

# Wright-Patterson Air Force Base and Regional Blue Ribbon Commission

Report to U.S. Congressman Steve Austria



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# MEMBERS OF THE WRIGHT-PATTERSON AIR FORCE BASE AND REGIONAL BLUE RIBBON COMMISSION

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The Honorable Steve Austria  
U.S. Congressman, 7th District of Ohio  
1641 Longworth Building  
Washington, D.C. 20515

Dear Congressman Austria:

On behalf of ourselves and our fellow commissioners we wish to forward to you our completed report along with associated appendices and presentations.

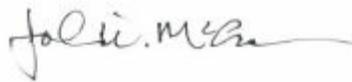
We are encouraged by our findings and recommendations and firmly believe that we have the capacity within this community to effect the necessary changes to greatly enhance our ability to garner a greater share of government contracts and/or sub-contract work.

We applaud your leadership in recognizing the need and establishing the Blue Ribbon Commission.

Sincerely,



Gary Kowal  
Co-Chair, Blue Ribbon Commission



John McCance  
Co-Chair, Blue Ribbon Commission

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## BACKGROUND ON THE BLUE RIBBON COMMISSION

U.S. Congressman Austria appointed the Wright-Patterson Air Force Base and Regional Blue Ribbon Commission in December 2009 to examine how the region can better position itself to do business with and support Wright Patterson Air Force Base, including winning more contracts.

The Commission was established to look into a wide variety of issues including identifying any impediments to the region and determining the best business model to receive contracts.

The Commission is made up of a broad cross-section of talented and energetic community leaders who have extensive experience from both inside and outside the fence, including business leaders and individuals in academia.

Since the initial meeting in December the Commission has held many meetings. Members of the Commission formed subcommittees to understand the processes, procedures, skills and tools necessary for the region to provide support to WPAFB.

The Commission will present the report to the community on Monday, July 12th, 2010.

## **OBJECTIVES**

The Commission examined a wide variety of issues including identifying any impediments to local companies and determining the best business model to receive contracts. The following guidance was given by Congressman Austria:

- Identify steps that should be taken by the aerospace industry in the region to increase local contract awards by the end of 2012.
- Identify current resources and processes within the region which businesses could utilize to win more contracts supporting the Air Force and Wright Patterson Air Force Base (WPAFB).
- Identify short and long-term obstacles which inhibit the aerospace industry within our region from competing for contract awards at the same level as other parts of the country.
- Better understand the processes at WPAFB so, as a region, we are better prepared to compete and win work.

Upon meeting, the Commission identified more defined objectives, including:

- Identify what steps should be taken by Region businesses to increase federal prime and subcontracting opportunities by the end of 2012.
- Determine how the Region's businesses could go about winning more contracting opportunities.
- Identify short and long-term obstacles which inhibit our Region from competing for contract awards and provide recommendations for improvement.
- Better understand federal contracting processes so, as a Region, we can take better advantage.

## **FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

With this information the Commission developed findings, conclusions and recommendations on ways in which local companies can establish an improved understanding and dialogue with WPAFB, such that the local business community can be better prepared to meet the needs of the base. Four topic areas were identified from the Commission's research and analysis:

- Identifying Business Opportunities
- Understanding How to Do Business with the Government
- Developing a Quality Business Model
- Developing the Workforce

## **1. IDENTIFYING BUSINESS OPPORTUNITIES**

*Members of the Commission worked to identify the current resources and processes that can be utilized by local companies to win more contracts supporting the WPAFB. The Commission reports five findings with conclusions and recommendations.*

### **ONLINE TOOL FOR DEFENSE RELATED BUSINESS INFORMATION**

#### **1.1 FINDING**

Local businesses cannot take advantage of defense-related opportunities unless they are knowledgeable of the government or prime contractor requirements for their products and services. There is a wealth of engagement currently between WPAFB, other federal agencies and the business community, and many professional organizations sponsor a variety of events; however, these activities are fragmented.

#### **1.1 CONCLUSION**

Local businesses need centralized access to informational sources about government and prime contractor requirements in a timely fashion to understand contract/subcontract/defense opportunities.

#### **1.1 RECOMMENDATION**

Using an appropriate form of social media (e.g. website, collaborative networking site, etc.) establish an on-line tool managed by one entity to house/centralize defense related business information. It should include a calendar of related events (symposiums, conferences, meetings, industry days, etc.); detailed information on government requirements & prime/subcontractor opportunities; and links to related informational sites.

