EPA Contractor Forum

10/24/07

- A leading provider of technology services and solutions primarily to the US Federal Government

- Founded in 1978; a deeply embedded culture focused on creating real value for customers

- FY07 revenue run rate of >$1.2B – 89% as prime contractor

- Publicly traded company (NYSE: SRX)

- IT services employer of choice – 6,300+ employees

- SRA core values…
  - Ethic of honesty and service
  - Quality work and customer satisfaction
  - Great people fulfilled in their work
  - Service to our country and communities

A Fast Growing, Highly Respected Company

Total Revenue ($M)

- SRA's revenue CAGR is 35% since May 2002
- Record number of significant prime contract awards – particularly in the areas of IT infrastructure consolidation, Public Health, Outsourcing, Homeland Security, and Law Enforcement
- Invested in a set of robust business solution offerings
- Completely integrated 9 very successful acquisitions

FORTUNE
SRA Named one of the "100 Best Companies to Work For in America" by Fortune Magazine
2000 - 2007

BusinessWeek
SRA named one of the "Hot Growth" companies
2005

WASHINGTON BUSINESS JOURNAL
SRA named one of the "Fastest Growing Companies"
2005

WASHINGTONIAN
One of the "Great Places to Work" in the Washington area
2003, 2005

Employee Benefit News
Benny Award 2004 People First: Company's efforts push the bounds of wellness: For SRA's Get F.I.T

Office Locations

Metropolitan DC Locations

- Fairfax, VA (HQ)
- Arlington, VA
- Alexandria, VA
- Falls Church, VA
- Reston, VA
- McLean, VA
- Vienna, VA
- Rockville, MD
- Washington, DC

Legend:
- SRA Office
- Customer & Offsite Locations
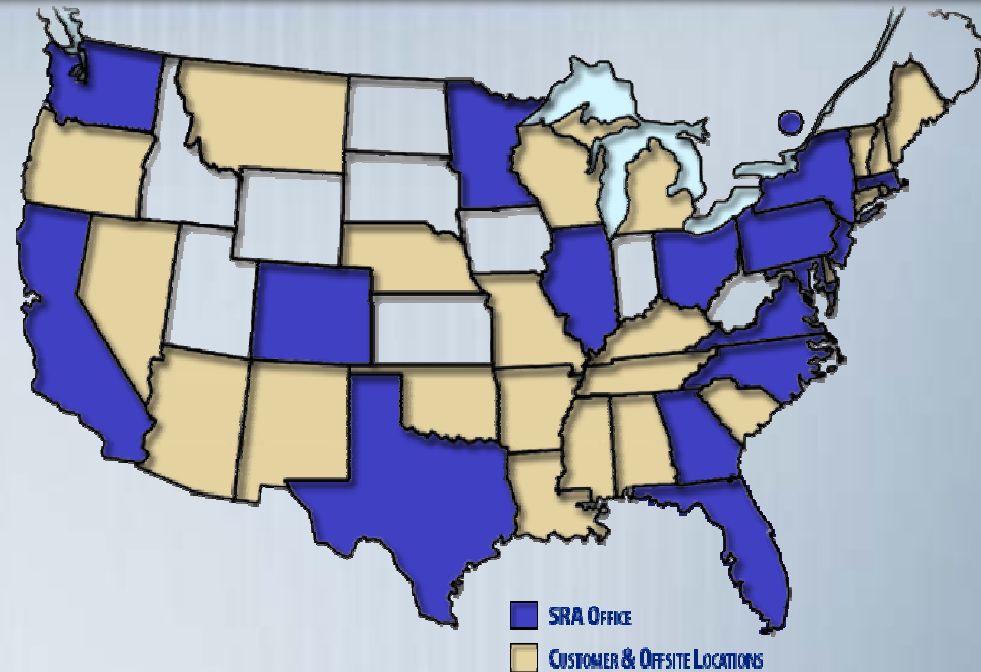
Other Office Locations

Sierra Vista, AZ	Boston, MA	Shrewsbury, NJ
Newport Beach, CA	Baltimore, MD	Las Vegas, NV
Sacramento, CA	Columbia, MD	New York, NY
San Diego, CA	Landover, MD	Dayton, OH
Colorado Springs, CO	Pax River, MD	Hatboro, PA
Ft Walton Beach, FL	Durham, NC	San Antonio, TX
Atlanta, GA	Egg Harbor Township, NJ	Chesapeake, VA
Warner Robins, GA	Ft Monmouth, NJ	Newport News, VA
Fairview Heights, IL	Mt Arlington, NJ	Seattle, WA

