

# MID-ATLANTIC REGIONAL COUNCIL FOR SMALL BUSINESS TRAINING AND ADVOCACY

Minutes of Meeting, Gettysburg, PA – October 17-18, 2007

## **Introductions**

Christine Haber, MARC Chair welcomed attendees, asked attendees to introduce themselves, and opened the meeting at 8:30 a.m.

**Attendees:** There were 41 attendees at the meeting.

## **Committee Reports**

### Governance Committee, Jana Tull:

Elections will be held by electronic ballot before the end of December, and new officers will be installed at the January meeting. The executive board has developed an initial slate of nominees, but members are invited to submit additional nominations. Before nominating someone for an office, be sure that the nominee is interested and willing to serve.

Current nominees: President – Patricia Huber; Vice President – Jerry Furey; Secretary – Carol Decker; Treasurer – Becky Carpenter.

### Awards Committee, Jerry Furey:

Nominations for the individual award are being accepted. The winner will be announced at the January 2008 meeting. This award is open to all MARC members and is based on the individual's contributions to the council and work with small businesses. There is no nomination form; instead, submit a paragraph describing why the nominee is deserving of the award.

### Planning Committee, Helen Katz:

The winter meeting will be held at the Embassy Suites, Secaucus, NJ, on January 9 & 10, 2008. The executive board will meet on January 8. It is recommended that you register early to obtain the best rate.

The spring meeting will be held at the Oglebay Conference Center, in Wheeling, West Virginia, on April 22 & 23, 2008. As always, members are encouraged to submit location ideas for future meetings.

### Protocol Committee, Patricia Huber:

The October meeting will be the last one for several long-time members. Jana Tull, Governance Committee and Virginia State Representative and Nina Evans, Membership Committee, will be retiring before the next meeting in January.

Treasurer: Becky Carpenter reported that the current balance is \$3,571.

Secretary: Carol Decker reported that the annual letters requesting that members' commands/companies support their participation in the MARC are being drafted. Requests will be due by November 16 with letters being mailed by early December; members will be contacted by email with instructions on how to request a letter.

### **Presentations and Speakers:**

**LTC James A. Blanco**, Assistant to the Director, Department of the Army Office of Small Business Programs.

Calling it, "the best job I ever had", LTC Blanco admitted that he was initially reluctant to come to the small business office. Since then he's realized that "there's a tremendous challenge out there to own a small business" and said that his future will likely include going to work for a Service Disabled Veteran Owned Small Business.

With the vision of "maximizing small business opportunities in support of the war fighter and the transformation of the Army", LTC Blanco reminded the attendees that they play a critical role in making that happen.

Addressing FY06 small business accomplishments he asked, "What is the reason that we don't make the goals? You don't want to get caught up in the numbers but do get caught up in the trends." In FY06, the Army awarded 25 percent of prime contracts to small businesses, falling a bit short of their target (26 percent) but exceeding the federal-wide goal of 23 percent. Within those awards 8.7 percent went to small disadvantaged businesses (SDB), 3.5 percent to woman-owned small businesses (WOSB), 3.5 percent to HubZone small businesses (HZ), and 0.9 percent to Service Disabled Veteran Owned Small Businesses (SDVOSB). The Army exceeded its target in the areas of HZ and SDVOSB.

The Army's strategic plan calls for increasing the small business base and contracting opportunities, developing and executing results-oriented training, maintaining strategic partnering relationships, fostering additional opportunities through partnering, and leveraging small business programs/opportunities. In discussing the plan, LTC Blanco advocated taking a look at the established small businesses to see where they can expand, helping new firms learn how to find opportunities online, and ensuring that large conferences add value for the small businesses. "If they come and spend their money on it, figure out what is important and what is key", he said.

For the Veteran's programs, he said that there are a lot of federal programs who are working together. There are government-wide contracts (GWAC) being established for veteran-owned small businesses, including one through GSA where a SDVOSB does not have to perform 51 percent of the work from the outset but instead must meet that requirement over the life of the award.

He said that the Office of Small Business Programs (OSBP) website is intended to be a single portal for small businesses interested in Army work, acquisition professionals, and small

business specialists. There is also a SDVOSB business development page that is receiving a lot of emphasis, along with links that offer SDVOSB leadership training to Army personnel. Army leaders are taking a particular interest in the Wounded Warrior Entrepreneurship program.

