

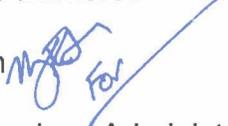


March 9, 2011

MEMORANDUM FOR: Daniel I. Gordon  
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Office of Management and Budget

Karen G. Mills  
Administrator  
Small Business Administration

David A. Hinson  
National Director, Minority Business Development Agency  
Department of Commerce

FROM: Martha Johnson   
Administrator  
U.S. General Services Administration

SUBJECT: Follow-up Actions from the January 10, 2011 Meeting Concerning Small  
Business Procurement: Small Business Plan

Please find enclosed the U.S. General Services Administration's (GSA) small business plan, which includes high-level outreach events in Atlanta, April 13<sup>th</sup>, and San Antonio May 6<sup>th</sup>, which I will personally attend to engage directly with small businesses seeking to do business with GSA. We are partnering with the Department of Health and Human Services for the Atlanta event and the Department of Labor for San Antonio. We are excited about the positive impact these events can have to increase our small business contracts and make a real difference in the lives and economies of those regions.

Other enhanced outreach of note is May 10-12<sup>th</sup> in San Diego, when GSA hosts our annual Training Conference and Expo for thousands of businesses and acquisition professionals. Each year, small business training is provided. New this year, GSA is hosting two afternoons of small business symposium and networking to provide small businesses access to nation-wide procurement opportunities with Federal, state, and local government buyers and prime contractors.

These events build on and strengthen our robust outreach plan – we have already hosted and participated in more than 200 small business contracting events this fiscal year and have many more planned.

Additionally, GSA will continue to support the White House Office of Public Engagement business outreach efforts to help reduce obstacles and challenges for businesses to engage with the work of the Administration. GSA will continue to actively engage the business community through frequent roundtable discussions, and ongoing public outreach in relation to environmental sustainability, including clean energy and innovative industries, with at least two Administrator or senior leadership team-led public events/ roundtables per month.

In GSA's agency-wide small business strategic action plan, we are focused on two key areas: 1) providing support to lower-achieving regions (where less than 27 percent of dollars were awarded to small business) and 2) applying laser-like focus to GSA's three percent goal for service-disabled veteran-owned business (SDVOSB), which was unmet the previous two years.

As of March 1, 2011, GSA has awarded \$425.6 million or 32.9 percent of \$1 billion eligible prime contract dollars to small businesses, exceeding our 27 percent goal. We are exceeding all subcategory goals, except for SDVOSB, who have won \$29.4 million or 2.3 percent in prime contracts, shy of our 3 percent goal. We are re-doubling our efforts to assure we improve and exceed this goal, and the enclosed plan includes detailed action steps to that end.

I and my leadership team are committed to small business contracting, and we are committed to continued collaboration with the Office of Management and Budget, the U.S. Small Business Administration, the Minority Business Development Agency, and other partners to exceed our small business goals.

I look forward to discussing GSA's progress on goal achievement and implementation of the steps described herein, at the next Small Business Procurement Group meeting April 26, 2011.

Attachment

## **U.S. General Services Administration FY 2011 Small Business Scorecard Plan**

In FY 2011, the U.S. General Services Administration (GSA) is undertaking a collaborative planning and execution approach, involving the Office of Small Business Utilization, the Administrator's Office, and Senior Procurement Executive/Chief Acquisition Officer, to increase small business awards and exceed all agency goals.

### **CATEGORY 1: *Commitment to small business utilization***

#### **Strategy and Action Plan to Meet Agency Goals**

1. **Provide targeted support to lower-achieving regions**, particularly buying activities that awarded less than 27 percent in FY 2010 and are not on track to exceed the 27 percent goal in FY 2011
  - a. Conduct telecon with region leadership to brainstorm ways to improve
  - b. In GSA's Public Buildings Service (PBS), encourage use of basic ordering agreements and small business set asides in addition to indefinite delivery indefinite quantity contracts (IDIQs), to provide access to more small firms
  - c. Encourage OSBU inclusion in acquisition planning to reduce contract bundling and increase small business opportunity (see Category 7 for details)
  - d. Newly hired Central Office small business technical advisor (SBTA) will work closely with Staff Offices to increase support and small business achievements
  
