

## RESEARCH, EDUCATION, AND ECONOMICS MISSION AREA

Consisting of the  
Agricultural Research Service  
Cooperative State Research, Education, and Extension Service  
Economic Research Service, and  
National Agricultural Statistics Service

FY-2005

### PROCUREMENT OUTREACH PLAN

The fiscal year 2005 Procurement Outreach Plan for Research, Education, and Economics (REE) reflects an assessment of the status of achievements under the Procurement Preference Program and outlines strategies for achieving the goals identified therein. This Outreach Plan represents REE's best effort to extend information/services to the small business community. The Plan maximizes the exposure of our procurement information to the targeted communities to eliminate areas of under representation. Our approach succeeds in awarding prime contract dollars to Small Business (SB), 8(a) certified, Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), Historically Underutilized Business Zone (HUBZone) and Service-Disabled Veteran-Owned Small Business (SD-VOSB) concerns where highly specialized or high bonding levels are not required. The table below compares REE's accomplishments in FY 2003 to "planned" goals for that period.

#### Accomplishments FY 2003 (4<sup>th</sup> Quarter)

Preference Category	Planned	Actual
Small Business	50%	61%
8(a) Concerns	12%	15%
(Minority) Small, Disadvantaged	13%	29%
Woman-Owned	6%	8%
HUBZone	2%	9%
Service-Disabled Veteran-Owned	3%	.37%

Through FY 2004 (2<sup>nd</sup> quarter) the Agency has experienced an influx of dollars which could only be awarded to large business concerns due to the specialized experience requirement (modernization of the Ames, Iowa, facility for homeland security), high bonding levels (new laboratory at Maricopa, Arizona), and an unexpected increase in funds earmarked by Congress for particular projects. This has decreased the number of awards we were able to make. This trend is expected to continue.

The mission area performs activities to extend information and services to the small business community. REE works with 8(a) concerns (Native-American and Minority) to prepare them for possible contract awards. Presentations of vendor capabilities are hosted for Contracting Officers (CO), engineers, and program officials. REE participates in SBA match making events, trade shows, outreach programs (Federal, State, community, and other established outreach programs) to market REE requirements to the small business community. These include information exchange, counseling, and educational assistance including relevant web sites, agency mission, activities, services, and purchases.

New sources are included on the source list. Highly recommended contractors are shared across procurement offices. Capability statements are disseminated to procurement, program officials, and purchase cardholders. Expertise relevant to program objectives is referred to program officials. REE personnel work with the Small Business Administration (SBA) to identify potential contractors. Local 8(a) contractors are identified to individual purchasing offices from SBA's 2004 Contractors' Portfolio Book.

Preference goals are emphasized at procurement conferences and when refresher purchase card training is conducted. On-site presentations of SBA and Javits-Wagner-O'Day (JWOD) program capabilities are provided to the acquisition workforce and administrative personnel. Possible future contracts for SBA and JWOD programs are also identified by procurement personnel.

## **CUSTOMER BASE**

The agency supports firms who are SB, 8(a), SDB, WOSB, HUBZone, and SD-VOSB through the dissemination of procurement information which provides opportunities to participate in contract awards for goods and services. Services include Architect-Engineering (A-E), construction (modernization, repair and maintenance, including demolition), facilities management, and information technology (replacement hardware, licenses, and maintenance), pest control, economic studies, and trash removal. Products include laboratory goods (equipment, supplies and chemicals), agricultural supplies, hay, animal feed grain, books, periodicals, farm vehicles, and equipment. Goods and services will be acquired through Simplified Acquisition Procedures, sealed bidding, negotiated procurements, and Federal Supply Schedule orders.

The customer base includes major research centers for human nutrition, aging, agricultural utilization, regional research, southern crops, genetic resources preservation, water management, and individual laboratories engaged in research on natural resources and systems, product value, safety, sustainable systems, and crop protection. Functional areas include farm operations, engineering and planning, operation and maintenance, utilities, energy conservation, and safety and health.

