

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

U.S. SMALL BUSINESS ADMINISTRATION

INTERAGENCY TASK FORCE ON
VETERANS SMALL BUSINESS DEVELOPMENT

OPEN MEETING

WEDNESDAY, SEPTEMBER 5, 2018

1:00 P.M.

Recorded by: Jennifer Razzino

1 C O N T E N T S

2 PAGE:

3 Welcome and Opening Remarks - Larry Stubblefield 3

4 Office of Government Contracting - Kenneth Dodds 7

5 Office of Capital Access - Peter Gibbs 22

6 CDFI Project Update - Larry Stubblefield 31

7 Member Reports:

8 DOL - Bill Metheny 34

9 VA - Beth Torres 46

10 GSA - Amando Gavino/Keil Todd 59

11 OMB - Matthew Blum 84

12 American Legion - Michael Phipps 92

13 Public Comments/Discussions 95

14 Closing Comments/Adjournment 96

15

16

17

18

19

20

21

22

23

24

25

1 P R O C E E D I N G S

2 - - - - -

3 (Meeting called to order, 1:00 p.m.)

4 MR. STUBBLEFIELD: In the interest of time,
5 we're going to get started. And we're going to allow
6 them to continue to work the technology out. I
7 apologize that we don't have this set up, but that's
8 lessons learned for the next time around.

9 Okay, so our Task Force meeting is officially
10 open -- yeah, opened is the word I want to use. It is
11 extremely hot outside. In fact, I was just out a few
12 minutes ago, and I bring that up to just thank all of
13 you in this room for braving the heat to be here today
14 with us.

15 I want to thank our team here at SBA -- Amy,
16 Cheryl, Tyler, Jerry, and everyone -- for putting all
17 of this together. A lot of hard work went into it, and
18 I think we will kick our meeting off with a roll call.
19 So I'll start first. I'm Larry Stubblefield, the
20 Associate Administrator in the Office of Veterans
21 Business Development, and then we'll go to my right
22 here.

23 MR. METHENY: I'm Bill Metheny with the
24 Department of Labor Veterans Employment and Training
25 Service.

1 MR. DODDS: I'm Ken Dodds, Government
2 Contracting and Business Development at SBA.

3 MR. GAVINO: Amando Gavino, GSA, Director for
4 IT Services.

5 MR. PHIPPS: Michael Phipps, American Legion.

6 MS. TORRES: Beth Torres, Department of
7 Veterans Affairs.

8 MR. STUBBLEFIELD: Okay, thank you all again
9 for being here. And what I'm going to do is I'm going
10 to go through a few slides here real quick to try to
11 get us back on time. My time ends at 1:20, and Ken
12 will come on from the Office of Government Contracting.
13 So I think you all have paper copies, and I have it up
14 on the screen.

15 And, so, if you look at your first slide, it
16 talks about outreach and engagement. Just a pitch here
17 for National Veterans Small Business Week. That's
18 going to be the 5th through the 9th of November, and
19 you can see our theme there, Your VETBIZ Community. We
20 are in the process right now, working with our
21 district, 68 district offices or 22 VBOCs around the
22 country, to get the outreach kits out.

23 And I will tell you that we have a meeting
24 scheduled for sometime next week to work with the
25 district offices to make sure that we're all in sync.

1 We're looking to have a bigger -- a much larger
2 outreach -- more outreach than what we had last year.
3 And, so, National Veterans Small Business Week is on
4 track.

5 On the second slide, I just wanted to
6 highlight a couple of our outreach and engagements. I
7 don't know how many people here have ever been to the
8 Dog Tag Bakery. I still haven't been there, but it's
9 one of the places that I want to go, but they just had
10 a graduation -- a cohort graduation here -- coming up
11 here in September. And for our SDVETP program, we're
12 going to have a recompete in FY19 for that program.

13 The Veterans Federal Procurement
14 Entrepreneurship Training Program, we'll have Barbara
15 Ashe here. Let's see, Barbara Ashe will be here
16 tomorrow for our committee meeting, but we want to just
17 highlight the fact that recently the VIP program just
18 had their 1000th graduate. And for those of you who
19 are familiar with VIP, you know, they have three levels
20 of -- their program runs on three levels. There's the
21 Start program for, you know, entrepreneurs who are just
22 coming on board. There's also the Grow for folks who
23 want to grow their business, and then there's the
24 International phase that Barbara Ashe and that group
25 does as well.

1 The last bullet there talks about the Women
2 Veteran Entrepreneurship Training Program, known as
3 VWISE. That's going to take place out in San Diego.
4 It's their 20th anniversary, and we're working now to
5 see how we're going to support that from the
6 headquarters.

7 Then on the next page, I just wanted to let
8 you know that from the 7th through the 9th, here in
9 this -- actually in this room, we brought the VBOCs in
10 for their annual training. And the Administrator had
11 the opening remarks for the event, welcomed
12 participants, and explained the reimagined initiative,
13 her goals and objectives for SBA.

14 We had 44 attendees, including VBOC directors,
15 staff, and others. We have five new VBOCs -- five new
16 VBOC directors, two new VBOCs. A VBOC in South
17 Dakota/North Dakota, and a VBOC in Kentucky/Tennessee
18 were our new VBOCs onboard. We had panel discussions,
19 to include local district directors and some of our
20 stakeholders. And then we had representatives from our
21 CRMs -- Neoserra, IBISWorld, and LivePlan -- that
22 provided in-depth training.

23 The last bullet on there, the big point here
24 with the last bullet of our resource partner funding
25 change, you know, VBOCs are now going to be required to

1 participate 100 percent in the Boots to Business
2 courses. We are not funding the resource partners when
3 we're talking about SCORE, the women's business
4 centers, the SBDCs. The VBOCs have got to pick up the
5 Boots to Business 100 percent. And that was one of the
6 points that we had really to stress and work through
7 how we were going to do that during the VBOC
8 conference.

9 So on the next slide, here's our contact
10 information. And I don't know if anyone has any
11 questions or comments, but I think I've got us back at
12 least two minutes ahead of time. And if not, we'll
13 turn it over to Ken Dodds from our Office of Government
14 Contracting and Business Development.

15 MR. DODDS: Thank you, Larry. Sorry I didn't
16 see my sign up there, but you guys know me. So I guess
17 we don't have the slides up, but I think I sent these
18 earlier. I'm going to give you some updates on some
19 rules and cases and legislation that has to do with
20 small business government contracting.

21 So just to highlight, we still have five FAR
22 cases that are open right now that have to do with
23 small business. The first has to do with revisions to
24 the limitation on subcontracting where firms can team
25 together as a prime sub to perform the limitation on

1 subcontracting that apply to set-aside contracts.
2 That's based on an NDA of 2013 rule or law and then a
3 2016 SBA final rule. That will be a proposed rule out
4 for public comment, hopefully this year.

5 There's a case open on policy on joint
6 ventures, again a proposed rule. We changed our rules
7 around joint venturing. We created an All Small Mentor
8 Protégé Program, which allows service-disabled veterans
9 and other small businesses to participate with a mentor
10 as a joint venture and go after set-aside contracts.
11 Those rules are already in place and you can use them
12 now, but we're going to update the FAR to make sure the
13 FAR clauses are consistent with SBA's rules.

14 Third, we have a case on multiple award
15 contract set-asides, and that has to do with order set-
16 asides and things like that. That's actually from the
17 Jobs Act of 2010 and SBA's final rule from 2013. And
18 hopefully that will be issued as -- it went out for
19 public comment already, so hopefully that will be
20 issued as a final rule sometime this year.

21 There's a fourth case open on how Part 19
22 applies outside the United States. That one is going
23 back and forth around the language that we're going to
24 use. And, so, right now, it's kind of confusing to
25 people the way it's written. Some people think that

1 you can't use set-asides outside the U.S. We think you
2 certainly can if you want to. So we're hoping to
3 update that, but that's probably a longshot for being
4 published anytime this year.

5 And then the last FAR case that's open has to
6 do with, I guess, a 2013 NDA provision that gives -- or
7 it was 2014 actually -- that gives a credit for lower-
8 tier subcontracting. Right now, large primes have
9 their goals set at the first tier and they report at
10 the first tier. And once this is implemented, there
11 will be a way to report at lower tiers and get credit
12 at lower tiers.

13 Moving on to the next page, there's five, you
14 know, pending SBA rules. One is at OMB, and that has
15 to do with things like some minor adjustments to how
16 the limitations on subcontracting apply to service
17 contracts, some adjustments around order set-asides,
18 whether you can do a set-aside of an order under a set-
19 aside contract, and some examples of bad faith in
20 subcontracting as well.

21 The second rule listed there is the ownership
22 and control of service-disabled veteran-owned small
23 businesses, which I'm sure you're interested in. This
24 is based on, I think, the NDA of '16, and we had to
25 work with the VA and come up with a joint rule, which

1 we've done. It's just now finishing getting clearance
2 here at SBA.

3 It will be published, I think, next week.
4 Either way, it will be published before October 1
5 because we have -- the VA is going to have their rule
6 published and ready before October 1, and then the OHA
7 rule, which allows you to take an appeal or protest if
8 you don't like the VA's decision, to our OHA, our
9 Office of Hearings and Appeals, that also will be
10 effective October 1. So it will be done, it's just --
11 it'll probably be not until next week that we publish
12 it, is my guess.

13 The third rule on here has to do with
14 ownership -- or, yeah, service -- no, women-owned small
15 business certification program that we have to create.
16 That'll be a proposed rule. That is in -- it's in
17 clearance here at SBA, so it's still got a ways to go.
18 It has to go to OMB for interagency review before it's
19 published as a proposed rule.

20 The fourth rule that we're working on has to
21 do with the HUBZone program. That actually is at OMB
22 for interagency review where we get comments from other
23 agencies. So hopefully that will be published, I'm
24 hoping, sometime in September or October for public
25 comment. Just trying to make the HUBZone program a

1 little more user-friendly for the firms that are in
2 that program.

3 And then the fifth rule on there, which is not
4 in clearance yet but which we're working on, is going
5 to consolidate the mentor-protégé programs that we
6 have. We have one for 8(a) and one for all small. The
7 all small is going well. When we set it up, we weren't
8 sure how that would go, but it is going well, so we
9 think that there probably should be one program since
10 the rules are very similar for the programs. And that
11 will be a proposed rule, but that's still a ways away.

12 Turning to the next page here, I just wanted
13 to mention this interesting -- I find it interesting --
14 big protest decision called AeroSage. AeroSage is a
15 fuel basically reseller, I think, and he or she
16 protests a lot and is not always successful, but in
17 this particular case, they brought up a change that we
18 had made to the nonmanufacturer rule which basically
19 says that for these simplified acquisitions below 150K
20 the nonmanufacturer rule and the limitations on
21 subcontracting do not apply. And in this case, the
22 agency said that they were not going to do a set-aside
23 of this CLIN because AeroSage didn't -- wasn't going to
24 provide fuel produced by a small refinery.

25 And in this case, GAO said that that is not

1 required under this new rule from SBA. And, again,
2 this has not been put into the FAR yet, so it's just
3 based on SBA's rules. The agency should have looked at
4 whether a small business could provide it, regardless
5 of who manufactured it because it was below 150. And
6 they also said that because you were breaking this
7 contract up into CLINs, you should do that analysis for
8 each CLIN. So it was a victory for set-asides below
9 150,000, so that just came out in August, and I give
10 you the citation there.

11 And, then, since the last time we were
12 together, the NDA of 2019 was signed. So some
13 highlights there. They did adjust the micro-purchase
14 threshold for DOD because I think they were -- they had
15 already done it -- raised it to 10,000 in the NDA of
16 2018, but I guess there was an anomaly with DOD, so
17 they fixed that.

18 Section 823, they want DOD for construction
19 and engineering contracts to come up with a way to
20 evaluate performance of first-tier subcontractors and
21 joint venture partners. So that's a DOD-specific thing
22 that DOD is going to have to implement for their
23 architect and construction and engineering contracts.

24 Section 838 modified some of the language
25 around this e-commerce portal that GSA is creating. It

1 basically says that they want to have multiple portal
2 contractors instead of just one. And then they have
3 some language in there around how the contractor should
4 safeguard data and only use it to the extent necessary.

5 And then Section 839 is kind of implementation
6 of the Section 809 panel, kind of preference for
7 getting back to commercial items and not having all the
8 laws apply to commercial item acquisition. So there's
9 going to be a lot of work and a review there for the
10 FAR Council to review whether they've done the right
11 thing with their exemptions with respect to commercial
12 items.

13 All right, going on to the next page, a couple
14 of interesting things that have to do with small
15 business. Section 852 wants DOD to pay small
16 businesses and large primes that have small business
17 subcontractors within 15 days to the fullest extent
18 permitted by law. OMB had a policy to pay small primes
19 within 15 days. Then they created a policy to pay
20 large primes within 15 days. That expired and they did
21 not renew it, and so this law kind of reimplements that
22 for DOD.

23 Section 855 requires that for a solicitation,
24 when you issue it, that has to do with, I think,
25 construction, that you're going to have to have

1 information on how timely you are as an agency in
2 responding to requests for equitable adjustment and
3 also post information on your past performance and
4 defining that and settling those requests for equitable
5 adjustment.

