

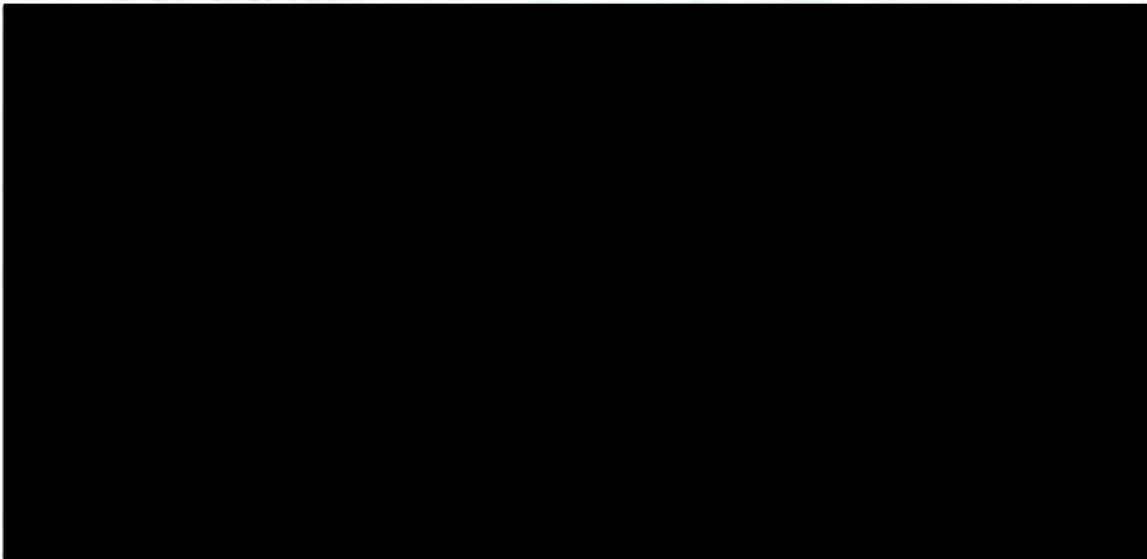
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business, SDB, WOSB, VOSB, SDVOSB and HUBZone subcontractors and, therefore, are fair and reasonable.

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 2018 Products and Services Forecast by NAICs Codes listing in Exhibit 4. 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. TARGET INDUSTRY CATEGORIES



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GFY 2018 TOTAL GOALS	
Dollars	Percent
Large	
Small	
Total	
SDB	
WOSB	

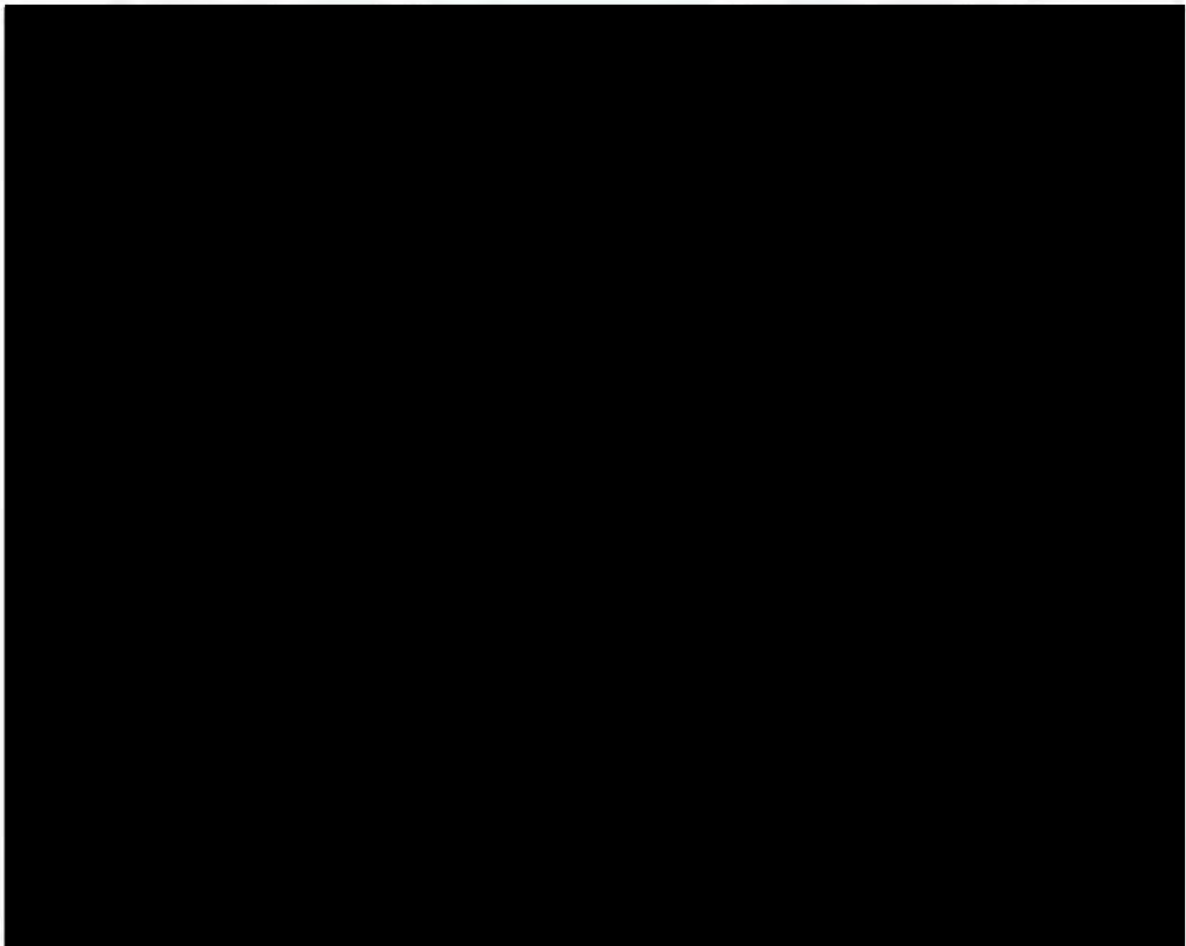
Cumulative base by Quarter

12/30/2017

03/31/2018

06/30/2018

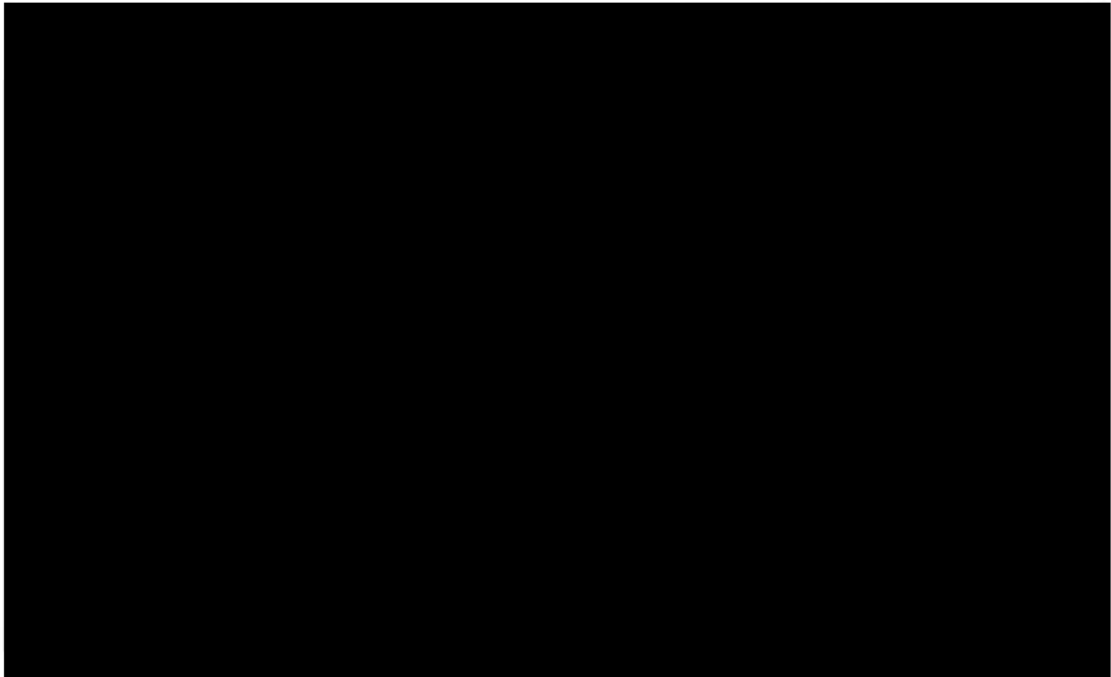
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[Redacted]	
GFY 2018 TOTAL GOALS	
	<u>Dollars</u> <u>Percent</u>
Large	[Redacted]
Small	[Redacted]
Total	[Redacted]
SDB	[Redacted]
VOSB	[Redacted]

