

WM2017 Conference Panel Report

PANEL SESSION 16: Addressing the Small Business Barriers in Contracting with the US DOE

Co-Chairs: **Tamara Miles**, *US DOE*
Loong Yong, *Spectra Tech, Inc.*

Lead Organizer: **John Coffman**, *Consultant*

Panel Reporter: **Vanessa Hatfield**, *E2 Consulting Engineers, Inc.*

Panelists:

1. **Paul E. Ross**, *Acquisition Specialist, US DOE Office of Small Business and Disadvantage Business Utilization*
2. **Tamara Miles**, *Procurement Director, DOE EM Consolidated Business Center*
3. **Greg Gonzales**, *Small Business Program Manager, NNSA*
4. **Steve Moore**, *President and CEO, Wastren Advantage, Inc.*
5. **Keller Staley**, *Senior Vice President and Corporate Risk Officer, Longenecker & Associates.*

There were approximately 45 attendees present for the presentations, which focused on barriers for small businesses in contracting with the US DOE and was delivered from the perspective of both DOE/NNSA and Small Businesses. It is a challenging time for small businesses regarding contracting. The market is flooded with small businesses looking for prime and subcontracting opportunities within DOE and NNSA. This panel discussed how to distinguish your small business from the competition by knowing the scope of work, writing to the scope of work describing your small businesses discriminating factors as you respond to market research requests. Early and often communication with DOE and DOE Primes is critical. Considerations for business strategies was discussed to include 1) small business teaming arrangements; 2) size determination; 3) similarly situated entities; and 4) limitations on subcontracting. It is important that small business know the rules as they develop teaming and proposal responses.

Summary of Presentations

Paul Ross discussed the DOE mission, Site and Facility Management Contractors and the Power Administrations. He covered the top 10 Prime North American Industry Classification System (NAICS) codes and top 10 subcontracting NAICS codes and provided revenues associated. He also stated that DOE had a FY2017 budget of \$30B.

Mr. Ross discussed the “Rule of Engagement” for small businesses.

1. Engage with program elements – Know their mission and requirements
2. Create a demand by becoming a solution to DOE requirements
3. Attend outreach sessions and network with other subcontractors
4. Plan ahead – allow 1.5 to 2 years to prepare a proposal for major requirements
5. Respond to sources sought/RFI synopses

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6. Consider teaming arrangements as requirements are steep
7. Learn how to prepare an effective and responsive proposal
8. Contact Procurement Technical Assistance Centers (PTAC) if you need help
9. Be persistent

Mr. Ross provided numerous websites for finding opportunities and requested everyone give him a business card and he would forward an informative package for small businesses interested in working with DOE. He also promoted ‘Save the Date’ information for the 16th Annual DOE Small Business Forum and Expo, May 16-18, 2017 in Kansas City, MO.

Greg Gonzales covered several considerations for business strategies.

1. Small Business teaming arrangements – a) prime/sub; b) joint venture
2. Size Determination – cautioning affiliation, ostensible subcontractor, and ostensible subcontractor and prime contractor
3. Similarly situated entities
4. Limitations on subcontracting

Tamara Miles discussed the DOE Environmental Management Consolidated Business Center’s (EMCBC’s) mission and covered their 8 consolidated functions (services lines). She discussed their previous years’ small business goal achievements and went over their “Small Business First” policy and highlighted 11 recently awarded contracts with 8 being awarded to small businesses. **Ms. Miles** provided some information and comments from the latest EM Industry Workshop.

1. Decreasing number of small businesses under DOE procurements
2. Lack of discrete scopes of work that could be executed by small businesses independent of major site contracts
3. Identify scope elements or contract line item numbers (CLINs) in unrestricted solicitations that shall be performed by small businesses (Ms. Miles stated that this would be seen in the upcoming SRS M&O and Hanford Consolidation RFPs)
4. Need for DOE to better define “meaningful work”
5. Include evaluation criteria and scoring of small business subcontracting approach in proposal evaluations
6. Taylor past performance evaluation criteria for small business critical subcontractors to encourage growth

Ms. Miles encouraged small businesses to respond to market research notices, attend pre-solicitation/pre-proposal meetings, attend conferences, trade fairs, DOE EM Opportunities Forum (quarterly), build capabilities at the subcontract level in order to enhance opportunities within DOE prime contracts, and engage in Supply Chain Management Centers (SCMC). She provided additional information for SCMS as well as additional helpful resources for opportunity searches on the internet.

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Steve Moore highlighted WAI small business awards, project and office locations and major DOE project successes. He discussed several barriers in small business contracting and potential solutions.

Barriers
Clear Direction - DOE recently created a lot of confusion within the contracting community about the role of SBs on unrestricted DOE Prime contracts. SBs as team members vs. SB competition post award. DOE should not make a distinction and allow contractors to develop the best offers to DOE.
Clear Commitment - meaningful SB participation and tracking to Award Fee Scores. DOE needs to hold large businesses accountable for achieving SB goals established by DOE.
Prime Opportunities - DOE needs to develop enough prime contract opportunities to maintain a robust SB community. SBs are currently managing complex projects and facilities across the DOE complex and these opportunities need to increase.
Consolidation - M/A activity is reducing the number of large SBs with recent and relevant experience within DOE.

Things We Can Do
DOE needs a comprehensive plan that addresses all categories of small businesses. It's not a one-size-fits-all plan but all the groups are important to the complex-wide needs.
EFCOG and ECA should be included in developing the plan and addressing all stakeholder concerns.
Address site-specific SB issues during the pre-proposal and industry day process.
Help educate communities and large businesses about the scope and complexity of work that is currently being managed by SBs for DOE.

Keller Staley As the Corporate Risk Officer (CRO) for Longenecker & Associates, **Mr. Staley** took this opportunity to present on corporate and project risk. He discussed several areas of risk to include:

1. Why the focus on risk?
2. Where does the CRO fit?
3. "You" are key!
 - a. You should identify risks as soon as possible. Our best approach to risks always is to identify and discuss them early.
 - b. Communicate in a timely, proactive manner with the relevant Project Manager or the CRO.
 - c. As the person who first noticed the risk, you may be among the best people to help fix it.
 - d. As the person who first noticed the risk, you are probably in a good position to see if our correction is working.
4. What are our risks? – Project vs. Corporate
 - a. Project Risk - risk on a specific project Managed by the Project Risk Manager (can be the Project Manager).
 - i. Some standardization between projects, but not always. - Keep it flexible.
 - b. Corporate Risk
 - i. Managed by the CRO
 - ii. Risks outside of specific projects but can include important project risks.
5. Risk Manager functions
6. Risk categories and strategies for handling risk