



CALL TO DUTY
BOOTS ON THE GROUND

Tennessee Valley Federal Small Business Programs Conference and Exhibition

30 June 2009

**MS. TRACEY PINSON
DIRECTOR, OFFICE OF SMALL BUSINESS PROGRAMS
OFFICE OF THE SECRETARY OF THE ARMY**





CALL TO DUTY
BOOTS ON THE GROUND

VISION

To Be The Premier Advocacy Organization
Committed To Maximizing Small Business
Opportunities In Support Of The Warfighter
And The Transformation Of The Army.





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MISSION

- Advise the Secretary of the Army and the Army Leadership on Small Business Related Matters
- Spearhead Innovative Initiatives that Contribute to Expanding the Small Business Industrial Base Relevant to the Army Mission and Priorities
- Leverage the Use of Minority Serving Educational Institutions in Support of Army Science and Technology Programs





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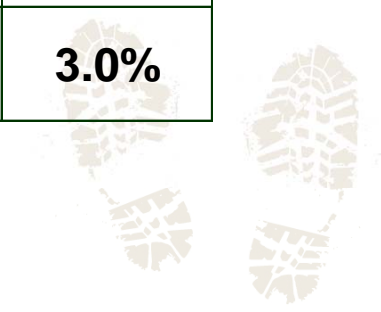
ARMY PRIME CONTRACT AWARDS FY 08

	Total Dollars	Achieved	Army Target	Nat'l Goal
US Business	\$134,685			
Small Business	\$28,360	21.1%	24.0%	23.0%
Small Disadvantaged Business	\$ 9,621	7.1%	8.0%	5.0%
Women-Owned SB	\$ 4,142	3.1%	3.5%	5.0%
HUBZone Small Business	\$ 4,331	3.2%	3.0%	3.0%
Veteran-Owned SB	\$ 3,509	2.6%		
Service Disabled Veteran-Owned SB	\$ 1,775	1.3%	1.2%	3.0%



FPDS-NG Data as of 5/27/09

Dollars shown in millions

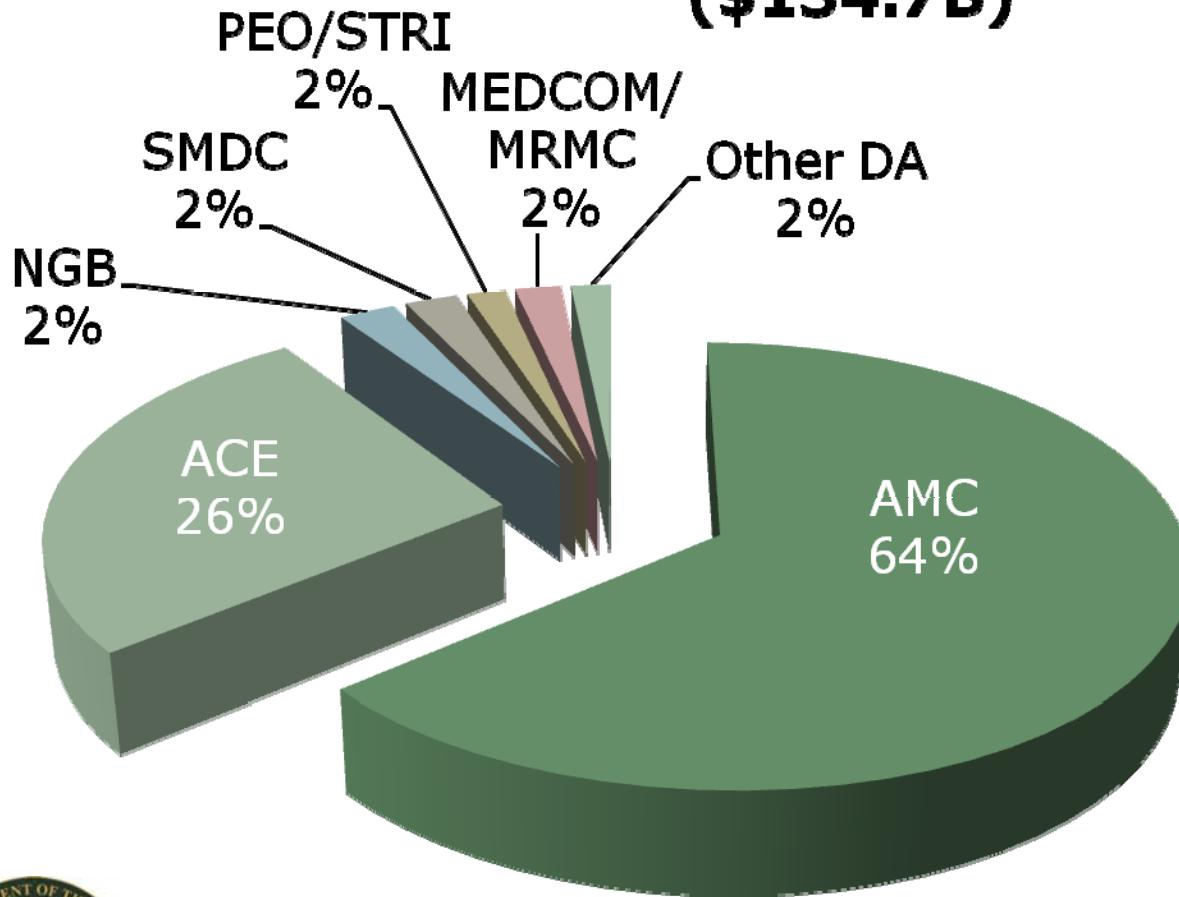




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ARMY US BUSINESS PRIME CONTRACT AWARDS – FY 08