### **TOOLS TO RAISE AWARENESS**

#### **1.2 FINDING**

Government and large business cannot take best advantage of small business sources unless the buyers and contracting officers know of the existence and capabilities of the small businesses.

#### **1.2 CONCLUSION**

An opportunity exists to provide government procurement offices and large businesses better tools to identify and reach out to qualified local small business sources.

#### **1.2 RECOMMENDATIONS**

**1.2.1** Establish a centralized electronic capability for local area businesses having service, R&D, manufacturing, and other capabilities to provide detailed information about their qualifications, capacity, and contact information and indexed by product and service.

**1.2.2** Encourage entities to host an annual “Suppliers Fair” with major prime contractors to inform local suppliers of needs, requirements and processes for doing business.

## **OPPORTUNITIES FOR SUBCONTRACTING**

### **1.3 FINDING**

Detailed data supplied by WPAFB for fiscal year 2009 show there were 6,818 contracts awarded valued at over \$21.3 billion. Of that amount, only \$452 million (2.12%) was awarded to companies in the Ohio 3<sup>rd</sup>, 7<sup>th</sup>, or 8<sup>th</sup> Districts. This data is for prime contracts only. A majority of the \$21.2 billion awarded in fiscal year 2009 went to large defense contractors who are involved in the research, development and manufacture of weapon systems (i.e., F-22, C-17, F-35, etc) or weapon systems related equipment. These large prime contractors have many subcontractors who either help in the manufacturing process or are a part of the supply chain for the large prime contractor.

### **1.3 CONCLUSION**

It would appear there is considerable opportunity for local companies to compete for, and win, additional contract dollars either as prime contractors or as suppliers to prime contractors.

### **1.3 RECOMMENDATIONS**

**1.3.1** Assemble a listing of subcontractor requirements for major prime defense contractors and publish this information on the social media tool.

**1.3.2** Investigate the feasibility of expanding the local region's engineering skill base to provide local aerospace engineering to large defense contractors who are involved in the research, development and manufacture of weapon systems (i.e., F-22, C-17, F-35, etc) or weapon systems-related equipment that generally perform this work outside the local region.

*See Appendix C for additional information.*

## **LOCAL ECONOMIC IMPACT REPORT**

### **1.4 FINDING**

The Air Force does not centrally collect financial and contracting data below the prime contractor level.

### **1.4 CONCLUSION**

Some local small and mid-size businesses may already be subcontractors to the large primes and therefore, be earning revenue that cannot be seen from data provided by Air Force.

### **1.4 RECOMMENDATION**

Partner with the Air Force to improve their data collection processes to allow a better understanding of the economic impact of government contracting on a specific geographical region.

## **DEVELOP MEANS OF MEASUREMENT FOR LOCAL AWARDS**

### **1.5 FINDING**

Using the contracting information supplied by the Air Force, there is no accurate measure of increase or decrease in the dollar amount of contract awards to local companies. Even a change in local contract award amounts would be meaningless without a detailed analysis of why the amount changed.

### **1.5 CONCLUSION**

It will be difficult to track year to year change in contract dollars flowing into the local area, especially with the lack of subcontract data.

### **1.5 RECOMMENDATION**

Devise a model that would show the amount of annual change in contract dollars and jobs from defense contracts and why those changes occurred in the local region.

## **2. DOING BUSINESS WITH THE GOVERNMENT**

*In addition to working on ways to educate the business community on the processes, procedures, skills and tools necessary for local companies to provide support to WPAFB, the Commission also researched the rules and regulations associated with procurement awards and how to leverage the competitive advantages of local companies. The Commission reports two findings with conclusions and recommendations.*

### **CORPORATE DEVELOPMENT EDUCATION FRAMEWORK**

#### **2.1 FINDING**

There are small businesses and academic institutions with an interest in entering into or expanding into the defense market. Organizations from start-up to mature need assistance at some level to understand how to work with the government.

#### **2.1 CONCLUSION**

Many do not understand where to start and how to navigate the unique challenges associated with being a defense contractor. No single organization currently provides “end-to-end” support for this type of activity. It appears several organizations’ services overlap, are not consistent and do not consider working together to provide more complete offerings.

