



THE PONCA CITY NEWS

PONCA CITY, OKLAHOMA

House Bill 1468 Important to Ponca City

By LOUISE ABERCROMBIE

News Business Editor

Legislation already passed in the Oklahoma House and pending in the Senate, supported by Triton Scientific, manager of OSU University Multi Spectral Center (UML), and Ponca City Development Authority (PCDA), could be a boon to Ponca City.

House Bill 1468 modifies the state Quality Jobs Act by making qualified federal contractors eligible for tax benefits. The bill would benefit the entire state and is something not being done anywhere else in the nation.

David Myers, PCDA executive, explained that the goal of 1468 is to increase the amount of federal subcontracting business in Oklahoma, primarily in the defense industry but not exclusively. The bill would amend the current Quality Jobs Act to provide a one to two percent incentive to the prime contractors to do their federal subcontractor work in Oklahoma.

The House Bill, authored by Republican Representative Michael Jackson, Enid, was pushed through the Democratic Caucus by Rep. Ken Luttrell, Ponca City, and through the Rural Caucus by Braman Republican Rep. Dale DeWitt. The bill is being carried in the Senate by Sen. David Myers, Ponca City.

"This bill could ultimately impact not only the UML but places like Tinker Air Force Base, McAlester, Vance Air Force Base, Enid, Altus Air Force Base, Presbyterian Health Foundation, OU Medical Center, OSU and any place where there is an opportunity for federal subcontracting," Myers said.

He explained that any federal contract must have 20 to 40 percent downstreamed to small businesses. "Typically there is from 15 to 20 percent gap that they can't fill of

the 30 percent they are required to fill. So they have to make some finding to the federal government that says 'Gee we're sorry but we couldn't find anyone to do this or some other mechanism.'"

Myers said, "This one to two percent of loaded labor in Oklahoma would give the federal contractors an incentive to put it in Oklahoma. By loaded labor, I mean to the only incentive is paid on labor that exists and is conducted in Oklahoma. Not only a payroll but someone who is actually doing the work here."

He gave as an example that someone working in the UML saying if the worker got paid \$20 an hour and with benefits and everything else it is \$30 an hour, the prime contractor would get one to two percent of that as an incentive to place the job here. "This may not sound like a lot, but it is not being done anywhere else. We are the only state doing it, so that puts us at the front of the line."

The different between one and two percent is there is a sliding scale depending on how much work the contractor puts in Oklahoma. If it is less than \$10 million, they receive one percent, if more than \$10 million they get two percent. The more work they put in Oklahoma the more they are going to get from that stand point. That is the financial side.

UML Clearing House?

The biggest incentive for a federal contractor is that there is going to be something in the legislation that is referred to as a federal contracting co-ordinator in Oklahoma, which will search out and manage that portion of the contract at no cost.

There is a possibility that the clearing house could be the UML as a lot of the personnel know how to manage federal contracts. Dr. Web Keogh, Lab Director has been interested in the legislation. Much of the work is expected to be from the Defense Department and requires Top Secret clearance. UML has that clearance.

According to a news release from the Oklahoma House of Representatives "Officials believe the incentives provided by House Bill 1468 will result in approximately 1,000 new jobs over the next ten years that each pay about \$70,000 annually." The House bill passed 90-8.

Attraction Tool for PC and OSU

Myers noted that any work that is related to sensors will

continue to enhance the UML's position as the sensor evaluation testing capitol of the nation and the world, because those companies are going to want to be around Ponca City because a lot of sensor work goes through here. Those companies don't want to be elsewhere because we are going to see a lot of this federal sub contract work done around the UML. "We see it as an attraction tool for those companies to be located in Ponca City." Myers said, "Every dollar that goes through UML counts towards OSU's research portfolio, helps OSU obtain other federal grants.

Myers said, "These are going to be good paying jobs between \$50,000 and \$70,000. We think this is going to help us here to put the people who have been impacted by the ConocoPhillips study to work. It is not an overnight thing that is going to be an attaction for those small companies to come here. It will be a lot of opportunity for the people who have the skills."

A power point presentation outline for the Oklahoma 100 project indicates that the Department of Commerce would process the incentive payments, create and manage incentive payment authorization and that large business incentive would be paid quarterly. Oklahoma 100 stands for 100 million dollars in new investment and 100 new small businesses to be created by the federal contracts.

The goal is to establish a federal complex in and around the UML complex, which is located in the former Reseach East building of ConocoPhillips.

What UML would do as the trusted agent is manage and operate the OK 100 contractual system. Included working in collaboration with the Department of Commerce to ensure contractual compliance with the program and track all Oklahoma based labor revenue; perform 10 percent of all work that contracts through OK 100; provide program and quality management; provide RDT&T trusted agent services and establish the Oklahoma Business Development Cell.

The proposal says further that UML would market to top 100 defense and security contractors; provide OK 100 book (electronic access) to small business advocates with DoD, DHS and the Intelligence Community, and operations and future business development will be self-sustaining from revenue generated.

[Front Page](#)

Published Tue, Mar 24, 2009, On Page 2 A

Copyright ©1998-2009 The Ponca City News