

Questions from "Office of Small Business Programs Panel"

1. Please address "In Sourcing" impacts on Small Businesses from your agency perspective and when will the transition begin.

The in-sourcing is going to have an impact on the small businesses involved with the in-sourcing to include major impacts to some of the smaller SBs. The conversion of contractor positions to DAC positions will take place over the next two to three years, beginning in October 2009, as contracts expire. AMCOM has some of these positions are located in Huntsville, while others are located at our Depots and at Reset sites worldwide. However, not all support service contractor positions will be converted.

Each individual contractor position across AMCOM LCMC was evaluated based upon the work being performed by the contractor against the criteria provided by AMCC. Only those positions that were deemed appropriate will be in-sourced. These in-sourced positions will be treated as a new position. As such, these positions will fall under the provisions of Federal merit-based recruitment processes. Current Government Civilians and current contractors can apply for these positions.

AMCOM has a great AMCOM In-Sourcing website you can take a look at. It has lots of information on the subject useful to contractors to better understand in-sourcing. (see: https://ams8.redstone.army.mil/cmchw/cmchw_home)

"Over the next several years the Government will be converting many position currently held by contractors to Government positions. Most of these positions cover areas that are considered inherently Governmental functions, but because of past Government downsizing, were contracted out. The effect on small businesses will, in all likelihood, not be any greater or less than that of all businesses who provide advisory and assistance services to the Government. There will be some jobs currently held by contractors that will be "in-sourced", but there will still be opportunities for contractors to provide both surge and niche capabilities in those areas targeted for this "in-sourcing"."

2. Name the top 3 cultural road blocks small businesses face within your agencies.

(1.) Strategic Sourcing - In 2005, the Office of Management and Budget (OMB) directed all federal agencies to implement Strategic Sourcing as a transformational business practice. Since then, DOD and all the military services have made great strides implementing Strategic Sourcing. Several cross-service Strategic Sourcing initiatives are ongoing and successful. Strategic Sourcing does require small businesses to take a new look at how they provide spare and repair parts to the Government and may require new strategies such as partnering or teaming as less smaller

contracts are likely to be awarded and the overall number of contracts for these products will probably go down.

(2.) Consolidation/Bundling—Consolidation is defined as the use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements of a department, agency, or activity for supplies or services that previously have been provided to, or performed for, that department, agency, or activity under two or more separate contracts. Bundling is defined as the "consolidation of two or more procurement requirements for goods or services previously provided or performed under separate smaller contracts into a solicitation of offers for a single contract that is likely to be unsuitable for award to a small business." The problem with bundling is that it involves cramming multiple tasks into single contracts in such a way that small businesses cannot submit competitive bids. This practice began its ascent after Congress passed the Federal Acquisition Streamlining Act in the mid-1990s.

Congress has mitigated the effects of consolidation and bundling somewhat by requiring approval levels above the Contracting Officer for consolidation and a benefit analysis to be conducted every time bundling occurs. Before the bundling is allowed it must demonstrate a certain level of cost savings that justifies the bundling.

(3.) Business base of a particular program or activity may not allow for a lot of prime contracts to small businesses. Some programs/activities, by their nature, require the services of large integrating contractors and most of the work in those programs is at the subcontracting level for small businesses. While there are significant opportunities at the various tiers of the supply chain supporting those programs, small businesses may have to market their services and products to large commercial businesses rather than directly to the Government to receive contracts.

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(2.) Bundling - Bundling is defined as the "consolidation of two or more procurement requirements for goods or services previously provided or performed under separate smaller contracts into a solicitation of offers for a single contract that is likely to be unsuitable for award to a small business." The problem with bundling is that it involves cramming multiple tasks into single contracts in such a way that small businesses cannot submit competitive bids. This practice began its ascent after Congress passed the Federal Acquisition Streamlining Act in the mid-1990s.

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The increase use of Partnership Agreement by the Government with large businesses where many competitive parts have been sent back to the prime which from the small businesses perspective is for the Government's ease of acquisition.

3. Can you give an example of how companies have utilized Ability One organizations in their contracting efforts? (Other than buying office supplies)

Currently about 10 people with severe disabilities from AbilityOne community rehabilitation program (CRP) The Burnley Workshop of the Poconos, Inc, a division of Allied Health Care Services, work on the masking/taping contract. The employees mask a variety of vehicles, shelters, and other equipment that need to be painted by putting tape over the areas that aren't to be painted as a "masking". The employees then remove the tape when the painting is complete. Joe Mozaleski, Chief Purchasing Division, Tobyhanna Army Depot mentioned that this contract is only the beginning for AbilityOne contracts at Tobyhanna Army Depot because of the positive experience and relationship he has with AbilityOne.

AMCOM utilizes the AbilityOne program through Huntsville Rehabilitation Center's division named PHOENIX. AMCOM has current contracts with Phoenix for:

- (1) Badge checking services at the main entrance doors and receptionist services at various buildings at AMCOM.
- (2) Courier, mail distribution services and supply clerk functions in various buildings at AMCOM.
- (3) Providing Janitorial Services in various buildings at AMCOM.

Another AbilityOne concern, Phoenix Industries of Huntsville, AL, provides administrative support personnel to the U.S. Army Space and Missile Defense Command.

4. How will the Court of Appeals ruling on the Rothe challenge to SEC1207 affect the use of ANC Companies, if any?

The Rothe decision ruled 10 USC 2323 unconstitutional, primarily due to the price adjustment provisions of the law that allowed small disadvantaged businesses (SDBs) a 10% price adjustment in some instances when comparing offers to non-SDB firms for source selection purposes. The law also provided the only authority to set aside procurements for Historically Black Colleges and Universities and Minority Institutes. The ruling did not affect the use of Alaskan Native Corporations in Government contracting except to the extent that any price differential would be applied to their offers because of their status as SDBs.

