

[START OF TRANSCRIPT]

Helen: Ladies and gentlemen, welcome and thank you for joining today's live SBA web conference. Before we begin, please ensure you've logged into WebEx event and have opened the chat panel by using the associated icon located at the bottom of your screen. You're welcome to submit written questions during the presentation. These will be addressed during Q&A. To submit a question, please select all panelists from the drop-down menu in the chat panel below, enter your question in the message box provided and press send. Please note that all audio connections are muted at this time. If you've got any technical assistance, please send a WebEx chat to the event producer. With that, I turn the conference over to Chris [00:00:36 **Ishan**]. Chris, please go ahead.

Chris: Thank you Helen. Happy new year everyone and welcome to SBA first Wednesday webinar series. Speaking of New Year, I want to applaud each of you for taking the first step in your new year's resolution by participating in more SBA training sessions. Now don't let this be like other resolutions that fade out over the next couple of months as we have a great schedule planned for you throughout 2020 and we look forward to your participation. So, thank you for joining us on the fourth session of SBA's first Wednesday webinar series for fiscal year 2020.

Onto slide two. For today's session we'll be focusing on surveillance reviews and by the end of the program you should have a better understanding of this topic as well as the resources available to you. If you're new to our event, this is a webinar series that focuses on getting subject matter experts on specific small business topics such as surveillance reviews and having them provide you with valuable information you can use in the performance of your job. We appreciate you taking the time to participate in the FY20 program, and we hope that you benefit from today's session.

As Helen mentioned, I'm Chris Ishan, and I work as a procurement center representative or PCR in Kansas City, Missouri. Additionally, Ms. Gwen Davis who is the PCR in Minneapolis, Minnesota, will be reading your questions submitted during the program for our speaker to address at the end of today's session. We both work in government contracting Area Four and slide three includes all of our information. Onto slide four. Please note that all lines are on mute. However, you may submit questions or technical issues in the chat box on your screen. Your questions may be submitted anytime during today's session by entering them into the chat box and these questions will be addressed at the end of our speaker's presentation. To make sure your question doesn't get overlooked, please ensure it's addressed to all panelists on the drop-down menu and not just one individual.

As most of you know, we have transitioned to WebEx and have been informed that some users may experience issues such as a block website or other error messages when attempting to access the conference login from their computer. If you're affected by this issue, please make sure you dial in and follow along with the slides provided in the email. We will ensure the page numbers are clearly stated so you can follow along. Now, if you are having any other technical issues, please call the AT&T support desk at the following number 301-250-7202. This telephone number is also included in the email invitation for today's program and on slide four of the PowerPoint presentation. Additionally, for more SBA small business program training and additional resources, please visit the SBA learning center at www.sba.gov.

Onto slide five. Did you know that the Association of Procurement Technical Assistance Centers or APTAC hosts a website where they post the first Wednesday's day programs? Since these sessions are being recorded, you can re-listen to this program as well as previous sessions by visiting their website, which is provided here on slide five. Additionally, procurement technical assistance centers or PTACs are a great resource and partnering with your local PTAC for an industry day, sharing RFI notices or a source of certain announcement or simply referring small business concerns to a PTAC are just a few reasons why they are such a useful resource for acquisition personnel. So please contact your local peace PTAC for additional information.

On to slide six. The side six is the program schedule for fiscal year 2020 and today's session on the surveillance reviews is the fourth topic in the series for this fiscal year. You'll see that we have added some new topics to our program list and improved on other topics that have been presented in the past. The participation continues to grow each month, and the positive word of mouth is greatly appreciated.

Slide seven. I'm sure many of you will want to receive credit for today's training, so you'll be glad to know that today's session is worth one CLP. On the following side, which is slide eight, you'll find the training certificate and I will go over the instructions at that time. Now, several of you may have received this information for the training from a friend or colleague, but if you want to receive an email directly from us notifying you of upcoming first Wednesday webinar events, just send us an email, which is SBA learning, so that's S-B-A-L-E-A-R-N-I-N-G@sba.gov. In the subject line, please enter the words, "Add to list," and will ensure you're added to the distribution list.

On the side eight you will see the certificate. First, you'll need to access the PowerPoint presentation that was emailed to you then you will manually fill in your name where it states, "Insert your name here." Next within the print settings you will select, "Print current slide," which

will allow for only the certificate to be printed. Once this is done, you can coordinate the CLP achievement through your training program and also another reminder, SBA does not track your CLPs or communicate with your training program regarding your CLP achievements.

