

WASHINGTON STATE MILITARY & DEFENSE SECTOR

Industry Adjustment Analysis and Strategy

**Washington Worldwide
Trade & Export Amendment**



Defense Industry Adjustment Program
Office of Economic Adjustment
Department of Defense | June 2015

Abstract

Trade and export is a critical component of economic growth, but it comes with its own set of challenges. Washington businesses already struggle with the complexity and lack of information in the domestic defense market. The international security and defense market has higher barriers to entry around subjects like export compliance, International Traffic in Arms Regulation and US national security, as well as the nuances and cultural complexities inherent in foreign business.

Although Washington State has economic development programs aimed at taking Washington businesses global, the focus of these efforts is based on a sector strategy in the commercial market. The military and defense sector is unique because of its consumption of each of the other five identified sectors (Maritime, Aerospace, Information Communications Technology, Clean Technology, Life Sciences). The Department of Commerce's trade and export program is highly successful at finding commercial opportunities for Washington based companies abroad, but lacks the adequate resources to focus on the defense specific trade challenges.

Through this supplement to Washington's current Defense Industry Adjustment grant, we will be able to integrate trade and export as a component of the current diversification strategy for defense businesses. Working closely with the Department of Commerce's trade team and Washington Military Alliance partners focused on industry, we believe a highly successful trade and export program specific to defense companies and the challenges they face will be created.

To understand trade and export issues and opportunities specific to Washington's defense businesses, we will institute an industry advisory council into the WMA and create five international market reports both of which will encompass the five identified sectors (Maritime, Aerospace, Information Communications Technology, Clean Technology, and Life Sciences). We will also ensure that as Commerce continues supporting Washington businesses in trade and export, they are able to quickly and easily understand which ones are defense businesses by mapping our assessment data into the state's Salesforce database. Finally, we will directly assist defense companies in expanding to international markets through targeted outreach, counseling and support.

We expect that this additional focus on trade and export for defense industry will result in a defense company (or defense-side) focus within Washington's trade and export program, identified Washington defense businesses being equipped to understand issues, regulations, and future opportunities in trade and exports, and using trade and export opportunities as another diversification opportunity for businesses. Together, these outcomes will foster successful diversification and retention of the defense industry in Washington.

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Introduction and Background

The purpose of this supplemental application is to integrate a program providing Washington's defense companies trade and export support into the current Defense Industry Adjustment Program as an important component of a successful diversification strategy. The additional money will be used to create new outreach and business opportunities, as well as provide for expanded scopes of certain current efforts, as outlined below.

We intend to integrate this supplemental money into the existing \$4.8 million grant awarded to Washington State by the Department of Defense Office of Economic Adjustment. This amendment is not intended to duplicate any of the efforts described in that grant, but rather to both supplement and expand upon them, as trade and export is not addressed in the current grant.

The following describes the supplemental objectives, scope of work, approach, deliverables and budget of this proposed amendment.

Objectives and Need for Additional Assistance

PROBLEM: Trade and export is a critical component of economic growth, but it comes with its own set of challenges. Washington businesses already struggle with the complexity and lack of information in the domestic defense market. The international security and defense market has higher barriers to entry around subjects like export compliance, International Traffic in Arms Regulation and US national security, as well as the nuances and cultural complexities inherent in foreign business.

Although Washington State has economic development programs aimed at taking Washington businesses global, the focus of these efforts is based on a sector strategy in the commercial market. The military and defense sector is unique because of its consumption of each of the other five identified sectors (Maritime, Aerospace, Information Communications Technology, Clean Technology, Life Sciences). The Department of Commerce's trade and export program is highly successful at finding commercial opportunities for Washington based companies abroad, but lacks the adequate resources to focus on the defense specific trade challenges.

PURPOSE: To develop a trade and export component of the Washington State Defense Industry Adjustment program, creating a more holistic response to the potentially catastrophic impacts of federal defense spending reductions on Washington's defense businesses.

OBJECTIVES: The intent of this project is to:

- (1) Institute an advisory council of industry associations from each identified sector (Maritime, Aerospace, Information Communications Technology, Clean Technology, Life Sciences) that will advise the project leadership (Department of Commerce and the Washington Military Alliance) on the differences between commercial and defense applications within their industry, including export and trade requirements.
- (2) Create five research reports (one for each of the sectors) around industry specific issues in trade and export. These reports will look at the current state of the industries defense exports, best practices, and will point to emerging opportunities.

(3) Create outreach and counseling program specific to trade and export issues. These will include discussion forums and direct business counseling on: International Traffic in Arms Regulation/Export Administration Regulations, foreign military sales, doing business abroad, export compliance, and identifying foreign industry forum opportunities.

(4) Map assessment and forecasting data which identifies defense supply chain companies in Washington into WA Commerce's trade and export Salesforce database. Conduct initial survey of companies participating our outreach and counseling program to determine current international business. Follow-up in September 2016 to determine change in foreign business of counseled firms.

(5) Support Washington defense businesses through reimbursement of allowable costs (excluding airfare and other travel expenses) for targeted international missions for up to ten companies. These missions could include: participation in foreign trade missions to facilitate business transactions, participation in foreign market sales trips, subscription to services provided by the Department of Commerce, translation of websites into foreign languages, design of international marketing products or campaigns, development of exhibits to facilitate international business interaction, any other export initiative deemed appropriate.

GOALS:

1. Create defense company (or defense-side) focus within Washington's trade and export program.
2. Use defense industry targeted counseling and outreach to help identified Washington businesses with issues, regulations, and future opportunities in trade and exports.
3. Highlight trade and export opportunities as another diversification opportunity for businesses throughout the process of defense industry adjustment.

STATEMENT OF NEED: We did not include trade and export components in our original grant. Additionally, Washington State's trade and export division has limited resources, and therefore, spends them primarily in several high impact sectors (e.g. aerospace, et al.).

Expected Results

1. Assist defense contractors in diversifying their revenue streams to lessen the impact of changes to federal defense spending.
2. Create a body of work on best practices around export and trade in the Washington defense industry.
3. Create high quality counseling opportunities specifically focused on defense export and trade issues; including videos and online resources.
4. Clearly identified strategic growth plan and gap analysis for Washington State around defense trade and export activities.

Approach, Scope of Work, and Deliverables

This amendment will impact all five components of the current grant in the following ways:

SETTING THE TABLE:

We will institute an industry advisory council within the Washington Military Alliance to provide for an industry voice within this organization. Representatives from the industrial organizations from each identified sector (maritime, clean technology, ICT, life sciences and global health and aerospace) will be asked to sit on this council.

UNDERSTANDING THE PLAYING FIELD:

We will create five international market reports to detail the opportunities and challenges for defense companies in translating their products into international markets for each of the identified sectors. These market reports will inform how and where future efforts are focused.

We will also map the defense companies from the Assessment and Forecasting task into Commerce's Salesforce database so that their successes can be monitored and to provide for long-term assistance.

FINDING AND PLANNING A SOLUTION:

As the largest component of the original grant, this will also be where most of the trade and export effort is focused. We will add trade and export as a component of each of the supply chain pilots to establish trade as a viable diversification strategy.

We will create new industry outreach around going global. Given the importance of guiding Washington businesses through important considerations, especially Foreign Military Sales (FMS), Export Administration Regulations (EAR), and International Traffic in Arms Regulations (ITAR), this outreach will prove invaluable to the small number of companies directly impacted through counseling and one-on-one support, as well as to the larger defense industry who will have access to web-based videos and resulting best practices. Washington is currently administering a Small Business Administration STEP grant to assist Washington companies in exporting, but because of added complexity specific to the defense industry and difficulty qualifying for the program, defense specific targeted international missions are needed. Through these missions, Washington defense companies who do not currently export will have opportunities to develop trade and export capabilities and diversify their business. While foreign travel is important for trade and exporting success, any foreign travel will be the sole financial responsibility of the company involved. Since this effort does not directly relate to any task in the current grant, contractors will be hired to perform this work.

DETERMINING A PATH FORWARD:

Data from these trade and export activities will be incorporated into the short-term and long-term strategic plans.

