



# PACA Pulse



SPRING 2011

PROFESSIONAL AEROSPACE CONTRACTORS ASSOCIATION OF NEW MEXICO

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

## BOARD OF DIRECTORS

**Bill Miera**  
President  
255.9797

**Patricia Knighten**  
Vice President  
918.5974

**Burke Nelson**  
Secretary  
944.2126

**John Kiegel**  
Treasurer  
345.5577

**Virginia Buckmelter**  
Immediate Past President  
254.3700

**Dick Trask**  
Program Officer  
294.4399

**Linda Strine**  
Small Business Officer  
303.726.8416

## 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

## PACA Elects New Directors & Officers

The PACA membership held its annual election of new Board of Directors at the March 15 luncheon meeting. The new Board assumed its duties for the 2011-12 year on April 1.

**Bill Miera**, previously Vice President, automatically assumed the position of President, succeeding Ginny Buckmelter. He is CEO/President of Fiore Industries, Inc., a small minority-owned company founded in 1989. Fiore Industries is an R&D, aerospace, and IT corporation providing quality high technology services and products to govern-



**Bill Miera**

mental agencies, national laboratories, and commercial enterprises. Fiore's primary fields are directed energy, aircraft and avionics electromagnetic protection/certification, information technology systems and services, systems engineering, prototyping, testing, facility operations, and project management. Prior to launching Fiore Industries, Bill spent nine years with Rockwell International. Rockwell management encouraged Bill to branch out on his own in applying his skills and talents and taking advantage of small-business government set-asides. Smart move. Fiore now employs over 50 top-notch technologists for a wide range of customers including NASA, AFRL, and Los Alamos and Sandia National Laboratories, to name a few.

Bill, one of eight children, is a born and raised Albuquerquean and the father of four. He is dedicated to giving back to his community and does so in a myriad of ways to the benefit of numerous civic and academic organizations. These include but are not limited to New Mexico Special Olympics,

Make-A-Wish Foundation, the Regional Science Fair, and UNM Engineering Day. Following his interest in civic work is his zeal to do anything fast, may it be downhill skiing, off-roading in the dune buggy he built, or riding maniacal roller coasters. He is also a car enthusiast and the owner of many vehicles including a 2010 Camaro, an old refurbished Chevy, and a Z06 Corvette.

Bill earned a Bachelor's degree with distinction in Mechanical Engineering, a Master's in Robotics, and a Certificate in Management, all from the University of New Mexico.

Bill can hardly recall when he wasn't a member of PACA; to the best of his recollection he joined over 20 years ago. According to Bill, PACA has served as a critical organization to meet and team with other government contractors as well as a great conduit to meet with AFRL and other government entities. "The BFI has also been vital in learning about upcoming procurements," Bill stated. "And PACA has been invaluable in taking on small business issues and being an advocate for small business."

PACA's new Vice President (and next year's President) is **Patricia Knighten**. Effective May 31 she started her own business after serving in numerous executive management positions at Chenega Corporation. She will continue to serve her old employer, but now as an independent consultant. PK Consulting will provide consulting services to companies and government with an emphasis on business development and operations, program management, and strategic partnering.

Patricia joined PACA in 2007 largely due to its connection to Kirtland Air Force Base. "Kirtland is the most diverse base

*continued on following page*

## New Directors & Officers *continued*

in the Air Force," she said. "It provides for a vast range of personal relationships within Kirtland including its many tenants, base representatives, and the people who serve them." She also values the personal and professional relationships she has developed within PACA.

Patricia stepped up her involvement and joined the board for several reasons. Not only did she want to develop relationships with PACA members, but she has carefully observed that PACA is well organized with clearly established roles and responsibilities mandated by bylaws and highly competent people who support and follow the structure. She believes in supporting the New Mexico technology based business community. She credits Don Nash for planting the seed to "get more involved" and Bill Miera for being a stellar example of professional and community involvement that is illustrated by his success.

Patricia started college at New Mexico State but transferred to and graduated from Weber State in Ogden, Utah with a B.S. in Logistics Management. She is currently pursuing Master's Certificates in Project Management and Lean Six Sigma from Villanova University.

While Patricia was born in Albuquerque, she grew up as an Air Force brat moving wherever her father's career as an officer took her and her four siblings. She and her husband returned to New Mexico about 20 years ago to be near her parents who had just settled back in Albuquerque after retirement. Patricia's husband of 22 years, Allan Knighten, is a civil trial lawyer, and their daughter, Adrienne, is finishing her second year of college in Colorado.

