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
- Supplier Scorecard
- Supplier Past Performance
- Supplier Expertise/Niche
- Supplier Technical Advancement
- Possible Out-Sourcing Opportunities
- SBI R 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 warfighter
  – 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
Northrop Grumman’s Mentor-Protégé Program

- 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
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