

UTAH'S GOVERNMENT PROCUREMENT ECONOMIC DEVELOPMENT PROGRAM (GPED) RESULTS, JULY 1, 2007 - JUNE 30, 2009

- \$487 million in total contract dollars awarded to GPED Businesses.
- 9,739 jobs created/retained.
- Average annual salary \$50,000.
- For every \$1 invested by the State, the return is \$152.

Information not validated

Source: Logistic Specialties, Inc.

Education & Workforce Development Subcommittee Report

Michael Bridges & Dave Judson
Co-Chairs, Education & Workforce Development Subcommittee

Education & Workforce Development Subcommittee Members

Michael Bridges, Co-Chair

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Education Subcommittee Goals –



I. Corporate Development

II. Workforce Development

Education Subcommittee Goals –

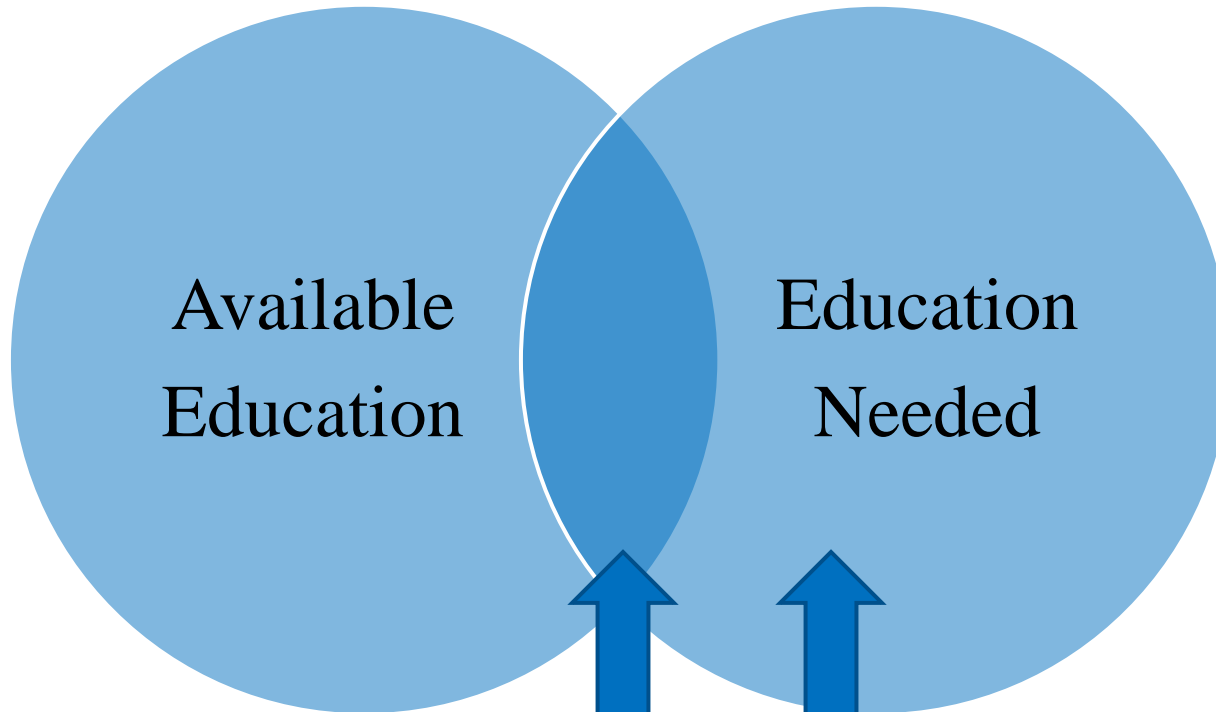
I. Corporate Development

- Message to local firms: Its up to you to bring your “A” game every time.
- Our committee’s scope is limited to “the business of federal contracting relevant to all firms,” not the specific product or service offering of each firm.
- Should answer the question: “How do you tool a business to be a winning federal contractor?”
- No silver bullet, but the community can give you tools.