BRANCHING OUT ON OUR OWN:

Trade and export will be included in the sustainability plan of the overall grant, and will be integrated with local, state and federal program

WASHINGTON WORLDWIDE: Trade & Export Amendment

Summary of Amendment

FEDERAL COST: \$532,821.00

MATCH: \$60,056.00

GOAL:	OBJECTIVES:
To create a defense company focus in trade and export efforts by using targeted counseling and outreach and highlighting trade and export opportunities to encourage Washington defense businesses to use trade and export as a successful diversification strategy.	<ul style="list-style-type: none">• Institute an advisory council of industry associations from each sector in the WMA• Create five international market reports—one per identified sector• Create trade and export specific outreach and counseling programs• Map assessment and forecasting data into Washington’s Salesforce database and create a plan to follow up with those companies• Create a program to reimburse allowable costs (excluding airfare and other travel expenses) of targeted international missions for Washington defense companies
TASKS:	<ol style="list-style-type: none">1.1 Institute an Industry Advisory Council composed of associations from each of the five identified industry sectors to be jointly hosted by the Department of Commerce, the National Defense Industry Association, and the Pacific Northwest Defense Coalition.2.1 Enter defense companies into Commerce’s existing Salesforce structure and follow-up with businesses pursuing trade and export opportunities.2.2 Assess opportunities for trade and export in each of the five identified sectors.3.1 Create a specific trade and export component to the defense manufacturing supply chain pilot.3.2 Create a specific trade and export component to the defense services supply chain pilot. <p>3.3 C-3: Industry Outreach around Going Global</p> <ol style="list-style-type: none">3.3.1 Direct industry counseling seminars in both western and eastern Washington covering topics such as Foreign Military Sales and ITAR/EAR<ol style="list-style-type: none">3.3.1.1 Make these seminars available online.3.3.2 Provide in-depth and specific export strategies (including a comprehensive export plan) to two sets of 4-8 Washington defense companies, with hands-on assistance every step of the way.3.3.3 Expose Washington defense companies to trade and export opportunities through existing symposiums and specific summits/networking opportunities.

- 3.3.4 Support up to ten (10) defense companies in diversification through trade and export by providing targeted international support for allowable expenses in a variety of activities.
- 4.1 Incorporate five sector specific international market reports to short-term and long-term strategic plans.
- 5.1 Develop a blueprint for implementing the recommendations of the five sector specific international market reports.

DELIVERABLES:	<ul style="list-style-type: none"> • Five reports detailing trade and export opportunities in targeted sectors. • Salesforce integration of defense companies • Three recorded seminars focused on export compliance, planning and standards • Two sets of comprehensive export plans for 4-8 Washington defense companies • Written summary and evaluation for each company that participates in an international mission under task 4.4
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Performance Measurement/Evaluation

Program Logic Model Year 2 Activities

WORLDWIDE WASHINGTON: Trade & Export Amendment

Goal: Assist Washington defense businesses to use trade and export as a powerful diversification tool.

Input	Activity(s)	Output	Outcomes Short-term (24 Months)
Project Staff 4 FTES Consultant(s) 3-15 Organizations involved? 26 Staff in-kind donations? Yes Other Resources?	<ul style="list-style-type: none"> • Identify Industry Advisory Council membership • Integrate defense business data into Commerce's current Salesforce structure • Create five international market reports based on the five identified sectors • Add a trade & export component to the Defense Manufacturing Supply Chain Pilot • Add a trade & export component to the Defense Services Supply Chain Pilot • Hold five outreach events around export compliance, planning and standards and make three webinars available online. • Provide comprehensive export assistance to two sets of 4-8 Washington defense companies. • Facilitate connections between Washington defense businesses and export opportunities. • Create a program to provide in-country assistance for allowable costs (excluding airfare and other travel expenses) to Washington defense companies. • Incorporate trade and export into the short-term & long-term strategic plans • Incorporate trade & export into the five year plan. 	<ul style="list-style-type: none"> • Salesforce tracking of Washington defense companies • Five international market reports • Three defense-specific export webinars. • Strategy for successful trade and export. • Participation in international trade events. 	<ul style="list-style-type: none"> • Connecting the WMA to other sectors • Capacity to track defense companies through Salesforce • Guiding international success for defense businesses in each sector • Trade and export established as a viable diversification strategy • Better understanding of trade regulations for Washington's defense companies. • Trade success for up to 16 specific businesses. • Increased awareness of opportunities and avenues of support for trade and export.

Proposed Timeline – Updated

FY13			AY15											FY16			AY16											FY17		
3	2	1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24			
1. Organization, Communication and Stakeholder Management													Organize Stakeholders around Trade & Export																	
2. Assessment and Forecasting Capacity																														
			3A. State Analysis										Market Research & Salesforce Integration																	
							3B1. Defense Manufacturing Supply Chain Pilot					Include Trade & Export																		
							3B2. Defense Services Supply Chain Pilot					Include Trade & Export																		
					3C, 3C1, 3C2. Outreach & Awareness Building					3C3 Industry Outreach Around Going Global																				
							3B3A. Workforce Development Pilot																							
													3B3B. Technology Transition Tool Development Pilot																	
													4. Planning		Integrate Trade & Export into Strategic Plan															
																4A. Identify Growth Areas														
																4B. Technology Transfer Pilot														
																					5. Implementation Planning			Integrate Trade & Export						

Budget Justifications

AMENDMENT JUSTIFICATION:

Because the money in the current grant has already been earmarked for specific activities (see budget summary spreadsheet), we are requesting an additional \$532,821.00 to carry out the activities listed in this proposal.

The overall amendment budget is projected at \$592,877.00

The overall project budget is projected at \$5,444,298.00

The overall amendment non-federal match is projected at \$60,056.00 (10% of total budget)

The overall project non-federal match is projected at \$561,756.00 (12.3% of total budget)

The Department of Commerce and Washington Military Alliance partners will be providing the non-federal match for the project in the form of staff time, travel, supplies, cash, indirect costs, and other in-kind services as described in this Budget Justification and associated appendices.

The budget has been designed to cover project expenses for a 24-month period.

For items pertaining to Personnel, Fringe, Goods & Services, Equipment, Travel, and Indirect Costs for Department of Commerce personnel, the state formulary was utilized in determining rates.

MAJOR ADJUSTMENTS JUSTIFICATION:

GOODS AND SERVICES

Although Goods & Services is a new heading, it reflects the combination of “Supplies” and “Other” from our original grant. The only new lines are from our match partner, Pacific Northwest Defense Coalition (PNDC).

The creation of “Goods and Services” is to better line up with state codes and make quarterly reporting and audits easier and more straight forward. The “Supplies” and “Other” categories have been eliminated, but are denoted by the “(S)” or “(O)” at the end of each line item in “Goods & Services”. Several costs of a full time equivalent (FTE), including the share of Rent, Utilities, and Communications (e.g. data lines, phone bill) Printing and Equipment Rental costs, are better reflected in this format. These are typically allocated on a per FTE basis are represented in line items “EB - Computers, phones, office furniture for 3 staff @ \$2600 (APM, AA2, & TAS) - only in year one”, and “EZ – Other” (previously named “Mailings”).

PERSONNEL

Pursuant to the passage of the Washington State omnibus budget (ESSB 6052), a general wage increase of 3.0% is applied to all state employees in state fiscal year (SFY) 2016 and a 1.8% increase is applied for SFY 2017.

Under the same budget act, general benefits were changed from \$840/employee in SFY16 and \$894/employee in SFY17.

Re-designation of Administrative Assistant position to Commerce Specialist One (\$47,208 annual salary): We are requesting additional funds (totaling \$11,327 with related fringe and indirect costs—see budget) to reallocate the Administrative Assistant position to a Commerce Specialist 1 position. Due to the high performance requirements of the current grant, and with additional resources added with this amendment, the Administrative Assistant position will be given additional responsibilities, such as: managing additional contractor’s invoices, expanded quarterly reporting responsibilities, and supporting the additional trainings we will be doing for trade and export assistance.