Cumulative base by Quarter

12/30/2017



03/31/2018



06/30/2018



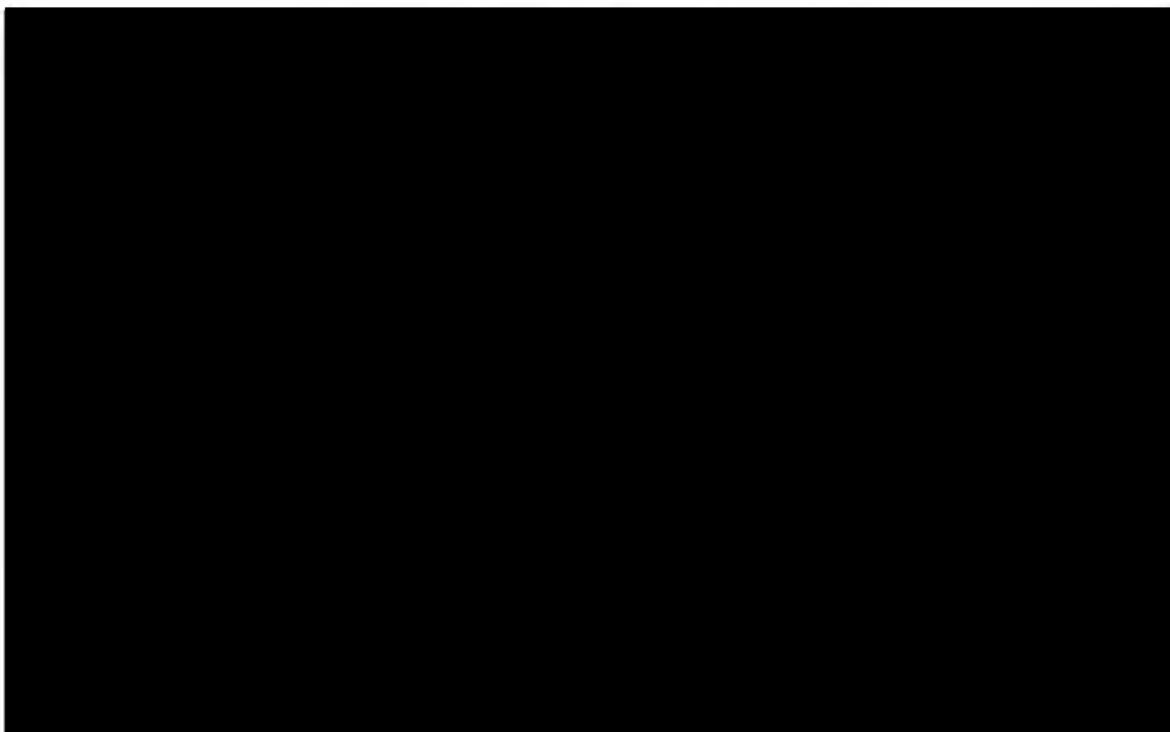
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6. Implementation of the Comprehensive Subcontracting Plan

Lockheed Martin's Comprehensive Subcontracting Plan complies with the elements and requirements of Federal Acquisition Regulation (FAR), Subpart 19 and DFARS 252.219-7004.

Applicability

This Comprehensive Subcontracting Plan shall apply to all DOD Lockheed Martin prime contracts and subcontracts existing at the time of approval and awarded through September 30, 2018.

Review Process

The DCMA will conduct annual reviews of Lockheed Martin's performance under the CSP utilizing its risk management process. Lockheed Martin will also support additional customer reviews, as required, to determine the effectiveness of the CSP in increasing opportunities for small businesses performing under DOD contracts.

Termination or Withdrawal from Program

Upon expulsion from the program or program termination, the contractor shall negotiate

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and establish individual subcontracting plans on all future DOD contracts that otherwise meet the requirements of Section 211 of Public Law 95-507.

Corporate Plan Administrators

Lockheed Martin Corporate Small Business Liaison Officer, Susannah Raheb, is assigned responsibility for the development, implementation and management of this plan, in addition to the responsibility of providing leadership and direction of the supplier diversity program at the corporate level. Lockheed Martin will notify the DCMA in writing if reassignment and/or replacement is required. Pat DeSanto, Supplier Diversity Program Manager, serves as Susannah Raheb's deputy and has the authority to act as the corporate plan administrator on Susannah Raheb's behalf. Lockheed Martin Corporation will notify the DCMA in writing if reassignment and/or replacement is required.

Duties of the Corporate Plan Administrator include, but are not limited to the following:

- a) Serve as the corporation's chief advocate for Supplier Diversity.
- b) Manage and oversee the corporation's network of small business liaison officers and provide advocacy for Supplier Diversity program objectives.
- c) Develop and execute strategic plans for the corporation's Supplier Diversity program.
- d) Represent the corporation in supplier diversity-related matters, including serving as the corporation's primary points of contact with government agencies, small business advocacy groups, etc.
- e) Participate in key associations, workshops, seminars and trade shows that are national in scope.
- f) Develop supplier diversity policies, procedures and special programs.
- g) Prepare and negotiate annual CSP including corporate-wide subcontracting goals and objectives with business areas.
- h) Ensure CSP reporting as required is submitted by scheduled deadlines.
- i) Consult with business areas regarding supplier diversity program compliance, training, customer audits and other related matters.
- j) Maintain a database of supplier diversity-related information.

Program Administrators - Supplier Diversity Business Area Leads

Responsibility for operational implementation and administration of this plan, as well as the implementation of the supplier diversity program elements, is vested in the managers of supplier diversity at the business area level. These individuals provide overall guidance and support to buyers, engineers and others involved in the source selection process. The duties of these individuals include, but are not limited to, the following:

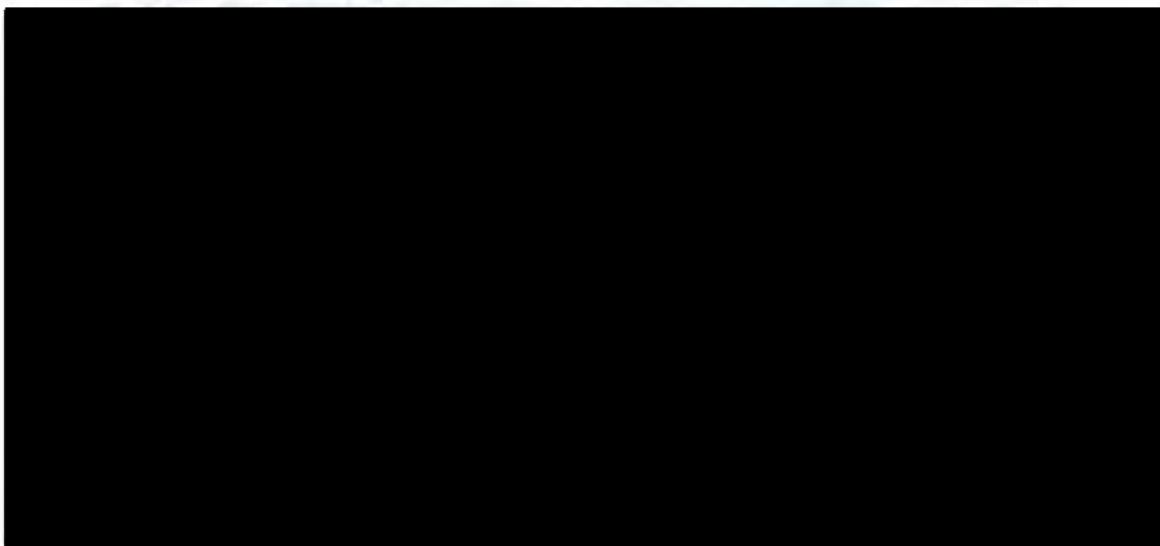
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- a) Identifying areas where subcontract awards may be made, such as contract or independent research and development programs, scientific and technical studies, and other subcontracts in support of program and general administrative activities and plant operations.
- b) Participating in appropriate industry association activities, local trade associations and community awareness programs designed to promote the merits of Lockheed Martin as a business leader and convey subcontracting opportunities available.
- c) Promoting and supporting Government Outreach Programs in conjunction with engineering, product assurance, manufacturing and other organizations, to enable small businesses to qualify technically and administratively as Lockheed Martin suppliers.
- d) Coordinating with the supplier diversity organization to:
 - Share best practices, lessons learned and information regarding high quality sources.
 - Provide qualified suppliers with appropriate opportunities.
 - Advocate corporate-wide procurements when beneficial to the corporation and to small businesses.
 - Form action teams dedicated to joint process improvement activities.
 - Institute other initiatives that will increase opportunities for small businesses.
- e) Supporting the corporation's small business suppliers to sustain the required performance levels.
- f) Implementing supplier diversity policies and procedures within the business area.