Corporate Development Education Needed to Meet Blue Ribbon Goals

- What components make up the “A” game?
Are they offered in some training capacity?
- Small Business Training
 - Management
 - Certifications (CMM, ISO, etc...)
 - Financial (DCAA, etc....)
 - Technical Skills?
 - Networking?

Corporate Development Available vs. Needed Education



Presently Available and Needed
Education to Meet Blue Ribbon Goals

Unavailable and Needed Education
to Meet Blue Ribbon Goals

Corporate Development

“Available” Education

(i.e. what types of education opportunities exist in the local area today)

Organization	Relevant Education Offering (or none)	
PTAC	Assistance – One-on-One Counseling	<ul style="list-style-type: none"> • “How To” Get Started • Resources available • Mentor Protégé
Dayton Defense	Networking	<ul style="list-style-type: none"> • Committee based assistance • No official training
AFCEA	Networking Education/Training	<ul style="list-style-type: none"> • Technical • Business • CMMI Certification • Other certs
EEMG	Networking	<ul style="list-style-type: none"> • No training noted

Corporate Development

“Available” Education

(i.e. what types of education opportunities exist in the local area today)

Organization	Relevant Education Offering (or none)	
Dayton Area Chamber of Commerce	Assistance Networking Training	<ul style="list-style-type: none"> • Minority Econ Dev Assist • Executive Dialogue • Leadership Dayton
Dayton Dev Coalition	Networking	<ul style="list-style-type: none"> • Financial Assistance
Aileron	Training Networking	<ul style="list-style-type: none"> • Presidents Course • Strategic Planning • Culture • Outside Boards
The Entrepreneur Center	Assistance Networking	<ul style="list-style-type: none"> • Small Business Dev Ctr • Entrepreneurial Dev Network (EDN)
Tech First	Networking Training	<ul style="list-style-type: none"> • Training Exchange

Corporate Development Needed Education

Education topics:

1. Prerequisites of Federal Contracting
2. Access Issues
3. Business with the Federal Government 101
4. DCAA Compliant Pricing
5. Types of work needed
6. Bid/No Bid; Prime/Subcontract/"Not for Me"
7. Networking (Personal Networking)
8. What/Where/When/Who's Buying
9. Basic Proposal Writing
10. Federal Acquisition Regulation (FAR) Basics

Notes:

- Could be offered as classes, seminars, on-line tutorials or by any other means
- Our focus is "what" education, not who "who" offers it

Corporate Development Education Framework

	A Business Planning	B Business Development	C Relationship Building	D Market Intelligence	E Mentor Protégé	F Govt Business Operations
Beginner 1	<ul style="list-style-type: none"> • CAGE Code/DUNS NAICS/ etc. • Corporate Value Proposition • Branding 	<ul style="list-style-type: none"> • Proposal Writing • Bid/No-bid • Prime vs. sub or “Not for me” • Capabilities Presentation 	<ul style="list-style-type: none"> • Personal Networking • Access Issues 	<ul style="list-style-type: none"> • What/where/when Who’s buying • Prime vs. sub or “Not for me” • On-Line websites with opportunities 	<ul style="list-style-type: none"> • Informal MP relationships 	<ul style="list-style-type: none"> • Prereq of Fed Contracting • Govt Business Representatives • Socioeconomic set-asides
Intermediate 2	<ul style="list-style-type: none"> • Market Segmentation • DCAA Compliance • CPARs 	<ul style="list-style-type: none"> • GSA Schedule • Trade Shows • Developing a winning capture process 	<ul style="list-style-type: none"> • Trade Associations • Teaming with Academia • Teaming with local health care 	<ul style="list-style-type: none"> • Types of Work Needed • Competitive Analysis 	<ul style="list-style-type: none"> • Formal MP Program • Local MP Firms • List 	<ul style="list-style-type: none"> • Types of Contracts (IDIQ, FFP, T&M BPAs, etc) • SBIR, BAAs, CRADAs
Advanced 3	<ul style="list-style-type: none"> • Professional Business Management • Organizational Discipline • FAR 	<ul style="list-style-type: none"> • Expanding Ops with non-local orgs • Advanced Proposal Writing 	<ul style="list-style-type: none"> • Strategic Teaming With other contractors for each bid • List 	<ul style="list-style-type: none"> • Expanding Ops with non-local orgs • Subscription Services listing opportunities 	<ul style="list-style-type: none"> • Expanding Ops with non-local orgs • Joint Ventures 	<ul style="list-style-type: none"> • Expanding Ops with non-local orgs • List