6 And then lastly, I think, Section 861 -- no, I
7 guess there's some other stuff I want to talk about,
8 but on this page, lastly, around Puerto Rico, agencies
9 will get double credit over the next four fiscal years
10 for awards to businesses located in Puerto Rico. It
11 also gives them access to surplus property, and then
12 there's a way to get mentor training costs to apply
13 towards your subcontracting plan if you are a mentor to
14 a Puerto Rico business.

15 And then this is -- I think this is the last
16 page, yeah. So there's a couple sections there around
17 DOD coming up with a strategy. A lot of this is from
18 the recommendations of a Section 809 panel on SBIR and
19 getting new entrants into the market for DOD. So a lot
20 of these are kind of implementations of those
21 recommendations. It looks like, you know, increased
22 funding for PTACs and payment of certain costs for
23 PTACs, a commercialization assistance program, and then
24 SBIR and STTR pilot programs as well. So a lot of
25 stuff around technology and SBIR in this latest NDAA.

1 So I think those are all my updates since the
2 last time we spoke. If there are any questions, I can
3 take them, or otherwise, that's my presentation.

4 MR. PHIPPS: You know I have questions, Ken.

5 MR. DODDS: Okay.

6 MR. PHIPPS: So on the 809 panel, there was
7 some language in there about DOD being able to write
8 their own or possibly make recommendations for their
9 own legislation for small business set-asides that
10 people were construing as the possibility to circumvent
11 the SBA's rules for small business set-asides and make
12 their own rules. Have you had any interaction or
13 discussion about that with DOD? Were people misreading
14 that and because it was -- it was mainly about
15 technology? So that was just a concern on the last
16 time.

17 MR. DODDS: Yeah, the only thing, there were
18 certainly maybe some drafts where that was the idea. I
19 think small business was mentioned and the first volume
20 in Chapter 6 was all about small business. There was
21 nothing in there about them rewriting their own rules.
22 The second volume that came out in June, I didn't see
23 much that impacted small business in that.

24 The only thing that I remember from the
25 first volume, Chapter 6, was that they did talk about

1 if a small business outgrows the size standard, letting
2 them continue to be a -- claim to be a small business
3 for I think they recommended two or three years after
4 they've outgrown the size standard, but that was not
5 in the NDA of '19. So even though a lot of the 809
6 recommendations have been put into various parts of the
7 NDAA's, that was not in there as far as I know. So I
8 guess they still have one more volume, the 80 panel has
9 one more volume to put out.

10 MR. PHIPPS: And do you work with the 809
11 panel and DOD when all this comes out, or how does that
12 work with the interaction with DOD and SBA?

13 MR. DODDS: Well, we definitely -- we did
14 participate. They had panels, I guess a year or two
15 ago. And, so, we -- and we've gone over there
16 informally, and they've come here informally. So we
17 have had discussions. You know, small business is a
18 part of what they're focused on, but they're focused on
19 the whole big picture, all of DOD. And, so, they --
20 you know, they -- you know, I think they've kind of --
21 they're now just kind of approaching the finish line on
22 all their work.

23 MR. PHIPPS: And one more quick question
24 about the AeroSage case and the limitations on
25 subcontracting. Can you explain how that interacts

1 with the FAR and is this going to set a precedent that
2 all small businesses can use right now, or is that
3 going to take some time to mature?

4 MR. DODDS: Well, I think that's kind of why I
5 mentioned it, because what's interesting to me is that
6 the decision seems to be based on our rule, which has
7 changed, and the FAR has not been updated. And I don't
8 know whether the agency argued that the FAR hasn't been
9 updated, therefore it doesn't apply, but for whatever
10 reason, the way this decision came out, they said that
11 the agency should have followed our rules in terms of
12 making this set-aside decision and not worried about
13 the limitation on subcontracting because it was below
14 150.

15 That's why I think it's interesting, you know?
16 You never know -- you only know what the decision says.
17 You don't -- because I wasn't a party to it, I don't
18 know what the other side argued. But that would have
19 been an interesting argument, I think, if I were DLA,
20 would be to say that the FAR doesn't say that, so, you
21 know, it's not fair.

22 MR. PHIPPS: Right, that's why I was asking.

23 MR. DODDS: But that's how -- this is how it
24 came out, so -- and it just came out, I guess, you
25 know, a week or two ago. Now, this is a GAO decision,

1 so it's technically a recommendation. The agency
2 theoretically doesn't have to follow it, then they have
3 to report to Congress. It's not a federal court
4 decision, but it is, you know, one of the most recent
5 decisions on how the limitations apply below 150.

6 MR. PHIPPS: And do we anticipate that the FAR
7 is going to change in time with the FAR Council or with
8 a FAR Council ruling?

9 MR. DODDS: Well, that's the first case I
10 talked about, which is the revisions of the limitation
11 on subcontracting proposed rule. Part of that is the
12 nonmanufacturer rule and those changes as well that
13 were in the rule we did in 2016. But that will be a
14 proposed rule. Then you're going to have to wait 60
15 days for public comment and then go through the final
16 rulemaking process, but that will take several months
17 as well. So the FAR still is a ways away from being
18 updated to reflect our rule.

19 MR. PHIPPS: Thank you, Ken.

20 MR. DODDS: Yeah.

21 MR. BLUM: I was just going to add that the
22 FAR Council is anticipating, you know, that the
23 proposed rule will be issued in this fiscal year, so
24 we're hoping in a matter of weeks that the proposed
25 rule will be put out.

1 There was some, I think, discussion going on
2 with the Office of Information and Regulatory Affairs
3 in SBA just in terms of how the burden is assigned
4 between the agencies. But I think there's definitely
5 agreement between SBA and OMB that this would be very
6 beneficial to the small business community and reduce a
7 burden both because it is providing clarity and
8 additional ways in which small businesses can, you
9 know, meet the requirements of the law, which is a good
10 thing.

11 MR. PHIPPS: Sorry, I have one more question.
12 That just reminded me, Matthew.

13 We're talking, and I know that we're talking
14 about the e-commerce portal with GSA coming up. Is SBA
15 and GSA working on the possible implications to small
16 businesses in that e-commerce portal and what that
17 looks like along with the 809 -- some of the things
18 that may happen with the 809 panel, all of these kind
19 of collectively, but in general just with GSA?

20 MR. DODDS: Yes, certainly. We're all working
21 together to implement these things. Remember again the
22 e-commerce portal does say that if you award to a third
23 party through this portal you'll get credit towards
24 your goals as an agency, and it also says that nothing,
25 you know, restricts your authority to limit competition

1 to small business, nothing in that act anyway. So, you
2 know, we need to work together.

3 And then there's going to be a study on how it
4 impacts small business performance as well based on
5 that law. So, yeah, we are -- we're involved with them
6 as well.

7 MR. PHIPPS: So do small businesses come to
8 you and voice their concerns? Because I've had a ton
9 of small businesses just in general in our community
10 have this discussion. Do small businesses come to the
11 SBA, voice concerns, and then you guys pass it on, or
12 this -- do you guys hear that?

13 MR. DODDS: I mean, Matthew, you were very
14 involved in this, but I know that they've been having a
15 lot of public forum, I think, to get input from all
16 businesses, not just small.

17 MR. BLUM: Yeah, my GSA colleagues actually
18 are here as well that we've been working closely with.
19 So there have been public meetings. There have also
20 been a lot of followup discussions. So, Michael, maybe
21 after the session, we'd be happy to get with you to set
22 up a meeting to have some folks come in.

23 I can say just as a large organizer principle
24 that, you know, we being GSA and OMB, and I think the
25 SBA would agree with this, that 846 is an opportunity

1 to reinvigorate open-market purchasing. So, you know,
2 over the last 25 years, there's been a lot of good work
3 that's been done to, you know, take better advantage of
4 IDIQ and especially multiple-award IDIQ contracts.
5 Again, a lot of goodness in that, but, you know, we
6 haven't spent as -- paid as much of attention to how we
7 do some of our small-dollar, open-market buys.

8 So if you go back to the early 1990s, for
9 example, and you ask people what was the number one
10 flexibility, they would probably say the ability to
11 make -- use their Rolodex to make three phone calls.
12 Well, technology, fortunately, has moved us well past
13 the Rolodexes, and this is an opportunity to figure out
14 how to leverage that technology in a way to get to the,
15 you know, thousands -- tens of thousands if not
16 hundreds of thousands of small businesses that are on
17 these commercial platforms in a way that can help
18 supplement, you know, use of some of these existing
19 vehicles and offset some of the concerns that have been
20 voiced by the community about category management and
21 use of existing vehicles that some small businesses
22 haven't yet had an ability to get onto.

23 MR. PHIPPS: I know there's a lot of people
24 interested in those details, and we're happy GSA is
25 here. And we had a little discussion earlier about it.

1 MR. GAVINO: Yeah, we're going to be
2 discussing that here later this afternoon. And I
3 brought the expert with me, Keil Todd.

4 MR. TODD: Hi, I'm Keil Todd.

5 MR. GAVINO: To discuss, in particular, all
6 the e-commerce issues. The goal here is to put a lot
7 of those questions to bed as much as we can today, if
8 we're on the record.

9 MR. DODDS: All right, thank you very much.

10 MR. PHIPPS: Thank you, Ken.

11 MR. STUBBLEFIELD: Thanks for being here, Ken.

12 We will now go to -- I'll turn the floor over
13 to Peter to talk about the Surety Bond Guarantee
14 Program.

15 MR. GIBBS: Hello, everyone. I am Lieutenant
16 Colonel, Retired, Peter Gibbs. I am the Acting
17 Director for SBA's Office of Surety Guarantees. I have
18 a couple of slides I just want to go over with you
19 guys.

20 Basically, before I get into the slides, I'll
21 say that surety bonding is an obstacle for small
22 businesses, and I'm sure it's the same for the veteran
23 community. Fortunately, we have a program here that's
24 been around for a while with a pretty good history that
25 we can help veterans.

1 Why does a small business need bonding? They
2 may be new to the contracting business. They may be an
3 emerging firm. They may be a subcontractor who's
4 trying to get bonding. And they may look -- may be
5 looking for higher limits and contracts. Or they may
6 be subject to in order to get a bond, they may have to
7 get the collateral or funds control. And they may be
8 paying what we would consider unreasonable terms. So
9 if a firm is paying like more than 4 percent of the
10 contract value for bonding, it's -- we would consider
11 that unreasonable.

12 So the SBA Advantage, just to give you an
13 example, so if you were a business and you went to the
14 standard market to get bonding, they would require you
15 to have 10 percent cash in the bank as working capital.
16 SBA, we tell the surety companies and agents that we
17 work with, we don't have a problem with 5 percent. So
18 we help that company, number one, drop the working
19 capital requirement from 10 percent to 5 percent.

20 In the standard bonding market, the -- if a
21 company has a business line of credit, they're not
22 going to use that business line of credit to count
23 towards their working capital. In our program, we do.
24 As you know, as if you're a small business, you may not
25 have money in the bank, but you may have a business

1 line of credit based on a banking relationship. So we
2 allow the unused portion of a business line of credit
3 to count towards the working capital requirement. So
4 that means we have many companies in our program who
5 get bonding and did not have any cash in the bank, but
6 they have a business line of credit.

7 And once they figure out the working capital
8 side of things, you know, normally it's ten times the
9 working capital for bonding, and our program can go up
10 to 20 times that amount.

11 Eligibility. You have to be small, as in any
12 business that's supported by SBA. We can go up to \$10
13 million per job if the job is a federal contract.
14 Normally, we'll go up to 6.5 million on a single job.

15 It has to meet SBA and the surety underwriting
16 criteria. We talked about the size. We have -- also
17 have what's called a QuickApp. So if you have a -- if
18 a small business has a contract and it's less than
19 \$400,000, we don't require any paperwork and we approve
20 those bonds in less -- in a couple hours. In the -- if
21 they submit a regular application, it'll take less than
22 two days to get that approval.

23 Just to give you some historical information
24 on the QuickApp, so we started the QuickApp -- we added
25 the QuickApp product to our program in 2012. To date,

1 we have close to 12,000 QuickApps in our program, and
2 we've had less than 100 defaults.

3 A lot of small businesses are concerned about
4 the fees, right? So the fees in our program, if you're
5 a small business, they have to pay SBA \$7.29 per 1,000
6 of a contract, and whatever premium the small business
7 or the surety company collects from the contractor --
8 from the contract, SBA gets 26 percent of that.
9 Starting October 1, we're reducing the contractor fee
10 from \$7.29 to \$6.00 per 1,000 of the contract.

11 And the other thing I would add is that if
12 you're a veteran-owned business, SBA guarantees 90
13 percent of that contract.

14 The application process is pretty simple. We
15 don't -- SBA, we don't write bonds, but, you know, we
16 partner with companies. So a veteran business would
17 have to meet with one of our authorized agents and make
18 sure that they're authorized because we have a list of
19 authorized agents on our website, so you would meet
20 with the agent. The agent is the one who packages
21 everything up, and they submit it to us. And like I
22 said, once they submit it to us, it takes us less than
23 two days to process our regular application. And in
24 most cases, we process it sooner than that.

25 I wanted to show you guys my very impressive

1 slide, but you can't see it -- well, you have paper --
2 but it's -- you know, we have 35 surety companies who
3 are partners with us, and there's one that I'm
4 approving after this meeting. I have a conference call
5 with Nationwide. So Nationwide is becoming a partner
6 with the SBA Surety Bond Program.