2. **Apply laser-like focus to 3% SDVOSB goal**, which was unmet the past 2 years
  - a. Clarify "parity" issue and use of service-disabled veteran owned small business (SDVOSB) set-aside (see Category 2 for details)
  - b. Identify and replicate effective practices for awarding to SDVOSBs from regions who exceeded the goal, across buying activities who did not achieve the goal
    - i. Leverage veterans-specific outreach events to build relationships and inform about upcoming procurements
    - ii. Identify veterans in each buying activity and give SDVOSBs direct access to buyers and contracting officers, particularly veterans ("vets hire vets")
  - c. Conduct an agency-wide online "collaboration event" to generate knowledge sharing and energy for SDVOSB contracting
  - d. Establish infrastructure to focus the agency at all levels, functions, and regions:
    - i. Compile and distribute reference guide of SDVOSB market research sources (recent GSA awardees, recent non-GSA awardees, Schedules, VETS GWAC, etc.) including key industry opportunity areas: construction and IT
    - ii. Conduct an internal road show with buyers/project managers to inform about market research sources, clarify regarding use of SDVOSB set-asides under newly clarified "parity," and highlight the benefits of using SDVOSBs
    - iii. Charter a "Kitchen Cabinet" of veterans and advocates across the agency, including GSA's designated Senior Executive Service champions
    - iv. Sign a Memorandum of Understanding with veteran advocacy groups for market research purposes

3. **Strengthen subcontracting monitoring and oversight** (see Category 6 for details)

#### **Tracking/Monitoring and Reporting Progress against Goals**

1. **Compile and send regular agency-wide reports** for timely course correction
  - a. Send regular updates to agency leadership, for dissemination to the workforce, regarding goal progress: end of Q1, monthly Q2-Q3, and bi-weekly basis in Q4
  - b. Develop revised chart(s), e.g., executive summary of status, rank by achievements to date to foster healthy competition among buying activities, etc.
  - c. Post on the OSBU page of GSA's internal web site, Insite
2. **In each buying activity, conduct regular self-monitoring** on a regular basis
  - a. Include small business progress reports at each buying activity's senior management team meeting and communicate to all staff
  - b. Use new GSA small business dashboard to drill down and analyze spend and small business opportunities
  - c. Designate new forecasted opportunities to close gaps or further exceed goals

#### **Accountability and Recognition**

1. **Include small business achievement in GSA's Associate Performance Plan and Appraisal System** where not already in place
2. **Provide formal recognition for small business achievements** at both the individual and team level to foster a culture of small business commitment
  - a. Reinstate Above and Beyond awards (with monetary incentive) to honor outstanding and innovative individuals who have gone above and beyond their traditional responsibilities to encourage small business participation
  - b. Present awards to buying activities who met all goals as team recognition

#### **Collaboration with SBA**

1. **Participate in working groups** to develop policy initiatives or legislative proposals
  - a. Co-lead Veterans Task Force Procurement Working Group with Department of Defense and develop actionable recommendations
  - b. Federal Acquisition Service work with OSBU, SBA, and OMB on regulations to implement key Jobs Act provisions (e.g., set asides on schedule, subcontracting at the task order level, with State Department Vanguard II procurement as pilot)
  - c. Provide Integrated Acquisition Environment solutions to implement the above
  - d. Pursue SBA's offer for 8(a) training and renew Partnership Agreement
2. **Work with SBA area, district, and regional offices** consistently across regions
3. **Adhere to inter-agency agreements**, in particular the 8(a) MOU
4. **Involve Procurement Center Representatives (PCR) in procurement planning** sessions and facilitate PCR review of small business considerations, including by adding to the Acquisition Planning Wizard workflow as appropriate

**CATEGORY 2: *Effective senior-level communication of importance of achieving small business goals***

**Communication of Agency Goals from the Top Down**

1. **Administrator Johnson** communicate support for small business contracting
  - a. Participate in quarterly “Big 7” meetings chaired by Valerie Jarrett and de-brief the Senior Management Team regarding these discussions
  - b. Produce a video blog that reminds the agency about the importance of small business
  - c. Issue memo supporting and linking to the small business utilization plan
  - d. Begin to include regional progress update and Central Office-specific breakout in SMT on a monthly basis
  - e. Continue to engage OSBU’s Associate Administrator participation in weekly Administrator Senior Management Team meetings
  - f. Increase participation in small business outreach contracting events (e.g., Atlanta in April, San Antonio in May)
  
