

Air Force Center for Engineering and the Environment

Integrity - Service - Excellence



Small Business Programs

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Brooks City-Base

- Formerly Brooks Air Force Base
- First of its kind partnership between USAF and COSA
- Brooks Development Authority established 27 Sep 01
 - Independent entity under Texas Defense Base Development Authorities statute
 - Reduce base operating support costs
 - Maintain flexibility to meet AF mission
 - Enhance AF mission capabilities through creation of public and private partnerships
 - Allows AF to focus on mission vs. landlord activities

<http://www.brookscity-base.com>



What is the Small Business (SB)Office?

- Director's advocate/representative for Small Business and Historically Black Colleges and Universities/Minority Institutions
- Will continue to support Brooks City-Base and its tenants until 1 Oct 11
- Part of the base Team, working to accomplish the mission through enhancement of SB and HBCU/MI participation
- Strive to ensure that the acquisition community views interactions with small business as more important than merely a means to achieve numerical goals
- Small business specialists work aggressively with base customers to create strategies that support our Warfighters
- Every Air Force base has a small business specialist
 - www.selltoairforce.org
 - Locator Map
 - Search by Base or by State



What Do We Do ?

- Focal point for SAF/SB on environmental matters
 - Maximize small business participation by early involvement on acquisitions
 - Advise/assist acquisition personnel with small business issues
 - Participate on source selections as evaluator
 - Participate as advisor to the Source Selection Authority
 - Evaluate subcontracting plans
 - Counsel and provide support to small businesses
 - Liaison with large businesses
 - Maintain an outreach program
 - Develop and conduct education and training
 - Review contract “Tool-Box” utilization
 - Participate in all Industry Days and Contractor Schools
 - Industry Sounding Board
 - Answerable to DoD/SAF/MAJCOM small business leadership
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Integrity – Service - Excellence



What is the Small Business Administration (SBA)?

- Created in 1953 as independent agency of the federal government
 - Preserve free competitive enterprise
 - Maintain and strengthen the overall economy of our nation
 - Aid, counsel, assist & protect the interests of small businesses
 - Technical assistance (training and counseling)
 - Financial assistance (loans and surety guarantees)
 - Contracting assistance (govt contracting and size standards)
 - Disaster assistance recovery
 - Special interests (women, native Americans, veterans)
 - Advocacy, laws and regulations (ombudsman and advocacy)
 - Civil Rights compliance
- Only agency with authority to determine whether a firm is a small business when an interested party protests size status



What is a PCR and CMR?

- **PCR - Procurement Center Representative**
 - Review all acquisitions over \$100K to increase the small business share of Federal procurement awards
 - Provide small business sources to Federal buying activities
 - Counsel small business firms
- **CMR - Commercial Market Representative**
 - Conduct compliance reviews of prime contractors
 - Counsel small businesses on how to obtain subcontracts
 - Conduct matchmaking activities to facilitate subcontracting to small business
 - Provide orientation and training on the Subcontracting Assistance Program for both large and small businesses
- **Brooks City-Base and AFCEE PCR/CMR**
 - Fred Lagunas



FAR Discussion Teaming

- FAR 9.603: “The Government will recognize the integrity and validity of contractor team arrangements; provided the arrangements are identified and company relationships are fully disclosed in an offer...”



Types of Teams

■ Prime/Subcontractor

- Prime is responsible for contract performance
- Privity of contract between Government and Prime
- Team identified in proposal
 - Mentors and Protégés not automatically considered a Team
 - DOD and AF Mentor-Protégé Agreement
 - <http://www.selltoairforce.org>

■ Joint Ventures



FAR Discussion Joint Ventures

- FAR 19.101 defines a Joint Venture as an association of persons or concerns...concerting to engage in and carry out a single specific business venture for joint profit, for which purpose they combine their efforts, property, money, skill, or knowledge, but not on a continuing or permanent basis



Joint Ventures

- Contract in Joint Venture's name
- Contract performance responsibility lies with Joint Venture
- Agreement must include sharing profits/losses proportionate to each party's contributions to business operation



Why Team?

