

The Department of Defense (DoD) Mid-Atlantic Regional Council (MARC) Regulatory and Agency Update 2021 Spring Workshop, March 18, 2021

WELCOME!

- Mute all phones and computers
- Turn cameras off. Speaker cameras only should be on.
- Briefing slides will be posted on DoD MARC website within 1 week.
- During the session(s) Submit 1 Question in the Chat
 - Only 1 3 questions will be selected for speaker response [to keep us on schedule].
 - Questions not addressed during Q&A will be shared with presenters and responses posted to the DoD MARC Website within 1 week.
- Certificates will be emailed to verified attendees within 3 business days of the workshop.



AGENDA SUMMARY



12:45 – 12:55 PM	Online Check-in to WebEx Event
12:56 – 1:00 PM	Welcome Housekeeping Agenda
	Dr. Sonny Hatcher, MARC Chairperson
	Assistant Director, DCMA Small Business, East/West Compliance Center
1:01 PM – 1:05 PM	Pledge of Allegiance Host Introduction
	Ms. Stephanie Sherwood, MARC Board Pennsylvania Representative
	SB Program Manager Small Business Liaison Officer, Weston Solutions, Inc.
1:06 – 1:25 PM	BAE Host Welcome "Effective Interaction – Likeability"
	Ms. Diane Dempsey
	Director, Small Business Programs – BAE Systems, Inc.
1:26 – 1:40 PM	Q & A with Ms. Diane Dempsey
	Director, Small Business Programs – BAE Systems, Inc.
	Moderator: Lisa King – DoD MARC Maryland Representative
1:41 – 1:50 PM	DOD MARC and DCMA Update Presenter Introduction
	Dr. Sonny Hatcher, MARC Chairperson
	Assistant Director, DCMA Small Business, East/West Compliance Center
	"Assessing Small Business Subcontracting Plans -vs-
1:51 – 2:40 PM	Evaluating Small Business Participation"
	Mr. Ken Carkhuff
	Small Business Learning Director, Defense Acquisition University
2:41 – 2:55 PM	Q & A with Mr. Ken Carkhuff
	Small Business Learning Director, Defense Acquisition University
	Moderator: Shawn Ralston, DoD MARC Planning Committee Chair
2:55 – 3:00 PM	Thank you Acknowledgements Closing Remarks
	Mr. Kyle Beagle, MARC Vice-Chairperson
	Associate Director
	Office of Small Business Programs, Marine Corps Systems Command

pledge allegiance to the flag of the United States of America, and to the republic or which it stands, one nation under God, indivisible, with liberty and justice for al

PLEDGE OF ALLEGIENCE

HOST WELCOME

Ms. Diane Dempsey

Director, Small Business Programs BAE Systems, Inc.

"Effective Interaction – Likeability"



Department of Defense Mid-Atlantic Regional Council for Small Business Advocacy & Training

Effective Interaction - Likeability

Diane G. Dempsey

March 2021



- As a Small Business Professional your role requires significant interaction with people.
- Your ability to successfully engage impacts your effectiveness.
- Consider your likeability and how you can improve your level of engagement.



- <u>Smile</u> People who smile a lot are generally considered friendly. If you want to be likeable, put on a happy face. It also helps make a good first impression.
- ▶ <u>Ask Questions</u> The secret to starting a conversation with almost anyone is to ask a polite question. <u>As Entrepreneur puts it</u>, "Knowing how to start a conversation on the right foot is key to immediately instilling a sense of belonging and connection."
- <u>Be Consistent</u> People like and respond to those who are consistent, as Travis Bradberry, an emotional intelligence expert <u>writes in Forbes</u>.





- Remember Names & Use Them When you meet someone, simply repeating their name in a sentence, like "Great to meet you, Sarah Ann!" can make you seem friendly, which is an important step to being likeable, according to Psychology Today.
- Store the Phone Cell phone etiquette dictates that it's rude to pull out your phone while speaking to someone face to face. People don't appreciate being snubbed in favor of a cellphone and it makes the person with the phone less likable. Unless it's an emergency, leave it the phone in your pocket.



