



Concept Brief

Pilot Diversity Alliances (10 USC 2323)

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Briefing for
Ms. LeAnn Delaney, House Committee on Small Business
30 January 2007

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Briefing Prepared For:

Ms. LeAnn Delaney

**United States House Committee on
Small Business**

PURPOSE:

- **To Discuss Proposal for Pilot Programs to Strengthen 10 USC 2323**
- **To Discuss the Development of Alliances for Establishing Research and Technology Complexes at HBCU/MI based on Provisions of 10 USC 2323**



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Outline



- **Summary of 10 USC 2323**
- **The Challenge – Non Compliance with 10 USC 2323**
- **Typical DOD RDT&E Investment Profile**
- **Defense FFRDC and UARC Locations and Expenditures**
- **Legacy Of Targeted Academia Capacity Investments**
- **Ideological Impact of 5% Law on Minorities**
- **Legislative Initiatives for Pilot Programs**
- **Outcomes – Increased Funding for HBCU/MI**
- **Outcomes – Increased Capacity of HBCU/MI**
- **Broader Impacts – Broaden Base of Science, Engineering, Technology and Workforce for America’s Security (SETWAS)**
- **Diversity Alliance Model**
- **Pilot Diversity Alliances**



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Summary of 10 U.S.C. 2323



(a) 5% GOAL FOR SDB/HBCU/HSI/OMI

- (a)(2) Specific Goal for HBCU/HSI/OMI within Overall 5%

(b)(1) \$(BASELINE) = Σ (PROCUREMENT (b)(1)(A)

+ RESEARCH, DEVELOPMENT, TEST & EVALUATION

(b)(1)(B)

+ CONSTRUCTION (b)(1)(C)

+ OPERATION & MAINTENANCE (b)(1)(D))

(c) TYPES OF ASSISTANCE = INFRASTRUCTURE (c)(1)

+ TECHNICAL (c)(2) + EDUCATIONAL (c)(3)(A)

+ PERSONNEL (c)(3)(B) + PARTNERSHIPS (c)(3)(C)

+ STUDENTS (c)(3)(D) + FACULTY (c)(3)(E) + EQUIPMENT (c)(3)(E) etc.

AGENCIES CONCERNED: DOD, NASA, COAST GUARD (DHS)



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The Challenge – Non-Compliance with 10 USC 2323



HBCU/MI HOME
CONTACT US
RETURN TO OSBP



Welcome



The Department of Defense has entered into agreements with Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), Tribal Colleges and Universities (TCUs), and other minority institutions of higher education. These agreements will enable the Department of Defense (DoD) to provide technical assistance to minority institutions on the Department of Education's annual listing of Accredited Postsecondary Minority Institutions as required by Section 2323, Title 10 U.S.C. and Executive Orders: 13256 (HBCU), 13230 (HSI), and 13270 (TCU).

- Executive Orders Have No Goals Associated with Them
- 10 USC 2323 Includes all Procurement, not Just Technical Assistance



The Challenge – Non-Compliance with 10 USC 2323



Naval HBCU/MI Program

MISSION: Encourage, develop, implement, manage, evaluate and report on activities and programs that strengthen and support the capabilities of the HBCU/MIs to participate in ONR/DoN science, technology, and education programs.

❖ **NAVY-wide HBCU/MI Program FY05: \$89,403,145**

- SECNAV assigned management of the DON HBCU/MI Program to ONR
- Establish goal of 5% for the total combined amount obligated by DoD in contracts and subcontracts to be contracted to SDBs, HBCUs, and MIs
- Establish a specific goal within the overall 5% goal for the award of prime contracts to HBCUs and MIs (Baseline-grant and contract dollars awarded to IHEs)

• IHE = Institutions of Higher Education

• 10 USC 2323 Baseline is total Agency Contract Dollars; not Grant and Contract Dollars Awarded to IHEs.