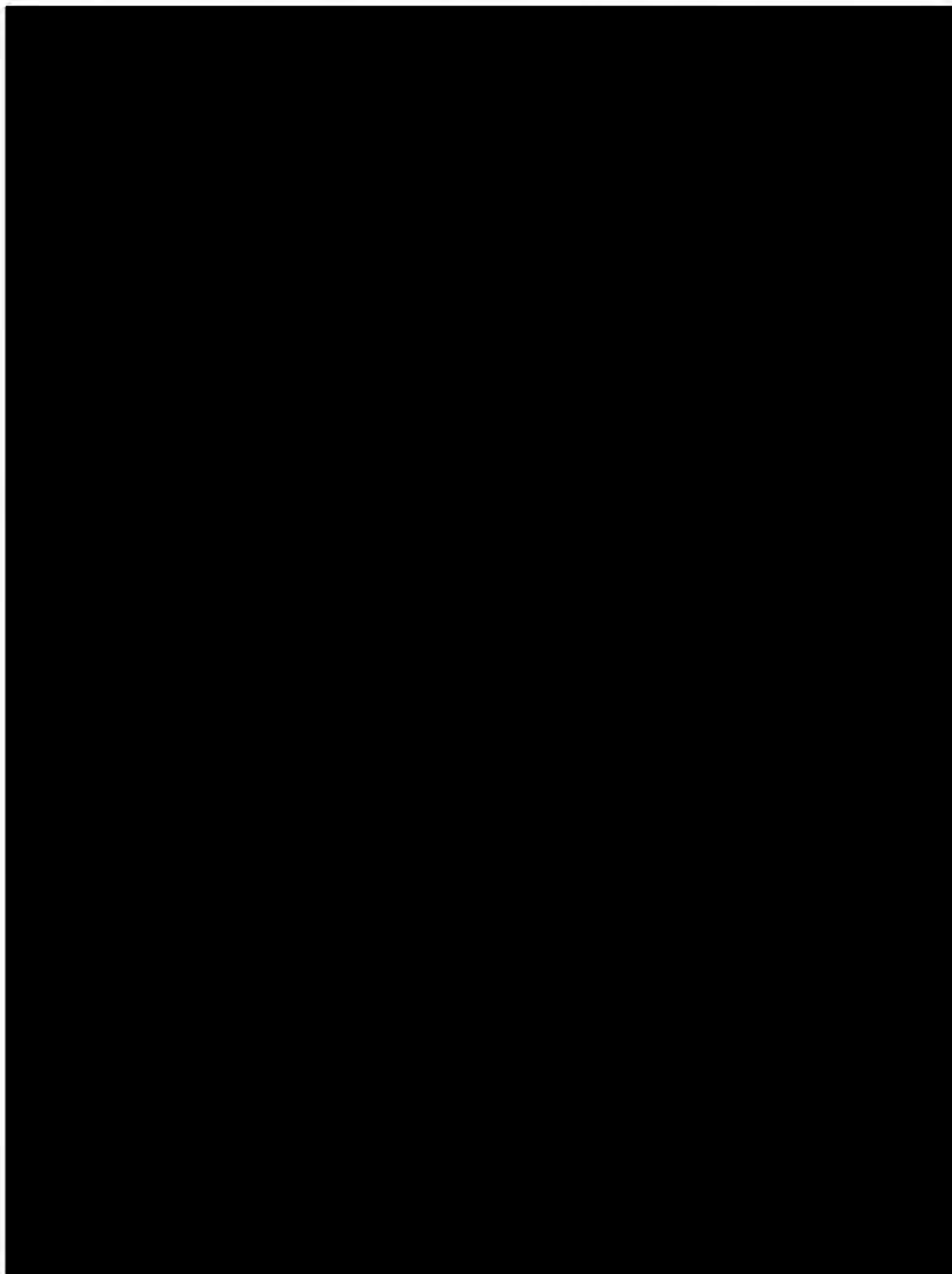
7. TARGET INITIATIVES



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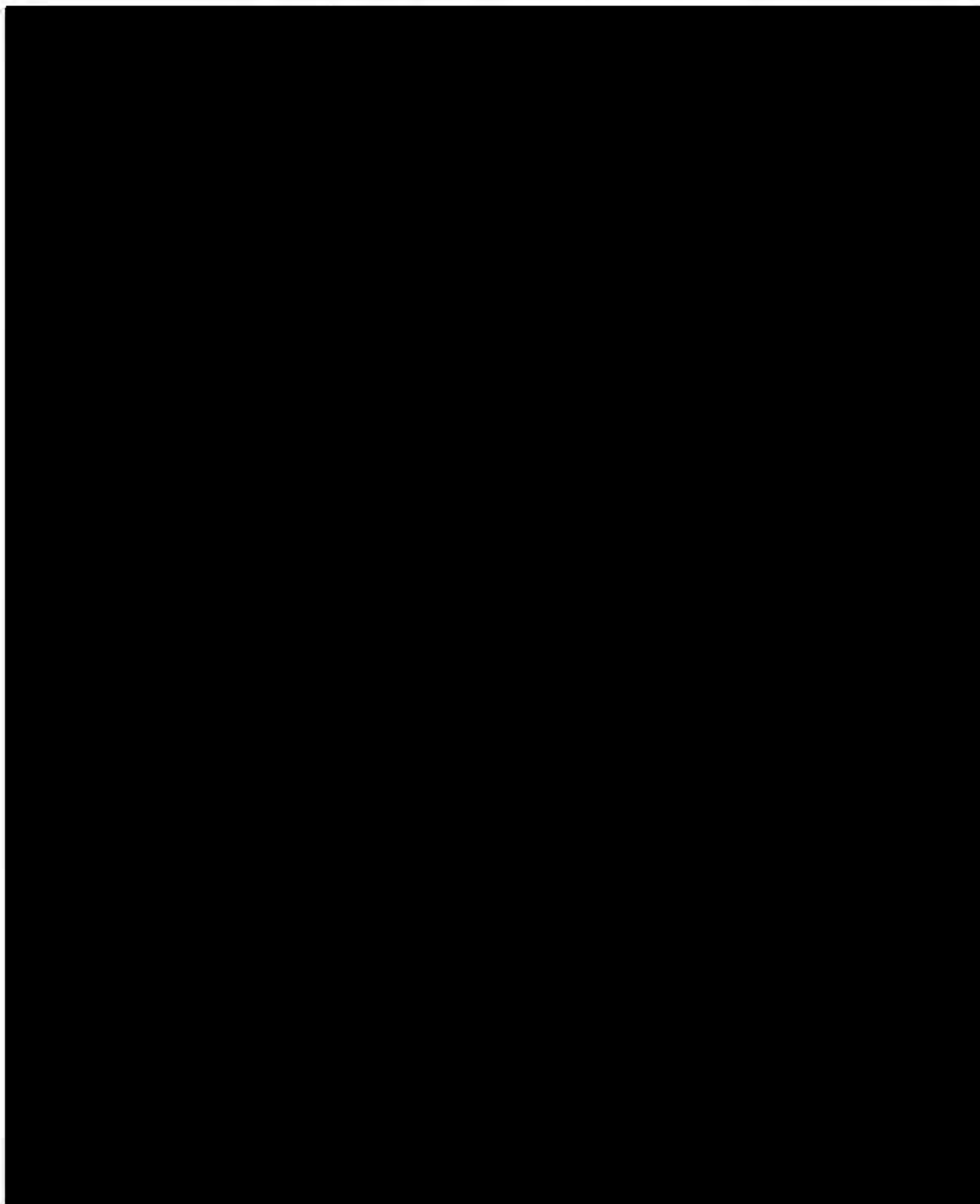
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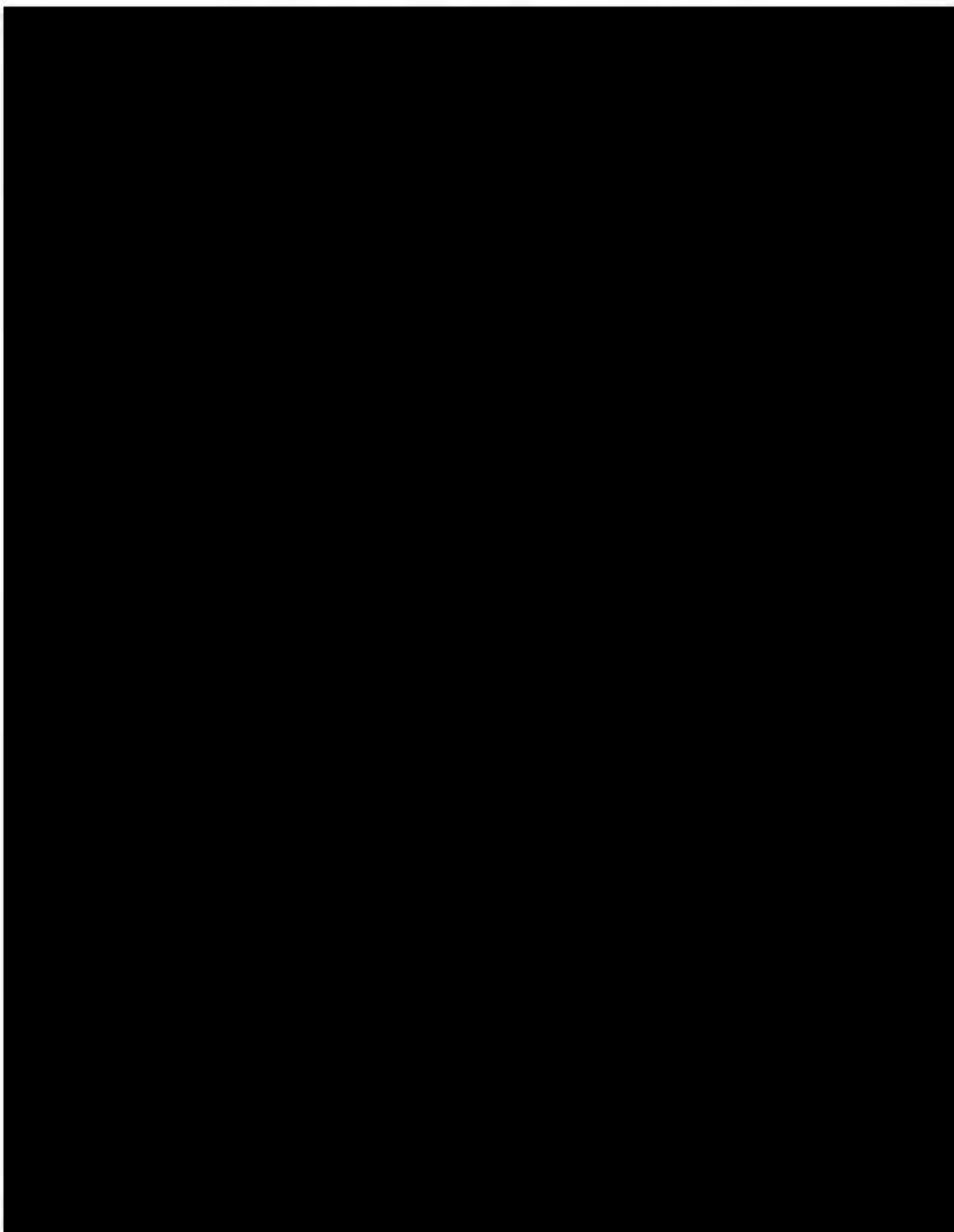
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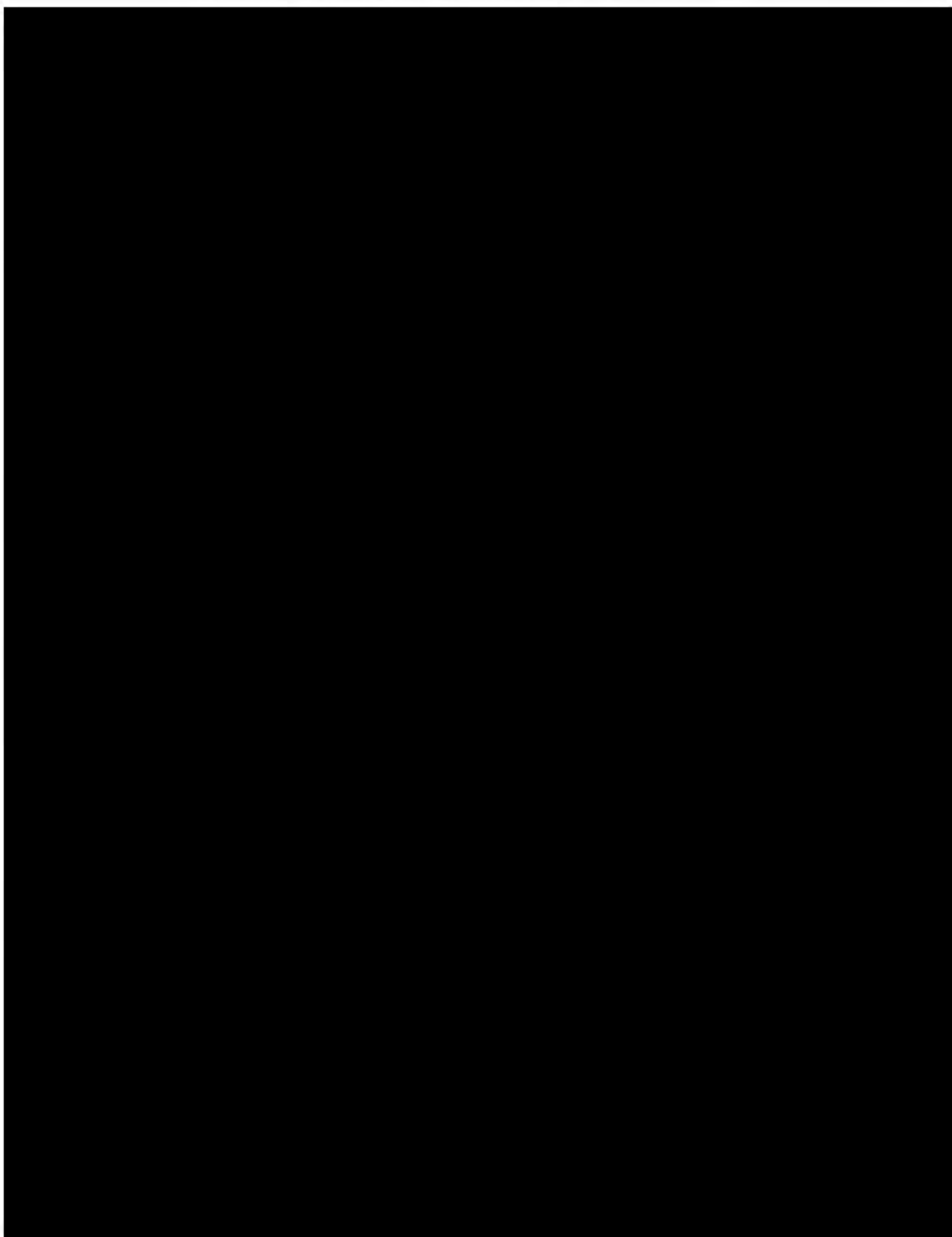
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8. SOURCE IDENTIFICATION