2. **PBS and FAS Commissioners** reinforce the message
  - a. Review monthly progress updates with Regional Commissioners during monthly teleconferences
  - b. Review National Office-specific breakout in once a month during standing weekly senior staff meetings
  - c. Deliver small business message in blog and “PBS in a Minute” video
  - d. Deliver small business message in FAS leadership communications
  
3. **Heads of Staff Offices** demonstrate commitment to small business contracting
  - a. Participate in forecast webinar series so small businesses can hear about upcoming projects directly from leaders and program/project managers
  - b. Proactively post forecast opportunities
  - c. Partner with newly hired SBTA for Central Office on small business considerations for upcoming procurements
  
4. **Regional Administrators** demonstrate commitment to small business
  - a. Include quarterly small business update in weekly Regional Administrator teleconferences to apprise of progress against goals
  - b. Actively participate in outreach events
  - c. Review progress update in weekly senior staff meetings with heads of business lines/services
  - d. Review progress update and trouble-shoot during monthly acquisition council meetings with supervisory procurement leads
  - e. Review and concur on forecast and regional small business goals
  - f. Meet regularly with Regional Office of Small Business to discuss barriers and issues in maximizing small business opportunity

### **Guidance from Top-Level Acquisition Leadership**

1. In coordination with OSBU, GSA Senior Procurement Executive (SPE)/Chief Acquisition Officer (CAO) **issue guidance regarding recent small business policy changes per Jobs Act and Task Force recommendations**, etc.
  - a. For IDIQs, consider use of set asides or socio-economic categories as a source selection factor at the master contract level for maximum small business participation
  - b. For IDIQs, consider use of set asides (pending regulation change) or socio-economic categories as a source selection factor at the task order level for maximum small business participation
  - c. Reaffirm “parity” among federal small business contracting programs in light of Jobs Act provision and revised regulation, i.e., contracting officers are free to choose among set-asides groups rather than considering HUBZone first
  - d. Highlight 8(a) program updates
  - e. Inform about new women-owned small business set-aside
  - f. In coordination with FAS and OSBU, remind about maximizing small business opportunity through use of schedules and evaluation factors
2. **Remind about small business consideration requirements** and emphasize proper procedures throughout the acquisition life-cycle
  - a. Include OSBU early in acquisition planning process
  - b. Conduct market research and use Rule of Two to determine procurement method
  - c. Use GSA Form 2689 (Small Business Analysis Record) consistently, and establish a practical threshold, when not setting aside for small business
  - d. Perform subcontracting oversight (see Category 6 for details)

### **Regular Communication between CAO and OSBU**

1. **Conduct regular meetings between OSBU and CAO** or designee to identify and resolve issues and discuss necessary policy guidance to issue
2. **Conduct regular meetings with PBS and FAS Offices of Acquisition Management** to discuss small business operational challenges, outreach, and any relevant policy and/or system challenges to escalate to SPE
3. **Explore opportunities to develop new contract vehicles** to maximize small business opportunity (e.g., Professional Services, upcoming Customs and Border Patrol projects)

### **Agency-wide Knowledge of Small Business Goals**

See action steps outlined in Category 1 and 2 above

### **CATEGORY 3: *Data quality of small business contracting***

#### **Reviews of Contracting Data to Address Anomalies**

1. Continue to work with a contractor to conduct independent validation and verification of FPDS data using statistician guided sampling methodology so results are reliable and actionable. GSA has the following internal data quality processes in place:
  - a. Each major contracting activity within GSA conducts data reviews consistent with the guidance and schedule developed by the GSA Office of Acquisition Policy, Office of Government-wide Policy
  - b. Data reviews include completing a certification for their activity
  - c. GSA contracting activities are encouraged to accomplish and report data validation efforts throughout the year
2. Look for opportunities to further standardize data quality across the agency
3. Implement the Office of Federal Procurement Policy memo dated March 9, 2007, tasking federal agencies to establish a process to ensure FPDS data is accurate. Through GSA Acquisition Letter V-07-03, Supplement 1, GSA will continue to provide instruction to all GSA contracting officials on the steps to take to verify FPDS data integrity through quarterly certification.
4. Conduct weekly intra-agency teleconference to identify/address data quality issues

#### **Acquisition Workforce Training on Entering Small Business Data**

Provide training on FPDS at the 2011 GSA Training Conference and Expo in May 2011. The training session, "What You Need to Know about FPDS-NG", will provide GSA personnel, and GSA's government customers with an understanding of FPDS. Attendees will learn about recent and future developments in the system as well as policy, regulatory, and procedural changes. Topics will include software upgrades, agency code changes within GSA FAS, competition requirements, and more. GSA will be sure to include specific instruction regarding small business data.

