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Department of Defense OFFICE OF PREPUBLICATION AND SECURITY REVIEW

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# Defense Business Board Meeting August 9 – 10, 2022

## **Meeting Agenda**

### TUESDAY, AUGUST 9 2022 Pentagon Room 1E840

#### **OPEN SESSION**

2:10 – 2:15 PM	Open Public Session – Ms. Jennifer Hill, Designated Federal Officer (DFO)
2:15 – 3:00 PM	Update on the Mentor Protégé Program and DBB Recommendations – Mr. Farooq Mitha, Director of the DoD Office of Small Business Programs
3:00 – 3:55 PM	DoD Supply Chain and Acquisition: Issues and Initiatives – Hon. William LaPlante, Under Secretary of Defense for Acquisition & Sustainment
3:55 – 4:00 PM	Adjourn Open Public Session – Ms. Jennifer Hill, DFO



## Admit Public Attendees Opening Remarks

### **Ms. Jennifer Hill**

**Designated Federal Officer** 

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### Mr. Farooq Mitha Director DoD Office of Small Business Programs



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## **DoD OSBP DBB Update**



- The Department of Defense Office of Small Business Programs (OSBP) is the principal advisor to the Secretary of Defense on all matters related to small business. This includes policy, programs, performance management of small business goals, workforce development, and meeting statutory and regulatory requirements.
- DoD achieved its small business prime contracting goal for the eighth consecutive year, awarding over \$83 billion dollars to small businesses in FY 2021.
- OSBP manages a number of programs that support small business participation in the defense industrial base (DIB). These programs provide financial and structural support for short and long term participation:
  - The Mentor Protégé Program
  - The Indian Incentive Program
  - Procurement Technical Assistance Program (Small Business Education/Resources)
  - Project Spectrum (Cybersecurity Awareness/Training)





## **DoD OSBP DBB Update**



- OSBP also supports DoD in meeting subcontracting goals, conducts outreach to industry, trains DoD acquisition professionals on small business requirements, and provides the Department with market intelligence and metrics to increase small business set aside competitions.
- OSBP is in the final stages of developing the Department's Small Business Strategy. The three Strategic Objectives of the strategy work together to achieve the overall goal of reinvigorating a strong, dynamic, and resilient small business industrial base.
  - #1 Implement a Unified Management Approach for Small Business Programs and Activities
  - #2 Align Small Business Activities with National Security Priorities
  - #3 Strengthen Engagement and Support of Small Business



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## **DoD MPP DBB Update**



### Background:

- In 2019, Congress directed the Secretary of Defense to task the Defense Business Board (DBB) with submitting an independent report to the Congressional Defense Committees, evaluating the effectiveness of the Department of Defense (DoD) Mentor-Protégé Program (MPP).
- The Subcommittee conducted three months of study, including interviews with key stakeholders, surveys, and a literature review.

#### **Findings:**

- The MPP is uniquely focused on expanding the capacity, technical knowledge, and participation of small businesses in DoD contracting opportunities.
- Without the MPP, it is unlikely that many of the protégés would be able to meet DoD's appropriately stringent requirements.
- Over three decades, the MPP has made a positive impact on the small businesses that participated as protégés.





## **DoD MPP DBB Update**



#### **Recommendation: Improve Participation by both Mentors and Protégés**

#### **Description**

 Consider an incentive structure to increase participation by both mentors and protégés, including joint ventures SBA MPP, Request for Proposal (RFP) Award Points, specific actions to increase diverse small businesses, and preferential contracting status to graduated protégés.

#### <u>Reason</u>

 Small businesses serving as suppliers to the DoD have declined overall and there is not enough participation, which further limits the number of small businesses that can participate as a protégé.

#### Path Forward

- Review the MPP in relation to the Defense Industrial Base to discover areas to increase participation in coordination with other offices through DoD.
- Engage with DPC on following efforts to improve MPP participation:
  - Joint Ventures
  - RFP Award Points
  - Diversity of Small Businesses
  - Preferential Contract Status for Protégé
- **UNCLA** Graduates

#### <u>Status</u>

- Assessing alternative methods to broaden the scope of participant to include collaboration with manufacturing institutes and implementation of OSD level agreements
- Working with Defense Pricing and Contracting on the feasibility and implications of DBB recommendations including what would require legislation.



