



AIR FORCE SMALL BUSINESS PROGRAM PLAN

MISSION AND VISION

MISSION: Maximize small business opportunities within Air Force acquisitions, thereby: (a) promoting efficiencies and innovation; (b) fostering competition; and (c) expanding the defense industrial base.

VISION: Create a culture that looks to small businesses first for innovative, agile, and affordable solutions to meet our warfighters' needs.

MESSAGE FROM THE DIRECTOR

The Air Force can trace its roots back to the pioneering spirit of the Wright Brothers. These American innovators harnessed their ideas and ingenuity in the same manner that small businesses do today. Our nation's defense capabilities and economic prosperity rely on the innovation, agility, and efficiency provided by small businesses!

The Air Force's strong commitment to our small business industrial base can be seen in our upward trajectory associated with small business participation. In 2013, \$6.6B (14 percent) of our eligible dollars went to small businesses as prime contractors. By 2018, we increased that to \$11.7B (20 percent). We intend to maintain this upward trajectory through our continued partnership with our contracting and acquisition brethren, as well as the Air Force Research Laboratory and AFWERX, which are injecting new life into Air Force efforts to acquire innovative solutions from small businesses in the technology and manufacturing areas. We are also reaching out to non-traditionals to bring their innovative ideas to our first-ever Air Force Pitch Day scheduled for March 2019.

We do this for the men and women in uniform that lay their lives on the line every day to protect our nation and our freedoms. And we do this to ensure a strong industrial base to support our National Defense Strategy. These are exciting times for Air Force Small Business Programs, and exciting times for small businesses in our Defense Industrial Base.

Valerie L. Muck
Director, Air Force Small Business Programs



PROGRAM HISTORY AND PROGRESSION

Smaller War Plants Corporation

In 1942, Congress created the Smaller War Plants Corporation (SWPC) as a result of a growing concern for small businesses during World War II. Large contractors increased production to accommodate wartime defense contracts, while smaller businesses were left unable to compete. The SWPC was formed to help small businesses participate in war production and give them financial viability. The SWPC provided direct loans to private entrepreneurs, encouraged large financial institutions to make credit available to small enterprises, and advocated small business interests to federal procurement agencies and big businesses.

Small Business Act of 1953

“It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise, to ensure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the Government (including but not limited to contracts or subcontracts for maintenance, repair, and construction) be placed with small business enterprises, to ensure that a fair proportion of the total sales of Government property be made to such enterprises, and to maintain and strengthen the overall economy of the Nation.” - 15 U.S.C. § 631. (a)

Department of Defense (DoD) Instruction 4205.01 (DoD Small Business Programs)

Provides operating guidance for the DoD Small Business Programs Office. DoD Small Business Programs include: Small Business, Veteran-owned Small Business, Service-disabled Veteran-owned Small Business, Historically Underutilized Business Zone (HUBZone) Small Business, Small Disadvantaged Business, Women-owned Small Business, DoD Mentor-Protégé Program, Indian Incentive Program, Small Business Innovation Research Program, Small Business Technology Transfer Program, and all other small business programs in the DoD.

“It is DoD policy that a fair proportion of DoD total purchases, contracts, and other agreements for property and services be placed with [Small Business Programs] and to provide such small businesses the maximum practicable opportunity to participate as subcontractors in the performance of DoD contracts in accordance with the [Small Business Act].” - Paragraph 3. Policy

Air Force Instruction 90-1801 (Air Force Small Business Programs)

“Acts pursuant to statutory authority and is responsible for implementing and executing the functions and duties identified in DoDI 4205.01 on behalf of the Office of the Under Secretary of Defense for Acquisition and Sustainment as a ‘DoD Component Small Business Program’ and on behalf of the Secretary of the Air Force for the Department of the Air Force.” - Paragraph 1.2.1

“Small business owners embody the American spirit and remind us that determination can turn aspiration into achievement”

- President Donald J. Trump

PROGRAM OVERVIEW

The Air Force Office of Small Business Programs (SAF/SB) actively supports the various small business programs that assist in meeting the Air Force's mission to fly, fight and win... in air, space and cyberspace.

Small Business - Generally, a for-profit business concern, including its affiliates, that is independently owned and operated, not dominant in its field of operation, and otherwise qualified as a small business under the Small Business Administration's (SBA) criteria and size standards.