#### **Timely Resolution of Data Anomalies**

GSA will also continue to work closely with SBA in timely addressing and correcting data anomalies. We will carefully analyze and address the ongoing issue of ensuring that contracts awarded by GSA on behalf of other agencies, using their funds, are properly coded in FPDS so that proper small business credit is given those agencies.

#### **Category 4: Training of acquisitions staff**

GSA will provide regular training to acquisition staff on policies, procedures, programs, and trends regarding small business contracting. We will also work proactively to improve knowledge management to support small business contracting.

1. **Deliver localized, need-based training** for the acquisition workforce until a comprehensive mandatory training is developed
2. **Develop comprehensive, mandatory training** regarding small business regulations and procurement methods to promote small business opportunity at the prime and subcontract level (instructor-led and online)
  - a. Coordinate with SPE/Center for Acquisition Excellence ([www.gsa.gov/cae](http://www.gsa.gov/cae)) to include the training in GSA's core/mandatory 1102 acquisition curriculum
  - b. Include recent small business policy changes per Jobs Act and Task Force, etc. (outlined in Category 2)
  - c. Create desk guides to help the OSBU team and GSA's acquisition workforce understand and implement policies, procedures, "how-to," and pitfalls to avoid surrounding small business contracting at the prime and subcontract level
3. **Provide annual training at GSA's Training Conference and Expo**, an intensive agency-wide 3-day training conference, to build GSA's acquisition workforce knowledge regarding small business contracting. Training courses include:
  - a. Small Business Program Parity (Where do we go from here?)
  - b. Women Owned Small Business New Initiative
  - c. Sustainability Awareness for Small Business
  - d. Doing Business with GSA and the Mentor Protégé Program
  - e. 6 Steps to Marketing for the New Government Contractor
4. **Encourage 1102 intern rotations through the OSBU** to build their knowledge and advocacy for small business programs
5. **Build an online knowledge resource on GSA's internal web site, Insite**, that is a living resource of information on small business regulations, policy guidance, hot topics, and success stories
  - a. Incorporate social media components (e.g., collaborative wiki, Interact.gov)
  - b. Develop standard tools and templates for quick reference (e.g., workflow showing small business consideration throughout acquisition life-cycle, model subcontract plan, market research checklist)
  - c. Post GSA small business prime and subcontracting goals and progress updates
  - d. Solicit discussion of best practices and success stories on awarding to small business for access across GSA to spark creativity and multiply success

6. **Collect and share agency successes and proven practices outside GSA** on MAX Dashboard per SBA/OMB request; develop a structured format and process for soliciting, selecting, and submitting these stories and practices

## **CATEGORY 5: Outreach to small businesses**

GSA will continue to demonstrate a commitment to growing the agency's small business supplier base and increasing awareness of contracting opportunities for small businesses. We plan to conduct a significant number of outreach, matchmaking, and educational events for small businesses and participate in SBA sponsored events. We will continue to maintain our web site with useful information for small businesses.

### **Robust Outreach Calendar of Events**

1. **Conduct two high-level events in major U.S. cities** in response to the Small Business Procurement Group focus on enhancing outreach efforts, with local government, Congressional, and trade group coordination
  - a. April 13, 2011, in Atlanta, GA: GSA and HHS will co-host this event. GSA Administrator Johnson and other senior officials will provide remarks, followed by procurement workshops and matchmaking
  - b. May 6, 2011, in San Antonio, TX: GSA is engaging with DOL. Similar agenda as above
  