On to slide nine. Today's training has been assembled to educate you on the surveillance review process as well as what you can expect if you are scheduled for an upcoming review. You will also be provided with additional SBA resources available for your use. Our speaker has graciously accepted an invitation and she'll be directing me to continue on to the next slide. As mentioned earlier, if you're unable to access WebEx, please follow along with the PowerPoint presentation that was included in the email for today's training. We will identify the page numbers so you can follow along. Also, please note that some viewers may experience a delay as the slide changes on your screen.

Now I am pleased to introduce today's speaker to you, Ms. Valerie Coleman, who is the prime contracts program manager for SBA's Office of Government Contracting. Val, we appreciate that you can meet with us today and I'll turn the program over to you now.

Ms. Coleman:

Thank you Chris. Happy new year to everyone and I hope your holiday season was joyous and relaxing. Today we're going to be discussing surveillance reviews as Chris said, and as program manager for the prime contracts program, I have oversight of the surveillance review program. So, let's get started. Next slide please. So, let's start out with what is a surveillance review. So, we basically come in and we're looking at your procurement center to see if you are using, is your small business program correctly and that it's in compliance with the small business act and Foreign 19.402 C5. That basically talks about the duties of a PCR. Under that it says that PCRs can conduct periodic reviews of a contract connectivity to determine whether it's in compliance with small business regulations. So that is what our authority comes from.

Next slide. Slide 11. So, what is the purpose? The first thing that I always say when I go in to do a surveillance review, and I've been on 36 of them in my career, is that this is not a got you review. We're not coming in to find stuff that's wrong. What we're doing is to come in and to assist you with having the best possible small business program you can have because the better small business program you have, the better it's going to be to assist and award contracts to the small business community. So, let's go through these. One of the top things of course is to evaluate the procurements center's performance on attaining its assigned goals. We're going to look at to see if you are in compliance with all the far requirements in any agency additional requirements that you might have affecting the small business program, any agency or policies that may affect our impact, small business opportunities.

We're also going to look separately at 8A contract awards to make sure that the far regulations are being followed. Then any other relevant agreements between SBA and the procurement center. For example, the partnership agreement that deals with the 8A program. We're going to look at ways that... we're going to offer ways that may be can improve your small business participation and help you with maybe meet those goals that you're having problems with, any training or technical assistance And then we also in our reports that we'll talk about later, like to identify best practices that you're using that other agencies possibly could be using to assist in their small business program.

Next slide. So, we're on slide 12 and I get this question all the time as the oversight person is, why are we getting one? How did we get selected? So, there's several ways that we look at that. If you were a procurement center who received a surveillance review the previous year and you received a below satisfactory, which is a marginal or enough fat, usually it's a marginal then you are going to have a... what we call a follow-up review in the next fiscal year. We're going to be talking about follow-up reviews later on. If you've not met your goals so one of the things that we look at is the last four full fiscal years and to date on the current fiscal years on how your goal achievement has gone. Of course, we're not going to take into account too much the current fiscal year because you still have months to go in it, but we want to look at a trend to see if you're on your way to meeting those goals.

So, we want to look really at those past four full fiscal years and when we're talking about the goals, we're talking about small business, small disadvantaged business, your HUBZone, your woman owned and your service connected, disabled dead goals. You might also get selected because your OSDDBU or another agency official or an SBA official has requested that you be reviewed for whatever reason there may be. We have what's called the top 300. We really looked at those agencies in the top 300 and it's based on the dollars awarded and the potential of small business awards. So, the top 300 generates about 90% of the dollars awarded in the federal government. So, we want to look at those agencies to make sure that they're in compliance with all of the regulations. If there's been a change in your small business office leadership lately and for example, a PCR has noticed a big drop or a big change in the way you've been awarding contracts, that could be a reason you were selected. Another one is, you've not had a review in the last five years. So those are the six areas that we look at when we're selecting sites each fiscal year.

Next slide please. So, we're on slide 13. So, let's talk about the process. I always like to start when I'm doing any kind of training, like when I'm talking about how to do business with the government, I want to start at the kindergarten level. So, we're going to start at the very basics, at

kindergarten and talk about the process all the way through. So, the first thing we do after we've decided within SBA what the agencies are going to be that we're going to review and with our... through Congress and what they've asked us to do, we do 30 surveillance reviews a year. With 2,814 federal agencies, it would take us many years for everyone to have a review. So that's why we have to be very selective in the agencies that we do review. But when we selected the agencies and that was all done in November, by November the 27th we had sent a letter to each of the OSDBU, or director of small business programs offices, letting them know which of their centers was going to get a surveillance review or a follow-up surveillance review depending on how they did the previous year.