Small Disadvantaged Business (including 8(a) Program) - A small business that is at least 51 percent owned by one or more U.S. citizens who are socially or economically disadvantaged, or by designated entities such as Alaskan Native Corporations, Native American tribes/organizations, or Native Hawaiian Organizations, and whose management and daily business operations are controlled by one or more disadvantaged U.S. citizens or by designated entities. Qualified small disadvantaged businesses may be accepted by the SBA into the Section 8(a) Business Development Program.

Women-Owned Small Business - A small business concern that is at least 51 percent owned and controlled by a woman, or women who are U.S. citizens, or in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more women and whose management and daily business operations are controlled by women.

Service Disabled Veteran-Owned Small Business - A small business concern not less than 51 percent of which is owned by and controlled by one or more service disabled veterans or, in the case of publicly owned business, at least 51 percent of the stock is owned by one or more service disabled veterans; its management and daily business operations are controlled by one or more service disabled veterans; or in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran. In some cases, surviving spouses may be able to inherit this business status for up to 10 years.

Veteran-Owned Small Business - A small business concern not less than 51 percent of which is owned by one or more veterans and the management and daily business operations are controlled by one or more veterans.

HUBZone Small Business - A small business concern that is at least 51 percent owned and controlled by U.S. citizens, or that meets SBA requirements for ownership and control by Community Development Corporations, small agricultural cooperatives, Native Hawaiian organizations, Alaska Native Corporations, or Indian tribes. A HUBZone small business must be certified by the SBA, appear on the SBA's List of Qualified HUBZone Small Business Concerns, and have its principal office located in any HUBZone. At least 35 percent of its employees must be residents of any HUBZone. HUBZones must qualify under SBA rules, and may include disaster areas, base closure areas, Indian reservations, non-metropolitan counties, urban census tracts, and redesignated areas.

"The federal government uses special programs to help small businesses win at least 23 percent of all federal contracting dollars each year"

-U.S. Small Business Administration

NOTE: Please consult the SBA regulations for the latest definitions to see if your business qualifies.

AIR FORCE FISCAL YEAR (FY) 2018 PROGRAM PERFORMANCE			
SMALL BUSINESS PROGRAMS	FY18 Prime Contracting	FY18 Expectation	FY18 Actual
Small Business Program	\$11.7B	17.5%	20.20%
Small Disadvantaged Business including 8(a) Program	\$4.6B	5.0%	7.95%
Women-owned Small Business Program	\$2.2B	3.5%	3.76%
Service Disabled Veteran-owned Small Business Program	\$1.9B	2.6%	3.37%
HUBZone Program	\$858.6M	1.2%	1.48%



SUPPORT PROGRAMS

Small Business Innovation Research (SBIR) Program - Established by Congress in 1982 to fund research and development (R&D) by small businesses of 500 or fewer employees. Eleven federal agencies participate in the program. DoD invests more than \$1 billion each year in the SBIR Program. Eligibility criteria include the following: for-profit, U.S. small businesses, maximum 500 employees, and the proposing firm must perform at least two-thirds of the effort during Phase I and at least half of the effort in Phase II. At Phase III, references and incentives may be used to transition SBIR innovations into the defense acquisition system using non-SBIR Program funds.



Small Business Technology Transfer (STTR) Program - Established in 1992 to fund cooperative R&D projects with small businesses and non-profit U.S. institutions, such as universities. Five federal agencies participate in the program. Eligibility criteria include the following: for-profit; U.S. small business; maximum 500 employees; research institution must be a U.S. college or university, federally funded R&D center, or non-profit research institution; work must be performed in the U.S.; small business must manage and control the funding agreement; and the principal investigator may be employed at either the small business or the research institution. For both Phase I and Phase II, not less than 40 percent of the work must be performed by the small business, and not less than 30 percent of the work must be performed by the partnering institution. At Phase III, references and incentives may be used to transition STTR innovations into the defense acquisition system using non-STTR Program funds.

DoD Mentor Protégé Program (MPP) - The MPP assists eligible small businesses (protégés) in developing their qualifications and ability to compete for prime contract and subcontract awards by partnering with large businesses (mentors), who provide developmental assistance under individual, project-based agreements to help meet the Air Force mission. A broad range of industries are represented in the Air Force MPP including: Manufacturing, Information Technology, Engineering/Consulting Services, Environmental Services, and Cyber Security.

“We will execute a multiyear plan to rapidly rebuild the warfighting readiness of the Joint Force, filling holes in capacity and lethality while preparing for sustained future investment.”

*- Defense Secretary
James Mattis*

ADDITIONAL PROGRAMS

AFWERX - Established in 2017 by the Secretary of the Air Force and reporting to the Vice Chief of Staff of the Air Force, AFWERX is a catalyst for agile Air Force engagement across industry, academia, and non-traditional contributors to create transformative opportunities and foster a culture of innovation.

