



**Testimony of Jackie Robinson-Burnette
CEO
Senior Executive Strategic Solutions LLC**

before the

**House Committee on Small Business
Subcommittee on Contracting and Infrastructure
Hearing on “The 8(a) Program: Overview and Next Steps to
Promote Small Business Success”**

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Good morning, Chairman Kweisi Mfume, Ranking Member Maria Salazar, and distinguished Members of the Committee. Thank you for all that you do across this country for every day citizens like me while giving us a voice and a chance to be heard. I am humbled and honored to be before you today, and I am grateful for this once in a lifetime opportunity to discuss my thoughts on the 8(a) Business Development program and important next steps to promote small business success. I cannot express in words how excited I am about the President's goal of increasing the share of federal contracts awarded to small, disadvantaged businesses from 5 to 15 percent by 2025.

As background, I am a recent retired federal Senior Executive. I started my federal career while in High School as a GS-1 Clerk-Typist at the Naval Postgraduate School in Monterey CA. Fast forward, I served 34 years with the Dept of Defense contracting offices in Germany, Korea, and had temporary duties in war-torn places like Bosnia and Kosovo. My husband of 30+ years is a retired Army Lieutenant Colonel, and the sole survivor of his team after the attacks on the Pentagon on 9/11. We have three daughters, two are serving as Army 1st Lieutenants, and our youngest in college is an Army ROTC cadet. We are a family committed to this great Nation, and we have dedicated our lives to living with the highest levels of integrity and character. Most of my career was in contracting to include years as a Contracting Officer with an unlimited warrant. I shifted into Small Business Program Management later in my career. My mentor was the late Ms. Tracey Pinson. From 1982-1986, Tracey served as counsel to the House Committee on Small Business for Chair Parren J. Mitchell, and she served as the Army Small Business Executive for 19 years. My commitment to the 8(a) Program and career progression to the ranks of the Senior Executive Service is directly attributable to my faith and Tracey. Some of my Small Business

Program assignments included leading the Army Corps of Engineers SB Program, and the Secretary of Army SB Program before realigning to the U.S. Small Business Administration (SBA) for my dream job of running the 8(a) Business Development program.

Since we are referencing socially and economically disadvantaged small business concerns in our discussion of the 8(a) Business Development program, it is important to know the definition. A socially and economically disadvantaged small business concern is at least 51% unconditionally owned by: (1) one or more socially and economically disadvantaged individuals, (2) an economically disadvantaged Indian tribe (or a wholly owned business entity of such tribe), or (3) an economically disadvantaged Native Hawaiian organization.

The 8(a) Business Development program is the key component of the SBA's strategy to foster the development of small businesses owned by socially and economically disadvantaged individuals to prepare them to access federal prime contracts and subcontracting opportunities. Congress established the program to help increase the full participation of small, disadvantaged businesses.

It expands our ability to easily tap into all the possible avenues of creativity, innovation, and problem solving from smart people in different corners of our country that have something to offer to help tackle some of the Nation's most pressing challenges. It increases our country's access to diverse strategies and solutions to enhance our performance as we engage in humanitarian efforts or defend U.S. citizens within our borders and across the globe.

The program provides business development assistance, which consists of management and technical assistance as well as preferential contracting opportunities over a 9-year program term. Management and technical assistance could be anything from learning how to set up proper cost and accounting procedures to marketing to the government and preparing winning proposals. This assistance is provided by geographically dispersed SBA Business

Opportunity Specialists, the 7(j) management and technical assistance program, and SBA's resource partners. Contracting opportunities include competitive 8(a) set-aside contracts; and direct award sole-source contracts up to certain dollar thresholds if the firm has proven the capability and financial resources to perform.

I also want to paint a very simple picture of what the program offers. It simply offers a socially and economically disadvantaged entrepreneur an opportunity to learn how to lock in a contract job, to do the work with their own money, and in advance of payment from the government they cover bi-weekly payroll and offer benefits to their employees with their own money or line of credit. After completion of the job or at certain milestones like after 30 days of performance, the 8(a) participant can submit an invoice to the government. If the work is deemed timely and acceptable, the participant can expect payment within 15-30 days. For the individual entrepreneurs that succeed in the program, it supports their families in a way that offers their children an ability to go to college without student loans, it allows them a way to create stable jobs and offer health care for often overlooked but capable candidates, and it provides resources to give back to their underserved community.