A copy of that letter goes to the area director where the surveillance review is going to be conducted because then they take over the process and so if your procurement center is going to have a surveillance review and you're located in Florida, then the letter will go to the area director over area three. If it's going to be in California, it would go to the area director of areas six. So, they get a copy of the letter. The next letter that you normally receive is going to be from that area director. So, what they've done is they've assigned a team lead and team members for that surveillance review. Now, I want to make a note that the PCR that covers your procurement center will never be the team lead. They will be a team member but will not be the team lead. We will also have a business opportunity specialist from the district office who will be reviewing the 8A files and we may also have a commercial market rep from SBA or CMR that would review sub-contracting plans.

That all depends a lot on budgets and timing and everything else. But you will at a minimum, have the team lead and one PCR and normally a BOS. So, the minimum there would be three people on the team. We negotiate, the team lead then negotiates the date for the review, they will call usually the small business office at the procurement center and look at dates that would be good for not only the center but for each member of the team for us to come in. Surveillance reviews are normally two to three days when we do a review. A follow-up surveillance review is only one day, but a full compliance review or a full surveillance review, excuse me, is two to three days. So, we want you to be able to look at those dates, look at your calendar, see what's going on and pick dates that are good for everyone.

The area director then sends the formal letter of the notification of the surveillance review to the head of the contracting activity to let them know that we're going to be coming in. With that we sent it out 45 to 60 days in advance of the date negotiated because we send you a preparation checklist and requests for information. Now that request for information is about eight pages long and it just asks various

questions for us to get more information on your procurement center. For example, we would talk about the background and management of your small business program. For example, you have a procurement center that has a small business professional or a specialist that's been formally appointed. Who appointed them? Who do they directly report to? We'd go into regulatory compliance that deals with acquisition planning, acquisition review and implementation of the small business program.

These are all questions, for example a question in acquisition planning may be, our solicitation structured to allow more than one small business to satisfy the requirement. Our delivery schedule is reasonable. I want to say this, that every question that we ask, we give you a far reference on where we're getting that question from so that you can go back and refer to that. Do contracting officers use GSA schedules for awards? Do they notify the PCR? We get into publicizing contract actions and use of data.sam.gov. Then we talk about sub-contracting program issues. Does the contracting officer obtain advisory comments from the small business festival and the PCR? That's one of the questions. Then we get into other small business program issues which is responsibility issues, certificate of competencies if there are any, any protests and any size issues. Then we talk about far clauses and provisions on how do you determine what clauses are in a contract?

So that is the checklist that's sent in there. It will also ask you to send us things in advance of when we come in about weeks in advance. A couple of those items are a list of contracts terminated for default or a convenience. A list of contracts for which contract administrative functions have re retained in house and a list of any GAO, board of contract appeals or direct protests. We then will ask for a listing of contract actions of reports or cars submitted to FPDSNG over the simplified acquisition threshold for the last four and a half, when I say four and a half, I'm talking about the last four full fiscal years and current to date, and the current fiscal year. We ask for it to be in a... it can be forwarded in an electronic format, but some of the things we're asking for is that of course the contractor name, number, solicitation number, award amount, award date, award on a small business, a large business, a woman owned small business, the type of contract, the NAICS code, the type of set aside sub-contracting plan information.

We need that so that we can determine which files we're going to pull for the review when we come in. We also in the letter that the area director sends out, we talked about any other issues that may be out there that we need to get taken care of before the team from SBA comes in. That could be anything from a security clearance issues to electronic files. We know a lot of you are going to electronic files now and we have had... we use where we've had someone sit next to us because we weren't allowed in there and they would pull up files as we

asked for them. We've had others where they've given us their laptops and had us go in there. So, if you've got electronic files and you think there may be an issue, you need to get with the team lead as soon as you get the letter from the area director so we can get these issues worked out before we get there because we want the process to run as smooth as possible. Next slide please, Chris.

Chris: Hey Val, before we move on, there's a couple of comments that we've received about... it's a little muffled or it seems to cut out a little bit, so I'm not sure if he could change anything.

Ms. Coleman: Okay. Let me move the phone a little away from me and see if that helps.

Chris: Okay, thank you.

Ms. Coleman: All right, so the next slide.

Chris: Okay.

