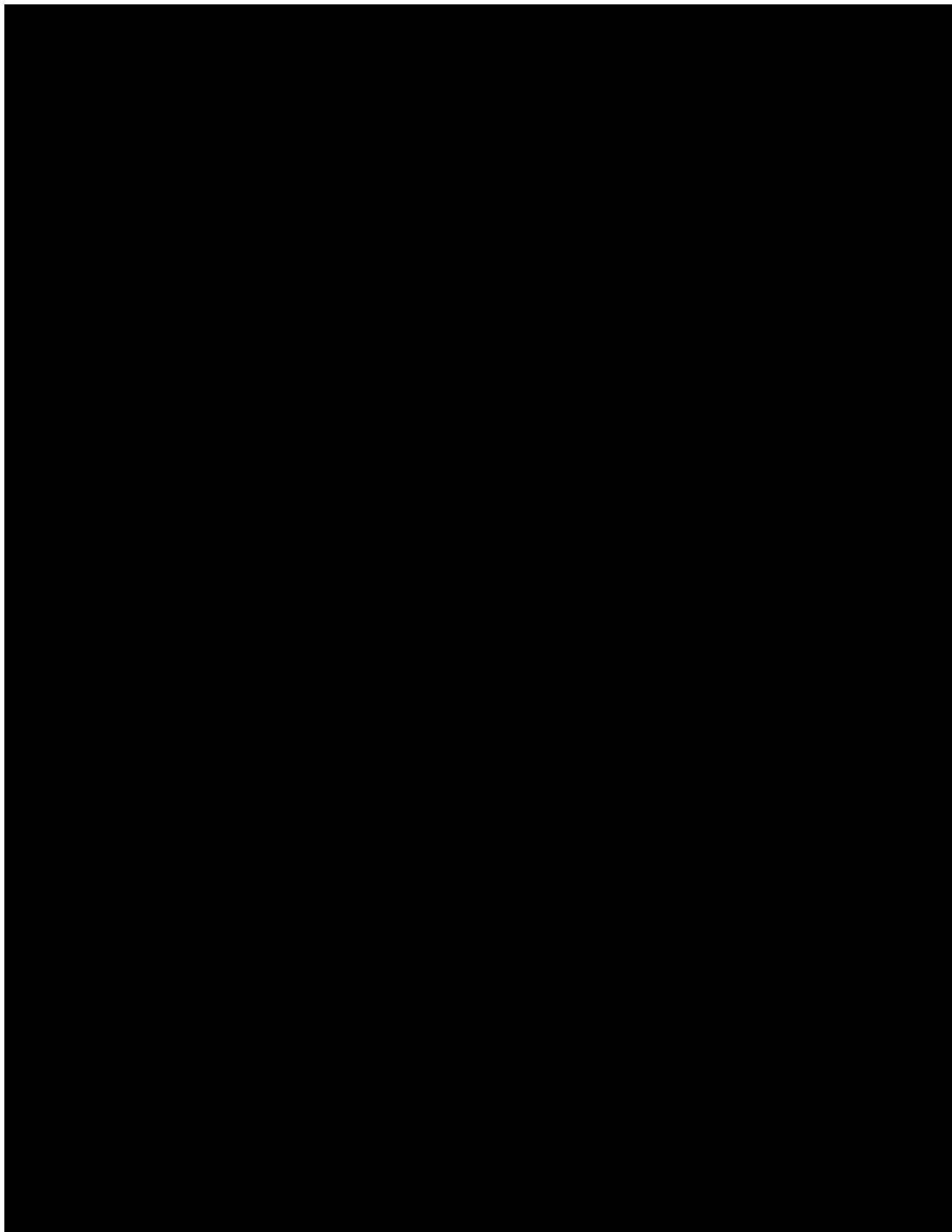


**Attachment to USA00491 "GFY
2017_PO_Selection_File.xlsx"**

**WITHHELD IN FULL
pursuant to Exemption 4**

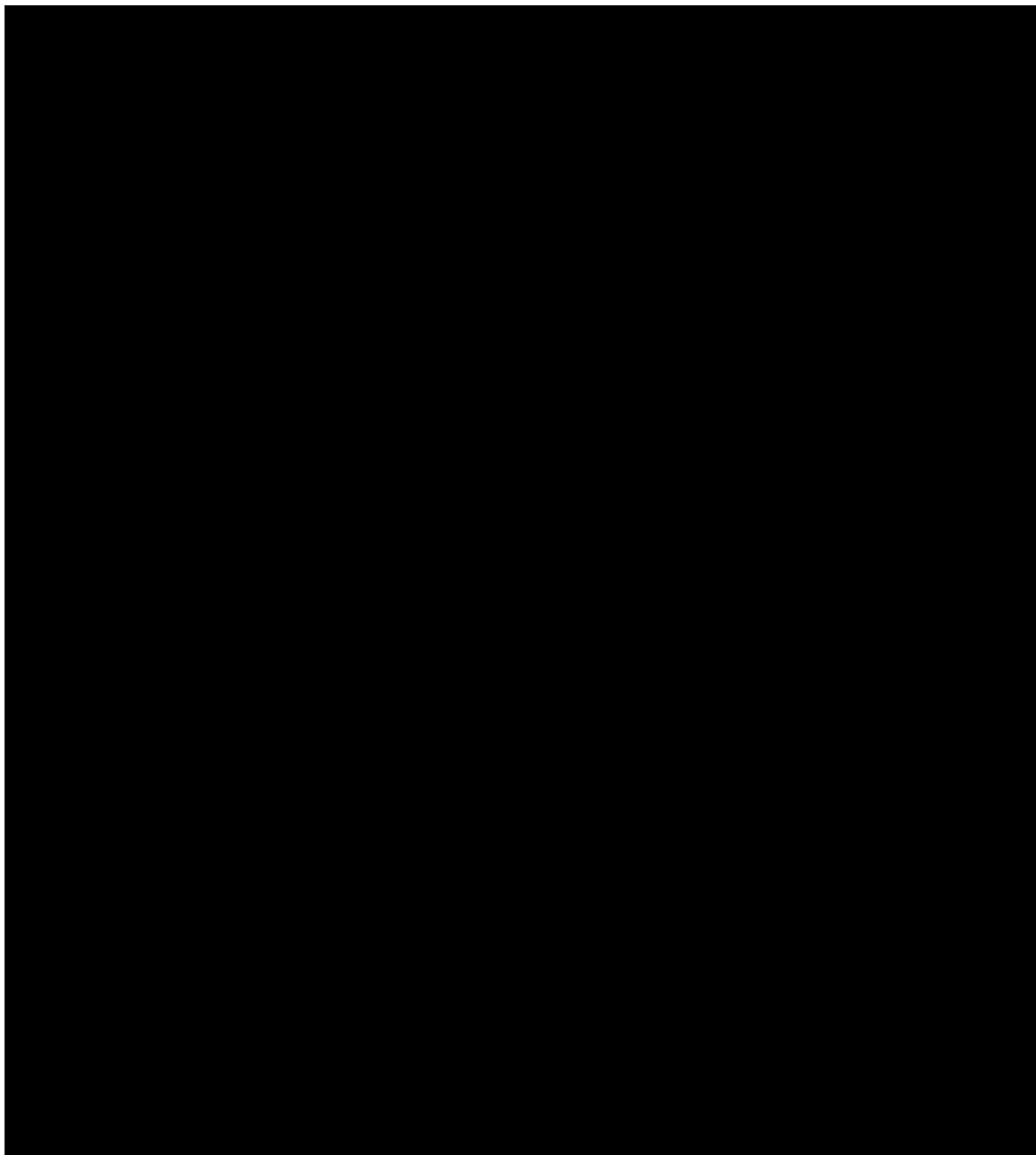
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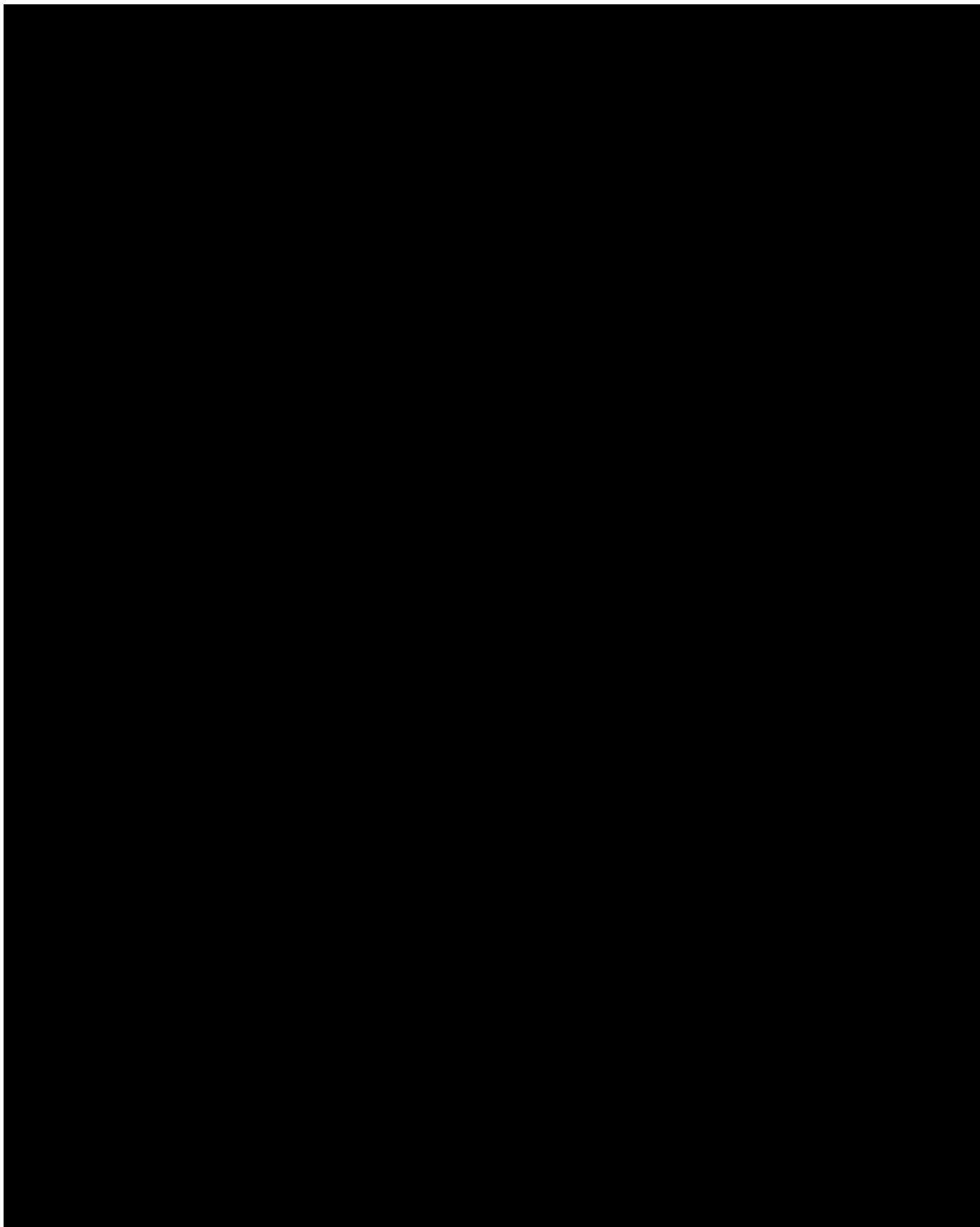


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1. Alternate source, is same initiative for the past few years with a migration of work estimated at (b) (4). At this point these estimated values should be firm values, please revise the narrative and take a closer look at the values and projected procurements. The goal should be an annual goal, we don't want to carry over efforts, and we want to narrow it to a year projection. Your narrative also talks about a Mentor Protégé effort. That would be an excellent initiative on its own. Consider looking into this. Again we need milestones per quarter

2. 3rd Part provided training for Sikorsky employees. This is the same initiative as FY17, the RFQ for this initiative was to be placed in FY17 and the PO in Q4 for FY17. The only difference with the write up for this year is a sentence that adds additional next level training and training modules updates. In FY17 Sikorsky identified the WOSB training SB supplier, is this initiative for the same WOSB supplier to add training and update manual, why does it has to be bid again and going through same bidding process when it took 2 years to identify the SB supplier and should be in place already. Also. I thought Sikorsky's Supply Management University and LM are capable of handling manual updates. This initiative needs to be removed and replaced. Again we need outcome, milestones and method of measuring success

3. After Market spares. Define numerous long term agreements, no need for open targets, needs to be measurable, state number of agreement this year and also an estimated dollar value per agreement or combined.

