



PACA Pulse

FALL 2008

PROFESSIONAL AEROSPACE CONTRACTORS ASSOCIATION OF NEW MEXICO

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President's Corner

By *Maran Vedamanikam*

Happy Thanksgiving PACA members! I would like to share some thoughts about Thanksgiving. From our youth, most of us are surrounded by worry—from grades in school to possible sports failures.

Worrying comes naturally: job interviews, approaching deadlines, shrinking budgets, bills, expenses, rising gas prices and endless taxes. We even worry about having a perfect home for “company,” and within seconds of our guests’ arrival, the house is turned upside down and no one noticed. Worry comes in the form of first impressions, political correctness, identity theft, contagious infection, heart health, 9/11, the collapsing economy, and the list goes on.

Over the span of a lifetime, worrying accounts for hours and hours of valuable time that you can never get back. Personally, in spite of all the worry, I am still alive and well and all my bills are paid.

Worrying actually steals your dreams and hope. These dreams and hope are what drives us to excel and prosper and accomplish greatness. Worry can also destroy relationships. Worry is destructive. Worrying is easy because it comes naturally (it does not need education).

Giving thanks on the other hand is a learned act. We need to work hard to be

thankful. It takes good character to be thankful and appreciative. Giving thanks changes our mind set. Giving thanks helps us to have a positive attitude, which results in a healthy heart and also wards off depression. Giving thanks gives us a gratefulness that helps us to overcome trials and discouragement. Giving thanks to God actually protects our heart from anxiety and stress by giving us deep peace (Philippians 4:6-7 and Colossians 3:15). Even a little thankfulness helps us to realize that all is not lost and a little hope can give us the extra strength to continue on and change things, thus conquering instead of just surviving.

Please have a Happy Thanksgiving and let us give thanks to God almighty for our family, nation and our soldiers and their families. •



Welcome NEW Members

Sam McCraw
Integrity Applications Incorporated
www.integrity-apps.com

Jerry Magee (Bloomfield)
Cranes & Material Handling, Inc.
www.cranesmaterial.com

Jerry Rawlinson (Las Cruces)
Quantum Research International
www.quantum-intl.com

Bill Walters
LDD Consulting
ABA Creative Web Services
www.abacreativeweb.com

PACA Profile: MCR, LLC

Another outstanding company represented in PACA is MCR, LLC. MCR is a national technical services company leading the way in Integrated Program Management support to the government and industry. Founded in 1977, MCR has over 500 employees nationwide. MCR is headquartered in McLean, Virginia and maintains several offices nationwide, including one here in Albuquerque. In addition, MCR provides services from many other worksites across the U.S. and one in Belgium.

The company's services fall into four broad categories: Strategic Planning, Cost and Schedule Analysis, Acquisition Management, and Program Assessment. These services are applied in several domains, including Defense, Energy, Environmental, Information Management, Construction, Transportation and Space.



MCR has provided high-quality Integrated Program Management solutions to a variety of federal clients. Among these are the Office of Management and Budget, Office of the Secretary of Defense, Air Force, Army, Navy and Marine Corps, Missile Defense Agency, National Aeronautics and Space Administration, Federal Aviation Administration, Department of Energy, General Services Administration, Department of Homeland Security and U.S. Intelligence Community.

The commercial arm of the company, MCR Technologies, provides acquisition management support to industry. Reduction in Total Ownership Costs Plans, Independent Cost Estimates, Cost Analysis Requirements Descriptions, and DFAR-acceptable Estimating and Pricing Systems are but a few of the services provided. MCR's commercial customers include major U.S. corporations such as Lockheed Martin, Boeing, Raytheon, Northrop Grumman, ATT Government Services and L-3 Communications. They also include international organizations such as the European Space Agency, Daimler Benz, Deutsche Telekom and the UK Defence Science and Technology Laboratory.

MCR's success with their customers is based on comprehensive and credible analytical processes, strategies, and tools supported by a professional staff of highly skilled experts. An integral part of MCR's expertise is found in the MCR Training Institute. This internal organization provides a wide variety of courses to staff and customers. The courses cover the full spectrum of Integrated Program Management and are delivered as seminars, formal courses, or workshops — depending on the need. They are taught by a staff of experts who average more than 25 years of direct experience in their fields.