Small Business Export Assistance, Senior Managing Director (\$101,480 annual salary): This position will support the Trade and Export Amendment as match for the remainder of the program, by providing management, oversight, and important trade and export expertise to program staff. Additionally, it is important to provide continuity for companies who we expect to engage with the Department of Commerce Trade and Export team in parallel efforts. This position will manage the employees (below) and provide client support to companies that are exploring exporting for the first time.

Commerce Specialist 3, Small Business Export Assistance (\$67,885 annual salary): This position will support the Trade and Export Amendment as match for the remainder of the program, by providing regulatory expertise on foreign markets, assistance in finding training opportunities, and connecting defense businesses with other opportunities available top commercial companies as they look to diversify their portfolios. This individual will be able to help them look at each the larger market in each defense space to make sure that companies are looking at both defense and commercial applications (e.g. marine & aerospace & life sciences commercial prospects that fit within the company’s expertise, etc...). This position will match 10% of their total time and reflects have the balance of Com Spec 3 (Harper/Bennion) line item.

Commerce Specialist 3, Communications (\$67,885 annual salary): This position will support the Trade and Export Amendment as match for the remainder of the program, by providing additional communication assistance as companies prepare to go global. The defense contractors will gain valuable insight into marketing in foreign language, evaluating conference opportunities, preparation for foreign business trips, etc... This position will match 10% of their total time and reflects have the balance of Com Spec 3 (Harper/Bennion) line item.

TRAVEL

The following assumptions for out-of-state travel from the original grant remain the same:

Out-of-state travel rates are determined by General Services Administration set rates, which estimate that airfare, would be projected between \$700 and \$900 per flight based on government contracted rates, lodging is estimate at \$224 per night, which is the maximum lodging rate in the DC area and meals are projected at \$71 per day, which is also the maximum rate for the DC area. The assumption is that each trip would be a minimum of three days but no more than five.

Flight	\$900.00
Lodging (5 nights x \$224)	\$1,120.00
Per Diem (5 days)	\$355.00
TOTAL	\$2,375.00

Increased funds are needed as the original calculation only accounted for one staff person for up to four trips rather than up to three staff people for up to four trips. In addition to this original miscalculation, several of these trips were more expensive than originally proposed. The Program Manager required special accommodations in one case due to medical requirements, and not all of this travel has been to Washington, DC as was originally projected. Grant staff members are working state-wide, which requires significant geographical coverage, and have attended DIA events in Virginia and California, in addition to the Washington DC trainings and forums.

INDIRECT

The approved indirect rate for the Department of Commerce is 35.0% of salary and benefit costs of benefiting programs. The increases in salaries and benefits yield increases indirect costs. (The percentage has remained the same, but it is a percentage of salaries and benefits, and therefore, indirect costs to this project increase as salaries and benefits rise.)

OTHER CHANGES

Again, no changes or additions were made to pre-approved line items. These changes only reflect new groupings.

In order to better match the state system for audit purposes, some superficial changes to the budget spreadsheet were made. They are:

- Personnel is now named “Salaries”
- Fringe is now named “Benefits”
- A “Goods and Services” category was added and some line items moved under it (see above)
- The categories “Other” and “Supplies” have been removed and the line items moved to “Goods and Services” (see above).

CONTRACTUAL JUSTIFICATION:

For items pertaining to Contractual proposals, a range of at least three contracts with similar scope and proposed outcomes was examined and a “middle of the road” number projected for each contractual component of the grant proposal.

Many of the activities described in the scope of work and approach logically follow work already being accomplished in Washington’s current grant. Because of this, additional money requested in the contract line items may be used to create an amendment to a current contract, expanding the scope of work to include the tasks of this proposal. Commerce will follow Washington State’s procedures for amending contracts. All new contractors will be chosen through the usual Request for Proposal process.

The tasks associated with each contractual item listed below are outlined in the Approach section of this proposal.

“1 ORGANIZATION, COMMUNICATION & STAKEHOLDER MANAGEMENT – INDUSTRY ADVISORY COUNCIL”

The cost for advisory council reflected in the additional contract dollars for section 1 was calculated based on per diem and travel expenses totaling \$14,625.00 (rounded to \$15,000.00 in the spreadsheet) for 3 representatives from each of the 5 organization’s travel twice a year.

“2 ASSESSMENT & FORECASTING CAPACITY – FIVE INTERNATIONAL MARKET REPORTS”

The cost of each international market report was estimated at \$25,000 based on a range of similar products. The five reports will reflect each of the five identified sectors at Commerce; Aerospace, Clean Technology, Information & Communication Technology, Life Science & Global Health, and Maritime.

“3C3 INDUSTRY OUTREACH AROUND GOING GLOBAL”

Please refer to the scope of work section of this amendment for a detailed breakdown of the activities to be carried out in 3c3. Estimates for the cost of these activities was obtained by getting a range of prices for similar work and establishing the “middle of the road” estimate. All contracts will be decided using the state’s RFP process.

MATCH-PARTNER JUSTIFICATION:

All line items related to Pacific Northwest Defense Coalition (PNDC)’s match will be detailed in their associated match letter as an appendix to this amendment.

PROCUREMENT STATEMENT:

All procurements with OEA grant funds will be in accordance with applicable State and local laws and regulations, and applicable Federal laws and regulations, including compliance with the procurement standards in CFR 2 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Contractor selection criteria (including cost) will be included in any Request for Proposals (RFP).

Amendment Budget Spreadsheet

Contract Period 10/01/15-09/30/16 = 12 Months				
<i>Personnel, Fringe, Travel, and Supplies are Calculated Per Year & Subtotalled by One Year Contract Period</i>				
Amendment Budget Summary		New Ask Federal	New Ask Non-Federal	Total Amendment Budget
Amendment Total		\$532,821	\$60,056	\$592,877
Item	Staff Name	New Ask Federal	New Ask Non-Federal	Total Amendment Budget
A - SALARIES				
Program Manager - Military Sector Lead (19% FTE federal match) (30% FTE non-federal match) (Staff)	Reeves	\$692	\$1,383	\$2,075
Assistant Program Manager (100% FTE) (Staff)	Evans	\$3,142	\$0	\$3,142
Administrative Assistant 2 (100% FTE) (Staff) - REALLOCATED TO COM Spec 1 IN FFY16	Hutton	\$11,327	\$0	\$11,327
Technical Assistance Staffer (100% FTE) (Staff)	Langston	\$3,142	\$0	\$3,142
Business Development Program Manager (15% FTE) (Staff)	Lawhead	\$0	\$484	\$484
Business Development Managing Director (2% FTE) (Staff)	Clark	\$0	\$80	\$80
Communications & Outreach Manager (7% FTE) (Staff)	Zerr	\$3,657	\$237	\$3,894
Communications Consultant 2 (7% FTE) (Staff)	Scholmann	\$0	\$152	\$152
Finance Manager (12% FTE) (Staff)	McArthur	\$0	\$438	\$438
Budget Analyst 3 (12% FTE) (Staff)	Carney-Taylor	\$0	\$737	\$737
Small Business Export Assistance, Senior Managing Director (5% FTE) (Staff)	Calhoon	\$0	\$5,074	\$5,074
Commerce Specialist 3 (Small Business Export Assistance/Communications) (10% FTE) (Staff)	Harper/Bennion	\$0	\$13,577	\$13,577
Subtotal for Department of Commerce (DOC) Salary		\$21,960	\$22,161	\$44,121
Pacific Northwest Defense Coalition Staff	TBD	\$0	\$16,850	\$16,850
Subtotal for Pacific Northwest Defense Coalition (PNDC) Salary		\$0	\$16,850	\$16,850
Subtotal for Salaries		\$21,960	\$39,011	\$60,971

