

Testimony of

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**To a Hearing of the U. S. House of Representatives' Small Business Committee's
Subcommittee on Contracting and the Workforce**

Chairman Hanna, Ranking Member Meng, and distinguished Members of the Subcommittee, thank you for the opportunity to testify here today. I am honored to speak before you on behalf of the Association of Procurement Technical Assistance Centers and the small businesses we serve across the country.

First, I would like to express my gratitude for your leadership and efforts on behalf of small businesses.

My name is Juanita Beauford. I am President of the Association of Procurement Technical Assistance Centers – APTAC – which is the professional organization of the 98 PTACs nationwide. I am also Program Manager of the University of Delaware PTAC. As you may know, the Procurement Technical Assistance Program was created by Congress in 1985 to help small businesses compete for federal, state and local government contracts. It is funded and administered through the Defense Logistics Agency and supported by state or local governments, educational institutions, or non-profits which must provide a non-federal funding match of up to 50%. Our purpose is to assist local small businesses at little or no cost by preparing them to become capable government contractors, on the belief that a broad base of small business suppliers provides the highest quality and best value to our government agencies and at the same time creates a strong and vibrant economic base for our communities. Last year we helped over 70,000 small businesses win more than 112,000 government contracts valued at over \$14.1 billion.

We applaud your efforts to re-examine the issue of “bundling” and “consolidation” of federal contract opportunities. Many of our members – procurement counselors across the country - report frustration and concern among their small business clients about dwindling bid opportunities as agencies increasingly rely upon larger acquisition mechanisms such as Strategic Sourcing, Government-wide Acquisition Contracts (GWACs), Multi-Agency Contracts (MACs), Omnibus “Single Solution” contracts, and multiple year Indefinite Delivery Indefinite Quantity (IDIQ) contracts in addition to more traditional bundling and consolidation. There is a clear perception that – as agencies prioritize strategies to streamline acquisitions and achieve price reductions – the number of solicitations appropriate for small businesses is shrinking significantly, and small businesses are disadvantaged generally by lack of access to contracting officers and a trend away from Best Value trade-offs and toward Lowest Price Technically Acceptable. .

We cannot quantify the extent to which these perceptions are accurate or the degree to which change is occurring – either for better or worse. We have anecdotal evidence and the observations of procurement counselors with many years of experience that small businesses are losing opportunities and concerned the environment worsening. But as you know, hard data about bundled or consolidated contracts is incomplete and hard to find. Likewise, we hear little about efforts to challenge or mitigate consolidation practices, despite statutory and regulatory provisions to do so.

It is a difficult problem. Agencies strive to be good stewards of tax dollars, often with understaffed and under-funded acquisition offices. Streamlined acquisition tools are attractive because of their ease of use and promise of cost savings. I suspect that there is confusion about – or even ignorance of – what constitutes bundling or consolidation, not to mention the fact that there are requirements that solicitations be accessible to small business wherever possible. And it is clear that enforcement of such requirements is simply not happening in many cases.

Simplifying the definition could be an important place to start. As new types of contract vehicles evolve, the complexity of the current definitions makes it easier for agencies to find loopholes or work-arounds – or simply believe that these definitions do not apply to their contracting vehicle. Having different definitions for “bundling” and “consolidation” is itself difficult. Whatever utility was once served by the distinction is – I believe – outweighed by the confusion caused. Selecting one term – perhaps “consolidation” – and defining it simply – ie: “2 or more requirements of the federal agency for goods or services that could reasonably be provided to or performed for the federal agency under 2 or more separate contracts” would bring under the umbrella all of the vehicles which present barriers to small business. It would also make communication about - and measurement of - the issue much easier.

From there, criteria under which consolidated contracts may be considered appropriate and/or require review or justification can be determined. Certainly, there are many circumstances in which consolidated procurements may be the best option. But it would at least make clear that newer mechanisms like strategic sourcing, GWACs, MACs, IDIQs, etc. indeed constitute consolidated solicitations, which is the first step in determining the prevalence – and impact - of these practices.

