



PACA Pulse

SUMMER 2009

PROFESSIONAL AEROSPACE CONTRACTORS ASSOCIATION OF NEW MEXICO

PO Box 9178
Albuquerque, NM 87119
www.pacanm.org

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255.9797

PULSE EDITOR

Ross Crown
764.5402
RCrown@LRLaw.com

EDITORIAL SUPPORT & DESIGN

Ro Saavedra
830.2345
RoSaavedra@msn.com

UNDERWRITER

**LEWIS
AND
ROCA**
LLP
LAWYERS

BFI: A Success!

The 23rd Annual Briefing for Industry (BFI) was held at the Hotel Albuquerque in Old Town on August 18 and 19. Attendance was slightly below the 2008 conference, due to fewer government attendees, yet over 400 industry representatives participated. "We received only very positive feedback," said Ron Unruh, BFI Chairman. "Participants were extremely pleased with the overall value of the content as well as the keynote speakers."

United States Representative **Martin Heinrich** presented the keynote luncheon address on Tuesday, the 18th. He stressed the importance of science in education to retain our competitiveness locally and nationally, and encouraged New Mexico to produce scientists,



engineers, and research and development professionals in maintaining our defense capabilities.

The keynote address on Wednesday, the last day of the event, was delivered by **Lt. General Leo Marquez** (Ret.). His informal delivery yet serious critique of our nation's leaders and our duties as citizens concluded with a standing ovation for Lt. General Marquez.

For the first time since the inception of the BFI event sponsorships were welcomed. Sponsors included: **Qualis Corporation, Science Applications International Corporation, MEI Technologies, and Teledyne Engineered Systems.**

Ron Unruh extends his thanks to all presenters, speakers, committee members, and sponsors in making this year's conference a resounding success and reminds everyone that the briefings will be loaded onto the PACA website no later than September 30, 2009. •

Welcome NEW Members

Leonard Bean

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John Walker

United International Engineering, Inc.

PACA Profile: TEAM Technologies Incorporated

TEAM Technologies Incorporated was founded in 1985 as an innovator in electrical, electronic, and mechanical engineering research and development, manufacturing and related custom (or specialty) products. TEAM's CEO is Bob Sachs. Bob has been a PACA member since buying the company in 2001.

TEAM is headquartered at the Sandia Technology Park in Albuquerque and has 58 employees performing contracts within New Mexico. The company is certified as an 8(a), Small Disadvantaged Business. TEAM's 36,000 square foot facility includes space for PC board production, engineering labs for development and design, a machine shop for manufacturing, and a metrology lab for precision part measurement and qualification. The company is International Organization for Standardization 9001:2008 registered and Department of Energy certified to QC-1 level.



TEAM primarily designs and manufactures custom products. The company translates a system (or subsystem, program, project, activity) concept into preliminary and detailed designs (engineering plans and specifications), performs risk identification/analysis/mitigation, traceability, and then integrates the various components to produce a working prototype or model of the system. Typical associated tasks include among other things, computer-aided design, design studies and analysis, high level detailed specification preparation, configuration management and document control, modeling and simulation fabrication, and assembly. In addition to custom products, TEAM offers services in engineering, manufacturing, instrumentation and controls, and operational testing.

TEAM serves numerous federal government and commercial customers; however, its main contracting activities are in support of Sandia National Laboratories (SNL) with the production, manufacturing and integration of Z-Pinch machine hardware, and Los Alamos National Laboratory (LANL) through the I-Procurement contract for electronic parts. The company continually strives to expand into new markets and increase its depth of experience in existing core competencies.

TEAM is organized into six operation centers performing contractual services and providing products:

- TEAM Sales provides electronic parts to SNL and LANL, as well as to the Department of Defense through 377th Air Base Wing requests, and to the Army Contracting Agency at White Sands Missile Range through the NEWTEC joint venture.

- TEAM Engineering supplies electronic, electrical and

mechanical engineering design and development services to government and commercial customers.

- TEAM E-Fab provides printed circuit board integration and assembly services to the federal government and to commercial customers. In addition, it integrates hardware such as security panels for SNL and control devices to commercial customers.