Section 21. SBIR efforts, excellent, this could be a good initiative for FY18, with focus on FY18 proposals submitted to Navy/Army. It tracks spend, agency, and outcome of effort, take a look at it, is a good candidate for the initiatives section

Missing from the plan, please add

1. Assurances that Sikorsky will make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns that the offeror used in preparing the bid or proposal. Please provide a brief synopsis on how does Sikorsky plans to meet this requirement.
2. Assurances that Sikorsky will provide the contracting officer with a written explanation if the contractor fails to acquire articles, equipment, supplies, services or materials or obtain the performance of construction. Please provide a brief synopsis of how Sikorsky plans to meet this requirement.
3. Assurances that the contractor will not prohibit a subcontractor from discussing with the contracting officer any material matter pertaining to payment to or utilization of a subcontractor. Same as above
4. Assurances that Sikorsky will pay its small business subcontractors on time and in accordance with the terms and conditions of the subcontract, and notify the contracting officer if the offeror pays a reduced or an untimely payment to a small business subcontractor (see 52.242-5). Same as above, the plan need to describe.

The plan needs to be revised and the above requirements need to be addressed. I'm given the go to start negotiating your plan so we can discuss by phone or email communications at this point. I'm looking at your goals next. I'm available Monday through Friday next week.

Thanks much

Luz M. Vasquez
 Defense Contract Management Agency
 Comprehensive Subcontracting Program
 Small Business Compliance Center (AQS)

(b) (6)

b(6)

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-----Original Message-----

From: Crawford, MARTHA (b) (6) b(6)
 Sent: Friday, August 18, 2017 3:33 PM
 To: Vasquez, Luz (b) (6) > b(6)
 Subject: [Non-DoD Source] RE: Sikorsky FY18 CSP plan

Thank you Luz, we'll take a look and provide feedback.

Martha

-----Original Message-----

From: Vasquez, Luz (b) (6) b(6)
 Sent: Friday, August 18, 2017 3:17 PM
 To: Crawford, MARTHA (US)
 Subject: EXTERNAL: Sikorsky FY18 CSP plan

Martha

I plan to review your plan this coming Monday; however, I scanned directly to your target Industry and Initiatives and didn't see where you addressed the following:

1. intended outcome, identify milestones and describe methods for measuring success.

In your target Industries you identify a goal of (b) (6) and (b) (6) what is the baseline for both commodities? What's the impact to your goals? Is (b) (6) going to significant change in your supplier base? It also state metrics will be provided quarterly. Define quarterly goals. b(4)

In your initiatives,

1. Alternate source, is same initiative for the past few years with a migration of work estimated at (b) (4) At this point these estimated values should be firm values, please revise the narrative and take a closer look at the values and projected procurements. The goal should be an annual goal, we don't want to carry over efforts, we want to narrow it to a year projection. Your narrative also talks about a Mentor Protégé effort. That would be an excellent initiative on its own. Consider looking into this. Again we need milestones per quarter b(4)

2. training this is the same initiative as FY17, consider revising, and again we need outcome, milestones and method of measuring success

3. After Market spares. define numerous long term agreements, no need for open targets, needs to be measurable.

As I review the plan I will provide you with recommendations and will be available for discussions as well.

Thanks in advance

Luz M. Vasquez

Defense Contract Management Agency

Comprehensive Subcontracting Program

Small Business Compliance Center (AQS)

(b) (6) b(6)

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From: Crawford, MARTHA
To: [Vasquez, Luz](#)
Subject: [Non-DoD Source] RE: Q3 Quarterly report
Date: Thursday, August 3, 2017 1:14:43 PM

Luz,
 I'll get this additional information back to you as quickly as possible. Thank you.

Martha

-----Original Message-----

From: Vasquez, Luz (b) (6) **b(6)**
 Sent: Thursday, August 03, 2017 12:41 PM
 To: Crawford, MARTHA (US)
 Subject: EXTERNAL: RE: Q3 Quarterly report
 Importance: High

Good Morning Martha,

After reviewing your report, I have few questions

- b(4)**
1. On your (b) (4) target, it shows no updates for Q3 and the current spend same as Q2, \$280,100, is this correct? If it is, have the team come up with a remedy to meet the \$500k target for this FY? With one quarter remaining do you anticipate meeting the goal? Are there any issues that we need to be aware of?
 - b(4)** 2. (b) (4) goal is \$500K, as of 3rd quarter there is no activity as far as firm dollars, the report still showing \$0. You note that there are current agreements being worked out and expected to finalized Q4, what is the total value of the agreements? Do they add to at least \$500K? Do you anticipate meeting this goal?

Initiatives:

b(4)

1. SDB alternate source: The report mentions the purchase order (b) (4) was issued for the current year's demand, What was the value of the PO?
2. Issue WOSB/SDB PO to supplier to provide training: Even when the write up states Sikorsky is on track in meeting this initiative, the report shows no updates and reads "Efforts to identify potential suppliers and issuance of RFQs are expected to begin in Q3, with bid review and evaluation to follow" Q3 is past now, did Sikorsky identified the supplier to conduct the training, and when will the PO be issued?
3. Indian Incentive initiative, the issuance of a potential PO slipped to Q4 due to ongoing negotiations, since this report is up to June 30th (3rd quarter) what's the current status?

Thanks in advance,

Luz M. Vasquez
 Defense Contract Management Agency
 Comprehensive Subcontracting Program
 Small Business Compliance Center (AQS)

(b) (6)

b(6)

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-----Original Message-----

From: Crawford, MARTHA (b) (6) b(6)
Sent: Monday, July 31, 2017 11:24 AM
To: Vasquez, Luz (b) (6) b(6)
Subject: [Non-DoD Source] Q3 Quarterly report

Good morning Luz,

Attached is the Q3 quarterly report.

Regards,

Martha L. Crawford

Supplier Diversity Manager/ SBLO

Sikorsky Aircraft Corporation

(b) (6)

b(6)

b(6)

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EXHIBIT 4

Corporate Historical Subcontracting Performance

[illegible]

(b) (4)

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DOD Subcontracting Performance (Oct. 1 – March 31, 2015):

TOTAL		SB				SDB				WOSB			
		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
		%	%	\$	\$	%	%	\$	\$	%	%	\$	\$
Corporate	\$18,952,086,555	12.9%	19.6%	\$2,444,819,166	\$1,768,596,703	2.3%	4.0%	\$435,897,991	\$362,191,108	2.6%	4.0%	\$492,754,250	\$359,675,318

HUBZone				VOSB				SDVOSB			
Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
%	%	\$	\$	%	%	\$	\$	%	%	\$	\$
0.6%	1.1%	\$113,712,519	\$100,279,910	1.9%	3.2%	\$360,089,645	\$292,965,210	0.8%	1.6%	\$151,616,692	\$144,818,218

DOD Subcontracting Performance Projection (April 1 through Sept. 30, 2015):

TOTAL		SB		SDB		WOSB		HUBZone		VOSB		SDVOSB	
		Goal	Goal	Goal	Goal	Goal	Goal	Goal	Goal	Goal	Goal	Goal	Goal
		%	\$	%	\$	%	\$	%	\$	%	\$	%	\$
Corporate	\$18,952,086,555	12.9%	\$676,222,463	2.3%	\$73,706,883	2.6%	\$133,078,932	0.6%	\$13,432,609	1.9%	\$67,124,435	0.8%	\$6,798,474

Principal Products and Services to be Subcontracted

Lockheed Martin is a global security company principally engaged in the research, design, development, manufacture, integration, and sustainment of advanced technology systems, products, and services. A representative listing of items procured in support of Lockheed Martin business areas is shown in GFY 2015 Products and Services Forecast by NAICs Codes listing in Exhibit 7. Lockheed Martin will periodically review detailed listings of the subcontract awards to large businesses as part of the effort to identify additional subcontracting opportunities for small businesses.

5. SELECTED NORTH AMERICAN INDUSTRY CLASSIFICATION

(b) (4)

(b) (4)

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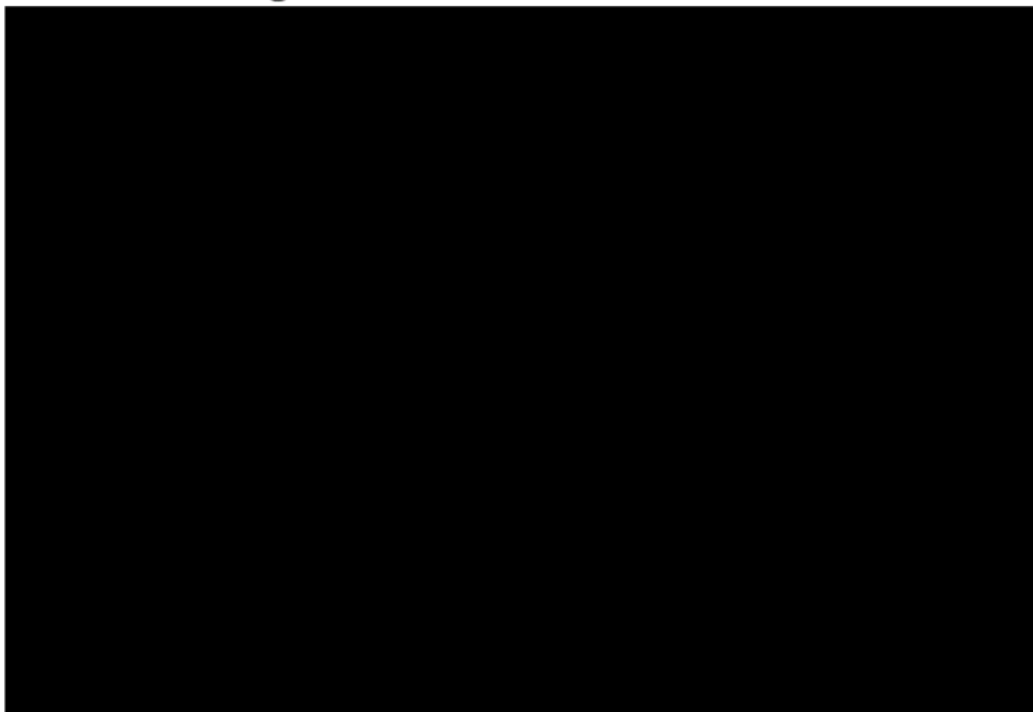
EXHIBIT 4
Corporate Historical Subcontracting Performance

Subcontracting Past Performance - DoD Only														
CORPORATE	TOTAL	SB		SDB		WOSB		HUBZone		VOSB		SDVOSB		
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	
GFY 2007	14,609,947,340	23.5	3,431,350,665	3.2	466,298,030	4.8	699,788,408	0.7	101,303,537	2.4	352,420,178	0.5	70,488,773	
GFY 2008	13,355,374,934	29.3	3,910,567,992	5.0	672,787,403	7.5	998,498,137	1.7	226,184,066	3.7	495,800,632	1.1	151,237,838	
GFY 2009	12,908,423,771	25.3	3,269,320,439	3.7	476,350,650	6.3	810,736,269	1.8	234,440,150	3.7	478,918,062	1.2	149,043,238	
GFY 2010	15,342,885,627	26.0	3,982,899,169	3.4	518,470,888	5.6	864,987,289	1.6	246,317,319	4.0	618,662,662	1.7	264,458,309	
GFY 2011	18,520,382,554	23.0	4,261,491,321	3.6	661,320,272	5.3	975,064,105	1.3	249,684,256	4.2	786,372,263	2.0	365,496,404	
GFY 2012	16,989,985,760	23.6	4,003,517,557	3.7	630,708,040	5.0	853,584,661	1.3	223,959,773	4.2	714,977,545	1.9	316,453,367	
GFY 2013	16,548,938,868	22.6	3,787,130,352	3.8	631,527,311	4.5	741,615,374	1.4	227,046,722	4.8	790,827,130	2.5	410,233,695	
GFY 2014	19,528,707,044	17.2	3,353,250,726	3.4	661,146,293	3.5	691,109,252	1.1	206,362,293	2.8	539,564,846	1.1	212,300,304	