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The Challenge – Non-Compliance with 10 USC 2323



Today's strength
For tomorrow's Air Force

USAF
SMALL BUSINESS

Hot Items

- SB Learning Ctr
- Calendar
- General
- Locator
- Procurement Forecast (LRAE)
- News
- Opportunities
- Outreach Pgm Ofc
- Programs
- Training
- User's Guide

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Historically Black Colleges and Universities / Minority Institutions (HBCU / MI)

Program News Calendar of Events HBCU/MI & Small Business Directory

The first Executive Order that advocated outreach and assistance to culturally diverse institutions of higher education (IHE) was signed by the President in 1978. In 1986 the Congress past the first legislation, and the President signed it into law, a Federal procurement law (10 USC 2323) crafted to ensure that a fare share of contract awards (similar to those afforded non-minority IHE) were awarded by Federal agencies to these IHE.

To focus specifically on DoD contracts, the provisions of FAR 52.226.2, Historically Black College or University and Minority Institution (HBCU/MI) Representation, addresses solicitations exceeding the micro-purchase threshold for research, studies, supplies, or services of the type normally acquired from non-minority IHE. Appropriate requirements are to be set-aside for HBCU/MI (DFARS 252.226-7000) and their participation must be addressed by subcontracting plans (DFARS 252.219.7003).

As it is true with other components of the Small Business Initiatives, the HBCU/MI Program is the responsibility of the heads of activities and/or commanders (DoD Dir 4205-1).

Terms of Reference

(Also see DFARS 252.219-7003)

Historically Black Colleges and Universities (HBCUs):
Term used to identify accredited institutions of higher education established prior to 1964 with a principal mission of educating African-Americans.

....(similar to those afforded non minority IHE)
– 10 USC 2323 did not base its reference on non-minority IHE

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The Challenge – Non-Compliance with 10 USC 2323

UNCLASSIFIED-For Official Use Only

Contracts and Funding

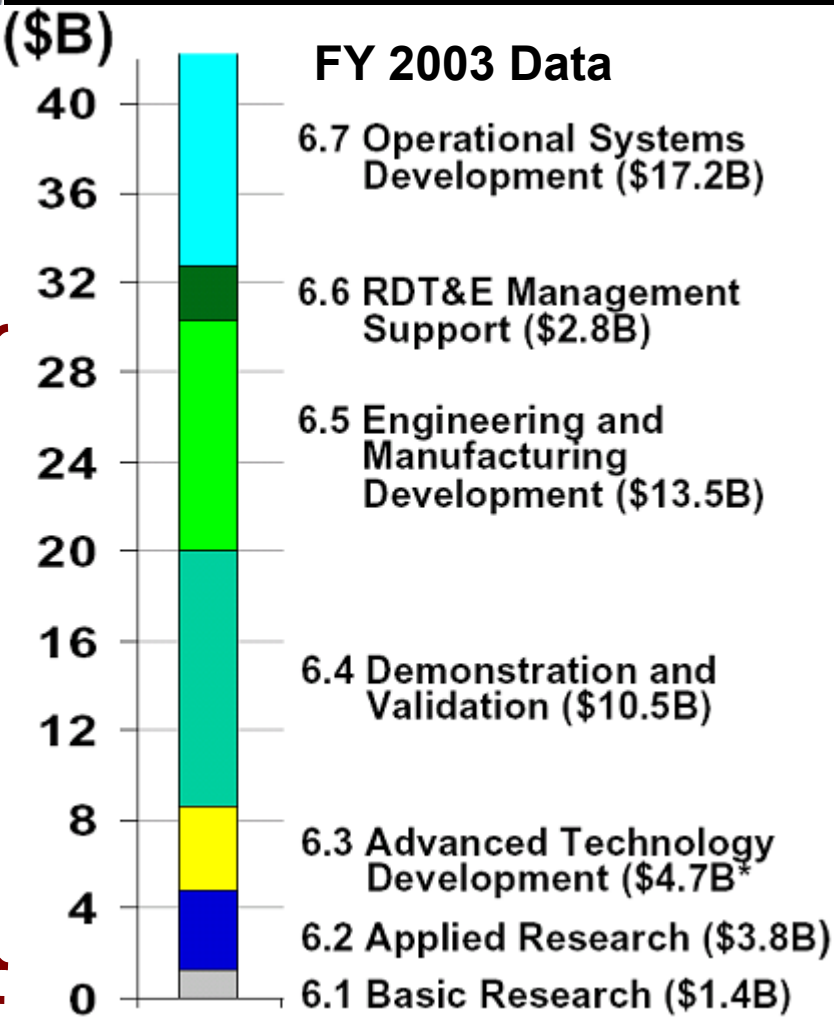
- HBCU/MI contracts Administered by MDA/CTV
- Contracts Have Duration of 2 Years
- Funding Historically Stable
 - MDA HBCU/MI Program Funded at \$1.5M/yr
 - Allows for 10 awards for each 2-yr cycle BAA is released
- Program Funded at Significant Level and Represents MDA Commitment to HBCU/MI University Research