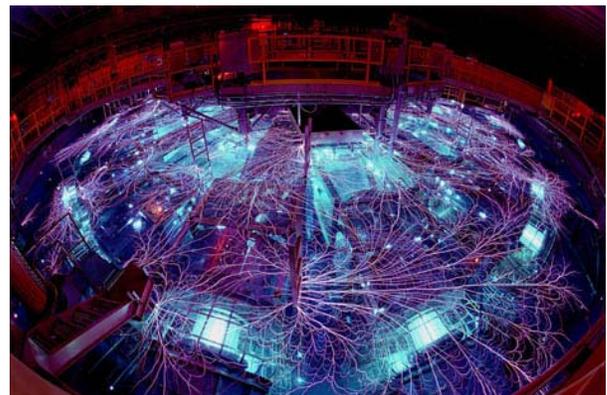
- TEAM Machine Shop provides a full, manual machine shop capability through a wide variety of Computer Numeric Control mills (4 & 5 axis capabilities), lathes (with live tooling options) and wire/ram Electrical Discharge Machining.

- TEAM Instrumentation and Controls supports Science and Technology applications throughout federal and commercial markets to include NASA, DoD, and Ethicon. Markets supported by this function include energy, medical, and defense related opportunities.

- TEAM's Z-Pinch Group is committed to providing hardware and services to support SNL's experimentation requirements in fusion technology, no matter which applications are used.

The future for TEAM looks bright as the company expands its capabilities into the aerospace, defense, energy, and medical markets, as well as further expansion into the national laboratories. TEAM's business emphasis is evolving to include a greater market share in commercial business and products. The company is positioning to hire additional assemblers, engineers, machinists, and technicians to increase the depth and breadth of its reach in its expanding market focus. TEAM values teaming opportunities in pursuit of new work and markets, and is continually on the lookout for potential teaming partners, especially in an era of bundled contract opportunities where individual businesses must join to perform the stated requirements.

In addition to Bob Sachs, TEAM is represented in PACA by Jack Bishop. Jack is Vice President for Federal Programs. He has been active in PACA since retiring from the Air Force in 1998. A former PACA president, Jack now serves on the Briefing for Industry Planning Committee and as the BFI facilities chair.



Z Machine

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TEAM Technologies

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Both Bob and Jack believe PACA offers outstanding networking opportunities designed to accommodate an increasingly diverse membership. They also see PACA as an important voice for the contractor community with the federal government.

TEAM is the deserving recipient of many awards including:

- 2008 Albuquerque Chamber Corporate Citizen of the Year
- 2007 U.S. Department of Commerce High Tech Company of the Year
- 2004 SBA 50th Annual Director's Choice Award (**SNL nominated**)
- N.M. Flying Forty 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009
- SBA Two-time Award of Excellence Region VI (**SNL nominated**)
- Albuquerque Hispano Chamber 2003 Business of the Year (**SNL nominated**)
- NASA/SATOP Platinum Award 2003, 2004

Additional information about TEAM is available at www.team-technologies.com. •

Increase Membership & Newsletter Distribution

If you are a non-member and would like information regarding membership, please contact:

Stacy Sacco, Membership Chairperson
254-4329 or 489-2311
vp_pr@kirtlandfcu.org

You may also access a membership application on our website at www.pacanm.org. •

PACA Pulse



If you know a potential member or anyone else who would like to receive our newsletter, please forward their e-mail address to Burke Nelson, 944-2126.

This is your newsletter. If you would like to contribute an article, make announcements (promotion, job change, or a new product or service), please submit your newsletter contribution to the editor, Ross Crown, at RCrown@LRLaw.com or call him at 764-5402.

All contributions are welcome! •

President's Corner

By Phil Vitale

Is it worth it?

I was taking a breather after the last Board of Directors meeting and found myself wondering if all the time I spend on PACA is worth it?

I started taking an inventory of the role I played in doing my elected job:

- I serve as an ambassador for our members to customers, other organizations, and elected officials.
- It is my responsibility to ensure our various meetings and functions run well.
- I chair the Board of Directors and conduct its monthly meetings.
- I'm responsible to ensure the financial viability of the organization.

This is a lot of work!

As time goes on the load doesn't appear to get lighter. So why do I do it? As I continued to ponder, I started thinking that keeping PACA vigorous has value in itself. Our organization helps to bring companies together with customers. We help to bring companies together with other companies to pursue new business. Last but not least, PACA facilitates information exchange among members, customers, and agencies that affect how business is done.

As I continued to think about what I do, I thought that it's not all work; there is a lot I enjoy. I can't count how many interesting people I've come in contact with and gotten to know. Also, PACA seems to be in the thick of many of the activities going on around the base, city, and state. Our special relationship with the Air Force Research Laboratory and other customer organizations makes doing business easier. I enjoy the social setting that we have at our meetings and luncheons. Finally, there is something special about working with the exceptional group of people that make up our Board of Directors.