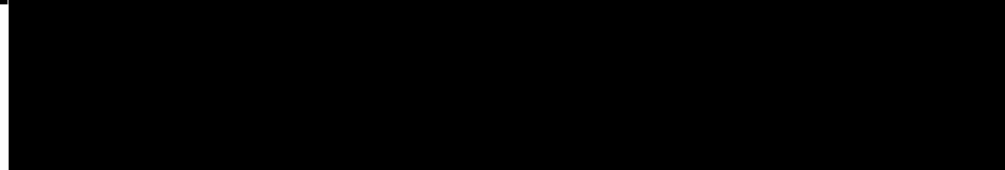
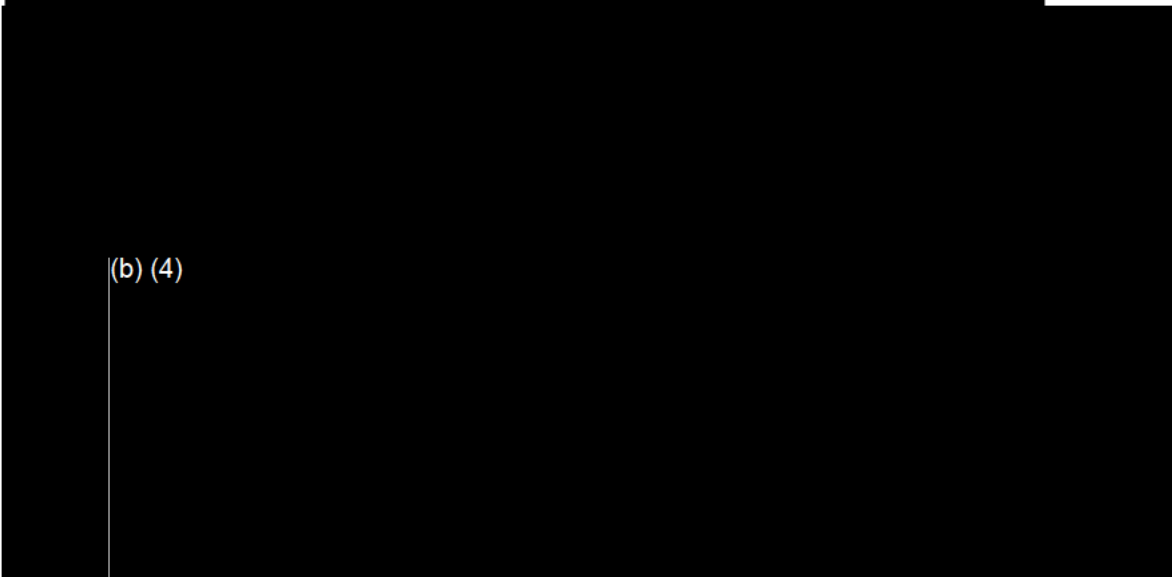
(b) (4)

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Impact of DoD GFY '16 Non-Discretionary Large Business Subcontracting on Small Business Performance – DoD



(b) (4)



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EXHIBIT 4
Corporate Historical Subcontracting Performance

Subcontracting Past Performance - DoD Only													
CORPORATE	TOTAL	SB		SDB		WOSB		HUBZone		VOSB		SDVOSB	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$
GFY 2008	13,355,374,934	29.3	3,910,567,992	5.0	672,787,403	7.5	998,498,137	1.7	226,184,066	3.7	495,800,632	1.1	151,237,838
GFY 2009	12,908,423,771	25.3	3,269,320,439	3.7	476,350,650	6.3	810,736,269	1.8	234,440,150	3.7	478,918,062	1.2	149,043,238
GFY 2010	15,342,885,627	26.0	3,982,899,169	3.4	518,470,888	5.6	864,987,289	1.6	246,317,319	4.0	618,662,662	1.7	264,458,309

(b) (4)



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DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA)
SMALL BUSINESS SUBCONTRACTING PROGRAM COMPLIANCE REVIEW
 In accordance with FAR 19.706, FAR 52.219-8, and FAR 52.219-9

Part I – General Information

1.a. Contractor

Name: Lockheed Martin Corporation (Missiles and Fire Control)

Address: 5600 Sand Lake Road

City/State/Zip: Orlando, FL 32819

CAGE(s) [Field 1]: 04939

DUNS [Field 1]: 196189385

1.b. Small Business Liaison Officer (SBLO) [Field 2]:

Name: Susannah Raheb

Phone: (b) (6) Ext

E-mail: (b) (6)

1.c. Alternate Small Business Liaison Officer (SBLO) [Field 3]:

Name: Pat DeSanto

Phone: (b) (6) Ext

E-mail: (b) (6)

2. DCMA Small Business Professional

Name: Luz M. Vasquez

Location: Procurement Analyst /Dallas, TX

Phone: (b) (6) Ext

E-mail: (b) (6)

3. Administrative Contracting Officer

Name: Adam Weir

Location: 1701 W. Marshall St., Grand Prairie, TX 75051

Phone: (b) (6) Ext

E-mail: (b) (6)

4. Small Business Administration (SBA) Representative

Name: Stephanie Lewis

Phone: (b) (6) Ext

E-mail: (b) (6)

5. DCMA/Small Business Administration (SBA) Joint Review

☐ Yes ☒ No NOTE: Always "No" unless it is an approved follow up type review.

6. Review Type: On-site ☒ Virtual Review ☐

7. Period Covered by this Review

a. From: 1 Oct 2016

b. To: 30 Sep 2017

8.a. Date of this review: February 21-22, 2018

b. Rating of this review: Exceptional

9.a. Date of last review [Field 4]: February 7-8, 2017

b. Rating of last review [Field 5]: Exceptional

10. Department of Defense (DoD) Ratios 60% attributable to DoD

a. Total annual company sales [Field 6]: \$50B

b. Total annual sales for DoD [Field 7]: \$29.5B

11. Type of Subcontract Plan(s)☐ Individual Plan(s): Number of plans:☐ Commercial Plan: Approved by:

Plan year:

☒ Comprehensive Plan: Approved by: Tatia M. Evelyn-Bellamy

Plan year: FY17

☐ Master Plan: Approved by:

Three (3) Year Period Ending:

12. Mentor Protégé Agreements [Field 8]:

LM has four active DOD Mentor Protege agreements:

1. (b) (4) This agreement was approved and funded by the Air Force with expiration date of 9/30/18.

2. (b) (4) This agreement was approved by DCMA as a credit only agreement with expiration date of 6/16/17 (one year agreement).

3. (b) (4) This agreement was approved and funded by MDA with expiration date of 01/01/19.

4. (b) (4) This agreement was approved and funded by the Air Force with expiration date of 9/30/19.

(b) (4) and (b) (4) agreements are sponsored by LM Aeronautics. (b) (4) Corporation agreement is sponsored by LM Space. (b) (4) is sponsored by LM Enterprise Operations. Lockheed Martin total credit claim of \$9,050.00 for its (b) (4) MP agreement was included in their FY17 SSR report. LM has 2 No-DOD MP agreements with DHS and FAA as well. LM strategy is to expand, develop and sustain current and past proteges. LM awarded (b) (4) to current and past proteges for this review period.

Part II – Contractor's Subcontracting Performance

1. Accuracy of Small Business Reports (Summary Subcontract Reports (SSRs) and Individual Subcontracting Reports (ISRs))

- a. FAR 52.219-8(a). Were small business, small disadvantaged business, women-owned small business, HUBZone small business, service-disabled veteran-owned small business, and veteran-owned small business reported on SSRs and ISRs?

[Field 36] ☒ YES ☐ NO Exhibit I DESCRIBE:

The SBP review of purchase orders notes 100% accuracy on the supplier's size classification (See Exhibit 1). Lockheed Martin suppliers self-certification form requires the supplier to enter the NAICS that corresponds to the size they are claiming status. Further, the self-certification form was updated in FY17 to include language that requires the person submitting the certification to acknowledge being authorized to sign on behalf of the company. Finally, all HUBZone suppliers sampled were SBA certified prior to the subcontract award.

- b. FAR 52.219-8(d)(1) and FAR 52.219-9(c)(2)(i). Does the Contractor correctly rely on written representations by their subcontractors regarding their status as a small business concern, a veteran-owned small business concern, a service-disabled veteran-owned small business concern, a small disadvantaged business concern, or a women-owned small business concern to include certifications that representations are current, accurate, and complete as of the date of the offer for the subcontract? [Field 36] ☒ YES ☐ NO ☐ N/A Exhibit I DESCRIBE:

Lockheed Martin accepts their subcontractors self-certification of its size and socio-economic status as entered into Lockheed Martin electronic system which feeds directly to their other two existing procurement systems. Lockheed Martin utilizes the SBA System for Award Management (SAM) to validate their HUBZone suppliers status. LM suppliers are required to update their self-certification annually. Any supplier that does not self certify as small is counted as large for reporting purposes. The purchase order sampled was out of Lockheed Martin Missiles and Fire Control business unit. The purchase orders sampled show no misclassified suppliers (See Exhibit I).

- c. FAR 52.219-8(d)(2) and FAR 52.219-9(c)(2)(ii). If the Contractor relies on a subcontractor's representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business in the System for Award Management (SAM)*, has the subcontractor represented that the size and socioeconomic status representations made in SAM are current, accurate and complete as of the date of the offer for the subcontract? [Field 36] ☐ YES ☐ NO ☒ N/A Exhibit I

*NOTE: The Contractor may not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a subcontract.

- d. FAR 52.219-9(l). Are purchases from a corporation, company, or subdivision that is an affiliate appropriately NOT included in the ISR and SSR. ☒ YES ☐ NO
- e. FAR 52.219-9(l). Do ISRs and SSRs only include subcontracts involving performance in the United States or its outlying areas? ☒ YES ☐ NO
- f. FAR 52.219-9(l). Do ISRs and SSRs include awards by affiliates as subcontract awards by the Contractor? ☒ YES ☐ NO
- g. FAR 52.219-9(l). Are subcontracting achievements as reported on ISRs and SSRs limited to awards made to Contractors' immediate next-tier subcontractors? ☒ YES ☐ NO

2. Overall subcontracting performance – SSR submission FAR 52.219-9(I)(2)

- a. Were SSRs submitted accurately in accordance with all the elements of FAR 52.219-9(I) and SSR instructions at Electronic Subcontracting Reporting System (eSRS.gov)? [Field 9] ☒ YES ☐ NO DESCRIBE:**

Lockheed Martin SSR report was submitted on a corporate basis. Lockheed Martin procurement system identifies spend for each purchase order based on whether is a direct spend or indirect spend. An indirect spend allocation is applied to the SSR report. (b) (4)

Lockheed Martin FY17 SSR report was submitted semi-annually in accordance with the CSP program instructions within 30 days after March 31 and September 30 of the review period. The contractor is compliant with this FAR element and SSR instructions at eSRS.

- (1) Were SSRs submitted under individual subcontracting plans ☐ YES ☒ NO**
If no, skip to question (2)

- (a) FAR 52.219-9(I)(2)(i)(A). Does the SSR encompass all subcontracting under prime contracts and subcontracts with the awarding agency, regardless of the dollar value of the subcontracts and does the SSR includes indirect costs on a prorated basis? [Field 9] [Field 10]**
☐ YES ☐ NO
- (b) FAR 52.219-9(I)(2)(i)(C). Did the Contractor submit a separate SSR to each executive agency covering only that agency's contracts, provided at least one of that agency's contracts is over \$700,000 (over \$1.5 million for construction of a public facility) and contains a subcontracting plan? ☐ YES ☐ NO**
- (c) 52.219-9(I)(2)(i)(D). Is the SSR submitted annually, within thirty days (30) after the end of the Government's fiscal year [September 30]? ☐ YES ☐ NO**
- (d) FAR 52.219-9(I)(2)(i)(E). Were subcontract awards that were related to work for more than one executive agency appropriately allocated on the SSR? ☐ YES ☐ NO ☐ N/A**

- (2) Commercial Plan ☐ YES ☒ NO** If no, skip to question 3.