SOFWERX - Created under a Partnership Intermediary Agreement between the Doolittle Institute and the United States Special Operations Command, SOFWERX assists with collaboration, innovation, prototyping, and exploration between industry, labs, and academic partners. Through the use of a growing ecosystem, promotion of divergent thought, and neutral facilitation, the SOFWERX goal is to bring the right minds together to solve challenging problems.

CyberWorx - Established in 2016, a public-private design center focused on cyber capability that combines Air Force, academic, and industry expertise with contemporary technology and innovative thinking to solve operational problems.

Defense Innovation Unit (DIU) - Contracts with companies offering solutions in a variety of areas – from autonomy and artificial intelligence to human systems, information technology, and space – to solve a host of defense problems.



2018 SBIR/STTR SUCCESS STORIES

INTELLIGENT AUTOMATION INC.

(Contract No. FA8750-10-C-0089)

Maryland-based Intelligent Automation Inc. developed the Self-shielding Dynamic Network Architecture. Also known as SDNA, the technology presents a constantly changing view to potential hackers. It is meant to complement existing cyber defense techniques that tend to be expensive and ineffective. Because of its potential, the Air Force Research Laboratory and several Federal agencies have provided funding to mature SDNA so it can be used for their specific needs. Additionally, Intelligent Automation launched another business that is selling the product commercially.

MATERIALS RESEARCH & DESIGN INC.

(Contract No. FA9101-14-C-0026)

Pennsylvania-based Materials Research & Design Inc. created a material that can survive the extreme pressures and temperatures of a Mach 18 wind tunnel, a solution previously thought to be well out of reach. As adversaries push for the technology, developing hypersonic capabilities is deemed the ‘highest technical priority’ by the Undersecretary of Defense for Research and Engineering.

TRITON SYSTEMS INC. (Contract No. FA8650-16-C-5242)

Massachusetts-based Triton Systems Inc. developed a 3D printed mask for a specific engine component in need of treatment before it can be returned to service. The reusable mask replaces a tedious manual taping process, thereby reducing labor and costs while increasing reliability. 3D printing, also known as additive manufacturing, is the process of building layers of material to create an object based on a digital design. The technology is growing in popularity because it’s good for making low-volume, custom parts to avoid large tooling and mold costs.

HART SCIENTIFIC CONSULTING INTERNATIONAL LLC (Contract No. AF103-017)

Arizona-based Hart Scientific Consulting International LLC developed a software code that greatly improves the ability of large ground-based telescopes to see satellites in space. By applying this technology to a satellite that goes offline, for example, analysts would be able to see key features of the spacecraft and more quickly diagnose the issue.

2018 MPP SUCCESS STORIES

IBM - REDHORSE (Intelligence Surveillance Reconnaissance [ISR] Data Aggregation and Enrichment [IDEA])

California-based Redhorse Corporation, with the mentor guidance of IBM, is developing a real-time data aggregation layer and decision quality data visualization tool that informs ISR employment and decision making at the Combatant Command-level, enabling a DoD-wide solution for data-driven ISR enterprise management.

LOCKHEED MARTIN - MARVIN ENGINEERING (Throughput & Utilization of Robotic Spray Coating)

California-based Marvin Engineering Co., Inc., with the mentor guidance of Lockheed Martin, has invested in a robotic spray coating system to respond to growing operational demands of the F-35 program and is performing capability analysis, throughput assessment, and workforce development to achieve the project goals.



AIR FORCE SMALL BUSINESS PROGRAM SUPPORT

The Air Force small business team consists of approximately 158 small business professionals (SBPs) across nine major commands (MAJCOMs) and three Direct Reporting Units (DRUs). Our Air Force SBPs deliver independent advice and consultation to promote small business participation and ensure small businesses are considered in Air Force acquisitions. Air Force SBPs are a resource to assist in market research, participate in source selections, help craft Request for Information and Request for Proposal language, host industry events, and other services that focus on keeping the door open for small business opportunities. Matching industry capabilities with Air Force requirements is the ideal end state.