MCR is represented in PACA by **Steve Hogan**, who is Director of Air Force Test and Logistics programs. Steve manages the Albuquerque office along with Rich Krett, Director of Energy and Environmental programs. The Albuquerque office, located on Indian School at San Pedro, is essentially the former Terradigm, Inc. Terradigm was acquired

by MCR in 2006 in an effort to expand MCR's capabilities in the test, energy and environmental domains. Approximately 40 employees work in the Albuquerque office.

Steve is a graduate of the Air Force Academy. He holds a Bachelors Degree in Mechanical Engineering and a Masters in Computer Resource Management from Webster University. He served on active duty in the Air Force for 10 years and devoted another 20 years to reserve duty. Steve retired from the Air Force as a full colonel. He is a member of the Board of Directors of the New Mexico Veterans' Memorial and chair of its Finance Committee.



Steve has been a PACA member for many years. He believes the main benefit of PACA is the opportunity it offers to network with local industry leaders. He also participates in the annual Briefing for Industry, enjoys the camaraderie of PACA, and finds our speakers informative and helpful.

MCR's work in Albuquerque primarily consists of two sets of services. One of these is formal project management provided to AFOTEC. These services are performed under two major contracts, a project management contract directly with AFOTEC and as part of general management support under a subcontract with an 8(a) prime contractor. Most of MCR's project management work in Albuquerque is in the core competency area of Program Assessment. Functioning largely in an advisory capacity, MCR works with military, civilians and contractors to ensure AFOTEC's test programs are properly structured, resourced and executed for on-time completion.

MCR's second set of services in Albuquerque is information management support to the National Nuclear Security Administration (NNSA) under the Department of Energy. One key project includes developing software for managing NNSA assets throughout the United States. MCR also develops and maintains software for tracking and executing budgets on projects throughout DOE.

MCR's business objectives in Albuquerque are to grow its office here and expand its services to the Air Force, especially in the realm of space systems development testing and information management. MCR is looking to team with small businesses to help accomplish these objectives.

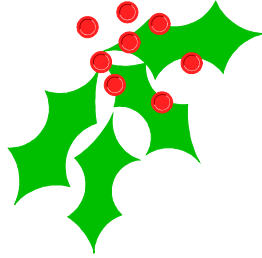
Additional information about MCR can be found at www.mcricom.com.



PACA Luncheon Speakers

December 5, 2008 (Friday)

Holiday Luncheon
11:10 am to 2:00 pm
Tanoan Country Club
10801 Academy Road NE



There will be no speaker for this festive holiday luncheon. It is a members-only event.

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 free and non-member/guests are \$15.

To RSVP, E-mail paca@ngc.com or call the PACA hotline at 842-8911, ext. 333. 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 do not have access to KAFB, please include a request for a base pass (to the Wyoming gate) with your luncheon order. •

2009 meeting dates:

January 20	July 21
February 17	August 17-19, BFI
March 17	September 15
April 21	October 20
May 19	November 17
June 16	December Holiday Luncheon ~ Date TBA

Connections

By Stacy Sacco

Following are some of the many groups PACA members connect to in the local aerospace industry. Let us know if you need an introduction!

- **Armed Forces Communications and Electronics Association**
www.afcea.org
~ Albuquerque Chapter, www.abq-afcea.org
- **National Society of Professional Engineers**
www.nspe.org
- **New Mexico Society of Professional Engineers**
www.nmspe.org
- **Society of American Military Engineers**
www.same.org
~ Albuquerque Post
<http://posts.same.org/abq>
- **Society of Manufacturing Engineers**
www.sme.org
~ Albuquerque Chapter 93,
<http://chapters.sme.org/093/homepage.htm> •



Membership

PACA membership annual dues are \$150*. The fiscal year runs from April 1, 2009 to March 31, 2010. Mid-year applications will be pro-rated. You may apply on-line at www.paca.org.

For more information, contact Stacy Sacco, Membership Chair, at (505) 254-4329 or marketing@kirtlandfcu.org.

* Dues are subject to change.

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! •

Legal Insights: The Clean Contracting Act of 2008

By Ross Crown

On October 14, 2008, President George W. Bush signed into law the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009. In what may be a foreshadowing of increased oversight of federal contracting by the new Congress and incoming administration, the Act contains several provisions aimed at increasing competition and exercising greater control of contractors. Subtitle G of the Act is known as the "Clean Contracting Act of 2008." Many of the requirements in this subtitle first appeared in Representative Henry Waxman's (D-Calif.) bill of the same name.