- (a) FAR 52.219-9(I)(2)(ii)(A). Does the commercial SSR include all subcontract awards under the commercial plan in effect during the Government's fiscal year and all indirect costs? ☐ YES ☐ NO [Field 9] [Field 10]**
- (b) 52.219-9(I)(2)(ii)(B). Is the commercial SSR submitted annually, within thirty days (30) after the end of the Government's fiscal year? ☐ YES ☐ NO**
- (c) FAR 52.219-9(I)(2)(ii)(C). Has the Contractor specified the percentage of dollars attributable to each agency from which contracts for commercial items were received on the SSR? ☐ YES ☐ NO**

- (3) Is the CEO (or most senior executive in the organization) named on SSR [block 13 of SSR]? ☒ YES ☐ NO**

- (4) Did the CEO (or most senior executive in the organization) sign and keep the signed SSR on file? ☒ YES ☐ NO**

- b. Perform trend analysis of historical small business goal achievements (*last 5 years, if available*) from eSRS. Describe the underlying cause of trends, positive or negative. Exhibit II. DESCRIBE:**

Lockheed Martin met and exceeded all of its FY17 small business negotiated goals. The original forecast for FY17 was \$2.7B in SB awards but they reached \$3.7B an excess of \$1B in subcontract awards to SB. According to Lockheed Martin this increase in spend was not anticipated and was a result of their IS&GS divested segment still waiting to be novated to Leidos along with one-time unexpected purchase orders for sustainment. This review focused on Lockheed Martin Missiles & Fire Control (MFC). This business unit SB performance over the five year period is positive and over [REDACTED] in SB procurement awards. LM MFC holds the THAAD program, GMLRS and JASSM programs. Overall, the corporation five year trend performance is flat at 21%; however, the total SB dollar subcontracting is slowly increasing (\$3.7B in FY13, \$3.3B in FY14, \$3.4B in FY15, \$3.3B in FY16 and \$3.6B in FY17). FY14 marks their lowest small

3. FAR 52.219-9(l)(1). ISR performance (not applicable to Commercial or Comprehensive Plans)

- a. Were ISRs submitted accurately in accordance with all the elements of FAR 52.219-9(l) and ISR instructions at eSRS.gov? [Field 11] ☐ YES ☐ NO DESCRIBE:**

NA

- (1) FAR 52.219-9(l)(1)(i). During contract performance, were ISRs submitted within thirty days of March 31 and September 30? ☐ YES ☐ NO Exhibit III**

NA

- (2) FAR 52.219-9(l)(1)(i). Were final ISRs submitted for each contract within thirty days of contract completion? ☐ YES ☐ NO**

NA

- (3) FAR 52.219-9(l)(1)(ii). If options were included on the requirement, was the dollar goal inserted on the ISR a sum of the base period through the current option? ☐ YES ☐ NO**

NA

- (4) FAR 52.219-9(l)(1)(iii). Did the Contractor acknowledge receipt or reject the ISRs from the subcontractor(s)? ☐ YES ☐ NO ☐ N/A Exhibit I**

- b. FAR 19.701 and FAR 19.705-7(d). Perform analysis of all regular and final ISRs. Has the Contractor demonstrated a good faith effort in meeting the negotiated small business subcontracting goals? ☐ YES ☐ NO Exhibit III**

NA

- b. Perform trend analysis of historical small business goal achievements (*last 5 years, if available*) from eSRS. Describe the underlying cause of trends, positive or negative. Exhibit II. DESCRIBE:

Martin Missiles & Fire Control (MFC). This business unit SB performance over the five year period is positive and over [REDACTED] in SB procurement awards. LM MFC holds the THAAD program, GMLRS and JASSM programs. Overall, the corporation five year trend performance is flat at 21%; however, the total SB dollar subcontracting is slowly increasing (\$3.7B in FY13, \$3.3B in FY14, \$3.4B in FY15, \$3.3B in FY16 and \$3.6B in FY17). FY14 marks their lowest small business percentage performance in the past five years (17.1%) (b) (4) [REDACTED] All other socio-economic categories show flat performances as well and a five year average of 3.6% for SDB; 4.2% for WOSB; 1.2% for HUBZone; 2.7% for VOSB and 1.6% for SDVOSB.

3. FAR 52.219-9(I)(1). ISR performance (not applicable to Commercial or Comprehensive Plans)

- a. Were ISRs submitted accurately in accordance with all the elements of FAR 52.219-9(I) and ISR instructions at eSRS.gov? [Field 11] ☐ YES ☐ NO DESCRIBE:

NA

- (1) FAR 52.219-9(I)(1)(i). During contract performance, were ISRs submitted within thirty days of March 31 and September 30? ☐ YES ☐ NO Exhibit III

NA

- (2) FAR 52.219-9(I)(1)(i). Were final ISRs submitted for each contract within thirty days of contract completion? ☐ YES ☐ NO

NA

- (3) FAR 52.219-9(I)(1)(ii). If options were included on the requirement, was the dollar goal inserted on the ISR a sum of the base period through the current option? ☐ YES ☐ NO

NA

- (4) FAR 52.219-9(I)(1)(iii). Did the Contractor acknowledge receipt or reject the ISRs from the subcontractor(s)? ☐ YES ☐ NO ☐ N/A Exhibit I

- b. FAR 19.701 and FAR 19.705-7(d). Perform analysis of all regular and final ISRs. Has the Contractor demonstrated a good faith effort in meeting the negotiated small business subcontracting goals? ☐ YES ☐ NO Exhibit III

NA

Part III – Contractor's Small Business Program

1. Review of Small Business Program in accordance with FAR 52.219-9 [Field 13]

a. FAR 52.219-9(d)(1). Does the Contractor express goals in terms of percentage of total planned subcontracting dollars for each small business category, in all plans?

☒ YES ☐ NO

b. FAR 52.219-9(d)(2). Are there statements of total dollars planned to be subcontracted for each small business category in all plans? ☒ YES ☐ NO

c. FAR 52.219-9(d)(3). Is there a description of the principal types of supplies and services to be subcontracted for each small business category? ☒ YES ☐ NO

d. FAR 52.219-9(d)(4). Briefly describe the methodology used by the Contractor to develop subcontracting goals. Is the Contractor adhering to the method described in the plans to develop subcontracting goals? ☒ YES ☐ NO DESCRIBE:

As briefed during this review, Lockheed Martin utilizes a "bottoms up" forecasting process from all the Business Areas. (b)

(4)

The goals are rolled up to the Corporate Director, and are aggregated to determine corporate performance targets. (b)

and (4)

accordance with FAR 52.219-9(d)(4).

e. FAR 52.219-9(d)(5). Briefly describe the methodology utilized by the Contractor to identify potential sources for solicitation purposes. Is the Contractor adhering to the method described in the approved small business subcontracting plans? ☒ YES ☐ NO DESCRIBE:

Lockheed Martin's methodology to identify potential Small Business continues to evolve and improve in FY17. Their outreach strategy is evolving into a more mission driven perspective that targets affiliations that could possibly assist them in meeting their sourcing needs and Small Business shortfalls. Based on this improved approach, the DCMA SBP's review of outreach records validated outreach events in which Lockheed Martin was able to obtain new suppliers referrals and associated awards of over

lockheed Martin MFC have strong Native American initiatives.

The contractor's methods are in accordance with FAR reference.

f. FAR 52.219-9(d)(6). Are indirect costs included in establishing subcontracting goals?☒ YES ☐ NO

If indirect costs are included, briefly describe and analyze the methodology utilized by the Contractor to determine share of indirect costs for small business, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns. Is the Contractor adhering to the method described in the small business subcontracting plan? ☒ YES ☐ NO DESCRIBE:

In FY17 Lockheed Martin changed their share of indirect cost by business unit due to the divestiture of IS&GS and the purchase of Sikorsky Aircraft. (b) (4)

The impact of the IS&GS divestiture was in essence the exclusion of spend from this segment into Lockheed Martin FY17 forecast. The impact of the acquisition of Sikorsky prompted the reorganization of Mission Support Training (MST) business unit into Rotary and Mission Systems (RMS) business unit with no impact into Lockheed Martin FY17 CSP forecast as Sikorsky kept a separate subcontracting plan. (b) (4)

The DCMA SBP validated the methodology used and allocations. The methodology and application was found to be accurate.

g. FAR 52.219-9(d)(7). Is the name of individual employed by the Contractor who administers the subcontracting program included in the plans, with a description of the duties?

☒ YES ☐ NO Is the named person fulfilling the small business duties as described in the plans? ☒ YES ☐ NO DESCRIBE:

At the Corporate level, Susannah Raheb acts as the Corporate Small Business Liaison Officer for Lockheed Martin. The FY17 CSP plan list her name and duties. The CSP plan is also managed at the business unit level by the Supplier Diversity Business unit leads who conduct day to day management of the small business program to include daily interaction with buyers.

h. FAR 52.219-9(d)(8). Briefly describe the efforts by the Contractor to ensure small business concerns have an equitable opportunity to compete for subcontracts. Is the Contractor adhering to the method described in the plans to assure equitable subcontracting opportunities exist for small business? ☒ YES ☐ NO DESCRIBE:

(b) (4)

The DCMA SBP considers this a win win to all parties but in particular for the small business community. The contractor continues to challenge themselves in their efforts to meet FAR 52.219-9 (d)(8) requirements. Lockheed Martins efforts for ensuring equitable opportunity to small businesses for subcontracts are above and beyond the FAR requirements.

i. FAR 52.219-9(d)(9).

(1) Is the Contractor adhering to the assurance that the Contractor will include clause FAR 52.219-8 "Utilization of Small Business Concerns" in all subcontracts that offer further subcontracting opportunities? ☒ YES ☐ NO Exhibit I

- (2) Is the Contractor requiring all subcontractors that receive subcontracts over \$700,000 (\$1.5 million for construction of any public facility with further subcontracting possibilities) except small business concerns to adopt a subcontracting plan? [Field 35] ☒ YES ☐ NO ☐ N/A Exhibit I

j. FAR 52.219-9(d)(10)

- (1) 52.219-9(d)(10)(i). Does the Contractor cooperate in studies or surveys as may be required? ☒ YES ☐ NO
- (2) FAR 52.219-9(d)(10)(ii). Does the Contractor submit periodic reports to determine extent of compliance to plans? ☒ YES ☐ NO
- (3) FAR 52.219-9(d)(10)(iii). Does the Contractor include subcontracting data for each order when reporting subcontracting achievements for indefinite-delivery, indefinite-quantity contracts intended for use by multiple agencies?
☐ YES ☒ NO
- (4) FAR 52.219-9(d)(10)(iv). Does the Contractor submit ISRs and/or SSRs?
☒ YES ☐ NO
- (5) FAR 52.219-9(d)(10)(v). Does the Contractor ensure that its subcontractors submit ISRs and/or SSRs? ☒ YES ☐ NO ☐ N/A Exhibit I
- (6) FAR 52.219-9(d)(10)(vi). Does the Contractor provide its prime contract number, its DUNS number, and the e-mail address of the Contractor's official responsible for acknowledging receipt of or rejecting the ISRs, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their ISRs? ☒ YES ☐ NO ☐ N/A
- (7) 52.219-9(d)(10)(vii). Does the Contractor require that each subcontractor with a subcontracting plan provide the prime contract number, its own DUNS number, and the e-mail address of the subcontractors official responsible for acknowledging receipt of or rejecting the SSRs, to its subcontractors with subcontracting plans? ☒ YES ☐ NO ☐ N/A

k. FAR 52.219-9(d)(11). A description of the types of records that will maintained concerning procedures that have been adopted to comply with the requirements and goals in the plans including:

- (1) FAR 52.219-9(d)(11)(i). Is the Contractor maintaining source lists (e.g. SAM), guides, and other data to identify small businesses? [Field 14] ☒ YES ☐ NO
DESCRIBE:

Lockheed Martin maintains and utilizes source lists to identify small business. The DCMA SBP examined the source list used at the review site with focus on Native American suppliers. The sources used include government and public sites, local chambers of commerce and PTACs. Additionally, the contractor procurement system can be queried to identify buyers access to various tools such as the SBA SAM.

(2) FAR 52.219-9(d)(11)(ii). Is the Contractor maintaining records of organizations that were contacted by the Contractor in an attempt to locate sources that are small businesses? [Field 15] ☒ YES ☐ NO DESCRIBE:

A complete review of outreach records to include events attended and sponsorships was completed. Lockheed Martin fully documented their participation on 118 outreach event. Additionally, the DCMA SBP review the records of new suppliers that receive purchase orders in FY17 (total of 881 suppliers); their source search listing and successes (over 50 sources used and descriptions); (b) (4)

. Lockheed Martin's records are in accordance with this requirement.

(3) 52.219-9(d)(11)(iii). Is the Contractor maintaining records for each subcontract of more than \$150,000? [Field 18] ☒ YES ☐ NO ☐ N/A Exhibit I DESCRIBE:

Lockheed Martin maintains all purchase order records electronically. Lockheed Martin MFC sample of purchase orders over \$150,000 show records are being kept. (b) (4)

The FAR makes no distinction between competitive or non competitive awards to implement this requirement. It applies to all awards.

(4) FAR 52.219-9(d)(11)(iv). Is the Contractor maintaining records of any outreach efforts to contact trade associations, business development organizations, conferences and trade fairs and veteran service organizations? [Field 19] ☒ YES ☐ NO DESCRIBE:

Lockheed Martin provided records of attendance and participation to various outreach events in FY17. Lockheed Martin was an active participant in 118 outreach efforts during this review period. The DCMA SBP review notes few efforts that merit mention:

1. Alaska Chamber of Commerce: Lockheed Martin was able to identify two Alaskan Native Corporations for a staffing services corporate agreement. The companies were added to the RFI list.