B - BENEFITS				
Program Manager - Military Sector Lead (19% FTE federal match) (30% FTE non-federal match) (Staff)	Reeves	\$570	\$1,140	\$1,709
Assistant Program Manager (100% FTE) (Staff)	Evans	\$3,348	\$0	\$3,348
Administrative Assistant 2 (100% FTE) (Staff) - REALLOCATED TO COM Spec 1 IN FFY16	Hutton	\$6,059	\$0	\$6,059
Technical Assistance Staffer (100% FTE) (Staff)	Langston	\$3,348	\$0	\$3,348
Business Development Program Manager (15% FTE) (Staff)	Lawhead	\$0	\$506	\$506
Business Development Managing Director (2% FTE) (Staff)	Clark	\$0	\$72	\$72
Communications & Outreach Manager (7% FTE) (Staff)	Zerr	\$1,175	\$239	\$1,415
Communications Consultant 2 (7% FTE) (Staff)	Scholmann	\$0	\$213	\$213
Finance Manager (12% FTE) (Staff)	McArthur	\$0	\$420	\$420
Budget Analyst 3 (12% FTE) (Staff)	Carney-Taylor	\$0	\$461	\$461
Small Business Export Assistance, Senior Managing Director (5% FTE) (Staff) Year Two	Calhoon	\$0	\$1,423	\$1,423
Commerce Specialist 3 (Small Business Export Assistance/Communications) (10% FTE) (Staff) Year Two	Harper/Bennion	\$0	\$4,517	\$4,517
Subtotal for Department of Commerce (DOC) Fringe		\$14,500	\$8,992	\$23,491
Subtotal for Benefits		\$14,500	\$8,992	\$23,491
G - TRAVEL				
Out-of-State Travel (4 trips to Washington D.C. x \$2375) - PM, APM & TAS	Reeves, TBD, TBD	\$25,000	\$0	\$25,000
Pacific Northwest Defense Coalition Travel	TBD	\$0	\$150	\$150
Subtotal for Travel		\$25,000	\$150	\$25,150
E - GOODS & SERVICES				
EB - Computers, phones, office furniture for 3 staff @ \$2600 (APM, AA2, & TAS) - only in year one. Includes recurring phone line and network data costs (\$)		\$2,000	\$0	\$2,000
EZ - Mailings, data processing charges, personnel services. (O)		\$1,100	\$0	\$1,100
Pacific Northwest Defense Coalition Event Outreach & Awareness (O)		\$0	\$550	\$550
Pacific Northwest Defense Coalition Supplies (S)		\$0	\$450	\$450
Subtotal for Goods & Services		\$3,100	\$1,000	\$4,100

CONTRACTUAL				
1 Organization, Communication & Stakeholder Management - Strategic Planning/Communications Consultant		\$15,000	\$0	\$15,000
2 Assessment & Forecasting Capacity		\$190,000	\$0	\$190,000
3B1 Defense Manufacturing Supply Chain Business Support Pilot		\$15,000	\$0	\$15,000
3B2 Defense Services Supply Chain Business Support Pilot		\$15,000	\$0	\$15,000
3C1 Defense Manufacturing Outreach & Awareness Building via Industry		(\$25,000)	\$0	(\$25,000)
3C3 Industry Outreach around Going Global		\$215,500	\$0	\$215,500
4 Strategic Planning		\$15,000	\$0	\$15,000
5 Implementation Planning		\$15,000	\$0	\$15,000
Subtotal for Contractual		\$455,500	\$0	\$455,500
T - INDIRECT				
Program Manager – Military Sector Lead (19% FTE federal request/ 30% FTE non-federal match) (Staff)	Reeves	\$441	\$883	\$1,324
Assistant Program Manager (100% FTE) (Staff)	Evans	\$2,272	\$0	\$2,272
Administrative Assistant 2 (100% FTE) (Staff)	Hutton	\$6,085	\$0	\$6,085
Technical Assistance Staffer (100% FTE) (Staff)	Langston	\$2,272	\$0	\$2,272
Business Development Program Manager (15% FTE) (Staff)	Lawhead	\$0	\$346	\$346
Business Development Managing Director (2% FTE) (Staff)	Clark	\$0	\$53	\$53
Communications & Outreach Manager (7% FTE) (Staff)	Zerr	\$1,691	\$167	\$1,858
Communications Consultant 2 (7% FTE) (Staff)	Scholmann	\$0	\$128	\$128
Finance Manager (12% FTE) (Staff)	McArthur	\$0	\$301	\$301
Budget Analyst 3 (12% FTE) (Staff)	Carney-Taylor	\$0	\$419	\$419
Small Business Export Assistance, Senior Managing Director (5% FTE) (Staff)	Calhoon	\$0	\$2,274	\$2,274
Commerce Specialist 3 (Small Business Export Assistance/Communications) (10% FTE) (Staff)	Harper/Bennion	\$0	\$6,333	\$6,333
Subtotal for Indirect Costs		\$12,761	\$10,903	\$23,664

Budget Summary Spreadsheet

Contract Period 10/01/14-09/30/16 = 24 Months								
Personnel, Fringe, Travel, and Supplies are Calculated Per Year & Subtotalled by Two Year Contract Period								
Grant Budget Summary		Existing Federal	Existing Non-Federal	New Ask Federal	New Ask Non-Federal	Total Federal	Total Non-Federal	Total Budget
Grant Total		\$4,349,721	\$501,700	\$532,821	\$60,056	\$4,882,542	\$561,756	\$5,444,298
Item	Staff Name	Existing Federal	Existing Non-Federal	New Ask Federal	New Ask Non-Federal	Total Federal	Total Non-Federal	Total Budget
A - SALARIES								
Program Manager - Military Sector Lead (19% FTE federal match) (30% FTE non-federal match) (Staff)	Reeves	\$30,000	\$48,000	\$692	\$1,383	\$30,692	\$49,383	\$80,075
Assistant Program Manager (100% FTE) (Staff)	Evans	\$129,480	\$0	\$3,142	\$0	\$132,622	\$0	\$132,622
Administrative Assistant 2 (100% FTE) (Staff) - REALLOCATED TO COM Spec 1 IN FFY16	Hutton	\$73,512	\$0	\$11,327	\$0	\$84,839	\$0	\$84,839
Technical Assistance Staffer (100% FTE) (Staff)	Langston	\$129,480	\$0	\$3,142	\$0	\$132,622	\$0	\$132,622
Business Development Program Manager (15% FTE) (Staff)	Lawhead	\$0	\$19,920	\$0	\$484	\$0	\$20,404	\$20,404
Business Development Managing Director (2% FTE) (Staff)	Clark	\$0	\$3,280	\$0	\$80	\$0	\$3,360	\$3,360
Communications & Outreach Manager (7% FTE) (Staff)	Zerr	\$0	\$9,780	\$3,657	\$237	\$3,657	\$10,017	\$13,674
Communications Consultant 2 (7% FTE) (Staff)	Scholmann	\$0	\$6,240	\$0	\$152	\$0	\$6,392	\$6,392
Finance Manager (12% FTE) (Staff)	McArthur	\$0	\$18,820	\$0	\$438	\$0	\$19,258	\$19,258
Budget Analyst 3 (12% FTE) (Staff)	Carney-Taylor	\$0	\$15,040	\$0	\$737	\$0	\$15,777	\$15,777
Small Business Export Assistance, Senior Managing Director (5% FTE) (Staff)	Calhoon	\$0	\$0	\$0	\$5,074	\$0	\$5,074	\$5,074
Commerce Specialist 3 (Small Business Export Assistance/Communications) (10% FTE) (Staff)	Harper/Bennion	\$0	\$0	\$0	\$13,577	\$0	\$13,577	\$13,577
Subtotal for Department of Commerce (DOC) Salary		\$362,472	\$121,080	\$21,960	\$22,161	\$384,432	\$143,241	\$527,673
President & CEO	McClelland	\$0	\$10,000	\$0	\$0	\$0	\$10,000	\$10,000
Senior Manager, Public Policy & Research	Coil	\$0	\$3,500	\$0	\$0	\$0	\$3,500	\$3,500
Manager, Marketing & Graphic Design	SB	\$0	\$594	\$0	\$0	\$0	\$594	\$594