**MDA FY 07
Budget
Request =
\$9.3B**

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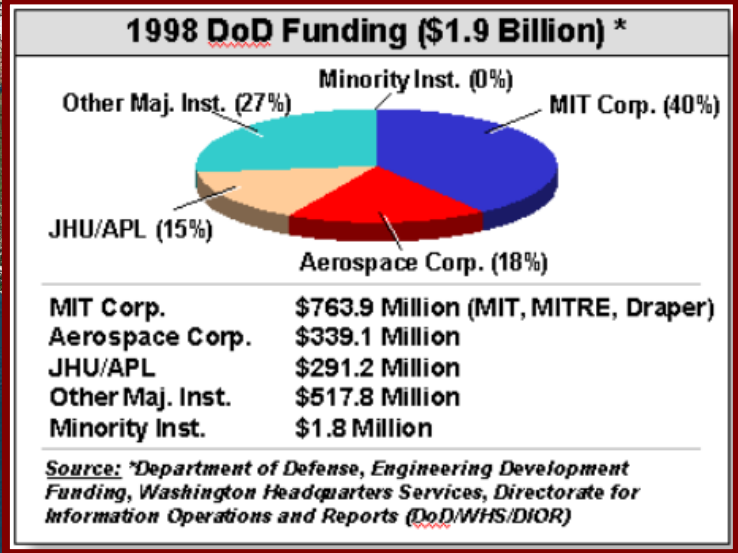
Typical DOD RDT&E Investment Profile