When I arrived at the US Small Business Administration in December 2014 to my dream job at the highlight of my federal career, I found that we had about 3,500 certified 8(a) participants and the pool of firms was shrinking every year. We were almost losing more firms per year than we were bringing in, and I could count on my fingers when the program would cease to exist. Immediate action was needed to turn around the decline.

My responsibilities included streamlining the 8(a) application process, continuing eligibility reviews, 7(j) technical assistance, the 8(a) Mentor Protégé Program, and standing up the All-Small Mentor Protégé Program while addressing outstanding and dated OIG and GAO recommendations. I had to quickly assemble a team that could turn the office around. I am a huge

proponent of using the talents of people already on the bus, so I had a couple of town hall meetings with my team to get their ideas and buy-in. Some of the employees immediately developed white papers and shared ideas about how we could build continuous process improvement, increase operational efficiency, and improve customer satisfaction while inspiring and motivating the team. These employees became the team leads for the change initiatives. The excitement for change was contagious.

I wish I could say that all the ideas for improvement that later led the Office of Government Contracting and Business Development to win one of the highest-ranking awards within the SBA for turning around a division/team was due to how smart I was. However, the credit belongs to the smart civil servants that worked at the SBA for years. The dedicated employees were willing to work long hours to make things better. I learned long ago to be an inclusive leader. Turns out that if you bring the smart people to the table and just support them in making things better, you have a win.

- The team closed out more OIG and GAO recommendations in 1 year than the last 10 years combined.
- The team streamlined and digitized the 8(a) application and 8(a) Mentor Protégé Program processes. The 8(a) Program historically had one of the most difficult application processes for entry. Where the typical firm would sometimes have a 9-month review process and hundreds would just give up. The team led the agency to cut the red tape and during our streamlined pilot we learned that we had the ability to process applications more expeditiously, some within 7-10 days of receipt of application. This increased the number of firms entering the program that year from a historical average of 350 to over 900. We challenged employees to avoid decline recommendations for issues that were not relevant to eligibility. Shifting old mindsets was not without challenges, especially since some

employees had a history of recommending decline for 90% of the applications they processed.

- The team updated the standard operating procedures, a task that was 8 years overdue. There was inconsistency in how SBA employees implemented the program across the country at multiple levels; and this increased the frustration of business owners and minimized the success of the program.
- Some 8(a) participants struggled to manage all the compliance paperwork during the first two years in the program without success winning a contract and wanted to opt out of the program. We reduced the administrative paperwork burdens of the 8(a) Annual Review process for firms that had yet to succeed with winning an 8(a) contract. This also gave our 8(a) Business Opportunity Specialist (BOS) some additional bandwidth and capacity to provide technical assistance while the firm focused on winning work.

Several smart SBA employees came up with the ideas to improve customer service. There were also other win-win benefits as a result, because increasing the pool of 8(a) participants positively impacted our federal agency stakeholders. Federal agencies were reducing the number of new contracts for the 8(a) Business Development program, because the pool of capable and competitive 8(a) participants was shrinking, and they did not want their work locked up in a program that did not have enough firms to bid on the work. In a meeting with federal agency Small Business Directors, we committed to increasing our pool of 8(a) participants and relaxing our stance on once in the 8(a) always in the 8(a), if the agency could (1) clearly justify why the work was no longer suited for the 8(a) BD program; (2) provide market research that proved capable 8(a) firms did not respond; and (3) agreed to replace the dollars with new 8(a) projects. Re-

energized, federal agencies responded favorably and during our streamlining initiative, SDB awards grew by \$4 billion between fiscal years 2015 and 2016.

President Biden's goal of increasing the share of federal contracts awarded to small, disadvantaged businesses from 5 to 15 percent by 2025 is significant, it is bold, and it is achievable. Since the federal regulations prohibit set-asides for Small Disadvantaged Businesses, strengthening and building the 8(a) Program and 7(j) Program are important next steps to ensure the success of small firms. I have seen smart SBA employees and our federal agencies raise the bar to support small firms.

I would like to share my recommendations and ask for your consideration.