The provisions of the Clean Contracting Act include the following:

Noncompetitive Contracts

Section 862 of the Act imposes a limit on the length of certain noncompetitive contracts. The term of a contract that is procured by an agency using other than competitive procedures where only one source or one practical source is available may not exceed the time necessary to meet the unusual and compelling requirements of the work. As soon as these unusual requirements are addressed, the agency is expected to enter into another contract for the required goods or services through use of competitive procedures. The length of a noncompetitive contract may not exceed one year unless the agency determines that exceptional circumstances apply.

Cost-Reimbursement Contracts

Section 864 of the Act imposes limitations on the use of cost-reimbursement contracts. The FAR is required to be revised to include guidance regarding (1) when and under what circumstances cost-reimbursement contracts are appropriate; (2) the acquisition plan findings necessary to support a decision to use cost-reimbursement contracts; and (3) the acquisition work force resources necessary to award and manage cost-reimbursement contracts.

Interagency Contracts

Section 865 of the Act seeks to prevent abuse of interagency contracts. The Office of Management and Budget (OMB) is instructed to submit to Congress a comprehensive report on interagency acquisitions, including frequency of use, management controls, cost-effectiveness and savings generated. The OMB also must issue guidelines to assist agencies in improving management of interagency acquisitions. These guidelines shall include procedures for use of interagency acquisitions to maximize competition, deliver best value to agencies and minimize waste, fraud and abuse. In addition, they shall identify categories of contracts inappropriate for interagency acquisition. The FAR is to be revised to require that all interagency acquisitions include (1) a written agreement between the requesting agency and the servicing agency assigning responsibility for administration and management of the contract; (2) a determination that an interagency acquisition is the best procurement alternative;

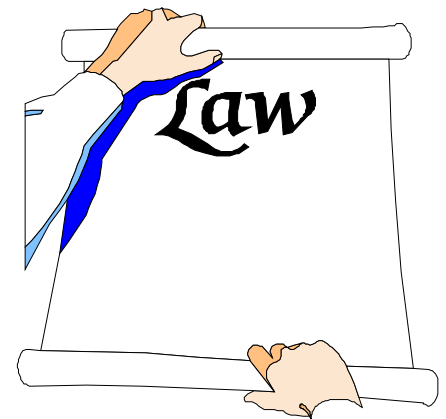
and (3) sufficient documentation to ensure an adequate audit.

Tiering of Subcontractors

Section 866 of the Act requires the FAR be amended to minimize the excessive use by contractors of subcontractors, or tiers of subcontractors, that add no or negligible value and to ensure that neither a contractor nor a subcontractor receives indirect costs or profit on work performed by a lower-tier subcontractor to which the higher-tier contractor or subcontractor adds no or negligible value. This section applies to any cost-reimbursement type contract or task or delivery order in an amount greater than the simplified acquisition threshold. The Department of Defense is already subject to similar requirements.

Incentive Fees

Section 867 of the Act requires the FAR be amended to better oversee award of incentive fees. Agencies other than DOD must (1) ensure that all new contracts using incentive fees link such fees to acquisition outcomes; (2) establish standards for identifying the appropriate level of officials authorized to approve the use of incentive fees; (3) establish standards for determining the percentage of the available incentive fee, if any, which contractors should be paid for performance judged to be, e.g., "excellent," "superior," "acceptable," or "satisfactory;" and (4) ensure that no incentive fee is paid for contractor performance that is judged below satisfactory performance.



Commercial Services Items

Section 868 of the Act seeks to minimize abuse of commercial services item authority. The FAR will be amended to recite that services that are not offered and sold competitively in substantial quantities in the commercial marketplace, but are of a type offered and sold competitively in substantial quantities in the commercial marketplace, may be treated as commercial items only if the contracting officer determines in writing that the offeror has submitted sufficient information to evaluate, through price analysis, the reasonableness of the price for such services. The contracting officer will be given authority to request offerors to submit the pricing information necessary to perform these evaluations.

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Legal Insights *continued*

Database

Section 872 of the Act requires the OMB to establish and maintain a database of information regarding the integrity and performance of certain persons awarded federal contracts and grants. The database shall cover adverse results realized over the past five years by prospective contractors in criminal, civil and administrative proceedings.