5. How will recent ruling from DoD on pulling "services" work back into the government hurt or impact small businesses?

See answer to question number 1.

6. How does BRAC '05 affect parts and piece buys from AMC to the DLA?

The BRAC '05 impact is that the workload was transferred with the agencies, there is no measurable impact to SB.

7. What is your prognosis for getting the regulations in place to enable set-aside competition for women owned small businesses?

The prognosis is hopefully for a woman owned small business set-aside. Today, in the Federal government, there are only two certifications that would qualify you for the new woman-set-aside program. These are the SDB and 8(a) Business Development certifications.

8. How does the stimulus plan directly impact small businesses?

The government's economic stimulus plan doesn't include many provisions that directly benefit small businesses, but economists say those companies are more likely to find a cure for their financial ills closer to home — with their own customers. The plan does extend two provisions of 2008's economic stimulus bill that allow small businesses to take a bigger upfront deduction for the cost of new equipment. But companies whose sales are hurting may be reluctant to make big expenditures, putting those tax breaks out of reach. However, having said all this, the same rules regarding small business utilization contained in the Federal Acquisition Regulations apply to contracts involving economic stimulus money.

9. How can I identify which cognizant small business office has the requirements that meet a company's capabilities? Army – Go to www.sellingtoarmy.com, click on the "Tools" tab at the top of the page, then search by FSC, keyword (ex. wiring harnesses) or by location. The "Locations" tab at the top of the page will take you to the map which you can find a listing of all the Small Business Advisors within the Army by selecting "ALL" for the MACOM and "ALL" for the State. For the Missile Defense Agency - Go to <http://www.mda.mil/mdalink/html/sadbu.html> to learn more about how to do business with the Agency.

10. As a subcontractor on a defense contract, how can I ensure that my services are actually utilized?

The electronic Subcontracting Reporting System (eSRS) has launched, promising to create higher visibility and introduce more transparency into the process of gathering information on Federal subcontracting accomplishments. As part of the President's Management Agenda for Electronic Government, the Small Business Administration (SBA), the Integrated Acquisition Environment (IAE), and a number of Agency partners collaborated to develop the next generation of tools to collect subcontracting accomplishments. This government-wide tool is known as the eSRS. This Internet-based tool will streamline the process of reporting on subcontracting plans and provide agencies with access to analytical data on subcontracting performance. While there is not a means to enforce subcontracting, through eSRS we hope to have a better view on how the contractor is conducting subcontracting. That performance data can then be used during the source selection process for future competitive contracts or to assess performance against award fee criteria for small business utilization where it exists.

11. Are the opportunities used in Fed Biz Ops: Sources Sought and Request for Information – Opportunities that should be pursued or are they designated for an existing source?

When the Government is considering a procurement, but is not sure about specifications or methodologies, they often issue a Request for Information (RFI). An RFI provides you with an opportunity to make suggestions regarding what they should include in the future RFP if it goes forward. It also gives you an opportunity to show the customer that you are qualified, responsive, and helpful. Sometimes, responding to an RFI is required if you want to be able to respond to the future RFP. When this is the case, it will say so in the text of the announcement. Responding to RFIs is an excellent way to identify new business opportunities, find a point-of-contact, and establish a relationship with the customer before the RFP hits the street. Often, it can be many months from the release of an RFI to the release of an RFP, and not all RFIs will result in an RFP release. Sometimes Government procurement activities will use the results from RFI's to craft acquisition strategies such as whether or not to set-aside an acquisition for small businesses and to document their market research in regard to small business capability to do the required work.

12. What efforts are being taken to increase SB opportunities within the defense department?

Commerce Secretary Gary Locke and Small Business Administrator Karen Mills announced a government-wide plan that includes federal agency procurement officials holding or participating in more than 200 events over the next 90 days to share information on government contracting opportunities, including those available under the American Recovery and Reinvestment Act.

As part of the Commerce-SBA initiative, over the next 90 days:

- Federal agency procurement officials will hold or participate in more than 200 events to share information on government contracting opportunities, including those available under the American Recovery and Reinvestment Act.
- SBA and Commerce will expand their outreach to fellow contracting officials across the federal government, passing along best practices for outreach and education to every agency to ensure they have the tools they need to meet their annual contracting goals.
- Locke and Mills will promote small business contracting opportunities in remarks, events and discussions with small business groups across the country, including minority, women and veteran groups.

Beyond the next 90 days, Commerce and SBA will support, monitor and track the impact of these efforts going forward to help ensure the Administration is maximizing opportunities for small businesses.

Small business owners can find out about federal contracting opportunities by visiting www.fedbizopps.gov. Local Commerce and SBA officials are also available in local offices across the country to assist small businesses interested in contracting opportunities. Contact information for local offices can be found www.commerce.gov and www.sba.gov. The DoD Office of Small Business Programs has formulated several strategic plans to increase small business utilization across the Department. Among other things, the Department has implemented the Electronic Subcontracting Reporting System (eSRS) for all its small business subcontracting reporting requirements and this should give procurement offices across the Department unprecedented visibility into the

performance of our large business partners with regard to their small business subcontracting activities against the goals they signed up to in their contracts. For more information go to <http://www.acq.osd.mil/osbp/>.

13. Please comment on potential impact to small businesses from the conversion of more than 30,000 DoD contractor positions to civil servants positions (ref. Secretary Gates' action plan for DoD acquisition reform)

See answer to question number 1.

14. How is your agency (Army, MDA, and NASA) addressing the hubzone precedence over 8A and SDVOSB programs?

All DoD agencies are adhering to the OMB Guidance issued in July to continue to give active consideration to each small business program pursuant to their pre-existing contracting practices and "parity" policies.