Speaking of the PACA Board of Directors, it is a special experience to work with this dedicated group of volunteers who appreciate the importance of people and the organization they serve. Most of this group has been serving the organization for a number of years; many are past presidents. They put out a superior effort, and are great representatives of their companies.

I guess I have convinced myself that there are more pluses than minuses in volunteering for PACA. We're always in need of good people to be officers, work on the BFI, and do the many things that have to be done to make this organization the premiere business association in the region. Please consider being part of this select set of volunteers. Contact me if you're interested and we'll find the right spot for you.

Is it worth it? You bet! •



Upcoming Lunch Speakers

- **September 15, 2009**, Brigadier General Regner Rider (Ret.), will speak on cyber security.



General Rider was formerly deputy director of Intelligence, Surveillance and Reconnaissance as the Deputy Chief of Staff for Air and Space Operations, Headquarters U.S. Air Force in Washington, D.C. He was the principal adviser to the director in his role as the proponent and functional manager for all Air Force reconnaissance, surveillance,

intelligence, electronic warfare and information warfare capabilities.

General Rider entered the Air Force in 1973 after being honored as a distinguished graduate of the University of New Mexico's ROTC program. He has served in various assignments to include duty as aide to the commander in chief of Strategic Air Command; commander of the 325th Bombardment Squadron; commander of the 410th Operations Group and later, the 410th Bomb Wing; commander of the 5th Bomb Wing; vice commander of the Air Intelligence Agency; and most recently vice commander of the 8th Air Force at Barksdale Air Force Base.

He attended the NATO Defense College in Rome, Italy, and served as chief of the Command and Control Division of the Operations Directorate at Headquarters, U.S. European Command in Vaihingen, Germany. General Rider earned both B.S. and M.S. degrees in Mechanical Engineering from the University of New Mexico. In addition, he is a graduate of the Squadron Officer School, Maxwell AFB, and the Executive Program for General Officers of the Russian Federation and the United States, John F. Kennedy School of Government, Harvard University.

A few of his awards and decorations include the Distinguished Service Medal; Air Force Commendation Medal; and the Humanitarian Service Medal with service star.

- **October 20, 2009**, Lieutenant Colonel Troy Molendyke, Commander, Distributed Mission Operations Center (DMOC)



Lt. Col. Troy P. Molendyke is the 705th Combat Training Squadron's Commander. He leads four flights and contractor staff sections comprising over 230 personnel in support of the Air Force Distributed Mission Operations Center which provides world class distributed mission operations training to over 1500 joint and coalition combat

warriors annually in Commander, Air Combat Command's Exercise VIRTUAL FLAG. He also directs the scheduling, training, standardization and reporting functions and assigns

squadron members to manage \$24 million in projects annually as part of fielding Joint National Training Capability.

Lt. Col. Molendyke entered the Air Force in 1990 as a graduate of the United States Air Force Academy. A Master Air Battle Manager with more than 4,100 flying hours, he began his career in 1991 as a weapons director at the 965th Airborne Air Control Squadron (AACS), Tinker AFB, Oklahoma. Since then his many posts have included serving as the 966 AACS's training squadron's lead weapons instructor evaluator; Flight Commander, Chief, Stan Eval and Assistant Director of Operations (ADO) for the 932nd Air Control Squadron; Chief, Mission Simulation Operations of the Training Wing of Squadron Two at NATO AWACS in Geilenkirchen AB, Germany; and Chief, Airspace Plans for NATO's Deployable Combined Operations Center at Ramstein AB, Germany.

He then attended Air Command and Staff College (ACSC), Maxwell AFB, Alabama. Following ACSC, he entered training as a mission crew commander at Tinker AFB and was assigned to the 964 AACS as an ADO. During this time, Lt. Col. Molendyke was selected for the squadron's first deployment in over three years as Deployed DO for the 965 EAACS at Manta, Ecuador. He then moved to the 552 Operations Support Squadron and was Chief, Wing Current Operations.

He has served in Operations Southern Watch, Provide Comfort, Uphold Democracy, Deliberate Forge and Allied Force with 70 combat and combat support missions against Iraq and the former Republic of Yugoslavia. •

We meet the 3rd Tuesday of each month at the Mountainview Club (located on Club Road on the east side of Kirtland Air Force Base). Registration begins at 11:30 am followed by lunch at 12:00 noon. Members are admitted free and our guest fee is \$15.



To RSVP, e-mail paca@ngc.com or register online at www.pacanm.org. Include your name, guest's name, and menu selection (typically a meat, fish, or vegetarian dish). Please RSVP by the Friday before the week of the meeting.