Ms. Coleman: We will be on slide 14. So, let's talk about the surveillance review process as a whole. So, the first thing we're going to do is we're going to do an entrance briefing and that will be over the phone or in person. Most are done when the team arrives at the procurement center and it can include anyone that the procurement center wants to include. In the reviews that I've done, I've had one person in there, I've had up to 60 in there. So, it's whoever the procurement center wants to come in there. But what we'll do during the entrance briefing is introduce the team members, we're going to discuss the purpose and scope of the surveillance review. We're going to talk about any areas of special concern to the acquisition managers or the small business specialist. We're going to explain how the surveillance review report will be prepared and issue and then confirm a date and time of the exit briefing. Once we've done the surveillance review, the next thing we're going to do, we're going to be reviewing the files and along with that we will be doing interviews.

We interview the small business specialists and usually a contracting officer and a contract specialist. So, it's three contracting officers that will be negotiated between the team lead and the small business specialists on how many people get interviewed, but we have a set number of questions. Those interviews can be done over the phone prior to SBA coming in or it can be done when we get there. It's whatever you guys negotiate between you, but we start then with a review of the file. So, all of the files that we asked for should be in a room that has a door that 10 lock so that we can have our privacy, access to a phone and access to be able to hook up our laptops should

we have to be able to go into our laptops. The 8A award checklist is two pages long and the business opportunity specialist will be looking at those.

Then we have a general file checklist that can be a little daunting when you look at it, it's 10 pages long on what we look at at each file. It is divided into these six areas. A lot of what we talked about on the requests for information and checklist except that we go into a lot more detail on what we're going to be looking for. Again, everything we look at has a FAR or a CSR reference to it. And the 8A checklist, has a FAR or CFR reference or the reference of the participation, I'm sorry, the partnership agreement between your agency and SBA. So, when we write the report, we always reference what we're looking at and where it came from. So, each file will have one of these checklists, surveillance review checklist done on it. So, as you can see with it being 11 to 12 pages long and some may not apply if it's a small business set aside, then of course the sub-contracting part's not going to be applicable.

There may not be any COC sides or protests, so that area may not be applicable. So, it can take anywhere from an hour to two hours, maybe longer depending on how big the file is. One of the things that I would ask is that if you were going to have a surveillance review, if you have a file checklist in the file so we know where we're going, if you've got it tapped, that helps us a whole lot. If we cannot find something when we're looking in the file, we will call your small business specialist in or whoever you have dealt [00:24:19 inaudible] and ask them, we cannot find this, can you go through and see if you can find it or could it possibly be in another file? If it is then you can bring it in, then that's great. We'll mark it down as received. So, when we look through a file, I don't want you to think that just because we can't find something, we mark it off that it's not in there, we will make note of it. Get back with the small business specialist to say, hey, can you go through this file, maybe it was misfiled, it's not what it says it was supposed to be. Could it be in another file? Can you find it? If you can, that's great.

Once we look in all the files, then... and we're done, we're going to have an exit briefing. So, what we do is we briefly go over any concerns or anything we found including best practices. We will not talk about the rating because the rating will not be determined until the director for government contracting has signed off on it. So, during the exit briefing, we're going to discuss any significant findings and we're going to talk about program strengths that happened during the review. We're going to so listen to any comments that you have about the surveillance review and discuss how we're going to develop the writing and I will be talking about how we develop a rating that's in a few slides. We also want to recognize those procurement center personnel that assisted us during the review, explaining how the report is processed and prepared, et cetera, which we'll talk about coming up.

But, as again, we will not discuss the proposed rating. We are not going to sit there and make any... have any debate or argument about major or minor findings or argue about any issues. Those will be coming up in the report and you have a opportunity to come back on that report on whether you agree or disagree with us and we'll talk about that in a little bit also. Next slide please. So now we talk about the post surveillance review process. So, we give our team lead and the team members from the day they leave 30 days to write the report. The report will be written and sent to myself as the program manager for review. It's during this time after I look at the report that I can go back to the team where I discuss a rating, whether I agree or disagree with it, whether I think it should be higher or lower and talk about findings and recommendations.

Now, we do want to talk about the difference between a finding and a recommendation. So, a finding is something that when we went through the... went through it that we saw that it's constant throughout the files. So, when we're talking about a consistent or a constant finding, if we pull up 10 files and only one has something wrong with it, that's not consistent. But if we pull up 10 files and four to five of those have the same kind of findings, then that is going to be something that we would need to write up when we're doing the report. So, we do look at the number of files that we pull and whether... and how many in that batch of files that we pulled had the same kind of finding. There are times when we will make a finding if it's only one or two files. For example, if you have two files and they are the only two women's set asides that you've done and neither one of them, you went in there and looked at certify to see if that woman owned small business was in there or maybe just one of them was in there, we're going to write that up because it's a fairly new program, we want to make sure that the women's set aside program, that the contracting staff is doing what they're supposed to before they award. So, we're looking at that.