- Keep an Open Mind Do Not Judge -No one will confide in someone if they are worried about being judged. The most likeable people are those who can listen without passing judgment, keep an open mind about whatever it is they are hearing, and making people feel both heard and understood, according to Entrepreneur.
- <u>Be Authentic</u> No one likes a fake, notes <u>Forbes</u>. Do not try to impress, be yourself. People who are genuine, honest, and authentic are not only happier but much more likeable.





- ▶ **Be Kind & Generous** While being kind and generous is its own reward, it can also make people more willing to help you in the future. Research suggests that when you need a favor, it's harder for people to say no to you if you have done something for them recently, <u>according to Psychology Today</u>.
- ▶ Be Accountable Everyone makes mistakes, but the most likeable people will admit when they make an error and try to rectify the situation, according to Inc. Apologies go a long way to making people like you.
- Send Thank You Notes One of the traits of likeable people is sending thank you notes, according to *Inc*. An e-mail expressing appreciation is always welcome.







Ethical Behavior

 Review and understand rules for ethical conduct (your organization's and the Federal, State and local Gov't)

Never accept any form of gratuity from a potential, current or past

supplier

- Meals
- Entertainment
- Products/Services
- Cash
- Do not attempt to influence a procurement award
 - ▶ Violations by Government Officials (Federal, State & Local) have resulted in termination, lost pensions, fines and imprisonment
 - Corporate Officials have been terminated
- It is not worth it!!



Q&A

"Effective Interaction – Likeability"

Ms. Diane DempseyDirector, Small Business Programs
BAE Systems, Inc.

DOD MARC UPDATE

Dr. Sonny Hatcher

MARC Chairperson

Assistant Director, DCMA Small Business

East/West Compliance Center





Department of Defense Mid-Atlantic Regional Council

MARC/DCMA Update

MARC Spring Workshop | 18 March 2021 **Dr. Sonny Hatcher, Chairperson**





FY 2021 OFFICERS EXECUTIVE COMMITTEE SUPPORT

Officers & Executive Committee



Dr. Sonny Hatcher, Chairperson



Mr. Kyle Beagle, Vice Chairperson



Ms. Anita Perkins, Secretary



Mr. Tonney Kaw-uh, Treasurer



Ms. Tyler Brooks-Craft, Virginia Representative



Ms. Lisa King, Maryland Representative



Ms. Stephanie Sherwood, Pennsylvania Representative



Mr. Shawn Ralston, Planning Committee Chair



State Representatives: DC, DE, NJ, WV - Open Membership Committee Chair - Open

Planning Committee Support



Ms. Ludmilla Parnell
Director, Small Business Partnerships
General Dynamics Information Technology (GDIT)
Contracts and Acquisition Management Office

DoD OSBP Council Support



Dr. Ruby Crenshaw-Lawrence, Associate Director DoD Office of Small Business Programs Acquisition & Sustainment



Mr. Sean Waldon, Subcontracting Analyst DoD Office of Small Business Programs Acquisition & Sustainment

CY 2021-2022 Schedule



Workshops (All Meetings Will Be Virtual Until Further Notice)

- March 2021 BAE
- July 2021 AECOM
- Nov 2021 GDIT-Elections

Executive Committee Meetings (at least monthly)

How You Can Help



- Attend MARC workshops
- Host Virtual MARC workshop
- Join the Planning or Membership Committee
 - Planning Committee Chair Shawn Ralston (AECOM)
 - Membership Committee Chair TBD
- Join the Executive Committee
 - ❖ Need reps from DC, DE, NJ, and WV
- Be an ambassador for the MARC; invite others to participate
- Provide feedback and/or recommendations for improvement

Sign up today or email

sonny.d.hatcher.civ@mail.mil_and kyle.beagle@usmc.mil

Save the Date



- Event: MARC Summer Workshop
- Date: July 2021
- Location: AECOM (VIRTUALLY via WebEx)
- Theme: Small Business Subcontracting Plans -vs- Small Business Participation Panel Discussion

DCMA Quarterly SBLO Training



The Defense Contract Management Agency is hosting Quarterly SBLO Training on Thursday, March 25, 2021. This training event provides a wonderful opportunity for Government and Industry Professionals to learn and understand DCMA's process and procedures as they relates to the DCMA Subcontracting Program Compliance Reviews.

The Defense Contract Management Agency (DCMA) provides advice and assistance for the Department of Defense Large Prime Contractors which DCMA has been delegated contract administration authority in accordance with Federal Acquisition Regulation (FAR) 42.302 (a)(55).