Simplifying the reporting process – and identifying a better platform for making the information available to SBA’s Procurement Center Representatives (PCRs) *and the public* - could be helpful as well. We’ve included just one example of a possible simplified format as an addendum to our written testimony. While the reporting requirements in the Small Business Act and Jobs Act may have been intended to provide accountability, it appears that they are often side-stepped, perhaps because they are so rigorous. Those “Justification for Fair Opportunity Exception” notices that *are* posted to FedBizOpps are difficult to find. It is critical that there be an ability to track and analyze this information if effective strategies for protecting the ability of small business to participate in the federal marketplace are to be developed and implemented.

Defining realistic enforcement triggers, and providing adequate resources to implement them, is also critical. The current situation in which enforcement actions are rare – and successful actions rarer still – only undermines the current regulations.

At the end of the day, the real answer – and challenge - is to convince government buyers that their interests can be well served by contracting with small business. I don't believe this problem can be solved by case-by-case challenges from PCRs, small businesses or trade associations.

To this end, we encourage the Subcommittee to consider initiatives that could educate agency acquisition staff at all levels about statutory and regulatory provisions with regard to bundling/consolidation, including circumstances in which justifications are required and provisions allowing small business set-asides, reserves and other tools that foster small business inclusion. This would also provide an opportunity to emphasize the importance of maintaining a robust base of small business suppliers generally as well as the specific benefits that small business contractors can bring to individual agency requirements. You understand – as we do – that it is false to believe that striving for the lowest possible price or the most streamlined contract vehicle necessarily delivers the best value to the taxpayer. But contracting officers may not be aware of all the benefits that working with small business vendors offers, much less best practices for crafting accessible contract vehicles and reaching out to the small business community. There are success stories out there – buying activities with strong local relationships (or relationships with local PTACs), and agencies like DLA's Land and Maritime which have energetic small business outreach programs. Collecting and highlighting these examples to share government-wide might be helpful. Substantial and widespread training of Contracting Officers on how and why to contract with small businesses could be critical to overcoming the current cultural trend toward consolidation; buying from small businesses must be seen as an easy and appealing option.

To the extent that APTAC or the PTACs can help on any of these fronts, we hope you will call upon us. PTACs around the country are proud to collaborate with local federal offices to sponsor outreach events, identify potential vendors for specific requirements and support small businesses in their efforts to market and bid. APTAC has partnered with DLA Land and Maritime to promote their Training, Knowledge and Opportunity (TKO) events and facilitate and distribute recorded webinars on DIBBS and their First Destination Transportation and Packaging Initiative (FDTPI). We would gladly work with other agencies to help them open more opportunities to small business.

Thank you again for the opportunity to appear before you today. I hope my testimony has been helpful. I know I speak for all of the PTACs when I say that it is a privilege for us to assist small business in the government marketplace, and we are eager to support this Subcommittee, the full Committee and the agencies in endeavors that will better utilize this invaluable national resource.

Addendum to the Testimony of Juanita Beauford, President Association of Procurement Technical Assistance Centers

Possible reporting format to facilitate tracking of consolidated contracts:

Require the Contracting Officer (CO) to stipulate up front whether or not his/her requirement constitutes a bundled or consolidated contract, and if so, what is the justification. This could be accomplished via a simple yes/no drop-down field in the system used to submit solicitations to FBO or in another acquisition tracking vehicle if more appropriate. Language with the relevant definition(s) could be included on the form itself as an aid. A second drop-down field with the various categories of justification for bundling could follow immediately thereafter and be required for any “yes” answer to the bundled/consolidated question.

At the very least, such a mechanism would remove the ability for a CO to “duck the question” with regard to consolidation and would improve tracking. Regularly publishing a listing of bundled/consolidated contracts – or ensuring that the reporting vehicle is easily accessible and searchable so that others can publish such a report – will also increase transparency, allowing small business contractors and their supporters to better assess the degree to which they are being excluded from potentially appropriate opportunities.