A recommendation is different than a finding. For example, if we think that you need training and certain areas of the small business process, maybe in sub-contracting or maybe in determining what makes coach be on a file, then we're going to make a recommendation that you received training. Training is not a finding, it's a recommendation. Another recommendation might be that you contact your OSDBU to office about your goals. This is what we're saying as an example, you do 20% STP, but you're constantly being given a 5% STP goal. That doesn't make sense to us. So, we would make a recommendation back to the OSDBU that they look at the goaling to make it a little bit more aggressive, but achievable. Because if you've been achieving 20% for the last four years, so five years, and still only have a 5% goal, doesn't make sense. So, by the same token, if you've been given a 5% goal, and the most you could get is 1%, we want to make a recommendation that that

goal be looked at also. So, there's a difference between the findings and the recommendations.

The findings is what the rating is based on, not the recommendations. So, I want you to be aware of that. We're also going to be talking about any best practices that you have and we have found many [00:30:11 inaudible], some things that they're doing to really help the small business community to really talk and get small business awards of out there, and so we want to recognize you for that. Once the whole report is written, and normally they're anywhere from 10 to 15 pages long, we do a proposed rating. Again, it is proposed by the team. I'll discuss it with Sam, either agree with their proposed rating or we may switch it, and then once that rating is looked at, it is sent up to the director of government contracting and he's the only one that has the authority to make a rating in there, but he is very confident with the team lead and myself look at ratings on them. We have discussed them before and agreed on a rating and then that is what is actually put in the final letter.

So, I always get the question of, how did you determine what the rating is going to be? As you can see here, we have five different ratings. I will tell you the outstanding of course is the hardest to this date. We did two years ago, agency and outstanding rating. One of the reasons for that is because all of the small business and social economic goals were met on those past four years that we looked at, every single one of them. Small businesses were afforded the maximum practicable opportunity to participate. There was great market research and documentation in the files, all the contracts, all types of coordinated small business coordination methods. They promote the office to the maximum and extend the small business office said, I haven't... Depends on when an internal review system, so it helped them every year. Ever since [00:32:16 inaudible], they do it. We saw that with the possibility, headquarters might have come around and reviewed them. It goes down a little bit after that. I'll only talk about the goal tone because most of it is the same except, instead of saying maximum opportunity, it might say, reasonable opportunity. But all of those are the same. But the goal is a little bit different. So when you get down into highly satisfactory, and I will show you that up the S19 ratings, and just as you saw it, but instead of all of the small business and social economic goals we've met, [00:32:55 inaudible], the business and 80% of the social economic goals have been met.

So, when we're talking about the social economic goals, we're talking about STD, women, the HUBZone, and service-connected disabled. So that's four looked at the past four full years. That's 16 social economic goals, 80% of the 16 parts have been met. Plus, all of the small business

goals. I'd tell him to tell you how we're looking at that. If we're talking about satisfactory, then we get to 70% of the assigned small business social economic goals have been met. So, once we get satisfactory, we're combining the small business and social economic together where I use satisfactory and outstanding. They were separated out.

Helen: So, this is Helen, I'm sorry to interrupt. Your audio is sounding really rather muffled and it's coming through quite difficult to hear. Is there anything we can do with your telephone, whether we can adjust it or change the handset or location because the audience is struggling to hear **[00:34:10 inaudible]**.

Ms. Coleman: Okay, is this any better?

Helen: Say a few more words for me.

Ms. Coleman: Is this any better? Can you hear me any better?

Helen: Yes, that's sounding much clearer at this time. Sorry for the interruption.

Ms. Coleman: So that's okay. Thank you for letting me know. I guess the best in class of phones is not working for me today, but we will struggle through and if you have any questions, please ask them, write it up and send them in. So marginally satisfactory is 50% of your assigned small business in social economic goals have been met and unsatisfactory of course it's going to be less than 50% have been met. So, once the director of government contracting signs off on the rating, the letter on the report go to the AZA or director of small business programs with a CC to any of the procurement center individuals that want a copy of the report. Once that gets to the OSDDBU, then even if you receive a satisfactory rating, there may be findings that you need to look at. So, you would need to do a corrective action plan and that corrective action plan is due 45 days after the surveillance is received. Now a lot of times I will get an email asking for additional time to prepare the corrective action plan and that is granted normally. So, don't have any hesitancy, if you have to do a corrective action plan to send an email to me asking for additional time. Next slide please.