Pilot Program Focus

Traditional University Programs

Universities & FFRDC Engineering Development (6.5) Funding – FY 1998 Data

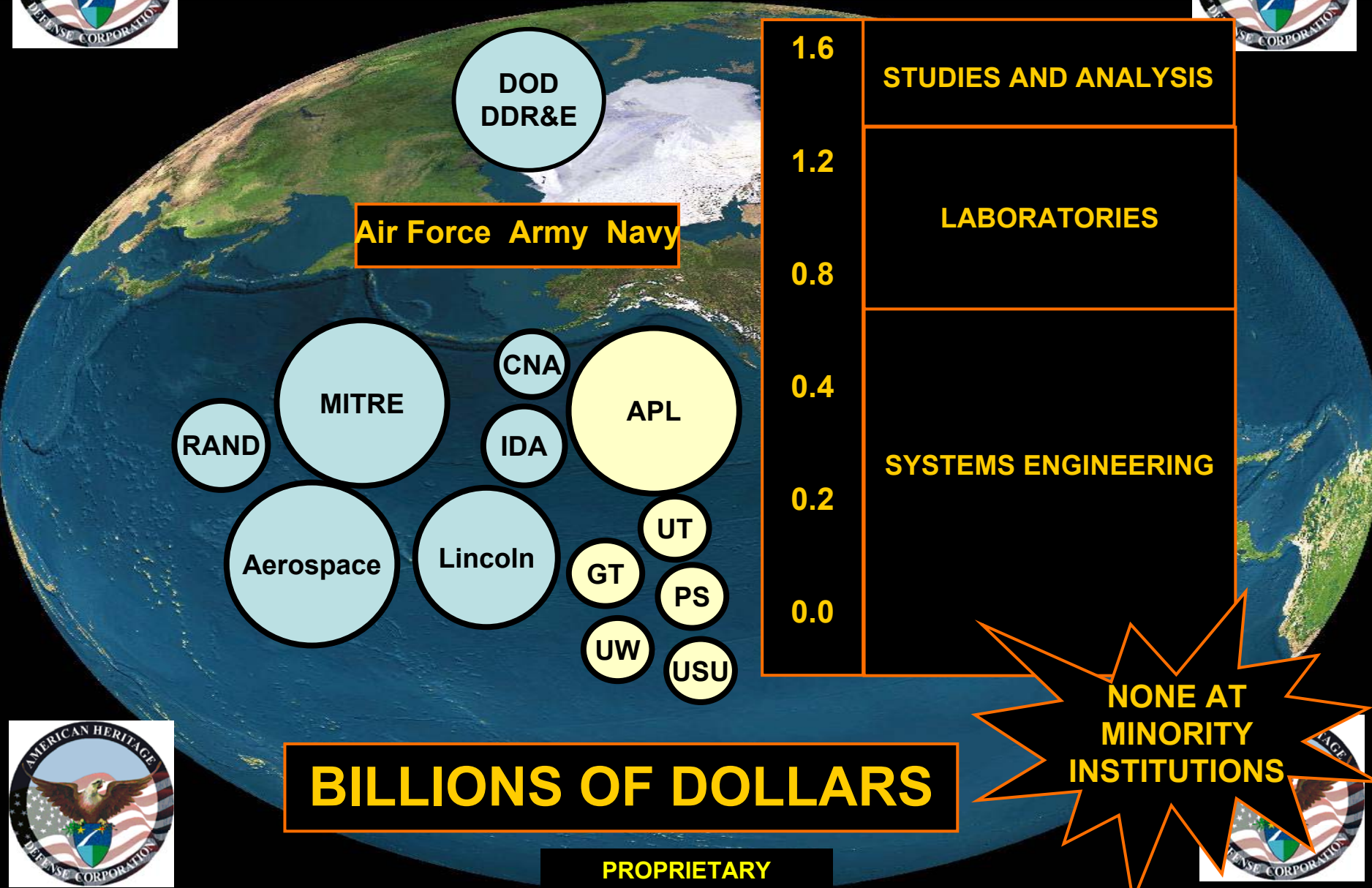


Institutions Impacted by Applied Research Investments Produce Top Grade SE&T Graduates

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Defense FFRDC and UARC Locations and Expenditures



