

GSA Small Business Advisory Committee
Meeting Minutes
December 6 – 7, 2006

December 6, 2006

The meeting was called to order at 10:05 am by Chairman Peter Provenzano.

Members Present:

- Peter Provenzano, Chair
- Ann Sullivan
- Macedonio (Massey) Villarreal
- David Harmon
- Sandra (Kay) Stewart
- W. Ronald Evans
- Susan Au Allen
- Vince Trapani
- John Leyendecker
- Daisy Gallagher

Others Present

- Felipe Mendoza, GSA
- Aaron Collmann, GSA – DFO
- Elizabeth Ivey, GSA
- Deborah Tarleton, GSA
- Larry Trujillo, GSA
- Dennis Smith, GSA
- Jim Williams, GSA
- Mario Gonzalez, NCAIED (Representing Ken Robbins)

Immediately following brief introductions of those present in the room, Dennis Smith proceeded to welcome the SBAC to Boston, MA. Mr. Smith offered his and his staffs' services to the SBAC should they have any committee business matters to attend to. Mr. Smith proceeded to provide information on himself as Regional Administrator and the New England Region.

Following Mr. Smith's introduction, Felipe Mendoza introduces Larry Trujillo, Regional Administrator for the Rocky Mountain Region. Mr. Trujillo proceeded to introduce himself and explain why he was attending the meeting. He explained that one of his and Mr. Smith's responsibilities was to serve as a liason between the Regional Administrators and the Office of Small Business Utilization. Mr. Trujillo also offered his services to the group and extended an invitation for them to call if they needed anything. He also spoke of his commitment to the small business community, including all socio-economic categories. He explained that the RA's can be used as a resource because they know where the small businesses are located within each of their (the RA's) respective regions. Mr.

Trujillo then invited the committee to consider Denver as a possible site for a future meeting.

Mr. Mendoza then emphasized the points that Mr. Smith and Mr. Trujillo had just stated. The SBAC members can call on the Regional Administrators at any time.

Jim Williams was introduced at this time. Mr. Williams began by giving a little background on himself and continued to express his support of the small business community. He mentioned that GSA fills a critical need within the government as a central procurement agency. He believes that when agencies go out and create new procurement vehicles, it increases the costs for small business, as they now must try to compete under several different procurement processes. Mr. Williams mentioned that one of the larger businesses had to double their staff as a result of all the unique acquisitions available.

Mr. Williams continued, stating that GSA buys about \$56 billion worth of goods and services each year. Of that, roughly \$35 billion is on the GSA Multiple Awards Schedules (MAS) and about 38% of that goes to small business. He also mentioned that small business isn't about just reaching the goals that have been set, but about indoctrinating small business into the thinking of those planning procurement.

GSA Administrator Lurita Doan arrived and joined the meeting at this point in the day. Mrs. Doan gave some background on how she got her start as a government contractor, literally walking the halls trying to meet with contracting officers. She also mentioned that, in her opinion, GSA was one of the agencies that helped to make her business a success. Mrs. Doan spoke of how it was the government-wide contracting vehicles that GSA offered that allowed her business to grow in the ways that it did.

Now as GSA Administrator, Mrs. Doan affirmed her commitment to the small business community. A major concern is the cost of getting a contract to small businesses. The level of competency that is required to win a contract has increased tremendously as time has passed. This definitely affects the large businesses, but affects the small businesses on a much greater level.

Administrator Doan spoke of the way that contracting for small businesses seems to ebb and flow. There is a push for everything small business and then it reverses and everything is large business. Her thoughts are that it would be great if there was a way to level this ebb and flow out to become more of a steady stream.

Mrs. Doan also spoke of a previous frustration she had with a advisory council that she was a member of. She stated that it was nothing more than a grandstanding event where everyone shook hands and did commercials for their companies. Mrs. Doan proceeded to ask the SBAC for a pact. She asked that they put aside their worries about their businesses for a short period of time, but focus on the small business community as a whole during the periods of time that they are working on SBAC issues. She also asked

that the SBAC get the word out to the small business community that GSA is working on making things better.

The SBAC members at this time introduced themselves to Administrator Doan. AS the members introduced themselves, brief sessions of dialog ensued on various topics.

