

Management Approach

DP Technology Services, Inc (DPTS) consistently utilizes a successful management approach for contracts in support of Naval Air Systems Command. Our contract management experience includes those efforts requiring only one company and few resources, to lead large efforts involving many companies and requiring many resources. Our approach has enabled our success as a leader in the logistics community supporting efforts for NAVAIR and other various agencies within the federal government, and each branch of the U.S. military. More importantly, our approach has enabled our customers to succeed in their missions, while realizing cost savings as a result of our proven processes. Our approach revolves around superior Program Management practices. The following Program Management areas are summarized to provide a basic understanding of how the Seaport-e program will be managed.

Program Management

The DPTS Seaport-e Team utilization of a strong Program Management on the Seaport-e Program will provide the methods, plans, and approaches required to ensure that the Team is successful through each step of the standard Program Management (PM) processes of Initiation, Planning, Control, Execution, and Closeout. Our PM is responsible for ensuring our approach is followed during the execution of the Seaport-e Program and throughout the duration of the contract. Our PM will apply a variety of corporate processes, management techniques, and automated tools to plan, track, execute, and monitor all aspects of the contract, from management to financial to technical to ensure superior execution of each Task Order (TO).

Contract Management

Understanding the scope of the contract, requirements, budget, and schedules are essential to successfully execute government contracts. This common understanding occurs with the formal contractual agreements through our Contract Management personnel and processes. All formal contractual changes, either with budget, requirements, or schedule are accomplished through the Contract Management functions. DPTS' dedicated Finance, Accounting & Contracts Departments provide oversight to all of our prime and sub contracts. Our Team works together to ensure that all contract issues are addressed proactively, and in a timely manner.

Subcontract Management

DPTS utilizes established subcontracting practices and procedures to process and track subcontractor funding, staffing, invoicing and payment requirements. To accomplish this, our teams use a synergetic approach of subcontract management processes. These subcontract management processes began with formal teaming agreements, requests for pricing data, and the sharing of proprietary data (resumes, past performance data, etc.). This process allows a free flow of information from DPTS to each of our team members to ensure changes are understood by all parties, invoicing is on time, reporting is accurate, and communication is accomplished.

Communications

Open communications are essential to the long term success for the Seaport-e Program. DPTS' process encompasses open and effective communications which allows for feedback throughout our corporate structure. We seek feedback and comments from our customers on a daily basis. We incorporate comments into our Monthly Status Reviews, focusing on specific program and staff performance and key issues. We take a proactive approach to provide the best quality services to our customer. Customer satisfaction is key to who we are as individual companies and as a Team for the Seaport-e Program. Our Team, as a whole, wants to know how we are performing. We welcome constructive criticism and ensure that we implement changes as needed to ensure the success of our customer's mission.

Financial Management

DPTS' financial management team utilizes a detailed process for managing contract funding and expenditure levels. Our management team communicates with the Program Manager on a regular basis to validate invoices and report on the status of the funding and expenditure rates. We provide funding status reports per the COR's request for each Task Order and at an overall contract level. We utilize a cost accounting and control system for our accounting processes that allows for prompt and accurate processing of all financial records and data, and allows project costs to be invoiced appropriately. DPTS' monthly cost accrual accounting is performed in a manner so that costs are tracked at many levels (i.e., costs are segregated by specific task requirements). Deviations from the plan can be generated so that management is quickly alerted to variations. Our cost control-based accounting system has proven to be a successful tool for identifying and managing critical program assets and resources.

Personnel Management

Personnel Management is critical to the success of the Seaport-e Program. Our recruiting department continuously searches for and hires quality candidates to fill the various positions on our existing programs. They also work diligently to retain well qualified individuals. Additionally, our Human Resources department frequently looks for ways to improve the workplace. Job satisfaction is an important aspect of being able to consistently meet the requirements of a program. We provide regular feedback opportunities to our employees looking for ideas for improvement. We expect our employees to be agents for positive change and proponents for continuous improvement. With these come higher job satisfaction and customer service. This results in a clear win-win situation for our employees and customers alike.