This training will consist of:

- 640 Compliance Review process
- Updates to FAR 52.219-8 and FAR 52.219-9
- Addressing common misinterpretations of the small business program requirements
- Answering SBLOs' questions
- Topics SBLO's request

WHO SHOULD ATTEND?

- Anyone interested in the DCMA Subcontracting Program Compliance Review Process.
- Small Business Professionals who are employed by the federal government
- Small Business Liaison Officers

DCMA SBLO Training Registration Link: https://www.eventbrite.com/e/defense-contract-management-agency-dcma-quarterly-sblo-training-tickets-142146986463

DCMA Quarterly SBLO Training



Dates

- 25 March 2021, 1PM to 3PM EST
- 24 June 2021, 1PM to 3PM EST
- 23 September 2021, 1PM to 3PM EST
- 16 Dec 2021 (tentatively), 1PM to 3PM EST

Point of Contact:

Dr. Sonny Hatcher, (Acting) Assistant Director

DCMA East/West Compliance Center

Phone - (804) 416-9305 | Email - sonny.d.hatcher.civ@mail.mil

NOTE: Submit requests for desired training topics with the heading *"SBLO Training"* in the subject line of the email.



DoD Mid-Atlantic Regional Council

Let's use these workshops as an opportunity to learn, build relationships and share our knowledge!



"Assessing Small Business
Subcontracting Plans
vs.
Evaluation Small Business
Participation"

Mr. Ken Carkhuff
Small Business Learning Director
Defense Acquisition University



Assessing Small Business Subcontracting Plans
-vs-

Evaluating Small Business Participation

Brief to the DoD MARC

18 March 2021

DAU Disclaimer

The views presented are those of the speaker and do not necessarily represent the views of DoD or its components.



Agenda

- Small Business and Subcontracting overview
- Evaluation of Small Business participation
- Subcontracting implemented
- DAU Small Business initiatives



Small Business and Subcontracting

FAR 52.219-8 -- Utilization of Small Business Concerns

- (b) It is the policy of the United States that small business concerns, (including socioeconomic concerns) shall have the maximum practicable opportunity to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems.
- (c) The Contractor hereby agrees to carry out this policy in the awarding of **subcontracts** to the fullest extent consistent with efficient contract performance.

Note: This policy applies to both other than small businesses (OTSB) <u>and</u> small businesses



Successful Subcontracting starts with Acquisition Planning





Subcontracting plan requirements

FAP 19.702(a) requires that all negotiated and sealed bid acquisitions that are expected to exceed \$750,000 (\$1.5 million for construction) and that have subcontracting possibilities, shall require the apparently successful offeror/bidder selected for award to submit an acceptable subcontracting plan.

(See FAR19.702(b) for exceptions) within the time limit prescribed by the contracting officer.

Note: One exception is subcontracting plans are not required to be submitted by small business concerns.



Subcontracting plan CONSIDERATIONS

- 1. Requiring submission of the subcontracting plan with the bids or proposals (vice any other prescribed time before contract award).
- 2. Determining (based on market research), desired acceptable subcontracting goals.
- 3. Determining (based on market research), anticipated areas suitable for subcontracting.



Separation Achieved

Small Business Subcontracting Plan

Elements IAW

FAI?19.704

and

FA/752.219-9

Small Business Participation Commitment Document (SBPCD)

(**formerly called Small Business Participation Plan, Small Business Utilization Plan, or Enhanced Subcontracting Plan)

Example contents -DFARS PGI 215.304

- Names of subcontractors to be utilized and the products/services they are to provide
- Describe type and complexity of products/services to be provided
- State extent of utilization quantitatively
- Others as necessary



^{**}Using the phrase "Small Business Participation Commitment Document" vice "Plan" helps to prevent confusing it with the Subcontracting Plan.

Evaluation of Small Business Participation Requirements

- FAR15.304(c)(4) requires evaluation of small business participation for solicitations involving <u>consolidation</u> or <u>bundling</u>.
- 2. DFARS 215.304(c) requires *evaluation of* small business participation in other than lowest priced technically acceptable (LPTA) source selections whenever a subcontracting plan is required.

Note: Although evaluation of small business participation is not required for LPTA source selections, <u>it is</u> permissible as one of the "technical" factors/subfactors.

