



PACA Pulse

WINTER 2009

PROFESSIONAL AEROSPACE CONTRACTORS ASSOCIATION OF NEW MEXICO

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

BOARD OF DIRECTORS

Maran Vedamanikam
President
797.3042

Phil Vitale
Vice President
270.3936

Burke Nelson
Secretary
944.2126

Virginia Buckmelter
Treasurer
254.3700

Fred Jonas
Immediate Past President
323.9836

Dick Trask
Program Officer
294.4399

Bill Miera
Small Business Officer
255.9797

PULSE EDITOR

Ross Crown
764.5402
RCrown@LRLaw.com

UNDERWRITER

**LEWIS
AND
ROCA
LLP
LAWYERS**

Good News About Kirtland Air Force Base!

By Stuart Purviance, Executive Director, Kirtland Partnership Committee

The good news is GROWTH. The expansion is the result of the 2005 Base Realignment and Closure (BRAC) process. The growth includes a \$53 million dollar Laboratory Building for the Battlespace Environment Division ("Space Weather") of the Space Vehicles Directorate of the Air Force Research Laboratory at Kirtland AFB, which will turn dirt this year on the base adjacent to the Kirtland Technology Park. The unit will house about 200 people, mostly Air Force scientists. The unit is being transferred from Hanscom AFB in Boston, and as many of the scientists have chosen to stay in Boston, there is hiring going on as we speak.

Another area of growth will be even bigger than the BRAC growth, and it is happening due to a big mistake — the B-52 bomber that almost a year and a half ago flew from Minot AFB in North Dakota to Barksdale AFB in Haughton, Louisiana with nuclear missiles on board, which everyone had assumed were dummies. The aircraft sat on the ramp for several hours before the error was discovered. This action resulted in a new look at the Air Force's nuclear enterprise, and last summer influenced the dismissal of the Air Force Secretary as well as the uniformed Chief of Staff.

It is now clear that Air Force oversight of the nuclear enterprise had become diffused and had less emphasis. That is now all turned around, and the spotlight is on the Air Force to get it right, and get back to the type of oversight that existed when the Strategic Air Command existed.

And, it is happening at Kirtland AFB, where the Air Force Nuclear Weapons Center has been located for about three years. That organization, run by Brigadier General Everett Thomas, is rapidly growing this year. They will gain 200 plus people, and there will

be additional nuclear inspectors assigned to another Kirtland AFB organization, the Air Force Inspection Agency, and a few folks assigned to the Air Force Safety Center. The Air Force Nuclear Weapons Center is concerned with nuclear logistics and sustainment.

The 58th Special Operations Wing, which trains all the Air Force Special Operations air crews, is also growing with more aircraft and simulators. The exact number of people is not known at this time. Additionally, the Operationally Responsive Space organization, about two years old at Kirtland AFB, is seeing growth.

The Annual Economic Impact of Kirtland AFB is approaching \$9 Billion Dollars! Over \$6 Billion of that is spent right here in New Mexico — that is a very, very significant annual economic impact.

So, the story at Kirtland AFB is growth! •

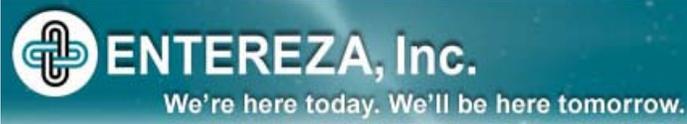


U.S. Air Force Honor Guard Drill Team

PACA Profile: ENTEREZA, INC.

PACA's treasurer, Virginia Buckmelter, is the President and CEO of Entereza, Inc. Entereza (Spanish for "integrity") was founded by Ginny in New Mexico in 2001.

Entereza is headquartered in Albuquerque and has 30 employees performing contracts in approximately a dozen states. Entereza is an 8(a), Woman-Owned, HUBZone, and Small Disadvantaged Business. Entereza also holds GSA Schedules 69 (training) and 70 (information technology) and is International Organization for Standardization 9001:2000 certified.



Entereza is primarily a training services provider, but offers additional services in information technology, engineering and support, and operational testing. Entereza serves federal, state, and local governments along with private industry.