Corporate Capabilities

1,200 Employees

Major Operating Locations in Willow Oaks, VA; Fairview Hts, IL; San Antonio, TX

● Defense Property System
- 10-yr, $55M award
- Supports $1.8B program making 500K shipments annually

- **Integrate Siebel and Manugistics to develop and maintain a web-based system**
- **Support worldwide transfer of families as part of DoD "Families First" initiative**

● National Guard - AITS & EOSS
- Two awards totaling $500M
- Current run rate >$100M
- Unseated Tier 1 primes

- **Manage, operate, and maintain the wide-area network and the 24x7 NOC**
- **Develop, field, and maintain the major applications for Guard/Reserve Components**

● MSC Afloat
- 6-yr, $108M program
- Awarded in Jan-2006
- Unseated long-term incumbent

- **Support the afloat operations of the Navy Military Sealift Command**
- **Provide IT services including project mgmt, NOC admin, user training and support**

● CR2 for Army CECOM
- 8-yr ID/IQ w/ $2.7B ceiling
- One of 8 prime contractors
- Current run rate >$50M

- **CECOM Rapid Response provides quick-turnaround support across a broad scope**
- **Current tasks include tactical comm and weapons systems engineering**

Corporate Capabilities

1,700 Employees

Major Operating Locations in Alexandria, VA; Warner Robins, GA; Dayton, OH

DHS Program

- Current run rate >$60M
- Positioned well for continued growth
- **Data mining, intelligence analysis to detect and monitor terrorist activity**
- **Prime on DHS EAGLE contract vehicle**
- **Lead for IA, privacy, COOP on US VISIT**
- **Long history at component agencies (FEMA)**

Missile Defense Agency

- 8-yr, $107M program
- Unseated Tier 1 prime on original bid and recently won the recompete
- **Program and technical support for executive information management system**
- **Enterprise architecture, network ops and security center mgmt, and info assurance**

State of California

- Current run rate >$10M
- Largest state government presence
- Focused on counterterrorism and gang reconnaissance
- **Cal/Gang system offers web-based capability to identify and track gang activity**
- **Provide counterterrorism and intelligence analysis for CA Office of Homeland Security**

Pentagon Renovation

- 11-yr, $100M program
- Largest effort as a subcontractor
- **Specialized telecommunications and network engineering and integration services to renovate Pentagon**
- **Design, engineering, and implementation of Pentagon command centers**

Corporate Capabilities

1,000 Employees

Major Operating Locations in Arlington, VA; Washington, DC; Egg Harbor, NJ

● ITSS for Dept of Justice

- 7-yr ID/IQ w/ $980M ceiling
- One of 12 prime contractors
- Current run rate >$40M
- **Scope covers full range of IT services**
- **Current tasks include DBMS services for US Trustee Program and grants mgmt system support for Office of Justice Programs**

● USAID

- 4 large contract vehicles – Prime 2.2, 3.2, 3.4 and EGAT
- Also Constella's largest customer
- Unseated Tier 1 Prime to win original Prime 2.2 contract
- **Broad range of enterprise-wide IT services to support the technology infrastructure for USAID and other international agencies**

● FDIC

- $341M, 5-yr Millennia award
- Current run rate >$60M
- Defeated strong teams from 2 Tier 1 primes
- **Consolidating 36 separate contracts to manage FDIC IT infrastructure**
- **Still migrating FDIC positions to SRA**

● Dept of Agriculture

- $91M, 5-yr Millenia task order
- Awarded in Nov-2006
- SRA's largest ERP implementation
- **Development and maintenance of Web-Based Supply Chain Mgmt System**
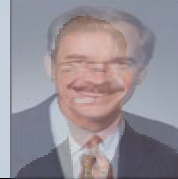- **Will support all domestic and international USDA food aid programs**

Corporate Capabilities

1,400 Employees	**Major Operating Locations in Durham, NC; Rockville, MD; London, UK**