(March 31, 2016 Department of Defense (DoD) Source Selection Procedures Appendix C (C.4))



Evaluation of Small Business Participation Considerations

- Evaluation criteria
 - DFARS PGI 215.304 for example factors/subfactors
- 2. Ways to evaluate
 - DoD Source Selection Procedures (section 2.3.4.2.3)
- 3. Options for rating
 - DoD Source Selection Procedures (sections 3.1.4.1 and 3.1.4.2)



Evaluation of Small Business Participation

Consideration #1 - Determine the source selection evaluation criteria

- 1. Extent to which SB firms are specifically identified in proposals
- 2. Extent of commitment to use such firms
- 3. Complexity and variety of work
- 4. Realism of the proposal
- 5. Past performance of complying with subcontracting requirements
- 6. Extent of participation of SB firms in terms of the value of the total acquisition



Evaluation of Small Business Participation

Consideration # 2 – Determine which way small business participation will be evaluated

Evaluation of small business participation may be accomplished in one of three ways:

1. Establish a separate small business participation evaluation factor

Example:

Section M – Evaluation Factors

Factor 1 Technical

Factor 2 Past Performance

Factor 3 Small Business Participation

Factor 4 Cost

2. Establish a small business participation subfactor under the technical factor

Example:

Section M – Evaluation Factors

Factor 1 Technical

Subfactor a. Management Approach

Subfactor b. Small Business Participation

3. Consider small business participation within the evaluation of a technical subfactor

Example:

Section M – Evaluation Factors

Factor | Technical

Subfactor a. Management Approach

i. Consideration of Small Business Participation



Evaluation of Small Business Participation

Consideration # 3 – Select an appropriate option for rating small business participation

The appropriate options for rating small business participation is dependent upon the way it is evaluated.

1. Small business participation is evaluated as a *separate evaluation* factor

Utilize all ratings in Table 6 of DoD Source Selection Procedures

-nr-

Use the acceptable/unacceptable ratings as defined in table 6 only

2. Small business participation is evaluated as a *subfactor under the technical factor*

Utilize all ratings in Table 6 of DoD Source Selection Procedures

-or

Use the acceptable/unacceptable ratings as defined in table 6 only

3. Small business participation is evaluated within the evaluation of a technical subfactor

A separate small business rating is not applied. However, small business participation shall be considered in determining the appropriate technical rating applied



Evaluation of Small Business Participation

Consideration #4 - Establish Small Business Participation (Utilization) Reporting Requirements

- No regulatory requirement to require contractor to report subcontracting performance other than through the Electronic Subcontroating Reporting System (eSRS)
 - Reporting IAW subcontracting plans
- Why require other than eSRS reporting?
 - Enhances enforceability of the small business participation requirements
 - To obtain information not required by eSRS reporting
 - Ability to monitor small business performance of ALL contractors (small businesses do not report to eSRS)
 - Aids determination of good faith effort; supports assessing liquidated damages
- For other than eSRS reporting requirements;
 - o Tailor to what is appropriate for the acquisition
 - Include in the solicitation
 - Make contractual



When is the evaluation of Past Performance Required?

- FAR15.304(c)(3)(i) Past performance shall be evaluated in all source selections for negotiated competitive acquisitions expected to exceed the simplified acquisition threshold
- DFARS 215.305(a)(2) requires that in DoD solicitations that require past performance evaluation and include the clauses at FAR 52.219-8 Utilization of Small Business Concerns and FAR 52.219-9 Small Business Subcontracting Plan, the past performance of offerors in complying with the requirements of those clauses shall be evaluated
- A past performance evaluation is required for negotiated competitive acquisitions meeting the thresholds established in DoD Class Deviation 2013-00018, Past Performance Evaluation Thresholds and Reporting Requirements, issued on 24September 2013



When Past Performance Evaluation is required based on Thresholds, evaluate as;

- 1. Part of the overall Past Performance evaluation, or
- As part of Small Business Participation Evaluation Factor/Subfactor

When Past Performance Evaluation is NOT required based on Thresholds,

 Evaluate Past Performance of Small Business Participation as part of the Small Business Participation Evaluation Factor/Subfactor



What to evaluate?