Director, Industry & Resource Development	MS	\$0	\$1,985	\$0	\$0	\$0	\$1,985	\$1,985
Finance Manager	AT	\$0	\$291	\$0	\$0	\$0	\$291	\$291
Chief Operating Officer	JM	\$0	\$1,085	\$0	\$0	\$0	\$1,085	\$1,085
Director, Business Development	JS	\$0	\$1,846	\$0	\$0	\$0	\$1,846	\$1,846
Manager, Events & Administrative Support	JD	\$0	\$154	\$0	\$0	\$0	\$154	\$154
Subtotal for Economic Alliance Snohomish County (EASC) Salary		\$0	\$19,455	\$0	\$0	\$0	\$19,455	\$19,455
VP Business Development	Toth	\$0	\$8,735	\$0	\$0	\$0	\$8,735	\$8,735
Economic Dev. Manager	Smith	\$0	\$4,064	\$0	\$0	\$0	\$4,064	\$4,064
Economic Dev. Coordinator	Repp	\$0	\$5,250	\$0	\$0	\$0	\$5,250	\$5,250
Economic Dev. Industry Manager	Key	\$0	\$7,573	\$0	\$0	\$0	\$7,573	\$7,573
Contracted Position	Hadley	\$0	\$30,000	\$0	\$0	\$0	\$30,000	\$30,000
Subtotal for Greater Spokane Incorporated (GSI) Salary		\$0	\$55,622	\$0	\$0	\$0	\$55,622	\$55,622
Executive Director	Powers	\$0	\$36,288	\$0	\$0	\$0	\$36,288	\$36,288
Business Development Director	Cocus	\$0	\$9,768	\$0	\$0	\$0	\$9,768	\$9,768
Executive Administration, Marketing & Events	Mangrum	\$0	\$4,776	\$0	\$0	\$0	\$4,776	\$4,776
Subtotal for Kitsap Economic Development Alliance (KEDA) Salary		\$0	\$50,832	\$0	\$0	\$0	\$50,832	\$50,832
AllianceNW Event Coordinator	Hansen	\$0	\$4,500	\$0	\$0	\$0	\$4,500	\$4,500
Subtotal for Thurston County Economic Development Council Salary		\$0	\$4,500	\$0	\$0	\$0	\$4,500	\$4,500
Economic Development Program Manager (04.75% FTE)	Pierce	\$0	\$9,309	\$0	\$0	\$0	\$9,309	\$9,309
Principal Economic Development Manager (05.62% FTE)	Lee	\$0	\$9,785	\$0	\$0	\$0	\$9,785	\$9,785
Senior Economic Development Analyst (01.53% FTE)	Thibedeau	\$0	\$2,044	\$0	\$0	\$0	\$2,044	\$2,044
Assistant Economic Development Analyst (03.44% FTE)	Anderson	\$0	\$3,402	\$0	\$0	\$0	\$3,402	\$3,402
Administrative Assistant (<01% FTE)	Purdue	\$0	\$495	\$0	\$0	\$0	\$495	\$495
Subtotal for Puget Sound Regional Council (PSRC) Salary		\$0	\$25,035	\$0	\$0	\$0	\$25,035	\$25,035

Economic Development Manager (10% FTE)	TBD	\$0	\$7,682	\$0	\$0	\$0	\$7,682	\$7,682
Program Manager (20% FTE)	TBD	\$0	\$11,559	\$0	\$0	\$0	\$11,559	\$11,559
Graduate Intern Assistant	TBD	\$0	\$1,500	\$0	\$0	\$0	\$1,500	\$1,500
Subtotal for South Sound Military Communities Partnership/City of Lakewood Salary		\$0	\$20,741	\$0	\$0	\$0	\$20,741	\$20,741
Pacific Northwest Defense Coalition Staff	TBD	\$0	\$0	\$0	\$16,850	\$0	\$16,850	\$16,850
Subtotal for Pacific Northwest Defense Coalition (PNDC) Salary		\$0	\$0	\$0	\$16,850	\$0	\$16,850	\$16,850
Subtotal for Salaries		\$362,472	\$297,265	\$21,960	\$39,011	\$384,432	\$336,276	\$720,708
B - BENEFITS								
Program Manager - Military Sector Lead (19% FTE federal match) (30% FTE non-federal match) (Staff)	Reeves	\$8,175	\$13,080	\$570	\$1,140	\$8,745	\$14,220	\$22,964
Assistant Program Manager (100% FTE) (Staff)	Evans	\$38,496	\$0	\$3,348	\$0	\$41,844	\$0	\$41,844
Administrative Assistant 2 (100% FTE) (Staff) - REALLOCATED TO COM Spec 1 IN FFY16	Hutton	\$28,724	\$0	\$6,059	\$0	\$34,783	\$0	\$34,783
Technical Assistance Staffer (100% FTE) (Staff)	Langston	\$38,496	\$0	\$3,348	\$0	\$41,844	\$0	\$41,844
Business Development Program Manager (15% FTE) (Staff)	Lawhead	\$0	\$6,220	\$0	\$506	\$0	\$6,726	\$6,726
Business Development Managing Director (2% FTE) (Staff)	Clark	\$0	\$940	\$0	\$72	\$0	\$1,012	\$1,012
Communications & Outreach Manager (7% FTE) (Staff)	Zerr	\$0	\$2,980	\$1,175	\$239	\$1,175	\$3,219	\$4,395
Communications Consultant 2 (7% FTE) (Staff)	Scholmann	\$0	\$2,360	\$0	\$213	\$0	\$2,573	\$2,573
Finance Manager (12% FTE) (Staff)	McArthur	\$0	\$5,560	\$0	\$420	\$0	\$5,980	\$5,980
Budget Analyst 3 (12% FTE) (Staff)	Carney-Taylor	\$0	\$4,920	\$0	\$461	\$0	\$5,381	\$5,381
Small Business Export Assistance, Senior Managing Director (5% FTE) (Staff) Year Two	Calhoon	\$0	\$0	\$0	\$1,423	\$0	\$1,423	\$1,423
Commerce Specialist 3 (Small Business Export Assistance/Communications) (10% FTE) (Staff) Year Two	Harper/Bennion	\$0	\$0	\$0	\$4,517	\$0	\$4,517	\$4,517
Subtotal for Department of Commerce (DOC) Fringe		\$113,891	\$36,060	\$14,500	\$8,992	\$128,391	\$45,052	\$173,442
President & CEO	McClelland	\$0	\$1,067	\$0	\$0	\$0	\$1,067	\$1,067
Senior Manager, Public Policy & Research	Coil	\$0	\$601	\$0	\$0	\$0	\$601	\$601

Manager, Marketing & Graphic Design	SB	\$0	\$105	\$0	\$0	\$0	\$105	\$105
Director, Industry & Resource Development	MS	\$0	\$466	\$0	\$0	\$0	\$466	\$466
Finance Manager	AT	\$0	\$54	\$0	\$0	\$0	\$54	\$54
Chief Operating Officer	JM	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Director, Business Development	JS	\$0	\$387	\$0	\$0	\$0	\$387	\$387
Manager, Events & Administrative Support	JD	\$0	\$41	\$0	\$0	\$0	\$41	\$41
Subtotal for Economic Alliance Snohomish County (EASC) Fringe		\$0	\$2,721	\$0	\$0	\$0	\$2,721	\$2,721
VP Business Development	Toth	\$0	\$2,796	\$0	\$0	\$0	\$2,796	\$2,796
Economic Dev. Manager	Smith	\$0	\$1,300	\$0	\$0	\$0	\$1,300	\$1,300
Economic Dev. Coordinator	Repp	\$0	\$1,680	\$0	\$0	\$0	\$1,680	\$1,680
Economic Dev. Industry Manager	Key	\$0	\$2,423	\$0	\$0	\$0	\$2,423	\$2,423
Contracted Position	Hadley	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal for Greater Spokane Incorporated (GSI) Fringe		\$0	\$8,199	\$0	\$0	\$0	\$8,199	\$8,199
Executive Director	Powers	\$0	\$5,496	\$0	\$0	\$0	\$5,496	\$5,496
Business Development Director	Cocus	\$0	\$1,560	\$0	\$0	\$0	\$1,560	\$1,560
Executive Administration, Marketing & Events	Mangrum	\$0	\$768	\$0	\$0	\$0	\$768	\$768
Subtotal for Kitsap Economic Development Alliance (KEDA) Fringe		\$0	\$7,824	\$0	\$0	\$0	\$7,824	\$7,824
AllianceNW Event Coordinator	Hansen	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal for Thurston County Economic Development Council Fringe		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Economic Development Program Manager (04.75% FTE)	Pierce	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Economic Development Manager (05.62% FTE)	Lee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Senior Economic Development Analyst (01.53% FTE)	Thibedeau	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assistant Economic Development Analyst (03.44% FTE)	Anderson	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative Assistant (<01% FTE)	Purdue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal for Puget Sound Regional Council (PSRC) Fringe		\$0	\$0	\$0	\$0	\$0	\$0	\$0