The majority of Patricia's free time is spent in the great outdoors. She recently did her first of many to come climbs in and out of the Grand Canyon, spending two days camping at the bottom. She's also a river rafter and a downhill skier. She considers yoga and trail jogging with her two Airedales her mellow activities. She ran the Portland Full Marathon in 2008 and is currently in training for the Denver Rock and Roll Half Marathon this October. Running 13 miles isn't most people's idea of mellow. Patricia watches no TV!

New to the board is **Linda Strine** who replaces Andy Anderson as the Small Business Officer. Linda is the founder and President of Infinite Links LLC, a small woman-owned business of nearly 10 years. Her client base has roots at Kirtland AFB where she has been assisting small to large companies garner business in New Mexico. Linda also has a variety of experience at Kirtland and has attended numerous BFIs and PACA activities on behalf of her clients. When Bill Miera approached her to run for the Board and indicated Patricia was going to be the VP, she was elated to serve.

In addition to PACA, Linda serves on the Federal Committee of the Association of Commerce and Industry, and as



**Patricia Knighten**

a Greater Albuquerque Chamber of Commerce member she serves as both the Region 8 and Region 6 representative to the National Small Business Development Center Board reporting to the SBA Administrator. "New Mexico already has one of the most active small business arenas in the country and it is a pleasure to continue this practice as the Small Business representative on the PACA Board," she stated.

When not working, which is unfortunately not often enough, she enjoys golf, sailing, and being anywhere near water.

Outgoing President, **Ginny Buckmelter**, automatically assumes the position of Immediate Past President. The ever dependable **Dick Trask**, Program Officer, **John Kie-gel**, Treasurer, and **Burke Nelson**, "Secretary for Life," as he calls himself, will all continue to serve in these positions.

We extend a heartfelt thanks to all new, outgoing, and continuing board members for their much appreciated commitment to leading PACA. These individuals are responsible for the continued growth and success of our organization. •

## Increase Membership & Newsletter Distribution

PACA membership annual dues are \$150. The fiscal year runs from April 1, 2011 to March 31, 2012. Mid-year applications will be pro-rated. You may apply on-line at [www.pacanm.org](http://www.pacanm.org).

For more information contact Maran Vedamanikam, (Membership Chair), 797-3042 / [maran@euroclydon.com](mailto:maran@euroclydon.com).

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

## Welcome NEW Members

**Steve Sauter**

Sauter & Associates

**Robin Kennedy Dennehey**

New Horizons & Centric Resources

**Alex Bapty**

TASC, Inc.

**Charles Cormier**

Energetic Materials Research and Testing Center,  
New Mexico Tech

**Michelle Franks**

Studio Southwest Architects. Inc.

**Susan Gammon**

General Dynamics  
Santa Clara, CA

**Karen Griffin**

Lockheed Martin

## PACA Profile: Management Sciences, Inc.

**Management Sciences, Inc.**, a New Mexico corporation, was founded in 1976 by Kenneth and Marlene (Kay) Blemel. Shortly before starting the company, Kenneth passed through Albuquerque on a trip to the west coast. Impressed by the contrast between the sunshine of New Mexico and the decidedly grayer skies of his home in upstate New York, Kenneth decided to relocate his work and family to Albuquerque.

MSI is a woman-owned small business. Kay is President of the company and she is responsible for day-to-day operations, financial and cost accounting, and corporate policies and procedures. Kenneth serves as vice president for research and development. He is the technical force behind the company. Kenneth holds undergraduate and graduate degrees in applied mathematics and is the inventor of the sensing technology on which the company's business is based. He holds six patents and has additional patents pending.

MSI is mainly a family enterprise. The Blemels' son, Kenny Blemel, serves as Manager for Sentient Systems. Another son, Peter Blemel, is Software Manager. Their daughter, Marlene Blemel, assists with accounting and finance. Other key managers are Francis Peter, Director of Engineering, and Dr. Kshanti Greene, Software Research Director.

MSI's facility is located on Constitution Avenue near San Pedro in Albuquerque. The company has 17 employees. MSI employees are active in several community organizations, including the New Mexico Alzheimer's Association, Habitat for Humanity, and the YMCA.

At present, over 90 percent of MSI's business involves government contracts. The company provides products and services to the military, other DOD agencies, and Sandia National Laboratory.