Total Awards (\$134.7B)



- AMC (\$86.1B)
- ACE (\$35.8B)
- NGB (\$3.1B)
- SMDC (\$2.9B)
- PEO/STRI (\$2.1B)
- MEDCOM/MRMC (\$2.53B)
- Other DA (\$2.16B)



FPDS-NG data as of 05/08/09

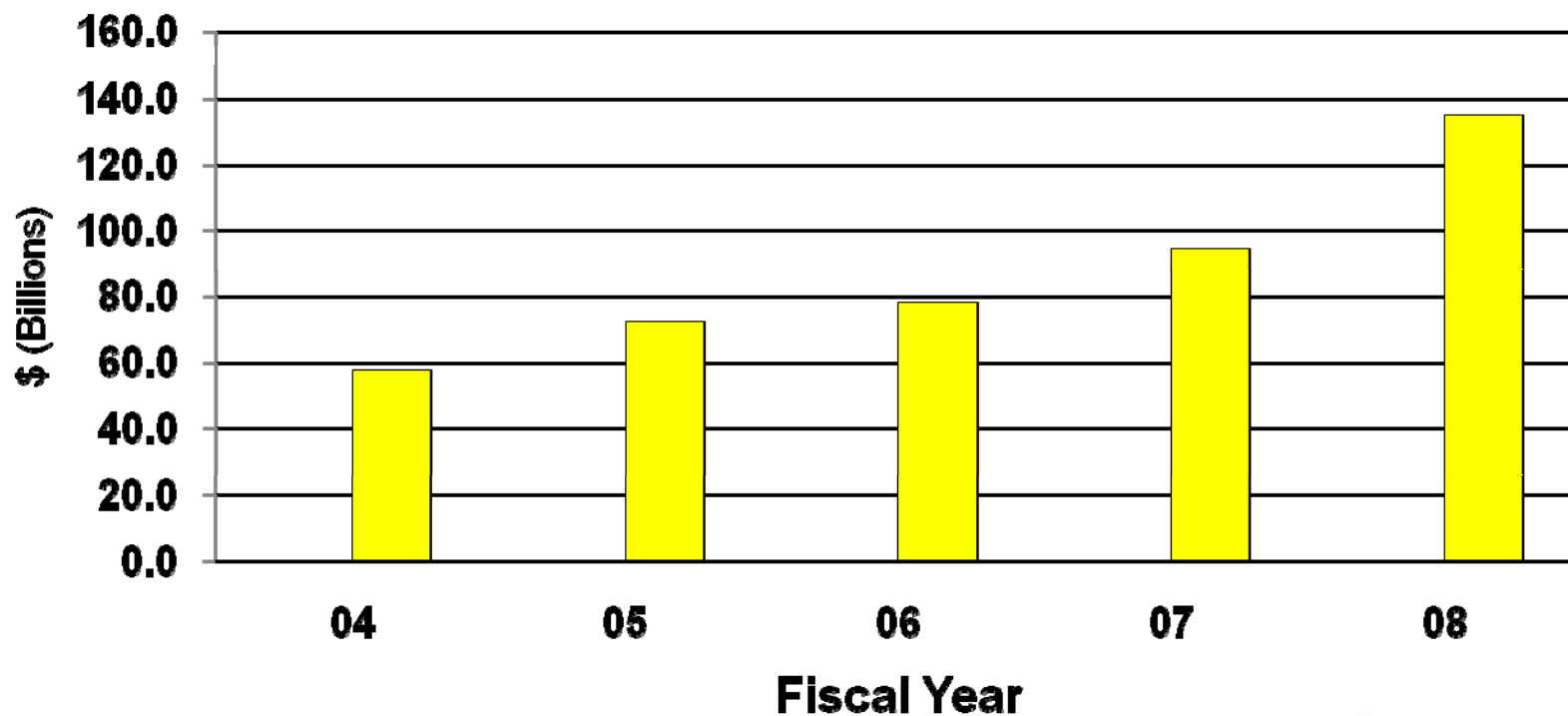




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ARMY SPENDING HISTORY

Total Army Dollars FY04 - FY08 (in billions)