2. Indian County Business Summit: (b) (4) was identified in the matchmaking and received awards for the T50 A program, F-22 CCAs valued at (b) (4)

3. Reservation Economic Summit: (b) (4) (SDB/HUBZone) and (b) (4) (WOSB) were identified based on core capabilities and after an assessment they were recommended to the F35 program buyers to compete on 3 immediate solicitations, and (b) (4) was identified by the Lockheed Martin MFC with awards valued at (b) (4). The contractor was found in compliance with this requirement.

(5) FAR 52.219-9(d)(11)(v). Is the Contractor maintaining records of internal guidance and encouragement to buyers through (A) workshops, seminars, training, etc. and (B) monitoring performance to evaluate compliance with program requirements? [Field 20] ☒ YES ☐ NO DESCRIBE:

Lockheed Martin maintains records of completed Supplier Diversity training. Records were provided during the review and validates 1,450 procurement professionals completed training in FY17. This is an annual requirement for their buyers and also includes the Business Area level for Supply Chain, Business Development and Program professionals. Lockheed Martin MFC Supplier Diversity personnel attended staff meetings in which Small Business was discussed in detail. They also recognized employees that went over and above in their contributions to support the small business objectives as such 7 employees, and one buying team received awards in FY17. Records are considered complete.

(6) FAR 52.219-9(d)(11)(vi). Is the Contractor maintaining records on a contract-by-contract basis, records to support award data submitted by the Contractor to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement. [Field 21] ☒ YES ☐ NO ☐ N/A to Commercial Plans DESCRIBE:

Lockheed Martin award data can be found in their Exostar system and captures supplier information including name, address, NAICS codes and size certifications. Exostar feeds into Lockheed Martin's Procure to Pay System (LM P2P) which is where requisitions, purchase orders and invoices are created. Records are being maintained.

- l. FAR 52.219-9(d)(12). Did the Contractor make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns that it used in preparing the bid or proposal, in the same or greater scope, amount, and quality used in preparing and submitting the bid or proposal? ☐ YES ☐ NO ☒ N/A**
- m. FAR 52.219-9(d)(13). Did the Contractor provide the Contracting Officer with a written explanation if the Contractor fails to acquire articles, equipment, supplies, services or materials or obtain the performance of construction work as described in FAR 52.219-9(d)(12)? [Field 13] ☐ YES ☐ NO ☒ N/A**
- n. FAR 52.219-9(d)(14). Has the Contractor prohibited a subcontractor from discussing with the Contracting Officer any material matter pertaining to payment to or utilization of a subcontractor? [Field 13] ☐ YES ☒ NO ☐ N/A**
- o. FAR 52.219-9(d)(15). Does the Contractor pay its small business subcontractors on time and in accordance with the terms and conditions of the underlying subcontract, and notify the Contracting Officer when the prime Contractor makes either a reduced or an untimely payment to a small business subcontractor? [Field 13] ☒ YES ☐ NO**
- p. FAR 52.219-9(e)(1). Is the Contractor assisting small businesses by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules to facilitate the participation by such concerns? ☒ YES ☐ NO DESCRIBE:**

In addition to Lockheed Martin's company wide policies and procedures to promote to the maximum extent practicable, all categories of small business concerns, at the business unit level Lockheed Martin maintains documented efforts that corroborates the assistance provided to meet this FAR requirement. For instance, Lockheed Martin MFC utilized mini-summits to assist (b) (4) in continuous improvement processes for their systemic quality issues. Specifically, Lockheed Martin MFC worked with (b) (4) in process improvement plans to reduce cycle time, improve yield, and standard work and mistake proof processes that will enable them to be more competitive at time of award. Lockheed Martin is meeting this requirement.

- q. FAR 52.219-9(e)(2). Is the Contractor providing adequate and timely consideration of small businesses in all "make-or-buy" decisions? ☒ YES ☐ NO DESCRIBE:**

Each business unit develops their own make or buy program procedures in accordance with Lockheed Martin policy statement CPS-018. Lockheed Martin MFC Vice-President chairs the Make or Buy Committee for this business unit. The committee has representation from multiple line of business such as contracts, finance and engineering. The DCMA SBP reviewed the Lockheed Martin MFC Make or Buy procedures and notes they require a make or buy plan for all proposals involving hardware and contracts for which hardware is produce. There were no make or buy decision made in FY17.

- r. **FAR 52.219-9(e)(3). Is the Contractor counseling and discussing subcontracting opportunities with small businesses?** ☒ YES ☐ NO **DESCRIBE:**

The company attended 118 events of which 9 were Lockheed Martin-hosted events in FY17. Lockheed Martin was successful in awarding new contracts to Small Business through their connections. Lockheed Martin provided records to demonstrate the specific mentoring provided to suppliers. At Lockheed Martin MFC twenty small business suppliers were provided assistance resulting in five becoming new suppliers and receiving purchase orders and eight becoming suppliers on other programs. Additionally, they developed a brochure to assist the supplier to know the required certifications and commodities with subcontracting opportunities solicited at this site. The contractors documentation attest to their compliance with this requirement.

- s. **FAR 52.219-8(d)(5). Is the Contractor confirming a HUBZone small business concern is a certified HUBZone small business by SBA?** ☒ YES ☐ NO **Exhibit I**

- t. **FAR 52.219-9(e)(5). Is the Contractor providing notice to subcontractors concerning penalties and remedies for misrepresentations of business status as a small business for the purpose of obtaining a subcontract?** [Field 22] ☒ YES ☐ NO **DESCRIBE:**

Lockheed Martin includes the penalty clause for size misrepresentation on its electronic supplier registration database. In order to do business with Lockheed Martin, suppliers need to register on this database. The reviewer validated the clause is part of their electronic supplier certification and must be agreed in order to register.

- u. **FAR 52.219-9(e)(6). Is the Contractor providing notice to inform each unsuccessful small business offeror in writing of the name and location of the apparent successful offeror prior to award of the contract in which a small business concern received a small business preference for subcontracts over the Simplified Acquisition Threshold?** ☐ YES ☐ NO ☒ N/A
- v. **FAR 52.219-9(e)(7). Has each subcontract been assigned a NAICS code and corresponding size standard that best describes the principal purpose of the subcontract?** [Field 36] ☒ YES ☐ NO

2. Other Regulatory Compliance

- a. **FAR 52.219-8(b). Has the Contractor provided the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems for small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns?** [Field 39] ☒ YES ☐ NO **DESCRIBE:**

This review covers purchase orders issued by DoD only. The review validates the flow-down of this clause in Lockheed Martin DoD purchase orders.

- b. FAR 52.219-8(b). Has the Contractor established procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns? [Field 32] ☒ YES ☐ NO
Is the contractor ensuring timely payment of subcontractors? [Field 32] ☒ YES ☐ NO
DESCRIBE:

Lockheed Martin participates in the SBA Supplier-pay initiative and provides prompt payment to eligible suppliers on a 15 day average which is an improvement of one day less when compared to the FY16 review. There are procedures in place that were shared with the DCMA SBP.

- c. FAR 52.232-40. Providing Accelerated Payments to Small Business Subcontractors. If this clause is included in their prime contract(s) is the Contractor making the required accelerated payments to their small business subcontractor(s), as prescribed? [Field 23] ☒ YES ☐ NO ☐ N/A
- d. Has the Contractor adequately addressed all previous Corrective Action Plans (CAPs)? [Field 24] ☐ YES ☐ NO ☒ N/A
If applicable, describe the previous findings/deficiencies and the corrective actions implemented.

3. Additional Program Administration

- a. Has a company-wide small business policy statement been issued by current senior management and disseminated throughout the company? [Field 25] ☒ YES ☐ NO

Issued By: Marilyn A Hewson

Title: Chairman, President and CEO

Date: January 12, 2017

- b. SBLO appointment/authority placement in the organization:

- (1) Has the SBLO been formally appointed by senior level management to effectively administer the program? [Field 26] ☒ YES ☐ NO
- (2) SBLO is a: ☒ Corporate ☐ Division (if a division SBLO, describe the relationship between this division and the corporate SBLO). **DESCRIBE:**

- (3) Is there an organization chart that displays the position of the SBLO within the organization? [Field 27] ☒ YES ☐ NO

c. Monitoring small business program performance and requirements:

(1) Are senior management and staff briefed regularly on achievement and/or program deficiencies? [Field 28] ☒ YES ☐ NO

Senior Management and Staff are briefed monthly. Lockheed Martin utilizes a report card that shows progress towards goals, initiatives and also discusses shortfalls and remedies. This briefing is conducted at the corporate and business area levels with their appropriate senior management. Lockheed Martin MFC share metrics during their monthly reviews with their Executive Leadership Council. They highlight areas where improvements can be made within each line of business. The DCMA SBP was provided with documentation of their metrics and they include fiscal year to date performance against their CSP plan and factors impacting their performance. Accordingly, Lockheed Martin MFC briefed on unanticipated (b) (4) placements and (b) (4) ship set quantities from 2200 to 3696 in increases in small business procurements necessary to meet the delivery schedule (b) (4) (b) (4)

(2) What does the Contractor do to improve subcontracting performance if goals are not being met? [Field 29]

Lockheed Martin's Procedure OPM-002, states a set of steps to be followed in the event the performance is not being met. The SBLO will promptly notify Corporate Supplier Diversity of any significant performance problems or risks to achieving annual goals as well as submit quarterly program recovery plans that establish corrective actions for any subcontracting goals or initiatives not being met. The contractor exceeded all negotiated goals, initiatives and target industry goals for this review period.

d. Small Business Subcontracting Procedures

(1) Does the Contractor have company policies or procedures in place for the small business subcontracting program? [Field 30] ☒ YES ☐ NO DESCRIBE:

Lockheed Martin's policies and procedures are included as part of their records provided during this review. They include Operations & Program Management (OPM)-002 - Supplier Diversity Program, LMAP 5.710 - Complying with Socioeconomic Requirements; LMAP 2.320 - Identifying Potential Sources for Competitive Solicitations and LMAP 12.450 - Supplier Diversity Program promote participation of small business and the categories of small business. These policies and procedures are updated to reflect the implementation of new FAR requirements

(2) Do the policies or procedures promote participation of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns? ☒ YES ☐ NO ☐ N/A DESCRIBE:

The policies and procedures are set to meet all FAR part 19, 52.219-9 and DFARS requirements. No factors noted that could hinder participation of small business concerns.

Part IV – Comprehensive Subcontracting Plan (CSP) Test
Program Applies to CSP Only - If not applicable skip to Part V

1. Describe the efforts the firm uses to achieve all negotiated initiatives.

[REDACTED] For the first initiative, LM completed all of its main objectives to strengthen their [REDACTED]

Is the firm making adequate progress to meet all milestones for all negotiated initiatives?

☒ YES ☐ NO

2. TARGET INDUSTRIES

Has the contractor met, or are they on track to meet all selected industry category goals?

☒ YES ☐ NO

Describe the method the firm uses to improve performance by small business in the selected industry categories.

Lockheed Martin designated two commodity areas in FY 2017: (b) (4) and (b) (4). These industry categories were selected to increase small business performance and a continuation of FY16; however, higher goals were negotiated for FY17. [REDACTED] goals were exceeded as follows [REDACTED]. Additionally, Lockheed Martin met their objectives in the CSP to pursue new Small Business opportunities for [REDACTED]

3. List the major programs(s) the firm is monitoring as requested by the customer.

Program Name	Discuss:	Add/Remove	
GPS, JASSM, SBIRS, C-130J (AF/Navy), F-22		<input type="checkbox"/> Add	<input type="checkbox"/> Remove
FAST, AEHF, DESPII, F2AST, JAGM, THAAD		<input type="checkbox"/> Add	<input type="checkbox"/> Remove
AEGIS BMD AWS (Navy/MDA), Target & Counterm		<input type="checkbox"/> Add	<input type="checkbox"/> Remove
C2BMC, H-60 R&S, F-35 JSF		<input type="checkbox"/> Add	<input type="checkbox"/> Remove

4. Did the firm fully comply with the request to provide program specific information as requested by the customer? ☒ YES ☐ NO

5. PERFORM INTERIM ANALYSIS OF COMPREHENSIVE SUBCONTRACTING PLAN

Indicate by analysis and contractor concurrence, one or more of the plan's goals may not be attained by end of performance.

