

THE VALUE OF PERFORMANCE.
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Northrop Grumman Supplier Symposium

Mentor-Protégé and Small
Business Innovation Research
(SBIR) Programs

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Mentor-Protégé Program

- **Congress established the Pilot Mentor-Protégé Program in 1991 under section 831 of the National Defense Authorization Act for fiscal year 1991**

- **Purpose of the Mentor-Protégé Program:**

Provide incentives to contractors to seek and develop SDB/WOSB/SDVOSB/HUBZone small businesses and those affiliated with AbilityOne (Javits-Wagner-O'Day) program, Source America and National Institution for the Blind (NIB)

Increase the overall participation of SDB/WOSB/SDVOSB/HUBZone in Federal Contracting

Foster long-term business relationships between prime contractors and SDB/WOSB/SDVOSB/HUBZone small businesses

- **What Agencies Participate**

Department of Defense
NASA
SBA

Focus on establishing small business relationships

Selection Criteria



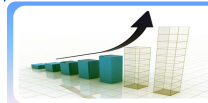
Must be a SDB/WOSB/SDVOSB/HUBZone



Currently a Supplier to NGC

Critical Business Process	Target	Status
Business Growth	Customer Satisfaction	Green
Financial	Program Support/Training	Green
Customer	Customer Satisfaction	Yellow
Customer	Customer Satisfaction	Red

Supplier Scorecard



Supplier Past Performance



Supplier Expertise/Niche



Supplier Technical Advancement



Possible Out-Sourcing Opportunities



SBIR Programs

Selecting a win-win partnership

Agreement Types

- **Credit Agreements**

- Provide protégé firms with infrastructure assistance
- Credit Agreements are those in which the Mentor receives a multiple of credit toward their SDB subcontracting goal based on the cost of developmental assistance provided to the Protégé
- Can be a five (5) year program

- **Reimbursement Agreements (Only DoD)**

- 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
- Direct reimbursed Agreements are those in which the Mentor receives reimbursement for allowable costs of developmental assistance provided to the Protégé
- Consist of a Basic one year and Two (2) one year Option Phase

- **Hybrid Agreements**

- Requires mentor to self-fund base year activities (receiving credit against their SDB subcontracting goals for costs incurred), with costs reimbursed in the option year(s)

Creating long-term suppliers

- **Since 1992 NGC has mentored over 130 small businesses in Engineering, Information Technology, and Manufacturing**
- **Currently NGC has 7 Mentor-Protégé Agreements with two (2) different government agencies (DoD and the State of Texas)**
- **NGC has been the recipient of 23 DoD Nunn-Perry Awards**
 - The Nunn-Perry Award is named in honor of retired U.S. Senator Sam Nunn, who sponsored legislation to enact the Mentor-Protégé Program in 1991, and former Secretary of Defense William Perry
 - This award honors Mentor and Protégé firms that have excelled in quality, technical assistance, return on investment and protégé development. The Nunn-Perry award is the highest honor that a company can receive

Developing and enhancing technical capabilities

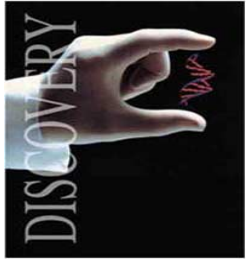
Small Business Innovation Research Program Overview

- **Small Business Innovation Research (SBIR):** SBA set-aside program created by Congress in 1982 for small business concerns to engage in Federal R&D with potential for commercialization
 - Current Budget \$2.6B
 - Stimulate technological innovation
 - Use small business to meet Federal R&D needs
 - Foster and encourage participation in innovation and entrepreneurship by socially and economically disadvantaged persons
 - Increase private-sector commercialization innovations derived from Federal R&D



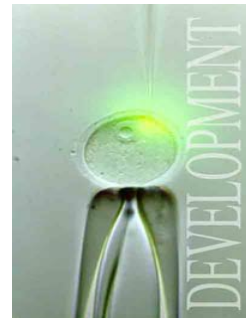
SBIR is the only SBA small business set-aside program

SBIR/STTR: 3-Phase Competitive Program



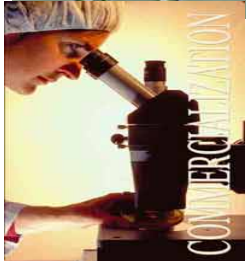
PHASE I Feasibility Study

- Award Guideline: \$150K ... varies by Agency ... can rise to \$225K
- Duration: 6 months (SBIR)/12 months (STTR) - varies



PHASE II Full Research, R&D to Prototype

- Award Guideline: \$1M (SBIR)/\$1M (STTR) ... varies by Agency ... can rise to \$1.5M, or more with waiver
- Duration: 2 years - varies



PHASE III Commercialization

- Subsequent investment to achieve commercialization, or sale
- Use of non-SBIR/STTR Funds

Providing game changing innovative technology

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