FY 04	FY 05	FY 06	FY 07	FY 08
\$57.4B	\$72.1B	\$77.9B	\$94.4B	\$134.7B

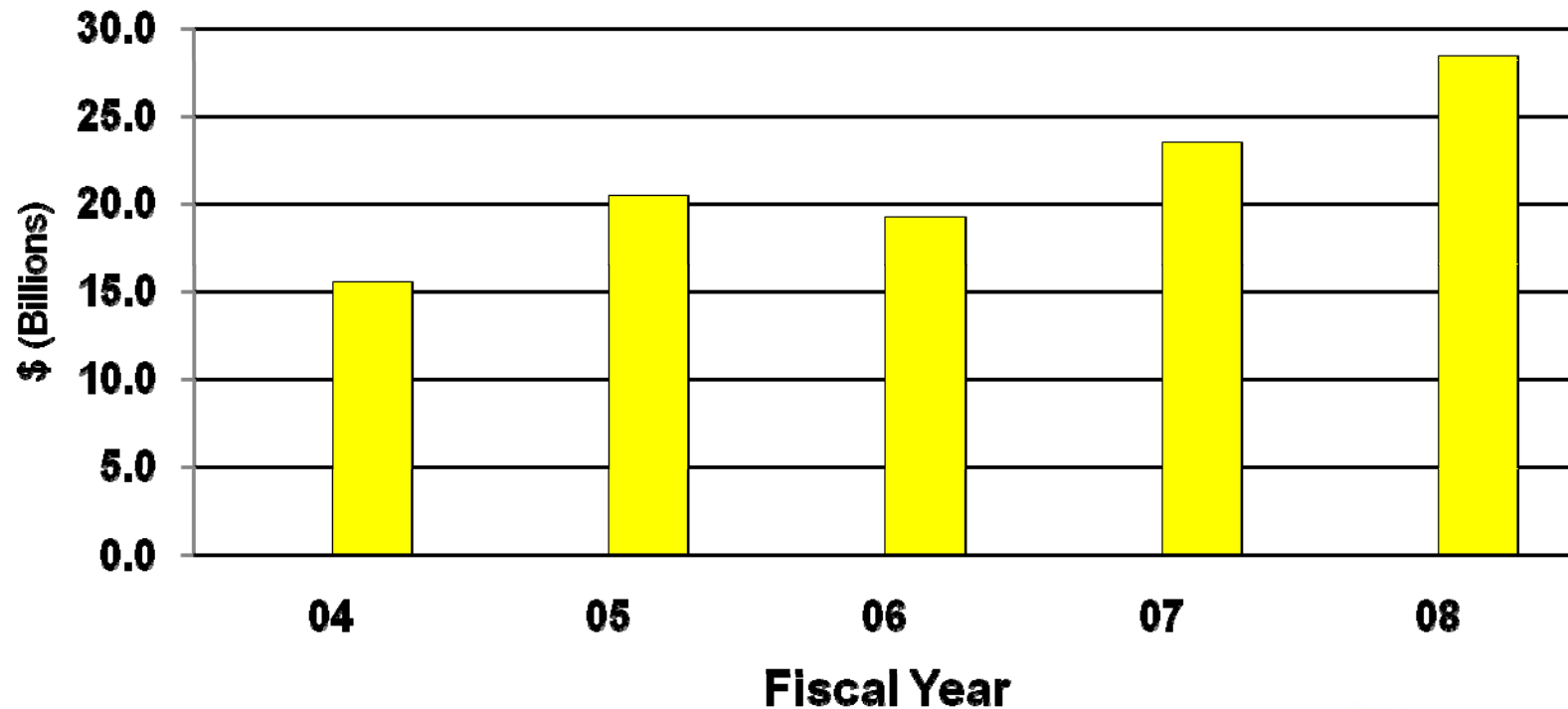




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ARMY SMALL BUSINESS PROGRAM HISTORY

Small Business Dollars FY04 - FY08 (in billions)