Priority Mentor Protégé Program (MPP) Processing for Small Disadvantaged Business Mentors

Unfortunately, a considerable number of 8(a) graduates still struggle and many close their doors within 5 years of graduation. 8(a) graduates that retain the Small Disadvantaged Business (SDB) status are great mentors to new 8(a) participants. To retain SDB status, an 8(a) graduate firm must qualify as small under the NAICS size standards, and be owned and controlled by one or more socially and economically disadvantaged individuals.

CEOs of 8(a) graduate firms understand the ticking 9-year clock and directly engage CEO to CEO to help small businesses navigate the complex processes of winning contracts with a skeleton crew, managing a limited line of credit for payroll, wearing multiple hats, and building an infrastructure with tight margins. The knowledge transferred comes from lessons learned and firsthand experience growing an 8(a) firm. The relationship is mutually beneficial. If the two firms create a joint venture, it offers the graduate a chance to make introductions to their customers and continue to perform on a percentage of the work. It creates a path to transfer employees to the protégé and it gives the protégé the ability to

take the front seat with a customer that is open to awarding contracts to 8(a) participants. Having an 8(a) graduate mentor will shift some of the firm's dependence on their assigned 8(a) BOS and the 7(j) program.

I have learned that small firms mentored by large businesses are not afforded an opportunity to engage at the CEO level. They are typically assigned to a mid-level program manager or someone on the large business team that has never owned a small business.

Giving graduate 8(a) mentors priority with Mentor Protégé Program application processing is a low cost and effective way to help transfer the knowledge between these firms. It will increase the competitiveness of an 8(a) protégé and build longevity for the 8(a) graduate. The MPP office is understaffed and would likely require additional staffing to expedite the processing for SDBs.

Full-Time Small Business Executive Support within OFPP

The Office of Federal Procurement Policy (OFPP) aligned under the Office of Management and Budget (OMB) develops strategic solutions for promoting economy, efficiency, and effectiveness in the contracting & acquisition processes. For months, OFPP, GSA and federal Contracting executives from multiple agencies met to create and implement procedures for the strategic buying initiative known as Category Management. As a former contracting officer leading over 300 Contracting Officer Representatives, I understand the value and benefits of implementing category management. However, there were no Department of Defense or Civilian Agency Small Business executives with an equivalent seat at the table. The SBA had a seat at the table without a voice.

As a result, policies and processes were designed for contracting officers to give priority to Category Management full and open contracts without consideration of the rule of two as outlined in Federal Acquisition Regulation (FAR) 19.502-2

which requires contracting officers to set-aside procurements over the Simplified Acquisition Threshold (SAT), when there is a reasonable expectation that (1) offers will be obtained from at least two responsible small business concerns; and (2) award will be made at fair market prices.

Contracting officers have realigned contracts to unrestricted Category Management contracts, even when the incumbent is a small business and will be devastated financially without the ability to compete for the work. To achieve Category Management targets, some Contracting officers dismissed contract options of a small business to realign work to large firms on Category Management contracts. As this Committee heard from witnesses in a hearing October 2021, this practice continues to adversely affect small businesses.

Had a Small Business voice been at the table, the Category Management initiative could have been shaped to mitigate the negative impacts to the industrial base of small business federal contractors.

OFPP also provides leadership in maintaining the FAR. Often, new SBA regulatory guidance implemented in the Code of Federal Regulations does not make it into the FAR for years (like the similarly situated entity rule). I would suggest that Congress require the FAR Council to consider its regulations in tandem with SBA's rulemaking.

I also recommend a full time OFPP Senior Executive level Small Business Program Advisor with a solid background in contracting and acquisition (DAWIA or FAC-C Certified Level III). Acquisition reform at the OFPP level should include the input of a career executive who understands contracting and values the contribution of small business contractors. I am impressed with the clear language in the White House OMB memo M-22-03 which requires OMB and SBA to work with Chief Acquisition Officers and Senior Procurement Executives, agency Offices of Small Disadvantaged Business Utilization, and agency senior accountable officials for category management to monitor implementation.

However, a full-time OFPP SB Advisor fully engaged on every new strategic solution for effectiveness in contracting and acquisition, would ensure that small businesses are considered whether the discussion is category management, priorities for updates to the FAR, or the next acquisition reform.