Examples of elements of small business utilization in past performance (compliance with *FAR* 52.219-8) to evaluate include:

- 1) Actual prior use of small businesses
- 2) Use of small businesses in the socioeconomic categories
- 3) Types of work performed by small businesses
- 4) Complexity of the work performed by small businesses
- 5) Reporting of small business performance in CPARS
- 6) History of prompt payments to small businesses

CPARS=Guidance for the Contractor Performance Assessment Reporting System (October 2020)



Additionally, when a subcontracting plan is required, evaluation of small business past performance participation (compliance with *FAR* 52.219-9) should include an evaluation of:

- 1. Performance against subcontracting goals
- 2. Compliance with the subcontracting plan in general
- 3. Timely eSRS reporting
- 4. Compliance with requirements of *FAR* 42.1502(g) Reduced or Untimely Payments



Subcontracting & SB Participation Implementation

Small Business Participation and Source Selection

To underscore the significance of small business participation, a good solicitation and source selection evaluation plan will:

- 1) Emphasize how the *assessment* of the subcontracting plan IAW *FAR* 19.704 and *FAR* 52.219-9 is different from the *evaluation* of small business participation
- 2) Explain how offers from small business primes must be structured and how they will be evaluated (if different from OTSB offerors)
- 3) State that evaluation of small business participation applies to Commercial Subcontracting Plan holders and Comprehensive Subcontracting Plan participants
- 4) If appropriate for the acquisition, state a baseline small business MQR (not a "goal") for small business (and socioeconomic categories as well, if appropriate) **based on market research**



Subcontracting & SB Participation Implementation

Small Business Participation and Source Selection (cont'd),

- 5) State if small business participation is based on TCV and explain how percentages and dollars should be stated in the subcontracting plan (if a plan is required)
- 6) Explain how offers will be rated
- 7) Evaluate small business past performance (compliance with FAR 52.219-8 and/or FAR 52.219-9)
- 8) Determine the realism of the proposed utilization of small businesses
- 9) Require all offerors to submit periodic reports (monthly, quarterly, or whatever is appropriate for the acquisition) on their small business utilization for the contract



Similarities of Small Business Subcontracting Plan & Small Business Participation Commitment Document

Generally, provisions of the subcontracting plan that coincide with the SBPCD should be consistent:

- Small Business Subcontracting Plan <u>dollars</u> should be at least equal to the <u>dollars</u> stated in the SBPCD
 - Subcontracting percentages may be different if SBPCD proposal based on total value of acquisition (total contract dollars)
 - Type of products/services to be subcontracted should be the same
 - Both the Subcontracting Plan and the SBPCD should be contractually binding.



Differences of Assessing Subcontracting Plans & Evaluating Small Business Participation

Assessment of a Small Business Subcontracting Plan and **Evaluation** of small business participation are two separate yet related areas. They are treated differently in solicitations, during source selection, and in contract awards.

DFARS 215.304(c)(i)(B) states that proposals addressing the extent of small business performance <u>shall be separate</u> from Small Business Subcontracting Plans submitted pursuant to the clause at *FAI*?52.219-9 and shall be structured to <u>allow for consideration of offers from small</u> businesses.

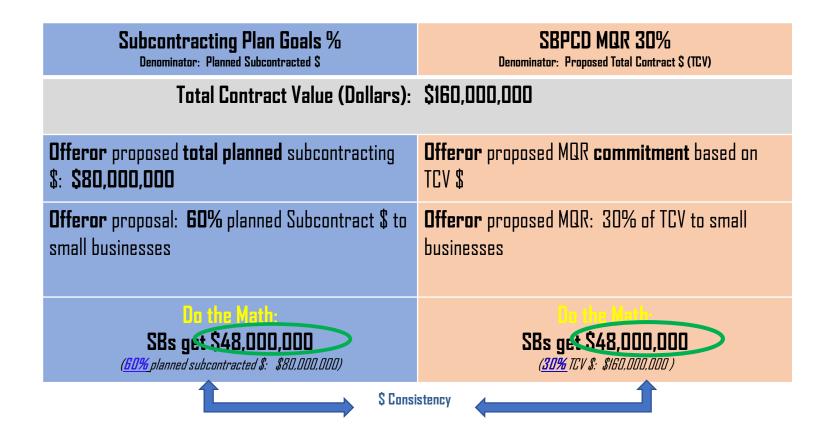


Differences of Assessing Subcontracting Plans & Evaluating Small Business Participation