Lockheed Martin small business liaison officers assist in identifying qualified small business, SDB, WOSB, VOSB, SDVOSB and HUBZone concerns as potential sources for participation in procurement opportunities. Commonly used resources include: the Lockheed Martin Databases, including Exostar and the Supplier Marketing Portal, the U.S. Small Business Administration's System for Award Management database, and through direct contact with local and national affiliations.

9. EFFORTS TO ENSURE EQUITABLE PARTICIPATION

Lockheed Martin supplier diversity professionals will work with buyers, strategic sourcing teams and technical organizations to ensure that small business concerns are afforded the maximum practicable opportunity to participate in the corporation's subcontracting process. In an effort to identify capable firms, Lockheed Martin will participate as sponsors, exhibitors, counselors and/or guest speakers at the following events as offered:

- U.S. Small Business Administration Small Business Week Conference
- National Center for American Indian Enterprise Development's Reservation & Economic Summit
- National HUBZone Conference

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- Department of Defense SBIR Beyond Phase II National Conference
- National Veterans Conference
- Navy Gold Coast Conference
- MDA Small Business Conference
- Other DOD Agencies Small Business Conferences
- Lockheed Martin hosted supplier events

A concerted effort will be made by all Lockheed Martin operating companies to identify and facilitate procurement opportunities and to solicit and fairly evaluate all small business concerns. Detailed requirements are outlined in the Lockheed Martin Acquisition Procedures (LMAP). To this end, Lockheed Martin will:

- Ensure that bidding period, delivery schedules and all other elements of solicitations do not include provisions that unfairly restrict or eliminate inclusion of small business concerns.
- Where appropriate, subdivide requirements to facilitate small business participation.
- Ensure that make-buy deliberations consider the potential impact on small business subcontracting.
- Work with the engineering and program personnel to evaluate small business concerns during the design and development phase.
- Ensure that specifications, drawings and other relevant data are made available to small business concerns in a timely manner.
- Where appropriate and practical, use restricted competition.
- Provide counseling and other forms of assistance to small business concerned to the extent that it does not compromise the integrity of the corporation's procurement process.
- Authorize progress payments and performance-based payments to small business concerns in instances where considerable investment is required to perform under a Lockheed Martin subcontract or purchase order.
- Where practical, provide small business concerns with the use of Lockheed Martin-owned tooling and equipment.
- Host Lockheed Martin Connect events whereby potential suppliers can meet key members of the engineering, program management, manufacturing and procurement staff.

10. MAKE OR BUY

Lockheed Martin Corporate Policy Statement (CPS-018), Make or Buy, requires the corporation to provide the best value to the customers, and apply competitive principles in the determination to make or buy goods and services. A strategic Make or Buy Committee manages the strategic products and services list. The committee includes members from Corporate Engineering & Technology, Corporate Strategy & Business

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Development, Corporate Contracts, and the business areas. SBLOs may be engaged depending upon the nature of the discussion and their responsibility scope. It should be noted that the Vice President of Supply Chain (the organization in which Supplier Diversity resides) has the overall responsibility for the committee.

Make or Buy programs comply with all applicable government regulations and consider the inclusion of small businesses:

- Requirements are reviewed, consistent with sound business practices, for possible breakout for requirements from all small business concerns.
- Make-or-Buy deliberations include adequate and timely consideration of all small business concerns capabilities.
- Development work, likely to lead to production, is examined for possible small business opportunities.

11. SUPPLIER RECOGNITION

Lockheed Martin believes in recognizing the contributions of suppliers and rewarding excellence across the enterprise. As such, business area supplier recognition programs are designed to recognize suppliers for their accomplishments for quality, schedule, affordability, management, process and improvements. Suppliers benefit from these programs by the increased subcontracting opportunities that result from the recognition of being a top performing supplier as well as provided exposure through press releases. Lockheed Martin also leverages other types of recognition to nominate suppliers (i.e., U.S. Small Business Administration's Supplier Awards) to give them further visibility.

12. RECORD KEEPING

Lockheed Martin will maintain records to demonstrate that policies and procedures have been implemented to track performance and assure compliance with the requirements and goals reflected by the subcontract plan. Such records include the following:

- (a) Source lists, guides and other resources that enable procurement personnel to identify, develop and provide bid opportunities to small business concerns.
- (b) Records of efforts to obtain and utilize small business concern sources through contacts with Government and industry organizations.
- (c) Records of all awards \$150,000 or more, indicating on each solicitation (1) whether small business concerns, SDB, WOSB, HUBZone, VOSB and SDVOSB were solicited and, if not, why not; and if applicable, the reason the award was not made to these firms.
- (d) Records of outreach efforts to contact trade associations, small business, SDB, WOSB, VOSB, SDVOSB, HUBZone, concerns.

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- (e) Records of internal activities implemented to give guidance to procurement and other personnel through workshops, seminars, training, etc., and monitoring performance to evaluate compliance with the program's requirements.
- (f) Purchase order documentation will be maintained in accordance with both corporate and business unit operating procedures. The statistical records of the dollars and percentages of awards made to small business concerns are maintained. Purchase order documentation including the name, address, and business size of each subcontractor traceable back to a DOD contract are available for review by government agencies, such as the Defense Contract Management Agency and the Small Business Administration. It is also anticipated that the small business representative of such agencies will conduct periodic site reviews.

13. REPORTS

Supplier diversity professionals at all levels will monitor compliance with this plan and will promptly notify the Corporate Small Business Liaison Officer of any significant performance problems or changes. They shall also ensure that corrective actions directed by Supplier Diversity or other cognizant management are implemented.

Business area managers of supplier diversity will submit the following performance reports (consolidated by business unit as applicable) to the Corporate Small Business Liaison Officer:

- (a) Monthly performance report;
- (b) Quarterly report of performance of targeted and focused initiatives; and
- (c) Quarterly recovery plan to establish corrective action for any subcontracting goals or objectives that are not being met.

This information will be aggregated to determine the subcontracting performance for the corporation and provided to the Vice President, Supply Chain Management, Rotary and Mission Systems and Chair, Supply Chain Council. A copy will also be provided to the DCMA Comprehensive Subcontracting Plan Manager.

Lockheed Martin will also submit the following reports to the DCMA:

1. Attachment A - Contracts Covered under the CSP
2. Attachment B - MDAP - MAIS Programs with Associated Contract Numbers
3. Attachment C - Dollars Subcontracted by Specific Contracts
4. Attachment D - Dollars Subcontracted by NAICS
5. Attachment E - Miscellaneous Data
6. Attachment F - Quarterly Report (revised)
7. Attachment G - Dollars Subcontracted by Military Departments/agencies

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8. Summary Subcontracting Reports (SSR) using the Electronic Subcontracting Reporting System (eSRS)

Lockheed Martin will also cooperate in special studies and/or surveys conducted to assess the effectiveness of the CSP and submit reports to allow DOD to assess the corporation's compliance with the provisions of this agreement.

14. FLOWDOWN REQUIREMENTS

Lockheed Martin included the following provisions on all purchase orders and subcontracts issued in support of DOD, except where such inclusion is exempted by the terms of the affected clause:

1. FAR 52.219-9, Small Business Subcontracting Plan, and 252.219-7003, Small Business Subcontracting Plan (DOD contracts), when the Contracting Officer has included these clauses in the contract for purposes of flow down to subcontractors, or
2. 52.219-9, Small Business Subcontracting Plan, with its Alternate III, and 252.219-7003, Small Business Subcontracting Plan (DOD contracts), with its Alternate I, when the Contracting Officer has included these clauses in the contract for flow down to subcontractors to allow for submission of SF 294s in lieu of Individual Subcontracting Report (ISR), or
3. 252.219-7004, Small Business Subcontracting Plan (test program), in subcontracts with subcontractors that participate in the test program described in DFARS 219.702.

Lockheed Martin requires its large business subcontractors who receive subcontracts in excess of the \$700,000 threshold to adopt a plan that meets the requirements of FAR 25.219-9. Lockheed Martin requires subcontractors to submit an individual subcontract plan demonstrating compliance to this requirement. Small business liaison officers review each plan to ensure it meets the applicable requirements. The provisions of the CSP are not flowed down from Lockheed Martin subcontractors. Suppliers who negotiate commercial item plans with their local DOD agency or who are Comprehensive Subcontracting Plan Test Program participants are not required to furnish individual plans, but are required to provide evidence that the appropriate DOD office has approved the plan.

