Presentation To The Tennessee Valley Federal Small Business Programs Conference
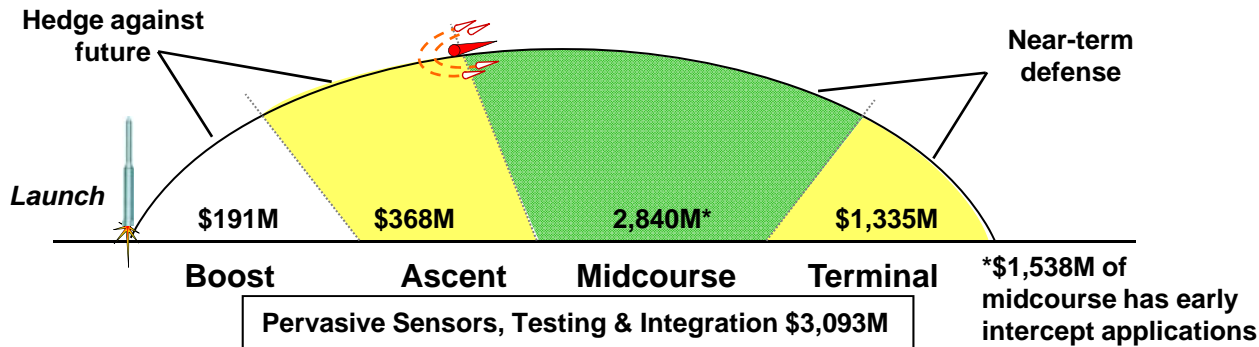

30 JUN 09

LTG Patrick J. O'Reilly, USA
Director
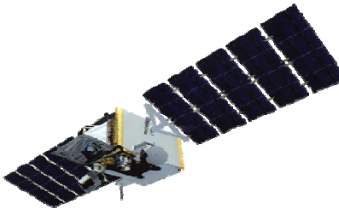**Missile Defense Agency**

Missile Defense Goals

	Boost	Ascent	Midcourse	Terminal
	$191M	$368M	2,840M*	$1,335M

Hedge against future — Launch — Near-term defense

Pervasive Sensors, Testing & Integration $3,093M

*$1,538M of midcourse has early intercept applications
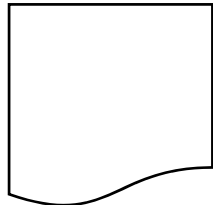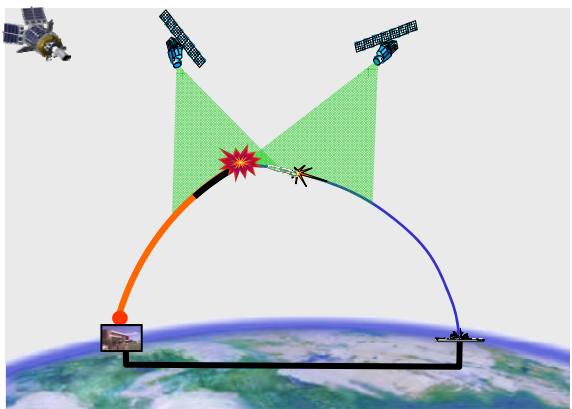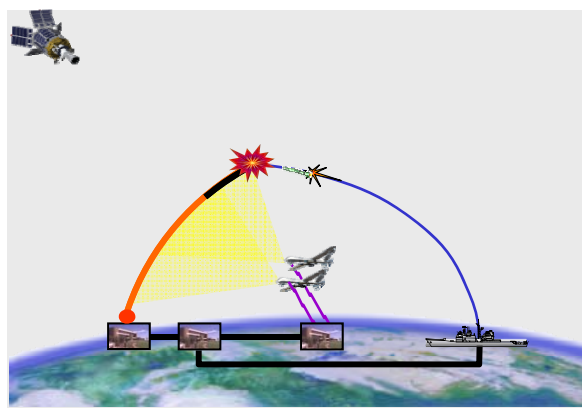
TY$ in Millions	FY10
Development	4,162.4
Test	1,458.0
Fielding	1,491.1
Sustainment	714.9
Total	**7,826.4**

- **Enhance protection of deployed forces, allies and friends against existing threats**
  - Field more Terminal High Altitude Area Defense (THAAD) and Standard Missile-3 (SM-3) interceptors
  - Begin conversion of 6 additional Aegis ships