Entereza's main contracting activities are in support of the Air Force Operational Test and Evaluation Center (AFOTEC), providing Test and Evaluation training support and also operational test support. Additionally, Entereza provides travel and finance help desk services for the Air Force Space Development Test Wing. Although Entereza is clearly a busy place, the company continually strives to expand into new markets and increase their depth of experience in existing core competencies.

Entereza currently has four affiliated entities, with Entereza, Inc. as the parent company. Entereza Technical Services is a subsidiary of Entereza and subcontracts to EG&G in support of the National Radar Test Facility. Joint Technical Services is a joint venture between Entereza and Westech International, providing security services to the Department of Energy in Washington State. Secure Transportation Alliance is a joint venture between Entereza and Compa Industries with a focus on facilities support services. And finally, La Luz Tactical is a wholly-owned subsidiary of Entereza, Inc. that develops laser technology for use in a long-range military target identification sighting device.

Ginny was formerly an operations and finance manager for Digital Equipment Company and Compaq Computer Corporation, and left Compaq to start Entereza. She has been an active member of PACA since 2004 and believes PACA offers outstanding networking opportunities with a diverse membership, and also serves as an important voice for contractors with the federal government. Ginny has served on the Briefing for Industry (BFI) committee and sees BFI as a key source of information on contract opportunities and a chance to interface with government representatives. She has done an exceptional job as PACA's treasurer and is now completing her second year in that position.

Entereza is the deserving recipient of many awards, most notably the 2007 Quality New Mexico Pinon Award.

The company was also nominated for the 2007 SBA Small Business Prime Contractor of the Year Award by its AFOTEC customer, and was recognized with the New Mexico Flying 40 Award as one of the fastest growing small businesses in the state for 2005 and 2007. In addition, the company received a Top 25 Woman-Owned Business Award for 2004.

The various activities of Entereza and its subsidiary and joint venture companies are linked by a common theme of protecting our country through training, security awareness, test and evaluation, and production of devices to assist our military in combat operations. It is all, according to Ginny, "hard work and always a challenge, but at the end of the day, also truly rewarding and a whole lot of fun."

Additional information about Entereza is available at www.entereza.com.



Software/Hardware Engineering

Entereza's team of engineers evaluate hardware and software to develop the most cost-effective computer solutions to meet customer requirements.

This type of engineering

depends on the computer engineering team being well versed on the status of hardware and software developments compared to the currently available performance levels of both hardware and software system components. A recent development was a cell phone data logging system that dramatically streamlines the performance of gas and oil well operations.



System Design, Engineering, and Integration

Entereza translates a system (or subsystem, program, project, activity) concept into a preliminary and detailed design (engineering plans and specifications),

performing risk identification/analysis/mitigation, traceability, and then integrating the various components to produce a working prototype or model of the system. Typical associated tasks include but are not limited to computer-aided design, design studies and analysis, high level detailed specification preparation, configuration management and document control, fabrication, assembly and simulation, modeling, training, privatization and outsourcing.

PACA Luncheon Speakers

- **February 17, 2009**, Colonel Matthew R. Bartlett, Commander 377th Mission Support Group



Colonel Bartlett is responsible for providing combat-ready support to Air Force Materiel Command's third largest installation, Kirtland AFB. His group also supports the 58th Special Operations Wing and the 150th Fighter Wing.

He earned a Master of Arts and Science in aerospace sciences from Embry-Riddle

Aeronautical University at Ellsworth AFB, and a B.S. in chemical engineering from Grove City College.

- **March 17, 2009**, Colonel Brad Smith, Air Force Research Laboratory, Director of Space Vehicles



Colonel Smith leads a team of 941 military, civilian, and on-site contractors who comprise the nation's Center of Excellence for military space science and technology, research and development.

He holds a Doctorate in Computer Engineering from UNM, Masters of Science from Boston University, Masters in

Strategic Studies from US Army War College, Masters of Business Administration from Saint Mary's University, and a Bachelor of Science in Computer Engineering from Rensselaer Polytechnic Institute.

