



STATEMENT OF

KEVIN BOSHEARS

Director, Office of Small and Disadvantaged Business Utilization
U.S. Department of Homeland Security

FOR A HEARING ON

“GAO Audit Reveals Half-Measures Taken by Small Business Advocates”

BEFORE THE

United States House of Representatives
Committee on Small Business, Subcommittee on Contracting and Workforce

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Introduction

Chairman Knight, Ranking Member Murphy, and distinguished Members of the Subcommittee, I appreciate the opportunity to appear before you today as the Department of Homeland Security's (DHS) Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) to discuss DHS's small business contracting program. I am honored to serve in this role and the others I have enjoyed as a career public servant for over 27 years, which includes my time with the Departments of Treasury and Justice.

In support of the DHS mission, the primary role of the OSDBU is to promote and develop strategies for small business participation in the DHS contracting program. In accordance with the Small Business Act, similar offices exist in all major federal agencies because small business inclusion in federal contracting is a government-wide policy objective. Small businesses make substantial contributions to the American economy and taxpayers through innovation, job creation, cost savings, and tax revenue.

DHS has a robust, award-winning small business contracting program that promotes small business prime contracts and small business subcontracts under large business prime contractors. In fiscal year (FY) 2009, the U.S. Small Business Administration (SBA) developed the annual Small Business Procurement Scorecard for the 24 Chief Financial Officer federal agencies. The scorecard uses a letter grade based methodology with six potential grades (A+, A, B, C, D, and F). The scorecard measures small business prime contracting accomplishments, small business subcontracting accomplishments, and other factors prescribed by SBA. **DHS has received a grade of "A" or "A+" each year between FY 2009 and FY 2016, making DHS the largest federal agency to have such a consistent success record.** Based on DHS's FY 2017 anticipated achievements and DHS's understanding of SBA's methodology, the Department anticipates receiving another favorable score for FY 2017 when SBA releases its scorecard in 2018.

Implementation

Since its inception, DHS has always been committed to small business inclusion in its contracting program. To implement the program, the DHS OSDBU Director reports to the Deputy Secretary, and works closely with the Under Secretary for Management, the Chief Procurement Officer, and each of the Component Heads of Contracting Activity. Also, the DHS OSDBU Director serves as a member of the Small Business Procurement Advisory Council (SBPAC) and actively participates in the monthly SBPAC meetings hosted by SBA. Moreover, the DHS OSDBU plays a key role in the Department's efforts to promote meaningful communications with industry.

Acting Secretary Elaine Duke and Under Secretary for Management Claire Grady, the Senior Official Performing the Duties of the Deputy Secretary, are both long-time supporters of the federal small business contracting program throughout their distinguished careers. They continue to offer strong support to the DHS OSDBU in their current positions.

Over the years, the DHS small business contracting program has been successful due to a number of innovative and inclusive initiatives, such as:

- Maintaining a web presence with helpful and timely resources for small businesses;
- Supporting Small Business Specialists in each contracting activity;
- Publishing an annual forecast of contracting opportunities;
- Conducting outreach activities, including monthly vendor outreach sessions featuring pre-arranged 15 minute appointments with DHS Small Business Specialists and DHS Large Business Prime Contractor representatives;
- Listing large business prime contractors with subcontracting opportunities;
- Promoting the DHS Mentor-Protégé program;
- Hosting an annual small business awards ceremony to recognize DHS small business contractors and DHS employees;
- Overseeing a small business review process for all procurements expected to exceed \$150,000 in order to ensure contracting to small businesses is considered prior to using unrestricted competition;
- Setting and monitoring DHS-wide and Component small business goals;
- Conducting an annual three-day small business training session for DHS Component Small Business Specialists and OSDBU personnel; and
- Helping design DHS-wide multiple award contracts with built-in set aside authority (using Section 1331 of the Small Business Jobs Act).

In a recent U.S. Government Accountability Office (GAO) report titled, “Actions Needed to Demonstrate and Better Review Compliance with Select Requirements for Small Business Advocates,” DHS demonstrated compliance with all 12 of the 12 requirements selected by GAO for review. The GAO report had no recommendations for DHS.

Conclusion

Chairman Knight, Ranking Member Murphy, and distinguished Members of the Subcommittee, thank you again for the opportunity to testify today and I look forward to your questions.