If you are not already on base, enter at the Wyoming gate and state your purpose. Assuming you're registered, your name will appear on the PACA list and you will be admitted. •

Legal Insights: GAO Cost Estimating Guidelines

By Ross Crown

In April of this year, Defense Secretary Robert M. Gates briefed the press on the Department of Defense's 2010 fiscal year budget. The Secretary described this budget as "crafted to reshape the priorities of America's defense establishment." Mr. Gates went on to say that "maintaining our technological and conventional edge requires a dramatic change in the way we acquire military equipment." To achieve this "needed reform," the Department intends to insist on realistic estimates of program costs. This will include guarding against "requirements creep," validating the maturity of technology at milestones and funding programs to independent cost estimates.

Of course, whether the new priorities of the Obama Administration represent real improvements in the way the Government does business remains to be seen. Yet there is little doubt that for the foreseeable future, contract cost estimates will receive closer scrutiny. In line with this renewed emphasis on realistic estimates, in March the Government Accountability Office released the GAO Cost Estimating and Assessment Guide. An agency of the legislative branch, the GAO is responsible for, among other things, assisting Congress in its oversight of Government operations, including the use of public funds.



The purpose of the Cost Guide is to help agencies use public funds effectively by employing improved management practices and processes, including the measurement of Government program performance. According to the GAO, Congress, the Administration, and the public all need to know whether Government programs are achieving their goals and at what cost. Such evaluations require reliable cost information.

The Cost Guide is intended to establish a consistent methodology based on best practices that can be used across the Government for developing, managing, and evaluating capital program cost estimates. By releasing the Cost Guide, the GAO hopes to assist agencies and contractors in developing and maintaining reliable cost estimates throughout the life of Government acquisition programs. It is also intended to serve as a guiding principle for GAO auditors to evaluate the economy, efficiency, and effectiveness of Government programs.

The centerpiece of the Cost Guide is GAO's identification of the following 12 steps of a high quality cost estimating process:

1. Define Estimate's Purpose — The tasks associated with this step include determining the estimate's purpose, the required level of detail and overall scope, along with who will receive the estimate.

2. Develop Estimating Plan — This requires determining the cost estimating team, preparing a master schedule, determining who will do the independent cost estimate, outlining the cost estimating approach, and developing a timeline.

3. Define Program Characteristics — Identify the program's purpose, its system and performance characteristics, and all system configurations. Also determine support and security needs and deployment and maintenance plans.

4. Determine Estimating Structure — Define a Work Breakdown Structure (WBS) and describe each element. Choose a best estimating method for every WBS element.

5. Identify Ground Rules and Assumptions — Clearly define what the estimate includes and excludes. Identify the estimate's base year, including time phasing and life cycle, along with any schedule or budget constraints. Specify Government furnished equipment and identify major subcontractors. Determine technology assumptions and new technology to be developed.

6. Obtain Data — Collect current and relevant technical, programmatic, cost, and risk data. Analyze the data for cost drivers, trends, and outliers and compare the results against rules of thumb and standard factors derived from historical data. Store data for future estimates.

7. Develop Point Estimate and Compare it to an Independent Cost Estimate — Develop the cost model, estimating each WBS element using the best methodology from the data collected. Total the WBS elements to develop the overall point estimate. Compare the estimate against an independent cost estimate and examine where and why there are differences.

8. Conduct Sensitivity Analysis — Test the sensitivity of cost elements to changes in estimating input values and key assumptions. Identify effects on the overall estimate of changing the program schedule or quantities. Determine which assumptions are key cost drivers and which cost elements are affected most by changes.

9. Conduct Risk and Uncertainty Analysis — Discuss with technical experts the level of cost, schedule, and technical risk associated with each WBS element. Develop minimum, most likely, and maximum ranges for each risk element. Use an acceptable statistical analysis method to develop a confidence interval around the point estimate.

10. Document the Estimate — Document all steps used to develop the estimate so that a cost analyst unfamiliar with the program can recreate it quickly and produce the same result. Describe in detail the estimating methodology and rationale used to derive the cost of each WBS element. Track how this estimate compares to any previous estimates.

11. Present Estimate to Management for Approval — Develop a briefing that presents the estimate, including an explanation of the technical and programmatic baseline and any uncertainties. Explain any differences between the estimate and independent cost estimate. Act on and document feedback from management.

12. Update the Estimate to Reflect Actual Costs and Changes — Update the estimate to reflect changes in technical or program assumptions and keep it current as the program passes through new phases or milestones. Perform a post-mortem and document lessons learned for elements whose actual costs or schedules differ from the estimate. Document all changes to the program and how they affect the cost estimate.