Capability to manage the effort and our team

DPTS' has developed a successful approach to the management and execution of the various contracts we support within the DoD community. Using our approach, we have lead efforts in support of various federal and government agencies. Within these efforts, we have successfully performed a wide variety of services in the areas of Administration, Training, IT Support, Engineering Support, Communications Systems, Logistics, and Acquisition support, to name a few. Our proven approach enables us to successfully lead and manage our team, which has the depth and breadth to capably support multiple functional areas and zones. Our management approach is based on the following four principles:

- Diversity and Depth

DPTS has a successful history of bringing together diverse companies in the execution of our various government contracts. As part of our preparation for each effort, we undertake a detailed analytical review of the requirements of the SOW, in comparison with our own corporate strengths, to help us identify the teaming partners that would best augment our skills to provide the optimum level of support. During this evaluation, we factor in the support requirements for the different functional areas, and also considered the unwritten requirements and intricacies inherent to these types of contracts. Understanding informal requirements can come only from hands-on experience in the support services environment. The result of this thorough assessment is a diverse team of businesses, combined to make a well-rounded team capable of fully satisfying the government's requirements across the various functional areas and zones.

- Strong Program Leadership

DPTS Seaport-e Team is built with the concepts of leadership, accountability, responsive communications, and strong support from top management. We select a PM with many years of management and technical experience, and will provide clear and concise direction to ensure all Seaport-e program requirements are met or exceeded. Furthermore, we have an organizational management structure in place that provides the corporate commitment, leadership, and direction to respond and adapt to any challenges encountered. Our corporate management team will have direct and regular corporate oversight of this contract.

- Constant Communications

Constant communications between our customers and the DPTS Seaport-e Team is critical to a successful program. We utilize a system of communication that will facilitate near instantaneous exchange of information between the government and the DPTS Seaport-e Team. Additionally, our Program Manager maintains frequent contact with the Contracting Officer's Representative (COR)/ Contracting Officer (CO) on all Task Orders (TOs) to assure that communication channels are open for all aspects of the TO. In addition, our Program Manager maintains regular contact with site government representatives and TO Leads, who provide feedback on infrastructure, support, and resource impacts as required.

- Qualified Staff

The DPTS Seaport-e Team's approach to supporting contracts includes assembling the most qualified staff to ensure successful execution of TOs. The DPTS Seaport-e Team's is centered on incorporating the most qualified resources, thus utilizing the depth of our team. Our Team is comprised of professionals with knowledge and experience on efforts in the areas of Information Technology, Systems administration, Security, Safety, and Research and Development, Engineering, Modeling, System Documentation, Software Engineering and support, Configuration Management, Quality Assurance, Acquisition Logistics, Training, Program Support, Administrative support, and Public Affairs support.

Ability to manage change, preserve stability and maintain technical expertise

Our approach to manage change and preserve stability and expertise in the workforce is to accept and accommodate change. As an example of our ability to manage and adapt to the growth that naturally occurs while supporting new and developing efforts, upon award of various large scale contracts we established a presence through our company and through utilization of our extensive reach back to our partners at various locations to be able to fully support the program needs. Maintaining the technical expertise needed, each member of the Team provides a recognition program to reward superior performance and foster client satisfaction and performance. We also offer competitive benefits and excellent compensation packages, which has helped us attract some of the best talent available.

Ability to monitor and maximize quality

DPTS uses standardized Quality Management Systems Guidelines to provide quality management for the various programs to ensure continuous process improvement is taking place. Following the guidelines provides DPTS with a systematic approach to managing our business processes and provides for quality control and continuous process improvement. We conduct periodic assessments to ensure that program objectives are either met or exceeded.

