

Carla: Hello, and welcome to today's live SBA web conference. With that, I'll turn the call over to Jan Kaiser. Jan, please go ahead.

Jan Kaiser: Thank you Carla. Hello everyone and although you may be tired of hearing it, happy new year. There are still 354 days left in 2017 to accomplish any resolutions you may have set for yourself so we're going to kick off the year with plenty of time hopefully to get the things accomplished that we'd like to do. Some of you may be joining the SBA First Virtual Learning Series live for the first time and we're glad you could join us today during our time change trial where we're holding December, January and February First Wednesday webinars later in the day to accommodate folks in various time zones.

This series is aimed at providing small business training to government personnel with an interest in procurement, both contracting and technical personnel as well as SBA staff and our valuable resource partners like Procurement Technical Centers and small business development centers. The SBA hopes this session provides information you can use in the procurements of your job in the federal procurement process or in assisting small business concerns. I'm Jan Kaiser and I work as a procurement center representative in Chicago, Illinois. Additionally as Carla mentioned, Debra [Crumidy 00:01:34] an SBA PCR assigned to the Rock Island arsenal will be reading your questions submitted during the program for our speaker to address towards the end of today's session.

Let's discuss how today's webinar works. If you're having technical problems and can hear my voice but cannot log on to the online portion of the webinar, call the AT&T Connect Support Desk at 1-888-796-6118. The telephone numbers for the AT&T Connect Support Desk are on the email invitation for today's program if you didn't catch that. Otherwise, just keep listening in and follow along with the PowerPoint that accompanied the invitation for today. We will periodically announce the page numbers so you can follow along with your PowerPoint slides.

For more small business program training, you can visit the SBA learning center on the SBA website at www.SBA.gov as well. Before we go on to the next slide, I'd like to take a moment to discuss part of how we maintain the list of those to receive invitations for future programs. We get emails from folks requesting to be added to our mailing list at our SBA learning at [SBA.gov](mailto:SBAlearning@SBA.gov) email address. That's SBAlearning all one word, SBAlearning@SBA.gov. We use the email addresses you enter when you log in for each webinar and merge that with our existing email list. When you mistype your address or give a fictitious address, it gets saved and an email gets sent to that address for the next First Wednesday training session inviting that participant to participate in the training. Which of course generates an undeliverable email notification back to us. Please take care how you enter your information when you sign in each month so you need to spell your name correctly and use the correct .mil, .gov or .com domain name.

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Believe it or not, we get quite a few of these incorrectly typed email addresses each month and we have to manually scrub our email list to determine why your email invitation came back undeliverable which takes time but more importantly to you, you may not receive an email notification of the next First Wednesday webinar. The Association for Procurement Technical Assistance Centers hosts a website where they post past First Wednesday programming. Their website is provided here on slide four. We've also provided a link to how PTAC's partner with federal agencies to learn more about PTAC and where the closest one to you is located see the link on this slide.

Partnering with the PTAC for an industry day, sharing [inaudible 00:04:31] and RFI notices or referring small business concerns to a PTAC are just a couple of reasons why PTAC's are such a useful resource for acquisition and small business office personnel. Please note that we're conducting a three month trial in changing the session times for December, January, and February to be held from 1:00 to 2:00 central to accommodate requests for later training sessions to enable folks in the far west time zones to participate in live sessions of these webinars.

Right now it's 9 a.m. in Hawaii. Hawaii, Alaska, and the western US can participate at a much more reasonable hour if we hold these sessions later in the day. We value your feedback about this trial time change and encourage you sending us an email to the SBAlearning@SBA.gov email address and let us know what you think and how the time change affects your attendance. Also note that April and July will not be the first Wednesday of the month. Like this month, we are holding because the first week was January 1st and with the holidays we decided to postpone until January 11th but that sets people off because the name of the event is First Wednesday. Just note on this calendar that there are a couple of months that the program is not being held on the first Wednesday like in April and July.

Additionally, we'd like you to note that the February topic has been updated. Dave Gordon a veteran First Wednesday program speaker is scheduled to discuss the certificate of competency program so if you're looking at the slides from last month or are preparing your agenda for what you'd like to hear as topics for the year, just note that the COC program is going to be the topic next month.

