16.5%
- 3.5%
- 2.1%
- 1.0%
- 1.3%
- 12.3%

Base for other than HBCU/MI is total AMC awards to all US businesses - nearly $42 billion
HBCU/MI base is total AMC awards to Higher Education Institutions - over $199 million

"Need to be faster, more agile, less bureaucratic - Need to fight this everyday"
Challenges

Program awareness
Need for cultural change
Earlier involvement
Subcategory performance
  service-disabled vets
  women-owned
  HUBZone
Utilization of HBCU/MI capabilities
Mergers & acquisitions (SB success)

Bundling & consolidation associated with...
  Systems integration
  Performance based logistics
  Enterprise-wide solutions
  Strategic sourcing initiatives

A Matter of Balance

"Need to be faster, more agile, less bureaucratic - Need to fight this everyday"
Discussion

Primary objective -- How can we better help you help us?

We need your continued support. THANKS!
Early involvement - KO role

DPEO/DPM initiative
Accuracy of DD 350 socio-economic input

Thorough market research - databases avail
Mentor Protégé Program

Pursue cascading set-asides assignments
Program education & rotational

SB Specialists as a valuable resource first
Seek small business solutions

SB objective in all 1102 standards revisions
Pending size standard

Encourage debriefings SB
Command-wide contracts for

DA Request to CG for 2006

Advance acquisition planning system
Metrics & business

Maximize SB participation in consolidations
Encourage greater HBCU/MI, SDB & prime collaboration

Evaluate SB participation in source selection impacted by BRAC &
Use HUBZone preference in areas natural disasters

"Need to be faster, more agile, less bureaucratic - Need to fight this everyday"
Manufacturing Technical Assistance Production Program

- Congressionally funded program to provide network of qualified SBs for DoD

- Technical experts and web-based tools to enhance operations & capabilities

- Assists SBs improve capabilities based on DoD needs
  - Critical parts & technologies
  - Lean and Six Sigma assistance
  - Help with business plans, accounting systems, proposal management

- Rigorous pre-screening, in-depth assessment, assistance and sustainment

- Agencies and large primes help focus program on critical needs
  - ID well qualified small businesses focused on quality
  - KO, tech, SB spec and industry rep access to detailed vendor databases
  - Reduce the cost & risk of doing business with small suppliers

Government Program Office:
SPAWAR Syst. and Comms. Command
P.O. Box 190022
Charleston, SC 29419
POC: Phyllis (Ann) Howell
Phyllis.howell@navy.mil  (843) 218-5115

"Need to be faster, more agile, less bureaucratic - Need to fight this everyday"
AMC & small businesses...... working together to support America’s warfighters

"As small business owners and employees add to the vitality of our economy, they also inspire others to realize the full promise of our Nation."

President George W. Bush