Approach to guarantee responsiveness to and cooperate with customers

The DPTS Team PM ensures constant communication internally to our customers through all phases of the tasks being executed, from understanding requirements, preparing proposals, all the way to program execution. Having the customer on-board with us every step builds good teaming, and helps identify any risk concerns or program constraints. Our organizational structure minimizes management layers and provides direct lines of authority and communications to efficiently prepare and submit proposals in response to task orders, process task assignments expeditiously, and perform tasks in a cost-effective and timely manner. Our system of communication provides superior ability for us to communicate and exchange information between Seaport-e Program Management and the DPTS Seaport-e Team. Our innovative approach will improve communications, deliverable tracking, and knowledge of the status of the contract and active TOs.

Approach to problem resolution

Problems or issues that are discovered through any of the Program Reviews, or as a result of communications between the DPTS Seaport-e Team and the customer, will be managed through our internal remediation procedures called the Problem Resolution Process (PRP). The intent of the PRP is to ensure problem resolution through responsive management visibility, appropriate resource attention, and planning a straightforward resolution effort. This will ensure we have the right team in place, with the appropriate mix of personnel from across the Team to understand, solve, plan, and manage the corrective needs to resolve the problem identified.

Quality Management Overview

DPTS' Quality Management System (QMS), illustrated in Figure 1.0 below, operates under the control of DPTS' Quality Assurance Manager (QAM) and is designed in compliance with the industry standard quality management practices. DPTS' Quality Control Program Plan (QCP) requires them to establish and maintain a Quality Control Plan unique to the Task Order to ensure the requirements of the contract are provided as specified. This Quality Control Plan describes the inspection system for the requested services as well as the processes, procedures and actions of Team DPTS to control the provision of services to meet the contract requirements. The QCP is intended to be compatible with established quality control practices quality improvement plans to ensure completeness, accuracy and timeliness of all Team DPTS work products

Project Management and Quality Control Plans

DPTS' assigned Program Manager develops a Project Management Plan (PMP) including a financial baseline and contract performance metrics. The Program Manager also develops the Quality Control Plan (QCP) including obtaining client agreement on the quality performance measures and surveillance methods to be used.

Contract Quality Surveillance: During contract performance, DPTS' Program Manager and support team members continuously monitor the quality of the products and services being delivered to the client(s). Quality work and customer satisfaction are the highest priorities within the corporation. Day-to-day internal monitoring of product and service quality is accomplished through peer review and final review by the Program Manager.

This approach is based on the following philosophy.

- Quality is everyone's responsibility – DPTS does not rely solely on a dedicated, independent quality assurance (QA) function to ensure product quality. Instead, each person assigned to the task builds quality into his or her products from the start. All of DPTS' people are proven performers selected from the top of the marketplace. Quality of work is included as a significant criterion in each employee's annual performance appraisal.
- Subject matter guidance and peer review – DPTS' personnel supporting our customers can draw on the expertise of the large number of Senior Subject Matter Experts within our organization and our partner organizations. These individuals provide guidance on relevant policies, standards and "best practices" as well as provide templates for and examples of the complete range of auditing and coding services and documentation. These experts are also available to provide peer review of draft documents and provide recommendations for improving the deliverables / products submitted to the Government.
- Senior management review of selected formal and informal deliverables – Selected examples of both formal and informal deliverables will be submitted to onsite senior management for review to ensure that the highest standards of quality are being maintained. All formal and significant ad hoc deliverables are reviewed for spelling, grammar, formatting and other administrative requirements by DPTS' QAM.
- Correcting deliverables – Should a deliverable, in whole or part, not be acceptable to the Government, it will be corrected and resubmitted in compliance with the requirements in the PWS. Appropriate resources will be devoted to correcting and ensuring deliverable products are acceptable to the Government.