Slide 16 talks about the follow-up surveillance review and what we talked about before was that if your procurement center received a marginal satisfactory or below and let's say surveillance review last year then an FY20, you're going to have a follow-up surveillance review. It is led by the area director where the procurement center is located. The initial surveillance review is led by a PCR. This goes up a level, so the first survey, the first follow-up is led by the area director with the PCR to come in and they will have a one-day review. The only thing they will

review is what was on the corrective action plan and the findings that we found. We will not do a full compliance review and we will only look at those contracts files that were awarded after the surveillance review last year. So, if your surveillance review was June 1st through the fifth of 2019 when we come in to do a follow up, if you received the marginal, we will only look at files that were awarded after that June timeframe. So, we're not going to be looking at old files.

The letter and report, then go back to the OSDDBU and the director of small business programs with a rating. If you received a satisfactory rating, that's the end of it. However, if you received another marginal, then that second follow-up review will be led by the director of government contracting or his designate. It again is a one-day review and it will only concentrate on those areas after the first follow up that still we're not accomplish, and we will only look at those files from the last follow-up. The difference on this letter however is that letter and report. If you do not receive a satisfactory at that point, you receive a second marginal, we'll go to the secretary or the administrator of your agency, not to the OSDDBU, we raised it up. So hopefully no one will have a second marginal that we have to send a letter to the secretary. Next slide please.

So, let's talk about the 2019 surveillance reviews stack. Next slide. We did complete 30 surveillance review with 11 different agencies and we have department of defense had 20 out of the 30 and then you can see after the end of each one, air force had six, army had seven, DHA had one, DLA had one, Navy had five, and then the rest, GSA had one. Health and human services had two. Department of interior had one. NASA had one. The United States department of agriculture. We have a timber program that goes out and reviews the national forest to make sure that small business timber sawmills are getting the required percentage of timber that they're supposed to. So, we did one there and we did four with the VA. Next slide please.

Slide 19, this is a breakdown. So, we did 27 full surveillance reviews and three follow-ups. Out of those three follow-ups, two received the satisfactory, one received a marginal again. So, they will be receiving a file, a second follow-up review this year that will be led by our director of government contracting. Next slide. So, this is just a summary. We did not have any... and this is a little bit off because my number is, should have gone, it says four, but the little number in the bar graph says five. We had 20 satisfactory, we had five marginals and we had five highly satisfactory last year. We did not have any outstanding or any unsatisfactories.

Next slide. This gives you a comparison of FYI 17 to 19. So, we received less satisfactory in 19 than we did in 18 or 17, which is not good, but we did do a few more highly sat--. So, we want to get those marginals down to zero. That's really our goal. We want everyone to be satisfactory, and really when we walk into a surveillance review, everyone is satisfactory when we walk in. It's what the files are that determine whether you stay satisfactory or you go higher or lower. Next slide please.

Slide 22. So, all the surveillance reviews were completed signed and sent to the OSDBU, or the small business program directors by September the 27th this is the first year ever that SBA has gotten all 30 surveillance reviews out by the end of the fiscal year. In the cover letter would requested acknowledgement of the report because we want to make sure that the OSDBU did receive them and that they knew that correction action plans may be due. So, we have gotten a large amount of corrective action plans already for those agencies that had findings are had a marginal. Next slide.

Slide 23 for FYI, 2020 surveillance reviews. As I said, we have already sent the letters to the OSDBU offices about the selection of the 2020 surveillance review site. The notification has been to the OSDBU. You should have in the field already received notification. We do have some items that we are personally internally working on, such as we want to... we've updated the 8A checklist already and we are currently working on updating the individual contract file checklist to put in those regulations that have been passed or changed since last year. We do, as we said, want to work on security clearances with your agency if you need them. Our ability to access contract files if they are totally electronic. That seems to be the biggest problem is being able to get into electronic files. I will tell you one quick story we had two years ago once the chairman center had a problem because they were downloading at that time electronic files from one system to another. We were in the middle of doing the review. A lot of the files we couldn't get to, we gave them additional time to get those files loaded and then we were able to complete the surveillance review on that agency and they came out fine. So, we just want to let you know that we do work with you when we're coming in to do those surveillance reviews. Next slide.