Most of MSI's government work comes through the Small Business Innovation Research (SBIR) program. As a participant in this program, MSI develops proposals to provide innovative products and systems in categories suggested by government agencies, most frequently the Navy, Army, and Air Force. The company has successfully delivered multiple projects for the military. As a SBIR participant, MSI receives grants to fund research and development and commercialization of the proposed products and systems. SBIR-funded grants support the project until it is "commercialized," meaning that the product is ready for procurement by the requesting agency or other government entities.

In developing SBIR proposals and projects, MSI partners

with large aerospace businesses. MSI is also frequently in need of subcontracting partners to provide specialty work. The company has teamed with the University of New Mexico, New Mexico Tech, and small businesses such as Cottonwood Technologies and Emenue Inc. for these services.

MSI research and development focuses on technology for embedded sensing and reasoning. The company has developed a number of proprietary real time artificial intelligence algorithms. These algorithms are applied by MSI to condition-based maintenance and sensor fusion.

Condition-based maintenance uses analysis of equipment signatures to determine operating health and condition. This technology reasons and reacts to equipment health risks. MSI has developed a number of condition-based maintenance products including an Embeddable Programmable Instrumentation Controller (EPIC), a portable electrical analysis and testing system, a flight recorder, and "smart" wiring systems that inspect and monitor the systems in which they are installed. These products are placed in military aircraft, military ground vehicles, and solar energy systems.

MSI's artificial intelligence algorithms also provide the basis for sensor and information fusion using MSI algorithms to identify environmental threats and options for mitigation. The company has developed a general purpose software tool kit known as Sentient Situation Awareness for condition monitoring, situation awareness, and risk/threat assessment. This software is designed for battlefield applications and civilian applications, such as fighting forest fires.

Kenny Blemel has been a PACA member for about a year and a half. He values his membership because it helps him get the word out on MSI. PACA also provides Kenny with introductions to potential teaming partners. He is currently working on a degree in entrepreneurial studies from the University of New Mexico.

MSI plans to expand its private sector business. This requires finding commercial customers for its products. The company hopes to manufacture commercial products in quantity.

In 2004 and 2006, DAWNBREAKER®, a Rochester, N.Y. based commercialization company, selected MSI to receive the Outstanding Phase III Transition Award. Recipients of this award are small businesses who have reported additional funding or increased sales in excess of \$1 million within 18 months of completing the Navy's Transition Assistance program.

In recognizing MSI for the 2006 award, DAWNBREAKER



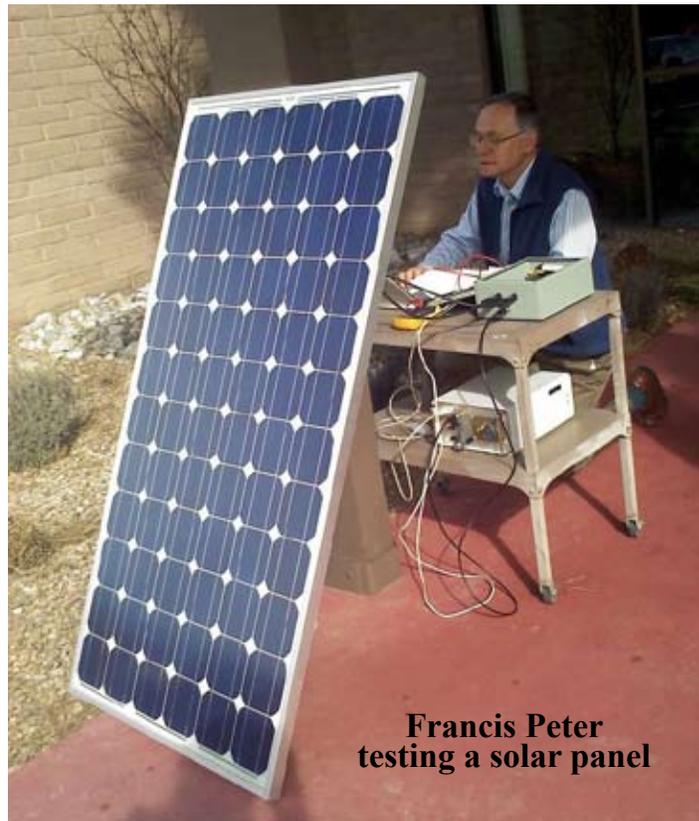
*continued on following page*

## Management Sciences, Inc. *continued*

recited how the Navy's Joint Strike Fighter program was keenly interested in ambiguity reduction for maintenance and repair activities. Wanting maintenance and repair technicians to know exactly where to go to fix a problem without having to search for it, the Navy looked for an automated way to communicate to the technician exactly where and what the problem was so it could be repaired in a minimal amount of time. MSI provided the solution to the Navy's costly problem with their Smart Wiring System. This system enables sensors to be mounted on engines, motors, and wiring harnesses to monitor component and system performance. Although this technology was originally designed for the Joint Strike Fighter, existing Navy aircraft such as the F/A-18 and Army vehicles like the Humvee and Stryker, also have need of MSI's solution.