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 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 registered, your name will appear on the PACA list and you will be admitted in. •

Connections

By Stacy Sacco

PACA members connect with various local organizations in support of economic development and a thriving aerospace industry, including the three local technology parks:

AFRL Kirtland Technology Park

The Vanguard Center
www.vanguard-center.com

Sandia Science & Technology Park

www.sstp.org

Science and Technology Park

University of New Mexico
www.unm.edu/~unmreo/stp_index.htm •

Upcoming Industry Event

**8th Annual High Tech Business
"Contractor's Showcase"**

This event will be held on Thursday, May 7 at Kirtland AFB and is hosted by the Air Force Research Laboratory and Kirtland Air Force Base.

In order to participate as an exhibitor your organization must meet one of the following criteria: 1) High tech small business, **and** a 2) HUBZone company; or 3) 8(a) company; or 4) WBE; or 5) Service Disabled Veteran; or 6) Small business with less than 50 employees.

Space is limited and booth space is awarded on a first sign up basis, so contact Natalie Kohl to reserve your space as soon as possible (marketing@exhib-it.com or 505-828-0574). Natalie can also provide you with all other specifics and requirements regarding exhibiting at this well attended event.

If you are not a high tech business, you may be added to a wait list for the Open Business Contractor's Trade Fair that will be held in November (date to be announced).•

Increase Newsletter Distribution & Membership

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.

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

Stacy Sacco, Membership Chairperson
(505) 254-4329 or (505) 489-2311 /
marketing@kirtlandfcu.org

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

Legal Insights: New FAR Ethics Compliance Program and Disclosure Requirements

By Ross Crown

Increased oversight of Government contractors is here. As a result, contractors doing business with the federal government and their subcontractors are burdened with new compliance obligations. Following the passage last year of the Close the Contractor Fraud Loophole Act, the Civilian Agency Acquisition Council and Defense Acquisition Regulations Council jointly issued a final rule amending the FAR effective December 12, 2008. This new rule, entitled Contractor Business Ethics Compliance Program and Disclosure Requirements —

- requires federal contractors to establish and maintain an awareness and compliance program and specific internal controls to detect and prevent improper conduct;
- requires federal contractors to timely disclose to the Government whenever the contractor has credible evidence of a violation of law; and
- adds as cause for suspension or debarment, knowing failure by a contractor to disclose a violation of law or significant overpayment.

Most of the new requirements imposed by the rule appear as revisions to FAR 52.203-13 Contractor Code of Business Ethics and Conduct. FAR 52.203-13 is to be inserted in contracts where the value is expected to exceed \$5 million and the performance period is 120 days or more. FAR 52.203-13 is also to be flowed down to subcontractors if their subcontracts have a value in excess of \$5 million and a performance period of more than 120 days. Subcontractors are defined broadly to include any supplier, distributor, vendor or firm furnishing supplies or services to or for a prime contractor or another subcontractor.



Other requirements imposed by the new rule appear as additions to FAR 9.406-2 Causes for Debarment and FAR 9.406-2 Causes for Suspension. These provisions apply to a broad range of contracts.

Awareness and Compliance Program and Internal Control System

The new rule adds to FAR 52.203-13 the requirement that, within 30 days after contract award, the contractor shall put into place a written code of business ethics and conduct and make a copy of the code available to each employee engaged in performance of the contract. The contractor is also required to exercise due diligence to prevent and detect

criminal conduct and otherwise “promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.”

If the contractor is other than a small business or the contract is not for acquisition of a commercial item, the contractor is further required to establish, within 90 days after contract award, an ongoing business ethics awareness and compliance program and an internal control system. The awareness and compliance program must include reasonable steps to communicate periodically the contractor’s standards and procedures to its employees and agents by conducting training programs and otherwise disseminating information. The internal control system shall establish standards and procedures to facilitate timely discovery of improper conduct and ensure corrective measures are promptly instituted and carried out.