7 What's significant about that? Nationwide is
8 not the largest -- well, they're the largest T-listed
9 surety company, but as far as premium, they're not the
10 largest, but they have a tremendous network. So
11 they're going to open up our program to 10,000-plus
12 agents around the country. So wherever you're located,
13 you see Nationwide offices everywhere, all they have to
14 do is walk in there and they'll be able to if not
15 directly from that agent, you know, they'll have some
16 process where they can -- they will get someone that's
17 authorized to write bonds to help the veteran-owned
18 business. And we have over 350 agents nationwide
19 that's active in our program.

20 To get started, you just have to go to our
21 website and make sure you look for an agent. It's
22 pretty simple, and you put down what state, and the
23 list of authorized agents will be on a list. And we
24 only keep active agents on our list. So if you're an
25 agent, you can't just use us for free advertising and,

1 you know, get approved and then you don't write bonds.
2 So we monitor that. If an agent is not active, we
3 remove them from our list. And if anyone has any
4 issues with agents, if you're dealing with an agent and
5 they tell you that they don't write SBA, you know,
6 please let us know, and we'll try to deal with that.

7 My office is having a tremendous year this
8 year. So normally we get authorized annually \$6
9 billion, and we normally use about \$1.3 billion in
10 final bond, which means that the contractor actually
11 got the job. This year, we're close to \$1.7 billion,
12 so we're growing.

13 That being said, when I pulled my numbers
14 for veterans, I'm not pleased with those numbers. We
15 took a downturn in activity from veteran-owned
16 businesses this year, so we're working very hard to
17 see what the -- you know, why we went down. But in a
18 three-year span, we've helped over 400 veteran-owned
19 construction companies, and so far this year, we've
20 done \$67 million in contract-dollar value. In 2016, we
21 did \$195 million; and in 2017, we did \$128 million. So
22 the numbers are going down, but, you know, we're trying
23 to get reengaged in the veteran community to see what
24 we can do to help.

25 MR. STUBBLEFIELD: Do you have a gut feeling?

1 MR. GIBBS: You know, just the surety market,
2 they call it a soft market, if you're familiar with the
3 industry, which means it's pretty easy for businesses
4 to get credit. But, you know, when I go around and I
5 speak around the country, what I tell people is
6 regardless of how soft the market is, there's always,
7 you know, some input that we get from small businesses,
8 there's still segments that's still not getting bonded.

9 So I'm assuming that the businesses might be
10 getting bonded, but they may not be aware of -- or be
11 in a position to compare if I'm getting bonding over
12 here and I'm giving up collateral, there's a situation
13 where I can get bonding and not give up collateral.
14 And I think that's what we have to get out there to the
15 small businesses, is to really look at your situation
16 and find out if you're in the best position for your
17 business.

18 MR. PHIPPS: Larry --

19 MR. STUBBLEFIELD: I was going to say, Jerry,
20 you're going to have to come to the table and then
21 state your name for the record.

22 MR. GODWIN: Jerry Godwin, SBA Office of
23 Veterans Business Development. Thank you, sir. Just a
24 quick question. So the dollar amount has gone down,
25 but have the number of transactions also gone down, or

1 have those increased so maybe smaller dollar amounts
2 but to more businesses that are perhaps starting or
3 growing? Thank you.

4 MR. GIBBS: No, the number -- the business
5 assisted is pretty consistent. I think we're probably
6 going to be around about 160 to 170, which is
7 consistent with the previous years.

8 So does anyone have any questions about
9 anything? You know, the one thing I want to emphasize
10 is, you know, one thing I learned in the military is
11 always ask in the secondary or tertiary question,
12 right? So if you're talking to a business, many of
13 them may not know or have anything to compare in their
14 situation. So you got to ask them, you know, who are
15 you getting your bonds from? What rates are you
16 getting? Are you putting up collateral? Are you being
17 under funds control?

18 Because the small business might think that
19 they're in a good situation, but if they have nothing
20 to compare against, they may not be in the best
21 position. And that's where, you know, that's where our
22 office can help, our district offices, and we have some
23 -- we have a great pool of agents around the country
24 who roll their sleeves up with these businesses and
25 help them.

1 And I would say that we have -- there's this
2 thing called a bonding line, which means that a surety
3 -- an agent sits down with a company and says, based on
4 your financial statement, we feel that you're qualified
5 for jobs at 6.5 single, you know, and in the aggregate
6 amount of \$30 to \$40 million. The largest bonding line
7 in our program is a veteran-owned business in the
8 Norfolk area. And they have a \$6.5 single and a \$34
9 million aggregate. So very impressive.

10 Any other questions about anything?

11 MR. PHIPPS: Peter, will you be at the
12 committee tomorrow?

13 MR. GIBBS: Tomorrow? Yes, sir.

14 MR. PHIPPS: Because that's all the veteran-
15 owned businesses, and I think that would be good to
16 hear -- good for this presentation to be done in front
17 of that committee as well.

18 MR. GIBBS: I'll be here tomorrow, yes.

19 MR. PHIPPS: Awesome.

20 MR. GIBBS: Anyone else?

21 (No response.)

22 MR. GIBBS: Thank you.

23 MR. STUBBLEFIELD: Thanks a lot, Peter, for
24 being here. And I look forward to seeing you again
25 tomorrow.

1 MR. GIBBS: All right.

2 MR. STUBBLEFIELD: Before we take a break, I
3 wanted to just discuss a report that the last time we
4 met I introduced you to a guy named Sid Sankaram, and
5 he was a Yale intern that we had working on a project
6 that Barb had initiated, and the question that Barb
7 was trying to answer was, you know, veteran
8 entrepreneurship is declining and why. And in looking
9 at the data, you know, vet-owned businesses are now
10 less than non-veteran-owned businesses. And, so, we're
11 seeing this decline.

12 We look at new startups. In 1996, it was 12.3
13 percent were veteran, and now in 2014, it's 5.6 -- 6
14 percent. So, Sid, we asked him to be here today, but
15 he took a job in New York. I think we had mentioned it
16 before that he was just here temporarily. So I've
17 taken the liberty, if you will, of just addressing some
18 of the highlights in his report.

19 And the report right now is still a draft, and
20 we're working through it, but the bottom line is in
21 looking at what some of the drivers could be behind
22 this decline, one thing that Sid discovered was this --
23 the strong economy, and I think you had mentioned it
24 the last time, you were here, Bill, the strong economy,
25 and the nationwide effort, if you will, to hire vets,

1 you know, bring vets onboard and so forth. But the
2 real focus of his report was on the ability or
3 inability, if you will, of veterans to assess capital,
4 be able to have access to capital.

5 And, so, there was a couple of things that Sid
6 did. He worked with the Federal Reserve Bank, looking
7 at their data, and basically we've come up with a
8 couple of things, you know, this lack of a credit
9 history and a term that I had never heard before,
10 social capital, meaning how you're interacting in the
11 community that you live in, mentors and things of that
12 nature. And a lot of times veterans tend to settle in
13 someplace other than their home town. So this thing
14 about social capital is a big part of this.

15 But what we're trying to do, we have this
16 report and we're going to finalize it, and we're
17 working with a second one from IVMF that also
18 addresses the veteran's access to capital. And Bill
19 Manger, who is the associate administrator in our
20 Office of Capital Access, he and I, we've been working
21 with Treasury, and Bill is actually the lead on this
22 now because he's at -- I went to the initial meeting,
23 but he's gone to a couple more meetings.

24 And what we want to do, and initially Treasury
25 told us this was going to be a high hurdle, to have

1 veterans classified as what we call other targeted
2 populations. But Bill recently came back to me, Bill
3 Manger, and said that in his most recent meeting with
4 Treasury, Treasury is beginning to open up a little bit
5 to the idea of having veterans -- look at veterans as
6 an underserved population and then get that what we
7 call OTP, other targeted population, that designation.

8 So we're still working with the Federal
9 Reserve, and one of the things we want to do is come
10 out with a -- some type of blog between us, a
11 partnership between SBA and the Federal Reserve, where
12 we would get this information out, and in the meantime,
13 continue to push for getting veterans designated as
14 OTP. So it's -- as we speak, it's looking fairly
15 positive.

16 What Treasury has asked us to do is to
17 finalize Sid's report and finalize the IVMF report and
18 then come back to them next month, and then we'll
19 continue to work that. So going forward, for every
20 time we get together in either the task force meeting
21 or the committee meeting, I'll give an update on where
22 we are with that.

23 MR. PHIPPS: Larry, that is great. For our
24 committee, it's something that we've been looking at
25 for a very long time. Do you know when Sid's report --

1 could our committee get a draft of that report?

2 MR. STUBBLEFIELD: I don't see any reason why,
3 but I'll have an answer for you tomorrow.

4 MR. PHIPPS: Because at one point, veterans
5 were more likely to start a business, and now we're
6 less likely, so that's a very big swing quickly that
7 we'd like to address and I talked -- I've talked to
8 Sid. He was a really smart guy, really put a lot into
9 that report. So, yeah, I'd absolutely like to see it.
10 It'd be great. Thank you.

11 MR. STUBBLEFIELD: I'll get that to you.

12 Okay, any questions or comments or thoughts on
13 anything? If not, I guess we can take a short break,
14 if you will, and then we'll go into the agency reports.
15 So it's -- can we be back maybe at five after?

16 (Brief recess.)

17 MR. STUBBLEFIELD: Okay, so we are all back,
18 and we will reconvene. And we will start with our
19 member updates and reports, and we'll start with
20 Department of Labor.

21 MR. METHENY: Thank you. I want to share
22 three topics today with the Task Force. First, veteran
23 unemployment. I want to give you some numbers from
24 July's veteran unemployment rate. For veterans, the
25 unemployment rate in July was 3.0 percent, which is

1 pretty remarkable. It's down from 3.5 percent for the
2 same time period the year before. And that's the
3 lowest rate for July since the year 2000.

4 To give you some other comparators,
5 nonveterans for the same month of July was 4.0 percent,
6 so a full percentage point difference. Women veteran
7 unemployment rate for the month of July, 2.4 percent.
8 And Gulf War-Era II veterans, 3.0 percent. So those
9 last two are some populations we've been watching that
10 have really had numbers much higher than we wanted them
11 to be, and so now they're starting to get in the right
12 direction. So that was July.

13 August numbers are coming out Friday, this
14 coming Friday, so keep an eye out for those if you're
15 interested. You can find them at veterans.gov. You'll
16 see things posted there, as well as you can subscribe
17 to get them pushed to you by email if you would like
18 that, too. So I wanted to share that good news.

19 Second, Ken earlier was sharing with us about
20 some of the changes that have come out in this year's
21 National Defense Authorization Act. One of the other
22 ones, Section 552, makes some changes in the Transition
23 Assistance Program for service members who are
24 departing the service. So I wanted to share what some
25 of those changes are.

1 First, the Transition Assistance Program,
2 which all service members are supposed to go through as
3 they depart, under the new statute, are now required to
4 have preseparation counseling no later than 365 days
5 before they separate. So a full year out, they get
6 this preseparation counseling. What that is is still
7 being shaped and determined, but that is a stepping
8 stone to the second big change, which is tailored
9 pathways of what their transition experience is going
10 to be.

11 Up to this point, with the VOW Act, lots of
12 great changes happened, and so it was a five-day
13 program, and three of those days was an employment
14 workshop, and then there were some supplemental tracks
15 that people could opt into, one of which was the Boots
16 to Business and one was an education track, and one was
17 an apprenticeship-type track, the career technical
18 training track.

19 Now, with that preseparation counseling up to
20 365 -- at least 365 days early, now they can determine
21 what track they want to go, and those -- what were
22 supplemental are now part of a required pathway. So
23 once they pick, now they will go through those. There
24 are going to be four, one of which is I want to go
25 straight into employment, so that's kind of the

1 addition, but otherwise, those two-day tracks, with a
2 one-day employment element to it is what this is being
3 shaped up into now. So those are two of the big
4 changes.

5 Number three, it direct -- the NDA directs
6 stronger performance metrics so that we can have a
7 clearer view of who's participating, participation
8 rate, as well as what the outcomes are. So with that
9 extra oomph, it's going to allow the agencies that are
10 responsible to be able to look at information and track
11 how folks are doing and what the outcomes are of the
12 different tracks from the program.

13 And the last part, as you would imagine,
14 Congress has asked politely if we would provide an
15 action plan within 120 days of the act being signed.
16 So it was signed on the 13th of August. The Secretary
17 of Defense has the responsibility to produce the action
18 plan within 120 days from there, in consultation with
19 the Secretaries of the Veterans Administration and
20 Labor.

21 So that's TAP, the Transition Assistance
22 Program. It is so new that everybody's still wrapping
23 their heads around it, and there's -- one of the
24 positive outcomes from the VOW Act was a pretty
25 effective interagency working and governance structure,

1 which SBA and DOD and Education and OPM and others are
2 involved with. That organization is going to be
3 figuring out what this action plan looked like and
4 putting it in place over the coming weeks and months.