#### **2.1 RECOMMENDATIONS**

**2.1.1** Publish the “Corporate Development Education Framework” as a self-assessment guide to help beginning, intermediate and advanced businesses. Continue to mature/enhance the Framework.

**2.1.2** Identify organizations that can provide training on the Framework areas.

*See Appendix B for additional information.*

### **GUIDE TO GOVERNMENT CONTRACTING**

#### **2.2 FINDING**

Local businesses need to understand the regulatory processes and procedures that control government contracting. The State of Kentucky produces a document “Guide To Government Contracting, A Handbook for Kentucky Business,” describing the government contracting process.

#### **2.2 CONCLUSION**

A similar document could be effective in improving contractor awareness and understanding, and as a result increasing the number of government contracts and subcontracts that local businesses win.

#### **2.2 RECOMMENDATION**

Create a document similar to the Kentucky document to help educate local businesses about the regulatory processes and procedures relating to the government contracting marketplace, both as primes and subs.

### **3. DEVELOP A QUALITY BUSINESS MODEL**

*The members of the Commission worked to identify opportunities to put in place an improved business model to assist the aerospace industry of the region in competing for contract awards at the same level as other parts of the country. The Commission reports three findings with conclusions and recommendations.*

#### **FUND TO ASSIST LOCAL BUSINESSES**

##### **3.1 FINDING**

The State of Utah is successful in retaining federal dollars by funding a program which assists the state's small and medium sized businesses in opportunity assessment, strategy, proposal development, contract negotiations, capture and program support.

##### **3.1 CONCLUSION**

A similar program could be effective in increasing the number of WPAFB contracts and subcontracts that local businesses win.

##### **3.1 RECOMMENDATION**

Encourage the State of Ohio and local governments to fund a program similar to Utah's.

*See Appendix A for additional information.*

#### **SMALL BUSINESS TRAINING ON PROPOSAL PREPARATION**

##### **3.2 FINDING**

The procedures governing proposals and source selection are complex and many small businesses do not know what is involved/required in preparing and submitting a compliant and competitive proposal.

##### **3.2 CONCLUSION**

Local businesses need training on how to prepare a quality competitive proposal and proposal writing support resources.

##### **3.2 RECOMMENDATIONS**

**3.2.1** Connect small businesses with proposal writing training materials and proposal writing support resources.

**3.2.2** Engage local colleges/universities and trade organizations to develop and deliver a curriculum focusing on proposal preparation.

## **OVERSIGHT FOR IN-SOURCING**

### **3.3. FINDING**

Current government in-sourcing efforts are having a negative impact on service contractors in the WPAFB area, especially small business.

### **3.3 CONCLUSION**

While in-sourcing is a “fact-of-life” the impact to the local economy is more than a one-for-one “job swap.” It has been asserted that this process may unfairly disadvantage small business.

### **3.3 RECOMMENDATIONS**

**3.3.1** Ensure that the contractor community is educated about in-sourcing and that the government adequately communicates lead-time for in-sourcing activities to allow for planning.

**3.3.2** Additional oversight is required to ensure that in-sourcing is being properly and fairly conducted.

## 4. DEVELOPING THE WORKFORCE

*As an educated workforce is important to attracting jobs and meeting the needs of the WPAFB, the Commission examined ways in which that the regions current workforce development programs can play a role in preparing local businesses to support the base. The Commission reports one finding with a conclusion and recommendation.*

### IDENTIFY AND SUPPORT WORKFORCE EDUCATION

#### 4.1 FINDING

The Dayton region is producing a large number of Science, Technology, Engineering, and Mathematics (STEM), medical and business resources through its numerous colleges, universities, and local agencies. The Dayton region has the resources and capabilities to develop a workforce for the defense contracting market.

#### 4.1 CONCLUSION

The region has initiated workforce development programs for specific technical skills and market segments. A large number of those resources are “younger professionals” who leave the region for more attractive and not always better paying positions elsewhere.

#### 4.1 RECOMMENDATIONS

**4.1.1** Identify and publish STEM, medical and business skills required by defense contractors in the region.

**4.1.2** Identify and publish certifications appropriate for defense contracting. Additionally, identify funding sources to further increase the workforce certification level.

**4.1.3** Create a process to support collaboration among government, academia, contractors and trade associations to improve skills related to workforce retention.