The Cost Guide discusses in detail execution of each of these 12 steps. A copy of the guide can be obtained at www.gao.gov. •

Ross is a partner in the Albuquerque office of Lewis and Roca LLP. This article is intended for general information only and should not be construed as legal advice or opinion. Any questions concerning your legal rights or obligations in any particular circumstance should be directed to your lawyer.

Collaboration with nmOptics

By Phil Vitale

The Professional Aerospace Contractors Association is the premier industry association of its kind in New Mexico. PACA serves its membership through contacts with customers, networking among members, and providing a voice to our elected officials both in Santa Fe and Washington. We are constrained only by the size of our membership and the numbers of contact opportunities we can provide. To improve our service to the PACA membership, your Board of Directors looked at several options to extend our reach.

On June 16, I signed a Memorandum of Understanding (MOU) for PACA with the New Mexico Optics Industry Association (nmOptics) to move toward this goal. The purpose of the MOU is to "... promote member networking, information exchange, and awareness of actions in government and academic areas." The MOU provides for an exchange of information through websites, newsletters, and other communications, and the extension of one membership by each organization to the other.



nmOptics has the objective of advancing the optics/photonics industry. They have about 50 member organizations, including government and academic representatives. They have meetings every other month featuring customer organization speakers (the August speaker was from Sandia National Laboratories), some common customers with PACA, as well as some overlapping members.

Beyond the specifics of the MOU, this agreement offers our membership invaluable opportunities. We have the opportunity to contact more and different government customers. We have the opportunity to network with a larger group of companies and academic institutions. And lastly, we have the opportunity to influence legislation and opinion with a larger joint constituency.

I have attended two nmOptics functions and have been welcomed warmly. I hope you will take the opportunity to visit with them and extend your corporate reach. •

Don't Drop the Ball on Your Marketing Efforts

By Ro Saavedra

Many companies, hopefully most in the current economic market, practice some marketing/promotional efforts. However, marketing activity often requires follow-up to be effective.

We've all had the experience of completing forms on an interactive website or responding to the "e-mail us" option and then never receiving a reply from the company. An interactive website that no one in the organization monitors is counterproductive. A potential customer is not just lost for today, he is likely too irritated to consider doing business with the company in the future. This is a glaringly obvious example of dropping the ball. Not so obvious and more specific to government contractors are the trade shows, conferences, and seminars that are regularly attended.

Much time is spent in setting up an eye-catching trade booth stocked with all the attractions – free pens, gadgets, candy, perhaps even an opportunity to win an hour of free consultation or the new high tech product on display. "Drop your business card in the bowl for a chance to win" With the best of intentions hundreds, or at least dozens, of business cards are collected for a drawing to award the prize, but really for the purpose of getting the contact information of the potential client or customer.

Business people collect cards daily but they amass a large volume of cards representing "class A" contacts at industry conferences and other trade events. What happens next? Sadly and all too frequently – nothing. The reasons are darn good, a lack of time being the most common. And who can argue with that? No one is allotted a 25-hour day or an eighth day of the week to address matters that aren't pressing. However, just as with the unattended interactive website, there is no point in spending the priceless hours involved in participating in conferences if there is no follow-up with the most valued contacts.

Very soon following the event, prioritize your contacts and those

who float to the top of the pile, contact personally and immediately. Timing is critical. Calling a prospect 60-90 days after meeting him once and having to explain who you are is futile. Initiate whatever is most appropriate: extend a lunch invitation; arrange a meeting; make a referral; forward requested information; or send your newsletter with a note. Whatever you choose to do, make it unique and specific to the individual. A form letter or standard "thanks for stopping by" note isn't going to cut the mustard.

And for those lower priority individuals who don't require a one-to-one effort, assign non-personal follow-up tasks to support staff. Depending on the nature of your business, these will include at a minimum adding the contact to all lists (e-mail; newsletter; invitations; timely alerts; holiday cards). Always provide a means for contacts to opt out of receiving these communications; the goal is to be helpful, not annoying.

Measuring the effectiveness of trade show or other industry event participation will differ for each business. But do know what you hope to get out of these conferences and evaluate your return on investment including your follow-up investment. Perhaps a primary objective is simply to check out the competition and follow-up is unnecessary. That's certainly okay, but if your purpose is to acquire at least one new customer, your success will be in what you do with the contact information after the event, not the hand shake at the event. •

**Marketing is getting known.
Follow-up/selling is getting selected.**