LTC Blanco also discussed the Army's National Veteran Conference, scheduled for the week after the 4<sup>th</sup> of July in Las Vegas, NV. Twelve agencies will once again work together to ensure the success of the conference, which last year attracted 1,300 attendees, more than 200 exhibitors, and 90 speakers.

In summarizing the Army's OSBP focus, he said that "we want to be part of the transformation. We have to continue to work together", because "the Army and the Department of Defense cannot function without our civilians and our contractors."

**Aaron Collmann**, Small Business Specialist, Office of Small Business Utilization, General Services Administration.

Mr. Collmann works in the GSA Central Office located in Washington, DC. Describing their mission, he said, "We want to make sure the public gets the best value for their buck." He said that they aim to do that by offering the best value on superior workplaces, expert solutions, acquisition services, and management policies. In his office that means their focus is on engaging in strategies that provide contracting opportunities to benefit all types of small businesses.

GSA is divided into regions across the United States, with the local regions being the Mid-Atlantic (Pennsylvania, Maryland, Delaware, Virginia, and West Virginia) and the National Capital Region ("the beltway"). Their website ([www.gsa.gov/sbu](http://www.gsa.gov/sbu)) includes both workshops and conferences that are being offered by the Regional Small Business Centers.

During FY06, GSA program achievements are reported as 32.3 percent awarded to small businesses, 5.6 percent to SDB, 5.8 percent to WOSB, 4.8 percent to HZ, and 1.4 percent to SDVOSB. The numbers are based on a total spend of \$5.4 billion.

Mr. Collmann said that one of the primary missions of GSA involves the Public Building Service (PBS), making GSA "the federal government's landlord." Including construction, architecture, and interior design, GSA works on federal courthouses, manages or leases real estate, and emphasizes their "go green initiative" with the goal that employees take it home with them.

Saying that "they do just about everything", he noted that the GSA Federal Acquisition Service (FAS) focuses on commercial products and services. The products area includes many things from surplus supplies to vehicle purchases to hardware and facility maintenance, while the services area includes financial, personal property disposal, relocation, security, travel and more.

The agency's information technology mission within FAS includes acquisition solutions for telecommunications, IT, and professional services world-wide. Noting that GSA excels at IT solutions, Mr. Collmann offered examples of how they seek to include small businesses. The

STARS contract features 8(a) firms, Alliant is in the works for small businesses, and vehicles are in place to feature HZ and VOSB (VETS contract).

VETS has two functional areas – one for systems operations and maintenance with 40 current contract holders, and one for information systems engineering with 35 contract holders. Calling the firms “the cream of the crop”, he noted that one of the goals was ease of use for contracting activities, including making sure that the user agencies get credit for awards made under the VETS contract. He also noted that in July the Office of Federal Procurement Policy issued a memo that encourages use of the VETS GWAC.

In response to a question about when a small business should get a GSA schedule, Mr. Collmann said that it is a business decision and he encourages firms to first take a close look at the process and then decide. Calling a GSA schedule, “a license to hunt”, he emphasized that it comes with no guarantee of work. To help small businesses understand this GSA has a training guide posted on their website, “Obtain a GSA Schedule Contract Training Guide”, which contains marketing tips.

For contracting personnel doing market research to locate small businesses, he noted that in GSA Advantage using keywords will bring a more detailed response, but reminded the attendees that “they’re all good firms”.

**Linda Owen**, Virginia Procurement Technical Assistance Program, George Mason University

Linda Owen, a long-time MARC member recently made the move from being a federal government retiree to working with the Virginia Procurement Technical Assistance Program (PTAP). She presented an overview of the Virginia PTAP and provided information about their recent expansion.

She noted that the DLA cooperative PTAP was established to help small businesses do business with the government, and has been in existence since the 1980s. Sixteen years ago George Mason started the Virginia PTAP. It is a state-wide program designed to assist small and mid-sized firms do business at the federal, state, and local level. The PTAP now has offices in Charlottesville, Hampton Roads, and Fairfax City, offering service to more than 75 percent of Virginia’s workforce.

The PTAP offers counseling, education seminars, bid matching service, marketing and market research, and hosts conferences. Services are often available for free, although some seminars and conferences have a small cost associated with them.

Anyone wishing to contact Linda can reach her at 757-503-3480 or [lowen3@gmu.edu](mailto:lowen3@gmu.edu). Jim Regan, the program director, can be reached at 703-277-7755.

**Julie Krnc**, Office of the Under Secretary of Defense Acquisition, Technology and Logistics, Assistant Director, DOD Office of Small Business Programs.