- Quality Management System Diagram:

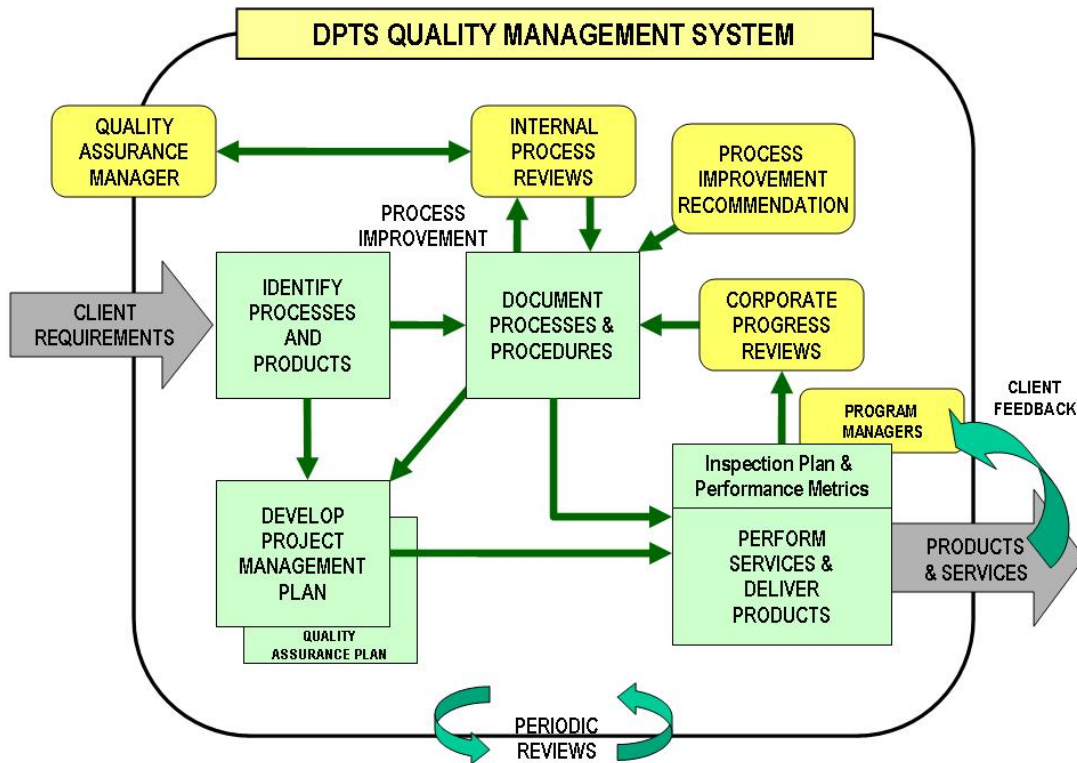


Figure 1.0

Internal Process Reviews / Continuous Improvement

All of DPTS' documented processes are subject to periodic reviews by executive management. These internal reviews are designed to determine whether managers and other professional personnel are following documented procedures, maintaining the required performance metrics / surveillance methods, and providing products that meet quality standards. The results of these internal reviews are documented and submitted to DPTS' President and CEO to support subsequent reviews, to identify preventive actions to eliminate non-complying practices, and to make recommendations for continuous process improvement.

In addition to scheduled internal reviews, all personnel within DPTS are given initial and follow-on familiarization training on quality management principles. Personnel are encouraged to review each process and/or product they encounter in their daily activities to identify and recommend areas for continued process improvement. We are always looking for creativity in finding new, more effective ways to meet client requirements, therefore, quality improvement is a factor in each individual's annual performance review.

Corporate Progress Reviews

DPTS corporate leadership (President and CEO and Executive Vice President) conducts periodic reviews of each ongoing project. A significant portion of these reviews focus on the contract performance and quality measures documented in the PMP and QCP for the project. In addition, the Program Manager and key support staff review all client feedback received and the actions taken to resolve identified issues or capture and document "best practices" for possible use in other projects.

Client Feedback

Team DPTS' Program Manager and key staff members maintain close and continuous contact with our clients to ensure that contract requirements are being met. This contact includes soliciting feedback on products and services that are meeting or exceeding client

expectations as well as areas that could benefit from improvements. These same individuals may also receive client-initiated feedback, both positive and negative.