Performance towards goals as of mid-year

SB SDB WOSB HUBZONE VOSB SDVOSB
 Negotiated (b) (4)
 Mid-Year [REDACTED]

As of end of Q2, LM's is exceeding all of its goals. (b) (4)

[REDACTED] The mid-year assessment shows no difficulties in meeting and exceeding its negotiated FY17 subcontracting goals.

**Part IV – Comprehensive Subcontracting Plan (CSP) Test
Program Applies to CSP Only - If not applicable skip to Part V**

1. Describe the efforts the firm uses to achieve all negotiated initiatives.

initiative was the award of 14 purchase orders with an aggregated value of \$227,945,067 to current and past protégés and implemented a one-year MP agreement with Alro Manufacturing Co. (WOSB, VOSB). Further, Lockheed Martin developed an internal Mentor Protégé Strategy to assist small business suppliers with core competencies. Lockheed Martin also provided bi-monthly meetings as a forum for education and exchange of information with the Mentor Protege team. Their third initiative greatest accomplishment was the identification of ten new for SDB, HUBZone and SDVOSB search to include Disabled Veteran Business Alliance and Hawaii SBDC. All negotiated initiatives goals and milestones were met and exceeded.

Is the firm making adequate progress to meet all milestones for all negotiated initiatives?

☒ YES ☐ NO

2. TARGET INDUSTRIES

Has the contractor met, or are they on track to meet all selected industry category goals?

☒ YES ☐ NO

Describe the method the firm uses to improve performance by small business in the selected industry categories.

Lockheed Martin designated two commodity areas in FY 2017: (b) (4) and (b) (4). These industry categories were selected to increase small business performance and a continuation of FY16; however, higher goals were negotiated for FY17. (b) (4) goals were exceeded as follows (b) (4). Additionally, Lockheed Martin met their objectives in the CSP to pursue new Small Business opportunities for (b) (4).

3. List the major programs(s) the firm is monitoring as requested by the customer.

Program Name	Discuss:	Add/Remove	
GPS, JASSM, SBIRS, C-130J (AF/Navy), F-22		<input type="checkbox"/> Add	<input type="checkbox"/> Remove
FAST, AEHF, DESPII, F2AST, JAGM, THAAD		<input type="checkbox"/> Add	<input type="checkbox"/> Remove
AEGIS BMD AWS (Navy/MDA), Target & Counterm		<input type="checkbox"/> Add	<input type="checkbox"/> Remove
C2BMC, H-60 R&S, F-35 JSF		<input type="checkbox"/> Add	<input type="checkbox"/> Remove

4. Did the firm fully comply with the request to provide program specific information as requested by the customer? ☒ YES ☐ NO

5. PERFORM INTERIM ANALYSIS OF COMPREHENSIVE SUBCONTRACTING PLAN

Indicate by analysis and contractor concurrence, one or more of the plan's goals may not be attained by end of performance.

Performance towards goals as of mid-year

SB SDB WOSB HUBZONE VOSB SDVOSB
Negotiated (b) (4)
Mid-Year (b) (4)

As of end of Q2, LM's is exceeding all of its goals. (b) (4)

(b) (4)
(b) (4) the mid-year assessment shows no difficulties in meeting and exceeding its negotiated FY17 subcontracting goals.

**Part IV – Comprehensive Subcontracting Plan (CSP) Test
Program Applies to CSP Only - If not applicable skip to Part V**

1. Describe the efforts the firm uses to achieve all negotiated initiatives.

[REDACTED] For the first initiative, LM completed all of its main objectives to strengthen their [REDACTED]

Is the firm making adequate progress to meet all milestones for all negotiated initiatives?

☒ YES ☐ NO

2. TARGET INDUSTRIES

Has the contractor met, or are they on track to meet all selected industry category goals?

☒ YES ☐ NO

Describe the method the firm uses to improve performance by small business in the selected industry categories.

[REDACTED]

[REDACTED] s goals were exceeded as follows [REDACTED]

3. List the major programs(s) the firm is monitoring as requested by the customer.

Program Name	Discuss:	Add/Remove
GPS, JASSM, SBIRS, C-130J (AF/Navy), F-22		<input type="checkbox"/> Add <input type="checkbox"/> Remove
FAST, AEHF, DESPII, F2AST, JAGM, THAAD		<input type="checkbox"/> Add <input type="checkbox"/> Remove
AEGIS BMD AWS (Navy/MDA), Target & Counterm		<input type="checkbox"/> Add <input type="checkbox"/> Remove
C2BMC, H-60 R&S, F-35 JSF		<input type="checkbox"/> Add <input type="checkbox"/> Remove

4. Did the firm fully comply with the request to provide program specific information as requested by the customer? ☒ YES ☐ NO

5. PERFORM INTERIM ANALYSIS OF COMPREHENSIVE SUBCONTRACTING PLAN

Indicate by analysis and contractor concurrence, one or more of the plan's goals may not be attained by end of performance.

Performance towards goals as of mid-year

SB SDB WOSB HUBZONE VOSB SDVOSB
Negotiated (b) (4)
Mid-Year [REDACTED]

As of end of Q2, LM's is exceeding all of its goals. (b) (4)

[REDACTED] The mid-year assessment shows no difficulties in meeting and exceeding its negotiated FY17 subcontracting goals.

Part IV – Comprehensive Subcontracting Plan (CSP) Test
Program Applies to CSP Only - If not applicable skip to Part V

1. Describe the efforts the firm uses to achieve all negotiated initiatives.

[REDACTED] . For the first initiative, LM completed all of its main objectives to strengthen their [REDACTED]

Is the firm making adequate progress to meet all milestones for all negotiated initiatives?

☒ YES ☐ NO

2. TARGET INDUSTRIES

Has the contractor met, or are they on track to meet all selected industry category goals?

☒ YES ☐ NO

Describe the method the firm uses to improve performance by small business in the selected industry categories.

[REDACTED] goals were exceeded as follows [REDACTED]

[REDACTED]

[REDACTED] Overall, LM efforts performed to increase Small Business utilization for both target commodities are exceptional.

3. List the major programs(s) the firm is monitoring as requested by the customer.

Program Name	Discuss:	Add/Remove
GPS, JASSM, SBIRS, C-130J (AF/Navy), F-22		<input type="checkbox"/> Add <input type="checkbox"/> Remove
FAST, AEHF, DESPII, F2AST, JAGM, THAAD		<input type="checkbox"/> Add <input type="checkbox"/> Remove
AEGIS BMD AWS (Navy/MDA), Target & Counterm		<input type="checkbox"/> Add <input type="checkbox"/> Remove
C2BMC, H-60 R&S, F-35 JSF		<input type="checkbox"/> Add <input type="checkbox"/> Remove

4. Did the firm fully comply with the request to provide program specific information as requested by the customer? ☒ YES ☐ NO

5. PERFORM INTERIM ANALYSIS OF COMPREHENSIVE SUBCONTRACTING PLAN

Indicate by analysis and contractor concurrence, one or more of the plan's goals may not be attained by end of performance.

Performance towards goals as of mid-year

SB SDB WOSB HUBZONE VOSB SDVOSB
 Negotiated (b) (4)
 Mid-Year [REDACTED]

As of end of Q2, LM's is exceeding all of its goals. (b) (4)

(b) (4)
 (b) (4) The mid-year assessment shows no difficulties in meeting and exceeding its negotiated FY17 subcontracting goals.

COMPREHENSIVE PLAN	Goals May Not Be Met – Check Box(es) where goals may not be met						Demonstrated Good Faith Efforts
	SB	SDB	WOSB	HUBZ	VOSB	SDVOSB	
Midyear SSR Date Range:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Recommended Action:

Contractor is on target in meeting negotiated SB subcontracting goals for FY17. No remedy needed at this time.

6. PERFORM FINAL ANALYSIS OF COMPREHENSIVE SUBCONTRACTING PLAN

COMPREHENSIVE PLAN	All Goals Were Met	Goals Not Met – Check Box(es)						Demonstrated Good Faith Efforts
		SB	SDB	WOSB	HUBZ	VOSB	SDVOSB	
Year End SSR Date Range:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> YES <input type="checkbox"/> No

Recommended Action:

Performance towards goals as of end-year FY17

SB SDB WOSB HUBZONE VOSB SDVOSB
Negotiated (b) (4)
End-Year

As of end of Q4, Lockheed Martin exceeded all of its goals.

Part V – Program Rating Determination

The DCMA Small Business Programs Compliance rating scale below is a modified version of FAR 42.1503-Contractor Performance Information, Procedures, and Table 42-2—Evaluation Ratings Definitions.

Evaluation Ratings Definitions (for the Small Business Subcontracting Evaluation Factor, when FAR clause 52.219-9 is used).

Rating	Definition	Note
<input checked="" type="checkbox"/> Exceptional	Performance meets Very Good rating and exceeds many subcontracting program elements to the Government's benefit. There should have been NO weaknesses identified. Identify multiple significant events that were exceptional and state how they were benefits to the Government.	To justify an Exceptional rating, identify multiple documented successes that exceed the subcontracting plan requirements. State how they were a benefit to small business utilization. An Exceptional rating signifies that the company has an exemplary program or practices that could be used as a model by other contractors in similar industries. There is no action taken or planned action to be taken for compliance with

☐ **Very Good** Performance meets Satisfactory rating and exceeds one subcontracting program element to the Government's benefit. There should have been NO weaknesses identified. Identify at least one significant event and state how it was a benefit to the Government.

☐ **Satisfactory** Performance meets the subcontracting program elements to the Government's benefit. The performance of the subcontracting plan requirement's elements or sub-elements being evaluated was accomplished with only minor problems or major problems the contractor recovered from without impact to the contract/order or subcontracting program elements. The corrective actions taken by the contractor were highly effective. Also, there should have been NO weaknesses identified. A fundamental principle of assigning this rating is that the contractor will not be evaluated with a rating lower than Satisfactory solely for not performing beyond the requirements of the subcontracting plan elements.

48 CFR 52.219-8, 13 CFR 125.3 & 48 CFR 52.219-9.

To justify a Very Good rating, identify a significant documented success of exceeding one or more subcontracting plan elements. State how it was a benefit to small business utilization. Provided documentation of achievements and success stories to support efforts demonstrated. There is no action taken or planned action to be taken for compliance with 48 CFR 52.219-8, 13 CFR 125.3 & 48 CFR 52.219-9.

Examples of meeting the subcontracting program elements: Meet or on track to meet all goals as negotiated per contract. The contractor met subcontracting plan(s) elements, instituting initiatives to assist, promote, and utilize SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB. The contractor complied with 48 CFR 52.219-8, Utilization of Small Business Concerns which is inclusive of the requirement for a large business to get a written size self-certification from each small business subcontractor accurately reflecting the firm's socio-economic status. The contractor met any other small business participation requirements incorporated in the contract(s)/order(s). The contractor fulfilled the requirements of the Federal Government's Subcontracting program as outlined in 13 CFR 125.3 & 48 CFR 52.219-9. The contractor accurately completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports. The contractor responded to rejected reports within 30 days of rejection notice. Reviewed and accepted or rejected their other than small business (OTSB) lower tier subcontractors' Individual Subcontract Reports within 60 days of submittal. Ensured their OTSB responded to rejected reports within 30 days of rejection notice. The contractor ensured that all levels of OTSB subcontractor flow down the requirement to submit all of their Individual Subcontract Reports and/or Summary Subcontract Reports as required by regulation. Ensured that all levels of OTSB subcontractor flow down

the requirement to review and accept or reject their OTSB Individual Subcontract Reports within 60 days of submittal and respond to rejected reports within 30 days of rejection notice.

Note: To justify a Satisfactory rating, there are multiple documented successes to identify meeting or on track to meet the negotiated goals for each contract. Identify multiple documented successes of meeting subcontracting plan elements. There is no action taken or planned action to be taken for compliance with 48 CFR 52.219-8, 13 CFR 125.3 & 48 CFR 52.219-9.

☐ **Marginal** Performance does not meet some subcontracting program elements and contractual requirements. The contractual performance of the element or sub-element being evaluated reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only marginally effective or were not fully implemented.