2. **Deliver robust program of conferences and outreach events** building on established relationships and previous successes
  - a. GSA EXPO May 10-12, San Diego, CA: GSA hosts an annual training conference and expo for thousands of businesses and government buyers. Each year, small business training is provided. New this year, GSA is hosting two afternoons of small business symposium and networking to provide small businesses access to nation-wide procurement opportunities with government buyers and prime contractors
  - b. Co-sponsor and actively participate in conferences, trade fairs, and matchmaking events nationwide with members of Congress, SBA, and other Federal Government agencies, trade associations, and professional organizations
  - c. Coordinate with procurement teams to host events focusing on specific procurement opportunities such as pre-proposal conferences to engage potential bidders, and networking and matchmaking events to facilitate subcontracting and teaming relationships among large and small business
  - d. Conduct webinars covering topics such as Marketing Strategies, Understanding the GSA Mentor-Protégé Program, and Sustainability Awareness for Small Businesses
  - e. Based on action steps outlined in the Small Business Procurement group, post all upcoming outreach and small business training events on FedBizOpps
  
3. **Develop a comprehensive, integrated small business outreach strategy**, leveraging multiple support functions that interface with small business
  - a. Foster closer coordination with leadership, procurement teams, and other functions across GSA to leverage constrained budgets
  - b. Chart out events for the full year across regions to help determine which are of greatest value and enable closer intra-agency coordination and coverage

- c. Develop metrics to measure outreach outcomes so we can define and quantify success for our investment in these activities
  - d. Conduct after-action reviews among the cross-functional outreach team to determine what worked and what to do differently next time
  - e. Manage expectations
    - i. Increase education regarding doing business with GSA – via full and open competitions, set asides, schedules, IDIQs, teaming, subcontracting, etc.
    - ii. Work with FAS and small business schedule holders to improve sales
    - iii. Dispel the myth that schedules are required or the “silver bullet”
    - iv. Remind small business they need to be ethical and compliant with regulations so they do not remove themselves from viable competition
4. **Support White House Office of Public Engagement business outreach efforts** to help reduce obstacles and barriers for businesses to engage with the work of the Administration; GSA will continue to work to actively engage the business community with innovative industries including but not limited to clean energy.
- a. GSA is uniquely positioned at the intersection of business and government to engage with companies who want to do business with the federal government
  - b. The Administrator and senior leadership team will conduct public events/ roundtables at least twice per month
  - c. During a recent trip to Grand Junction, Colorado the Administrator met with members of the small but growing geothermal industry to discuss how the government could expand the use of their technologies to other government projects in order to save taxpayer money on energy costs and boost an innovative industry
  - d. GSA is currently working to replicate these small business roundtables with other industries throughout the country, including the lighting and solar industries

#### **Participation in SBA-Sponsored Events**

1. **Partner at the national and regional level** on SBA-sponsored events
2. **Promote SBA’s Small Business Jobs Act tour**
3. **Foster closer coordination** with external partners SBA, MBDA, and PTACs; level of coordination varies across regions

#### **Up-to-Date Web Site Information**

1. **Re-vamp web site with updated content** from: Doing Business with GSA guide, fact sheets, FAQs, and other standard materials to make the information more consistent and accessible
2. **Expand social media efforts** (e.g., Twitter, blog, Facebook), including building an interactive community on GSA’s Interact.gov

3. **Improve forecast transparency and usability** by enhancing the design and capability of the Forecast database and the quality of information provided by GSA's buying activities

#### **Other Outreach Innovations**

1. **Adopt customer relationship management (CRM) tool**, Salesforce.com, to enable GSA to learn more about the small businesses we serve to develop stronger, lasting relationships and better measure service levels and outcomes
2. **Evaluate and expand GSA's new Mentor-Protégé program** to help small businesses access prime and subcontracting opportunities
3. **Implement a new program, GSA's Business Breakthrough**, to help the business community continue to successfully participate in GSA's procurement opportunities
  - a. Offer a robust workshop agenda full of up-to-date information on how to succeed in government contracting with real-world case studies from across industry
  - b. Deliver workshops 11 times across the country

## **CATEGORY 6: *Subcontracting***

In FY2011 GSA will continue to demonstrate a commitment to expanding subcontracting opportunities for small businesses. We will regularly track and monitor progress against goals, report subcontracting plans in eSRS in a timely manner, and develop and communicate internal procedures/policies to ensure adherence to prime contractor subcontracting plans.