SB Subcontracting <u>Plan</u> (Requirements/ <u>Assessment</u>)	SB Participation <u>Commitment</u> Document SB Participation (Requirements/ <u>Evaluation</u>)
FAR 19.7	<i>FAR</i> 15.304, DFARS 215.304
Must be negotiated and determined acceptable by the Contracting Officer (CO) prior to award	Solicitation establishes requirements and evaluation criteria for SB participation
Must have 15 elements as defined in <i>FAR</i> 52.219-9	Evaluation conducted IAW solicitation evaluation criteria
Required for all Federal contracts (subject to dollar limitations and exceptions) and includes both negotiated acquisitions and sealed bidding	Required only for consolidated or bundled contracts or certain DoD negotiated acquisitions
Does not apply to <u>small businesses</u>	Applies to <u>all businesses</u>
Based on total planned subcontracting dollars . (CO can request an individual subcontracting plan based on TCV dollars)	<u>DoD best practice MQR%</u> (if appropriate) based on TCV (dollars)
TCV=Total Contract Value	MQR=Minimum Qualitative Requirement



Consistency Between Subcontracting and SB Participation





Questions?





DAU SMALL BUSINESS INITIATIVES





Regulatory & Protest Update with SBA



March 17, 2021

DAU hosts the webinar for DoD OSBP and publishes a blog after each webinar at https://www.dau.edu/training/career-development/contracting/blog/. More information can be found at https://business.defense.gov/Events/Webinars/.



ALL THINGS SMALL BUSINESS PODCAST

- Mindfully designed 30-minute conversations with small business and government acquisition reps that connect our listeners to real-life issues impacting our small business community. Interview topics range from industry marketing strategies, business development and growth strategies, the influence of socioeconomic programs, navigating through the unexpected, success stories, the true grit of being a small business owner, and much, much more.
- Deployed first podcast mid-July 2020; eight deployed to date
- Podcast published monthly
- Direct Podcast link from DAU Industry Support Page: https://podcasts.apple.com/us/podcast/all-things-small-business/id1523710805



INDUSTRY SUPPORT PAGE

- In response to feedback from Industry, DAU deployed an Industry Support page in December 2019 to help make it easier for companies to do business with DoD.
- The page highlights the importance of a strong industrial base, consisting of both large and small companies, to enable DoD to meet the objectives of the 2018 National Defense Strategy.
- The page also debuted the new DoD Small Business Strategy of October 2019 that per Secretary of Defense Mark Esper calls for "both the Under Secretaries of Defense for Acquisition and Sustainment and Research and Engineering working together to ensure the United States retains technical superiority over its adversaries."
- DAU upcoming events are posted at the bottom of the page

https://www.dau.edu/industry-support/p/doing-business-with-the-department-of-defense



UPCOMING SMALL BUSINESS EVENT

- Small Business Panel focused on outreach, SB subcontracting/participation, and subcontracting compliance
- Participants: Ms. Cindy Shaver (DASN(Procurement)) & Mr. Jimmy Smith (Director, DON, OSBP)
- Moderator: Mr. Ken Carkhuff (DAU)
- Date/Time: 25 March/1300-1430 EST
- Platform: MS Teams Live
- No registration required
- For more information visit the Upcoming DAU Events at https://www.dau.edu/industry-support/p/doing-business-with-the-department-of-defense (click the Page Navigation link or scroll to the bottom of the page)



Contact Information

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Q & A

"Assessing Small Business
Subcontracting Plans
vs.
Evaluation Small Business
Participation"

Mr. Ken Carkhuff
Small Business Learning Director
Defense Acquisition University





Many thanks to our Host Team, Guest Speakers, and Participants!

Guest Speakers

- Ms. Diane Dempsey
 Director, Small Business Programs
 BAE Systems, Inc.
- Mr. Ken Carkhuff
 Small Business Learning Director
 Defense Acquisition University

BAE Systems, Inc. Coordination & Host Team

- Ms. Dawn Dunlop
 Sr. Supplier Diversity Analyst
- Ms. Katelyn Russell
 Sector SBLO
- Ms. Tanya Pijuan
 Procurement Analyst I | SBLO