Examples of marginally meeting the subcontracting program elements: Demonstrated a good faith effort to meet all of the negotiated subcontracting goals per contract. The contractor demonstrated a good faith effort to meet all of the subcontracting plan(s) elements, instituting initiatives to assist, promote, and utilize SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB. Complied with 48 CFR 52.219-8, Utilization of Small Business Concerns is inclusive of the requirement for a large business to get a written size self-certification from each small business subcontractor accurately reflecting the firm's socio-economic status. The contractor demonstrated a good faith effort to meet any other small business participation requirements in the contract/order. Submitted Individual Subcontract Reports and/or Summary Subcontract Reports but not within the time frame required by regulation. The contractor has consulted DCMA and SBA for assistance. Demonstrated a good faith effort to review and accept or reject their OTSB lower tier subcontractors' Individual Subcontract Reports within 60 days of submittal. Demonstrated a good faith effort to ensure their OTSB responded to rejected reports within 30 days of rejection notice. The contractor demonstrated a good faith effort to ensure that all levels of OTSB subcontractor flow down the requirement to submit all of their Individual Subcontract Reports and/or Summary Subcontract Reports as required by regulation. Demonstrated a good faith effort to ensure that all levels of OTSB

subcontractor flow down the requirement to review and accept or reject their OTSB Individual Subcontract Reports within 60 days of submittal and respond to rejected reports within 30 days of rejection notice.

Note: To justify Marginal performance, identify a significant event in each category that the contractor had trouble overcoming and state how it impacted the Government and small business utilization. A Marginal rating should be supported by referencing the good faith effort to correct the deficiency. Identify multiple documented concerns of not meeting other subcontracting plan elements. There is evidenced action and planned action to be taken that demonstrated non-compliance pursuant to 48 CFR 52.219-8, 13 CFR 125.3 & 48 CFR 52.219-9. Explain the good faith effort taken by the OTSB to overcome the challenge and describe how it impacted small business utilization. The DCMA Small Business Professional (SBP) will notify the Administrative Contracting Officer (ACO) and will notify SBA's applicable Area Director in the SBA Area in which the firm business resides.

- ☐ **Unsatisfactory** – Performance does not meet most subcontracting program element requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element contains a serious problem(s) for which the contractor's corrective actions appear or were ineffective.

Examples of Unsatisfactory performance of meeting the subcontracting program elements: A good faith effort was not demonstrated to meet all of the negotiated subcontracting goals per contract. A good faith effort was not demonstrated to meet all of the negotiated initiatives to assist, promote and utilize SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB. A good faith effort was not demonstrated to comply with FAR 52.219-8, Utilization of Small Business Concerns which is inclusive of the requirement for a large business to get a written size self-certification from each small business subcontractor accurately reflecting the firm's socio-economic status. A good faith effort was not demonstrated to comply with any other small business participation requirements in the contract/order. A good faith effort was not demonstrated to review and accept or reject their OTSB lower tier subcontractors' Individual Subcontract Reports within 60 days of submittal. A good faith effort was not demonstrated to ensure that all levels of OTSB subcontractor flow down the requirement to review and accept or reject their OTSB Individual Subcontract Reports within 60 days of submittal and respond to rejected reports within 30 days of rejection notice.

NOTE: To justify an Unsatisfactory rating, identify multiple significant events in each category that the contractor had trouble overcoming and state how it impacted the Government. A singular problem, however, could be of such serious magnitude that it alone constitutes an unsatisfactory rating. An Unsatisfactory rating should be supported by referencing where there was no documentation to identify good faith effort to meet the subcontracting program elements. There is evidenced action and planned action to be taken that demonstrated non-compliance pursuant to 48 CFR , FAR 52.219-8, 13 CFR 125.3 & 48 CFR, FAR 52.219-9. Explain how they did not show a good faith effort to overcome the challenge and describe how it impacted small business utilization. The DCMA SBP will notify the ACO and SBA's applicable Area Director in the SBA Area in which the business firm resides. *'"Negotiated goals" refers to the dollar and percentage goals in the approved subcontracting plan. (For rating purposes, the reviewer will compare the percentage goals to the percentage achievements).

1. Exceptional Rating Justification

For an "Exceptional" rating, identify multiple documented successes that exceed the subcontracting plan requirements. State how they were a benefit to small business utilization. An Exceptional rating signifies that the company has an exemplary program or practices that could be used as a model by other contractors in similar industries. There is no action taken or planned action to be taken for compliance with 48 CFR 52.219-8, 13 CFR 125.3 & 48 CFR 52.219-9. [Field 38] **DESCRIBE:**

There are many efforts done this fiscal year in which Lockheed Martin aggregated contribution benefited the Small Business community. The DCMA SBP considers their SBIR successes and strategic sourcing success stories as over and above justification to merits this contractor the rating of exceptional. Lockheed Martin SBIR success stories are as follows:

[REDACTED]

2. Very Good Rating Justification

For a "Very Good" rating, identify a significant documented success of exceeding one or more subcontracting plan elements. State how it was a benefit to small business utilization. Provided documentation of achievements and success stories to support efforts demonstrated. There is no action taken or planned action to be taken for compliance with 48 CFR 52.219-8, 13 CFR 125.3 & 48 CFR 52.219-9. [Field 38] **DESCRIBE:**

NOTE: To justify an Unsatisfactory rating, identify multiple significant events in each category that the contractor had trouble overcoming and state how it impacted the Government. A singular problem, however, could be of such serious magnitude that it alone constitutes an unsatisfactory rating. An Unsatisfactory rating should be supported by referencing where there was no documentation to identify good faith effort to meet the subcontracting program elements. There is evidenced action and planned action to be taken that demonstrated non-compliance pursuant to 48 CFR , FAR 52.219-8, 13 CFR 125.3 & 48 CFR, FAR 52.219-9. Explain how they did not show a good faith effort to overcome the challenge and describe how it impacted small business utilization. The DCMA SBP will notify the ACO and SBA's applicable Area Director in the SBA Area in which the business firm resides. *'"Negotiated goals" refers to the dollar and percentage goals in the approved subcontracting plan. (For rating purposes, the reviewer will compare the percentage goals to the percentage achievements).

1. Exceptional Rating Justification

For an "Exceptional" rating, identify multiple documented successes that exceed the subcontracting plan requirements. State how they were a benefit to small business utilization. An Exceptional rating signifies that the company has an exemplary program or practices that could be used as a model by other contractors in similar industries. There is no action taken or planned action to be taken for compliance with 48 CFR 52.219-8, 13 CFR 125.3 & 48 CFR 52.219-9. [Field 38] DESCRIBE:

[REDACTED]

[REDACTED] For their strategic sourcing success stories the most improved area was the increase in subcontract awards. Lockheed Martin went from [REDACTED] in awards to current and past protégés in FY16 to [REDACTED] in FY17, a notable increase.

2. Very Good Rating Justification

For a "Very Good" rating, identify a significant documented success of exceeding one or more subcontracting plan elements. State how it was a benefit to small business utilization. Provided documentation of achievements and success stories to support efforts demonstrated. There is no action taken or planned action to be taken for compliance with 48 CFR 52.219-8, 13 CFR 125.3 & 48 CFR 52.219-9. [Field 38] DESCRIBE:

[REDACTED]

PART VI –Summary

1. **Program Rating:** Exceptional
2. **Areas that are noncompliant with the FAR, ISR, or SSR instructions.**
3. **Recommendations: (NOTE: A recommendation is an area to improve the program that is not required by regulation.)**

4. Additional Remarks:**5. Methodology for selection of contracts reviewed.**

This review was based on 1 DCMA administered contracts with small business subcontracting plans out of a total population of 551 DCMA administered contracts with small business subcontracting plans for the review period. Exhibit III.

This review was based on 19 subcontracts with large businesses over \$700,000, as applicable, out of a total population of 57 subcontracts with large businesses over \$700,000, as applicable, for the review period. Exhibit I Part 1.

This review was based on 26 subcontracts over \$150,000 out of a total population of 154 subcontracts over \$150,000 for the review period. Exhibit I Part 2.

The review was based on 75 subcontracts out of a total population of 1461 subcontracts for the review period. Exhibit I Part 3.

The subcontracts were randomly selected. If a sampling methodology other than random was used state how the sample was selected.

6. Exit Interview Participants:**Government:**

1. Luz M. Vasquez

2.

3.

4.

5.

6.

Contractor:

1. Susannah Raheb

2. Roger Phelps

3. Pat De Santo

4. Pat Mchugh

5. Kurt Ravenfeld

6. Burt Ford

7. DCMA Small Business Professional Signature:

VASQUEZ.LUZ.MARIA.1182397349

Digitally signed by VASQUEZ.LUZ.MARIA.1182397349
Date: 2018.03.22 18:45:13 -05'00'

8. DCMA Small Business Center Supervisor Signature:

THOMAS.SHELLY.S.1201284615

Digitally signed by THOMAS.SHELLY.S.1201284615
DN: c=US, o=U.S. Government, ou=DoD, ou=PKI, ou=DCMA,
cn=THOMAS.SHELLY.S.1201284615
Date: 2018 04.09 08:35:10 -04'00'



DEFENSE CONTRACT MANAGEMENT AGENCY

13205 North Enon Church Road
CHESTER, VA 23836-3122

September 29, 2017

Mrs. Susannah Raheb
Corporate SBLO/CSP Plan Administrator
Lockheed Martin Corporation
100 Global Innovation Circle, Mail Drop: 836
Orlando, FL 32825

Dear Mrs. Raheb,

On behalf of the Department of Defense (DoD), Office of Small Business Programs (OSBP), you are being notified that your proposed Comprehensive Small Business Subcontracting Plan (CSP) for Fiscal Year (FY) 2018 is considered unacceptable for negotiation purposes due to the lower goals presented. However, we are confident in a resolution soon.

Recent discussions held with you, OSBP leadership, Luz Vasquez, DCMA Small Business Professional and myself, have resulted in an impasse in accomplishing a negotiated agreement for a CSP FY 18 Plan. As a result, your FY 17 CSP Plan is extended from September 30 2017 to September 30, 2018. This extension will remain in effect unless superseded by the negotiation of an FY18 CSP plan. This extension includes goals, initiatives, and target industries identified in the extended FY17 Plan and shall remain in effect during the extension period for contracts currently covered under the program and for new contracts awarded until a FY 18 CSP plan is executed.

In order to proceed and resume negotiation for a FY 18 CSP Plan you are requested to provide an additional WOSB initiative to assist in increasing LM WOSB participation. Further, LM Supply Chain Leadership is granted additional time to confer with LM CEO and President, Marillyn Hewson on what additional SB procurements can be committed. The WOSB initiative is requested back to our office by noon, October 14, 2017 to Luz Vasquez, Small Business Professional for her review and recommendation for approval by myself with DoD OSBP concurrence. Negotiations will be reestablished once both requirements are met.

Your signature acknowledging this agreement is requested in the space provided.

EVELYN-
BELLAMY.TATIA.M.
1228577665

Digitally signed by EVELYN-
BELLAMY.TATIA.M.1228577665
DN: c=US, o=U.S. Government, ou=DoD,
ou=PKI, ou=DCMA, cn=EVELYN-
BELLAMY.TATIA.M.1228577665
Date: 2017.09.29 20:02:13 -04'00'

Tatia M. Evelyn-Bellamy
Director, Small Business Office
Small Business Compliance Center
Contracting Officer

ACKNOWLEDGED:

(b) (6)

A large black rectangular redaction box covers the top portion of the acknowledgment section.