The New Mexico Technology Flying Forty Awards annually recognize the 40 fastest growing technology companies headquartered in New Mexico. MSI is proud to have received Flying Forty awards each year from 1999 to 2004 and again in 2009 and 2011.

Additional information about MSI can be found at [www.mgtsciences.com](http://www.mgtsciences.com). •



**Francis Peter  
testing a solar panel**

## NM Economic Development Department Office of Business Advocacy Initiative Wants to Help

*By Brent M. Eastwood, Ph.D.*

The Office of Business Advocacy (OBA), a direct initiative from New Mexico Governor Susana Martinez and Jon Barela, Secretary-Designate, was launched on January 10, 2011 by the New Mexico Economic Development Department (NMEDD).

At times your business may encounter a roadblock in dealing with state government. Have you and your business applied for a state permit and not heard back on the status of your application? Do you have a state license pending for your business and you need an update on its status?

If your company has a business issue with New Mexico State Government, the OBA is here to help. We have three Business Advocacy Case Workers on staff. After hearing your issue, we will assign your business a case and file number, and your case will be assigned to a Business Advocate.

Your case will be solved as quickly as possible. We have intergovernmental affairs experts who have decades of experience with constituent services in state government. Our Business Advocates will speak to you directly and will work to research each issue and schedule any meetings required. You will not be left alone wondering what has become of your case. Our Business Advocates will continue to work with you until your case is resolved.

As a division of NMEDD, the Office of Business Advocacy:

- Advances New Mexico business and enterprise with tools to expand, grow, and retain employers.
- Enables business owners to break through regulatory road-

blocks and red tape.

- Helps to navigate state government by providing assistance with permitting licenses, inspections, taxation, and customized research reports.
- Resolves challenging bureaucratic, intergovernmental, and public policy problems adversely affecting business in New Mexico.

Under the direction of Brent Eastwood, Director, and a staff of two Business Advocates, the OBA formed many of the key strategic partnerships needed to support a core mission to advance New Mexico business by resolving challenging regulatory and public policy issues that hinder business growth.

The initiative boasts key strategic partnerships with the Small Business Development Center Network and its 19 offices. The initiative also works with Finance New Mexico, the Small Business Investment Corporation, the Federal Small Business Administration, the Economic Development Department's Regional Representatives, statewide Economic Development Offices, and many more business resource entities across the state.

Client referrals are received from the Governor's Office, the Lieutenant Governor's Office and the New Mexico Legislature, as well as city and county governments across the state.

For more information on the Office of Business Advocacy or to report a case with us, visit the NMEDD web site at [www.NM-forBusiness.com](http://www.NM-forBusiness.com), call 505-827-2486, or e-mail us at [business.advocacy@state.nm.us](mailto:business.advocacy@state.nm.us). •

## Upcoming Luncheon Speakers

- **June 21st – Jeffrey J. Olinger, Technical Advisor to the Commander, Air Force Operational Test and Evaluation Center, Kirtland Air Force Base**



Mr. Olinger advises the Commander and senior staff on strategic resources planning; new and innovative operational test and evaluation methodology; and evaluation of very complex systems. He represents the Commander on high level technical groups and committees composed of personnel from the DOD and industry. His current duties focus on assuring the technical adequacy, credibility, and sufficiency of AFO-

TEC test programs.

Mr. Olinger began his government career in 1977 as a graduate of the U.S. Air Force Academy. He served 30 years active duty service that included time as a command pilot with more than 4,000 flying hours in such aircraft as the HC/MC-130, T-37, T-38, and C-12.

As the senior technical representative at AFOTEC, Mr. Olinger provides strategic and technical advice to the Commander on test and evaluation issues related to Center policies, processes, and products. He verifies that critical testing issues are well defined and confirms that the Center's processes are appropriate to address technical adequacy in test concepts, plans, and reports. Mr. Olinger also provides guidance to headquarters and detachment technical advisors.