Stating that she was happy to be addressing “my favorite regional council,” Ms. Krnc reviewed regulatory changes that impact the small business program. She also invited attendees to use Regulations.gov to submit comments, saying that they are taken very seriously but advising that supporting information should be sent along with the comments. In addition, individuals should send in comments and should not assume that the organization or command has already done so.

She covered various topics, providing updates and status as of the meeting day:

**HUBZone Small Business Program:** Reviewing how employees are counted; comment period has closed, so she is watching court cases. Expects to see a final rule soon. The process is to publish the regulation, then the FAR case – first as interim and then as final, then implement the regulation.

**Woman Owned Small Business Program:** This regulation may be very complicated, if only certain NAICS codes are included. On October 12, the Women’s Chamber of Commerce requested another status report and wants to have a hearing as soon as the court schedule permits.

**Alaskan Native Corporations & Tribally Owned firms:** A rule was implemented allowing prime contractors to count awards to ANCs/Tribal firms toward small and small disadvantaged business subcontracting goal achievements, regardless of the size of the ANC/Tribal firm.

**Re-representation:** Despite efforts to educate the acquisition workforce and prime contractors, the government is trying to overcome the assumption that a change in the size of the awardee will result in termination of the contract. It will not; recertification of size does not change any terms and conditions of the contract.

**Socio-economic Parity:** The order of precedence is the subject of an open case that is meant to solve the issue of which small business program has priority of the others. Right now while there are some statutes that give direction, it “plainly and clearly leaves it wide open”. One possibility is for DOD to issue a letter noting last year’s socio-economic award record and then setting a FY08 order of precedence to help direct awards to areas where goal achievement is lower.

**Terry Budge**, US Small Business Administration, Office of Government Contracting, Industrial Specialist/Commercial Marketing Representative.

Reminding the attendees that “a subcontract is actually a line-item in a contract”, Mr. Budge discussed issues related to the federal subcontracting program. In the area of goals, he knows that they are sometimes dictated to prime contractors by the federal agencies. When he comes in to audit a firm, then that line item can become a problem.

He discussed what is new in the program, including the raised threshold of \$550,000 for non-construction subcontracting plans and implementation of eSRS across the federal government, except for DOD. He reviewed the federal goals and discussed the subject of “good faith effort”.

Found in 13 CFR 125.3, the regulatory rewrite provides specific examples of good faith efforts by large and small prime contractors.

In establishing a subcontracting program, prime contractors should keep in mind that the basic outcome should be to implement a program that works and set goals that can be met. Both SBA and DCMA cooperatively perform compliance reviews to determine whether a subcontracting program is successful. The prime contractor should include the SBLO in the planning stages from the outset.

Common problems found in compliance reviews include: firms don't meet goals, goals are not properly negotiated with agencies, numbers are not validated, self-certifications are not on file, there is a large turn-over of SBLOs, and sometimes there is simply no program in place. Continuing, there is often not enough outreach being performed and not enough work toward cultivating small businesses, there are mistakes in direct cost calculations, eSRS is not being properly used, and sometimes agencies pressure firms to accept unreachable goals.

Other problem areas include paperwork not being submitted for DOD contracts, annual subcontractor certifications or re-certifications not being completed, and he has heard feedback that HUBZone firms are being certified but the online profiles are not updated to reflect this. His proposed solution is to obtain from the company a copy of their HUBZone certification letter. Questions concerning continued eligibility can be referred to SBA's HUBZone program manager, Michael McHale.

Mr. Budge discussed the various SBA ratings, Outstanding (formerly excellent), High Successful (formerly good), Acceptable, Marginal, and Unsatisfactory. Firms have several awards available for running a successful program – Award of Distinction (a prime contractor with an Outstanding rating can be recommended for this award); Dwight D. Eisenhower (a prime contractor can self-nominate for demonstrating superior accomplishment in awards to small businesses); and Francis Perkins Vanguard (to honor government agencies or officials and corporations who demonstrate exemplary use of Woman Owned Businesses).

On the topic of whether prime contractors can use CCR or ORCA for the annual company certifications, he said that they cannot. The requirement remains to have written self-certification on file for every subcontractor, except for HUBZone (HZ) and Small Disadvantaged Businesses (SDB). If their CCR or Dynamic Small Business Search profile indicates HZ or SDB status, only the SBA can add that and therefore it is acceptable. In response to a question, he clarified that a HZ small business is one that has been certified by the SBA; simply being located in a HZ does not make a small business eligible to certify as a HZ small business.