Economic Development Manager (10% FTE)	TBD	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program Manager (20% FTE)	TBD	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Graduate Intern Assistant	TBD	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal for South Sound Military Communities Partnership/City of Lakewood Fringe		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pacific Northwest Defense Coalition Staff	TBD	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal for Pacific Northwest Defense Coalition (PNDC) Fringe		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal for Benefits		\$113,891	\$54,804	\$14,500	\$8,992	\$128,391	\$63,796	\$192,186
G - TRAVEL								
In-State Travel - Commerce Staff x 3 (PM, APM & TAS)	Reeves, TBD, TBD	\$12,000	\$0	\$0	\$0	\$12,000	\$0	\$12,000
In-State Travel - Commerce Staff	Lawhead	\$0	\$5,000	\$0	\$0	\$0	\$5,000	\$5,000
Out-of-State Travel (4 trips to Washington D.C. x \$2375) - PM, APM & TAS	Reeves, TBD, TBD	\$9,500	\$0	\$25,000	\$0	\$34,500	\$0	\$34,500
In-State Travel - KEDA	Powers, Cocus	\$0	\$1,185	\$0	\$0	\$0	\$1,185	\$1,185
Pacific Northwest Defense Coalition Travel	TBD	\$0	\$0	\$0	\$150	\$0	\$150	\$150
Subtotal for Travel		\$21,500	\$6,185	\$25,000	\$150	\$46,500	\$6,335	\$52,835
E - GOODS & SERVICES								
EA - Standard Office Supplies for 3 Staff @ \$500 (APM, AA2, & TAS) x 2 years (\$)		\$3,000	\$0	\$0	\$0	\$3,000	\$0	\$3,000
EB - Computers, phones, office furniture for 3 staff @ \$2600 (APM, AA2, & TAS) - only in year one. Includes recurring phone line and network data costs (\$)		\$7,800	\$0	\$2,000	\$0	\$9,800	\$0	\$9,800
ED - Rent & Utilities \$9,000/FTE/Year--Seattle, WA x2 (two years) X 3 FTE (O)		\$54,000	\$0	\$0	\$0	\$54,000	\$0	\$54,000
"ED/EC - Rent & Utilities \$9,000/FTE/Year--Seattle, WA x 2 (two years) X 31% (BD Program Manager, BD Managing Director, Comm & Outreach Manager, Communications Consultant 2) (O)"		\$0	\$5,580	\$0	\$0	\$0	\$5,580	\$5,580
"ED - Rent & Utilities \$5,736/FTE/Year--Olympia, WA x 2 (two years) X 24% (Fiscal Manager & Budget		\$0	\$2,753	\$0	\$0	\$0	\$2,753	\$2,753

Analyst]" (O)							
EH - Facility Rentals for Quarterly Meetings & Stakeholder Engagement Town halls (8 qrtly, 10 twnhalls x \$250.00) (O)	\$4,500	\$0	\$0	\$0	\$4,500	\$0	\$4,500
EF - Printing of Outreach Materials - Small Scale (informational literature, one pagers, brochures) (O)	\$4,831	\$0	\$0	\$0	\$4,831	\$0	\$4,831
EF - Printing of Outreach Materials - Large Scale (reports, signs, banners) (O)	\$13,000	\$0	\$0	\$0	\$13,000	\$0	\$13,000
EZ - Mailings, data processing charges, personnel services. (O)	\$3,000	\$0	\$1,100	\$0	\$4,100	\$0	\$4,100
AllianceNW Outreach & Communications (30 hours x \$40 per hour) (O)	\$0	\$1,200	\$0	\$0	\$0	\$1,200	\$1,200
AllianceNW Event Registration System & Match-making System (O)	\$0	\$4,000	\$0	\$0	\$0	\$4,000	\$4,000
AllianceNW Facility Rental (O)	\$0	\$13,000	\$0	\$0	\$0	\$13,000	\$13,000
AllianceNW Pipe & Draping (O)	\$0	\$11,000	\$0	\$0	\$0	\$11,000	\$11,000
AllianceNW Supplies for Outreach & Awareness Building event (S)	\$0	\$300	\$0	\$0	\$0	\$300	\$300
KEDA Occupancy (Janitorial, Liability Insurance, Rent, Telephone) (O)	\$0	\$3,372	\$0	\$0	\$0	\$3,372	\$3,372
KEDA Outreach & Awareness Building (O)	\$0	\$4,950	\$0	\$0	\$0	\$4,950	\$4,950
KEDA Office (Supplies, Expense, Photocopier Lease) (S)	\$0	\$2,292	\$0	\$0	\$0	\$2,292	\$2,292
Pacific Northwest Defense Coalition Event Outreach & Awareness (O)	\$0	\$0	\$0	\$550	\$0	\$550	\$550
Pacific Northwest Defense Coalition Supplies (S)	\$0	\$0	\$0	\$450	\$0	\$450	\$450
Subtotal for Goods & Services	\$90,131	\$48,447	\$3,100	\$1,000	\$93,231	\$49,447	\$142,678
CONTRACTUAL							
1 Organization, Communication & Stakeholder Management - Strategic Planning/Communications Consultant	\$185,000	\$0	\$15,000	\$0	\$200,000	\$0	\$200,000
2 Assessment & Forecasting Capacity	\$480,000	\$20,000	\$190,000	\$0	\$670,000	\$20,000	\$690,000
3A State Analysis	\$150,000	\$0	\$0	\$0	\$150,000	\$0	\$150,000
3B1 Defense Manufacturing Supply Chain Business Support Pilot	\$500,000	\$0	\$15,000	\$0	\$515,000	\$0	\$515,000
3B2 Defense Services Supply Chain Business Support Pilot	\$250,000	\$0	\$15,000	\$0	\$265,000	\$0	\$265,000
3B3A Seamless Transition Workforce Support Pilot	\$200,000	\$0	\$0	\$0	\$200,000	\$0	\$200,000
3B3B Transition Technology Tool Development	\$300,000	\$0	\$0	\$0	\$300,000	\$0	\$300,000
3C1 Defense Manufacturing Outreach & Awareness Building via Industry	\$150,000	\$0	(\$25,000)	\$0	\$125,000	\$0	\$125,000