- **July 19th – Lind S. Gee, Geophysicist and Scientist and in Charge of U.S. Geological Survey, Albuquerque Seismological Lab**



Dr. Gee has been in charge of leading the U.S. USGS component of the Global Seismographic Network since 2005. It is the backbone network of the Advanced National Seismic System (ANSS), and the ANSS regional depot.

She also serves on the Adjunct Faculty at the University of New Mexico. Prior to re-locating to New Mexico, she was the Academic Co-

ordinator at the University of California at Berkeley.

Dr. Gee holds a Ph.D. in Geophysics from the Massachusetts Institute of Technology, and an A.B. in Geology, *Magna Cum Laude*, from Harvard-Radcliffe College.

She currently sits on the Global Seismographic Network Standing Committee. Among her many recognitions is the 2006 USGS Shoemaker Award for External Communications Print Product.

Dr. Gee is the author or co-author of over 35 publications regarding international seismic research, monitoring, and analysis.

- **August 15-17 – The 2011 Briefing for Industry (there will be no luncheon meeting).**

Please check the BFI website at <http://bfi.pacanm.org> regularly for updated speaker and other program information.

We meet the 3<sup>rd</sup> Tuesday of each month *generally* at the Mountainview Club (located on Club Road on the east side of Kirtland Air Force Base). Registration begins at 11:30 a.m. followed by lunch at noon. Members are admitted free and the guest fee is \$15. (As the board is considering other venues, please pay particular attention to the meeting location when you receive your e-mail reminder to RSVP.)

To RSVP, register online at [www.pacanm.org](http://www.pacanm.org). Include your name, guest's name, and menu selection. Please RSVP by noon on the Friday before the week of the meeting.

If the meeting is at the Mountainview Club and 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. •

## PACA Luncheon Sponsorship Opportunities

The Board of Directors has launched a pilot program for the mutual benefit of the organization and the membership. PACA members may sponsor a luncheon and receive the benefits listed below. Sponsorship provides an excellent opportunity to showcase your business.

If you are interested in taking advantage of this new program, contact Maran Vedamanikam at 797-3042 or Ro Saavedra at 830-2345.

### Bronze Sponsors \$100

- Display booth at Luncheon (table stand only)
- President will publicly thank your company at Luncheon
- PACA will host a company representative at Luncheon

### Silver Sponsors \$250

- Display booth at Luncheon (table stand only)
- President will publicly thank your company at Luncheon
- PACA will host a company representative at Luncheon
- Your Company may post banner at Luncheon

### Gold Sponsors \$500

- Display booth at Luncheon (table stand only)
- President will publicly thank your company at Luncheon
- PACA will host a company representative at Luncheon
- Your Company may post banner at Luncheon
- Five minute presentation about your company at Luncheon
- Your company-provided information highlighted on PACA's website
- Advertisement in PACA Pulse
- Sit at head table with guest speaker

**There will be a maximum of two Sponsors per monthly lunch. •**

# Legal Insights: Contractor Awarded Equitable Adjustment for Actual Increase in Wage Rates

By Ross Crown

Late last year the Civilian Board of Contract Appeals awarded a construction contractor an equitable adjustment for a wage rate increase in *W.G. Yates & Sons Construction Company v. General Services Administration*, CBCA No. 1495 (Dec. 21, 2010). The most significant aspect of this decision is that the Board permitted the adjustment to be calculated based on actual rather than estimated labor hours under a fixed price contract. Also noteworthy was the Board's granting recovery of overhead and profit on the increased labor costs.

In 2005, Yates was awarded a fixed price construction contract to build the FBI field office in Houston, Texas for \$54 million. Yates, in turn, awarded a fixed price subcontract for the electrical work to KenMor Electrical Company. The prime contract required the contractors to pay applicable Davis-Bacon Act wages.

Prior to contract award, the Department of Labor issued a revised wage rate determination increasing the minimum wage for electricians. The revised wage rate determination was mistakenly not incorporated into the contract awarded to Yates.

During the course of performing the contract, the GSA conducted an audit and found the revised wage rate determination should have been part of the contract. This oversight was corrected and the revised wage rate determination was added to the contract by means of a bilateral modification. The contracting officer and Yates agreed that a separate modification would be issued to address any cost changes resulting from a new wage determination. The contracting officer then asked Yates to submit a proposal for both the past and future cost impact of the wage determination. Yates submitted a written proposal for the total cost impact of the new determination.