All feedback will be recorded and documented in accordance with DPTS' *Client Feedback procedures documentation*. The person receiving feedback records the exact nature of the client's issue (either positive or negative) on a brief Client Feedback Questionnaire that can be completed in five minutes or less. The questionnaire, typically provided to key clients on a quarterly basis, covers Team DPTS performance in the areas of Quality of Support, Staff and Deliverables. In addition, it provides space for narrative comments expanding on the ratings given or noting weaknesses or strengths observed during the survey period. Results of the survey are reviewed by DPTS executive management and used to focus company improvement activities.

DPTS' process requires that the person receiving the feedback resolve the issue with the client at their level, if possible, or to pass it to higher management, if necessary. Client Feedback is tracked as a DPTS quality objective. This metric provides that all issues must be corrected, or have an approved Action Plan in place, within 10 days.

However, the first step in our resolution process requires gathering and recording the objective facts relevant to the issue. Then, the person handling the issue must conduct an analysis to determine the root cause of the issue. Once the root cause has been determined, the responsible individual develops a plan of action for eliminating the root cause and preventing a reoccurrence of the issue. The plan of action includes a proposed completion date and is coordinated with any individuals or corporate offices that must contribute to the solution. The plan of action is monitored to completion by the appropriate level of DPTS management. The action is not closed until the person responsible for the issue meets with the client and verifies that the issue has been resolved to their satisfaction.

Government Monitoring of DPTS' Performance

The COR or their representative will be able to use all of the following methods to monitor and evaluate DPTS' performance.

- On the spot document/process inspections: Through the COR Inspection Plan, the COR or their representative can perform random checks of DPTS work processes, products, files, and information databases.
 - DPTS' Program Manager, will provide access to any information requested by the COR.
 - The COR or their representative and DPTS will coordinate this surveillance so as not to unduly disrupt or delay DPTS' support
- Interim Progress Review (IPR) meetings: The COR or their representative, key base staff and other staff will meet with DPTS on a periodic basis (frequency to be determined in the final QCP) to assess DPTS' performance and provide feedback on processes/products that are meeting expectations as well as areas that could be improved.
- Observation and feedback from customers and staff: The COR or their representative will take note of any unacceptable observances during the work hours and will log negative feedback received from other staff or our customers. This should be applied to events that generate positive feedback as well.

DPTS requests that the COR immediately notify the representative Program Manager of any unacceptable performance or negative feedback, so that he can take immediate corrective action and prevent future occurrences.

Quality Standards and Evaluation Methods

During contract performance, Team DPTS will work with the COR or their representative to identify and implement surveillance methods / performance metrics tailored to the type of processes being performed as well as specific products being delivered under the contract. An initial COR Inspection Plan including a set of performance metrics will be created, but DPTS anticipates that they will be further refined and other metrics added during the life of the contract. The end objective of implementing quality assurance via an inspection plan and performance metrics is to permit senior leadership and other involved stakeholders to identify adverse trends and proactively intervene at the right level and right time to keep performance within "control limits." To meet this objective, DPTS attempts to select surveillance methods that exhibit the following characteristics:

- They should be derivable from data normally captured during the performance of the work or process.
- They should emphasize the “intellectual content” of the work, i.e., Work Quality and Effectiveness.
- They should be measured continuously in “real time.”
- They should be collected and manipulated into usable forms using automated technology.
- Integrated data should be available on-line with appropriate views for the different process stakeholders.

Compliance with DoD Directives

Team DPTS will ensure that all contract employees adhere to all applicable DoD guidelines, rules, regulations and directives for the term of their employment at each facility and while operating on behalf of Team DPTS on this contract. During the orientation period of new staff members, each new staff member shall review and acknowledge any and all required regulations provided by the Government for compliance to said regulations. Any violation with stated regulations reported to Team DPTS will be reviewed for action that may result in counseling, disciplinary action and/or termination of the employee, depending on the severity of the violation or at the request of the Government.

Specifically, Team DPTS will ensure that all contractor staff members are in compliance with DoD Directive 5500.7-R “Post Employment Conflict of Interest” by requiring a signed statement from each staff member attesting to compliance with this directive.