- **Maintain a long-range midcourse capability to defeat rogue state threats against U.S.**
  - Complete emplacement of 26 Ground-Based Interceptors (GBIs) at Fort Greely and 4 at Vandenberg Air Force Base
  - Extensive development to enhance GMD capability continues
  - Plan for a European Missile Defense to the extent allowed by law*

- **Balance midcourse Research & Development with early intercept Research & Development**
  - Terminate midcourse Multiple Kill Vehicle
  - Terminate Kinetic Energy Interceptor program
  - Cancel Air-Borne Laser (ABL) Tail #2 and focus program on Research & Development
  - Demonstrate early intercept technologies to hedge against threat growth

* European Missile Defense and other missile defense policies are under QDR cognizance

New Missile Defense Initiatives

Precision Tracking Satellite System Planning	Airborne Infrared System To Support BMD	Transportable VLS Land-Based SM-3	Risk Reduction For Extended Range THAAD	Other SAP

Engage on STSS Demo Satellites	Engage on Airborne Infrared (sea-based SM-3)	Engage on Airborne Infrared (land-based SM-3)

New Initiatives Will Increase MDA Government Large And Small Business Opportunities Starting In FY10

Early Intercept

- **Early intercept will help us achieve key operational- and cost-efficiencies**
  - **Chance to kill before countermeasures deploy with easier intercepts than boost phase**
  - **Greater chance to shoot-look-shoot (doubles inventory efficiency)**
  - **Optimized asset locations to maximize standoff distances**

- **What's changed since 2002: leveraging today's technologies**
  - **Interceptors with substantial burnout velocities**
  - **Rapid closure of fire control loops demonstrated with hardware-in-the-loop**
  - **Over-the-horizon sensors for netted coverage**
  - **Affordable, continuously-available sensors**