[inaudible 00:06:33] 19.6 states that the COC program is applicable to all government acquisitions that a contracting officer shall upon determining an apparent successful small business offerer to be non responsible refer that small business to the SBA for a possible COC. You may be very interested in learning about the elements of responsibility and the COC process.

Attendance for today's session entitles attendees to receive one CLT. We provide the certificate of training as a slide in the PowerPoint file that was sent in the email invitation inviting attendees to attend today's session. Just edit the

slide by inserting your name and print it. Also, so you have a record of it, this slide contains the SBA@SBA.gov email address that we've referenced a couple of times where you can request to be added to the mailing list or to tell us how the time change affects your participation in the First Wednesday series in this trial period that we've had.

Here's that slide where you're not going to be able to access it from the webinar today, you're going to have to go into the Power Point slide deck that was sent with the email invitation and edit that slide and print it off and upload that into whatever system your agency uses to get credit for today's event.

Have you ever wondered how far changes are implemented and wished you had known in time that a topic important to you was being reviewed to submit a comment prior to a [inaudible 00:08:10] change? The Federal Register has published a proposed rule which provides additional guidance on the use of partial set asides reserves and set asides of orders under a multiple award contract. It also clarifies agencies and small business contractors responsibilities with respect to performance of work requirements such as the limitations on subcontracting and the non manufacturer rule. The proposed amendment to the FAR will implement regulatory changes made by SBA which provides government wide policy for partial set aside and reserves and setting aside orders for small business concerns under multiple award or mat contracts.

Some of the changes include clause revisions like to the [FAR 00:08:59] 52219-1 small business program representations, a new alternate two has been added to allow small businesses to represent their status as a small business for solicitations on multiple award contracts that have more than one [Nakes 00:09:14] code assigned to it. Also proposed in this change is FAR 52219-4 notice of price evaluation preference for [inaudible 00:09:26] owned small business concerns. The clause has been revised to exempt solicitations containing a reserve for [HUBS 00:09:32] owned small business concerns from using the price evaluation preference and FAR 52219-14, limitations on sub contracting. For contracts that are set aside, the contracting officer shall indicate in the new paragraph D of the clause whether compliance with limitations on sub contracting is required at the contract or the order level.

Comments are due on or before February 6th to the changes that I mentioned about the clauses but also additional elements regarding macs and reserves and a non manufacturer rule and limitations on sub contracting so comments are due on or before February 6th to be considered in the formation of the final rule and instructions in the FAR. The proposed rule also provides instructions on how to provide your comments online. Go to the link that's provided on this slide and you can read about the proposed changes that are being made to the FAR and you can have some input into this new language.

I'd like to introduce today's speaker, Valerie Coleman, the SBA prime contract program manager. Ms. Coleman is very talented and experienced at delivering

presentations as a regular speaker for the First Wednesday program series. We're pleased she accepted our invitation to discuss SBA's 2017 surveillance review program. Val, it's all yours.

Valerie Coleman:

Thank you Jan and good morning and good afternoon to everyone. One of the things that I've talked about the last couple of years is our surveillance review program and of course Congress gave SBA the authority to do these surveillance reviews. You might want to wonder why we do these. We want to make sure that every small business program out there is doing the best it can to help the small business community. We want to make sure that you also understand that this when we come in to do a review this is not a gotcha program. We are not coming in to find out what's wrong. We're really coming in to find out what's good with your program and if you have anything that may be a finding when we come in to help you correct that. We also want to make recommended changes to improve your small business program at your activity.

The better program that you have, the better program and response to solicitations, looking at your socioeconomic goals, the better program you have the better it is for the small business community. We're out here to help you. We want to collaborate with you, we want to work with you and help to assist you in making the best small business program that you can possibly have. Next slide please.

I wanted to give you some information on the types of surveillance reviews that we do. We basically have two types. We have a full surveillance review which is the first time we've come into your agency to review your small business program. It's usually two to three days, a maximum of three days. We have two to three PCRs that come in. The PCR that may be at your installation will not be the team lead. They will be a member of the team though sometimes we have PCRs from other area offices that make the team.

Sometimes it's another PCR within the area. We are going to try and have at least on one local surveillance review this year, a commercial market rep or CMR. For those of you that are not familiar with the CMR, those are the individuals that help monitor the plans after award. They work with the federal agency but mostly they work with the other than small businesses who have to submit sub contracting grants. We monitor their compliance with their plans, CMR's do reviews. What we were looking at is to determine the effectiveness of CMR's in surveillance reviews and how they can assist us. We want to have a CMR in a review at least one in each of our six area offices to look at the sub contracting program and we'll go into a little bit more detail as we get farther into the presentation on the sub contracting issues that we find in a surveillance review.