Education Subcommittee Goals –

- **I. Corporate Development**
- **II. Workforce Development**



Education Subcommittee Goals –

II. Workforce Development

- Firms performing local work absolutely need an educated, trained and skilled workforce.
- STEM is key.
- Integration of workforce needs with workforce development will increase probability of supply meeting demand in workforce development.
- Critical issue for the region for the next 10, 20, 30 years.

Workforce Development Fact Finding Questions

1. What are the top three workforce development issues that impact the gain or loss of contracts by local contractors?
2. How can local contractors have a positive impact on workforce development?
3. Where do most contractors go to get their talent?
4. How can the region improve workforce development?
5. What are some of the impacts of poor regional workforce development?

Corporate Development Needed Education (cont'd)

Education topics:

1. Prerequisites of Federal Contracting
 - Business Operations Specific to the Fed Govt
 - DUNS, CCR, CAGE Code, NAICS Codes, etc.
2. Access Issues
 - Matchmaker Events
 - How to get on base
3. Business with the Federal Government 101
 - What's an RFP
 - RFI vs Souces Sought
 - Lingo
 - Federal Biz Ops
 - GSA Schedules
4. DCAA Compliant Pricing
 - Pricing Models
 - Indirect Rates
 - Allowables vs Unallowables
 - Contract Accounting Standards

Corporate Development Needed Education (cont'd)

Education topics:

5. Types of work needed
 - BRAC
 - WPAFB Specifically
 - Historical Information
 - \$ Based on NAICS Codes
6. Bid/No Bid; Prime/Subcontract/"Not for Me"
 - When not to Bid
 - When to Prime vs. Subcontract
 - When to walk away i.e Not for Me
7. Networking (Personal Networking)
8. What/Where/When/Who's Buying
 - Getting to the Customers
 - What are they buying
 - Who's buying it
9. Basic Proposal Writing
10. Federal Acquisition Regulation (FAR) Basics

Blue Ribbon Commission Goals Restatement

Help more businesses win WPAFB contracts;
specifically:

- Of all the WPAFB-awarded contracts, the goal is to support as many of them going to locally headquartered contractors vs. non-local.
- Of all the jobs derived from WPAFB contracts, regardless of where the contractor is headquartered, the goal is to support as many of these jobs staying local vs. non-local.

Key to Education is Understanding

DCAA-Mandated Rate Components	Local Contractor/ Local Jobs	Out of Area Contractor/Local Jobs	Out of Area Contractor/Out of Area Jobs
Fee (Profit)	●	○	○
General & Administrative	●	○	○
Overhead	●	◐	○
Fringe	●	◑	○
Salary	●	●	○
In Summary	●	◐	○

Local financial impact:

● ≈ All ◑ ≈ Most ◐ ≈ Half ◑ ≈ Minimal ○ ≈ None

Data Subcommittee Report

Dan Kugel
Chairman, Data Subcommittee

Data Subcommittee Members

Dan Kugel- Chair

Maj. General Everett Odgers

Dan Marion

Deborah Gross

Dr. Nina Joshi

Outline

- Data Summary
- Data Analysis
 - By organization
 - By type of product or service delivered
 - By contractor
 - Observations
- Conclusions
- Recommendations