The database shall be made available to federal agencies. Before awarding a contract or grant in excess of the simplified acquisition threshold, agencies shall review the database and consider all information in the database with regard to any offer or proposal.

What Next?

In light of campaign rhetoric this fall about alleged abuses in federal contracting, the Clean Contracting Act is likely only the beginning of new legislation aimed at curbing such practices. Contractors doing business with the federal government must be prepared for a more competitive and regulated environment. •

Ross is a partner with 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.

2009 Industry Conferences

January 5-9, 47th AIAA Aerospace Sciences Meeting including The New Horizons Forum and Aerospace Exposition, Orlando World Center Marriott, Orlando, Florida. Hosted by the American Institute of Aeronautics and Astronautics, www.aiaa.org

February 17-18, uv.eb WEST Conference 2009, Sheraton Gateway Hotel at LAX, Los Angeles, California. Hosted by RADTECH the Association for UV & EB Technology, www.radtech.org and www.uvebwest.com

March 9-12, 23rd Annual Reservation Economic Summit & American Indian Business Trade Fair, Las Vegas Hilton, Las Vegas, Nevada. Hosted by the National Center for American Indian Enterprise Development, www.ncaied.org

March 30 – April 2, 25th National Space Symposium, Broadmoor Hotel, Colorado Springs, Colorado. Hosted by the Space Foundation, www.nationalspacesymposium.org

April 1-2, Quality New Mexico Conference & New Mexico Quality Awards Ceremony. Location TBA. Hosted by Quality New Mexico, www.qualitynewmexico.org

April 6-10, Directed Energy Systems Symposium, Monterey, California. Facility TBA. Hosted by the Directed Energy Professional Society and Co-Sponsored by the High Energy Laser Joint Technology Office, www.deps.org/DEPSpages/DESystemsSymposium09.html •

April 21-23, 2009 Small Business Outreach Event, “Gateway to Government Contracting,” Antlers Hilton, Colorado Springs, Colorado. Hosted by various agencies: AFRL, AFSBSC, AFSPC, SBA, Colorado Springs Chamber of Commerce, SMDC/Army Forces Strategic Command, and others, www.onlinestorefront.com/sboutreach2008/index.htm*

May 16, Annual Armed Forces Day Banquet, 6:00 pm Reception, 7:00 pm Awards Dinner. Location TBD. Hosted by the Greater Albuquerque Chamber of Commerce, www.abqchamber.com

May 17, New Mexico Small Business Week 2009 Awards, location TBD. Hosted by the SBA, www.sba.gov/idc/groups/public/documents/nm_albuquerque/nm_2009sbw_info.pdf *

June 29-July 2, 22nd Solid State and Diode Laser Technology Review and the Ultrashort Pulse Laser Workshop, Newton, Massachusetts. Facility TBA. Hosted by the Directed Energy Professional Society, www.deps.org

August 10-13, Directed Energy Test and Evaluation Conference, Albuquerque, New Mexico. Co-hosted by the Directed Energy Professional Society, www.deps.org, and the International Test and Evaluation Association, www.itea.org

August 10-13, 23rd Annual AIAA/USU Conference on Small Satellites, Utah State University, Logan, Utah. Hosted by the American Institute of Aeronautics and Astronautics, www.aiaa.org, and the Utah State University, www.smallsat.org

August 11-14, DOE 10th Annual Small Business Conference, Long Beach, California. Co-hosted by the U.S. DOE, its Prime Contractors and Co-Sponsor: the New Mexico 8(a) & Minority Business Association, www.bechteljacobs.com/info/supplieradvocate/flyers/10thSBC.pdf

August 17-19, 2009 Briefing for Industry (BFI), Albuquerque, New Mexico. BFI is the premier regional conference for strategic insights and new business opportunities including presentations by the AFRL, DOD, DOE and NASA. Location TBD

TBD, **8th Annual Contractors’ Showcase, Kirtland Air Force Base***

TBD, **6th Annual “Building Partnerships for the 21st Century” Small Business Conference**, Matchmaking & Trade Fair Expo, Albuquerque Convention Center, Albuquerque, New Mexico*

* Additional information on these events can be obtained from: Joan Fulkerson, Director of Small Business Programs, AFRL/KAFB, 2000 Wyoming Blvd SE, Building 20604, Kirtland Air Force Base, NM 87117. You may also reach Joan at (505) 846-8515 or joan.fulkerson@kirtland.af.mil. •