### **Strategy and Action Plan to Meet Subcontracting Goals**

1. **Hold the agency to a higher, “stretch” subcontracting goal (30%)** than the goal SBA has set for GSA (15%) and encourage teams to encourage/negotiate aggressive subcontracting plan goals as appropriate for individual projects
2. **Enhance oversight to increase contracting officer accountability** for subcontracting plan administration
  - a. Include in Program Procurement Management Reviews (PMRs) contracting officer monitoring of subcontracting plans and the reporting of contractors’ performance against and efforts to achieve small business goals in the Past Performance Information Retrieval System (PPIRS)
  - b. In particular, monitor major construction contracts under the Recovery Act with compliance reviews, where contracting officers, OSBU, and SBA PCRs review prime contractors’ good faith efforts and progress against subcontracting plans
3. **Develop guidance, tools, and templates** to support plan development and monitoring
  - a. Clarify what to do with IDIQs given policy and system limitations regarding subcontracting plans and reporting for task orders
  - b. Implement a model subcontracting plan as a tool for procurement teams to make it easier to comply with FAR requirements
  - c. Distribute a template notification of award for procurement teams to send the Regional OSBU and SBA Area Directors to provide final contract details to help facilitate SBA follow-up with contractors to train them on eSRS reporting
  - d. Develop desk guide and mandatory subcontracting training to help the OSBU team and GSA’s acquisition workforce understand the policies, procedures, common practices, “how-to”, and pitfalls to avoid

### **Tracking and Monitoring Progress Against Goals**

1. **SPE, OSBU, FAS, and PBS leadership coordinate communications** to COs and contractors regarding mid-year reports and annual reports and track review and acceptance of reports, including:
  - PBS bi-monthly Regional Procurement Officer calls and monthly newsletter
  - FAS Deputy Commissioner emails and Steps to Success newsletter
  - Monthly report outlining pending or outstanding subcontracting reports

2. **Rationalize the data** considering availability of subcontracting at the master IDIQ/Schedule level only and policy/system limitations regarding task order level plans and reporting

**Timely Reporting in eSRS**

See above

**Internal Policies and Procedures to Ensure Adherence to Subcontracting Plans**

SPE, OSBU, FAS, and PBS collaborate to identify ways to strengthen policies and procedures

## **CATEGORY 7: *Unbundling***

GSA will continue in its efforts to identify potential ways to unbundle contracts and to document and provide rationale for any contracts that are bundled. We will communicate and collaborate with contracting officials in these efforts. GSA will follow existing procedures to ensure that no unjustified contract bundling occurs. All bundled contracts will be reviewed by OSBU and approved by the Associate Administrator.

### **Analysis of Contract to Identify Ways to Unbundle**

Regarding construction contracts, GSA has conducted analysis to identify prospective sources that can meet agency needs without bundling and potentially achieve cost savings. For example, GSA can explore establishing a national acquisition strategy to use Multiple Award Schedule contractors or separate IDIQs for single trade projects such as roofing, HVAC, and flooring to directly access specialized expertise versus using a general contractor.

### **Communications between COs and OSBU/SPE on Ways to Unbundle**

GSA involves OSBU in the acquisition planning process to ensure maximum practicable opportunity for small business participation. Should a contract be deemed necessary for bundling, the benefits must be measurably substantial as outlined in FAR 7.107(b) reviews bundling requests and ensure maximum participation by small business.

1. **Buying activities increase OSBU inclusion in early stages of acquisition planning**, and engage OSBU sufficiently prior to requested concurrence on justifications to not set aside for small business and on subcontracting plans
2. **Start with project initiation (in Global Project Management process), forecast, and data-driven goal negotiation process** to identify opportunities to unbundle
3. **Clarify OSBU role throughout the acquisition life-cycle**
  - a. HR clarify and standardize OSBU position descriptions and role
  - b. OSBU issue SBTA appointment letters to clarify role expectations
  - c. Partner with SBA to “upskill”/ professionalize the OSBU team’s small business expertise and standardize training, including ways to identify and reduce bundling
4. **Newly hired Central Office SBTA** will work closely with Central Office organizations and provide assistance in establishing small business goals, developing procurement forecasts, and considering small business throughout the procurement lifecycle to increase small business opportunity, with a focus on unbundling

### **Rationale for Bundled Contracts Published on Agency Web Site**

GSA will post rationale for bundled contracts on the agency web site throughout the year