Medium Range Ballistic Missile

Early Intercept

Threat Apogee

Furthest Launcher Intercept

Closest Launcher Intercept

TSRM Burnout

2nd Stage Burnout

Threat Burnout

1st Stage Burnout
Interceptor Away

Threat Launch

Altitude

0

Detect | Track | Fire Control | Interceptor Fly Out | Hit Assessment
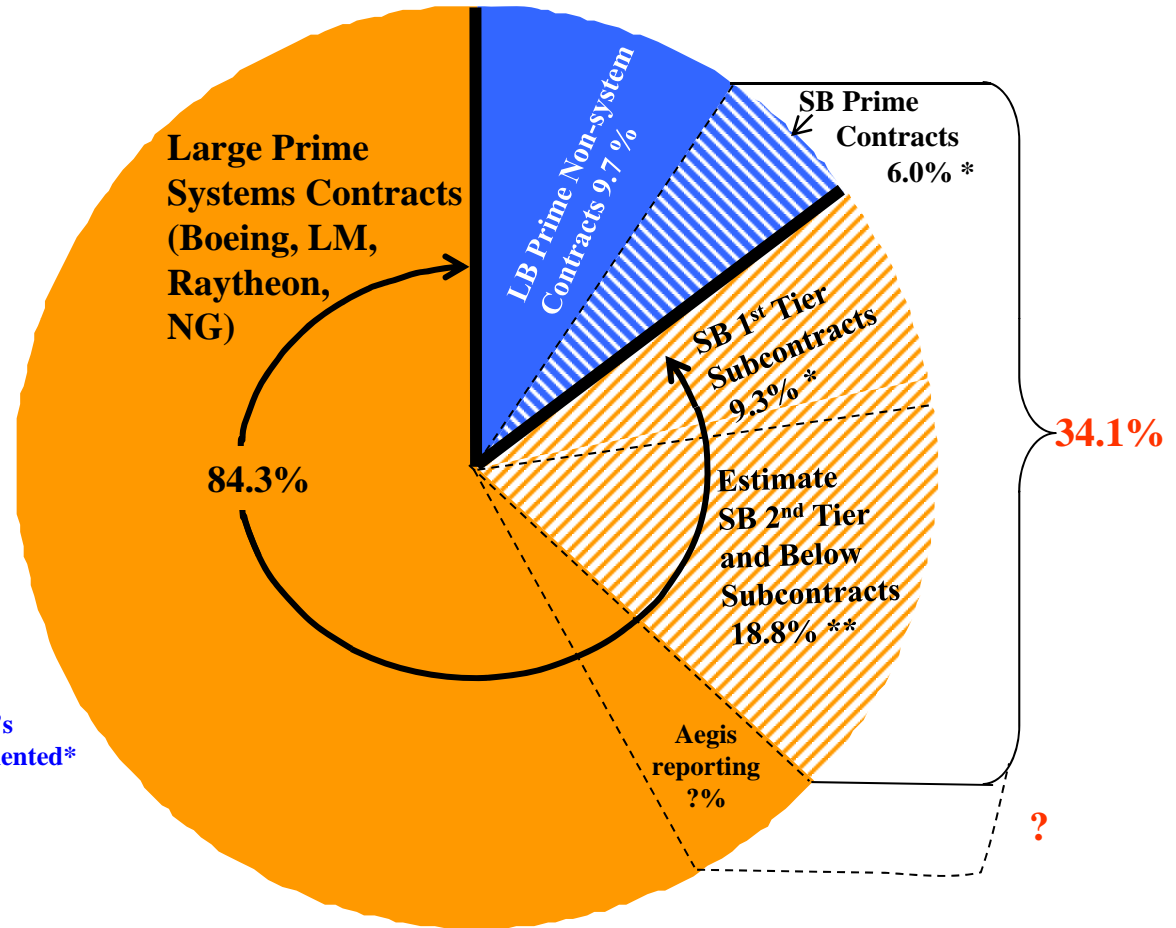
Time (Seconds)
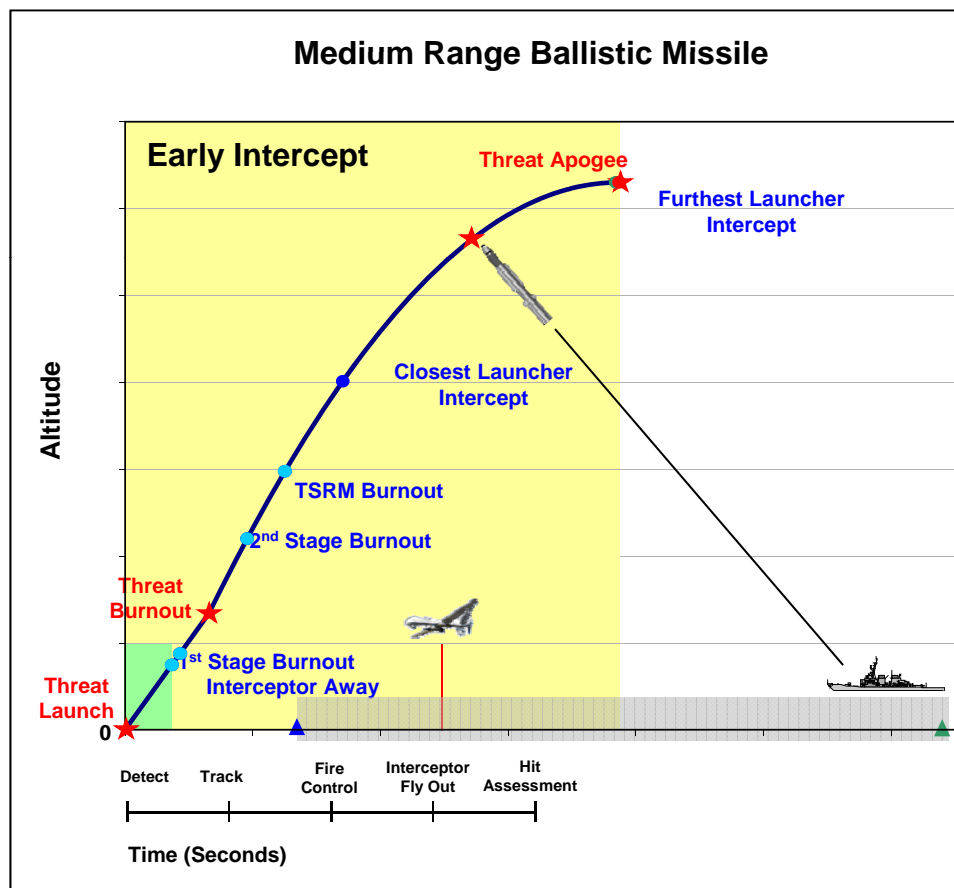
Small Business Utilization In MDA