5 And then, third, one that you may or may not
6 have heard about, Secretary of Labor Acosta just
7 recently announced a new Department of Labor Office of
8 Compliance Initiatives, OCI, Office of Compliance
9 Initiatives. And the idea here is with all the
10 compliance organizations within Department of Labor and
11 across the Federal Government that has to do with
12 working and employment, we want to get ahead of the VOW
13 wave and do more preventive measures and assistance up-
14 front. And, so, this Office of Compliance Initiatives
15 is to help do that, to get information out there early
16 to both workers and to employers to each know what the
17 rights or responsibilities are in that space.

18 So with that, in addition to the small team
19 and the ideas that are going to flow from this, two
20 places you can start to look already are two new
21 websites. One is worker.gov, singular, worker.gov,
22 www.worker.gov. And that's where people can go to find
23 out what their employment rights and protections are.

24 The other flip side of the coin is
25 employer.gov. And, so, if you're an employer and you

1 want to go to where the newest, most accurate site is
2 for these different responsibilities that you have as
3 an employer, you can go to employer.gov.

4 So what does that mean to us in the veteran
5 context? Some examples. There -- as these sites are
6 being built out, there's a placeholder now for USERRA,
7 Uniformed Services Employment and Reemployment Rights
8 Act, to protect the employment rights of our Guard
9 Reservists primarily. So that's one place that people
10 can go to get that -- Office of Federal Contract
11 Compliance.

12 So if you are trying to make sure that you're
13 within bounds and you're a contractor, particularly
14 veteran-owned or whatever, and trying to make sure
15 you're complying with the responsibilities of doing
16 business with the Government, you can go there. And
17 there's also a tab that will take you to information
18 for people who are starting small businesses. So those
19 are some examples of what's out here.

20 Lots more. Brand new sites. A few of them
21 are sort of under construction or pointing to the base
22 agency's site for now until they can flesh it out and
23 tailor it there, but I wanted to share that as the
24 third area for what's happening in the Department of
25 Labor.

1 I will have to leave shortly, so if anybody
2 has questions or feedback for me, I would welcome them
3 now. I don't want to miss your ideas before I have to
4 head out.

5 MR. STUBBLEFIELD: A question?

6 MR. WEIDMAN: It's electronics. Two things.
7 One is at the Office of Federal Contract Compliance, I
8 get more complaints about Vietnam Veterans Readjustment
9 Act and Office of Federal Contract Compliance being,
10 like, you might as well throw your letter in the Ohio
11 River as opposed to try and get those folks to respond
12 to a complaint. And it's frustration that has always
13 been with that office, who doesn't do anything. It's
14 basically what DOD used to call a self-licking ice
15 cream cone, which means all of its resources go to
16 support the agency itself, and there's nothing that is
17 a positive outcome for the people it's supposed to be
18 assisting.

19 It's not just for vets, incidentally. It's --
20 they don't do anything for women, for ethnic
21 minorities, disabled, on and on and on. It's one of
22 those cases of either we need to fix it or we need to
23 take it off the books. And it's really come to that
24 point where we're getting to the point of really angry
25 and going to start making noises about it on the Hill.

1 And mostly who they blame is VETS, even though
2 you don't have any clout whatsoever over OFCCP, which
3 seems to be inured to vilification. I mean, there's
4 nothing you can say to them that will shame them
5 because they appear to have no shame at all. And so we
6 need to do something about that.

7 The second thing when you talked about
8 notifying folks 365 days out, that's a great idea, and
9 the whole thing about participating in all of the TAP,
10 nothing else is going to work until the Secretary of
11 Labor and the Secretary of Defense requires that it go
12 into the commander's OER, 100 percent attendance. And
13 when it goes into his or her OERs, then people will
14 show up because otherwise they'll come out with 147
15 things that need to be done, and so they're going to
16 detail people, oh, we'll make it up later, and it's low
17 priority because it's not what's going to get them
18 killed. If it's going to be one of the things that
19 messes them up, it's amazing how reasonable people can
20 be once you've garnered their full attention.

21 Those are my two comments to you, and I
22 appreciate you guys continuing to try because it's
23 probably one of the most frustrating areas of
24 government is trying to get the state workforce
25 development entities to play nice with the ETS because

1 basically there's nothing you can say that's going to
2 hurt them. They get in trouble if somebody doesn't get
3 a UI check, people get fired. Somebody doesn't get --
4 help a profoundly disabled vet get a job, nothing
5 happens. So it's tough, and keep up the -- keep up
6 your efforts. Thank you.

7 MR. METHENY: Thank you.

8 MR. STUBBLEFIELD: I just want to piggyback
9 off of Rick's comment there. Like, I thought the
10 commanders had to sign off as part of our process. I
11 can't think of the form, but isn't that --

12 MR. METHENY: Yes, and, in fact, even under
13 the current process, commanders must sign off when a
14 service member has completed that transition and that
15 they have met the career readiness standards. And if
16 they have not, then one of the requirements is that
17 they get referred to the state workforce agency to
18 continue work with them because they're still heading
19 out the door.

20 And that's one of the other challenges that
21 some of this performance metrics is designed to start
22 capturing of are they getting in 365 days in advance,
23 separate from behavioral issues or medical things that
24 pop up short notice, but then what happens on the back
25 side and who's determining what career readiness

1 standards are and whether they've met them and what
2 happens if they don't and what do we do about that. So
3 they're trying to address some of that as well.

4 MR. GAVINO: I know in the Air Force when I
5 transitioned out, when I retired, you are required to
6 attend a Transition Assistance Program, TAPS. That's
7 part of your checklist. You cannot out-process out of
8 the base without going through that. So at least on
9 the Air Force side of the house that's how they cover
10 it.

11 MR. PHIPPS: This is Mike Phipps. I think
12 what Rick was saying is it's not part of the commander
13 -- as some of these enlisted guys that go through that
14 are not career guys, you know, they do three or four
15 now or 12 or less, and it's not part of the commander's
16 evaluation. So as I transitioned as an enlisted
17 infantry guy where my -- you know, where my options are
18 very limited, security guard and janitor, every
19 possible excuse for details were used getting out, and
20 nobody -- as the enlisted member, you don't even
21 realize what you're missing until personally years
22 later, where, oh, that's what that program particularly
23 was about. I was more concerned with, you know, the
24 other million things.

25 That's why this -- having this a year out is a

1 huge benefit if it's nothing just to let the service
2 member understand but also making it part of the
3 commander's OER, you're going to see real quick there's
4 all sorts of things that are tied to that OER that they
5 -- that people will start paying attention to.

6 So -- and, Rick, if you're going to be here
7 tomorrow, I would really like you to come to the
8 Advisory Committee. I want to talk -- those were some
9 very powerful statements you were making about the
10 Office of Federal Contract Compliance and those
11 complaints. I'm not aware of those particular issues,
12 but I think our committee would be very aware, not just
13 on the complaints, but what those issues are, because
14 we can start talking about recommendations and have
15 some real positive dialogue on, okay, what really are
16 these issues and what are the possibilities we can do
17 to address them, especially from a legislative or a
18 socialization standpoint. So, you know, I would
19 welcome you to come tomorrow as well.

20 MR. WEIDMAN: I will be there in the
21 afternoon. There's a meeting with VA in the morning I
22 have to be at.

23 MR. PHIPPS: I'll make sure that we pass it on
24 to Michael to set some time, a couple minutes aside for
25 you to just come up and speak.

1 MR. WEIDMAN: Thank you.

2 MR. STUBBLEFIELD: Okay, any other --

3 MR. PHIPPS: And just one more -- I'm sorry,
4 Bill. All those things that you were saying about the
5 new website, can the committee -- can you get an email
6 out to the committee with an overview, because that's
7 all great stuff that we would like to pass on --

8 MR. METHENY: Sure. Absolutely.

9 MR. PHIPPS: -- for the Advisory Committee
10 that's tomorrow.

11 MR. METHENY: Yep.

12 MR. PHIPPS: Kind of that liaison, so I would
13 really like to get that into the hands of everybody
14 else tomorrow as well.

15 MR. METHENY: What I can do is push you some
16 of the press release stuff that came out, as well as
17 the actual links and so on, so that way people can
18 explore for themselves.

19 MR. PHIPPS: Thank you very much, Bill.

20 MR. STUBBLEFIELD: All right. Thank you,
21 Bill.

22 Let's see, Department of Defense, we don't
23 have DOD here, so --

24 MS. GARCIA: They were on the phone, which
25 they went down. So check in. They attempted to check

1 in.

2 MR. PHIPPS: Who was on the phone?

3 MS. GARCIA: DOD.

4 MR. PHIPPS: Do you know who?

5 MS. GARCIA: Oh, it was Sharae.

6 MR. PHIPPS: Sharae?

7 MS. GARCIA: Yeah.

8 MR. STUBBLEFIELD: So we're going to go to the
9 VA.

10 MS. TORRES: I'm Beth Torres from VA. I'm Tom
11 Leney's Deputy Director for Executive Actions. So he
12 got called into another meeting this afternoon, so he
13 sent me over here to represent him.

14 We just have a few things here. Ken actually
15 already spoke about the new regulations that are coming
16 out. We are also updating our 38 CFR Part 74
17 regulations where the NDAA required us to use SBA's
18 definitions and regulations on ownership and control.
19 So when you see our final rule come out, we are also
20 anticipating that it will be published before October
21 1st.

22 You'll see that it actually just points to an
23 ownership and control, you know, you will look at Part
24 125 for determining that. Then the rest of Part 74
25 basically covers all the ancillary issues around the

1 process for verification, and it points veterans in the
2 right direction for 13 CFR 134 for appeals on either
3 admission to the database, approvals for the database,
4 or status protests.

5 OHA will be doing the status protests, not an
6 appeal to the status protests, but the initial status
7 protests on VA contracts, SDVOSB contracts. And they
8 will also do appeals for cancellation -- status
9 cancellations, if we've removed somebody from the
10 database.

11 But we did come up with a couple of slides for
12 another project that we've been working very closely
13 with SBA on, and it's in the President's modernization
14 strategy. They issued in -- I believe it was March,
15 the Delivering Government Solutions for the 21st
16 Century, a reform plan and reorganization
17 recommendations. And on page 93 of that plan is the
18 recommendation to streamline small business programs.

19 So we've been working on -- we believe that
20 the SDVOSB program should become a federal-wide
21 certification. There was a hearing in -- I guess now
22 it was in July on that, on the Hill. The House small
23 business and HVAC hearing, joint hearing on that. And
24 it seemed to be pretty general consensus that it is
25 something that the Government and most people want to

1 happen, to have it be a federal-wide certification.
2 And we do -- at VA, we do support the President's
3 initiative.

4 So if you have the slides, Slide 3 is
5 basically what we've done to date to support this
6 initiative. As we said, the rules are getting ready to
7 be published as final rules. They will go into effect
8 on October 1st. And we worked carefully on that with
9 the joint rule on ownership and control and the
10 appeals. And we also established a joint working group
11 that I cochair with Bill Gould from SBA on looking at
12 the process and what it might take to create a federal-
13 wide certification program for SDVOSBs.

14 And then the last thing we have is actually a
15 shameless plug for the NVSBE. That is coming up
16 October 31st through November 2nd, and that's going to
17 be in New Orleans. We're doing it as a joint program
18 with the Society for American Military Engineers, SAME.
19 So they will be doing joint events, and it's going to
20 focus this year solely on construction. There are
21 several events. Our Secretary will be there, and we'll
22 be holding a roundtable on that.

23 In 2017, VA actually spent \$2.35 billion in
24 construction-related requirements. And we awarded
25 actually more than 75 percent of them to VOSBs. So for

1 2018 -- oh, for 2019, VA does have a budget of -- right
2 now of \$3.3 billion targeted for construction-related
3 procurements, and we do anticipate that there will be
4 additional funding of up to another \$1.5 billion.

5 We're going to bring 200 construction-related
6 procurement decision-makers to meet with procurement-
7 ready vendors and most especially VOSBs, but all small
8 businesses are welcome to come to it. So we're
9 believing that there's going to be up to \$5.9 billion
10 with somewhere around 850 projects that are going --
11 that are going to be out there. So, you know, anyone
12 in the construction-related industry should probably be
13 there. It's probably going to be a very good
14 opportunity. And registration for that is currently
15 open.

16 And that's about it for us right now. If
17 anybody has any questions...

18 MR. WEIDMAN: Are there plans -- there are two
19 other small -- smaller conferences, I understand, one
20 in medical services and supplies, and a third one. Do
21 you have any idea of the dates and locations of those?

22 MS. TORRES: I don't. I will -- but we can --
23 I can certainly get back to you on that.

24 MR. WEIDMAN: Thank you.

25 MS. TORRES: But, yes, that's kind of where

1 we're going with these now is to try to make them
2 industry-specific so they're not just all over the
3 place.

4 MR. WEIDMAN: That's a good idea, but the
5 point is that people -- small businesses only have so
6 much money.

7 MS. TORRES: Mm-hmm.

8 MR. WEIDMAN: So they need to spend it where
9 they're going to find the biggest bang for the buck for
10 their business.

11 MS. TORRES: Exactly.

12 MR. WEIDMAN: And if they don't know about the
13 others, then they're likely to come to New Orleans,
14 even though it may make more sense to go to one of the
15 other two. So the sooner you can get that out, I think
16 the more it will help people make intelligent choices
17 for themselves.

18 MS. TORRES: And, yes, we can definitely get
19 that out.

20 MR. WEIDMAN: Thank you, ma'am.

21 MS. PEREZ-WILHITE: This is Fran Perez-Wilhite
22 from the ACVBA. Will you definitely have this medical
23 supply and services conference, and will it be this
24 year or next year?

