

## Spreading the Wealth

This is for those asking the following questions:

Why didn't you make direct awards to small businesses?

How can a small business get involved?

How do small businesses benefit?

How does my state benefit?

To facilitate transparent, expedient and diligent obligation of American Recovery and Reinvestment Act (ARRA) funding within the entire Department of Interior (DOI), the U.S. Fish and Wildlife Service (USFWS) awarded six contracts to large businesses under a Multiple Award Task Order Contract (MATOC) in December, 2010.

The acquisition process used was transparent, fair, and in accordance with Federal, Department and Service regulations. The contract scopes are broad, encompassing, but not limited to investigations, analysis, studies, design-build, construction, administration and management, National Environmental Policy Act (NEPA), archeological and historical compliance, and actual construction. The overall geographical areas include the continental United States, Alaska, Hawaii, Puerto Rico, Guam, and the US Virgin Islands.

The Secretary of the DOI has required DOI's bureaus to have projects mobilized by June 30, 2010. Some bureaus have internal deadlines to obligate ARRA funds by March 31, 2010 in order to meet the Secretary's guidance. If the MATOC is not utilized, there is no doubt that some bureaus would not meet their obligation timelines and would lose stimulus money.

The MATOC was announced on August 18<sup>th</sup>, 2009 on FedBizOps and proposals were due on October 6<sup>th</sup>, 2009. Awards were made on December 9<sup>th</sup>, 2009. Due to the potential value of the MATOC, the announcement and acquisition strategy were reviewed by the DOI Office of Acquisition and Property Management and the DOI's Solicitor's office. To promote further transparency, the Department of Interior Office of the Inspector General was invited to observe the evaluation process.

We do want small local businesses to have the opportunity to benefit from these projects and have added some goals and language to the ordering guide to encourage that. Local companies will have the opportunity to compete for subcontracting opportunities with the prime contractors. The prime contractors have all expressed their intentions to maximize the use of local subcontractors, some at the rate of 80-90%. Local suppliers are going to receive a lot of

business since they will often be the most economical means to acquire supplies. The MATOC contractors have to meet clauses which mandate awards to small businesses and IDIQ Holders must periodically report their progress on the following goals which are consistent with the DOI's published goals.

Small Business 55%  
Small Disadvantaged Business Program 14%  
8(a) Program 7%  
HUBZONE 5%  
Women Owned 7%  
Service Disabled Veteran 3%

The contractors will report biannually as prescribed in the FAR clause 52.219.9 Small Business Subcontracting Plan on the total amount allocated to subcontractors and report how the DOI goals outlined in Section H.9 were met on all awarded task orders independent of the dollar amount obligated.

Under all task order awards exceeding \$1,000,000 the winning contractor will negotiate a subcontracting plan with the DOI Contracting Officer. DOI Contracting Officers using the MATOC are encouraged to include the subcontracting plan as evaluation criteria to determine the best value to the Government.

Benefits to the States. States will benefit from the acquisition strategy utilized in the following ways: taxes; job creation, job retention, tourism, and natural resource protection. State and local taxes will be paid on the projects by the subcontractors and suppliers. Jobs will be created and retained as a result of the subcontracting and supply opportunities. The states tourism will benefit from infrastructure improvements to the National Parks, Wildlife Refuges, Fisheries, visitor centers and other numerous facilities. Finally, the states will better be able to preserve their natural resources.

The acquisition strategy was selected on the basis of being the most cost effective, efficient and least risky.

Cost Effective. The cost savings realized in the MATOC are two-fold: best value, and maximizing personnel resources. The level of competition in the MATOC was intense, with 58 proposals submitted. The contractors knew it would be intense, and the stakes were high; thus, they provided profit and overhead rates that were significantly reduced from what we normally see. They also knew that during the evaluation process, they would not get the opportunity to further reduce their rates in negotiations, so they offered highly favorable terms in their proposals. Additional cost savings will be realized by a large reduction in the number of contracts created and by avoiding the bureaus' need to repeat, for each project, the same initial acquisition steps again and again.

Given finite personnel resources within fields such as Contract Specialists, Engineers and Program Managers, the MATOC allows the government to get the job done, and to put money into the hands of companies, instead of growing the government.

Efficient. The acquisition strategy maximized the use of the finite personnel and time resources within the DOI. If the MATOC was not used, USFWS and the bureaus would be required to address their nationwide needs through separate, stand-alone procurement actions. This would result in overburdening the aforementioned resources. Time is of the essence, and the government can ill afford to use inefficient processes. Were stand-alone procurement actions utilized, acquisition steps would be duplicated and the result would be a much slower acquisition process, which would not meet the Services, DOI's, or the President's goals to stimulate the economy and create jobs. Additionally, inefficient acquisition strategies are discouraged because there is a shortage of qualified federal contracting professionals, as evident by the direct hire authority that has been granted to federal agencies. The government can not afford the inefficient utilization of this career field.

Least Risky. The risks the MATOC mitigates are schedule, performance, environmental, and safety. Schedule risks are always a potential, but the exceptional past performance of the selected contractors, from small to large projects, greatly mitigates the schedule risks. The performance of work is another risk the MATOC mitigates. The related past performance of the selected contractors is exceptional and they have repeatedly satisfied their previous federal customers. The selected contractors all demonstrated their abilities with federal agencies that administer to public lands while protecting natural resources. Lastly, safety risks were mitigated by including safety as part of the evaluation process. Each of the selected contractors has demonstrated that they have the experience to perform on individual contracts valued from \$50,000 to over \$25,000,000. They have also provided solid management approaches to complete the requisite project sizes and types. The risk mitigation benefits of the MATOC are considerable.

In conclusion, the acquisition strategy was thoughtfully crafted to obligate ARRA funding in a transparent, expedient and diligent manner. Local companies will have the opportunity to compete for opportunities with the prime contractors. The trickle-down effect of the vast number of subcontracting opportunities will ensure small businesses, the states and nation receive the benefits intended with ARRA funds.