

Good Afternoon Chairman Chabot and Ranking Member Nydia Velazquez. I appreciate the invitation to testify here today and I am honored to provide you with an insight into the obstacles faced by a Small Women Owned Defense Contractor.

My name is Virginia Villa, and I am the CEO of West Pacific Electric Company, located in Lemoore, California. Located in California's Central Valley, Lemoore is home to a Naval Air Station and surrounded many rural communities that are traditionally underserved. The Central Valley is also home to many small businesses and minority-owned companies struggling to grow and provide jobs for their employees.

My firm, West Pacific Electric Company, is an electrical firm which currently employs eleven full time employees. Our services include all phases of electrical work with a special emphasis on High Voltage (Electrical Distribution). Currently, we bid on Federal, State, Municipal, and Commercial Projects throughout California and neighboring States. When opportunity permits we bid as a Prime Contractor, but the majority of our bidding is as a Subcontractor.

As Chief Executive Officer of West Pacific Electric Company, I have attended numerous events sponsored by various federal agencies such as the Society of Military Engineers (SAME) and the Minority Business Development Agency (MBDA). I attended each of these events with the assumption that I would be given the same opportunities as other contractors to bid on federal, state, and local contracts.

While these events provided more insight and information regarding submitting bids for defense contracts, and were marketed as providing opportunities for all interested in seeking government contracts, the reality is that each event shared one common message: it is recommended that small defense contractors reach out to large contractors for subcontracting opportunities.

As those of us here today understand, small businesses, and businesses owned by minorities, face unique challenges when competing for contracts and jobs for their employees. These challenges are most apparent when larger companies and major projects leave out small business firms and ignore the potential to include them in the "serious" bidding process.

I understand large contractors may find it is easier to work with proven sub-contractors, but this leaves out growth potential for qualified companies to compete. Many in my position wonder why small businesses are expected to pull on the "coat tails" of large contractors just to get an opportunity to bid, while it should be the large contractors reaching down into the large pool of small businesses that can perform the work.

As CEO of West Pacific Electric, accessing federal contracts is a challenge I face every day. In addition to attending informational events sponsored by SAME and MBDA, I have also taken the initiative to meet with small business representatives of various agencies to present my firms' proposals and capabilities. Furthermore, I have aggressively worked to expand my own network in an effort to better position my company. I am a member of the United States Women Chamber of Commerce, MBDA, SAME, and the Hispanic Chamber of Commerce, which provides me with networking opportunities to work with large contractors. To contribute to my qualifications, I hold the following certifications: Economically

Disadvantaged Women-Owned Small Business, CPUC, State of California Small Business, Small Disadvantaged Business (SDB) and GSA Contract Holder – all of which are contract vehicles when bidding on government projects.

Despite these efforts my company continues to face obstacles when applying for government contracts. I will provide you with one reoccurring example:

When a large government contract is released, our firm does preliminary research to confirm that a subcontracting plan is incorporated within the solicitation. If a subcontracting plan is incorporated, and my company decides to bid on the project, a lot of work and man hours go into preparing a bid. We oftentimes later find out that a majority of the contractors that have been awarded a subcontract are large firms. This leads me to believe the subcontracting plan is ignored and discourages me from bidding on the next project.

While, larger, established companies have an advantage, there are still opportunities for small businesses and minority owned companies throughout the state, and in the Central Valley.

It is critical that my company has access to projects close to home, in the Central Valley. Potential projects include the development of the California High Speed Rail (\$68B) and the renovations at Lemoore Naval Air Station (\$1.6B). General construction projects are ideal for small businesses to participate in, and help develop sub-contracting and job creation opportunities.

I believe there are many common-sense solutions that should be considered in order to encourage the involvement of small businesses and I am happy to have the opportunity to discuss those further throughout today's hearing.

In closing, I again want to thank you for the opportunity to testify before the committee today. I hope that my testimony provides you with further insight and information regarding the challenges faced by Small Business Defense Contractors.