

# 2019 MUNITIONS EXECUTIVE SUMMIT

APRIL 2-4 2019 PARSIPPANY, NJ



## SMALL BUSINESS CHALLENGES

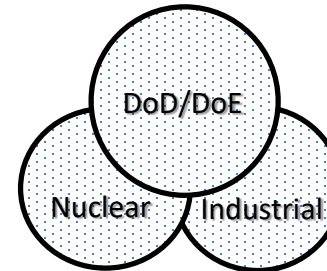
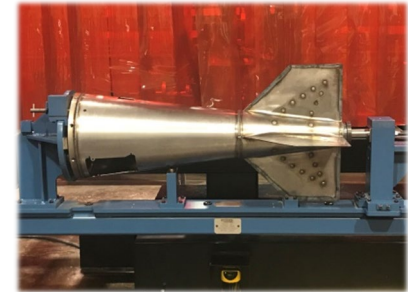
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**NOVATECH**  
Innovative Technologies International

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# ABOUT NOVATECH

- Small Business, 38 full-time employees, 25 years in business.
- Manufacturing, Engineering Design/Analysis, Program Management for **DoD, Nuclear, & Industrial** markets.
- Design, manufacture, deployment of custom AAIE/AIE systems.
- Primary involvement in DoD contracting is the development and supply of precision components for munitions.
- Currently executing first large Government prime production contract (MK84 Bomb Fin Assemblies).
- SBIR phase I and II contracts with DoD & DoE; R&D with National Labs; DOTC/NAC initiatives.





# SMALL BUSINESS CHALLENGES

- Extremely Long Procurement Cycle
  - Elapsed time from initial Sources Sought to actual contract issuance challenges a small business not accustomed to drawn out procurement cycles.
  - Further exacerbated when pricing has to be extended multiple times over 3-12 month period (impacts G&A rates, labor & material costs, ultimately reduces the profit line).
  
- Possible Solutions:
  - Small business needs to understand the long-term commitment associated with pursuing Government business. Budget accordingly and be sure it is worth it.
  - Procurement activities that can be performed concurrently (versus serially) should be considered by the Government.
  - Vest more responsibility/accountability with procurement officers.



# SMALL BUSINESS CHALLENGES

- Ever Increasing Flow-Down of Requirements from Gov't, to Prime Contractor, to Sub-Prime Contractor, and so on.
  - A small business often resides several levels below the prime contractor.
  - 15 years ago, a sub-prime purchase order was basic and short.
  - The same PO today may be 30 pages and usually includes the verbiage “....all requirements shall be flowed to all subcontractors and their subcontractors.....”
  - This additional burden (or perceived burden) may be enough to discourage small business participation.
  
- Possible Solutions:
  - Limit what needs to be flowed down beyond the prime contractor.
  - Trim unnecessary procurement system requirements at all levels.
  - Communicate to elected officials that we don't need more unnecessary requirements.

EXAMPLE: *52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving.*  
WHY? *Executive Order 13513, October 1, 2009.*



# SMALL BUSINESS CHALLENGES

- **CDRL and SDRL Documents, Multiple Review & Submittal Levels**
  - When not the prime contractor, small business often has a document review cycle with the prime contractor and then a second (and often very similar) review cycle with the Government filtered through the prime contractor.
  - Net result is additional time spent, over-run of NRE, and hesitation to pursue more DoD contracts.
  
- **Possible Solutions:**
  - Encourage small business IPT participation with the prime contractor to obtain Government feedback earlier in the review process (we currently have prime contractor customers accommodating this participation).
  - Consider cost type contracts for NRE activities where substantial review and approval of new processes, tooling, gages, etc. is necessary. This incentivizes all parties to streamline the process.
  - Work to standardize expectations across different Government IPTs for the most common submittals.



# SMALL BUSINESS CHALLENGES

- Difficult to Learn Who Does What, Who to Call, What Forms to Submit, etc.
  - DCMA/DCMC/Gov't QAR delegation for a contract or subcontract is often unclear, especially when contract activities occur at various locations. Often we are months in to contract activities before learning who the appropriate Government rep is.
  - Wide Area Work Flow – extremely difficult to navigate the first time. Help desk support would provide incorrect information, codes specified in contract didn't match required codes in online system, etc.
  
- Possible Solutions:
  - This is similar to starting a program with a new commercial customer (SAP, ERP, etc. requirements to learn). Small business needs to spend time and learn the systems.
  - Hire a retired Government procurement person to shorten the learning curve.