NPDB
- $69M, 4.5-yr program
- 13-yr SRA incumbency
- Migrated from CPFF to FP contract, saving gov't $3M per year and generating strong margins

Full turn-key outsourcing of the National Practitioner Data Bank

Processing >3 million transactions per year

Centers for Disease Control
- Current run rate >$30M
- Constella's largest HHS customer
- Support detection and communications systems for disease outbreaks

Manages relationships with health data sources for BioSense biosurveillance system

Conducts nationwide lab assessments for biosafety and regulatory compliance

National Institutes of Health
- Current run rate >$60M
- SRA's largest HHS customer
- Systems integration, biomedical informatics and data analysis

Supporting early disease diagnosis through one of world's largest microarray databases

Web development and applications for NIH's Center for Information Technology

Clinical Research
- Current run rate >$40M
- Clinical trial management and regulatory consulting services
- Mid-sized biotech and pharma customers in the US and overseas

Statistical analysis supports every stage from study design to reporting

Pharmacoviligance manages program safety

Customer Breakout

Executive Departments

- Department of Agriculture
- Department of Education
- Department of Energy
- Department of Commerce
- Department of Housing and Urban Development
- Department of Health and Human Services
- Department of Interior
- Department of Labor
- Department of State
- Department of Transportation
- Department of Treasury
- Department of Veterans Affairs

Independent Agencies / Gov't Corporations

- Environmental Protection Agency
- Federal Reserve Board
- Federal Deposit Insurance Corporation
- General Services Administration
- Library of Congress
- National Aeronautics & Space Administration
- National Archives and Records Administration
- Office of Personnel Management
- Office of Management and Budget
- Pension Benefit Guaranty Corporation
- Small Business Administration
- US Agency for International Development

Key Legislative & Judicial Branch Organizations, especially

- Administrative Office of the US Courts
- Government Accountability Office
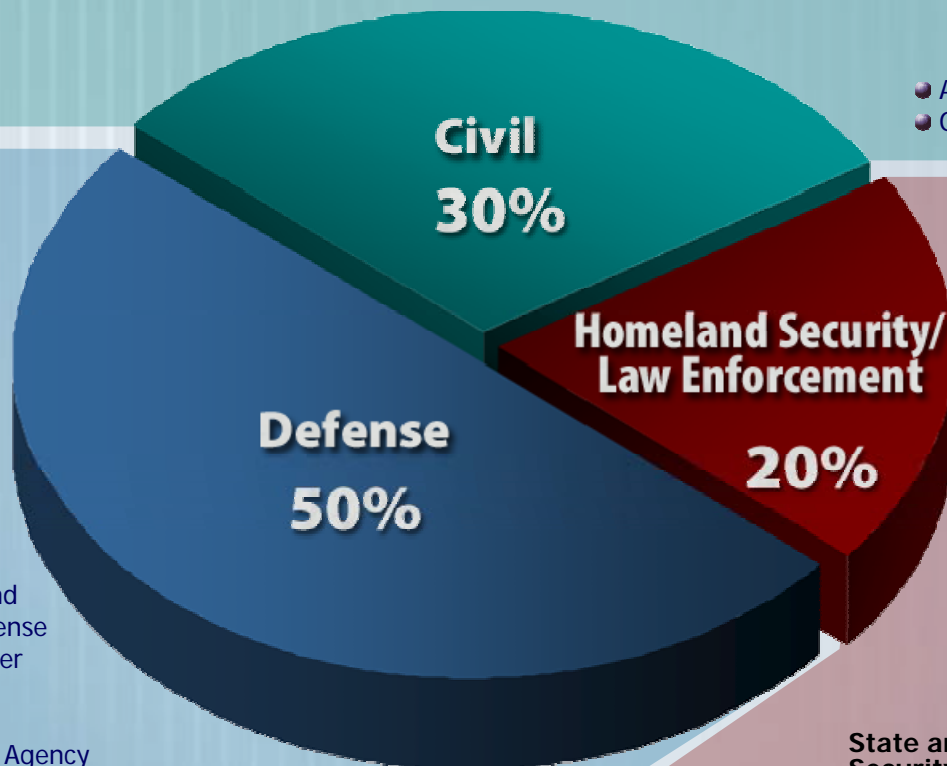
Department of Defense