Under the Davis-Bacon Act, federal contracts in excess of \$2,000 for the construction, alteration, or repair of public buildings must provide for payment of wages of no less than the prevailing (i.e. union) wage rate as determined by the Secretary of Labor. The FAR contemplates that the prevailing wage rate in effect at the time of contract award be included in construction contracts. There is no requirement that subsequent revisions of wage determinations be made applicable to the contract. The Government is authorized and expected, however, to correct erroneous wage rates that are included in awarded contracts.

The GSA audited the Yates proposal and determined that it would pay for the new wage determination using estimated labor hours rather than the actual labor hours incurred. Yates

and KenMor insisted that the equitable adjustment should be based on actual labor hours. Although KenMor offered to provide the auditors with its actual hours and costs, the GSA declined to audit this information, reasoning that under its approach, actual hours and costs had no bearing on the proper price adjustment.



The contracting officer issued a decision providing that the Government would pay the equitable adjustment based on estimated labor hours. Her rationale was that had there been no revised wage determination, the Government would have paid for labor hours based on an estimated figure. If Yates or its subcontractors had actually performed the work in fewer hours than proposed, they would benefit from performing efficiently. Conversely, if Yates or its subcontractors expended

more hours than proposed, they would bear the cost of doing the work less efficiently.

The contracting officer also denied Yates' request for indirect costs and profit on the wage increase based on FAR 52.222.32 which precludes indirect costs and profit on Davis-Bacon price adjustments. The contracting officer had to concede this clause was not included in the contract, but she said it should have been.

Because the revised wage determination had the greatest impact on electrical work, Yates submitted to the Board a certified pass-through claim on behalf of KenMor. Seeking an adjustment attributable to the wage rate increase, the claim amount consisted of the increased cost of actual hours worked up to that point plus projected hours to project completion. The claim also sought recovery of indirect costs and profit.

On appeal, the Board recited that the issue to be decided was the method for calculating a price adjustment to the contract that appropriately accounts for the impact of the increased wage determination. Yates argued that the price adjustment should be calculated based on increased costs incurred with respect to all actual labor hours worked and should include indirect costs and profit. The Government contended that it had already fully compensated Yates for the cost impact of the increase of the wage rate because the price adjustment had to be based on the labor hours estimated by KenMor in its bid. In addition, the Government contended that indirect costs and profit are not permitted in calculating an adjustment for changes to the Davis-Bacon minimum wage.

In rendering its decision, the Board noted that the Changes clause incorporated into the contract provides for an equitable adjustment if any change causes an increase or decrease in the contractor's cost of, or the time required

*continued on following page*

---

## Legal Insights *continued*

for, the performance of any part of the work. In other words, this adjustment should reflect the difference between the reasonable cost of performing without the change and the reasonable cost of performing with the change.

The Board then reached its primary holding in this case. Despite the fact that the Yates contract was a fixed price contract, the Board ruled that where a contractor has established its actual costs and correlated them to a particular modification of the contract, it is error to disallow, increase, or otherwise adjust those costs in absence of specific evidence. Yates was thus permitted to recover the wage differential for all hours actually worked.

The Board also decided to include an award of indirect costs and profit in the equitable adjustment. It noted that under the Changes clause, these costs are routinely added to actual costs incurred to make the contractor whole. Although the Board acknowledged that a FAR clause excludes these costs from Davis-Bacon wage adjustments, this clause was not incorporated into the Yates contract. Since it was not disputed that the modification increased the direct wage and fringe benefit cost of performing the contract, under FAR Part 31 cost principles, those direct costs must bear their pro rata share of indirect costs.

Further supporting its award of indirect costs and profit, the Board noted that the argument for excluding such costs assumes that these costs never increase with an increase in wage and fringe benefit rates; and that an increase in wage and fringe benefit rates has no effect on the contractor's risk, cost of financing, or other factors normally compensated by profit. Here, the GSA did not make such a showing and it could not do so because the auditors refused to audit on the basis of actual hours and indirect costs incurred by KenMor.

The Board concluded that Yates presented credible evidence of the hours it incurred in performing the work and

the actual cost of the wage differential it sought as an equitable adjustment. The contracting officer testified she had no basis to question Yates' calculation of hours and costs. Accordingly, the Board found Yates met its burden to prove the quantum it was owed. The appeal was granted and Yates received an equitable adjustment of \$550,000.