Lockheed Martin requires all subcontractors to certify their status as small, SDB, WOSB, HUBZone, VOSB or SDVOSB. Lockheed Martin's Procure to Pay (P2P) system is the corporation's record of authority for supplier unique data and information including supplier size.

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Lockheed Martin personnel engaged in the procurement of goods and services to ensure subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using the eSRS. Per Lockheed Martin Acquisition Procedure 9.120, Issuing Contracts, when the contract includes a small business subcontracting plan with eSRS requirements, Lockheed Martin will provide its contract number, DUNS number and the e-mail address of the contractor's official responsible for acknowledging or rejecting the ISR to all first-tier subcontractors required to submit ISRs. In addition, suppliers receive the requirement that if their offer, including option, exceeds the threshold in FAR 52.219-9, they must resubmit a small business subcontracting plan that fully meets the requirements of FAR 52.219-9 and that small business reporting will be required via the eSRS. Further, acceptance of the purchase order is an acknowledgement of accepting the full terms and conditions of the offer.

15. OUTREACH/PUBLICIZING SUBCONTRACTING OPPORTUNITIES

Lockheed Martin publicizes prospective subcontracting opportunities in the following ways:

- (a) Participating in federal procurement conferences, trade fairs, industry conferences and related functions;
- (b) Hosting trade fairs and conferences; whereby, potential suppliers can meet key members of the Lockheed Martin engineering, program management, manufacturing, and procurement staff;
- (c) Maintaining an email address supplier.communications@lmco.com for submittal of supplier's electronic brochures and capability. This information is transmitted internally to the appropriate decision maker;
- (d) Using Lockheed Martin Immediate Needs Bulletin Board to post and distribute unique procurement opportunities to small businesses through various supplier diversity affiliations distribution channels; and
- (e) Maintaining the Lockheed Martin Supplier Diversity web site, Supplier Wire (<http://www.lockheedmartin.com/supplierwire>).

Lockheed Martin Small Business Events

Lockheed Martin realizes the many benefits of hosting self-sponsored small business events. In the past, Lockheed Martin has had great success with its Supplier Information Sessions. In GFY 2017, the corporation instituted Lockheed Martin Connect sessions as part of a new outreach strategy initiative. The events focus on targeted socioeconomic categories (SDVOSB, HUBZone and SDB) that are challenged as well as define internal targeted needs for small business improvement opportunities, whether within programs, proposals or other areas of opportunity. Lockheed Martin will host at minimum three self-sponsored small business Lockheed Martin Connect events in GFY 2018.

To determine the effectiveness of these events, the corporation will continue to track the value of subcontracts awarded to session attendees. Historically, Lockheed Martin has

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realized numerous new contracting opportunities with small business concerns as a result of these sessions, a trend that is expected to continue.

16. SUPPLIER DIVERSITY TRAINING

Lockheed Martin strives to increase awareness of the importance of supplier diversity through its training initiatives. Supplier diversity has a corporate-wide web-based training module, which is available for all employees. The course highlights the value and importance that supplier diversity brings to the corporation and customers. The training module was recently revamped to include a pass/fail quiz, refreshed content and more sophisticated functionality.

In addition, Lockheed Martin offers instructor-led training course for all new supplier diversity professionals. Lockheed Martin also offers various live training courses for procurement and business development professionals. These courses aid in increasing awareness of Lockheed Martin's supplier diversity program. The courses familiarize employees with the Supplier Diversity program objectives; provide insight on the impact of the daily decisions on the corporation's supplier diversity performance; illustrate the benefits of an inclusive/diverse supplier base; and motivate employees to help enhance the corporation's performance.

Lockheed Martin maintains resources to provide employees involved in the acquisition of materials and services with the necessary tools, support and training to enhance their ability to find small businesses through Small Mall, a Sharepoint site. Lockheed Martin also promotes Immediate Needs Bulletin Board to employees and alerts BD personnel of national small business events through forums to offer assistance.

Lockheed Martin also has offers supplier-focused educational programs at both the corporate and business area levels. The corporation will continue to provide these development opportunities and assistance as well as research new programs to grow and help small businesses be able to compete against large firms. Some of the initiatives involving supplier training include: actively participating in the DOD Mentor Protégé Program and offering developmental and training assistance; offering Protégé 101 training courses to protégés and current proven small business suppliers; offering webinars to all small businesses on topics associated with doing business in the Aerospace and Defense industry; Lockheed Martin self-hosted events, and business area-focused training in pertinent development areas.

17. DCMA 640 REVIEW

Lockheed Martin will participate in annual DCMA 640 review activities.

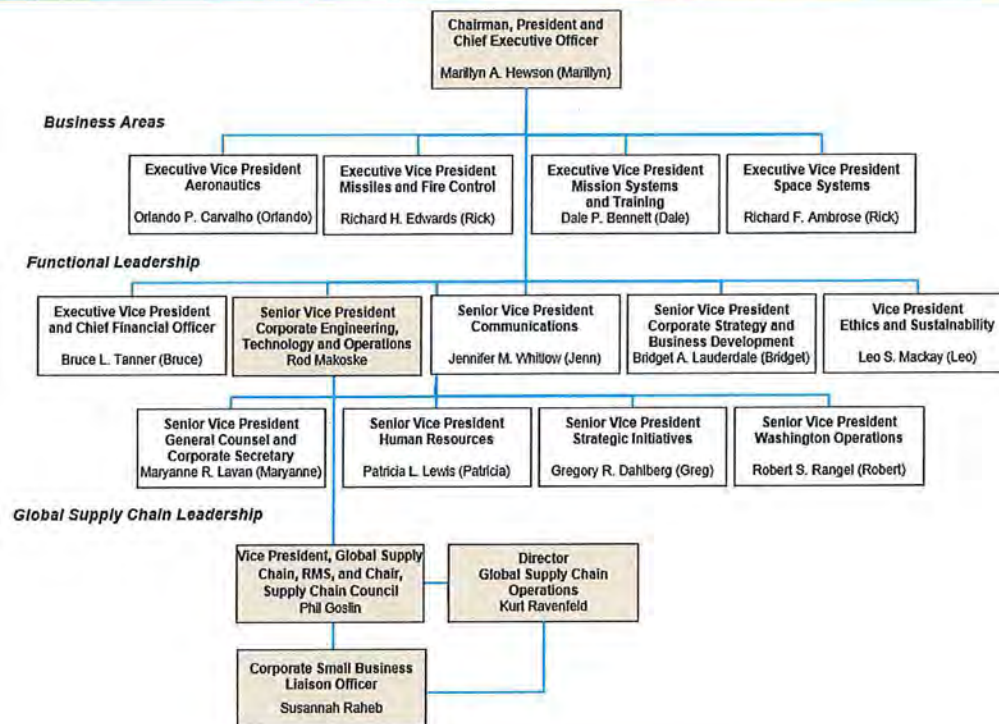
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EXHIBIT 1
Corporate Reporting Chain

Lockheed Martin Executive Leadership Team



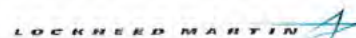
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EXHIBIT 2
Supplier Diversity Network Listing

Supplier Diversity Representatives



Name	Business Area / Unit Name and Address	E-mail / Web Address	Phone
ENTERPRISE OPERATIONS			
Suzanneh Raheb Corporate Lead			
Orysis Euchar			
Patricia A. McHugh			
Marquita Peoples Gadsen			
Pat DeSanto			
	AERONAUTICS		
Kate Connolly Business Area Lead			
C.J. Anderson			
Cole Etheredge			
Diana Salgado			
Dorothy James-McAllister			
Dudley Macuna			
Emma J. Stevens			
John Snelson			
Lesley Schiffman			
Maribelle Davis			
Miranda Todd			
Raven Smith			
Scotty Trunell			
Valerie Clatman			
Chantay White-Taylor			
Phyllis Grant Business Area Lead			
Liz Courney			
Therelin Adams			
Connie Winters			
	ROTARY AND MISSION SYSTEMS (RMS)		
Gary Harter Business Area Lead			
Cleodina Jara			
Kim Luker			
Robyn Snyder			
Sheila Ochutina			
Melissa Norris			
Teresa Torres			
Martha L. Cranford			
	SPACE SYSTEMS		
Bob Thompson Business Area Lead			
Benny L. Padilla			
Deana G. Cleary			
Diane Gurrett			
Michelle Butzke			

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EXHIBIT 3
Supplier Diversity Strategic Framework



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EXHIBIT 4
Corporate Historical Subcontracting Performance

Subcontracting Past Performance - DoD Only													
Total Corporation	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
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	22.9	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	20,068,707,044	17.2	3,353,250,726	3.4	653,794,640	3.3	691,109,252	1.1	206,362,293	2.8	539,564,846	1.1	212,300,304
GFY 2015	16,116,296,890	21.2	3,412,387,824	4.0	648,478,397	4.5	717,352,942	1.2	201,402,257	3.5	561,570,832	1.9	301,953,168
GFY 2016	15,576,695,410	21.8	3,394,428,329	4.3	671,000,916	4.4	691,159,462	1.5	235,603,634	3.32	517,289,691	1.7	264,927,790
GFY 2017 Outlook	17,522,117,746	17.1	2,996,609,746	2.3	400,754,742	3.2	555,201,493	0.8	141,219,628	2.2	383,433,441	1.1	192,826,915

Lockheed Martin Proprietary/Export Controlled Information

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Lockheed Martin Proprietary/Export Controlled Information

EXHIBIT 5

Principal Products and Services to be Subcontracted by NAICS Codes

NAICS Code	NAICS Description	LB	SB	SDB	WOSB	HUBZ	VOSB	SDVOSB
All Others	All other NAICS codes							

Lockheed Martin Proprietary/Export Controlled Information

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EXHIBIT 6

SB				SDB				WOSB			
Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
%	%	\$	\$	%	%	\$	\$	%	%	\$	\$

LARGE				EST SPEND			
Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
%	%	\$	\$	%	%	\$	\$