FY 04	FY 05	FY 06	FY 07	FY 08
\$15.5B	\$20.4B	\$19.2B	\$23.5B	\$28.4B

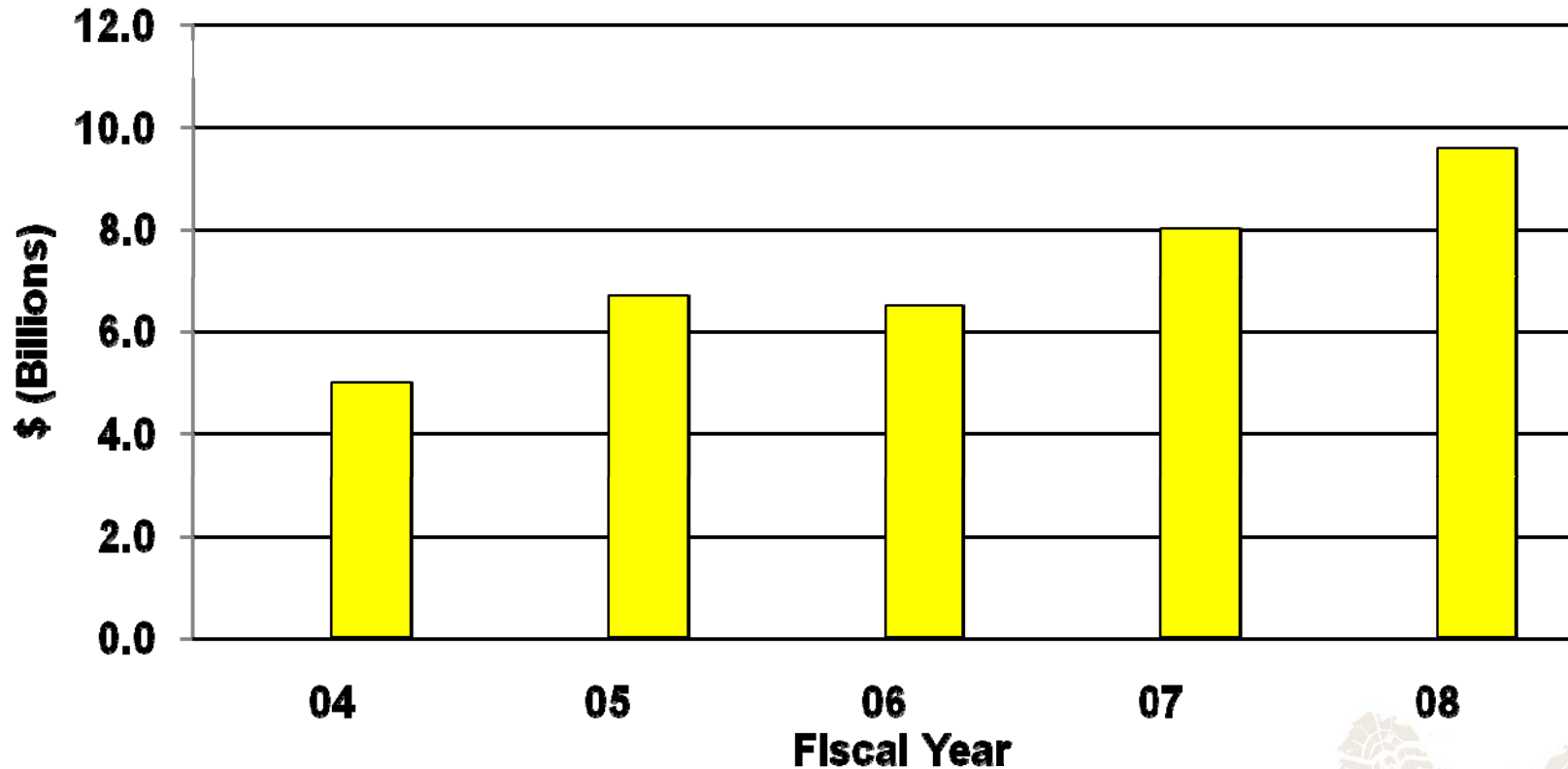




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ARMY SMALL DISADVANTAGED BUSINESS PROGRAM HISTORY

Small Disadvantaged Dollars FY04 – FY08 (in billions)



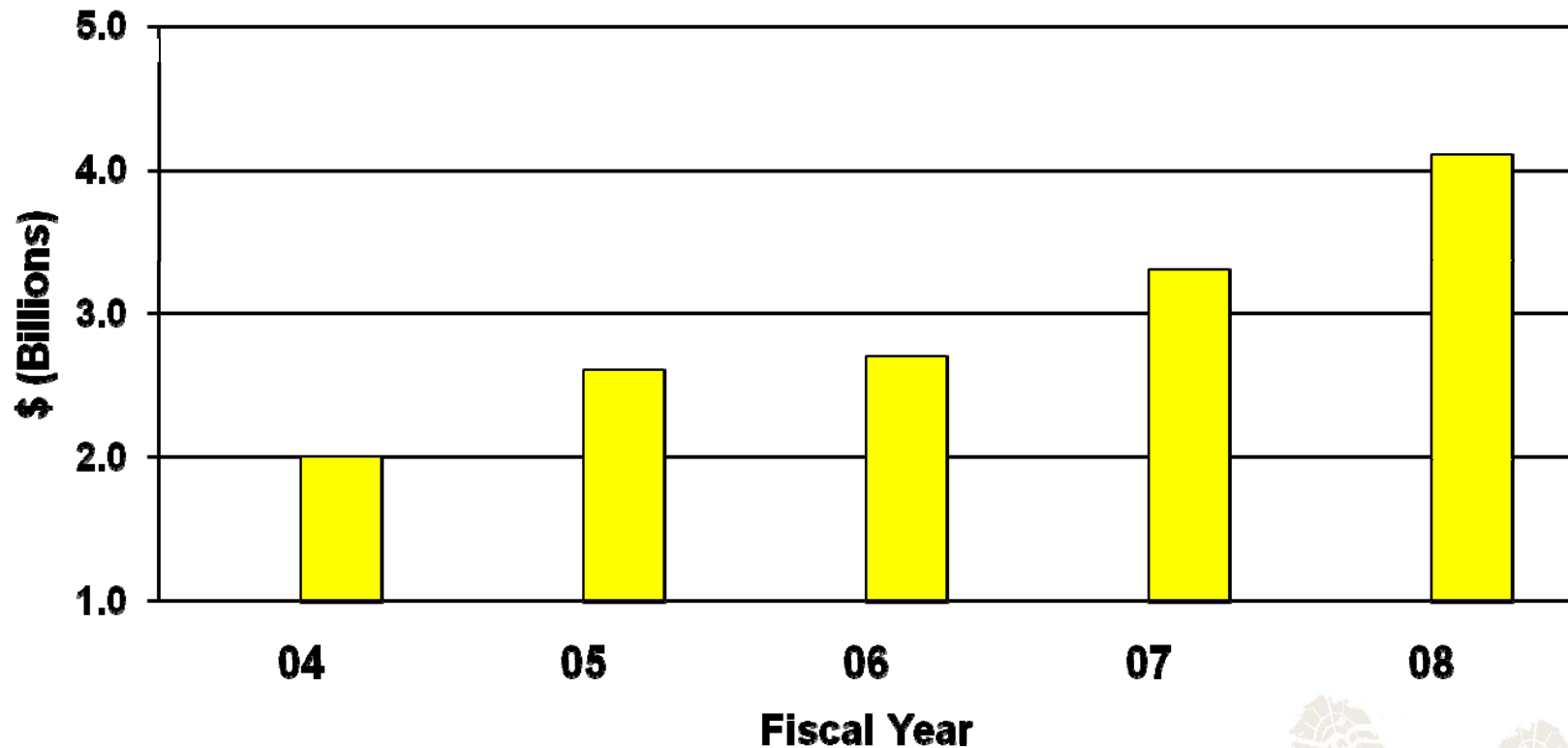
FY 04	FY 05	FY 06	FY 07	FY 08
\$5.0B	\$6.7B	\$6.5B	\$8.0B	\$9.6B



