

WRITTEN TESTIMONY FOR
THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT,
ORGANIZATION AND PROCUREMENT

**Military Base Realignment:
Contracting Opportunities for Impacted Communities**

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2154 Rayburn House Office Building

John Watkins, Jr.
President
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Mr. Chairman, Committee Members:

Good morning. Thank you for the honor of appearing before you today. My name is John Watkins, Jr., and I am President of Ingenium Corporation, an Upper Marlboro, Maryland-based minority-owned information technology solutions provider. Ingenium Corporation, founded in 1992 by Andre L. Lynch, a long-time African American resident of the State of Maryland, is an ISO 9001:2000 certified leader in providing information technology consulting and strategic support services to the Department of Defense (DoD) as well as Federal, State and Local governments.

As a retired Brigadier General in the United States Army, retired Fortune 50 executive, and current executive leader of a Department of Defense contractor in the State of Maryland, I am pleased to present my views on extending Base Realignment and Closure (BRAC) opportunities to local, small, and minority-owned businesses.

According to the 2007 ***Small Business Administration Profile: MARYLAND***¹, “Maryland had an estimated total of 536,200 small businesses. Employer firms totaled 141,700 in 2006, up 1.6 percent from the previous year. Of this total, an estimated 97.7 percent, or 138,500 were small.” In terms of minority-owned firms in Maryland, as published in the ***2002 Survey of Business Owners***², “Asian-owned firms total 26,300 of which 7,700 of them were employer firms; Black-owned firms numbered 69,400 of which 4,400 were employer firms; Hispanic-owned firms total 15,400 of which 2,100 were employer firms. American Indian and Alaska Native-owned firms numbered 3,600 of which 400 of them were employer firms; Native Hawaiian and other Pacific Islander-owned businesses numbered 80 of which 40 were employer firms.”

These numbers for the State of Maryland indicate that there are a significant number of small and minority-owned firms that would certainly benefit from the required expansion of small business contracting opportunities to support the Department of Defense in implementing BRAC 2005 initiatives.

I have had extensive experience in implementing BRAC initiatives through my participation in the late 1980s in creating a large portion of the DoD technology-landscape based on the BRAC 1988 Commission. I appreciate the enormity of the tasks facing not only the State of Maryland,

¹ Small Business Profile: MARYLAND, US, Small Business Administration, issued 2007.

² U.S. Department of Commerce, Census Bureau, *2002 Survey of Business Owners*, published August 26, 2006. The SBO is conducted every five years for years ending in “2” and “7”.

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but all of the states, along with DoD in implementing BRAC 2005, which “exceeded the number (of recommendations) considered by all prior BRAC Commissions combined.”³

With Congressional mandates and support, opportunities will abound for contractors in Maryland where the BRAC 2005 results have been described as representing “the largest single employment growth activity in Maryland since World War II.”⁴ Major gains in Maryland include:

- Fort Meade, where three major agencies/activities (the Defense Information Systems Agency (DISA), the Adjudication and Office of Hearing and Appeals offices, and DoD Media) will be relocated.
- Aberdeen Proving Ground (APG), which will gain, among others, elements of the U.S. Army Research Laboratory, the U.S. Army Communications-Electronics Command, Headquarters, U.S. Army Test and Evaluation Command and Army Evaluation Center.
- The National Naval Medical Center (NNMC), which will grow through the closure and consolidation of the Water Reed Army Medical Center into the new Walter Reed National Military Medical Center.

To ensure that local, small and minority-owned businesses are afforded the ability to fully engage in the contracting opportunities that will emerge in the State, it is essential that both Maryland and DoD work collectively on procurements. Specifically, DoD procurement officials should be required to work with Maryland officials to establish mandatory local procurement objectives. Those objectives could be met, in part, by ensuring that large omnibus federal contracts, already in place, are expanded to increase the number of small and minority-owned businesses that operate as prime contractors.