So just to let you know what's going on with 2020, we are doing 30 again per Congress. It's nine different agencies. There are some agencies that have a little bit more, Navy had four last year, they had nine this year. Health and human services has two, NASA had one last year there. They have two this year. The timber review program, they're doing two this year and the VA has four. So, if you are not part of that, congratulations, your agency was not selected for a review in 2020, but it might be in 2021. So, I hope that this webinar will help you get ready

for that. Next slide. So, here's the big one that everyone wants to know. What are the trends? What are we finding? So, I wanted to go over this in the 8A program. These are some of the things that we are still saying that we have problems with, with the chairman centers, the offer and acceptance letters, which means that the agency is not offering the job or the contract to the 8A program, and therefore the 8A program did not send back an acceptance letter. Of course, these are the ones that are, that are over the 250,000, I believe is what they're looking at now. So, under the stat offering acceptance letters, may or may not be done, understanding that the 250 just went up recently. So, if they go back four years, I'm looking at files on those, they may only be looking at 150 and below. So, we have to make sure that when we go in that the regulations that we're looking at match with when the files were awarded.

So, I wanted you to be aware that we are aware that dollar amounts and things had changed. So, when we look at a file from four years ago, we're applying the regulations from four years ago, not the regulations that are today. But getting back to the 8A program, we have clauses that are not being included. The big one is that the contracts and the mod, no matter what the dollar amount, they're not being forwarded to the SBA district office where the 8A farm is located. That's really important that you do that, because we need to keep track of the awards that are going to our 8A approved from that contracting has been a problem with almost every single procurement center that we go to and it's been a problem for many, many years. Plans not being received from the prime contractors, or if there was a way waiver, the waiver is not in the file that there were no subcontracting opportunities.

Again, the files are not being reviewed by the small business specialists and/or the PCR, the subcontracting plans did not become a material part of the contract. They were not forwarded to SBA per the far and then the ESRS or Easter's reports are not being submitted and/or accepted or rejected by the procurement center in a timely manner. So, you might want to go back and look at the subcontracting area. Limitations on subcontracting hopefully will not be a problem coming up as we're getting ready hopefully soon to issue guidelines on how to monitor limitations on subcontracting, but for the most part, why now it's not being done. We do have agency where they have asked for the small business ascended reports, are they monitored invoices? That's fine. As long as we see something, small business coordination forms, it's hard for me to believe that this is a problem, but it still is, that the PCRs are not seeing these forms as required, and if an acquisition strategy has changed since the PCR signed, a coordination form, a new

coordination form was not forwarded to the PCR for them to sign on the new acquisition strategy. So please pay attention to that.

On WOSB certified.gov is not being checked as required. We're having agencies that are doing women owned small business set asides, which is great, but they're not going into certify to check to see if that woman owned small business is actually in the system. We are not asking you at that point to verify that they are a woman owned small business, but there is a contracting officer checklist that they go through and say for example, yes, they are in there. If they're a corporation, their articles are in there or if they had a third-party certification that's in there, etc. Then that checklist form is just put in the file. We have a lot of time where required small business clauses are missing or there's some clauses in the file that are in there that shouldn't be in there. For example, on a HUBZone set aside, the clause concerning the preference for HUBZones, getting a 10% price adjustment shouldn't be in there because they're all HUBZone to begin with. So those are things we want you to look out for. I know a lot of you have electronic systems, but if you could go in there and check them periodically to make sure that they're checking the right boxes to make sure that the right clauses are in there. Then I mentioned this before, the goals, the procurement centers are getting the same goals from their headquarters even though for the past five years they've achieved them by three to four times. So, we've talked about that. Again, that's a recommendation, but we are seeing a trend in that when we go in and do surveillance reviews. So next slide.

So that's surveillance review. So, as you can probably tell, there's a lot SBA does on this. There's a lot we go through when we look at who's going to get a surveillance review. There is a very, very detailed report that you get. When we do a surveillance review, do we make mistakes? Sure, we're not perfect. If you say that we've made a mistake or we've checked something that we shouldn't, when you send a corrective action plan back, that is the time to let us know. We are more than happy to acknowledge that we are human, but we have three or four people that are going in there looking at files. So, it's not just one person making a determination. We do go in there hoping everyone comes out as a minimal being satisfactory. We would hope everyone would be satisfactory or above. But again, we are not in there to find stuff that is wrong. We are there to assist you any way we can to have the best possible small business program because when you have a better small business programs, it benefits the small business community. So, thank you very much for listening in on that. Chris, Glew, if there are any questions, I'd be more than happy to take them, and I am deeply apologetic for the problem with my phone.