Reduce Administrative Burdens for Entry in to 8(a) Program

To be eligible for the 8(a) Business Development program, a small business must be unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are of good character and citizens of and residing in the United States and demonstrates potential for success. The SBA must continue to reduce unnecessary administrative burdens that do not align with the regulations for program eligibility.

A couple of weeks ago, I was at dinner and ran into a retired Army Lieutenant Colonel (West Point graduate) who said he has unsuccessfully tried to secure 8(a) certification since 2015. He was a Special Forces Officer with significant combat and contingency experience from multiple deployments. He trained foreign and US Army Forces. After starting his business, he competitively won a 5-year contract with the U.S. Special Operations Command (USSOCOM) with obligations averaging \$2.5M per year. DoD still needs his expertise to help train Special Forces Officers fighting in the defense of the United States. Government leaders advised him to seek 8(a) certification to make it easier to contract directly with him. He said that securing 8(a) certification has proven impossible, even though he hired and paid consultants to prepare and submit his application. I asked him to send me a copy of his rejection letter from the SBA which was prepared by a first level application processor (not at the HQ SBA decision level).

The first reason on the rejection letter was –

“(1) Board of Director and Shareholder meeting minutes are two separate documents. You may complete the meeting minutes on the same

day at the same meeting or even combine what is occurring in the meeting minutes. You provide what you called board of director meeting minutes and elected the President, Treasurer, and Secretary (all being YOU) as the directors. This is not correct. Your shareholder meeting minutes elect the directors and then your board of director meeting minutes elect the officer positions required by your bylaws. Provide updated meeting minutes for board of directors and shareholders showing the election of officers and directors according to your bylaws.”

The fourth reason was -

“(4) Over the last three years you appear to receive 93% of your revenues from DoD. Your firm does not appear to have the operating history based on its lack of diversified client based and economic dependence on one contract. It appears you may not have the contract history to be eligible for the 8a program.”

There were other reasons, but neither of these two reasons should be cause for delay or rejection in the program. In this specific case, the 8(a) Program’s business development support and 7(j) service providers could help this veteran improve his board meeting process within his first year in the program. Generating 93% of revenues from a DoD Special Forces Command contract for the last 3-years is irrelevant to this applicant’s eligibility. It is actually a plus that this veteran was able to secure a \$2.5M per year contract and perform successfully enough for DoD to exercise option years.

I absolutely am not advocating for dismissing eligibility requirements of the law or regulations or anything to reduce the integrity of the program. There must be a shift in the culture to achieve the right balance to ensure accessibility for eligible firms while weeding out and mitigating the risks of certifying ineligible firms.

Finally, it is incumbent on the Associate Administrator of 8(a) Business Development to lean forward exercising the final decision-making authority without fear of the Office of Inspector General or the retribution of lower-level employees that may offer a differing recommendation for reasons irrelevant to eligibility.

Support Increase in 7(j) Funding for Business Development Efforts

The last time I checked, the budget for 7(j) was about \$2.8M (2-year budget cycle). The 7(j) program provides high-quality assistance to socially and economically disadvantaged small firms to help them successfully compete for federal, state, and local contracting opportunities as a prime or subcontractor. The SBA should develop a compelling justification to significantly increase the 7(j) budget. From my experience while serving at the SBA, Congress has historically provided funds based on the SBA request. The program is critical, as it serves firms that are --

- certified as an 8(a) participant, HUBZone small business, or economically-disadvantaged women-owned small business; or
- located in areas of high unemployment or low income; or
- owned by low-income individuals.

I am contacted on a consistent basis by CEOs who are asking if I know anyone trustworthy and capable of helping with business development, proposal writing, and contract pipeline development. Firms cannot grow without this type of support. Unfortunately, small firms are often taken advantage of by beltway bandit business development professionals that bounce around every year to a different firm asking for a salary that starts at \$150,000 and a 1-year commitment without bringing value to the firm. Based on my experience, an increase in access to 7(j) business development support would be exceptionally valuable during the first 2-years for an 8(a) participant, and would help them maximize the full 9-years in the program.

Increasing the 7(j) budget would also take some of the load off the very understaffed 8(a) BOS team and will also give them time to maintain their skills, training, and acquisition workforce certification levels to be more effective for the firms supported.