For example, in the information technology arena, it is anticipated that much of the procurement activity for BRAC-related contracts will be competed through already existing large omnibus contracts. One such contract is known as the Information Technology Enterprise Solutions – 2 Services (ITES-2S). ITES-2S is an indefinite-delivery/indefinite quantity (IDIQ) contract vehicle with a maximum value of \$20 billion. The contract was awarded to 16 contractors – only three of which are small businesses. Of those three small businesses, two are headquartered in Virginia with offices in Maryland; the third is headquartered in Maryland. Since this contract can be used by the U.S. Army, DoD and other Federal agencies to procure a broad array of information technology services and support, it is a prime example of the type of contract that needs to be extended by increasing the number of small and minority-owned

³ Defense Base Realignment and Closure Commission, *Final Report to the President*, September 8, 2005, Executive Summary, p. 1.

⁴ Maryland Department of Business and Economic Development, *2005 BRAC State of Maryland Impact Analysis 2006-2020 Executive Summary*, 2007.

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businesses that will operate as prime contractors so that they have the opportunity to compete directly when the opportunities arise.

While contract vehicles such as ITES-2S are not managed by the State of Maryland, without direct participation on those contracts, Maryland small and minority-owned businesses will be severely limited in their ability to compete for BRAC work. DOD should be instructed to identify how it can work with the State of Maryland and its small and disadvantaged businesses to create new contract vehicles and open existing, multi-year contracts to local, small and minority-owned businesses. Recent history has taught us that this will not happen unless there is a mandatory, cooperative, effective and efficient organization at both the state and DoD levels.

Based on my many years in DoD and involvement with BRAC, it is essential that DoD reach out to large, medium and small businesses to ensure that all understand that Congress desires and, in fact, demands, that QUALIFIED small, medium and minority-owned businesses in the State be given the opportunity to compete for BRAC-related contract opportunities. This can be accomplished by having the State act as a conduit between DoD and the Maryland business community to ensure equitable communication of BRAC opportunities.

As a long-time corporate citizen of Maryland, we have already started this process ourselves by reaching out to companies in Maryland and advising them of the potential for significant new business opportunities. Such dialogues need to continue, with the business community, State and DoD representation, in order to create an environment where all businesses are prepared to compete by being given equal opportunities.

One specific example is that in implementing BRAC, some agencies may lose from 30-50% of their existing employees – a loss which can be attributed to either retirements or personnel refusing to relocate such as in the case of DISA where the employees will be relocated from Virginia to Maryland. Granted, although the distance is minimal, it is inevitable based on past experience that some employees simply will choose not to relocate.

In this case, as well as in other instances of relocation due to BRAC 2005, I see the opportunity for the State and DoD to work together to implement creative solutions such as Telework, a more robust and enhanced version of telecommuting, to minimize the immediate impact of personnel losses. This short-term solution could be implemented prior to the actual relocation and continued until the agency or activity has moved to the new location. At that time, the agency/activity would decide the best course of action with regard to the need for replacement personnel at the new facility. Teleworking would give the agency the ability to either retain the employee or to control the employee's departure until the work is transitioned to new personnel with minimal disruption. The greatest benefit to such a solution is the retention of

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intellectual capital with minimal agency disruption—all of which can be accomplished by working with small businesses.

Creative solutions such as Telework could be implemented on the local level through State funding. For a more long term solution, a Congressional appropriation would offer all States the means to implement the solution for BRAC 2005 as well as for future BRAC Commissions.

I have fond memories of dealing with Congress and the late Senator Strom Thurmond (R-S.C.) during BRAC closures and installation movements in South Carolina. Working collectively with the late Senator and his staff, we ensured jobs were available for those affected by the closures. During that time, a telework solution would have been ideal to ensure the smooth transition of work from one location to another.

Again, I am pleased to have the opportunity to present my views to this subcommittee on extending Base Realignment and Closure (BRAC) opportunities to local, small, and minority-owned businesses. With BRAC 2005 implementation, the State of Maryland has a tremendous opportunity for economic growth. Local, small and minority-owned businesses based in Maryland can share in that growth if DoD works with the State to establish local procurement objectives through expanded access to large omnibus contract vehicles and to ensure equitable communication of and participation in BRAC-related procurements.

Thank you.