25 MS. TORRES: I'm sure it's going to take

1 place. I just don't know when or where at this time.

2 MS. PEREZ-WILHITE: Earlier in the hearing, I
3 saw Mr. Leney and the SBA also there. Do we know what
4 the budget has come through for the SBA to have the
5 federal-wide control, then, of the SDVOSB program?

6 MR. STUBBLEFIELD: I guess I could defer to --
7 because I think we're just still in the initial talking
8 phase, as far as I know, but I know Amy's on --

9 MS. GARCIA: I think, you know, there's things
10 in the works, but we haven't had any kind of --

11 MS. PEREZ-WILHITE: So that's not going to be
12 by, when, October, the new budget for --

13 MS. GARCIA: Oh, absolutely not.

14 MS. PEREZ-WILHITE: -- SBA to have that
15 control?

16 MS. GARCIA: No.

17 MS. PEREZ-WILHITE: And you talked about some
18 slides, handouts that you handed out, do you have any
19 extras? Some of us didn't get any.

20 MS. GARCIA: They're back here on the table.

21 MS. PEREZ-WILHITE: I looked. I didn't see
22 any over there.

23 Thanks. I didn't see the VA one.

24 MS. TORRES: There's only four slides.

25 MR. STUBBLEFIELD: Yeah, I was just going to

1 ask you real quick, but I apologize, I should know
2 this, but for the New Orleans, are we -- SBA, are we
3 going to be there?

4 MS. TORRES: I know that the Administrator has
5 been invited. I'm not sure who else is going to be
6 there. So we're very much hoping that she'll be able
7 to attend.

8 MR. STUBBLEFIELD: It's just kind of like --
9 it seemed like to fall right in line with what Peter
10 was talking -- Peter --

11 MS. TORRES: Absolutely.

12 MR. STUBBLEFIELD: -- like before, so I'll
13 follow up on that. Thank you.

14 MR. PHIPPS: Beth, will you be here tomorrow
15 because I think in terms of talking about a federal-
16 wide program initiative, along with some of the other
17 things that our committee has recommended on the
18 advisory committee, I think it would be really good to
19 have you represented on that committee because it's
20 been a while since we've actually been able to interact
21 with the VA. So will you be there tomorrow? Is that
22 on your schedule?

23 MS. TORRES: It's not on my schedule, but I
24 can probably make it happen.

25 MR. PHIPPS: Okay, excellent. Thank you.

1 MS. PEREZ-WILHITE: Thank you.

2 MR. WYNN: May I?

3 MR. STUBBLEFIELD: Sure, absolutely.

4 MR. WYNN: How you doing? Joe Wynn with
5 VetForce, Air Force veteran. My question is somewhat
6 related to what just -- what Mike was just asking about
7 the federal-wide verification program. You know, we've
8 talked about this for a number of years at this group
9 and other groups. And even still when I hear VA
10 talking about actually supporting it, it just -- to me,
11 it was a lot of effort to get to this point.

12 And I was just wondering, I don't know if you
13 might want to address it now, but one of the questions
14 we had, and I have myself, is what do you think it
15 would take, though, to get it to -- all the way to that
16 level to a federal-wide verification program?

17 MS. TORRES: Well, first of all, nothing can
18 be done without legislation. We've determined that.
19 So -- and the last thing that anybody wants is for SBA
20 to try to take on an unfunded mandate. So there are a
21 lot of things -- a lot of things, you know, up in the
22 air about this that we're exploring what do the -- you
23 know, what would a process look like.

24 We believe, and I'm pretty sure SBA's on the
25 same page with this, is that we could get quite a bit

1 of synergy where if people -- for example, if I were to
2 start a business as a service-disabled female veteran
3 who lives in a HUBZone, I would only have to submit
4 paperwork one time for multiple certifications, which
5 would be very helpful for a lot of small business
6 owners.

7 But there are an awful lot of things. I mean,
8 if we're looking at the pending women-owned small
9 business program having -- and the creation of that
10 certification program, that dwarfs the SDVOSB program
11 considerably. So there's a lot of things up in the air
12 on this that we wanted to make sure that the
13 infrastructure is ready before anything actually
14 happens.

15 MR. WYNN: And, actually, I would think
16 probably SBA might be more helpful in addressing the
17 questions going forward because, you know, I was at
18 that hearing in July. And one of the comments that
19 was made was the cost of doing the program on the SBA
20 side because the funding that was available now on VA,
21 that funding doesn't transfer over to the SBA. So
22 funding -- and the funding would increase exponentially
23 by tenfold because there's some inclusion of the
24 women's program with the rollout of the vets program.
25 So it would be helpful to have -- you know, hopefully

1 you guys will have more discussions on that, and so we
2 could try to get to that point, you know, sooner.

3 Another question I had, too, was what do you
4 think the impact will be, though, of October 1st going
5 with the SBA rules on ownership and control, because
6 for so long, you know, we had it separated between the
7 VA and the SBA. So if we're going to all abide by the
8 SBA rules, but VA still has its program, its Vet First
9 program, what do you think the repercussions or the
10 impact of that will be on veterans getting approved at
11 the VA?

12 MS. TORRES: There really should be very
13 little impact. The rules aren't changing dramatically,
14 but they are now -- for example, the NDAA, and there
15 are a few things there that we think are really
16 terrific changes. We're no longer going to be
17 considering community property, for example.

18 MR. WYNN: Oh, good.

19 MS. TORRES: ESOP stock is eliminated from the
20 -- looking at ownership on that. There's going to be
21 an exception, and we had always kind of done it, but
22 it's never been formal, is if a Guardsman or a
23 Reservist is a small business owner and gets deployed,
24 then technically that person no longer has day-to-day
25 control over the business and could lose his

1 certification because of the verification. There's now
2 going to be an exception for that so that no veteran
3 should be hurt because they get deployed and they're
4 serving their country, and we believe strongly in that.
5 So that's -- you know, there are some very good things.

6 There are some rebuttal presumptions in the
7 rule for things like full-time devotion and, you know,
8 how far you live from the business. There's also some
9 extraordinary circumstances that where it gives certain
10 protections to the minority owners so that it makes
11 people a little less reticent to invest in a company so
12 that it gives the possibility maybe for some equity
13 financing there.

14 MR. WYNN: Okay, thanks. Just one last thing,
15 on the conference coming up, folks in our construction
16 companies, is it the recommendation or preferences that
17 those companies are already VA-verified? Do they need
18 to be?

19 MS. TORRES: They don't need to be to be at
20 the conference. Of course, they need to be verified in
21 order to get a contract, so -- a VA contract, but, you
22 know, SAME is going to be there. Corps of Engineers is
23 going to be there. So -- and we're welcoming all small
24 businesses to be there. But, you know, of course it's
25 going to be focusing on VOSBs.

1 MR. WYNN: Okay, thanks.

2 MR. WEIDMAN: One last question. What you
3 just said is that you have to be verified in order to
4 get a contract at VA. Do you have to be verified in
5 order to get a set-aside?

6 MS. TORRES: Correct.

7 MR. WEIDMAN: But you guys count people who
8 aren't verified.

9 MS. TORRES: On full and open.

10 MR. WEIDMAN: Yes, that's what I'm saying.

11 MS. TORRES: Yeah.

12 MR. WEIDMAN: And the real -- the question is
13 why shouldn't that verification be necessary for you to
14 count them?

15 MS. TORRES: It's -- I guess it's because it's
16 -- if you look at -- whatchamacallit -- FPDS-NG,
17 however they're registered, that's how -- when you pull
18 up -- do the pulls and it doesn't say -- it doesn't
19 exclude them from full and open to be counted for
20 goaling.

21 MR. PHIPPS: So this is Mike Phipps. If
22 there's a veteran-owned company that's not verified at
23 the VA as a veteran-owned business or a service-
24 disabled-owned business but they're self-identifying at
25 the SBA and you're using FPDS-NG to pull that data and

1 I get a contract with the VA as a SDVOSB, does the VA
2 actually separate that out as not counting towards
3 their --

4 MS. TORRES: They can't.

5 MR. PHIPPS: They count?

6 MR. WEIDMAN: They count.

7 MR. PHIPPS: So that's not -- that's --

8 MR. WYNN: We've been saying that for a while.

9 MR. PHIPPS: So the VA will count towards
10 their goaling a nonverified SDVOSB, is what we're
11 talking about. Okay, we'll address that at our
12 committee hearing, because that seems to be a big
13 issue, a big problem. If we're pushing federal-wide a
14 program, you know, what's the benefit to a federal-wide
15 program if it's self-certifying with the SBA, unless
16 the other agencies, which we would -- which is part of
17 our committee's recommendations, like DOD that creates
18 the veteran should have the same kind of set-asides
19 that the VA has. That is a benefit to the veteran.

20 But for the -- having a huge federal -- having
21 a federal program where everybody has to get verified,
22 the pros and cons of that additional paperwork is
23 something that our committee would, you know, is what
24 we've -- was something we've been discussing for a long
25 time because that verification program is not just a

1 simple process, right? And there's been issues with
2 that process, although we do recognize it has greatly
3 improved. So those are -- it's not a yes or no type of
4 answer. It's the discussion that we want to have,
5 especially flushing out these nuances becomes a really
6 big issue.

7 So thank you, Beth. I didn't mean to just get
8 on the soapbox.

9 MR. STUBBLEFIELD: So I guess I'm asking,
10 going forward, it sounds like the certification process
11 should be a regular topic for the ACVBA as well. So we
12 will do that, so you'll always have an invite.

13 MR. PHIPPS: Tell Tom we know he's trying to
14 get out of us yelling at him and he shouldn't be back.

15 MS. TORRES: He's going to West Point
16 tomorrow.

17 MR. PHIPPS: Is he? We miss Tom.

18 MR. STUBBLEFIELD: Okay, any other questions
19 or comments for Beth? If not, we'll move over to GSA.

20 MR. GAVINO: Good afternoon. My name is
21 Amando Gavino. I'm the Director for IT Services. I'll
22 be spending a little time discussing GSA stuff. I want
23 to give this floor to Keil Todd. He's the person --
24 he's in the Office of Enterprise Strategic Management.
25 The plan for today is to address the concern addressed

1 by Mike Phipps from the American Legion concerning the
2 e-commerce portal, in particular that the e-commerce
3 portal comments that we keep hearing is that it
4 prevents small business from joining into that game.

5 But before I do that, just a brief
6 advertisement basically on what GSA OSDBU did last
7 month. Last August 23rd, the OSDBU hosted a DVOSB
8 virtual training webinar, 22nd -- 23rd of August.
9 Roughly, there were about 600 companies that we
10 invited, about 200 individuals showed up on that one,
11 so we consider that pretty successful. We plan to do
12 that again sometime in the very near future.

13 Just a shameless plug on the GSA VETS2
14 contract, just to remind people that that contract went
15 live earlier this year, early this March. We were
16 seeking task orders on that one. 8(a) STARS II, we're
17 in the process of picking best-in-class contract for
18 that one. This fiscal year, we're working really hard
19 in making that happen, working on that one with OMB.

20 And just a reminder that the Alliant 2 small
21 business contract, because of the protest, we cannot
22 take any orders yet until that protest has been
23 resolved.

24 So with that, I'd like to give this floor to
25 Keil Todd. I think it's going to generate a lot of

1 discussion concerning the e-commerce portal. Over to
2 you, Keil.

3 MR. TODD: Thanks, Amando. So as Amando
4 mentioned, my name is Keil Todd. I work in the Office
5 of Enterprise Strategy Management at GSA, and I'm the
6 PM on this effort, working on behalf of Laura Stanton,
7 who is the executive lead for this for GSA. And we do
8 so in great partnership with OMB, and Matthew is our
9 counterpart over there. So thank you for your support
10 of this, Matthew.

11 So I thought what we would do is I'd just give
12 a little bit of a brief overview on the program itself.
13 I don't know the level of context everybody has, so I
14 figured we'd sort of set that context for everybody,
15 and then talk a little bit about some of the potential
16 opportunities for small business. I will emphasize
17 that we've very much in sort of the design and research
18 phase at the moment. So I'll talk a little bit through
19 that. And certainly, you know, welcome your feedback,
20 whether it be here today or in the future and ongoing
21 sort of participation as we think about how to develop
22 this program.

23 So as many of you may or may not know, you
24 know, this was established in the 2018 National Defense
25 Authorization Act, Section 846, where GSA was directed

1 to partner with e-commerce providers to procure
2 commercial items. And, so, this will be carried out
3 over three phases, three-plus phases, in fact. So the
4 first phase has already concluded. It was a quick, 90-
5 day phase starting last December, which is essentially
6 a -- develop a plan and submit it back to Congress by
7 March.

8 So we did that, met those time frames, and
9 we're now in the second phase, which is called the
10 market research and consultation phase. So essentially
11 this phase, you know, we are doing extensive outreach.
12 So we're talking a lot with industry. We're talking a
13 lot with our agency partners. To date, we've hosted
14 two industry days. We did one back in January. We
15 also did one just a few months ago in June, where we
16 had over 200 to 250 attending in the room and another
17 200 or so folks online.

18 We've put out a series of RFIs, so I think
19 we've put out three total, got a significant amount of
20 responses to that. I think close to -- over 1,000
21 pages worth of responses, both small and large
22 business, as well as portal providers responding to
23 that.