These topics included:

- Outreach to ethnic groups
 - Federal agency sponsored conferences
 - Trade Association conferences
- Duplication of efforts within government contracting
 - GSA is not funded by appropriated funds
 - Other agencies are funded by appropriated funds
 - These agencies use their appropriated funds to duplicate efforts that GSA has made
- Education to small business
 - Mentoring
 - Educating businesses that doing business with the government is a positive situation, not a negative one.
- Relieving the paperwork burden in contracting
 - FAS is now in the process of automating the GSA Schedules process to move it from a paper base to an electronic base.
- Expedite payment to small businesses
 - The government will always, ultimately pay its bills.
 - Once you learn the payment system, payment is easy to receive.
- Government contracts can be used to help establish credit where it didn't exist before allowing the company to grow.
- Shorten the time needed to receive a contract
 - GSA is working on an express program to shorten the length of time needed to receive a GSA Schedule contract to 30 days.

Mrs. Doan continued on to task the SBAC with telling us their own experiences in government contracting. She is also looking for ideas that GSA and government should be looking at. Using wireless communications as an example, the wireless revolution began around 1995, but the government didn't get into this are until 2000. This is a way in which GSA can emerge as a leader in innovative technology.

There was also much discussion around the government duplicating its efforts and competing against itself, especially in certain areas.

Mr. Williams spoke to the committee again after the Administrator's departure. He spoke of how the government is moving towards a common platform of doing things and how GSA should be the lead agency in procuring common goods and services.

Mr. Williams spoke of how GSA has been working with DHS to open up some of the GSA Schedules to state and local governments for use after a disaster. His opinion is to

open up all of the schedules, not just a few. GSA should be an agency that the federal, state and local governments can rely upon.

One of the main points that MR. Williams made about the GSA Schedules, is that there is an education component that isn't being completed at this time. There are many schedule applications that are being rejected because there isn't a clear understanding of what is required before the submission. By moving the quality and education up front, there can be a great reduction in time and expense just through receiving a better quality application/offer.

Another issue, is that many schedule holders expect to have the orders pour in. This just isn't the way things work. Many schedule holders never even receive an order.

There is work being done with SBA to use the data that has been submitted in receiving an 8(a) designation as being validated by SBA in terms of financial responsibility.

There are other areas in which GSA is helping small business. The Alliant Small Business proposals have been submitted and are being evaluated. GSA is hoping that this will be a huge vehicle for small business IT procurements. GSA is trying to make the government more efficient by using GSA's standard procedures and procurement vehicles to eliminate the duplication of efforts.

A brief Q & A session was held with Mr. Williams at this point.

Is GSA qualifying vendors on best price or best value?

- GSA uses best value in all of its procurements
 - An example is the Networx telecom contract. An agency can order from Networx using a best value determination somewhat like a mini competition.

GSA is also one of four agencies designated as centers for excellence in property disposal.

It was mentioned by Mr. Evans that the government is leaning towards an online auctioneering system, while he (being an auctioneer) and many of his counterparts don't agree. He believes that a live auctioneer can do much more for the government than the government can do for itself. Mr. Evans stated that it appears that GSA is going to allow the agencies to do their own thing online, eliminate the industry, and to bring it online in-house.

Mr. Williams responded by saying that the other agencies should bring it to GSA and let GSA decide which method is best.

Mr. David Winstead was introduced as the Commissioner of the Public Buildings Service and gave some brief background information on PBS to the committee.

PBS is one of the largest landlords in the United States with roughly 1500 buildings and 174 million square feet of owned space and an equivalent amount of leased space

throughout the country. PBS has a substantial budget of about \$7 billion and annually is looking at roughly \$2 billion in new construction and repair and alteration work to existing buildings.

One of the top priorities for PBS is customer service. PBS is interested in making sure that tenants are comfortable. PBS tries to reach out to the small business vendors, Gwen Anderson is the point person for PBS in that respect. Reaching out to the small business community is one of the hardest aspects for PBS. Recruiting the small businesses to participate and become engaged in the process is probably the most difficult aspect.

In FY 2005, approximately 41 percent of PBS total prime contracting dollars went to small businesses. Of that amount 10 percent was 8(a), 7.3 percent was woman-owned, 9.36 percent was HUBZone and about 2.2 percent was SDVOSB. PBS has consistently committed over 35 percent of prime contracting dollars to small business.

At this point, Walt Blackwell spoke to the committee via teleconference. Walt is a member who was unable to be at the meeting, but wished to present some information to the committee and Mr. Winstead.

Mr. Blackwell spoke of the proposed bonding program that his organization, The Veteran's Corporation, has developed for small businesses. The powerpoint presentation can be viewed separately on the committee website (www.gsa.gov/sbac). This presentation was prompted by comments received by Mr. Mendoza at many small business conferences.

The question was raised to Mr. Winstead about How is a small business supposed to market to a large business if they cannot find out who the contract holders are? The small business are being told that the list is available only internally to GSA employees. This issue will be looked at by GSA.