- **Statutory Small Business Goals for DoD:**
- **Total Small Business 23%**
- **Small Disadvantaged Business 5%**
- **Woman Owned Business 5%**
- **Service Disabled Veteran Owned 3%**
- **Historically Underutilized Business Zones 3%**

➢ **MDA estimates that 34.1% of its acquisition dollars eventually flows to small businesses**

- **6.0% of MDA acquisition dollars are awarded as prime contracts to small businesses***

- **9.3% are awarded to small businesses as 1st tier subcontractors***

- **MDA estimates another 18.8% of its acquisition dollars flow to small businesses through 2nd tier and below subcontracts****

MDA Total Acquisition Dollars*

Large Prime Systems Contracts (Boeing, LM, Raytheon, NG)

84.3%

LB Prime Non-system Contracts 9.7 %

SB Prime Contracts 6.0% *

SB 1st Tier Subcontracts 9.3% *

Estimate SB 2nd Tier and Below Subcontracts 18.8% **

Aegis reporting ?%

15.3% To SB's documented*

34.1%

?

* Based on FY 08 reporting
** Based on FY 07 reporting

5

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Organizational Conflict Of Interest (OCI) Concerns

- Contractors and subcontractors must decide, particularly with respect to the quality, acquisition support and engineering functional areas, which type of work to perform

  Either: Support major developmental programs

  Or: Provide Advisory and assistance services to the agency

  Waivers to be used sparingly

- To prevent contractors from obtaining an unfair competitive advantage

- To prevent bias in situations where a contractor is placed in a position where it can favor its own services or products (or "disfavor" its competitors)

  (Sources: FAR Part 9; GAO decisions)

- Completed <u>92 OCI meetings</u> with industry as of February 2009
  - **162 Requests between December 2008 – February 2009**
  - **Others requested periodically during the year**

- General Meeting Results
  - **Topics specific to company interest (i.e., clarification of what they can do)**
  - **49 Companies determined "OCI Free" – letters released 11 MAR 09**
  - **Remaining companies need to submit additional data on parent company**

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MiDAESS Advisory & Assistance Support (A&AS) Scope And Schedule

- **Work is aligned across programs for better BMDS "integration" and "sharing of expertise" across the Agency**
- **MDA will administer contract vice paying other government agencies' administrative costs**
- **A&AS augments expanding MDA government workforce**
- **Two competitions in MiDAESS functional areas**
- **Small Business Set Aside – 38%**
- **Full and open – 62%**
- **Schedule**
  - **17 JUN RFP released**
  - **8 JUL final review with all offerers to include sample task orders**
  - **17 AUG industry proposals due to MDA**
  - **~ 90 days for source selection**
  - **1st awards in November 2009**