This was a great result for Yates and KenMor. They expended more hours performing their fixed price contract than estimated at the time of contract award. Despite this overrun in anticipated labor costs, the contractors recovered the wage differential on all labor hours because the GSA mistakenly failed to include the current wage determination in the prime contract.

Yates and KenMor were not just lucky, however. These contractors also made their own luck. Two factors for which the contractors were responsible stand out as keys to the successful outcome of this appeal. The first is KenMor's decision to offer to the GSA for audit its actual labor hour and cost records supporting the request for an equitable adjustment. Not only was this the right decision, KenMor was able to make this decision because it had apparently maintained records of sufficient quality that it could offer these records for audit to the Government. Second, the contractors clearly knew well the terms of the prime contract and specifically what clauses were and were not included. Other contractors laying the foundation for claims against the Government can profit from the example of this case. •

---

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.

---

## PACA's Support of Engineering Students is Appreciated

C. Randall Truman, Professor of Mechanical Engineering at the University of New Mexico, extends his gratitude for PACA's support of UNM's American Institute of Aeronautics and Astronautics (AIAA) Student Branch. PACA contributed funds toward travel expenses for engineering students to attend the AIAA Regional Student Conference held April 29 through May 1 at the University of Texas in Arlington.

Undergraduate and graduate students from eight universities presented research papers and design project reports. UNM was represented by three students presenting papers (two undergraduates and one graduate), the largest number from UNM in several years.

PACA was recognized as a sponsor in the conference publicity and program.

Professor Truman also invites PACA members to speak

at one of the student branch meetings during the 2011-12 academic year. Anyone interested in speaking to engineering students should contact him at **277-6296** or **truman@unm.edu**. •



The University of New Mexico

DEPARTMENT OF MECHANICAL ENGINEERING



**Your Mission is Our Business**

## **CHENEGA AEROSPACE:** *Strong support for the Air Force mission.*

- ◆ Dedication and commitment to the Air Force strategic plans and vision
- ◆ Aligned values of integrity, excellence and service
- ◆ Proven financial and organizational stability
- ◆ DCAA-approved accounting system and compensation structure
- ◆ Sustained zero-incident safety and security record
- ◆ Proven subject matter experts and professionals
- ◆ The ability to mobilize staff quickly (surge) to meet contingencies or project expansions
- ◆ Experienced in continuous process improvement
- ◆ An ISO 9001:2008 certified Quality Management System (QMS) for a disciplined yet flexible approach to business controls
- ◆ A solid history of successful past performance on federal contracts providing project management, information technology support, records management, and technical services to federal programs
  - ◆ Depth of expertise
  - ◆ Breadth of experience
  - ◆ Precision execution
  - ◆ Leadership – pure & simple
  - ◆ Direct, decisive solutions
  - ◆ Innovative, creative flexibility
  - ◆ Quality Systems Management
  - ◆ Continuous Process Improvement
  - ◆ Cost-conscious, cost efficient

### **CORE COMPETENCIES**

- ◆ Administrative and Facility Support
- ◆ Business Operations Services
- ◆ Training Management
- ◆ Information Technology
- ◆ Logistics Support
- ◆ Aircraft Maintenance
- ◆ Aerospace Engineering
- ◆ Simulator Operations & Maintenance

*2470 Saint Rose Parkway, Suite 204  
Henderson, NV 89074*

*Main: 702.260.0592 Fax: 702.260.1432  
[www.chenegaerospace.com](http://www.chenegaerospace.com)*

# PACA Legislative Session 2011 Report

By M. Brian Barnett, PACA Legislative Liaison

The New Mexico legislative session was held January 18 through March 19, 2011 at the Roundhouse in Santa Fe. This was Governor Susanna Martinez' first session as governor.

This was a challenging session due to the State's \$500 million budget deficit. Therefore, hardly any new spending programs were signed by the Governor, and many State agencies had their budgets cut. As an example, the Spaceport budget was reduced from \$1.1 million in fiscal year 2011 to \$500,000 in fiscal year 2012 that begins July 1, 2011.

New Mexico's government fiscal outlook is expected to improve into the foreseeable future. A special legislative session

is scheduled for September 2011 where redistricting and other emerging issues are to be dealt with.