3C2 Defense Manufacturing Outreach & Awareness Building via Community		\$500,000	\$0	\$0	\$0	\$500,000	\$0	\$500,000
3C3 Industry Outreach around Going Global		\$0	\$0	\$215,500	\$0	\$215,500	\$0	\$215,500
4 Strategic Planning		\$230,000	\$20,000	\$15,000	\$0	\$245,000	\$20,000	\$265,000
4A Identify Growth Areas		\$250,000	\$0	\$0	\$0	\$250,000	\$0	\$250,000
4B Technology Transfer, Entrepreneurship & Commercialization Feasibility		\$250,000	\$0	\$0	\$0	\$250,000	\$0	\$250,000
5 Implementation Planning		\$150,000	\$0	\$15,000	\$0	\$165,000	\$0	\$165,000
Subtotal for Contractual		\$3,595,000	\$40,000	\$455,500	\$0	\$4,050,500	\$40,000	\$4,090,500
T - INDIRECT								
Program Manager – Military Sector Lead (19% FTE federal request/ 30% FTE non-federal match) (Staff)	Reeves	\$13,361	\$21,378	\$441	\$883	\$13,803	\$22,261	\$36,064
Assistant Program Manager (100% FTE) (Staff)	Evans	\$58,792	\$0	\$2,272	\$0	\$61,063	\$0	\$61,063
Administrative Assistant 2 (100% FTE) (Staff)	Hutton	\$35,783	\$0	\$6,085	\$0	\$41,868	\$0	\$41,868
Technical Assistance Staffer (100% FTE) (Staff)	Langston	\$58,792	\$0	\$2,272	\$0	\$61,063	\$0	\$61,063
Business Development Program Manager (15% FTE) (Staff)	Lawhead	\$0	\$9,149	\$0	\$346	\$0	\$9,495	\$9,495
Business Development Managing Director (2% FTE) (Staff)	Clark	\$0	\$1,477	\$0	\$53	\$0	\$1,530	\$1,530
Communications & Outreach Manager (7% FTE) (Staff)	Zerr	\$0	\$4,466	\$1,691	\$167	\$1,691	\$4,633	\$6,324
Communications Consultant 2 (7% FTE) (Staff)	Scholmann	\$0	\$3,010	\$0	\$128	\$0	\$3,138	\$3,138
Finance Manager (12% FTE) (Staff)	McArthur	\$0	\$8,533	\$0	\$301	\$0	\$8,834	\$8,834
Budget Analyst 3 (12% FTE) (Staff)	Carney-Taylor	\$0	\$6,986	\$0	\$419	\$0	\$7,405	\$7,405
Small Business Export Assistance, Senior Managing Director (5% FTE) (Staff)	Calhoon	\$0	\$0	\$0	\$2,274	\$0	\$2,274	\$2,274
Commerce Specialist 3 (Small Business Export Assistance/Communications) (10% FTE) (Staff)	Harper/Bennion	\$0	\$0	\$0	\$6,333	\$0	\$6,333	\$6,333
Subtotal for Indirect Costs		\$166,727	\$54,999	\$12,761	\$10,903	\$179,488	\$65,902	\$245,390

Appendices

APPENDIX A: Department of Commerce Documentation

Financial Flow Diagram

Indirect Cost Rate Allocation Plan

APPENDIX B: Program Partners Documentation

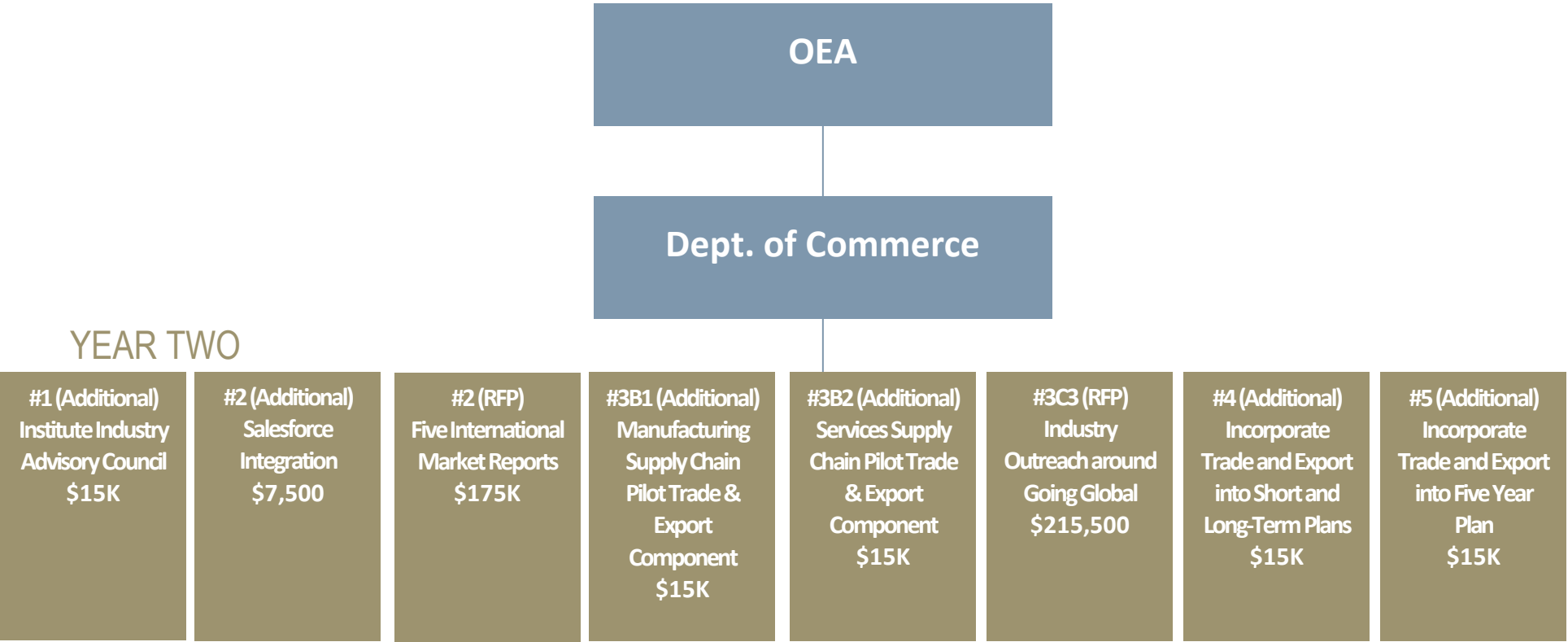
Match Commitments, Justifications & Position Descriptions

Pacific Northwest Defense Coalition (PNDC)

APPENDIX A:

Department of Commerce Documentation

APPENDIX A: Financial Flow Diagram - Updated



APPENDIX A: Indirect Cost Rate Allocation Plan

The Department of Commerce has an Indirect Cost Plan that is approved by our cognizant agency, HUD. A copy of the plan is attached in the next page.

The Commerce Indirect Cost Plan establishes an indirect cost rate of 35%. The rate is applied to salaries and benefits only, not to all costs or expenditures of the agency. The Department of Commerce has a wide variety of programs including direct services, state and Federal loan and grant programs, economic development and trade missions, and local government infrastructure programs. The indirect rate is applied to salaries and benefits because there is a strong correlation between the amount of staff that is required to run a program and the amount of support that is provided for that program through indirect costs.

**OMB CIRCULAR A-87
CERTIFICATE OF INDIRECT COSTS
Proposed SFY 2016; Actual SFY 2014**

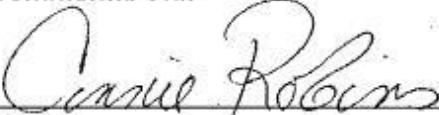
This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

1. All costs included in this proposal dated November 24, 2014 to establish billing or final indirect cost rates for fiscal year ended June 30, 2014 are allowable in accordance with the requirements of the Federal award(s) to which they apply and 2 CFR part 225, Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87). Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.
2. All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Washington State Department of Commerce

Governmental Unit


Signature

Connie Robins

Name of Official

Assistant Director, Administrative Services Division

Title

November 24, 2014

Date of Execution

NOTE: THE ABOVE CERTIFICATION IS A REQUIREMENT OF OMB CIRCULAR A-87. WE WILL NOT BE ABLE TO PROCESS YOUR INDIRECT PROPOSAL WITHOUT THIS CERTIFICATION.

STATE AND LOCAL GOVERNMENTS RATE AGREEMENT

ORGANIZATION

DUNNS Number: 808-88-2302
Washington State Department of Commerce
1011 Plum Street SE
P.O. Box 42525
Olympia, WA 98504-2525

Date: November 24, 2014

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government to which OMB Circular No. A-87 applies, subject to the conditions in Section III.