24 We've hosted a significant number of industry
25 demos, one-on-one demos with people coming in to

1 demonstrate their capabilities. I think we've done
2 over 50 of those. Again, a good mix of both small and
3 large businesses, really to understand sort of the
4 perspectives out there and really to take in all of
5 that feedback and use it to inform how we're designing
6 this.

7 As you can imagine, you know, we've gotten
8 quite a bit of feedback. A lot of it is small-
9 business-oriented, and we fully intend to build in, you
10 know, small business into this effort. So I want to,
11 you know, make sure we sort of state that up-front,
12 that small business is a critical, critical piece to
13 this.

14 As Ken mentioned, you know, in the 2019 NDAA
15 Section 838, we got a few items in there. We had
16 really put forward in our last March report two key
17 legislative asks. The first was to give GSA, the
18 Administrator, the ability to set the buys as compliant
19 with CICA. So we got that one. The one that we had
20 hoped for but did not get was raising the micro-
21 purchase threshold to 25,000. That was for only
22 purchases through this GSA-approved portal.

23 And our thinking behind that was really to
24 test this on the smaller scale, to put something out
25 there and allow -- start getting some buys through

1 there to start seeing how it would really play out
2 because, you know, we can surmise how it might play
3 out, but until you really put something out there, you
4 don't necessarily know. So we thought, you know,
5 raising the micro-purchase to 25K, that gets us up
6 against, you know, a few treaty obligations that would
7 have come into play, so we went up to the highest
8 point. We said let's raise the micro-purchase there,
9 and really the micro-purchase is the point where, you
10 know, our terms and conditions are the closest to those
11 that are in the commercial sector, so we figured why
12 not start there as a starting point.

13 So that was really our thinking behind the
14 25K. Additionally, we thought really three key goals
15 could come of this. We thought we could start to,
16 again, test this small, begin to see the speed with
17 which purchasing could occur, using this new technology
18 and removing some of the roadblocks that might
19 currently exist.

20 We thought we could better manage the workload
21 of the acquisition workforce, rather than having our
22 highly trained acquisition folks focusing on low-
23 dollar, low-risk buys, why not shift that to the
24 program office and to those with the purchase cards to
25 make those buys, while then allowing the acquisition

1 workforce to focus on the more mission-oriented
2 critical buys. So that was a second opportunity there.

3 And then the last one is we think we can
4 realize some cost savings, essentially buying more like
5 -- having a leveraged situation where we can use the
6 buying power of the Government to really command better
7 prices. So those were three goals.

8 Since we didn't get that, we still remain
9 committed to this effort. We still remain committed to
10 those three items that I just culled out, and we're
11 assessing, you know, how can we go forward with -- you
12 know, what does it look like, do agencies find value in
13 a 10K proof of concept. So we're currently assessing
14 that to understand, you know, what does that look like,
15 and that is really sort of driving a lot of our market
16 research with another report due this coming March.

17 So that's the backdrop with what happened with
18 the 2019 NDAA. Some of the potential opportunities for
19 small business, which I think might be of interest to
20 this group, you know, from the beginning, I think we
21 see competition being sort of the bedrock of this. So
22 not only has our Administrator, Emily Murphy, committed
23 to this publicly, it was obviously in the Section 838
24 of the 2019 NDAA, that this will not be -- you know,
25 this is not going to be awarded to a single provider.

1 There will be multiple.

2 Our senior procurement executive, Jeff Koses,
3 has even been on record saying, hey, if we put
4 something out there and we only get one offeror or
5 respondee, we will take a step back, we'll start our
6 research again, and we will reassess where we went
7 wrong. From our view, essentially that means we missed
8 something, because we're trying to get closer to the
9 commercial terms and conditions. So if we don't do
10 that, then that's on us. So we will not go forward
11 with just a single awardee.

12 Additionally, I think we really see this as an
13 opportunity to lower the barriers of entry to small
14 businesses, including those who've never done business
15 with the Government before. So, you know, rather than,
16 you know, industry having to wait for the Government to
17 come to you with a, hey, give me your proposal on this,
18 you know, on this opportunity, instead Government can
19 go to an e-commerce-enabled platform and see a whole
20 swathe of players, to include small business. So it
21 certainly, we feel, can lower the playing field there.

22 Additionally, we're also looking to see how we
23 can incorporate and start to bring in some of those
24 socioeconomic statuses into the platform, whether that
25 be working with SAM or SBA so that those can be

1 incorporated as part of the buying decision. So when
2 you're -- you know, when you're a buyer and you log in,
3 on those products, you can say, hey, this is a small
4 disabled, you know, veteran-owned business, and that
5 can be part of perhaps the best value determination.
6 So those are things that we're thinking about as we
7 design this program.

8 And, then, lastly, I think the most important
9 piece to all of this is access to the spend data. As
10 many of you might -- can probably understand, you know,
11 a lot of the purchases that go on the purchase card are
12 relatively invisible. And, so, we think that by having
13 access to the spend data, by having access to the point
14 of sale, we'll then have visibility into that data, not
15 only what's only being spent through it, but also the
16 opportunity to say, well, what is the spend that is
17 going through it that maybe should have or could have
18 gone to a small business that perhaps didn't.

19 So I think having access to that data is a new
20 power that we're certainly interested in getting and
21 being able to give to our partner agencies to better
22 make decisions. So, you know, those are some of our
23 just initial thoughts around this. Certainly welcome,
24 you know, any questions that there might be.

25 I will tell you that, you know, there are lots

1 of opportunities to get involved. We have a GSA
2 Interact page, which is sort of our community. It's
3 Interact.GSA.gov. If you go on there and you search on
4 commercial platform, you can see our page, you can
5 subscribe to it. We've been trying to put out blog
6 posts, I would say every two weeks or so. We've done
7 blog posts on the micro-purchase threshold and sort of
8 why we were recommending this increase. We've posted
9 all of our plans there. We've posted the transcripts
10 to our industry days, the RFIs that have gone out. So
11 we're trying as much as possible to be very open and
12 transparent about our approach to this program.

13 And, additionally, you know, we want your
14 feedback. So we have an industry day that we'll likely
15 be having sometime in the late fall time frame, so
16 certainly welcome folks joining us for that, as well
17 as, you know, we have an email inbox that, you know,
18 we're monitoring regularly. It's Section846@gsa.gov.

19 So those are sort of the remarks I prepared
20 for today and certainly open to any questions you all
21 might have.

22 MR. GAVINO: I think, Mike, I just want to
23 reiterate the fact -- the concerns that really
24 resonated in my head the last time you spoke to this is
25 that there's a perception out there that this e-

1 commerce portal is a closed process already, that other
2 entities does not have any more input into this
3 development. That is so not true. And I just want to
4 reiterate over and over again that is still open. We
5 are still taking input to affect the portal.

6 MR. TODD: Yeah, and this phase two of market
7 research goes from, you know, March of 2018 through
8 March of 2019. So, you know, we are literally midway
9 through market research. So the door and the window
10 have not closed.

11 MR. PHIPPS: Keil, that was hugely helpful.
12 From a logic standpoint, I can see access to the
13 spend also controls the comparison on products to see,
14 you know, what that product is being sold for and then
15 what that compares on the commercial market. One of
16 the big concerns was that the -- you know, this pen and
17 that pen are going commercially for the same amount,
18 but the squeeze happens on the back end as it does with
19 Amazon.

20 MR. TODD: Sure.

21 MR. PHIPPS: And forgive me for not having
22 gone through all the blog posts, but fee control, both
23 the fee that the e-commerce portal provider is going to
24 make and the fee that they're going to pay, is that
25 going to be open and transparent to the public? So

1 like with Amazon it is very transparent. You know,
2 they have a system that's pretty high in some cases --

3 MR. TODD: Sure.

4 MR. PHIPPS: -- and lower in some cases. Are
5 you guys going to be controlling that fee to ensure
6 that that squeeze doesn't happen?

7 MR. TODD: Well, I think, you know, as part of
8 our research, we've -- I mean, there's a variety -- a
9 wide variety of different fee structures out there,
10 everything from, you know, a percentage for
11 transactions to, you know, a seat-based model where you
12 pay to access the market. So as part of our research,
13 we're really identifying what that market looks like,
14 but we fully intend to have that to be a transparent
15 and visible process so it's not a -- yeah, it might be
16 halfway transparent on the front end but then getting,
17 you know, gouged or something on the back end.

18 MR. PHIPPS: That is -- that's like a huge
19 relief, at least from the people that I've been talking
20 to, all of these things, it just shows a lot. So can
21 you explain, is this going to be a single platform that
22 -- like you had said two providers are going to have
23 access to, or is this going to be, for example,
24 separate platforms that are going to tie in? Like can
25 you explain the physical structure?

1 MR. TODD: Sure. So I can tell you that we're
2 very much in the design phase of this at the moment.
3 So, I mean, there's a couple different ways that this
4 could play out. I think the way we're thinking about
5 it is that we want it to be a consistent and
6 approachable user experience, so we don't want it to
7 be, hey, you go somewhere and all of a sudden now you
8 need ten different logins to go to the ten different
9 portals that exist.

10 So I think we're trying to understand what
11 does that -- what does that user experience need to
12 look like in order to make it something that is not
13 more onerous than what is happening today.

14 MR. PHIPPS: Excellent. And, so, I'm going to
15 limit, because I know there's a lot of questions. One
16 of the big -- one of the larger questions or the more
17 concerning questions were for people that already have
18 GSA schedules on the product side that had to go
19 through all of the rigorous controls that they had to
20 go through to get their GSA schedule.

21 MR. TODD: Sure.

22 MR. PHIPPS: Now the perception is, well, now
23 you're basically telling me all of that was a waste of
24 time, or does that just flow -- do I get grandfathered
25 in and can I flow my GSA schedule, all that

1 interaction, especially with people who have invested
2 the time into the product schedules?

3 MR. TODD: Yeah, so, a couple things. So, you
4 know, the vision behind the platform is to make it as
5 quick and easy as possible to get these items and
6 purchase them. I think one thing that we're thinking
7 about is lowering that barrier to entry that I
8 mentioned. And, so, it's like how quickly can you get
9 new folks on to really increase that competitive
10 playing field. So I think that's something that we
11 really want to focus on, and to the extent that we can
12 enable that and make it easier, we certainly want to do
13 that.

14 Secondly, this opportunity really, at least
15 according to the 2018 NDAA, only goes up to the
16 simplified acquisition threshold. We're starting this
17 -- or the thinking behind it is that we'll start this
18 with a proof of concept, up to the micro-purchase.
19 Sort of understand maybe some of the things that we
20 don't necessarily know with at the current point in
21 time, you know, what that implementation looks like
22 before we jump into solving it, up to 250. However,
23 there's still that range above the 250 that's still
24 very much in play that this effort will not cover.

25 MR. BLUM: Sorry, if I can just add to that

1 point.

2 MR. TODD: Yeah.

3 MR. BLUM: Because I think it's an important
4 one. So the schedule obviously has products and
5 services, and a lot of small businesses on the service
6 side. And this is only dealing with COTS.

7 MR. TODD: Right.

8 MR. BLUM: So it's only -- not even all
9 commercial items. It's just those that are sold that
10 are off the shelf. And as Keil said, up to 250,000.
11 Another very important point --

12 MR. PHIPPS: Does that include software that's
13 COTS?

14 MR. BLUM: It could, but to a second important
15 point, a very important point about the program, you
16 know, this is -- the key difference between this and
17 the schedules and for that matter other government
18 programs is that there's not a preexisting relationship
19 between the Government and the companies that are
20 selling as sellers, right?

21 MR. PHIPPS: Right.

22 MR. BLUM: They're on the platform. And that
23 creates a challenge, right, because we don't
24 necessarily know going in, we haven't done the
25 screening, the responsibility determinations. So as a

1 result of that, and this is pretty clear, I think, in
2 the conference language going back to last year's NDAA,
3 that they expect GSA and GSA has been doing this as
4 part of the outreach and why this is a phased process
5 to do a lot of analysis of what are suitable types of
6 products, classes of products that should be in this
7 program, that don't create, for example, security
8 challenges. So a lot of IT-related products are
9 probably not going to be kind of early, you know,
10 contributors or participants because of that reason.

11 And a lot of large businesses, by the way, one
12 of the first folks we saw out of the gate, were saying,
13 please don't let agencies run off and buy government-
14 furnished equipment from unscreened companies, small
15 business or otherwise, anybody that could then create
16 supply chain risks, you know, and make -- they're the
17 one responsible.

18 So it's not to, you know, to underplay it, but
19 it's a relatively small dollar amount to start with,
20 which I think is important because it should have
21 minimal impact on the schedules and provide time not
22 just for GSA but for the whole community to work
23 together and figure out what's the best way to take
24 advantage of these online platforms without, you know,
25 doing kind of a one-size-fits-all, you know, big-bang

1 approach that isn't going to work.

2 MR. TODD: Yep.

3 MR. BLUM: A second thing, by the way, just
4 also Laura Stanton, who is heading this up for GSA, I
5 don't know if you had mentioned this, Keil, but at a
6 public meeting, she referred to a survey by SurePay in
7 2016 of small businesses that said that a very
8 substantial percentage of those surveyed said they
9 didn't have an e-commerce-enabled website.