At a minimum, the contractor’s internal control system must include the following:

- Assignment of responsibility to ensure effectiveness of the system.
- Reasonable efforts not to hire any individual as a principal of the contractor who has engaged in conduct in conflict with the contractor’s code of business ethics and conduct.
- Periodic reviews of company business practices, procedures, policies and internal controls for compliance with the contractor’s code of business ethics and conduct and the special requirements of government contracting.
- An internal reporting mechanism, such as a hotline, which allows for employees to report suspected instances of improper conduct.
- Disciplinary action for improper conduct or for failing to take reasonable steps to prevent or detect improper conduct.
- Timely disclosure of credible evidence of a violation of law.
- Full cooperation with audits, investigations or corrective actions.

Disclosure of Violations of Law

FAR 52.03-13 further imposes on contractors a new requirement to timely disclose, in writing, to the agency Office of the Inspector General whenever the contractor has credible evidence that its personnel, agents or a subcontractor has committed a violation of federal criminal law, or a violation of the civil False Claims Act (FCA). The obligation to make such disclosures continues for at least three years after final payment on the contract.

This disclosure requirement is acknowledged by the FAR Councils to be a “sea change” and a “major departure” from voluntary disclosure. This new requirement was pushed by

continued on following page

Legal Insights *continued*

the Department of Justice which successfully argued to the Councils that voluntarily disclosure programs have not been effective and that, unlike healthcare providers or financial institutions, there has been no general requirement that contractors alert the Government immediately as a matter of routine when fraud is discovered.

By use of the term “credible evidence” the Councils anticipate that contractors will not have to immediately disclose any suspicion of wrongdoing. Rather, contractors are granted the opportunity to take some time for preliminary examination of the evidence to determine its credibility before deciding to disclose it to the Government.

When the rule was under consideration, the FAR Councils were unsympathetic to concerns about the vagueness of the disclosure requirement, particularly as to possible civil FCA violations. While many commentators argued that it is difficult for a contractor to ascertain when credible evidence of liability might arise under the civil FCA, the Councils responded that the requirements of the FCA can be reasonably ascertained and understood. The Councils recognize that mandatory disclosure of a violation of the civil FCA presents a risk that a qui tam action will follow such a disclosure, but countered that timely disclosure of a knowing violation offers the contractor an opportunity to demonstrate its present responsibility so as to avoid suspension or debarment and obtain a reduction in damages.

New Grounds for Debarment or Suspension

The disclosure requirements also appear as new grounds for debarment and suspension in FAR 9.406-2 and 9.407-2. Specifically, knowing failure by a principal of a contractor for a period until three years after final payment on any contract to timely disclose to the Government credible evidence of a violation of federal criminal law or the civil FCA or significant overpayments on the contract, shall be cause for debarment or suspension.

This disclosure requirement is not restricted to conduct occurring after the December 12 effective date of the rule. Instead, this obligation covers wrongdoing that took place prior to adoption of the rule.

More Vigilance Needed

Government contracting is a tough business. Unfortunately, with the issuance of a new rule mandating a comprehensive awareness and compliance program, internal control system and greater disclosure, government contracting will get even tougher. Contractors must be increasingly vigilant about avoiding exposure to criminal or civil liability or debarment or suspension in the course of performing government contracts or subcontracts. •

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.

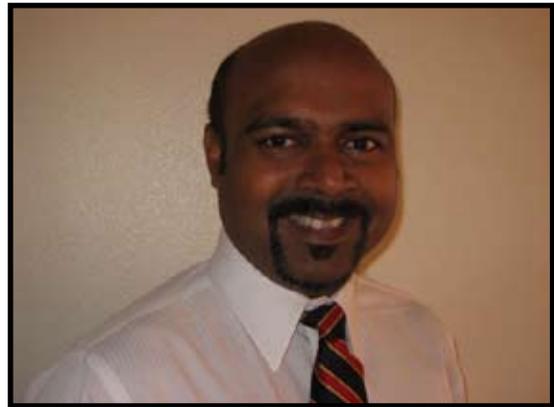
President's Corner

By Maran Vedamanikam

Fellow PACA members, another year has quickly passed us by. We just came through the Christmas and New Year's Holiday season. We were also witnesses to a historic event in American history with the inauguration of our country's new President, Barack Obama.

