

Northrop Grumman and AbilityOne Networking Event

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Northrop Grumman Corporation

Meeting the Challenge

**AbilityOne Lunch & Learn
Series**

July 10, 2012

Tizoc S. Loza
Northrop Grumman Corporate

- Leading global security company
- \$26.4 billion sales in 2011
- \$39.5 billion total backlog
- Leading capabilities in:
 - Unmanned Systems
 - Cybersecurity
 - C4ISR
 - Logistics



Focus on Performance

Four Operating Sectors at a Glance

Aerospace Systems



**Airborne Ground
Surveillance / C2**

C4ISR

Directed Energy Systems

**Electronic Combat
Operations**

**Environmental & Space
Science Satellite Systems**

**Global / Theater Strike
Systems**

ISR Satellite Systems

**Large Scale Systems
Integration**

MILSATCOM Systems

**Missile Defense Satellite
Systems**

Naval BMC2

Strategic Space Systems

Unmanned Systems

Electronic Systems



Air Defense Systems

C4ISR Networked Systems

**EO/IR Targeting &
Surveillance**

Marine & Undersea Systems

**Navigation & Positioning
Systems**

**Propulsion & Power
Generation**

Radar Sensors & Systems

RF/IR Countermeasures

Space Sensors

Information Systems



**Command & Control
Systems**

Communications

Cybersecurity

**Enterprise Systems
and Security**

**Federal, State/Local
& Commercial**

Health IT

Homeland Security

Intelligence

**Intelligence, Surveillance &
Reconnaissance Systems**

IT/Network Outsourcing

Technical Services



**Aircraft
Subsystem/Component
Sustainment & Modernization**

**Aircraft System/Platform
Sustainment & Modernization**

**Defense and Government
Services**

**Ground Vehicle
Reconstitution**

**Integrated Logistics and
Modernization**

**Irregular Warfare/Quick
Reaction Capability**

**Live, Virtual and Constructive
Domains**

Nuclear Security Services

**Technical and
Operational Training Support**

Training Solutions

- Congress established the pilot Mentor-Protégé program in 1991 under section 831 of the National Defense Authorization Act for fiscal year 1991, public law 101-510, as amended herein
- The purpose of the Mentor-Protégé program is to
 1. Provide incentives to contractors to seek and develop SDB/WOSB/SDVOSB/HUBZone Small Businesses
 2. Increase the overall participation of SDB/WOSB/SDVOSB/HUBZone in federal contracting
 3. Foster long-term business relationships between prime contractors and SDB/WOSB/SDVOSB/HUBZone small businesses

- **Mentor's:** Must be eligible for award of federal contracts and have a negotiated subcontracting plan with the government
- **Protégé's:** must be a SDB/WOSB/SDVOSB/HUBZone small business concern as defined by section 8(D)(3)(C) of the small business act (15 USC 637(d)(3)(c), must be certified as a small disadvantaged business (SDB) by the SBA
 - A concern owned and controlled by an Indian tribe, or
 - A concern owned and controlled by a Native Hawaiian organization, or
 - Affiliated with an AbilityOne (Javits-Wagner-O'Day) program (National Industry for the Blind/creating employment opportunities for people with severe disabilities (NIB/NISH))

§ 2410d. — Subcontracting plans: credit for certain purchases.

TITLE 10--ARMED FORCES, Subtitle A--General Military Law, PART IV--SERVICE, SUPPLY, AND PROCUREMENT

CHAPTER 141--MISCELLANEOUS PROCUREMENT PROVISIONS

Sec.2410d. Subcontracting plans: credit for certain purchases

- (a) Purchases Benefiting Severely Handicapped Persons.--In the case of a business concern that has negotiated a small business subcontracting plan with a military department or a Defense Agency, purchases made by that business concern from qualified nonprofit agencies for the blind or other severely handicapped shall count toward meeting the subcontracting goal provided in that plan.
- (b) Definitions.--In this section: (1) The term "small business subcontracting plan" means a plan negotiated pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) that establishes a goal for the participation of small business concerns as subcontractors under a contract.
- (2) The term "qualified nonprofit agency for the blind or other severely handicapped" means—
- (A) a qualified nonprofit agency for the blind, as defined in section 5(3) of the Javits-Wagner-O'Day Act (41 U.S.C. 48b(3));
 - (B) a qualified nonprofit agency for other severely handicapped, as defined in section 5(4) of such Act (41 U.S.C. 48b(4))and
 - (C) a central nonprofit agency designated by the Committee for Purchase from People Who Are Blind or Severely Disabled under section 2(c) of such Act (41 U.S.C. 47(c)).

Mentor-Protégé Agreement Types

- **Credit agreements:** (Managed by DCMA)
 - Provide protégé firms with infrastructure assistance
 - Mentor receives credits towards achieving small business subcontracting goals equal to three (3) times the incurred cost of providing development assistance to a protégé
- **Reimbursement agreements**
 - Used to transfer technology to protégé firms
 - Technology transfer is “transfer of state-of-the-art” products/services improvement processes that support the war fighter
- **Technology is NOT**
 - Solely subcontracting work to the protégé
 - Solely marketing/proposal development & R&D
 - Transfer of technology from the Protégé to the Mentor
- **Reporting requirements**
 - Semi-Annual bases

Benefits Under The Mentor-Protégé Program

Mentor

- Provides sole source procurements
- Supplier with compatible technology
- Strategic long-term supplier
- Increase award fee & additional proposal evaluation points, past performance
- Enhanced competitiveness/new markets (Set-a-Side & SBIR programs)

Protégé

- Preferred supplier
- New technology
- Leverage NGC
- Increase revenue
- Increase employee base
- Diversified customer base
- Enhanced competitiveness

Northrop Grumman's Mentor-Protégé Accomplishments

- Since 1992 Northrop Grumman Corporation (NGC) has mentored over 100 small businesses in Engineering, Information Technology, and Manufacturing
- In GFY 2012 NGC had 16 Mentor-Protégé Agreements with 6 different government agencies (DoD, DHS, VA, Treasury, State Department, and State of Texas)
- NGC has been the recipient of 20 DoD Nunn-Perry awards
- Northrop Grumman Corporation follows the Mentor-Protégé programs objective
 - Seek and develop, increase and foster long-term business relations SDB/WOSB/SDVOSB/HUBZone small businesses/AbilityOne

Northrop Grumman Expands On Current Lesson Learned

- Utilize A Structured Approach to Protégé Selection
 - Insure potential for long-term relationship
 - Strategic sourcing teams and procurement forecasts are critical to the process
 - Thinking out side of the BOX
- Locating potential protégé's:
 - Current supplier base – best practice
 - Supplier performance and reliability
- Target Protégé relationships based on specific objectives

Contact Information

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Review the Northrop Grumman Website

https://oasis.northgrum.com/corp/business_area.htm

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