## **DoD MPP DBB Update**



#### **Recommendation: Enhance Data Capture Tools and Metrics**

#### **Description**

 Implement robust data capture tools such as dashboards that track demand measurement (number of Mentor-protégé Agreements (MPA)), MPA performance, sector tracking, resources for protégés, protégé successes, MPP awareness, and small business program alignment.

#### <u>Reason</u>

 Due to the immaturity of the systems in place to capture MPP-related data, and the limited data elements currently tracked by the MPP, it is difficult to assess the maximum potential of the MPP. The MPP would benefit from enhanced tools and metrics to better measure the program's effectiveness.

#### Path Forward

- Develop and deploy a MPP Portal that will provide users a streamlined application and review process, which is the beginning phase of our data capture effort.
- As part of a broader review of the program, we are looking at tools that will provide additional insight.

#### <u>Status</u>

- We are working with the OSD data services team to deploy 1.0 of the MPP Portal.
  - The final step of a Privacy Information Assessment has been completed and is in the process of being approved prior to deployment
- We have defined requirements for the next phase of development to enhance our capabilities and will be initiating that effort soon after production deployment of 1.0

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## **DoD MPP DBB Update**



#### **Recommendation: Increase Duration of Qualified Mentor-Protégé Relationship**

#### **Description**

• Revert the standard MPA length to a three-year period, with extension options if appropriate.

#### <u>Reason</u>

 The standard MPA is currently two years after an update in NDAA 2020. However, this duration is not sufficient to consistently enable the protégé to develop the skills necessary to independently become a direct supplier to the DoD.

#### Path Forward

- Engage with Congress and DoD leadership on a regular basis to highlight the importance and impact of this recommendation.
  - A three-year base period of performance has proven to be the baseline for successful agreements

#### <u>Status</u>

 As a direct result of the DBB report and OSBP outreach efforts, the House and Senate NDAA bills will make the MPP permanent, while increasing the term to three years.



## **DoD MPP DBB Update**



#### **Recommendation: Implement Robust MPP Communication Strategy/Application Process**

#### **Description**

- Institute a formal MPP marketing plan where MPP offices could showcase successful MPAs and demonstrate MPP benefits to mentors and protégés.
- Suggestions include hosting annual MPP conferences, partnering with private and other public sector small business organizations, etc.

#### **Reason**

• The MPP is not a well-known program in the small business community and needs to be better communicated.

#### **Path Forward**

- Highlight the importance of outreach and communication, both internal and external to DoD, to our Small Business Directors and Component MPP PMs.
- Develop a broader communication strategy to grow the program and streamline processes.
- Reinstitute the annual MPP Conference starting in FY23.

#### <u>Status</u>

- The MPP SOP has been updated to include a section defining the communication and outreach processes, templates and expectations.
- Planning for the MPP annual conference has been started
  - Event planned for Jan 2023

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## **DoD MPP DBB Update**



#### **Recommendation: Establish MPP as Permanent Program**

#### **Description**

• Recommend Congress make the MPP a permanent program in statutory law, codified in a specific Title 10 section.

#### **Reason**

While the MPP has been in existence for almost 30 years, it continues to be referred to as a "pilot", which creates concern and confusion about the U.S. Government's commitment to it.

#### Path Forward

 Engage with Congress and DoD leadership on a regular basis to highlight the importance and impact of this recommendation.

#### <u>Status</u>

 As a direct result of the DBB report and OSBP outreach efforts, the House and Senate NDAA bills will make the MPP permanent, while increasing the term to three years.



## **DoD MPP DBB Update**



#### **Recommendation: Designate Single Office Oversight of DoD Small Business Programs**

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#### **Description**

• Consider designating a specific office, with sufficient resourcing and appropriate leadership, to oversee all its small business programs.

#### **Reason**

There is no single point of contact for all DoD's small business programs, and these programs are disparate and spread throughout the Department.

#### Path Forward

 Establish a Small Business integration Group to improve the integration and messaging of all small business related programs, while providing industry with a clear inroad.

#### <u>Status</u>

- Following the DMAG, OSBP reviewed options for a governance structure and are staffing a memo (for DSD signature) directing the Director of the Office of Small Business Programs to establish the Small Business Integration Group.
- DoD OSBP is working on this as part of the Small Business Strategy



# Discussion



8 August 2022



## DoD Supply Chain and Acquisition: Issues and Initiatives

### Hon. William LaPlante

Under Secretary of Defense for Acquisition and Sustainment



### **Adjourn Open Session**

### **Ms. Jennifer Hill**

**Designated Federal Officer** 