- Department of the Army
- Department of the Navy
- Department of the Air Force
- National Guard and Reserves
- US Army Reserves
- US Marine Corps
- Joint Chiefs of Staff
- US Transportation Command
- Air Mobility Command
- Military Sealift Command
- Military Traffic Mgmt Command
- Office of the Secretary of Defense
- Defense Manpower Data Center
- DARPA
- Defense Logistics Agency
- Defense Information Systems Agency

Various intelligence agencies

Department of Homeland Security

- Immigration and Customs Enforcement
- Customs and Border Protection
- Preparedness Directorate
- Federal Emergency Management Agency
- Civil Rights & Civil Liberties
- Transportation Security Administration
- US Coast Guard
- US Secret Service

Department of Justice

- Drug Enforcement Agency
- Federal Bureau of Investigation
- Office of Justice Programs
- US Trustees Program

State and Local Police, Justice, and Homeland Security Departments

Civil 30%

Defense 50%

Homeland Security/ Law Enforcement 20%

SRA has a diversified contract portfolio across the federal government

Contract Vehicles

GWACs

- **GSA Schedules**
  - IT-70
  - MOBIS (874)
  - EAS (899)
  - PES (871)
  - UAV (66 II J)
  - LOGWORLD (874V)
- **CIO-SP2i**
- **MILLENNIA**
- **MILLENNIA LITE**

DoD & National Security Agencies

- AMCOM Express*
- ACC CAAS2*
- CEOss
- CR2
- D/SIDDOMS III
- DHS PPMS
- DISA I-ASSURE II
- DISA NextGen
- DLETP*
- Encore 2
- EAGLE
- FIRST*
- Geita 05
- IMOD*
- ITES-2*
- IWE
- Navy ITSS
- NETCENTS*
- OPTARSS*
- S3*
- SeaPort-e
- SPAWAR SE&I*
- TEIS 2*
- TSA ITMS*

- **Blanket Purchase Agreements**
  - AFITS
  - CECOM
  - DARPA CMO
  - DARPA DIRO
  - DARPA J-UCAS
  - DARPA SETA
  - DFISS-I
  - DIA VES
  - DIESCON III
  - DHS CRCL
  - DHS FEMA
  - DHS ICE
  - DHS PPDS
  - DHS SSAS
  - DHS TSA
  - FASTMAX II*
  - MRMC
  - PMI

Civilian Agencies

- CMS CCSS
- DEA CONCORDE
- DOJ ITSS 3
- EPA BATS
- EPA CPRS
- FAA RESULTS
- GSA Networx*
- ITS-BISS
- JMAS
- OEPPR
- OPM TMA HC&T
- PBGC PSES
- SISTIR
- SUPERFUND
- TIPSS 3*

- **Blanket Purchase Agreements**
  - AOC
  - CSOSA SDSS
  - DOJ ITSS
  - DOJ IV&V
  - DOL
  - DOT EMADRS
  - EDU OCIO
  - EPA iSTAR
  - EPA OEPI
  - IRS
  - NIH
  - OPM
  - USAID EGAT
  - USAID PRIME 3.2
  - USAID PRIME 3.4
  - USCG
  - USCG G-MP
  - USDA EAS
  - USDA USFS
  - VA
  - VA IV&V
  - VA MA/BPR
  - VA VCS

- SRA was once a small business – we understand what it's like to be a subcontractor and to team with a large integrator

- SRA's Small Business Office handles relationships
  - SBLO – Kevin Robbins (kevin_robbins@sra.com, (703) 322-4956)
  - Small Business Manager – Bill Lillard (bill_lillard@sra.com, (703) 803-1961)
  - Small Business Teaming Database – register at http://smallbusiness.sra.com and send Bill your corporate capabilities statement

- SRA currently has more than [400] subcontractors with nearly 50% of the dollars awarded to SB, SDB, WO, VOSB, SDVO and HubZone companies

- Our GWAC and IDIQ contract vehicles are available for use

- We are seeking partners who share our business culture and values – focus on quality work and commitment to the highest ethical behavior