Mrs. Susannah Raheb
Corporate SBLO
Lockheed Martin Corporation

9/29/2017

Date

cc:

Dr. Jim Galvin, OSBP
Janice Buffler, OSBP
Debbie Dean, DCMA
Luz M. Vasquez, DCMA
Valerie Muck, -Air Force
Norman Willis-Air Force
Valerie Muck – Air Force
Jamie L. Adams Air Force
Lee Rosenberg -MDA
Jerrol Sullivan -MDA
Emily Harman -Navy
Brad Taylor –Navy
Patricia Obey-Navy
Tommy Marks-Army
Pamela Callicutt-Army
Pamela Monroe-Army
Amy Sajda, DLA
Christopher Hall, DLA
Diana Hughes, NGA
Sheila Harris, DPAP
Sean Crean, SBA
Angela Terry, SBA

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MSJ002038

DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA)
SMALL BUSINESS SUBCONTRACTING PROGRAM COMPLIANCE REVIEW
 In accordance with FAR 19.706 and FAR 52.219-9

Part I – General Information

1.a. Contractor**Name:** Lockheed Martin Aeronautics**Address:** 1 Lockheed Boulevard**City/State/Zip:** Fort Worth, TX 76108**CAGE(s) [Field 1]:** 81755**DUNS:** 008016958**1.b. Small Business Liaison Officer (SBLO) [Field 2]:****Name:** Susannah Raheb**Phone:** (b) (6) Ext**E-mail:** (b) (6)**1.c. Alternate Small Business Liaison Officer (SBLO) [Field 3]:****Name:****Phone:** Ext**E-mail:****2. DCMA Small Business Professional****Name:** Luz M. Vasquez**Title:** Procurement Analyst**Phone:** (b) (6) Ext**E-mail:** (b) (6)**3. Administrative Contracting Officer****Name:** Rocky Miller**Location:** Forth Worth, TX**Phone:** (b) (6) Ext**E-mail:** (b) (6)**4. Small Business Administration (SBA) Representative****Name:** Stephanie Lewis**E-mail:** (b) (6)**Phone:** (b) (6) Ext**5. DCMA/Small Business Administration (SBA), joint review**☐ Yes ☒ No Note: always "No" unless it is an approved follow up type review.**6. Review type:** On-site ☒ Virtual Review ☐**7. Period Covered by this Review****a. From:** 1 Oct 2015**b. To:** 30 Sep 2016**8.a. Date of this review:** February 7-8, 2017**b. Rating of this review:** Exceptional**9.a. Date of last review [Field 4]:** January 25-26, 2016**b. Rating of last review [Field 5]:** Exceptional

10. Department of Defense (DoD) Ratios

a. Total annual company sales [Field 6]: \$46.5 B

b. Total annual sales for DoD [Field 7]: estimated 60% attributable to DoD aprox. \$27 Billion in DoD orders

11. Type of Subcontract Plan(s)

☐ Individual Plan(s): Number of plans:

☐ Commercial Plan: Approved by:

Plan year:

☒ Comprehensive Plan: Approved by: Tatia M. Evelyn-Bellamy

Plan year: 2016

☐ Master Plan: Approved by:

Three (3) Year Period Ending:

12. Mentor Protégé Agreements [Field 8]:

There were a total of 7 Mentor Protege agreements in FY16, of which 4 were with DoD as follows:

1. (b) (4) (AF), expires 9/30/18
2. (b) (4) (DCMA), expires 6/16/17
3. (b) (4) (MDA), expires 01/01/19
4. (b) (4) (Army), agreement ended in August 2016

The return on investment for subcontract awards for current and past protégés is (b) (4) in FY16 (b) (4) is Lockheed Martin Aeronautics Protege. Lockheed Martin Aeronautics is working with (b) (4)

(b) (4) Lockheed Martin Aeronautics also participates in the Georgia Governor's Mentor-Protégé Connection Program and currently is assisting a company named (b) (4) Lockheed Martin has won 12 DOD Nunn Perry Awards.

Part II – Contractor's Subcontracting Performance

1. Accuracy of Small Business Reports [Summary Subcontract Reports (SSRs) and Individual Subcontracting Reports (ISRs)]

- a. Were small business, small disadvantaged business, women-owned small business, HUBZone small business, service-disabled veteran-owned small business, and veteran-owned small business reported in accordance with FAR 52.219-8(a) on SSRs and ISRs [Field 36]? – See Exhibit I

☒ YES ☐ NO

Describe:

The review of a sample of purchase orders showed 100% accuracy on supplier's size classification (Exhibit 1). Lockheed Martin is reporting in accordance with this requirement to include confirming that a subcontractor representing itself as a HUBZone small business concern is certified by SBA as such by accessing the System for Award Management database. Lockheed Martin FY 16 negotiated goals were exceeded as follow:

[REDACTED]

- b. Does the contractor correctly rely on written representations by their subcontractors regarding their status as a small business concern, a veteran-owned small business concern, a service-disabled veteran-owned small business concern, a small disadvantaged business concern, or a women-owned small business concern in accordance with FAR 52.219-8(d)(1) on SSRs and ISRs [Field 36]? – See Exhibit I ☒ YES ☐ NO

Describe:

The contractor rely on its subcontractors size classification entered into their electronic self-certification system. Additionally, the contractor verifies in the System for Award Management database all of their subcontractors who represented themselves as HUBZone small business concern to ensure they are certified as such. The purchase order sampled was out of Lockheed Martin Aeronautics business unit. There were no errors found on the supplier's size classifications.

- c. Does the contractor adequately include credit card purchases on SSRs in accordance with FAR 52.219-9(l)(2)(i)(A) or FAR 52.219- 9(2)(ii)(A) and Individual Subcontracting Reports (ISRs) in accordance with FAR 52.219-9(l)(1)(i) [Field 11]? ☒ YES ☐ NO

☒ YES ☐ NO

Describe:

The contractor includes credit card purchases in their SSR report. They account for those dollars based on whether the purchase was direct to a contract or indirect dollars in which they will allocate an indirect allocation to the spend.

2. Overall subcontracting performance – SSR submission FAR 52.219-9(l)(2)

- a. Were SSRs submitted accurately in accordance with the FAR and SSR instructions at Electronic Subcontracting Reporting System (eSRS.gov) [Field 9]? ☒ YES ☐ NO**
Describe:

Suppliers are requested to use Lockheed Martin's electronic system for self-certification purposes. The sample of purchase orders noted no errors with supplier's size classifications. The contractor was able to validate the dollars entered into their FY16 SSR reporting. Lockheed Martin SSR report includes an indirect allocation which varies across each business unit and is based on the business unit total Direct DoD spend. Lockheed Martin FY16 SSR report was submitted on time as well. The contractor is compliant with this FAR element.

- (1) Were SSRs submitted under individual contract plans ☐ YES ☒ NO** If no, skip to question (2)

- (a) FAR 52.219-9(l)(2)(i)(A) Does the SSR encompass all subcontracting under prime contracts and subcontracts with the awarding agency, regardless of the dollar value of the subcontracts? ☐ YES ☐ NO**
- (b) FAR 52.219-9(l)(2)(i)(A)(C) Did the contractor submit a separate SSR to each executive agency covering only that agency's contracts, provided at least one of that agency's contracts is over \$650,000 prior to 1 October 2015) \$700,000 (after 1 October 2015) (over \$1.5 million for construction of a public facility) and contains a subcontracting plan? ☐ YES ☐ NO**
- (c) Is the SSR submitted annually, within thirty days (30) after the end of the Government's fiscal year [September 30] in accordance with FAR 52.219-9(l)(2)(i)(A)(D) inclusive of DoD Deviation 2013-O0014? ☐ YES ☐ NO**
- (d) FAR 52.219-9(l)(2)(i)(A)(E) Were subcontract awards that were related to work for more than one executive agency appropriately allocated on the SSR? ☐ YES ☐ NO**

- (2) Commercial Plan ☐ YES ☒ NO** If no, skip to Question 3.

- (a) Does the commercial SSR include all subcontract awards under the commercial plan in effect during the Government's fiscal year in accordance with FAR 52.219-9(l)(2)(ii)(A)? ☐ YES ☐ NO**
- (b) Is the commercial SSR submitted annually, within thirty days (30) after the end of the Government's fiscal year in accordance with FAR 52.219-9(l)(2)(ii)(B)? ☐ YES ☐ NO**
- (c) Has the contractor specified the percentage of dollars attributable to each agency from which contracts for commercial items were received on the SSR in accordance with FAR 52.219-9(l)(2)(ii)(C)? ☐ YES ☐ NO**

- (3) Is the CEO (the most the Senior Executive in the organization) named on SSR [Block 13 of SSR]? ☒ YES ☐ NO**

- (4) Did the CEO sign and keep the signed SSR on file? ☒ YES ☐ NO**

- b. Perform trend analysis of historical small business goal achievements (*last 5 years, if available*) from eSRS. Describe the underlying cause of trends, positive or negative. See Exhibit II.

Describe:

Historically, Lockheed Martin small business performance is slightly above 20%. The last five years trend performance shows a decline in spend from FY12 through FY14(23%, 22%,17% respectively) followed by a recovery back to a 21% average for FY15 and FY16. FY14 marks their lowest small business percentage performance in the past five years (17.1%). The FY14 performance was directly associated with (b) (4)



3. Individual Subcontracting Report (ISRs) performance– (Not applicable to Commercial or Comprehensive Plans) FAR 52.219-9(I)(1)

- a. Were ISRs submitted accurately in accordance the FAR 52.219-9(I)(1) and ISR instructions at eSRS.gov [Field 11]:? ☐ YES ☐ NO

Describe:

- (1) FAR 52.219-9(I)(1)(i): During contract performance, were ISRs submitted within thirty days of March 31 and September 30? Exhibit III ☐ YES ☐ NO

- (2) FAR 52.219-9(I)(1)(i): Were final ISRs submitted for each contract within thirty days of contract completion? ☐ YES ☐ NO

- (3) FAR 52.219-9(I)(1)(ii): If options were included on the requirement, was the dollar goal inserted on the ISR a sum of the base period through the current option? ☐ YES ☐ NO

- (4) FAR 52.219-9(I)(1)(iii): Did the contractor acknowledge receipt or reject the ISRs from the subcontractor(s)? See Exhibit ☐ YES ☐ NO
☐ NOT APPLICABLE

- b. Perform analysis of all regular and final individual subcontracting reports (ISRs). Including analysis of ISR's, do the contractor's records demonstrate a good faith effort in accordance with FAR 19.701 as determined by FAR 19.705-7(d)?

☐ YES ☐ NO - See Exhibit III.

- b. Perform trend analysis of historical small business goal achievements (*last 5 years, if available*) from eSRS. Describe the underlying cause of trends, positive or negative. See Exhibit II.

Describe:

[REDACTED] Lockheed Martin Aeronautics implemented few initiatives to mitigate the impact of the ramp up.

3. Individual Subcontracting Report (ISRs) performance– (Not applicable to Commercial or Comprehensive Plans) FAR 52.219-9(l)(1)

- a. Were ISRs submitted accurately in accordance the FAR 52.219-9(l)(1) and ISR instructions at eSRS.gov [Field 11]:? ☐ YES ☐ NO

Describe:

[REDACTED]

- (1) FAR 52.219-9(l)(1)(i): During contract performance, were ISRs submitted within thirty days of March 31 and September 30? Exhibit III ☐ YES ☐ NO

[REDACTED]

- (2) FAR 52.219-9(l)(1)(i): Were final ISRs submitted for each contract within thirty days of contract completion? ☐ YES ☐ NO

[REDACTED]

- (3) FAR 52.219-9(l)(1)(ii): If options were included on the requirement, was the dollar goal inserted on the ISR a sum of the base period through the current option? ☐ YES ☐ NO

[REDACTED]

- (4) FAR 52.219-9(l)(1)(iii): Did the contractor acknowledge receipt or reject the ISRs from the subcontractor(s)? See Exhibit ☐ YES ☐ NO
☐ NOT APPLICABLE

[REDACTED]

- b. Perform analysis of all regular and final individual subcontracting reports (ISRs). Including analysis of ISR's, do the contractor's records demonstrate a good faith effort in accordance with FAR 19.701 as determined by FAR 19.705-7(d)?

☐ YES ☐ NO - See Exhibit III.

[REDACTED]

- b. Perform trend analysis of historical small business goal achievements (*last 5 years, if available*) from eSRS. Describe the underlying cause of trends, positive or negative. See Exhibit II.

Describe:

[REDACTED] All other socio-economic categories show flat performances and a five year average of [REDACTED]

3. Individual Subcontracting Report (ISRs) performance– (Not applicable to Commercial or Comprehensive Plans) FAR 52.219-9(l)(1)

- a. Were ISRs submitted accurately in accordance the FAR 52.219-9(l)(1) and ISR instructions at eSRS.gov [Field 11]:? ☐ YES ☐ NO

Describe:

[REDACTED]

- (1) FAR 52.219-9(l)(1)(i): During contract performance, were ISRs submitted within thirty days of March 31 and September 30? Exhibit III ☐ YES ☐ NO

[REDACTED]

- (2) FAR 52.219-9(l)(1)(i): Were final ISRs submitted for each contract within thirty days of contract completion? ☐ YES ☐ NO

[REDACTED]

- (3) FAR 52.219-9(l)(1)(ii): If options were included on the requirement, was the dollar goal inserted on the ISR a sum of the base period through the current option? ☐ YES ☐ NO

[REDACTED]

- (4) FAR 52.219-9(l)(1)(iii): Did the contractor acknowledge receipt or reject the ISRs from the subcontractor(s)? See Exhibit ☐ YES ☐ NO
☐ NOT APPLICABLE

[REDACTED]

- b. Perform analysis of all regular and final individual subcontracting reports (ISRs). Including analysis of ISR's, do the contractor's records demonstrate a good faith effort in accordance with FAR 19.701 as determined by FAR 19.705-7(d)?

☐ YES ☐ NO - See Exhibit III.

[REDACTED]