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ARMY WOMEN-OWNED SMALL BUSINESS PROGRAM HISTORY

Woman-Owned Dollars FY04 – FY08 (in billions)



FY 04	FY 05	FY 06	FY 07	FY 08
\$2.0B	\$2.6B	\$2.7B	\$3.3B	\$4.1B

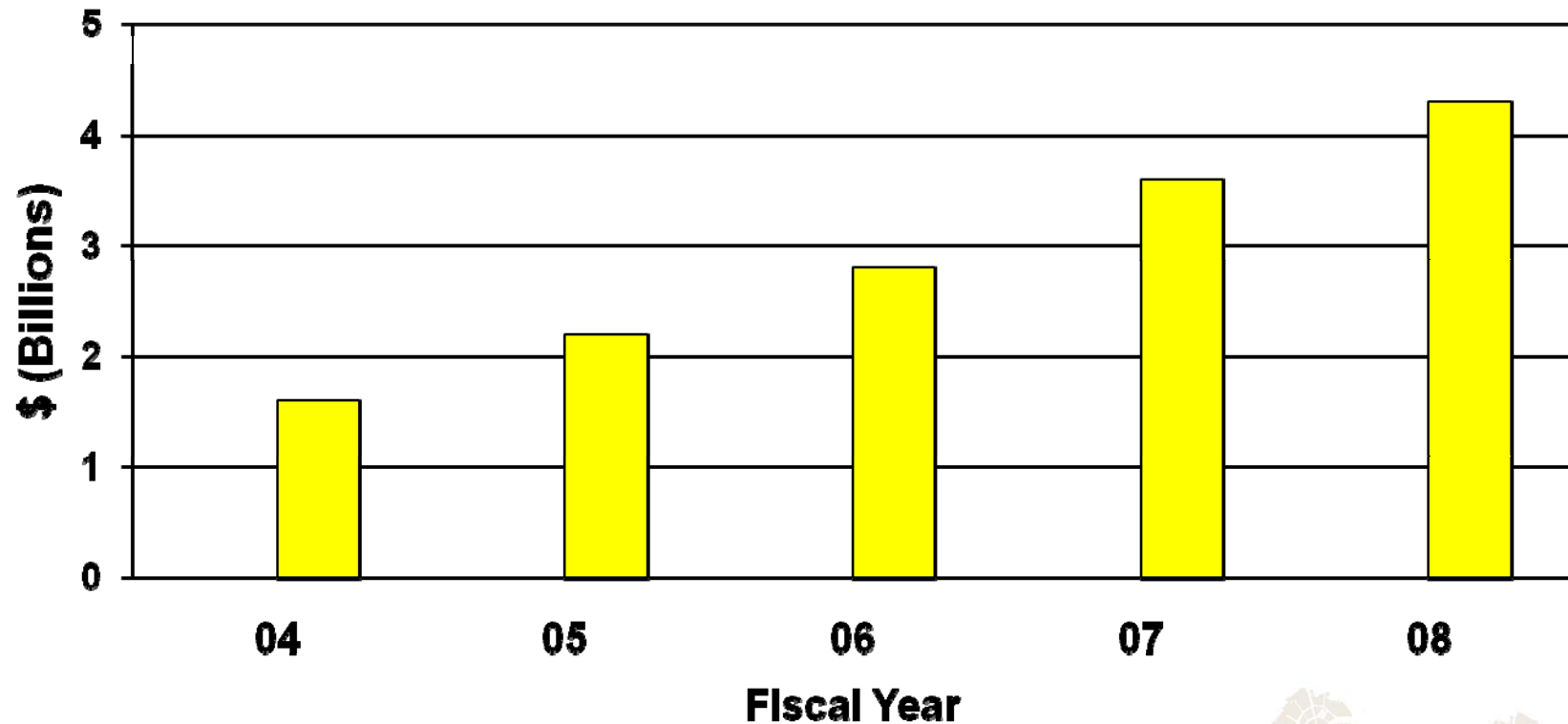




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ARMY HUBZONE SMALL BUSINESS PROGRAM HISTORY

HUBZone Dollars FY04 – FY08 (in billions)