DOD
DDR&E

Air Force Army Navy

RAND

MITRE

CNA

IDA

APL

Aerospace

Lincoln

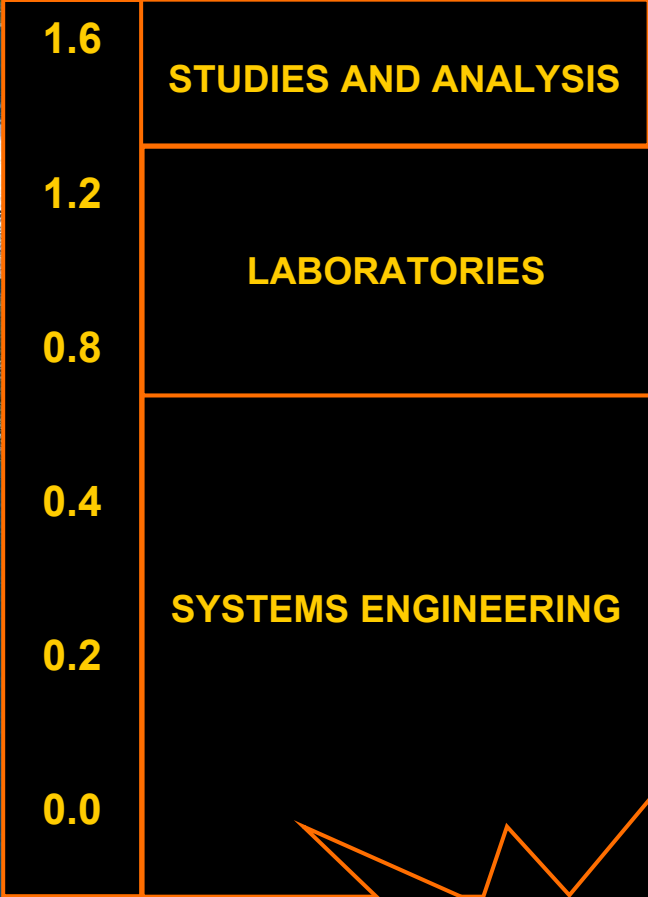
GT

UT

UW

PS

USU



BILLIONS OF DOLLARS

**NONE AT
MINORITY
INSTITUTIONS**



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Legacy Of Targeted Academia Capacity Investment



A sample of Federally Funded Research and Development Centers administrated by universities & colleges

	Yr Est.	Budget	Institution
Ames Laboratory	1947	\$29M (FY2003)	Iowa State University
Argonne National Laboratory	1946	\$475M (Est. Annual)	University of Chicago
Brookhaven National Laboratory	1947	\$467M (FY2005)	Stony Brook University
Lawrence Berkeley National Laboratory	1931	\$500M (FY2004)	University of California
Fermi National Accelerator Laboratory	1967	\$316M (FY2005)	University Research Associates Consortium
Jet Propulsion Laboratory	1944	\$1.0B (Est. Annual)	California Institute of Technology
Lawrence Livermore National Laboratory	1952	\$1.6B (FY2003)	University of California
Lincoln Laboratory	1951	\$328M (FY1994)	Massachusetts Institute of Technology
Los Alamos National Laboratory	1943	\$1.2B (Est. Annual)	University of California
National Astronomy and Ionosphere Center	1960	\$10.8M (FY2006)	Cornel University
Princeton Plasma Physics Laboratory	1951	\$70M (FY2003)	Princeton University
Software Engineering Institute	1984	\$33M (FY 1994)	Carnegie Mellon University
Stanford Linear Accelerator Center	1962	\$280M (FY 2005)	Stanford University

NOTES:

1. This list does not include many FFRDCs managed by consortia of Universities, Non Profit Corporations and Industry
2. The list does not include University Affiliated Research Centers (UARC)