## **UNDER REPRESENTED GROUPS AND WHY UNDER REPRESENTATION EXISTS**

Under represented groups include SB, SDB, WOSB, HUBZone, and SD-VOSB concerns. Under representation derives from many of the causes identified below:

- (a) In construction projects above the \$10 million level, few contracts have been won by SB concerns. Bonding capacity at this higher dollar level is not available to SB concerns. Specialized experience is also a critical factor as many SB firms have not yet acquired the full capabilities, production or required experience. This has been borne out through market research, responses to “sources sought” announcements and direct appeals to contractors. Additionally, laboratories are built in remote areas of the country and capable SB concerns are not located in close proximity to these sites.
- (b) Many of ARS’ construction requirements are bound by external rules which complicate the situation. The SB Competitiveness Demonstration Program mandates that full and open competition must be used in competing all A-E and construction acquisitions except for certain codes in the North American Industry Classification System (NAICS). These codes are reserved for SB set-asides or directed to 8(a), HUBZone, or SD-VOSB concerns who are capable of performing the requirement. Many of ARS’ needs do not coincide with the structure of this program. As stated above, the project may extend beyond the capacity of SB contractors (experience or bonding), or we find that SB sources lack interest due to the remoteness of the location.

Eligible SB firms may not be able to participate to a significant degree due to the level of bonding or specialized experience requirements. This is a concern for SB, 8(a), and HUBZone concerns. The SB concerns must bid against large businesses to win a construction contract and many cannot participate above certain dollar levels. The success of these firms in winning contracts is severely restricted by the requirements of the Program.

- (c) In other industries, full representation is limited by the number of SB bidders in operations and maintenance) and their nonexistence in others (economic research). For instance, there are few SDB and WOSB concerns identified in the Central Contractor Registration (CCR) database for services related to facilities operations or economic studies. “Sources sought” notices and surveys of trade associations have not identified WOSB concerns in significant number for economic studies.
- (d) Use of joint ventures, teaming arrangements, and other business relationships have been recommended to increase participation; however, the rules are such that it will be of limited value. Joint ventures are limited to a combination of small businesses whose joint revenues do not exceed the applicable size standards. The SB concern must provide management and the project manager. For HUBZone concerns, joint ventures can only be made with other HUBZone concerns. Limitations on subcontracting also apply to services (50 percent) and construction (25 percent). Mentor-protégé relationships are subject to SBA approval and oversight.

- (e) Finally, SD-VOSB is a new preference category arising from the Veteran Entrepreneurship and Small Business Development Act of 1999 who have been granted set-aside and sole source authority under Public Law 108-183. Thus far, few firms have been identified in the PRO-Net database of the SBA so we have not been able to make full use of this authority. SD-VOSB's have been added to <http://www.vetbiz.gov>, so we will begin using this resource tool to identify potential sources, although its utility is limited since NAICS codes have not been identified.

## **STRATEGIES FOR ACHIEVING GOAL**

- (a) Where possible, increase the use of set-asides for SB, 8(a) HUBZone, and SD-VOSB concerns to the maximum extent possible consistent with the SB Competitiveness Demonstration Program and availability of specialized capabilities. Identify opportunities and ensure that set-asides are established whenever appropriate.
- (b) Increase the number of SB, SDB, WOSB, and HUBZone firms being included on the bidders/source lists. Maximize the dissemination on REE's requirements to SB, WOSB, SDB, HUBZone, and SD-VOSB concerns.
- (c) Develop target-sensitive strategies and approaches to particular commodities and services to maximize participation by the under represented groups. Identify projects which are suitable for 8(a), SD-VOSB and HUBZone concerns. These unfunded projects could be awarded in the fourth quarter if funds become available.
- (d) Encourage joint ventures, teaming arrangements, and other business relationships between Large Business contractors and firms in the preference categories, consistent with SBA regulations, to improve their chances of winning contract awards.
- (e) Share successful strategies across REE's procurement offices. Network with other contracting professionals, share strategies between Areas and offices, and CO's from other agencies and trade associations.
- (f) Continue to provide referrals to contractors and capability statements to contracting offices to maximize source lists. Continue to remove obstacles that limit achievement of these goals.
- (g) Establish relationships and network with trade associations on an ongoing basis to identify potential contractors. Expand outreach to the targeted customer base. Use the network to disseminate procurement information to the under represented categories. Promote partnerships among the targeted firms, and encourage mentor-protégé relationships between successful contractors and firms in the customer base.

- (h) Represent the REE mission area at SB conferences, trade shows, and matchmaking events that target the under-represented customer base and provide information on business opportunities within the Mission Area, including the availability of the Procurement Forecast, FedBizOpps, and individual purchasing offices. Provide referrals for specialized service and commodities.