Data Summary

- Data provided by HQ AFMC/PK
- Data includes FY09 contracts data for:
 - ASC (includes HQ AFMC support)
 - AFRL (all locations)
 - 88th ABW
 - 554th ELSG (ESC)
 - AFSAC
- Data did not include:
 - 445th Airlift Wing
 - NMUSAF
 - NASIC
 - AFIT

Data Summary

- FY09 Contracts Data:
 - Contracts awarded at WPAFB or for AFRL regardless of location
 - 6,818 contracts
 - 22,720 contract actions
 - Represents **\$21.158B** in total contracts
 - Represents **\$1.307B** in contracts executed in Ohio
 - Represents **\$0.826B** in contracts to Ohio companies
 - Represents **\$0.452B** in contracts to companies in Ohio Congressional Districts 3, 7 and 8
- Missing organizations not significant in assessing data trends.
- These amounts are for prime contract data only.

Data Analysis

ORGANIZATION	TOTAL FY09 CONTRACTS	OHIO CONTRACTS	% OHIO AWARDS	District 3,7,8 Contracts	% District 3,7,8 Contracts
TOTAL-ASC AQZ	\$158,110,902.96	\$69,460,677.84	43.93%	\$68,868,323.20	43.56%
TOTAL 88 CONS PK	\$282,071,536.38	\$134,463,701.14	47.67%	\$95,074,995.63	33.71%
TOTAL-AFRL DET1	\$1,323,310,282.18	\$294,194,843.63	22.23%	\$195,705,599.30	14.79%
TOTAL- ASC PKE	\$353,104,230.90	\$59,053,636.40	16.72%	\$44,490,078.79	12.60%
TOTAL-554th ELSG	\$271,644,622.73	\$32,027,671.69	11.79%	\$31,419,637.46	11.57%
TOTAL-AFSAC	\$79,090,022.86	\$5,682,507.09	7.18%	\$5,682,507.09	7.18%
TOTAL-AFOSR	\$108,325,760.34	\$4,451,003.00	4.11%	\$2,298,904.00	2.12%
TOTAL-AFRL EGLIN	\$78,696,355.94	\$2,322,603.00	2.95%	\$1,332,026.00	1.69%
TOTAL-AFRL DET8	\$497,135,075.85	\$8,665,692.00	1.74%	\$4,883,525.00	0.98%
TOTAL-AFRL ROME	\$585,366,092.50	\$1,184,933.60	0.20%	\$814,234.60	0.14%
TOTAL-303d AESW	\$3,848,980,760.87	\$1,724,326.09	0.04%	\$1,722,246.09	0.04%
TOTAL-577th AESG	\$1,199,115,051.42	\$212,865,099.54	17.75%	\$0.00	0.00%

LEGEND:

- ASC/AQZ manages contracts for all A&AS organizations at WPAFB
- 88 CONS handles all construction and real property maintenance for WPAFB
- AFRL DET1 includes the five AFRL Directorates at WPAFB
- ASC/PKE manages contracts for ADPE equipments at WPAFB
- 554th ELSG acquires software and enterprise data management solutions for AFMC and the USAF
- AFSAC manages international weapon system programs for the USAF
- AFOSR conducts basic research for the USAF at Arlington, VA
- AFRL EGLIN is the Munitions Directorate of AFRL at Eglin AFB, FL
- AFRL DET 8 is the Space Vehicles and Directed Energy Directorates of AFRL at Kirtland AFB, NM
- AFRL ROME is the Information Directorate of AFRL at Rome, NY
- 303d AESW is the Reconnaissance Aeronautical Systems Wing at ASC
- 577th AESG is the Propulsion Aeronautical Systems Group at ASC