10 So, again, coming back to the larger value
11 proposition, recognizing that we have to do this
12 thoughtfully and carefully with all sorts of, you know,
13 prudence in this, that, you know, there are many, many
14 small businesses that we see on existing platforms that
15 we all know that will hopefully get this sort of
16 immediate access to the Government. And, you know,
17 they won't have their existing relationships with those
18 platform providers disrupted. So, you know, that is
19 hopefully a plus that, you know, we're -- you know,
20 we're trying to take into account as well as we build
21 this bridge.

22 MR. TODD: Right. They're already partnering
23 with those platforms, so it's just an extension of what
24 they already do.

25 MR. PHIPPS: Excellent.

1 MR. STUBBLEFIELD: You know, it seemed like at
2 the last meeting there was a lot of discussion
3 centering around competition. So I'm just asking,
4 like, are you feeling better now about the e-commerce
5 portal?

6 MR. PHIPPS: So because it is kind of in the
7 design phase and GSA, I think some people don't
8 understand GSA was directed to do this by Congress, so
9 they're following certain things. But much more -- it
10 seems like it's much more transparent and we're going
11 to understand a lot more.

12 I think some of the big concerns that people
13 that might be under janitorial schedules or that have
14 products -- thousands of products that are way under
15 10,000, and there's a lot of veteran-owned and service-
16 disabled, veteran-owned companies that have those
17 schedules, and have preexisting relationships with the
18 larger companies, you know, there's a whole unintended
19 consequences that we would like to follow and like to
20 be informed and like to continue to hear back because
21 it is quite an investment to go through and get your
22 GSA schedule and keep it updated.

23 And, so, their perception of that is a very
24 strong break from GSA. They feel slighted by GSA,
25 right? And, so, I have a feeling that they're probably

1 going to be the biggest praisers because they're going
2 to be the easiest to get on to the platform at some
3 point.

4 And there's a huge issue with -- and I know
5 there's some -- already some discussion around this. I
6 don't have to be -- government contractors in general
7 have to go through a lot of due diligence and a lot of
8 headache to become government contractors, and what
9 you're telling the whole community is the same thing,
10 you no longer have to do that. All you government
11 contractors, all that work you've done gaining
12 knowledge over the last 20 years on what it means to do
13 business with the Government is no longer important
14 because I can just go onto an e-commerce platform,
15 those are some of the things that we're hearing, right?

16 So is it breaking the trust with your base?
17 Right? That seems to be a theme that we hear over and
18 over again, and it may just be an education thing. It
19 may just be because we haven't gotten that far into
20 what that looks like. But I think what GSA should be
21 cognizant of is are we going to break the trust with
22 the people who have spent the time to learn what it
23 means to be a government contractor that has to -- I
24 can go to jail in all essence for breaking, you know,
25 certain FAR clauses that now is being opened up to

1 everybody.

2 One of the things that we learned about
3 everything under \$10,000, and this was in the VA and
4 the VA had to go out and correct it, is that that's
5 billions and billions of dollars. That's not just
6 under \$10,000. It's a little bit of a misnomer to say
7 anything under \$10,000 is small, then when we start
8 raising it to \$25,000, \$250,000, we're talking tens or
9 hundreds of billions, maybe trillions of dollars -- or
10 hundreds of billions, we'll say. Let's not get ahead
11 of ourselves.

12 That potentially has circumvented the
13 government contracting system to a base of government
14 contractors that have spent or that are trying to still
15 get involved in government contracting at the same time
16 we have the 809 panel issues coming out, we have a
17 decline in veteran entrepreneurship in general in the
18 commercial space, forget just participation in the
19 government contracting. So we'll call that a
20 philosophical discussion.

21 MR. BLUM: By the way, very fair point, you
22 know, and I think when you just talk about the desire
23 to grow the industrial race and bringing new entrants,
24 which is a key, you know, goal, the challenge is always
25 that, you know, how do you bring people in without

1 making those that are already invested feel like it's
2 an unlevel playing field.

3 MR. PHIPPS: I think it can be addressed.

4 MR. BLUM: Right. And I think one thought on
5 that point and, Keil, please jump in, and we should
6 definitely continue this, this healthy conversation, is
7 rather than looking at it as kind of unlevel where
8 you're giving an -- if you will, an unfair advantage to
9 those that haven't already invested in the system, I
10 would hope that one of the immediate things we do by
11 collecting the data and the information is if it's
12 successful and things are working, let's try as rapidly
13 as possible to give that relief to those that are in
14 the system.

15 In other words, use this, if you will, as a
16 pilot platform to do more broader reform for all of the
17 COTS providers to the Federal Government, right?
18 Because one of the challenges we've had is that we have
19 not made a lot of progress in getting congressional
20 relief from what are largely statutory requirements on
21 those types of products, in part because I don't know
22 that we've had the data that have persuaded people
23 that, you know, for the small dollar buy you don't need
24 all of this in there, and in fact, you might be
25 creating more harm.

1 If we can use this as an opportunity to show
2 for those that are selling through these platforms, you
3 know, that things are going well, we can use that to,
4 again, provide relief for those in the system so they
5 don't feel like they're just paying, you know, for
6 something that --

7 MR. PHIPPS: And it may be a technical
8 solution that if I'm already -- if I already have a
9 schedule and all my products qualify, there may be just
10 a really -- it may -- you may build a huge amount of
11 allies by saying we can just -- we can -- there's a
12 tool or there's a process to incorporate already vetted
13 products, right?

14 And if you're going to identify people by
15 their socioeconomic status, you know, so now I have all
16 my products already vetted, I'm identified with a
17 socioeconomic status, and so that transitions into a
18 portal, maybe it's fairly easy and now I've become an
19 ally instead of, you know --

20 MR. TODD: A critic.

21 MR. PHIPPS: Right.

22 MR. TODD: And I think -- sorry, go ahead.

23 MR. PHIPPS: So the points that I make are all
24 -- are all things that we have heard within the
25 community.

1 MR. TODD: Sure.

2 MR. PHIPPS: And things -- obviously I was not
3 an expert on this portal. I'm still not an expert, but
4 my level of knowledge really just comes from all of
5 these discussions that I've had and people that have
6 come and, you know, voiced concern. So I've had to
7 somewhat become a little bit of --

8 MR. TODD: A journeyman.

9 MR. PHIPPS: -- right, a journeyman on the
10 whole -- on the portal and the process. So, you know,
11 those are just some of the -- I'll say the higher
12 points that I've come across.

13 MR. TODD: Sure.

14 MR. PHIPPS: And it's great to see this, you
15 guys opening up that information.

16 MS. PEREZ-WILHITE: Quick question. You
17 mentioned you're in phase two.

18 MR. TODD: Yes.

19 MS. PEREZ-WILHITE: How many phases are there?

20 MR. TODD: So the legislation identified
21 three-plus, so the third one is more sort of guidance
22 around the contract itself. And then it allows GSA and
23 OMB to identify other phases that might be required,
24 but at the same time, we've been asked, where possible,
25 to move quicker. So that's really what we're trying to

1 do behind the proof of concept is to move quicker but
2 to not go all in and to really test this in sort of a
3 small incubator with low-risk, small-dollar buys and to
4 start there.

5 Sir?

6 MR. WEIDMAN: Do you have bullet points on
7 that sheet in front of you?

8 MR. TODD: Yeah.

9 MR. WEIDMAN: Can you forward that to the
10 Chair so they can --

11 MR. TODD: Sure. I mean, I can even forward
12 them -- we've got like a 101 briefing, if that would be
13 helpful, that sort of --

14 MR. WEIDMAN: That would be very helpful.

15 MR. TODD: -- has just the basics around this.

16 MR. BLUM: And give everybody the Interact --

17 MR. TODD: Yeah, the Interact is -- there's a
18 lot on there --

19 MR. BLUM: It's a great blog.

20 MR. TODD: -- there's a lot on there. Yeah.

21 MR. GAVINO: Is this something that we can
22 actually post on the internet, those talking points?

23 MR. TODD: Yeah, I mean, we've got our 101
24 briefing, and I think it is essentially everything I
25 have identified here.

1 MR. WEIDMAN: Inside your website.

2 MR. TODD: Well, we can put that on there,
3 sure.

4 MS. PEREZ-WILHITE: Please do.

5 MR. TODD: Yeah.

6 MR. GAVINO: So that will be easier access for
7 everyone.

8 MR. TODD: Right.

9 MR. GAVINO: The same type of --

10 MR. STUBBLEFIELD: So we just go to Interact
11 --

12 MR. TODD: Interact.gsa.gov, and I think it's
13 forward slash commercial-platform, but if you just get
14 to the Interact homepage and search on commercial
15 platform, our group will show up. And we've got a ton
16 of information in there.

17 MR. PHIPPS: The access to the spend data I
18 think is such --

19 MR. TODD: It's the golden key.

20 MR. PHIPPS: It really is.

21 MR. TODD: Yeah.

22 MR. PHIPPS: Because it will silence a lot of
23 critics, and it really becomes more transparent for all
24 agencies. I mean --

25 MR. TODD: Exactly. Yeah, and I think we --

1 you know, Matthew, you were talking, I think this is
2 really an opportunity to modernize CICA. And I would
3 say to our existing base, you know, we might be able to
4 lessen some of the rules and regulations that haven't
5 been touched since 1984, which then might come off the
6 product prices and such.

7 MR. PHIPPS: Thank you very much, Kyle.

8 MR. TODD: Yep, thank you.

9 MR. PHIPPS: That was hugely informative.

10 MR. STUBBLEFIELD: All right. I will be with
11 you 100 percent. The discussion the last time and
12 today is day and night.

13 All right, so we are up to OMB.

14 MR. BLUM: I think I've done most of my
15 report, but just following up on a couple of themes, so
16 one, as I think you mentioned earlier, Michael, and
17 this goes to any folks, if there are opportunities for
18 us to meet, I think OMB would love to partner with GSA
19 in hosting any sort of, you know, sessions that you
20 think might be helpful and having --

21 MR. PHIPPS: Have you guys seen like webinars,
22 like FedPubs and those different platforms that have
23 webinars that get huge play? I participated in some.
24 You get a lot of interaction there. I think it would
25 be great to see.

1 MR. TODD: Okay. That's good to know.

2 MR. BLUM: Now, on a related note, two things.
3 One is -- and Ken mentioned earlier, Section 839 -- 839
4 of the NDAA, this was a provision that actually we, the
5 Administration, sought and the FAR Council, in
6 particular, was pushing this. And this is a
7 requirement that imposed on the FAR Council. We don't
8 normally ask for Congress to micromanage, but wanted
9 cover for this exercise, which is essentially to review
10 the growing list of Government-unique requirements that
11 are imposed on purchases under the SAT, on commercial
12 item acquisitions and COTS acquisitions generally.

13 So these are generally the compliance
14 requirements. Some may be labor-related, they may be
15 environment-related, other types of compliance issues
16 that in many cases the -- or I shouldn't say many, but
17 in some cases Congress has imposed but in many cases
18 the FAR Council has made a determination over the years
19 that it's in the best interest of the Government for
20 social reasons to apply, apply them. But oftentimes
21 when those decisions are made, I don't know how much,
22 you know, is taken into account in terms of the cost
23 and also the continued efficacy of those requirements
24 to the intended, you know, purpose of the provision
25 when it was originally enacted.

1 So I think this, you know, dovetails very much
2 with this conversation and the overarching theme that
3 the Administration has put in place as a result of
4 Executive Order 13771 to be much more cognizant of the
5 cumulative burden that our regulations are imposing on
6 the community, certainly on the small business
7 community where it probably has the most -- the
8 harshest impact.

9 So I think this is going to be a very
10 important exercise, and I think along the way we will
11 be seeking public input and to the extent that you are
12 able to, with your constituent organizations, identify
13 any sort of costs associated with some of these
14 requirements, I think that will be very helpful in the
15 analysis and in enabling the FAR Council to provide
16 some relief in each of these spaces that are so
17 critical to small business participation in the federal
18 marketplace.

19 And, then, secondly, I just wanted to -- as an
20 update on category management, and I think Michael
21 really hit the nail on the head, you know, the trust
22 factor that you were mentioning in the context of 846,
23 you know, this is something that we have been trying to
24 do a fair amount of work on in category management.

25 I think, you know, there have been, you know,

1 some miscommunications, some level of understanding,
2 and, you know, some impact issues that are very real
3 that need to be, you know, given the attention that
4 they deserve.

5 We have been working on a comprehensive
6 guidance document that pulls together what has been
7 disregarded, and I've talked about this in past
8 sessions. We hope to have this public very shortly.
9 Hopefully by the next time we meet we will be -- it
10 will already have been issued.

11 We are continuing to do road shows and
12 engagements. We're pleased that we've been invited to
13 talk to the National Veteran Small Business Coalition.
14 I think that's next week. The HUBZone Council next
15 month. And are happy to talk to other, you know,
16 organizations as well as you have time, and willingness
17 either before or after the document comes out.

18 We view it as a living document, you know,
19 that will continue to be refined, but a very important
20 component of the exercise that I've been working on is
21 to try to make sure that we are harmonizing category
22 management and small business contracting goals and
23 making sure that there are appropriate safeguards in
24 the policy that are very clearly stated. So not just
25 the small business community understands and the

1 OSDBUs, but equally important that the senior
2 accountable officials, the contracting officers and
3 COTRs that are responsible for implementing this also
4 understand, you know, some very basic points.