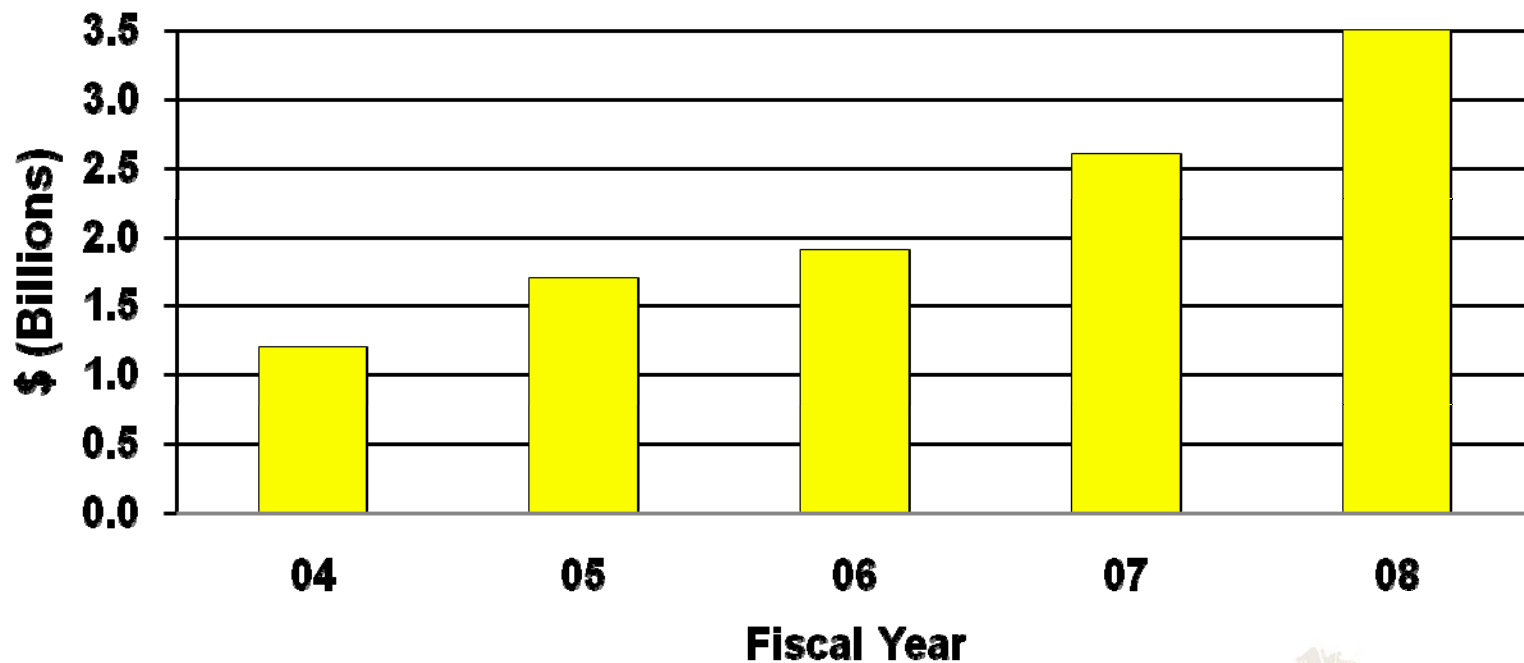
FY 04	FY 05	FY 06	FY 07	FY 08
\$1.6B	\$2.2B	\$2.8B	\$3.6B	\$4.3B



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ARMY VETERAN-OWNED SMALL BUSINESS PROGRAM HISTORY

VOSB Dollars FY04 – FY08 (in billions)