Data Analysis

<u>ORGANIZATION</u>	<u>TOTAL FY09 CONTRACTS</u>	<u>OHIO CONTRACTS</u>	<u>% OHIO AWARDS</u>	<u>District 3,7,8 Contracts</u>	<u>% District 3,7,8 Contracts</u>
TOTAL-642d AESS	\$35,810,745.78	\$0.00	0.00%	\$0.00	0.00%
TOTAL-912th AESG	\$207,759,432.97	\$0.00	0.00%	\$0.00	0.00%
TOTAL-ASC TMK	\$256,751,236.64	\$0.00	0.00%	\$0.00	0.00%
TOTAL-823d AESG	\$105,462,902.38	\$0.00	0.00%	\$0.00	0.00%
TOTAL-516th AESG	\$1,791,650,775.30	\$0.00	0.00%	\$0.00	0.00%
TOTAL-ASC PKWXV	\$28,111,865.42	\$0.00	0.00%	\$0.00	0.00%
TOTAL-677th AESG	\$397,398,092.36	\$0.00	0.00%	\$0.00	0.00%
TOTAL-877th AESG	\$842,114,250.64	\$0.00	0.00%	\$0.00	0.00%
TOTAL-726th AESG	\$555,050,373.71	\$0.00	0.00%	\$0.00	0.00%
TOTAL-312th AESG	\$1,071,555,975.50	\$0.00	0.00%	\$0.00	0.00%
TOTAL-516th AESG	\$2,393,971,924.52	\$0.00	0.00%	\$0.00	0.00%
TOTAL-478th AESG	\$4,533,719,933.12	\$0.00	0.00%	\$0.00	0.00%
TOTAL-641st AESS	\$153,577,291.14	\$0.00	0.00%	\$0.00	0.00%
	\$21,157,885,494.41	\$826,096,695.02	3.90%	\$452,292,077.16	2.12%

642d AESS – A-10 Aeronautical Systems Squadron at ASC

912th AESG – F-15 Aeronautical Systems Group at ASC

ASC/TMK – Centralized contracting for Airborne Laser

823d AESG -

516th AESG - Mobility Systems Wing

ASC/PKWV – Centralized contracting for Government Owned-Contractor Operated Facilities

677th AESG – Training Systems Aeronautical Systems Group

877th AESG -

726th AESG -

312th AESG – Fighter/Bomber Aeronautical Systems Group

516th AESG - C-17 Aeronautical Systems Group

478th AESG – F-22 Aeronautical Systems Group

641st AESS – Combat Systems Aeronautical Systems Squadrone

Data Analysis

Product or Service Provided	Work Performed in Ohio	Ohio Contractors	% Ohio	Dist 3,7,8 Contractors	% Dist 3,7,8
Educational & Training Services	\$1,731,666.83	\$1,526,510.83	88.15%	\$1,526,510.83	88.15%
Construction	\$3,154,525.00	\$3,154,525.00	100.00%	\$2,529,250.00	80.18%
Maintenance, Repair, Alteration of Real Property	\$72,140,260.67	\$68,667,206.13	95.19%	\$46,971,428.68	65.11%
Research & Development	\$320,133,927.34	\$303,365,026.60	94.76%	\$200,155,626.30	62.52%
Housekeeping Services	\$18,626,117.86	\$13,118,610.14	70.43%	\$9,309,230.15	49.98%
Furniture	\$4,050,455.21	\$1,415,111.28	34.94%	\$1,391,911.28	34.36%
Professional, Administrative & Management Support Services	\$303,508,616.17	\$106,640,974.44	35.14%	\$102,253,229.07	33.69%
Maintenance/Repair of Equipment	\$16,953,818.29	\$5,256,433.27	31.00%	\$4,999,275.23	29.49%
Medical Services	\$6,833,304.72	\$2,636,269.38	38.58%	\$1,954,106.87	28.60%
IT & Telecommunications Services	\$268,545,850.29	\$67,113,519.77	24.99%	\$64,246,634.88	23.92%
Communications, Detection & Coherent Radiation Equipment	\$1,195,659.34	\$363,037.89	30.36%	\$164,009.55	13.72%
Instruments & Laboratory Equipment	\$2,437,547.41	\$498,116.80	20.44%	\$270,478.20	11.10%
Special Studies & Analysis, not R&D	\$31,696,309.18	\$12,275,293.37	38.73%	\$3,455,722.37	10.90%
ADPE, Software, Supplies & Support Equipment	\$28,215,555.83	\$519,131.77	1.84%	\$375,668.31	1.33%
Engines, Turbines & Components	\$212,865,099.54	\$212,865,099.54	100.00%	\$0.00	0.00%
Fuels, Lubricants, Oils & Waxes	\$8,842,751.80	\$8,842,751.80	100.00%	\$0.00	0.00%
Architecture & Engineering Services	\$6,335,248.94	\$3,488,196.46	55.06%	\$0.00	0.00%
	\$1,307,266,714.42	\$811,745,814.47	62.09%	\$439,603,081.72	33.63%