MAJCOMs

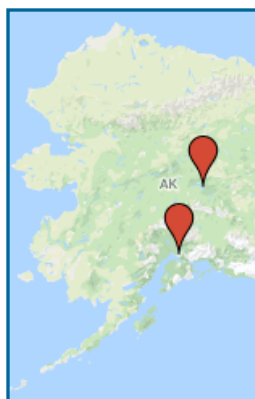
- Air Combat Command (ACC) | Langley AFB, VA
- Air Education and Training Command (AETC) | Randolph AFB, TX
- Air Force Global Strike Command (AFGSC) | Barksdale AFB, LA
- Air Force Materiel Command (AFMC) | Wright Patterson AFB, OH
- Air Force Reserve Command (AFRC) | Robins AFB, GA
- Air Force Special Operations Command (AFSOC) | Hurlburt Field, FL
- Air Mobility Command (AMC) | Scott AFB, IL
- Air Force Space Command (AFSPC) | Peterson AFB, CO
- Pacific Air Forces (PACAF) | Joint Base Pearl Harbor-Hickam, HI
- U.S. Air Forces in Europe (USAFE) | Ramstein AFB, Germany

DRUs

- Air Force Academy (USAFA) | Colorado Springs, CO
- Air Force District Washington (AFDW) | Joint Base Andrews, MD
- Air Force Operations Test and Evaluation Center (AFOTEC) | Kirkland AFB, NM

"We maximize opportunities for small businesses to contribute to national security by providing combat power for our troops and economic power of our nation."

-Mission of the DoD
Office of Small
Business Programs



FY18 GOALS

- 1) Launch the Long Range Acquisition Forecast tool and other business intelligence/data analytic tools to better match Air Force requirements to industry capabilities.
- 2) Develop a charter that defines the tripartite governance process for overseeing the SBIR/STTR Programs to ensure projects deliver innovation and optimally align to warfighter needs.
- 3) Increase Air Force MPP agreements by 25 percent.
- 4) Execute recommendations from the Small Business Workforce Study to standardize processes across the Air Force and improve utilization of our small business resources.
- 5) Implement the Small Business Career Path within the Air Force by defining training, education, and experience requirements and career progression opportunities for SBPs, as well as developing a mechanism to track progress.
- 6) Attain the FY 2018 DoD-directed small business participation goal of 17.5 percent and related socio-economic goals.

FY18 MAJOR ACCOMPLISHMENTS

- 1) Deployed the Long Range Acquisition Forecast Public Procurement tool (i.e., SAFIRE) in conjunction with DoD Industrial Policy. Also developed business intelligence/data analytics tools (e.g., Kaleidoscope) to better match Air Force requirements to industry capabilities.
- 2) Developed a tripartite governance process for overseeing the SBIR/STTR Programs to ensure projects deliver innovation optimally and align to the warfighters' needs.
- 3) More than doubled Air Force MPP agreements from 8 to 17.
- 4) Through multiple rapid improvement events, identified and standardized small business workflow processes and incorporated the processes into the Air Force Acquisition Process Model.
- 5) Established a master roster to track 150+ SBP appointments, training, and waivers across 45 locations. Spearheaded the effort to create a tracking system in the Acquisition Career Management System to identify personnel requiring small business knowledge, skills, and abilities. Also, deployed Functional Account Codes to identify SBPs within the Air Force manpower system.
- 6) Awarded \$11.7B to small businesses as prime contractors, which represented over 20 percent of all eligible Air Force procurement funds, exceeding the DoD goal of 17.5 percent. Also exceeded all socio-economic goals.

FY19 GOALS

- 1) Match small business capabilities to warfighter needs through innovative Air Force initiatives such as the FirstLook Program, Air Force Pitch Day, and other programs that reduce barriers to small business participation.
- 2) Strengthen, professionalize, and normalize the Air Force Small Business Workforce. Prioritize and pursue improvement initiatives identified in the Small Business Workforce Study.
- 3) Establish definitive outreach and in-reach objectives and parameters (strategic vs tactical) to expand our influence.
- 4) Continue to make our IT capabilities more robust. Develop and deploy tools to streamline and simplify small business processes (e.g. market research, DD Form 2579, and data analysis).
- 5) Attain the FY 2019 DoD-directed small business participation goal of 17.5 percent and related socio-economic goals.