PACA will also be experiencing a change of leadership. Our current Vice President, Phil Vitale, will become the new President on April 1 (no April Fools joke) and I will be moving to an advisory position as Immediate Past President.

During my term as President of PACA, I laid out several goals to the membership and the Board of Directors. These goals (see Spring 2008 newsletter) were to grow PACA membership, increase luncheon attendance, increase PACA visibility, and create a marketing committee to continue these and other goals in making PACA successful in the years to come.



By the Grace of God, board guidance, and strong leadership and support from Phil Vitale, PACA has attained most of those goals (some, however, need more time). But the primary goal, creating the marketing committee, will continue to make PACA a success in our community.

With my term coming to an end in April, I would like to take a moment to tell you about my personal view of our next President. I have had the privilege of getting to know Phil as a friend over the last year. In this time, I have found him to be honest, caring, creative, and full of life — in summary, a good man. With his strength and leadership PACA will attain new heights. I am quite confident that Phil will leave PACA in better standing in taking the reins as President. PACA has had a strong history of Presidents who possess integrity, and this trend continues with our incoming President, Phil Vitale.

In closing, please remember our country is still at war. So please pray for our country's leadership and our soldiers and their families. Most of all, please pray that America will have complete victory.

God bless you all. It has been an honor to serve as your President during the 2008-2009 year. •

New Service: JOB POSTINGS

PACA is providing a new service to our members and their companies — posting of positions that you need to fill or job searches by individual members. It is the very nature of the aerospace business that companies gain and lose employees throughout the year. Our members regularly call friends at other companies to see if there are layoffs or regarding a specific resume they may have that they do not have a position for at that time.

We all want to keep our great talent and experience in New Mexico and that is why PACA set up this service – to help to keep talent here.

To post a position or a job search, go to the “Members Only” portion of the PACA Web site (www.pacanm.org) and:

- Download the want ad or job search template. The file is in Excel format. The job descriptions and the experience summaries are each limited to 25 words. Those exceeding this will be edited down to the limit.
- E-mail the completed template to the Web site Chairman’s e-mail address.
- Posting of approved want ads listing will be in PDF format and in the Members Only Documents section.
- Ads will run for 30 days.

Send your ad to Dar Johnson at d_r_johnson@comcast.net who will then have it approved to be posted. Interested parties can contact the individual or company directly; PACA will not be involved in that portion of the process.

The “Looking for A Position” template example is shown below. The “Job Postings” is formatted the same. •

PACA MEMBERS LOOKING FOR A POSITION	
PACA MEMBERS ARE LOOKING FOR A FEW GOOD JOBS	
IF YOU WANT TO POST AD LOOKING FOR A POSITION, SEND INFORMATION TO d_r_johnson@comcast.net	
IF YOU WANT TO RESPOND TO A LISTING, CONTACT THE INDIVIDUAL DIRECTLY	
POSTINGS WILL ONLY BE ACTIVE FOR 30 DAYS, THEN REMOVED	
DATE POSTED:	NAME:
	PHONE:
	E MAIL:
SHORT EXPERIENCE DESCRIPTION (25 WORDS OR LESS):	



Welcome NEW Members

Frank Arena
Southern Aerospace Company
Madison, AL

Suzanne Bailey
Lockheed Martin
Albuquerque, NM

Paul Cruz
ASRC Aerospace
Albuquerque, NM

Jim Fordice
Referentia Systems
Albuquerque, NM

Bandit Gangwere
Topdown Design Associates
Sandia Park, NM

Ewing Hackney
Taurus Technology
Cedar Crest, NM

Tom Holmsley
World Class Marketing, Inc.
El Paso, TX

Linda Liptak
Applied Research Associates
Albuquerque, NM

Damon Runyan
CACI, Inc.
Kirtland AFB

Ro Saavedra
Saavedra Communications
Albuquerque, NM

Bill Seng
Schafer Corporation
Albuquerque, NM

Kathy York
Independent Contractor
Albuquerque, NM