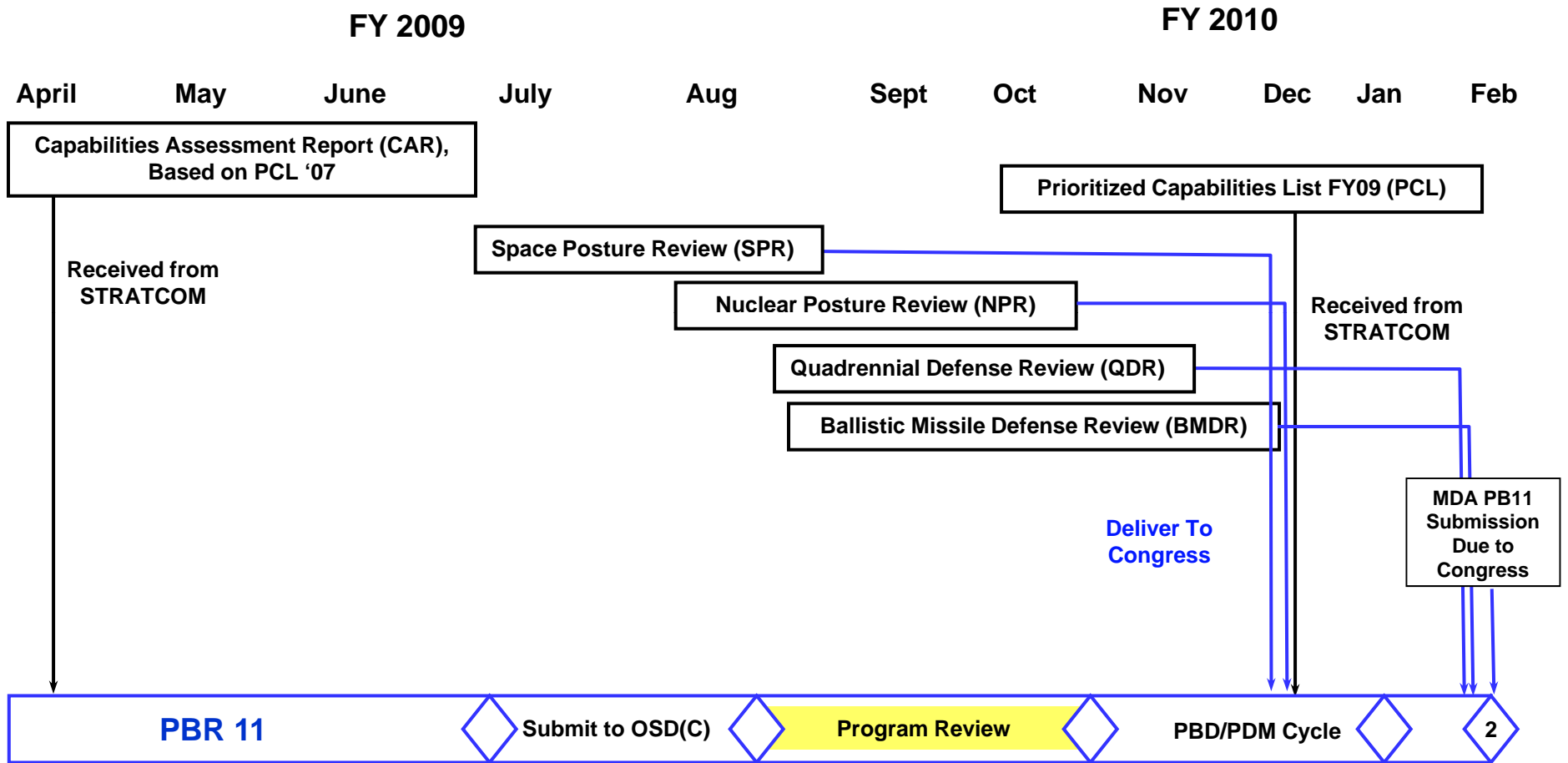| Functional Capability Group	Scope
Group 1: QSMA Support	• **Quality, Safety, & Mission Assurance (QSMA)** - **100% small business set aside**
Group 2: Acquisition Support	• **Acquisition Management** • **Business and Financial Management** • **Legislative Affairs** • **International Affairs** • **Logistics Management**
Group 3: Engineering Support	• **Engineering** • **Test** • **Advanced Technology** • **Information Management & Technology Operations**
Group 4: Infrastructure & Deployment Support	• **Infrastructure and Environment** • **Warfighter Operations and BMDS Training Center**
Group 5: Agency Operations Support	• **Executive Support** • **Public Affairs** • **Human Resources**
Group 6: Security and Intelligence Support	• **Security and Intelligence Support** - **No small business set aside**

Small Business and Advanced Technology Exploration

- **Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STTR) programs**
    - **Fourth largest program in DoD**
    - **160 SBIR Phase I awards, 90 Phase II awards in FY08**
    - **$137 million SBIR/STTR funding in FY08**

- **SBIR/STTR focus areas**
    - **Reduce time from threat launch to intercept**
        - **Detect**
        - **Acquire**
        - **Track**
        - **Battle Management**
        - **Assured Communications**
        - **Fire Control**
        - **Interceptor fly out time (miniaturization)**
        - **Hit Assessment**
    - **System lifetime operational readiness and reliability**

PB11 Milestones

FY 2009

FY 2010

April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb

Capabilities Assessment Report (CAR), Based on PCL '07

Prioritized Capabilities List FY09 (PCL)

Received from STRATCOM

Space Posture Review (SPR)

Nuclear Posture Review (NPR)

Received from STRATCOM

Quadrennial Defense Review (QDR)

Ballistic Missile Defense Review (BMDR)

Deliver To Congress

MDA PB11 Submission Due to Congress

PBR 11 — Submit to OSD(C) — **Program Review** — PBD/PDM Cycle — 2

FY11 MDA Budget Driven By U.S. Policy Reviews