Data Observations

- Local contractors do quite well providing A&AS support services.
 - Support is provided on WPAFB.
 - Support is provided with a large percentage of retired government employees.
 - Support is primarily set-aside for small businesses.
 - This may be significantly offset by future acquisition work force in-sourcing initiatives.
- Local contractors do significantly better providing R&D support to AFRL organizations at WPAFB than at other AFRL locations.
 - Easier to understand and shape requirements when you can meet regularly with client.
 - Potential to increase support to non-WPAFB organizations.

Data Observations

- Local contractors do quite well in supporting the 88th ABW in the areas of construction and operations & maintenance support as they are advantaged by location.
- Surprisingly, the data would suggest that there are no local contractors that provide products to weapon system programs.
 - Data base does not include subcontracts data.
 - Local contractor participation would most likely need to be provided as a subcontractor to an Original Equipment Manufacturer or Major System Integrator – partnerships with primes can bring weapon systems business to local contractors.

Data Observations

- Local companies provide only 20%-30% of the support services in the areas of a) professional, administrative and management support services; b) medical services; c) IT and telecommunications services; and d) maintenance and repair of equipment. All four would seem to be advantaged by location.
- No architectural or engineering services are provided from within the three local Congressional districts.
- It is difficult to suggest specific strategies for local companies without an analysis of local companies' capabilities and qualifications as they relate to USAF needs at WPAFB (You can't expect to win work if your company does not provide a product or service that WPAFB needs).

Conclusions

- Key to winning work is making your product or service well know to the client. Having your company nearby WPAFB should be a distinct advantage.
- Being nearby WPAFB also allows a company to help shape the requirement. The better the communication with the client the more likely it is that the solicitation will look more like what your company has to offer.
- Communications must take place early. The USAF cannot discuss requirements after release of the solicitation. Again, local contractors should have a distinct advantage.

Conclusions

- Discussing requirements and your company's capabilities is best done in person, which requires base access. Retired government employees have base access as well as valuable USAF contacts. Thus, retired base employees should be considered to market your product or service.
- You don't have to take the first big step alone. Find a partner, get your foot in the door, become a recognized provider and grow your relationship with the USAF client.

Recommendations

- It is impossible to determine the economic impact of WPAFB on the local community unless the USAF contract data captures subcontract data as well
Recommend that the USAF collect this data.
- Local contractors should concentrate on the following areas:
 - Science and technology through AFRL.
 - Acquisition products and services through OEMs and large system integrators.
 - Base products and services where a local presence would make a positive difference.

The Products and Services WPAFB Procured in FY2009

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Dan Kugel

Data Subcommittee Chairman

1 May 2010

WPAFB Products and Services

Product or Service	Total
ADPE, Software, Supplies & Support Equipment	\$65,290,285
Agricultural Machinery & Equipment	\$149,272
Aircraft & Airframe Structural Components	\$9,166,570,736
Aircraft Components & Accessories	\$10,137,744,187
Aircraft Launching, Landing & Ground Handling Equipment	\$12,894,783
Alarm, Signal & Security Detection Equipment	\$9,934
Ammunitions & Explosives	\$3,421,724
Architecture & Engineering Services	\$3,834,369
Bearings	\$66,500
Books, Maps & other Publications	\$7,819,926