Backfilling Vacant 8(a) Business Opportunity Specialists and 8(a) Business Development Office Positions

When I was serving at the SBA, it was a frequent practice to allow the 8(a) Business Opportunity Specialist (BOS) and HQs Office of Business Development (BD) positions to be vacant or realigned to another office. I do not know if this is because the SBA lacks funding to backfill for the positions, or there is a lack of understanding of how these vacancies negatively impact the team's ability to serve government contractors and decreases the morale of those left to carry enormous workloads as they take on the work of a departed co-worker.

The workload in BD is overwhelming, and includes processing 8(a) applications, continuing eligibility, changes of ownership, and managing the 7(j) and Mentor Protégé Program. The BD office is historically understaffed. At the SBA District Office level, some BOSs are supporting over 70 firms while others are supporting 5 to 20. There are several District Offices that do not have a BOS at all. This results in diminishing the effectiveness of the program and/or creates gaps in participation in parts of the country where there are zero to less than 10 certified 8(a) participants like Delaware, and Vermont, Arkansas, Maine, Rhode Island, New Hampshire, and North Dakota.

I understand that the SBA Office of Field Operations (OFO) is working hard to address the workload issues for District level BOS, and is considering virtual support for 8(a) firms. Providing virtual support is a brilliant idea, as all the work is managed virtually anyway. Firms should still be able to participate in nearby training and events held at the closest SBA office.

I recommend that the SBA bring in a temporary detailed GS-15 level Human Resource (HR) professional from another agency under a professional development rotation to assist both OFO and BD look at the allocations of positions for an objective look at proper staffing. The HR professional's project should include establishing a process fully coordinated within the SBA to ensure timely job announcements and expeditious hiring to backfill these vacancies to maintain acceptable levels of customer service. Having a temporary rotation from an outside HR professional would be of no cost to the SBA and would assist a potential HR senior executive candidate secure the experience needed to progress in their career.

Raise the Sole Source Threshold for 8(a) Firms Owned by Individuals

As stated earlier in my testimony, since the government is buying its goods and services in larger contracting vehicles, sole source thresholds for individually owned 8(a) firms need to be revamped and increased. Consider at a minimum, raising the 8(a) sole source threshold for services to \$8M for firms owned by individuals, and \$10M for manufacturing.

To be clear, I see the small business community united in support for raising sole source limits for all socioeconomic subcategories of small businesses which includes 8(a) participants, service-disabled veteran owned small businesses, HUBZone certified firms, and woman owned small businesses (to include economically disadvantaged woman owned small businesses). It is a simple matter of being able to compete in a contracting environment that favors large, consolidated contracts.

Increase the Simplified Acquisition Threshold

Finally, I understand that the committee does not have jurisdiction over the Simplified Acquisition Threshold (SAT). However, I want to add to my statement

that the simplified acquisition threshold should be increased from \$250K to \$1M. FAR 13.003 Policy for Simplified Acquisition at (b) (1) requires acquisitions of supplies or services that have an anticipated dollar value above the micro-purchase threshold, but at or below the SAT, to be set aside for small business concerns.

Service contracts valued at about \$1M spread over five years (\$200K per year) would typically support payroll, equipment, benefits and overhead for 1-3 full-time employees depending on the type of work, education and expertise required by the contract. With the impacts of Category Management and contract consolidation, raising the SAT is a quick way to realign small business suitable projects back to small businesses. This would also maximize efficiency and economy and minimizes administrative costs for both the Government and industry, because it would expand the use of simplified acquisition procedures described in FAR 13.106 Soliciting competition, evaluation of quotations or offers, award and documentation.

In addition, this would expand the use of small firms for procurements valued under \$1M, but would not tie the hands of contracting officers. Contracting Officers always retain the authority to solicit unrestricted and award to other than a small firm, when they determine that small firms are not capable.

In closing, I am honored and grateful to be before you today. Thank you for giving me the opportunity to testify. The 8(a) Business Development program provides the pathway for small, disadvantaged companies to compete in a complex and competitive marketplace. The companies that participate in the program provide important goods and services to the federal government and create employment opportunities for their communities. I urge you to take the suggestions given today to further strengthen the program.