SB				SDB				WOSB			
Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
%	%	\$	\$	%	%	\$	\$	%	%	\$	\$

LARGE				EST SPEND			
Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
%	%	\$	\$	%	%	\$	\$

SB				SDB				VOSB			
Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
%	%	\$	\$	%	%	\$	\$	%	%	\$	\$

LARGE				EST SPEND			
Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
%	%	\$	\$	%	%	\$	\$

SB				SDB				VOSB			
Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
%	%	\$	\$	%	%	\$	\$	%	%	\$	\$

LARGE				EST SPEND			
Goal / Actual		Goal / Actual		Goal / Actual		Goal / Actual	
%	%	\$	\$	%	%	\$	\$

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**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 (LM) MST**Address:** 199 Borton Landing Rd**City/State/Zip:** Moorestown, New Jersey 08057**CAGE(s) [Field 1]:** 02769**DUNS:** 848028494**1.b. Small Business Liaison Officer (SBLO) [Field 2]:****Name:** Susannah Raheb**Phone:** [REDACTED]**E-mail:** [REDACTED]**1.c. Alternate Small Business Liaison Officer (SBLO) [Field 3]:****Name:****Phone:****E-mail:****2. DCMA Small Business Professional****Name:** Luz M. Vasquez**Title:** Procurement Analyst**Phone:** [REDACTED]**E-mail:** [REDACTED]**3. Administrative Contracting Officer****Name:** Bonnie Roberts**Location:** 6801 Rockledge Drive, Bethesda, MD 20817**Phone:** [REDACTED]**E-mail:** [REDACTED]**4. Small Business Administration (SBA) Representative****Name:** Stephanie Lewis**Phone:** [REDACTED]**E-mail:** [REDACTED]**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 October 2014**b. To:** 30 September 2015**8.a. Date of this review:** January 25-26, 2016**b. Rating of this review:** Exceptional**9.a. Date of last review [Field 4]:** May 18-20, 2015**b. Rating of last review [Field 5]:** [REDACTED]

**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 (LM) MST**Address:** 199 Borton Landing Rd**City/State/Zip:** Moorestown, New Jersey 08057**CAGE(s) [Field 1]:** 02769**DUNS:** 848028494**1.b. Small Business Liaison Officer (SBLO) [Field 2]:****Name:** Susannah Raheb**Phone:** (b) (6)**E-mail:** (b) (6)**1.c. Alternate Small Business Liaison Officer (SBLO) [Field 3]:****Name:****Phone:****E-mail:****2. DCMA Small Business Professional****Name:** Luz M. Vasquez**Title:** Procurement Analyst**Phone:** (b) (6)**E-mail:** (b) (6)**3. Administrative Contracting Officer****Name:** Bonnie Roberts**Location:** 6801 Rockledge Drive, Bethesda, MD 20817**Phone:** (b) (6)**E-mail:** (b) (6)**4. Small Business Administration (SBA) Representative****Name:** Stephanie Lewis**E-mail:** (b) (6)**Phone:** (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 October 2014**b. To:** 30 September 2015**8.a. Date of this review:** January 25-26, 2016**b. Rating of this review:** Exceptional**9.a. Date of last review [Field 4]:** May 18-20, 2015**b. Rating of last review [Field 5]:** (b) (4)

10. Department of Defense (DoD) Ratios**a. Total annual company sales [Field 6]:** \$46.1 Billion**b. Total annual sales for DoD [Field 7]:** 58% attr butable to DoD aprox. \$26.6 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:** Margarette Trimble-Williams**Plan year:** 2015☐ **Master Plan: Approved by:****Three (3) Year Period Ending:****12. Mentor Protégé Agreements [Field 8]:**

Currently Lockheed Martin (LM) has eight active Mentor Protege (MP) agreements, five of those with Department of Defense (DoD). LM DoD MP agreements are:

(b) (4)

(b) (4) is the newest MP agreement (FY15). This agreement is awaiting funding from MDA. In 2015, LM received a Nunn-Perry Award with (b) (4) an LM MST protege. This award marks the 12 Nunn Perry Award win for LM Corporation and the fifth LM MST protege to win this award. During this review period, LM hosted three protege webinar-based training courses with topics of Cyber Security, AS9100 and Business Development. They also marketed their current and past proteges throughout the corporation by using internal articles, various internal forums, Small Mall flip book (newly created SB internal tool) and SBIR meetings. Subcontract awards to current and past proteges increased significantly when compared to FY14 performance. LM continues its efforts in promoting proteges within the company and outside.

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:

All purchase orders sampled under Exhibit I were found to be accurate. No errors were noted.

- 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 purchase order sampled was out of LM MST business unit. There were no errors found on the supplier's size classifications.

- c. Does the contractor rely on System for Award Management (SAM) for subcontractor size or socioeconomic representations and certifications? ☐ YES ☒ NO If Yes, do all purchase orders [subcontracts] include a clause that notifies the subcontractor by submission of the offer that the size or socioeconomic representations and certifications in SAM are current, accurate and complete as of the date of the offer for the subcontract in accordance with 13 CFR 125.3(c)(v) [Field 36]. ☐ YES ☐ NO ☐ NOT APPLICABLE
- d. 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

Describe:

LM includes credit card purchases in their SSR. Once the supplier's profile is entered into their electronic self-certification system, they count those dollars as certified by the supplier. If the supplier refuses to provide a self-certification, the dollars will be counted as large.

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:

LM submitted their FY15 SSR timely on October 30, 2015. No errors noted.

- (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 9.

- (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. Are indirect costs included in the SSR in accordance with 13 CFR 125.3(c)(iv) [Field 10]? ☒ YES ☐ NO**

- c. 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:

LM five year past performance remains constant. FY14 data shows a slight downward trend (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). Did the contractor demonstrate a good faith effort in accordance with FAR 19.701 as determined by FAR 19.705-7(d)?

☐ YES ☐ NO - See Exhibit III.

- c. 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:

(b) (4)

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:

- (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

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

- (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

- (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

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

☐ YES ☐ NO - See Exhibit III.

- c. 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:

(b) (4)

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:

- (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

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

- (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

- (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

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

☐ YES ☐ NO - See Exhibit III.

- c. 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:

(b) (4)

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:

- (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

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

- (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

- (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

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

☐ YES ☐ NO - See Exhibit III.

- c. 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:

(b) (4)

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:

- (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

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

- (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

- (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

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

☐ YES ☐ NO - See Exhibit III.

Part III – Contractor's Small Business Program

1. Review of Small Business Program in accordance with FAR 52.219-9

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:

LM utilizes a "bottoms up" forecasting process from all the Business Areas, business development, procurement, material planning and finance. The goals are then rolled up to the Corporate Director, Category Management & Supplier Diversity and are aggregated to determine corporate performance targets. (b) (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:

LM MST mirrors LM Corporation practices when it comes to this requirement. The method of choice is through outreach activities sponsored internally or by outside organizations. LM MST Supplier Diversity held the following state and regional office seats in FY 2015:

- Board of Directors Capital Region Minority Supplier Development Council and Membership and Marketing Committee Chair
- Board of Directors Community Business Partnership, an SBA Development Center
- Member Virginia Asian Chamber of Commerce and Chairman's Award for Champion of Diversity
- Member and Government Contractors Council Leadership Committee Prince William Chamber of Commerce

Other sources are: Procurement Technical Assistance Centers (PTACs), SBA Development Centers, networking within the organization Supplier Diversity representatives, various company tools such as the Known Small Business Supplier database and Supplier Wire, System for Award Management (SAM), U.S. SBA, Dynamic Small Business Search (DSBS), Center for Veteran Enterprise, Lockheed Martin EXOSTAR Supplier Database and local Chambers of Commerce, trade associations and supplier diversity-focused conferences.

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

☐ NOT APPLICABLE

If applicable, is the contractor adhering to the method described in the small business subcontracting plans? ☒ YES ☐ NO

DESCRIBE:

(b) (4)

- 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 Are they fulfilling the small business duties as described in the plans?

☒ YES ☐ NO

DESCRIBE:

Susannah Raheb has been appointed as the Corporate Small Business Liaison Officer (SBLO) with full authority to administer LM corporate-wide subcontracting program. Her name, title and duties can be found on the FY15 CSP under section 6 "Implementation of the Comprehensive Subcontracting Plan". She has a team of SBLOs located at each of the five business areas. Records validate that the SBLO is fulfilling her duties to include participating in outreach events, primary point of contact with government agencies, and developing and executing strategic plans for LM Supplier's Diversity program.

- 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:

Lockheed Martin Acquisition Procedures (LMAP) cover various topics to ensure opportunities are given to small business such as ensuring that bidding period, delivery schedules, and all other elements of solicitations do not include provisions that unfairly restrict or eliminate inclusion of small business concerns. Additionally, each business unit is allowed to be creative on the way they seek suppliers. The analyst was briefed on few efforts out of LM MST. For example, LM MST invites small business to have showcases at various sites and advertises small business capabilities via LED screens, posters and bulletin boards in LM MST facilities. They also use internal social media tools such as Eureka Streams and eFORUM to promote the utilization of their suppliers across the corporation. Efforts are considered acceptable.