- Enables firms to complement each other's capabilities
- Enables firms to offer the best combination of performance, cost, and delivery
- Enables SBs to effectively compete for larger scale requirements
- Enables LBs to meet their subcontracting goals



Selecting Teaming Partners

- Compatible contractors
- Assess team chemistry
 - Management styles, corporate cultures, strategic visions
- Assess team member capabilities
 - Business, financial, other resources
- Assess team member past performance
- Assess legal constraints
 - OCI issues, debarments/suspensions, qualification requirements
- All must understand terms & conditions of agreement



Affiliation

- Affiliation deals with business relationships a SB may have with other firms and how those relationships affect the size status of the SB
 - Prime-sub relationship that is not at arms length
 - Formal Joint Venture
 - Business relationship outside particular contract that may cause affiliation
- Prime-subcontractor relationship is not synonymous with affiliation – i.e. there can be non-affiliated subcontractors



Affiliation Rules

- Normal Rule: Affiliated business concerns' receipts are added to determine eligibility under size standards
- SBA excludes joint ventures/teaming arrangements in certain circumstances
 - Size Standard is applied to individual concerns rather than to the combined assets of the team/joint venture
 - A joint venture/teaming arrangement of two or more business concerns may submit an offer as a small business without regard to affiliation as long as all are small under the NAICS used **IF...**



Affiliation Rules

Affiliations – NON 8(a) Exclusion

- The acquisition is bundled at any dollar value

OR

- For non-bundled acquisitions

- Where contract value (including options) exceeds $\frac{1}{2}$ the applicable revenue-based size standard

OR

- Where contract value (including options) exceeds \$10M for employee-based size standard



Affiliation Rules

- Normal affiliation rules apply to
 - All sole source 8(a) acquisitions
 - Competitive 8(a) acquisitions that do not exceed the thresholds shown in previous slide

Affiliations – 8(a) Exclusion

- A joint venture/teaming arrangement of at least one 8(a) and one or more other business concerns may submit an offer under a competitive 8(a), as an 8(a) concern, without regard to affiliation **IF...**



Affiliation Rules

- Each concern is small
- At least one 8(a) participant to the joint venture is less than ½ the NAICS size standard
- 8(a) is managing venturer
- Employee of 8(a) managing venturer is project manager of contract
- 51% of joint venture profits go to 8(a) member(s)
- Approved by Small Business Administration (SBA)
- When forming a joint venture or affiliation consult legal counsel

13 CFR 124.513(c)



Other Affiliation “Exceptions”

- SBA Mentor-Protégé Program (13 CFR 124.520)
 - Designated to provide technical/management assistance, financial assistance, subcontract support, contract performance assistance through Joint Ventures
 - Mentor may be large or small
 - Protégé must be 8(a) in development stage, or never have received 8(a) contract, or less than ½ size standard or primary NAICS code
 - MP Agreement will not be approved if used as just a mechanism to enable non-8(a) to receive 8(a) contracts



Other Affiliation “Exceptions”

- SBA Mentor-Protégé Program (13 CFR 124.520)
(continued)
 - For any procurement
 - 8(a) firm is exempt from affiliation rules when it joint ventures as a protégé with a mentor firm (large or small) under the program
 - SBA must approve Joint Venture agreement
 - 8(a) must be small under NAICS code
 - Must meet limitations on total sole source dollars (monitored by SBA and firm)



Other Affiliation “Exceptions” cont’d

- Indian Tribes, Alaskan Regional or Village Corporations (ANC), Native Hawaiian Organizations (NHO)
 - Business concerns owned by these groups are not considered affiliates of such entities, or with other concerns owned by these entities solely because of their common ownership (13 CFR 121.103)
 - Many of these business concerns are qualified as 8(a) firms



Limitations on Subcontracting

- Percentages outlined in FAR 52.219-14
 - Varies for Services, Supplies, General Construction, and Special Trades
 - If Offeror is exempt from affiliation (i.e. bundled, exceed thresholds, SBA MP Joint Venture) and qualifies as a SB, performance of work requirements apply to the cooperative effort of the team or Joint Venture