FY 04	FY 05	FY 06	FY 07	FY 08
\$1.2B	\$1.7B	\$1.9B	\$2.6B	\$3.5B

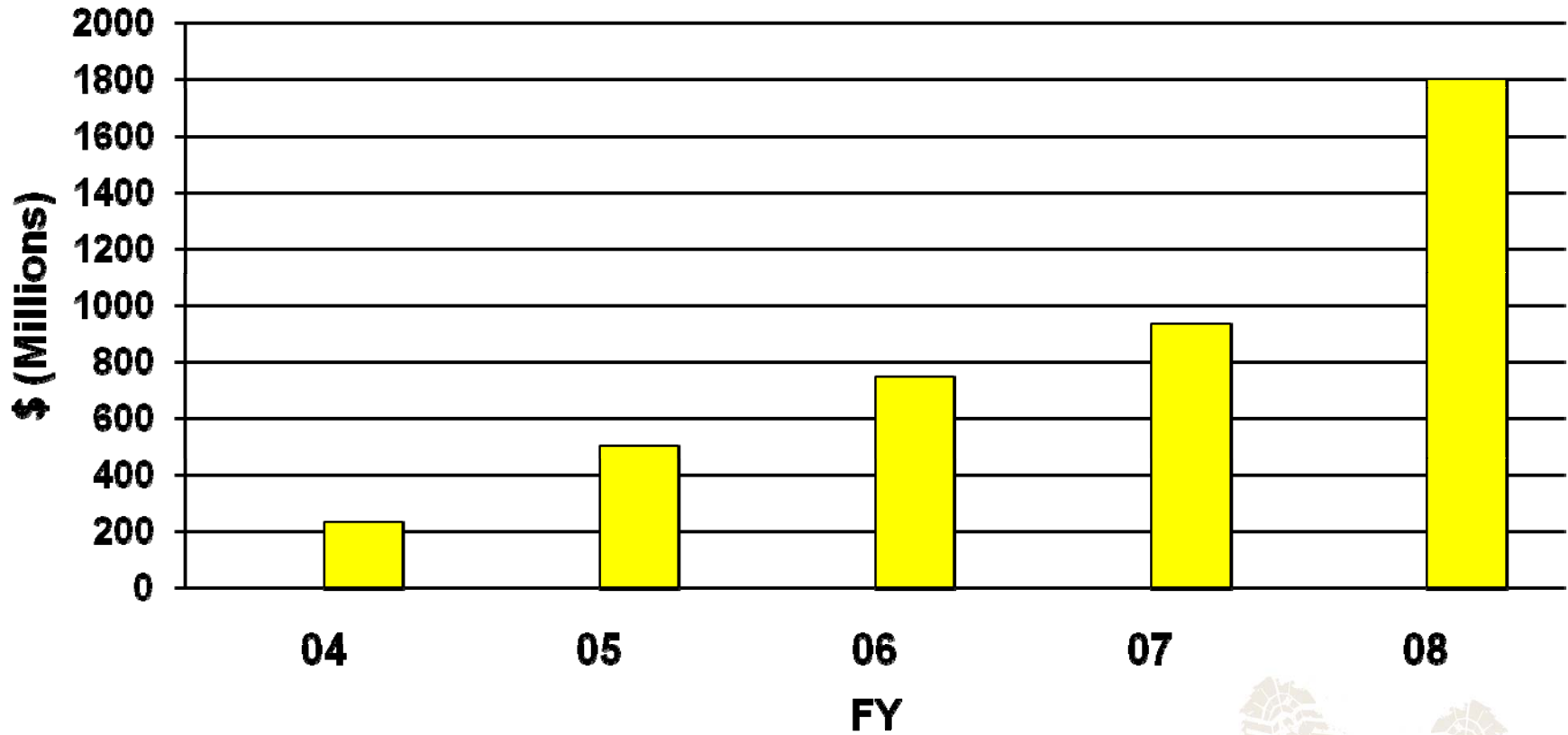




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ARMY SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS PROGRAM HISTORY

SDVOSB Dollars FY04 – FY08 (in millions)



FY 04	FY 05	FY 06	FY 07	FY 08
\$233M	\$501M	\$747M	\$933M	\$1.8B





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Mentor-Protégé Program Status

Number of active agreements

- 25 agreements are in place
- 15 Mentors (10 large, 2 graduated 8a, 3 small firms)
- 25 Protégés

➤ For Army, 1 round of proposals in Fiscal Year 2009 --
Proposal due date: **15 JUN 09**

Protégé Statistics*

- 15 Small Disadvantaged Businesses
- 13 8(a) firms
- 10 Woman-Owned Small Businesses
- 5 Service Disabled Veteran-Owned Small Business
- 5 HUB Zone Small Businesses
- 7 firms owned by Indian Tribes

*Various protégés qualify under more than one category





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GAO Decisions

Delex Systems, Inc. *GAO B-400403*

➔ Background...

- The Naval Air Systems Command (NAVAIR) awarded its training systems IDIQ contract (TSC) II to a total of eight firms, four small businesses and four large businesses
- The contracts contained a provision that reserved NAVAIR's right to restrict competition of individual delivery orders to small business
- On June 11, 2008 the CO amended each TSC II contract to incorporate FAR 52.219.23, "Post-Award Small Business Program Representation"
- Only two of the 8 contract holders re-certified as small businesses.





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GAO Decisions

Delex Systems, Inc. *GAO B-400403*

➔ Background con't...

- The CO subsequently amended a task order proposal request from restricted [to small business] to unrestricted, concluding she could not meet the Rule of Two
- Delex, one of the remaining TSC II small business contract holders, protested NAVAIR's decision





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GAO Decisions

Delex Systems, Inc.

GAO B-400403

➔ Background con't...

- The complaint was that NAVAIR erred in its conclusions and that it should have restricted competition to small business
- The Navy contends that FAR 19.502-2(b), the "Rule of Two" does not apply to the issuance of task orders under ID/IQ contracts





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GAO Decisions

Delex Systems, Inc.

GAO B-400403

➔ GAO Decision:

- GAO noted that the case intertwines three statutes:
 - The Small Business Act;
 - The Competition in Contracting Act (CICA); and
 - The Federal Acquisition Streamlining Act (FASA)





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GAO Decisions

Delex Systems, Inc. *GAO B-400403*

➔ GAO Decision con't...

- CICA and FASA, which were enacted subsequent to the Small Business Act, were expressly written to *harmonize* with existing statutes i.e., the Small Business Act
- Nothing in CICA or FASA explicitly exempts them from the requirements of the Rule of Two
- Though FAR Part 16 states “the competition requirements in FAR Part 6 and the policies in Subpart 15.3 do not apply to the ordering process
- GAO’s interpretation is that those peculiar requirements do not apply to task/delivery orders





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GAO Decisions

Delex Systems, Inc.
GAO B-400403

➔ GAO Decision con't...

- The GAO concluded that the Rule of Two, applies because, for purposes of this analysis, individual orders are properly viewed as “acquisitions”.





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GAO Decisions

Delex Systems, Inc.

GAO B-400403

➔ Status:

- Awaiting DoD Office of Legal Council decision to concur/non concur with the GAO's opinion(s)

- *Note: GSA states that GAO's ruling does not apply to orders issued under Federal Supply Schedules*





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GAO Decisions

International Program Group, Inc. (IPG) *GAO B-400278; B-400308*

➔ Background...