Mr. Budge also discussed the recent changes to the SF294 and SF295 forms used by DOD, which have been modified to accommodate the changes to the ANC/Tribal firms subcontracting plan credit.

The meeting adjourned at 4:30 p.m. and reassembled October 18 at 8:30 a.m.

**Sergeant Jeremy W. Feldbusch**, US Army (Ret.), Business Development Manager, NEIE Medical Waste Services.

Saying, “you move forward no matter what happens”, and noting how the army changed him by putting him into leadership positions, SGT Feldbusch introduced the attendees to the Wounded Warrior Project. As the first national spokesman for the program, he talked movingly about his background, his desire to serve his country, and his wartime experience.

While serving in Iraq, SGT Feldbusch was hit by shrapnel. He lost his right eye and was blinded in his left eye. After a long, hard recovery, he was approached by the founder of the Wounded Warrior program and invited to join it. As a part of the program he visited veterans in Bethesda Hospital, and from there went on to be a national spokesperson. He does this as a volunteer, working to help other wounded veterans. For details on the program, visit [www.woundedwarriorproject.org](http://www.woundedwarriorproject.org).

W2W stands for Warriors to Work ([www.w2wwoundedwarriorproject.org](http://www.w2wwoundedwarriorproject.org)) and was launched on September 4. One segment of the effort is to make adaptive equipment available for wounded warriors to help them continue to work.

Assisting SGT Feldbusch was his cousin, Dean, who provided additional details about NEIE’s background and their current work. NEIE, a Massachusetts firm that recently expanded to add the medical waste element, makes a concerted effort to hire SDVOSBs. He said, “We have choices to make and our company choice is to move out as a Service Disabled Veteran Owned Small Business company and do the right thing.”

He cited Jack Beecher, Deputy for Small Business, US Army Engineer District, Norfolk, VA, was instrumental in pulling together the Corps of Engineers North Atlantic Small Business Conference that focused on business opportunities for Service Disabled Veteran Owned Small Businesses. According to one SDVOSB, NEIE Medical Waste Services, LLC, "Jack was one of the people who is passionate about the program, really stood behind our firm, helped explain the service-disabled component, and ultimately helped us to be a success."

In closing, attendees have been invited to participate in a card party for a wounded warrior. Chris Smith, PO Box 452, Emlenton, PA 16373, has been encouraged by the cards and letters he’s received so far. SGT Feldbusch and his family invited attendees to participate in recognizing this soldier.

**Mark Wilkoff**, Assistant General Counsel, Acquisition Integrity; Director, Navy Acquisition Integrity Office.

“My wife calls me the Fraud god”, said Mr. Wilkoff, who runs the Department of Navy fraud program, describing his work as “go out, find acquisition fraud and do something about it.” He said that when he can bring something back, it enables the Navy to do more with its mission, and saves the taxpayers money.

Saying, “I don’t believe people get up and decide to go commit fraud. Most of us are law-abiding and tell the truth. We allocate risk. Most individuals and companies do not want to commit fraud but some situations are ‘fraud-rich’.”

He presented some examples of the things he found while investigating potential instances of fraud, and provided an estimated loss to the taxpayers of \$3 billion a year due to fraud. He said that the reductions in oversight efforts have created an environment to allow fraud. Not only does his office look at the current instances of fraud, they also look to the future to determine what might happen.

His mission is partly discovery and partly deterrence. Their goal is to send out the message that the Navy is serious about fraud. He noted that they can impose penalties, including launching criminal investigations, suspending a company due to an on-going investigation, and proposing a company be debarred.

Mr. Wilkoff said, “I want the Navy to buy from responsible companies. My goal is to make and help companies be better companies.”

**Carol S. Decker**, SBA Procurement Center Representative, Area 2, Office of Government Contracting.

Ms. Decker presented information on the newest SBA government contracting personnel, recent SBA awards, program updates and GAO decisions impacting small business programs.

Ms. Decker’s presentation was distributed to the membership following the council meeting, so detailed minutes are not included herein.

Copies of the following presentations are also available upon request: LTC James A. Blanco, Mr. Aaron Collmann, Mr. Terry Budge. To request a copy of a presentation, send an email to the undersigned at [Carol.Decker@sba.gov](mailto:Carol.Decker@sba.gov). Please be specific as to which presentation you would like to receive.

The meeting adjourned at noon.

Respectfully submitted,  
Carol S. Decker, MARC Secretary