Product or Service	Total
Brushes, Paints, Sealers & Adhesives	\$23,450
Chemicals & Chemical Products	\$516,871
Clothing, Individual Equipment & Insignia	\$31,670,660
Communications, Detection & Coherent Radiation Equipment	\$1,086,244,133
Construction	\$3,137,275
Construction & Building Materials	\$275,639
Construction, Mining, Excavating & Highway Maintenance Equipment	\$7,685
Containers, Packaging, & Packing Supplies	\$33,610
Educational & Training Services	\$78,672,204
Electric Wire & Power Distribution Equipment	\$91,507

WPAFB Products and Services

Product or Service	Total
Electrical & Electronic Equipment Components	\$133,495,753
Engine Accessories	\$7,398,404
Engines, Turbines & Components	\$1,243,824,501
Fiber Optics Materials, components, Assemblies & Accessories	\$300,000
Fire Control Equipment	\$16,270,003
Food Preparation & Serving Equipment	\$6,404,243
Fuels, Lubricants, Oils & Waxes	\$8,835,329
Furnace, Steam Plant & Drying Equipment	\$22,665
Furniture	\$5,910,824
Ground Effect Vehicles, Motor Vehicles, Trailers & Cycles	\$426,120

Product or Service	Total
Hardware & Abrasives	\$819,468
Household & Commercial Furnishings & appliances	\$979,955
Installation of Equipment	\$20,273,666
Instruments & Laboratory Equipment	\$34,453,430
IT & Telecommunications Services	\$359,717,388
Lease or Rental of Facilities	\$45,021,884
Lighting Fixtures & Lamps	\$260,813
Live Animals	\$7,300
Maintenance & Repair Shop Equipment	\$6,035,673
Materials Handling Equipment	\$19,841,215

WPAFB Products and Services

Product or Service	Total
Operation of Government Owned Facility	\$1,826,813
Photographic Equipment	\$1,029,199
Photographic, Mapping, & Printing & Publication Services	\$1,949,550
Pipe, Tubing, Hose & Fittings	\$20,233
Plumbing, Heating & Sanitation Equipment	\$11,693
Prefabricated Structures & Scaffolding	\$262,280
Professional, Administrative & Management Support Services	\$1,734,187,527
Pumps & Compressors	\$95,795
Quality Control, Testing & Inspection Services	\$15,634,606
Recreational & Athletic Equipment	\$173,565

Product or Service	Total
Measuring Tools	\$10,668
Medical Services	\$7,136,742
Medical, Dental & Veterinary Equipment & Supplies	\$1,963,933
Metal Bars, Sheets & shapes	\$474,203
Metalworking Machinery	\$231,715
Musical Instruments, Phonographs, & Home Type Radios	\$1,264,842
Natural Resources & Conservation Services	\$848,846
Nonmetallic Fabricated Materials	\$74,033
Office machines, Text Processing Systems	\$8,309
Office Supplies & Devices	\$3,502

WPAFB Products and Services

Product or Service	Total	Product or Service	Total
Refrigeration, Air Conditioning & Air Circulating Equipment	\$333,702	Technical Representative Services	\$34,902,834
Research & Development	\$4,428,367,329	Textiles, Leather, Furs, apparel & Shoe, Tents & Flags	\$2,959,860
Service & Trade Equipment	\$42,165	Training Aids & Devices	\$135,380,337
Ships, Small Craft, Pontoons & Floating Docks	\$1,105,056	Transportation, Travel & Relocation Services	\$17,911,059
Social Services	\$163,395	Utilities	\$547,241
Special Industrial Machinery	\$409,910	Weapons	\$27,790,786
Special Studies & Analysis, not R&D	\$94,520,790	Woodworking Machinery & Equipment	\$30,601

Note that these data do not include products or services purchased with government IMPAC credit cards.