Performance

Accountability

Respect

Tenacity

New Opportunities

Entrepreneurism

Returns
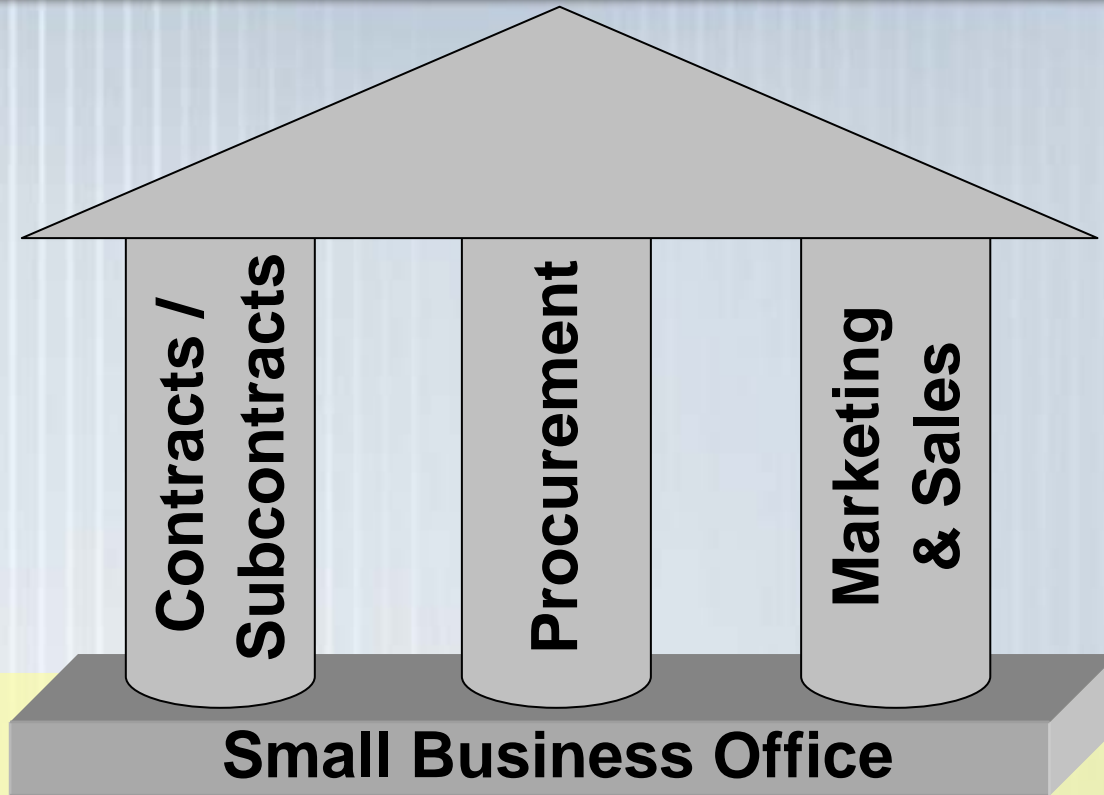
- Increased goals for small business participation
- Greater reporting rigor
  - SF-294, 295 and eSRS
- Stricter penalties for missing goals
  - Liquidated damages in some instances
- Heightened SBA focus on eliminating abuses
  - New rules effective 6/30/07

SRA's Small Business Office

Contracts / Subcontracts

Procurement

Marketing & Sales

Small Business Office

- Draft subcontracting plans
- Monitor performance

- SF-294, 295 and eSRS submissions
- Supplier outreach and validation

- Teaming & partnering agreements
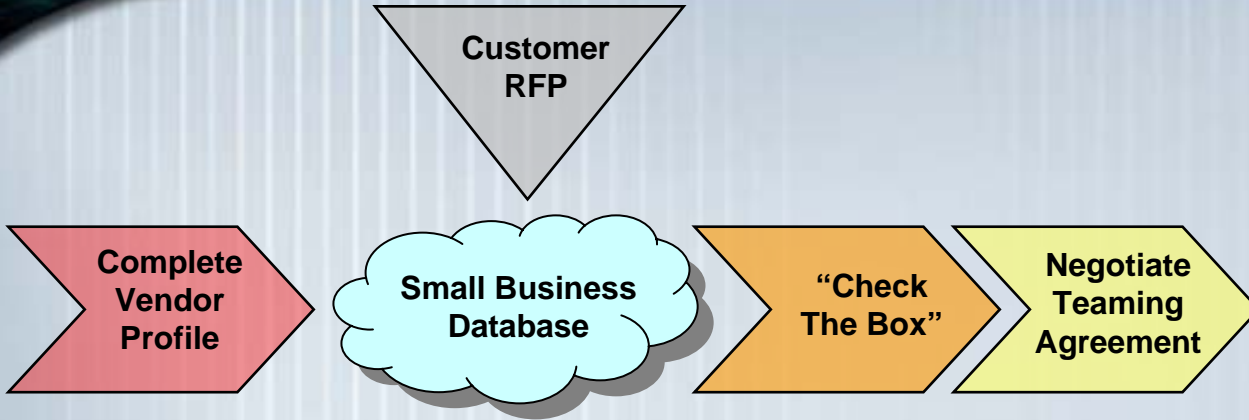- Vendor outreach
- Mentor protégé