- GEITA11 = At least 50% of the cost of contract performance incurred for personnel shall be expended for employees of the small business prime contractor

- Only applicable if you had to be small business to get contract



Two Issues

- Affiliation and Limitation of Subcontracting are separate issues
 - Affiliation deals with how business relationships can affect the size standing of a SB (13 CFR 121.103)
 - Limitations on Subcontracting deals with how much work a SB can subcontract (FAR 52.219-14)
- Both issues apply only if a contractor must be small to be eligible for award
- Full and open contracts awards, regardless of size of business, should not have FAR 52.219-14 in the contract



Meeting FAR 52.219-14

- 13 CFR 125.6(h)(i) allows the cooperative efforts of joint ventures (formal or informal) in meeting FAR 52.219-14
- AFMC allowed for presumption of informal joint ventures (teams) between the small business prime and its small business 1st tier subcontractors
- SBA ruling states informal joint venture is not presumed and must be evidenced by an agreement between the business concerns explaining the relationship is an informal joint venture and meets the CFR definition of joint venture. (13 CFR 121.103(h))



Meeting FAR 52.219-14

- AFMC/PK Policy Memo 2006-PK-004 signed 19 Oct 06
- Subcontracting limitations requirement may be fulfilled by formal or informal joint ventures meeting the requirements of CFR.
- CO shall request agreement as part of proposal submittal
- At a minimum, agreement shall include
 - Official names of parties to the joint venture and their respective signatures
 - Statement as to whether the joint venture is formal or informal
 - Purpose of the agreement
 - Effective dates/performance period for the agreement
- Prime may use first tier small business subcontractors if submitted teaming agreements with proposal



Subcontracting Goals

- Subcontracting goals dollars are expressed as % of your anticipated subcontracted dollars
 - Small Business 40%
 - Small Disadvantaged Business 5%
 - Woman Owned 5%
 - HUBzone 3%
 - Veteran Owned 3%
 - Service Disabled Veteran Owned 3%

- Failure to meet GEITA11 Mission Capability Sub-factor 1.4 evaluation criteria may result in no award
- Does not apply to work performed in foreign countries
 - When reporting your goals do not include this work
- Minimum, Government specified goals
 - Floor not ceiling



Market your capabilities

- Do it yourself
 - Capability statements/brochures
 - Air Force Small Business Environmental Database
 - CCR/Dynamic Small Business Search
 - Attend open houses, symposiums, vendor demos
 - Become Fed Biz Opps junkie
 - Do not overlook subcontracting opportunities
 - Know your customer
 - Visit small business office
 - Market the program managers
 - Follow-up
 - Do not hesitate to ask questions
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Sources Sought Synopsis or Request For Information

- Sources sought synopsis = your opportunity to influence acquisition strategy
- Questions on NAICS code, small business goals, teaming, number of contracts, costing type
- Contracting Officer reviews and prepares market research report
- Coordinates with small business office and acquisition strategy is finalized
- Two or more in a size category to have a set-aside
- Cannot merely answer yes or no and expect it to count
- Typically these are for new contracts, but you may see RFIs at the task order level



Important websites

- Brooks City-Base www.brookscity-base.com
- AFCEE Business Opportunities www.afcee.brooks.af.mil/pkv/business.asp
- Central Contractor Registration www.ccr.gov
- AF Mentor-Protégé Program www.selltoairforce.org
- Fed Biz Opps <http://www.fedbizopps.gov/>
- USAF Interactive Electronic Mall www.selltoairforce.org
- FAR on-line www.arnet.gov.far
- Procurement Tech Asst Center www.aptac-us.org/new/
- Long Range Acquisition Estimate www.selltoairforce.org
- Small Business Office <http://www.brooks.af.mil/library/factsheets/factsheet.asp?id=6307>



SB Counterparts in SA

- Lackland AFB
 - Arthur Dinwiddie
 -
- Kelly AIA
 - Brenda Dillard
- Randolph AFB
 - Jose Farias
 - Pat Barber