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

(1) Are there assurances that the offeror will include the clause FAR 52.219-8 "Utilization of Small Business Concerns" in all subcontracts that offer further subcontracting opportunities? ☒ YES ☐ NO

Is the contractor adhering to this assurance? ☒ YES ☐ NO See Exhibit I

- (2) Is FAR 52.219-9 included in subcontracts over \$650,000 (prior to 1 October 2015) \$700,000 (after 1 October 2015) (\$1.5 million for construction of any public facility with further subcontracting possibilities) [Field 35]. ☒ YES ☐ NO
Is the contractor adhering to this assurance? ☒ YES ☐ NO ☐ NOT APPLICABLE
See Exhibit I
- (3) Are there subcontracting plans in place with their subcontractors who have subcontracts over \$650,000 (prior to 1 October 2015) \$700,000 (after 1 October 2015) (\$1.5 million for construction of any public facility with further subcontracting possibilities) with large businesses? ☒ YES ☐ NO
Is the contractor adhering to this assurance [Field 35]? ☒ YES ☐ NO
☐ NOT APPLICABLE See Exhibit I

j. FAR 52.219-9(d)(10) Are there assurances that the offeror will –

- (1) Cooperate in studies or surveys as may be required in accordance with FAR 52.219-9(d)(10)(i) and FAR 52.219-8(c)? ☒ YES ☐ NO
Is the contractor adhering to this assurance? ☒ YES ☐ NO
- (2) Submit periodic reports to determine extent of compliance to plans in accordance with FAR 52.219-9(d)(10)(ii)?
☒ YES ☐ NO Is the contractor adhering to this assurance? ☒ YES ☐ NO
- (3) Include assurances the contractor will submit Individual Subcontracting Reports (ISRs) and/or Summary Subcontract Reports (SSRs) in accordance with FAR 52.219-9(d)(10)(iii)? ☐ YES ☒ NO
Is the contractor adhering to this assurance? ☒ YES ☐ NO
- (4) Ensure that its subcontractors agree to submit Individual Subcontracting Reports (ISRs) and/or Summary Subcontract Reports (SSRs) in accordance with FAR 52.219-9(d)(10)(iii)? ☐ YES ☒ NO
Is the contractor adhering to this assurance? ☒ YES ☐ NO
☐ NOT APPLICABLE See Exhibit I
- (5) Provide its prime contract number, its DUNS number, and the e-mail address of the offeror'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 in accordance with FAR 52.219-9(d)(10)(v)? ☐ YES ☒ NO
Is the contractor adhering to this assurance? ☒ YES ☐ NO
☐ NOT APPLICABLE
- (6) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own DUNS number, and the e-mail address of the subcontractor's official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans in accordance with FAR 52.219-9(d)(10)(vi)? ☒ YES ☐ NO
Is the contractor adhering to this assurance? ☒ YES ☐ NO ☐ NOT APPLICABLE

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

- (1) Source lists (e.g. SAM), guides, and other data the contractor uses to identify small businesses in accordance with FAR 52.219-9(d)(11)(i). Is the contractor maintaining records as described in the plans [Field 14]? ☒ YES ☐ NO

DESCRIBE:

(b) (4)

- (2) List organizations that are contacted by the contractor in an attempt to locate sources that are small businesses in accordance with FAR 52.219-9(d)(11)(ii). Is the contractor maintaining records as described in the plans [Field 15] ?

☒ YES ☐ NO

DESCRIBE:

LM records show an extensive list of organizations used to identify small businesses. LM Supplier Diversity officials held board memberships with over 50 organizations, all documented in FY15. Among these organizations: Local Chambers of Commerce, National Minority Supplier Development Councils (NMSDC), Veteran's Chamber of Commerce, DFW Region V Small Business Liaison Officer Council, Women's Business Enterprise National Council (WBENC), National American Indian Council for Economic Development (NAICED). Records are being maintained.

- (3) Records for each subcontract of more than \$150,000 in accordance with FAR 52.219-9(d)(11)(iii). See Exhibit I. Is the contractor maintaining records as described in the plans [Field 18]? ☒ YES ☐ NO ☐ NOT APPLICABLE

DESCRIBE:

LM maintains all purchase order records electronically. (b) (4)

LM's record keeping methodology is adequate.

- (4) Records of any outreach efforts to contact trade associations, business development organizations, conferences and trade fairs and veteran service organizations in accordance with FAR 52.219-9(d)(11)(iv). Is the contractor maintaining records as described in the plans [Field 19]? ☒ YES ☐ NO

DESCRIBE:

LM maintains records of Corporate and local sponsored events to locate small businesses. In FY15, LM attended 159 events, an increase from FY14. LM holds targeted Supplier Information Sessions (SIS) with focus on negotiated initiatives. The Return on Investment (ROI) for these events is tracked and reported to the DCMA analyst quarterly. At the business unit level, MST hosted a joint SIS session with IS & GS business unit. The DCMA analyst examined the records and they are considered adequate.

- (5) Records of internal guidance and encouragement to buyers through (A) workshops, seminars, training, etc. and (B) monitoring performance to evaluate compliance with program requirements in accordance with FAR 52.219-9(d)(11)(v). Is the contractor maintaining records as described in the plans [Field 20]?

☒ YES ☐ NO

DESCRIBE:

The contractor tracks buyers training at all levels of the corporation. Over 70 pages of training records were validated. The records were complete. LM trained their buyers in Supplier Diversity and held an annual All-Hands supplier diversity meeting with focus on compliance and legislation. LM employees benefit from having additional tools like the Supplier Diversity Handbook.

- (6) FAR 52.219-9(d)(11)(vi) Records on a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement. Is the contractor maintaining records as described in the plans [Field 21]? ☒ YES ☐ NO

☒ NOT APPLICABLE to Commercial Plans

DESCRIBE:

LM Exostar electronic system supports the requirements of FAR 52.219-9(d)(11)(vi). Records to include name, address and supplier's size are maintained. Records are adequate.

I. FAR 52.219-9(e) In order to effectively implement this plan to the extent consistent with efficient contract performance the contractor shall perform the following functions:

- (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 in accordance with FAR 52.219-9(e)(1)? ☒ YES ☐ NO

DESCRIBE:

LM provided copies of their compliance and solicitation policies for our review. LMAP policy 2.320, entitled "Identifying Potential Sources for Competitive Solicitations", encourages buyers to consider small business suppliers. This procedure also outlines guidelines for limiting competitions to small business concerns. The other two policies are more general in nature and describe solicitation requirements. Because of the type of business of this contractor, delivery schedule consideration is not a common practice, in fact it could hinder opportunities to either large or small business suppliers.

- (2) Is the contractor providing adequate and timely consideration of small businesses in all "make-or-buy" decisions in accordance with FAR 52.219-9(e)(2)? ☒ YES ☐ NO

DESCRIBE:

The reviewer was provided with a copy of LM policy CPS-018, entitled "Make or Buy", dated February 2, 2015. The policy covered definitions, policy, "Make or Buy" program and responsibilities. The program is being managed at top level by the Senior Vice President & Chief Technology Officer, Vice President Contracts, and Vice President & Controller. In essence, the program apply competitive principles to make or buy decisions, with special considerations to performance, schedule, quality, and cost factors. Each business unit manages its own "Make or Buy" program.

- (3) Is the contractor counseling and discussing subcontracting opportunities with small businesses in accordance with FAR 52.219-9(e)(3)? ☒ YES ☐ NO

DESCRIBE:

In 2015, LM received 400 supplier inquiries and they conducted an average of 250 capability reviews a month. This capability reviews involve counseling and discussing subcontracting opportunities. Further, it enables the supplier to assess their qualifications to compete for those future opportunities.

- (4) Is the contractor confirming a HUBZone small business concern is a certified HUBZone small business by accessing the System for Award Management (SAM) database or by contacting SBA in accordance with FAR 52.219-9(e)(4) and FAR 52.219-8(d)(2)? See Exhibit I ☒ YES ☐ NO

- (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 in accordance with 15 U.S.C. 645(d) and FAR 52.219-9(e)(5) [Field 22]? ☒ YES ☐ NO

DESCRIBE:

LM supplier electronic self-certification provides with a penalty clause that is agreed by each supplier self-certifying into LM Exostar database. The analyst examined this clause and found it to be acceptable.

- (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 in accordance with FAR 52.219-9(e)(6)? ☐ YES ☐ NO ☒ NOT APPLICABLE

2. Other Regulatory Compliance

- a. 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 in accordance FAR 52.219-8(b)? ☒ YES ☐ NO

DESCRIBE:

LM keep records of small business spend by North American Industry Classification (NAICS). (b) (4)

[REDACTED]

- 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 in accordance with FAR 19.702 and FAR 52.219-8(b)?

☒ YES ☐ NO

Is the contractor ensuring timely payment of subcontractors? ☒ YES ☐ NO

- 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 ☐ NOT APPLICABLE

- d. Has the contractor adequately addressed all previous Corrective Action Plans (CAPs) [Field 24]? ☒ YES ☐ NO ☐ NOT APPLICABLE.
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

Issued By: Marillyn Hewson

Title: Chairman, President & CEO

Date: Yearly, most recent st

☐ NO

- b. Small Business Liaison Officer (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).

Comments:

Susannah Rehab holds the Corporate SBLO title. She has a team of Supplier Diversity leads located at each major business unit that assist her with many diverse functions of the Supply Chain organization.

- (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

Comments:

Susannah Raheb has access to the LM executive office and program status is briefed monthly to executive leadership

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

(b) (4)


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

Comments:

The contractor maintains the most updated copy of their policies and procedures on the LM intranet. Copies of the procedures were given and examined by the reviewer. Operations & Program Management Procedures OPM-002, Revision 10 dated May 5, 2015, covers the Supplier Diversity Program; Corporate Policy Statement CPS-113 Revision 10 dated May 5, 2015 covers the acquisition of goods and services; LM Acquisition Procedure No: LMAP 5.710 covers various small business program aspects such as processing subcontracting plans and ensuring supplier size. Procedures reviewed were a detailed step by step instructions to buyers.

- (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 **Comments:**

The policies and procedures examined were established under the framework of promoting small business participation for all socioeconomic concerns.

☐ NO **Comments:**

☐ NOT APPLICABLE

**Part IV – Comprehensive Subcontracting Plan (CSP) Test
Program Applies to CSP Only**

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

(b) (4)

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.

(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 & Countermeasures		<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.

**Part IV – Comprehensive Subcontracting Plan (CSP) Test
Program Applies to CSP Only**

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

(b) (4)

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.

(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, DESPIL, F2AST, JAGM, THAAD,		<input type="checkbox"/> Add <input type="checkbox"/> Remove
AEGIS BMD AWS (Navy/MDA), Target & Countermeasures		<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.

**Part IV – Comprehensive Subcontracting Plan (CSP) Test
Program Applies to CSP Only**

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

(b) (4)

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.

(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
AEGB BMD AWS (Navy/MDA), Target & Countermeasures		<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.