Small Business Subcontracting/Teaming Approach

- Subcontracting has always played an important role in developing innovative, leading edge solutions for our customers

- SRA generally exceeds small business subcontracting goals, subcontracting on average 50% of all subcontracted dollars to various categories of small business

- Subcontractors that bring "real" capabilities to us, especially relevant technical or functional expertise tend to do the best – focus initially on your strengths for customers that know you the best

- Our approach to working with teammates is to identify partners early, work with them closely, and fully integrate them into the solutions development and win strategy positioning

- SRA's small business subcontracting philosophy is to provide a meaningful, integrated role for our partners, not merely to add them "notionally" to our team to hit subcontracting targets
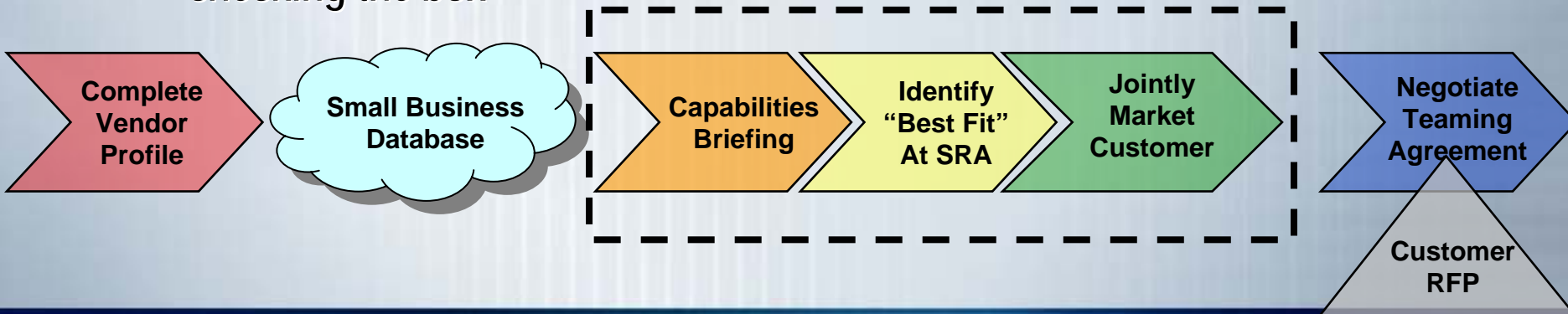
- Strategic partners come from a variety of different sources including past working relationships, customer referrals, small business vendor database, and domain presence.

- SRA's BCP encourages early identification of strategic partners for all our engagements to fully integrate them into our win strategy development.

- Business developers, business program managers, and capture managers consult our SBLO, M-P Director, and our data repository to seek highly qualified small business partners that bring required expertise or capabilities.

- SRA encourages joint marketing and call plans to ensure customer awareness of strategic teaming relationships.

Small Business Workflow

Customer RFP

Complete Vendor Profile → Small Business Database → "Check The Box" → Negotiate Teaming Agreement

- This is the industry standard for working with small businesses
- This is a necessary, but not sufficient approach to small business

- Our approach is a bit labor intensive and time consuming but <u>complete.</u>
  - We expect small businesses to share in a lot of the leg work
- The goal is superior solutions for our customers, not merely "checking the box"

Complete Vendor Profile → Small Business Database → Capabilities Briefing → Identify "Best Fit" At SRA → Jointly Market Customer → Negotiate Teaming Agreement

Customer RFP

- ◆ Do your homework on a given opportunity
  - Competitive analysis of procurement
  - Know how SB's skills fit the opportunity and potential holes

- ◆ Have a plan, for example:
  - How SRA fits into the picture
  - How the small business plans to capture the business
  - Steps that have already been taken to date

- ◆ Too many times, a SB will bring an opportunity and then look to SRA to tell them what to do next

- ◆ Ask yourself…"as a small business am I qualified to pursue this opportunity as a sub?"