5 One, probably the most important, is that
6 nothing in the context of category management is in any
7 way intended to change the agency's responsibility to
8 meet its small business contracting goals. And there
9 are a lot of things that we're doing, and one of which
10 is going to be as part of the rollout we will have some
11 talking points that we will put up that we hope will be
12 ones that could be in the voice of the OSDBU, in other
13 words, things that don't feel thrust upon them, that
14 we're not talking at them but, you know, that they
15 would recognize and feel comfortable with, you know,
16 are manageable, you know, expectations.

17 And, for example, talking is a balanced
18 approach. So instead of, you know, less on
19 consolidation, which was what strategic sourcing
20 focused on, and more on coordination and collaboration
21 to make informed buying decisions. That's ultimately
22 what category management is intended, you know, to get
23 at, recognizing we have lots of categories of common
24 spend for goods and services across the agencies, and
25 we should be organizing ourselves around those

1 categories because they each have their own cost
2 drivers and challenges, and they also have their own
3 best practices.

4 And then where we can get subject matter
5 experts together, organized in that fashion, the more
6 that we can, you know, adopt those best practices that
7 work well for small businesses and large businesses,
8 which is what we've been doing, but wanted to make sure
9 that that means that as you get this information, you
10 make choices, not just to migrate to government-wide
11 solutions, but to have an appropriate balance of
12 government-wide agency and local contract solutions
13 that continue to play a vital role for each agency in
14 building their supplier base, making sure that we have
15 achievable goals.

16 So whether we're talking about reducing spend
17 where people aren't, you know, managing it or thinking
18 about, you know, spend in the strategic manner or in
19 considering best-in-class contracts. Amando mentioned
20 another one that's coming online. You know, the reason
21 why we have best-in-class contracts is because they
22 generally have had success with the community and they
23 have, you know, terms and conditions that have worked
24 well, but each agency, with the OSDBU playing a central
25 role, needs to do an analysis to figure out when those

1 vehicles make sense and when they don't. They're not
2 one-size-fits-all. They're not all-or-nothing. So
3 they might work well for one, you know, bureau and not
4 for another, or they may not work at all for some
5 agencies.

6 And we want to give -- make sure agencies have
7 flexibility and that the goals that are set, you know,
8 give that flexibility so that agencies can -- as they
9 continue to meet their small business goals, they don't
10 feel that the two are conflicting.

11 We want OSDBUS as strategic advisors, and our
12 guidance, you know, not only encourages but empowers
13 them and creates an expectation that they are part of
14 these conversations so that they are advising the
15 senior accountable officials as to what it means to use
16 a government-wide or agency-wide vehicle if they're
17 migrating off of a local contract.

18 And we're also -- we have built out tools,
19 which I mentioned before. I should say we, but it's
20 really been GSA that I think has done a lot of work
21 in partnership with SBA, creating dashboards that
22 provide information on small business participation
23 on these best-in-class vehicles so OSDBUs can make
24 rational decisions and understand, hey, if we migrate,
25 you know, to a bid for a certain type of requirement,

1 what does that look like for my existing supplier base.
2 And if there's a negative impact, that information
3 would be shared so that the SAO -- senior accountable
4 official -- you know, would hopefully not be migrating
5 in that situation.

6 And, lastly, making sure that there's data
7 analysis. You know, we talked about this in 846. You
8 know, we get data. We need to use it as a way to arm
9 ourselves and be smart, you know, so if we make
10 mistakes that we can make rapid adjustments and we can
11 minimize negative impacts and hopefully accentuate good
12 ones. So this means -- we've said for some time that
13 for any best-in-class contract that there need to be
14 goals associated with that to at least continue and
15 hopefully exceed prior participation -- small business
16 participation rates for those vehicles.

17 But we've also been asking our category
18 managers to track the impact as best they can of what's
19 going on in their specific category space. And we
20 also, I think, have been doing some analysis of what is
21 small business participation spend for common goods and
22 services that are the subject and the focus of this
23 area, which I think has been -- in FY17 was roughly 30-
24 ish percent.

25 So some people say, hey, that's great, because

1 it's over 23 percent. And I'm always quick to remind
2 people, and I know the schedules folks have heard this
3 for many years, you know, you have to look at it based
4 on what small businesses could do. So given that a lot
5 of common goods and services are commercial, you know,
6 we should continue to push and not be satisfied with
7 that 30 percent. But step one is tracking, being able
8 to track it so we have a baseline and we know where we
9 are, and then we know what it means to push forward.

10 So a lot going on in that space. I appreciate
11 the partnership that SBA has given, the time that many
12 of you -- you guys in the association that's here today
13 have provided, and I'll look forward to continued
14 conversations moving forward.

15 MR. STUBBLEFIELD: All right. Any questions
16 or comments?

17 So I guess I'll see you Wednesday night?

18 MR. BLUM: Mm-hmm, yeah, next Wednesday.

19 MR. STUBBLEFIELD: I'll be there Wednesday
20 night, and we'll continue the dialogue there as well.

21 All right, well, we're off to you, Mike, the
22 American Legion.

23 MR. PHIPPS: American Legion.

24 The American Legion just had their 100th
25 national convention small business event. The Rise

1 Women Veterans and Spouses Small Business Conference
2 was held August 24th in Minneapolis. The event was
3 held in partnership with IVMF, Syracuse, and the
4 American Legion Auxiliary. It was a one-day exclusive
5 entrepreneurship training event for women veterans,
6 active-duty service women, and women military spouses.

7 Over the course of this day, over 40 women
8 veterans and spouses were exposed to a robust team of
9 nationally acclaimed speakers, expert instructors,
10 military-friendly business resource providers, and
11 successful veteran women and military spouse
12 entrepreneurs. And so that event just occurred. They
13 were able to network. SBA was there, SBDCs, VBOCs,
14 SCORE, AARP, Legion Auxiliary, IVMF were all at the
15 event.

16 Upcoming events. The HeroPreneur in Phoenix,
17 Arizona, HeroPreneur is powered by HeroZona as a
18 multiday experience celebrating and empowering American
19 veterans. The inaugural summit will take place on
20 November 14th through November 16th in Arizona, where
21 there will be over 2,000 veteran business owners at the
22 Phoenix Convention Center.

23 There's a large focus on entrepreneurship,
24 education, and employment. There is going to be a
25 kickoff meeting that everybody can attend, and if you

1 want to attend, it's on October 2nd at 8:00 at the
2 Capitol. You can get with me and I will let you know
3 how you can participate.

4 The American Legion had a victory which
5 restricted use of LPTA contracts. And that was Section
6 880. The bill declared that it shall use government
7 policies to avoid using lowest-priced, technically
8 acceptable source selection criteria in circumstances
9 that would deny the government the benefits, costs, and
10 technical tradeoffs. And, so, that was legislatively
11 what the Legion has been working on.

12 There's another event in Texas, which is a
13 golf and sporting clay event, but there's a big
14 networking part of that where there's going to be a lot
15 of people recruiting for veteran jobs, veteran military
16 spouses, law enforcement. The San Antonio Spurs are
17 going to be there recruiting veterans, so is Customs
18 and Border Patrol. Customs and Border Patrol has a
19 whole veteran initiative for hiring veterans.

20 IVMF is going to be there with employment and
21 entrepreneurship resources. Texas Veteran Commission,
22 which somebody in the office -- Stan came from. Sorry,
23 I couldn't remember Stan right off. So Texas Veteran
24 Commission, unbelievable what those guys do. They're
25 going to be at this event. The American Legion is

1 going to be at this event. Grunt Style is also, if
2 anybody is familiar with Grunt Style, a big veteran t-
3 shirt brand, probably one of the biggest, they're going
4 to be recruiting veterans there. Military Transition
5 Network is going to be there, out of San Antonio.

6 We're going to be the San Antonio Wounded
7 Warrior of Excellence Center. We're going to be
8 getting and bussing in wounded warriors to take
9 advantage of all of this. It's all occurring at the
10 golf club at Texas in San Antonio. And, so, anybody
11 interested in that can contact me as well. And that is
12 all I have for my brief.

13 MR. STUBBLEFIELD: All right. Any questions
14 for Mike? The American Legion, you're always very busy
15 and very active, and you're out there.

16 All right, so, we're up to I guess the point
17 now for public comments. Seeing that we're not
18 connected to the public, we can pause for a minute. So
19 I guess at this particular time we're at closing
20 comments. Is there anything anyone would like to bring
21 up?

22 MR. WYNN: Yes, Joe Wynn, VetForce. Just a
23 couple quick questions. One is what's the status with
24 regard to the Deputy Administrator at SBA? One is not
25 coming in? Any word on that?

1 MR. STUBBLEFIELD: We have not heard anything.

2 MR. WYNN: Okay.

3 MR. STUBBLEFIELD: And this is just -- yeah,
4 I'll just leave it at that because I know -- I don't
5 want to go on the record saying anything, but, you
6 know, I would imagine we're in an election year, you
7 know, here midterm, and so, you know, hopefully maybe
8 there'll be some word after that. Right now, there's
9 no -- nothing that we know of that's planned. Nothing
10 I know of at my level is how I should put it.

11 MR. WYNN: Right, right. And then one other
12 thing. I don't know if Beth -- Vector, the Vector
13 startup, how's that coming along? Any comments on it?

14 MS. TORRES: Actually, I don't know anything
15 on that, sorry.

16 MR. WYNN: Okay. All right, thanks. That's
17 all I had. Thanks.

18 MR. STUBBLEFIELD: All right. Well, again, I
19 want to thank all of you for being here today. And
20 more importantly, you know, thank all of you for the
21 work that we're doing for our American veterans. I
22 often think, you know, when we talk about one person of
23 the population that, you know, puts on the uniform and
24 the tremendous sacrifices that our veterans make, and,
25 you know, oftentimes sometimes it can be put on the

1 back burner, depending on what -- you know what's going
2 on in society, but it's like people like all of us in
3 this room, you know, that honor veterans and continue
4 to look out for the welfare of, you know, our great men
5 and women that have done so much for this country, so I
6 have a tremendous amount of respect for all of you.

7 You know, as far as I'm concerned, we're a
8 partnership, like another family, you know, with a
9 common goal and now that, you know, on the 19th of
10 August, the Administrator appointed me to this position
11 permanently. You know, Barb, she's moving to the
12 Office of Government Contracting and Business
13 Development. You know, she'll be working on that, the
14 certification process. So I'm honored to be in this
15 position and honored to be affiliated and serving with
16 all of you. And we'll continue to thrive on, and we
17 have a good mission. So, again, thank you all for
18 being here.

19 MR. GAVINO: When is the next meeting?

20 MR. STUBBLEFIELD: Pardon me?

21 MR. GAVINO: When is the next meeting?

22 MR. STUBBLEFIELD: I know it's -- it will be
23 in December.

24 MS. GARCIA: It's usually the first Wednesday
25 and Thursday of the quarterly.

1 MR. STUBBLEFIELD: And I guess there is --
2 we'll continue to keep it on the agenda in terms of the
3 e-commerce portal and the updates for that, and, VA,
4 we'll have you here as a permanent partner.

5 MS. GARCIA: So I believe the next meetings
6 would be the 5th for IATF, December 5, and December 6
7 for the advisory committee.

8 MR. PHIPPS: Just for the record, Larry, thank
9 you very much. With everybody that is in attendance
10 here and all of the agencies that are usually invited
11 or are on the board, I'd really like to see a more
12 forced participation for the people on the board,
13 because it's only -- this committee is only as good as
14 the members. We've had this -- we've had an issue with
15 the Advisory Committee on Veteran Business Affairs with
16 getting members approved, and so attendance should not
17 be an issue for this committee.

18 We should really be putting a little bit more
19 pressure on the members that don't show up or the
20 members that consistently call in because you just
21 cannot replace that in-person interaction here. And I
22 think some really good things have happened, you know,
23 just with GSA and being here every time. Matthew, the
24 same people do come, but some of the agencies
25 consistently call in, and then if we have a hiccup,

1 like we had today, you know, they are not able to
2 participate.

3 So I don't know what we can do as a committee,
4 but really just, you know, maybe it's public shaming,
5 but just getting the participation in-person would be
6 huge.

7 MR. STUBBLEFIELD: That's a great point, and
8 I'll take that one on, to include --

9 MR. PHIPPS: No, you're going to publicly
10 shame.

11 MR. STUBBLEFIELD: -- yeah, to include we're
12 reaching out to those and personally reaching out to
13 the individual members.

14 MR. WEIDMAN: That was a hell of a lot nicer
15 than --

16 (Laughter.)

17 MR. WYNN: Are there any more vacancies on
18 this task force?

19 MS. GARCIA: We have one VSO position that's
20 open.

21 MR. WYNN: So we still can submit
22 applications?

23 MS. GARCIA: Yeah.

24 MR. WYNN: Okay.

25 MR. STUBBLEFIELD: Okay, so this officially

1 closes our meeting.

2 (Whereupon, at 3:39 p.m., the meeting was
3 adjourned.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

I, Jennifer Razzino, do hereby certify that the foregoing proceedings were recorded by me and reduced to typewriting under the supervision of For The Record, Inc.; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were transcribed; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

JENNIFER RAZZINO