Veterans and aerospace related Bills introduced in the Legislature are listed in the table below. Legislative and Governor actions for each bill are also shown. Bills passed by both the House (H) and Senate (S) need to be signed by the Governor to become law. Pocket Veto means no action was taken and the bill dies.

PACA members are encouraged to visit the Bill Locator website at <http://www.nmlegis.gov/lcs/BillFinder.aspx> to read full content of each bill and see the final results in detail. •

<b>Bill Number &amp; Name</b>	<b>Legislative Action</b>	<b>Governor Action</b>
HB 15 DISPOSITION OF REMAINS FOR MILITARY PERSONNEL	PASSED/H (59-0) PASSED/S (33-0)	Signed
HB 89 VETERAN-OWNED BUSINESS GROSS RECEIPTS	Died in committee	
HB 122 VETERANS' ENTERPRISE FUND	PASSED/H (67-0) PASSED/S (33-0)	Signed
HB 132 ROTC AS PHYSICAL EDUCATION REQUIREMENT	Died in committee	
HB 153 RESERVE OFFICER ACT	PASSED/H (44-22); Died in Senate committee	
HB 180 MILITARY DISCOUNT FOR GAME & FISH LICENSES	PASSED/H (67-0) PASSED/S (36-0)	Signed
HB 181 REMOVE CERTAIN SERVICE MEMBERS FROM JURY LIST	PASSED/H (64-0) PASSED/S (39-0)	Signed
HB 235 CREATE VETERANS' NATIONAL CEMETERY FUND	PASSED/H (67-0) PASSED/S (37-0)	Signed
HB 239 VETERAN EMPLOYMENT TAX CREDIT	PASSED/H (55-7); Died in Senate committee	
HB 265 MILITARY RETIREMENT INCOME TAX EXEMPTION	Died in committee	
HB 273 SMALL BUSINESS TAX CREDIT ELIGIBILITY PERIOD	PASSED/H (67-0); PASSED/S (34-0)	Signed
HB 290 SMALL BUSINESS DEVELOPMENT BANK ACT	Died in committee	
HB 304 ANGEL INVESTMENT TAX CREDIT EXTENSION	PASSED/H (64-2); Died in Senate committee	
HB 317 "SPACE FLIGHT ENTITY" DEFINITION EXPANSION	Died in committee	

*continued on following page*

---

## Legislative Report *continued*

HB 397	STATE AIRCRAFT TO TRANSPORTATION DEPT.	Died in committee	
HB 437	VETERANS' PROPERTY TAX EXEMPTION	PASSED/H (66-0); PASSED/S (36-1)	Signed
HB 438	CREATE MILITARY WAR VETERAN SCHOLARSHIP FUND	PASSED/H (66-0) [37]; Died in Senate committee	
HB 522	CREDITOR CLAIMS TO SOME VETERAN PAYMENTS	Died in committee	
HB 581	SELF-EMPLOYED GROSS RECEIPTS TAX DEDUCTION	Died in committee	
HJM 1	ALLOW CERTAIN PAYMENTS TO MILITARY WIDOWS	PASSED/H (54-0); PASSED/S (28-0)	Signed
HJM 44	FT. STANTON CEMETERY VETERAN BURIALS	PASSED/H (65-0); Died in committee	
HJM 47	LOW-ALTITUDE MILITARY FLIGHT IMPACT STATEMENT	Died in committee	
SB 46	EXTEND JET FUEL GROSS RECEIPTS DEDUCTION	Died in committee	
SB 84	JET FUEL GROSS RECEIPTS CREDIT	PASSED/S (37-0); PASSED/H (63-1)	Signed
SB 149	VETERAN-OWNED BUSINESS PREFERENCE	Died in committee	
SB 160	MILITARY CONSTRUCTION SERVICE GROSS RECEIPTS	Died in committee	
SB 174	RESERVE OFFICER ACT	Died in committee	
SB 194	REPEAL VENTURE CAPITAL INVESTMENT ACT	PASSED/S (37-0); Died in House committee	
SB 435	SPACE FLIGHT ENTITY LIMITED LIABILITY	Died in committee	
SM 25	HONOR OFFICERS AND CREW OF USS NEW MEXICO	PASSED/S (43-0)	Signed
SM 17	NUCLEAR WEAPONS DISMANTLE AT KIRTLAND AFB	Died in committee	
SB 218	SEVERANCE TAX BOND PROJECTS CAPITAL OUTLAY BILL	PASSED/S (40-1); PASSED/H (34-18)	Did not reach desk.