Small Business Recommendations

- ♦ Understand the market and how your company fits into that market

- ♦ Make sure you know your Prime
  - What will be expected of you (i.e. proposal effort, marketing, etc.)

- ♦ What terms and conditions will be imposed on you by the Prime?
  - What is negotiable?
  - Will this result in a win/win situation?

- ♦ Will you get any work once the award is made?

- ♦ How do you survive once the "capture" team moves on?
  - Its all in the relationships – don't just rely on the paperwork

- How can a small business make the relationship last with SRA?
  - Performance, performance, performance
    - If the work is not a quality product, you need not worry about continuing the relationship
  - Stay close to the project
    - As a sub, many companies tend to place people and then move on to find the next piece of business.
    - This is a mistake, especially for a small business subcontractor

Industry best practices suggest a centrally-managed and coordinated program is the most efficient and effective *(minimize burden on lines of business)*

- Executive support within line of business is critical for success

- Careful selection of protégé is essential; Objective is to limit net increases to indirect costs, and to maximize use of existing personnel otherwise covered on indirect

- Protégés are considered on all major proposals

MP Program Roadmap

- ◆ **All Mentor Protégé initiatives begin at the MP Program Office after an SBU requests a MP program development initiative**
  - All requests must have an SBU sponsor
  - A baseline MP review package will be put together for senior management by the sponsoring SBU and the Program Office
    - ◆ Protégé company information
    - ◆ Specific types of requested developmental assistance
    - ◆ Compensated or business credit program
    - ◆ What is the anticipated value to SRA and/or compelling business need?
    - ◆ What is the anticipated cost to SRA?
    - ◆ Which Agency will the MP Program fall under?

- ◆ **Mentor Protégé Application**
  - Developed by the sponsoring SBU
  - Reviewed by the MP Program Manager and SBLO
  - Presented to the COO by the SBU for review and/or approval and signature

- ◆ **Mentor Protégé Program**
  - Managed by the sponsoring SBU
  - Monitored by the MP Program Office
  - Reporting by SBU and MP Program Office/SBLO

Mentor Protégé Program Participants

Barbara Hennessy
CEO and Founder
bhennessy@cds2.com

Department of Homeland Security
Approved October 2005

Gazelle Hashemian
President
Gazelle@paragontech.net

Department of the Treasury
Approved January 2006

Douglas J. Brook
Senior Partner
dbrook@triunesoftware.com

No Agency Sponsorship
Approved January 2006

Phong Mai
President & CEO
Phong.mai@concept-
solutions.com

Federal Aviation Administration
Approved July 2007

Sunil Kolhekar
CEO
skolhekar@citi-us.com

Department of State
Approved July 2007

Katherine "Katie" Sleep
President and CEO
ktsleep@listinc.com

Environmental Protection Agency
Approved July 2007

Representative Developmental Assistance

- Access to SRA's BCP handbook
- HR support for recruitment practices
- Provided each Protégé with a "lite" copy of Marketing and Sales Lead-Tracking System
- Process management introduction
- Weekly BD / Opportunity discussions and research
- Graphics Support for senior management briefings
- SRA CBT training accounts have been issued to CDS^2 and Paragon. Triune has their own CBT system
- Access to SRA managers for specific management questions/discussions
- Facility badges for Protégé key management personnel to SRA sites
- Open access to the MP office for sector/opportunity coordination

Small Business Contacts at SRA

Small Business Office

Contracts / Subcontracts

Procurement

Marketing & Sales

Executive Director, Contracts & Procurement
Mark Connel

Director Procurement & Operations
Courtney Pugh

Director, Marketing & Sales
Mike Fox

Small Business Liaison Officer
Kevin Robbins
(703) 322-4956

SB Mgr & Mentor Protégé Director
Bill Lillard
(703) 803-1961