3. There are no FFRDC or UARC managed by minority institutions to date.

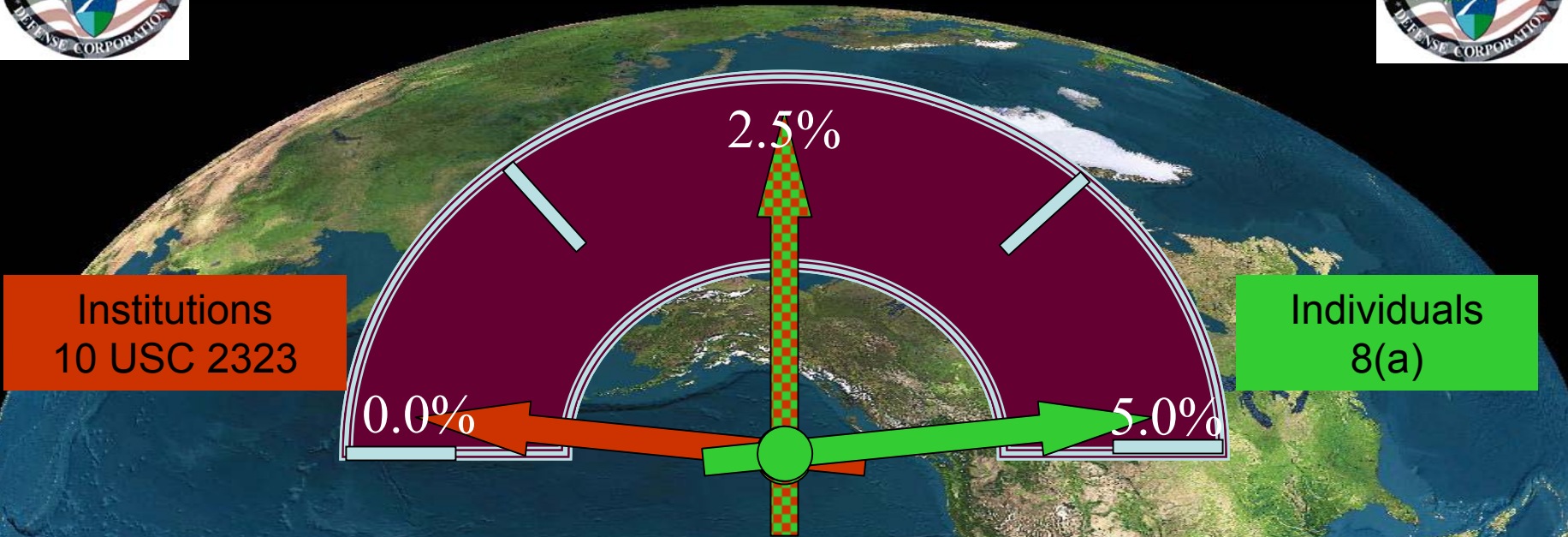


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Ideological Impact of 5% Law on Minorities



Institutions
10 USC 2323

Individuals
8(a)

- Wealthy Individual Minorities end up Republican (Nixon started the 8(a) Program)
- Whereas Institutions educate more citizens who become Democrats
- 110th Congress should shift the needle to assist Minority Institutions



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Legislative Initiatives for Pilot Programs

Congressional Directive for DOD, NASA, DHS to:

- Identify Major Long Term (Recurring And Future) RDT&E Procurements With Facilities Requirements
- Designate Facilities Requirements As Separate Procurement
- Target Facilities Requirements As Pilot Procurement for Compliance With 10 USC 2323
- Promote Partnerships Between Private Industry (e.g. Prime Contractors, SBIR Phase II Graduates, Major Research Institutions etc) and HBCU/MI To Develop Proposals For Facilities (Pilot Diversity Alliances)
- Specify In Contract Requirements That Facilities Are To Be Set-Aside for HBCU/MI To Meet 10 USC 2323 Goals
- Award Prime Contracts to HBCU/MI and Partners For Hosting Facilities
- Count HBCU/MI Revenues Towards Goals Set Under 10 USC 2323



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Outcomes – Increased Funding of HBCU/MI

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Federal RDT&E Contracting \$\$\$

HBCU/MI
(RDT&E Park/Host)

Academia Partners
(Partner/Faculty Exchange)

Small Business
(Partner/Protégé)

Industry Primes
(Partner/Mentor)