- On May 21, 2008, the contracting agency for Camp Pendleton received a requisition for additional training, valued at \$159,780
- Due to the short time constraints the CO considered an SDVOSB set-aside
- After market research the CO determined only one SDVOSB was interested in competing for the contract. He therefore issued a sole-source award to that SDVOSB
- IPG, a HUBZone small business, was an incumbent contractor providing support services to Camp Pendleton. IPG filed a protest





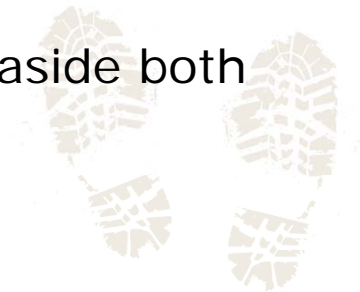
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GAO Decisions

International Program Group, Inc. (IPG) *GAO B-400278; B-400308*

➔ Background...

- A second requisition for training (\$250,000) was received by the same contracting agency
- After considering an 8(a), HUBZone, and SDVOSB set-asides, the CO chose an SDVOSB set-aside, since her agency's parent activity had made the least progress in obtaining its SDVOSB goal
- IPG filed a second protest against this decision
- IPG argued that the agency was required to set aside both procurements for HUBZones





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GAO Decisions

International Program Group, Inc. (IPG)
GAO B-400278; B-400308

⇒ GAO's Decision:

-GAO sustained IPG's protest





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GAO Decisions

International Program Group, Inc. (IPG) *GAO B-400278; B-400308*

➔ Rationale:

- Section 31 (2) (B) of the Small Business Act (HUBZone) states that "a contract opportunity shall be awarded pursuant to this section on the basis of competition restricted to qualified HUBZone small business concerns if the contracting officer has a reasonable expectation that not less than 2 qualified HUBZone small business concerns will submit offers and that the award can be made at a fair market price..."
- Section 36(b) of the Small Business Act (SDVOSB) states that "...a contracting officer may award contracts on the basis of competition restricted to small business concerns owned and controlled by service-disabled veterans if the contracting officer has a reasonable expectation that not less than two small business concerns owned and controlled by service-disabled veterans will submit offers and that the award can be made at a fair market price"
- The use of the term "shall" at § 31 (2) (B) of the Small Business Act commands in unequivocal terms that a contract opportunity be designated as a HUBZone set-aside; whereas the "may" used at § 36(b) of the Small Business Act's is a discretionary term





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GAO Decisions

International Program Group, Inc. (IPG)
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➔ Status:

- FAR Case 2006-034 (Socio-economic parity) has been put on hold indefinitely





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GAO Decisions

Mission Critical Solutions (MCS)

GAO B-401057

➔ Background:

- On January 13, 2009 the Army awards a sole-source 8(a) contract to an ANC firm
- For an amount in excess of \$3.5M
- On January 22, 2009 the acquisition was protested





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GAO Decisions

Mission Critical Solutions (MCS) *GAO B-401057*

➔ Background:

- Protester MSC is both an 8(a) and a qualified HUBZone firm.
- And, the incumbent contractor
- Charges that in accordance with the HUBZone statute, a HUBZone set-aside must be considered before 8(a) sole-source award





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GAO Decisions

Mission Critical Solutions (MCS) *GAO B-401057*

➔ Status:

- GAO SUSTAINED the protest referencing the IPG case
- HUBZone program “shall” vs.
- Section 8(a) “discretion” of the [contracting] officer to let such a contract





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GAO Decisions

Mission Critical Solutions (MCS) *GAO B-401057*

➔ Status:

- SBA and ARMY requested reconsideration





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ACQUISITION OF INFORMATION TECHNOLOGY HARDWARE, SOFTWARE, SERVICES

- Memorandum dated 04 May 2009
- Reminds Army leaders of existing requirement to use CHES for purchases of commercial off-the-shelf (COTS) software, desktops, notebook computers, video teleconferencing equipment and other commercial IT equipment
- When procuring IT services consideration must be given to setting aside requirements in accordance with FAR Part 19
- Use of the GSA SDVOSB GWAC is encouraged, but must be conducted in accordance with Army policy
- Signed by CIO/G-6 and the Acting Army Acquisition Executive





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TIPS FOR SUCCESS

- Stay focused in area of core competencies – don't try to be everything to everyone
- Deliver quality product and service on schedule - no matter what the cost
- Establish relationships with SB offices
- Develop a good strategic plan
 - Create it
 - Use it
 - Modify it
- Effective use of resources: teaming, mentors, consultants





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TIPS FOR SUCCESS (CONT.)

- Leverage every contract to facilitate growth “land and expand”
- Effective proposal management
 - Develop sound policies and procedures
- Leadership training self and others
- Strong financial management
 - “Not just the comptrollers job”
 - Understand financial concepts for non-financial managers
- Hire good people





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WEBSITES

- Army Office of Small Business Programs
<http://www.sellingtoarmy.info>
- DOD Office of Small Business Programs
- <http://www.acq.osd.mil/sadbu>
- Centralized Contractor Registration (CCR)
<http://www.ccr.gov>
- Federal Business Opportunities (Fed Biz Opps)
<http://www.fedbizopps.gov>
- Small Business Administration (SBA)
<http://www.sba.gov>





U.S. ARMY

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Questions

*At the
end of the day...
It's all about
the
soldier!*



www.sellingtoarmy.info