- Chris:** No problem. We can definitely hear you much better now. So, thanks for making that adjustment. And right now, for everyone listening, if you do have questions, now is the time to submit those. Gwen, I saw a few come in. If you're ready, we'll start those questions.
- Helen:** Chris, actually we've had Gwen drop off the line. She's not on the line at the moment.
- Chris:** Okay, let's see here. When she comes back, let me... I will scroll through them quickly to see if we can questions, and then when she comes back...
- Helen:** She has messaged us through the HUB phone has just cut off, but she's dialing back in.
- Chris:** And some of these may be answered, you may have already answered, but Val, so this question is, when you use the term procurement center, are you referring to the agency level as a whole or is this the buying office or the group buying?
- Val:** This is the buying office. So, when we say determined center, if we're talking about, let's say, I'm here in Houston, I'd be talking about Johnson space center, not NASA overall. So, it's going to be the location where the surveillance review is going to be performed.
- Gwen:** Sorry Chris. My elbow hit my phone, so I cut off. So, one of the questions that I got from a couple of different people was that they would like a copy of the surveillance review checklist. Are they available so that they could maybe do, even if they aren't chosen for a surveillance review, they'd like to do an informal internal review?
- Val:** Sure. All they have to do, they can send an email directly to me and you see my email address there, or you consented to the SBAlerning@sba.gov box. I'll be more than happy to send out that request for information and checklist. Now let me ask this, please make a note. Do you want the narrative checklist? Are you talking about the individual file checklist? Those are two different things. So, if you want them both, please let me know. Or if you want one or the other, let me know.
- Gwen:** Actually, had two questions on limitations of sub-contracting. What are we looking for in that area and how do we monitor that?
- Val:** So, what we're looking for in the subcontract and when we go in and look at a file, we're looking at first the small business specialist and the PCR. Were they offered an opportunity to make advisory comments on the subcontracting plan? Second of all, was it made a material part of the contract? Then was it a copy of it forwarded to the SBA office.

- Gwen:** The last one that I have is can woman owned small business self-certify and how can a contracting specialist or contracting officer check certify.gov do we need an account?
- Val:** Yes, you need an account and you can go to certify.sba.gov and it will walk you through that. Women at this point can still self-certified. But what you'll be checking there is a checklist for economically disadvantaged women and women owned small businesses and it's just a checklist that you've gone in there and verified information. If you go onto the woman owned small business websites with sba.gov/wsp, it'll give you the contracting officer checklist and everything.
- Gwen:** Okay. We had one more question about limitations on subcontracting. Is ESRS what they're supposed to be using to monitor sub-contracting or is it limitations on?
- Val:** Well, no, the limitations on subcontracting is what... if the small business is doing their required percentage of work, this has nothing to do with ESRS. So, the limitations on subcontracting would be, for example, that if you had a small business set aside and a small business was doing construction, did they do required percentage of work with their own labor force? Or if you have a deviation from the limitations on subcontracting and you're using the similarly situated entities, are they doing the required percentage? Like I said, hopefully, we're going to have some clarification on that within hopefully within this fiscal year that will finally be put in the far. But what we have a lot of times is, we have a procuring activity that may ask the small business, did you do your required percentage of work? Can you verify that you did that? Or they may look at their invoices to see what they submitted and how much they are submitting on behalf of their company and how much went to subcontractors. So, there's different ways of doing it. Most of the agencies that I've seen have been asking for verification from the small business contractors. Again, remember, this is only if the small business gets the job on a small business set aside, not if a small business gets it on full and open.
- Gwen:** Okay. The last one that I have is if a woman on business, has self-certified in SAM but not submitted their documents to certify, does that disqualify them for being chosen for a WOSB set- aside?
- Val:** If they are the apparent awardee? Yes, it could. **[00:57:44 crosstalk]**. SAM has nothing to do with this. They have to have submitted their information into, it used to be the repository and then it got all transferred over to certify so they have to be in certified.
- Gwen:** That was the last question I had Val.

Chris: Great. Val, thank you for that information. If anyone else has additional questions or we potentially overlooked regarding this program or any other first Wednesday program, please send an email to SBAlearning@sba.gov and we'll make sure to get that to the appropriate party. Want to say that we look forward to working with those individuals with the agencies that are on slide 24. So, which was the list of the 2020 surveillance review agencies. So, we look forward to working with you, then, and if not, if you're not on that list, obviously 2021 is another year. So, that option is out there as well. So, Val, once again, thank you for the great presentation and for the attendees today. Thank you very much and we'll look forward to talking with you next month.

Helen: That concludes our conference. Thank you for using AT&T event conferencing and hunt. If I now disconnect.

[END OF TRANSCRIPT]