Contract bundling was the next issue discussed by the committee. This issue is one that is of particular interest to the committee. Each regional small business director is responsible for verifying that all contracts over \$5 million were not bundled. If the contract is not bundled then they make a note and move on. If a contract is bundled there must be a justification as to why the contract was bundled. The National Brokers contract is an example of a contract that was bundled. This contract was justified and was awarded to four large businesses. Three small businesses presented offers, but did not receive awards. That did not mean that these businesses were precluded from the contract. An oversight committee was established to make sure that the small business subcontracting plans were being followed properly.

The goal for GSA is to have 35 percent of subcontracting dollars allocated to small business concerns. One thing that happens is that a large company hires a small company to do their subcontracting work. What the large company fails to note in their reports is that the small business is a wholly owned subsidiary. This is not acceptable for subcontracting.

GSA was assigned a goal by SBA for small business contracting of 45 percent. The numbers as of the date of this meeting were not at that level for FY 2006. One of the issues affecting the numbers is that buildings leased by GSA are no longer counted towards the small business contracting goal. So, a building leased by a small business does not count towards GSA's small business contracting goals. This is due to SBA regulations.

Discussion was also raised of large businesses being listed as a small business in FPDS-NG. It was pointed out the OSBU has no control over how a company is listed in FPDS-NG. OSBU is a user of the data, just as is everyone else. Another issue affecting the size standard is the fact that a company could be listed as a small business under one NAICS code and a large business under a different code. This has caused the software to identify the business as small overall. There is also the issue of human error when inputting the data. The companies and federal agencies have been going back through the data to try and correct these errors.

There was also discussion about the disposal of personal property by the federal government. The government is moving to perform more of the disposal activities online, which Mr. Evans is opposed to. A point made by Mr. Trapani, it may be better to have a wider base of bidders for the online auction as opposed to a small pool in a local or live auction. The government will be able to get a better price for its surplus goods. A motion was made by Ms. Sullivan and seconded by Mr. Evans for the committee to study this issue and send a letter with its (the committee's) opinion to GSA. The motion passed with one opposed.

At this point a motion to adjourn for the day was proposed and the committee adjourned until 9:00 am on December 7, 2006.

December 7, 2006 – 9:00 am

The meeting was called to order.

Mr. Mendoza spoke of some of the initiatives that were being put into place by the OSBU office. One of them is that OSBU is currently revising the booklet “Doing Business with GSA.” This book is being brought up to date with the merger of FTS and FSS into FAS. The booklet will contain a section on the SBAC. This section will include photos and brief bios of the committee members along with about a half page of best practices or success stories. The thinking on this is: “What I did to get my GSA Schedule.” This book will be distributed nationwide at small business conferences and other events. The book will be printed as well as published on compact disc in addition to being published on the GSA website.

One issue is that there are a lot of consultants that will take the materials produced by GSA and charge a small business to attend a workshop where these materials are presented. It needs to be known that these materials are copyrighted and thus are protected under law.

Another issue discussed was the “Pathways to Success” program being instituted by FAS. This is a detailed training session designed to help newcomers to the government arena understand what it is that they need to do when doing business with the government. The idea is by providing the detailed information to the businesses, they will be better able to succeed in the federal marketplace. This will be implemented nationwide and will help GSA to speak with one consistent voice on this program.

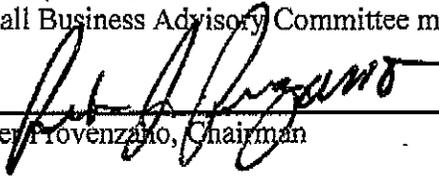
The committee mentioned that an issue small businesses seem to be having is how to market their schedule contract to the federal agencies. The committee asked to provide feedback on the marketing portions of the Pathways to Success training program. The issue with consultants taking the material made available for free by GSA and adapting it to their seminars is a difficult issue. Mr. Provenzano mentioned that it may be beneficial to certify the consultants to be able to use government material.

The committee requested that there be an individual present to brief them on joint ventures and teaming agreements at the next meeting.

The next meeting will be held sometime during the week of GSA Expo in Orlando, FL. There is information available on the website at expo.gsa.gov.

There was a motion to adjourn by Mr. Evans and with no opposition, the meeting was adjourned at 10:40 am.

I hereby certify, to the best of my knowledge that the foregoing minutes of the GSA
Small Business Advisory Committee meeting held on December 6 & 7, 2006 are correct.



Peter Provenzano, Chairman