2018 ENGAGEMENTS

14Feb18 - Armed Forces Communications and Electronics Association (AFCEA) NOVA's 16th Annual Air Force IT Day

27Feb18 - 99th Annual Associated General Contractors Convention

6Mar18 - Reservation Economic Summit (RES) 2018

7Mar18 - National Small Business Federal Contracting Summit

26Mar18 - Federal Government Contractors Networking Event

11Apr18 - 11th Annual NOVA & DC Post Society of American Military Engineers (SAME) Small Business & Government Conference

12Apr18 - Small Business Development Consortium

1May18 - 6th Annual NOVA Business to Government (B2G) Matchmaking Conference

21Jun18 - 27th National B2G Procurement Conference & Expo

17Jul18 - Wright Dialogue with Industry

14-16Aug18 - Tinker and the Primes

12-14Sep18 - Air Force Life Cycle Management Center Life Cycle Industry Days

17-19Sep18 - Air Force Association's Air, Space & Cyber Conference

10Oct18 - National Defense Industry Association TRIAD Conference

11Oct18 - National HUBZone Conference

13Nov18 - Native American Contractors Association (NACA) 2018 Federal Contracting Policy and Advocacy Conference

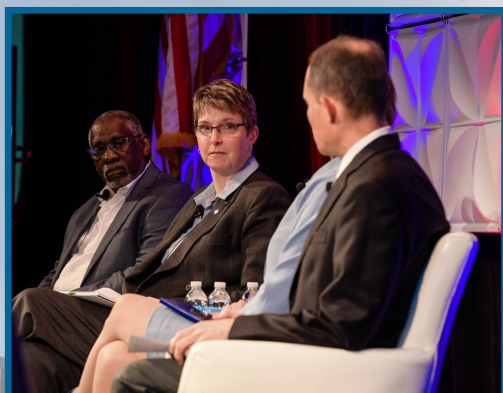
14-16Nov18 - National Industries for the Blind National Conference

15Nov18 - U.S. Women's Chamber of Commerce National Small Business Contracting DC Fall Summit

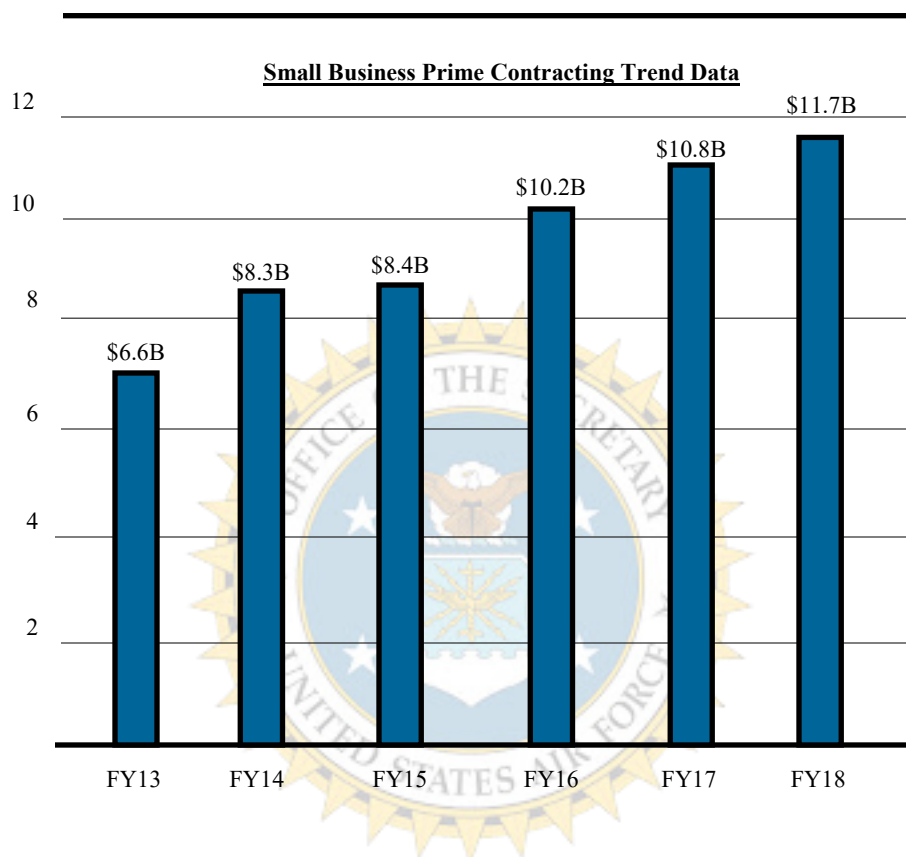
4Dec18 - Air Force IT Day

5Dec18 - Puerto Rico Federal Business Opportunities Conference

5Dec18 - West Coast Small Business Contracting Summit



AIR FORCE SMALL BUSINESS GROWTH



THE AIR FORCE LOOKS FORWARD TO DOING BUSINESS WITH YOU

Our outreach to the small business community increases the number of innovative suppliers in the industrial base, which increases access to new solutions and technologies that would not be available without small business participation. We thank you for your interest in serving the needs of the Air Force, and we look forward to doing business with you.

CONTACT US

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