SECTION 1: INDIRECT COST RATES

RATE TYPE: FIXED FINAL PROV. (PROVISTIONAL) PRED (PREDETERMINED)

<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE (%) *</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
FINAL	07/01/2009	06/30/2010	38.3	All	All Programs
FINAL	07/01/2010	06/30/2011	35.0	All	All Programs
FINAL	07/01/2011	06/30/2012	35.0	All	All Programs
FINAL	07/01/2012	06/30/2013	31.8	All	All Programs
FINAL	07/01/2013	06/30/2014	33.8	All	All Programs
PROV.	07/01/2014	06/30/2015	35.0	All	All Programs
PROV.	07/01/2015	06/30/2016	35.0	All	All Programs

***BASE**

Direct salaries and wages including all fringe benefits.

ORGANIZATION: Washington State Department of Commerce
Agreement Date: 11/24/2014

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

Fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost of salaries and wages. Separate claims are not made for the cost of these paid absences.

EQUIPMENT DEFINITION

Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

The following Fringe benefits are treated as direct costs:

OLD AGE and SURVIVORS INSURANCE (OASI), MEDICARE, HEALTH/LIFE INSURANCE, DISABILITY INSURANCE, MEDICAL AID & INDUSTRIAL INSURANCE, and RETIREMENT & PENSION.

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rate(s) is subject to the following conditions: (1) only costs incurred by the organization were included in its indirect cost pool as finally accepted, such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) the same costs that have been treated as indirect costs are not claimed as direct costs; (3) similar types of costs have been accorded consistent accounting treatment; and (4) the information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to,

ORGANIZATION: Washington State Department of Commerce
Agreement Date: 11/24/2014

changes in the charging of a particular type of cost from indirect to direct. Failure to obtain prior approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is included in this Agreement, it is based on an estimate of the costs for the period covered by this rate. When the actual costs for this period are determined, an adjustment will be made to a rate of future year(s) to compensate for the difference between costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:


The rates in this Agreement were approved in accordance with the authority in the Office of Management and Budget Circular A-87 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs and (2) apply the approved rate(s) to the appropriate rate(s) to the appropriate base identify the proper amount of indirect costs allocable to these programs.

BY THE INSTITUTION:

WASHINGTON DEPART OF
COMMERCE


(Signature)

Connie Robins

(Name)

Assistant Director

Administrative Services Division

(Title)

November 24, 2014

(Date)

ON BEHALF OF THE FEDERAL
GOVERNMENT:

DEPART OF HOUSING AND URBAN
DEVELOPMENT

Per HUD instructions dated April 1, 2011

(Signature)

(Name)

(Title)

(Date)

APPENDIX B:

Partners Documentation

APPENDIX B: Program Partners Match Commitments, Justifications & Position Descriptions

- Pacific Northwest Defense Coalition (PNDC)

APPENDIX B:

Pacific Northwest Defense Coalition (PNDC)



PACIFIC NORTHWEST DEFENSE COALITION

888-701-PNDC (7632) | www.pndc.us

July 24, 2015

BOARD OF DIRECTORS:

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President, Near Space Corporation

VICE-CHAIR: Judy Johnson
Owner & CFO, Shine Micro

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General Counsel, Eid Passport

TREASURER: Liz Lasater
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Patrick Barrett, Owner, Sherpa Design

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Benchmade Knife Company

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Martha Schrader, County Commissioner

Will Swearingen, TechLink

PNDC STAFF:

Carley Dirks, Procurement Counselor &
Program Manager

John Dogero, Puget Sound Regional Mgr.

Leslie Everson, CPA/Bookkeeper

Galen Gamble, Outreach/Event Coordinator

Molly Hefeneider, Program Coordinator

Dave Hunt, President & CEO

Kate Kanapeaux, Programs/Events Director

Kristiné M. Reeves,
Director, Military and Defense Sector
Washington State Department of Commerce

Dear Ms. Reeves:

The Pacific Northwest Defense Coalition (PNDC) is pleased to support the Washington Department of Commerce, Military and Defense Sector by committing \$18,000.00 of in-kind match to the Trade and Export efforts.

PNDC is the association of over 210 Northwest defense and security industry businesses that focuses on strengthening businesses' growth, our region's economy, and our nation's security through training, one-on-one counseling, business-to-business networking, and advocacy.

PNDC will create/expand training and outreach events to maximize exposure of Washington State defense contractors to Foreign Military Sales and other exporting opportunities, working in close partnership with the Washington Department of Commerce, local chambers of commerce, and economic development organizations. This match is intended to support 3C3: Industry Outreach around Going Global. PNDC will also contribute to the creation and activities of the Industry Advisory Council.

In-Kind Commitment

Personnel:		\$16,850.00	
Title	Name	% of Salary	Amount
President & CEO	Dave Hunt	5%	\$ 5,625
Puget Sound Regional Manager	John Dogero	14.5%	\$ 7,750
Program & Events Director	Kate Kanapeaux	5%	\$ 3,475
Total			\$16,850

In-State Travel: \$ 150.00

Outreach and Awareness Building: \$ 550.00

Supplies: \$ 450.00

Total In-Kind Match: \$18,000.00

Activities Supported

PNDC intends to use the in-kind match to support the following activities in the proposal:

- Hold at least five outreach events around export compliance, planning, and standards and make three webinars available online.
- Provide comprehensive export assistance to two sets of 4-8 Washington State defense businesses.
- Facilitate connections between WA defense businesses and export opportunities.
- Assist WA defense businesses in successfully participating in international trade missions.

Please see the attached job descriptions.

Sincerely,


Dave Hunt, President & CEO
Pacific Northwest Defense Coalition

PACIFIC NORTHWEST DEFENSE COALITION

POSITION DESCRIPTION

Position Title:	President & CEO (Dave Hunt)
<p>Job Responsibilities/Essential Functions:</p> <ul style="list-style-type: none">• Oversee the day-to-day operations of the non-profit association serving Northwest defense and security industry businesses. Financial compliance including managing grants, human resource management, and marketing responsibilities are included.• Responsible for outreach to retain and recruit member companies.• Serve as the primary spokesperson for the organization and respond to public inquiries and contacts in a timely manner.• Work closely with Board of Directors and membership committees to execute strategy and plans.• Extensive travel within the Northwest Region.• Manage the implementation of the organizational budget, and oversee future budget planning and development.• Responsible for securing outside resources (including sponsorships) and grant funding.• Collaborate with regional organizations, associations, industry leaders, and government officials to promote the interests of the organization and its member businesses.• Supervise and coordinate a variety of programs.• Manage and develop boards and committees to further organization mission.• Consult with member companies on government contracting and marketing strategies, connect business leaders with mentors and solutions.• Ensure that the organization maintains positive and productive relationships with media, governmental agencies, sponsors, and other organizations.	

PACIFIC NORTHWEST DEFENSE COALITION

POSITION DESCRIPTION

Position Title:	Puget Sound Regional Manager (John Dogero)
Job Responsibilities/Essential Functions: <ul style="list-style-type: none">• Assist Puget Sound defense and security industry businesses in successful expanding their business and growing.• Identify, develop, and recruit potential new PNDC members in the Puget Sound.• Regularly communicate with, identify needs of, and facilitate effective services to current PNDC members in the Puget Sound.• Facilitate organization of regular Puget Sound membership meetings and special events.• Complete research and regular membership service and recruitment reports.• Maintain/develop knowledge and proficiency in government procurement issues.• Perform other duties or projects as may be assigned by the President & CEO.	

PACIFIC NORTHWEST DEFENSE COALITION

POSITION DESCRIPTION

Position Title:	Program and Events Director (Kate Kanapeaux)
Job Responsibilities/Essential Functions: <ul style="list-style-type: none">• Plan and implement training programs to serve the needs of Northwest defense and security industry businesses (monthly webinars, seminars, Northwest Aerospace & Defense Symposium, Homeland Security Symposium, Supply Chain Conferences, etc.).• Plan and implement networking events (monthly networking receptions at member businesses, Annual Meeting, VIP Summer Bash, Range Day, CEO Dinners, etc.).• Maintain strong partnerships with current members and help recruit new members.• Oversee event vendor management, event registration, post-event evaluations, and the coordination of program logistics, speakers, moderators, catering, and entertainment.• Market events successfully through website, newsletters, mailings, printed materials, and social media to maximize awareness and participation.• Perform other duties or projects as may be assigned by the President & CEO.	