COMPREHENSIVE PLAN	Goal 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 type="checkbox"/> Yes <input type="checkbox"/> No

Recommended Action:

NA

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 checked="" type="checkbox"/> YES <input type="checkbox"/> No

Recommended Action:

DCMA applauds LM efforts in affording opportunities to Small Business and exceeding all of their FY15 negotiated goals. The total subcontracted dollars forecasted for FY15 dropped by \$3B from \$19B to actuals of \$16B. (b) (4)

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

<input type="checkbox"/> Very Good	<p>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.</p>	<p>48 CFR 52.219-8, 13 CFR 125.3 & 48 CFR 52.219-9.</p> <p>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.</p>
<input type="checkbox"/> Satisfactory	<p>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.</p>	<p>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</p>

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

- a. Did the Contractor exceed all statutory goals or goals as negotiated? If no, skip to question 2. ☒ YES ☐ NO

Comments:

LM achieved and exceeded all FY 15 CSP goals. They awarded \$1.7B to (b) small businesses corporate-wide, which makes about (b) of LM supplier base. LM is also required to negotiate goals for initiatives and target industry categories to increase small business spend in accordance with the CSP test program requirements. The contractor met and exceeded all of their negotiated initiatives and target industry goals as noted previously on this report.

- b. Has the contractor had exceptional success with initiatives to assist, promote, and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business, veteran-owned small business (VOSB) and service-disabled veteran-owned small business (SDVOSB) [Field 31]? ☒ YES ☐ NO

Comments:

(b) (4)

- c. Has the contractor complied with FAR 52.219-8, Utilization of Small Business Concerns? Have they exceeded any other small business participation requirements incorporated in the contract, including the use of small businesses in mission critical aspects of the program [Field 32]? ☒ YES ☐ NO

Comments:

(b) (4)

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

- a. Did the Contractor exceed all statutory goals or goals as negotiated? If no, skip to question 2.

2. ☒ YES ☐ NO

Comments:

LM achieved and exceeded all FY 15 CSP goals. They awarded \$1.7B to (b) small businesses corporate-wide, which makes about (b) of LM supplier base. LM is also required to negotiate goals for initiatives and target industry categories to increase small business spend in accordance with the CSP test program requirements. The contractor met and exceeded all of their negotiated initiatives and target industry goals as noted previously on this report.

- b. Has the contractor had exceptional success with initiatives to assist, promote, and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business, veteran-owned small business (VOSB) and service-disabled veteran-owned small business (SDVOSB) [Field 31]?

☒ YES ☐ NO

Comments:

(b) (4)

- c. Has the contractor complied with FAR 52.219-8, Utilization of Small Business Concerns? Have they exceeded any other small business participation requirements incorporated in the contract, including the use of small businesses in mission critical aspects of the program [Field 32]?

☒ YES ☐ NO

Comments:

(b) (4)

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

- a. Did the Contractor exceed all statutory goals or goals as negotiated? If no, skip to question 2.

2. ☒ YES ☐ NO

Comments:

LM ash (b) and exceeded all FY 15 CSP goals. They awarded \$1.7B to (b) small businesses corporate-wide, which makes about (b) of LM supplier base. LM is also required to negotiate goals for initiatives and target industry categories to increase small business spend in accordance with the CSP test program requirements. The contractor met and exceeded all of their negotiated initiatives and target industry goals as noted previously on this report.

- b. Has the contractor had exceptional success with initiatives to assist, promote, and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business, veteran-owned small business (VOSB) and service-disabled veteran-owned small business (SDVOSB) [Field 31]?

☒ YES ☐ NO

Comments:

(b) (4)

- c. Has the contractor complied with FAR 52.2198, Utilization of Small Business Concerns? Have they exceeded any other small business participation requirements incorporated in the contract, including the use of small businesses in mission critical aspects of the program [Field 32]? ☒ YES ☐ NO

Comments:

(b) (4)

- d. Has the contractor gone above and beyond the required elements of the subcontracting plan and other small business requirements of the contract/order [Field 33]?

☒ YES ☐ NO

Comments:

LM FY15 accomplishments beyond the basic small business program requirements. LM awarded \$4.7B to (b) (4) small business corporate wide. (b) (4)

- e. Has the contractor completed and submitted Individual Subcontracting Reports (ISRs) and/or Summary Subcontract Reports (SSRs) in an accurate and timely manner. See Part II, Exhibits II and III for details. ☒ YES ☐ NO

Comments:

Last SSR report submitted by LM is dated October 30, 2015. The report was submitted timely and was found to be accurate.

- f. Discuss multiple or a significant events and state how they were a benefit to small business utilization. A singular benefit, however, could be of such magnitude that it constitutes a significant benefit to small business [Field 34].

Discuss:

(b) (4)

2. Very Good Justification

- a. Has the contractor met all of the statutory goals or goals as negotiated? If no, skip to question 3. ☐ YES ☐ NO

Comments:

- b. Has the contractor had significant success with initiatives to assist, promote and utilize SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB? Have they complied with FAR 52.219-8, Utilization of Small Business Concerns [Field 32]? ☐ YES ☐ NO

Comments:

- d. Has the contractor gone above and beyond the required elements of the subcontracting plan and other small business requirements of the contract/order [Field 33]?

☒ YES ☐ NO

Comments:

LM FY15 accomplishments beyond the basic small business program requirements. LM awarded \$4.7B to [REDACTED] small business corporate wide. (b) [REDACTED]

(4)

- e. Has the contractor completed and submitted Individual Subcontracting Reports (ISRs) and/or Summary Subcontract Reports (SSRs) in an accurate and timely manner. See Part II, Exhibits II and III for details. ☒ YES ☐ NO

Comments:

Last SSR report submitted by LM is dated October 30, 2015. The report was submitted timely and was found to be accurate.

- f. Discuss multiple or a significant events and state how they were a benefit to small business utilization. A singular benefit, however, could be of such magnitude that it constitutes a significant benefit to small business [Field 34].

Discuss:

(b) (4)

2. Very Good Justification

- a. Has the contractor met all of the statutory goals or goals as negotiated? If no, skip to question 3. ☐ YES ☐ NO

Comments:

- b. Has the contractor had significant success with initiatives to assist, promote and utilize SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB? Have they complied with FAR 52.219-8, Utilization of Small Business Concerns [Field 32]? ☐ YES ☐ NO

Comments:



c. Has the contractor met or exceeded any other small business participation requirements incorporated in the contract, including the use of small businesses in mission critical aspects of the program [Field 33]?

☐ YES ☐ NO

Comments:

d. Has the contractor gone above and beyond the required elements of the subcontracting plan? ☐ YES ☐ NO

Comments:

e. Has the contractor completed and submitted Individual Subcontracting Reports (ISRs) and/or Summary Subcontract Reports (SSRs) in an accurate and timely manner? See Part II, Exhibits II and III.

☐ YES ☐ NO

Comments:

3. Satisfactory Justification

a. Has the contractor demonstrated a good faith effort to meet all of the negotiated subcontracting goals in the various socio-economic categories for the current period?

☐ YES ☐ NO

Comments:

b. Has the contractor complied with FAR 52.219-8, Utilization of Small Business Concerns? Has the contractor met any other small business participation requirements included in the contract [Field 32]?

☐ YES ☐ NO Comments:

c. Has the contractor fulfilled the requirements of the subcontracting plan included in the contract?

☐ YES ☐ NO

Comments:

d. Has the contractor completed and submitted Individual Subcontracting Reports (ISRs) and/or Summary Subcontract Reports (SSRs) in an accurate and timely manner? See Part II, Exhibits II and III.

☐ YES ☐ NO

Comments:

4. Marginal Justification

a. Is the contractor deficient in meeting key subcontracting plan elements?

☐ YES ☐ NO

Comments:

b. Is the contractor deficient in complying with FAR 52.219-8, Utilization of Small Business Concerns, and any other small business participation requirements in the contract

[Field 32]? ☐ YES ☐ NO

Comments:

c. Did the contractor not submit Individual Subcontracting Reports (ISR) and/or Summary Subcontract Reports (SSRs) in an accurate or timely manner? See Part II, Exhibits II and III.

☐ YES ☐ NO

Comments:

- d. The contractor failed to satisfy one or more requirements of a corrective action plan (CAP) currently in place; however, does show an interest in bringing performance to a satisfactory level and has demonstrated a commitment to apply the necessary resources to do so. A corrective action plan is required. See Part III, Question 2.c.

☐ YES ☐ NO

Comments:

5. Unsatisfactory Justification:

- a. The contractor is noncompliant with FAR 52.219-8 and 52.219-9, and any other small business participation requirements in the contract.

☐ YES ☐ NO

Comments:

- b. The Individual Subcontracting Reports (ISRs) and/or Summary Subcontract Reports (SSRs) are not submitted in an accurate or timely manner. See Part II, Exhibits II and III.

☐ YES ☐ NO

Comments:

- c. The contractor shows little interest in bringing performance to a satisfactory level or is generally uncooperative. A corrective action plan is required.

☐ YES ☐ NO

Comments:

PART VI –Summary**1. Program Rating:**


Exceptional

2. Deficiencies:

None

3. Recommendations:

LM utilizes a "bottoms up" forecasting process from all the Business Areas, business development, procurement, material planning and finance. The goals are then rolled up to the Corporate Director, Category Management & Supplier Diversity and are aggregated to determine corporate performance targets. (b) (4)

**4. Additional Remarks:**

(b) (4)



5. Methodology for selection of contracts reviewed.

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

This review was based on 19 subcontracts with large businesses over \$650,000/\$700,000, as applicable, out of a total population of 61 subcontracts with large businesses over \$650,000/\$700,000, as applicable, for the review period. Exhibit I Part 1.

This review was based on 19 subcontracts over \$150,000 out of a total population of 77 subcontracts over \$150,000 for the review period. Exhibit I Part 2.

The review was based on 22 subcontracts out of a total population of 74 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.

The population number above applies to LM MST only as it was the selected review site.

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

1. Luz M. Vasquez
2. Michele Vaughn
- 3.

Contractor:

1. Suzanne Rehab
2. Amy Gowder/Phil Goslin
3. Burt Ford/ Associate General Counsel/Supplier Diversity Team

7. DCMA Small Business Professional Signature:

VASQUEZ.LUZ.MARIA.1182397349

Digitally signed by VASQUEZ.LUZ.MARIA.1182397349
DN: c=US, o=U.S. Government, ou=DoD, ou=PKI, ou=DCMA,
cn=VASQUEZ.LUZ.MARIA.1182397349
Date: 2016.04.12 11:33:23 -05'00'

8. DCMA Small Business Center Supervisor Signature:

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: 2016 05 04 23:35:03 -04'00'