+Facilities
+Management
+Research
+Internships

+Research
+Internships

+Design
+Development

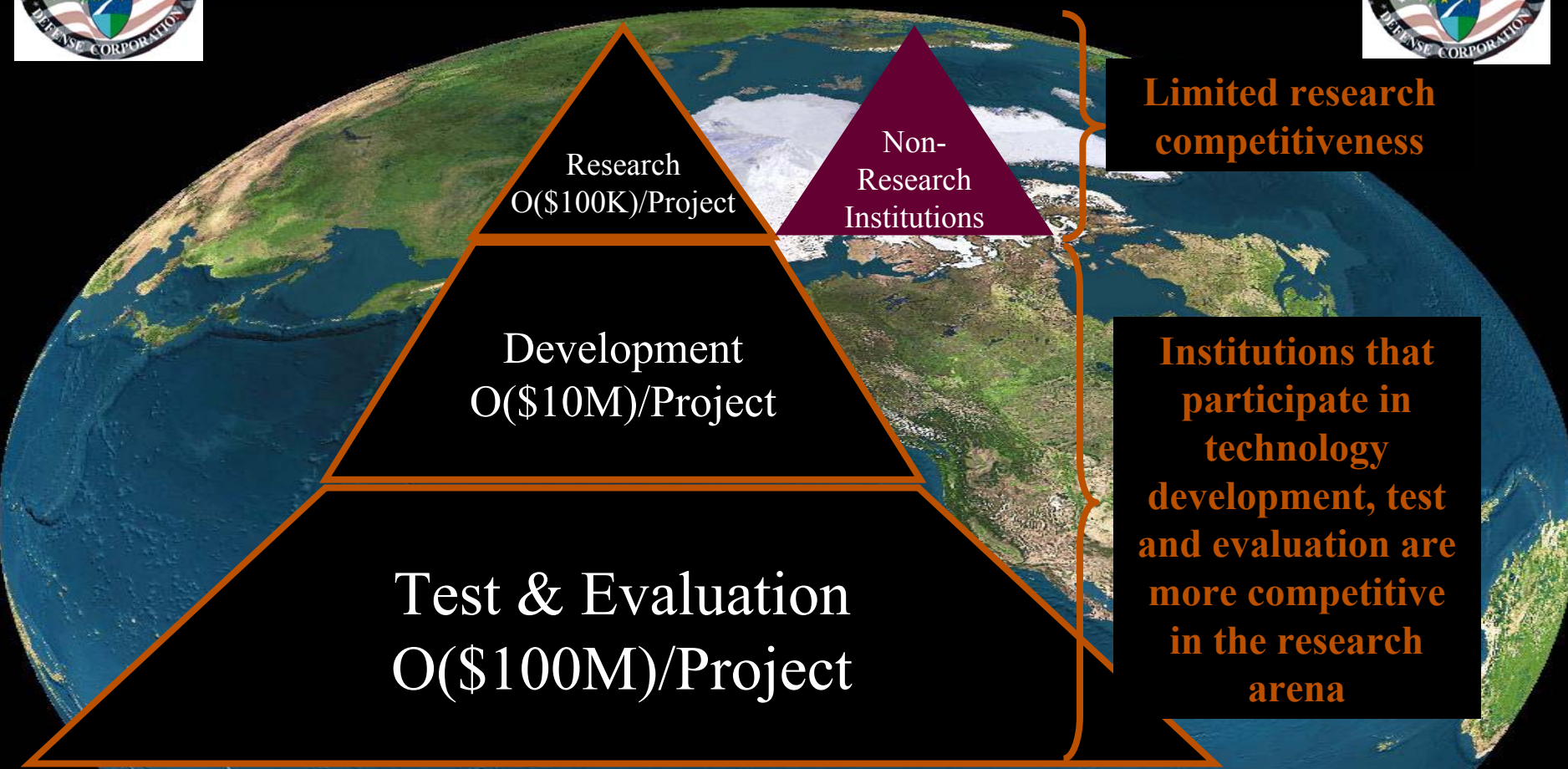
+Integration
+Test
+Evaluation



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Outcomes – Increased Capacity of HBCU/MI



Limited research competitiveness

Institutions that participate in technology development, test and evaluation are more competitive in the research arena

Non-research institutions have never been targeted for directed investments to build capacities for technology development, test and evaluation



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Broader Impacts – Broaden Base of Science, Engineering, Technology and Workforce for America's Security (SETWAS)



(1) RDT&E Parks at SETWAS Clusters

Broaden GIA* Base

(2) Year-round Internship Programs

Undergraduate & Graduate

S&T Pipeline

(3) K-PhD Mentoring & Apprenticeships

*GIA = Government-Industrial-Academic

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Diversity Alliance Model



Pilot Diversity Alliances – Based on Intersection of Political, Business and Institutional Self Interests



Host Institution

HBCU/MI

ALLIANCES

Business Interests

Legislative Initiatives

Political Constituencies

Technical Partners

- Targeted at Specific Customer Mission Objectives to Meet 10USC2323 Goals
- Pilot Programs Will Demonstrate Effectiveness and Viability of Diversity Alliances

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