We also are going to have a member of the district office staff involved because they will be reviewing the 8A contract awards. You could have anywhere from two to four people involved in your full surveillance review for those two to

three day periods. If you received a less than satisfactory rating from SBA on your initial full compliance review, then we will come back in the following fiscal year and do a one day review to look at those findings that we found last year and what your office activity has done to correct those findings.

When we come and do that, one of our six area directors will be the team lead on that and it will not be the area director where your agency is located. It will be one of the others. If you've had a full compliance review and a follow up and you are still less than satisfactory we are going to come in and do a second follow up the following year. If you've got less than satisfactory you could have SBA coming in every year for the past three years. If that happens and you get a second follow up, then our director of government contracting, my boss in Washington is the lead on that and the PCR that covers that activity.

If after that second follow up we look at it and you're still below satisfactory you will automatically receive an unsatisfactory and the letter instead of going to your OSDBU will be going to your director or your secretary. For example, if you were with commerce the letter would go to the secretary of commerce instead of the OSDBU there. We've not had to do that yet fortunately. We don't want to do that so we're hoping everybody's going to be looking at their findings.

Along with the area director will be that one PCR. Again, we will only be looking at files from the last review forward. We will not be looking at anything other than the findings that we found in the previous review to see what you have done to correct those.

While we're talking about the satisfactory ratings, I did want to give you the five levels of ratings that SBA can give to you. We have unsatisfactory, marginally satisfactory, satisfactory, highly satisfactory, and outstanding. We will do a follow up if there is an unsatisfactory or a marginal rating that you have received from us. We also have our natural resource or we like to call our timber program and that's normally a two day review and that is with our natural resources individuals, our industrial or timber specialists. The area two director out of DC heads up the natural resources program so he would be doing that. It might affect some of you that are with the SBA. You needed to know that we also do a timber review. Next page please.

Here's the surveillance review process. Last fiscal year in FY16 we did 30 reviews. 20 of them were full compliance reviews and 10 were follow ups. Those 10 were follow ups because in FY15 those 10 departments or divisions received a unsatisfactory or a marginal satisfactory. That included nine different federal agencies. How do we pick which agencies we're going to look at? One of the things we look at is the score card. Which agencies didn't meet their goals? We also look at there may be a request from your OSDBU office. This coming fiscal year we've had several requests from OSDBU's that have asked us to specifically go to an activity and review them because of problems that maybe that they've been having.

We also look at a trend of not meeting your goals. If we see it's ... We look at the last four or five years, if we see that there's a big trend we want to come in and see what the problem is. Of course, again the FY17 would include those activities and FY16 that received less than a satisfactory rating. We also always do one timber review. This coming fiscal year we will have 10 follow ups. We will have 19 full compliance reviews and then we will have one timber review. The notification to the OSDBU comes from our director of government contracting out of headquarters. As the program manager for the prime contracts program, I do have oversight over the surveillance review process and so that's why I am actually speaking on this today because this is actually my program that I'm in charge of or oversight of so we wanted to make sure you get as much information as possible.

We send the notification to the OSDBU and then they notify you that SBA is coming in to do a compliance review. Most of the time our compliance reviews are done in the May, June, July, August time frame. We like to have all activities reviewed and the reports into us so that we can get everything out by September 30 back to the OSDBU's. The notification that you will get after you get the review or the letter from you OSDBU, you will then probably be notified by the team lead that's going to be coming in to review you on setting a date and the time frame on when they're coming in. You will be notified who is coming in and you will be given a checklist of items that you need to provide for us and that you need to have in place once we come in.

We will also do interviews with you contract specialists, contracting officers and small business specialists. These can be done one of two ways. They can either be done over the phone prior to us coming in or they may be done at the time we are in there for the full compliance review. It just depends on how much time we have and the files that we're going to be looking at. When we do come in we do an entrance briefing. In that entrance briefing is to tell you the who, what, why, where, why are we in there. That usually takes 10 to 15 minutes and then after that it starts the on site review.

We do an exit briefing after we look at everything. This exit briefing does not give you a rating as we are not allowed to do that when we're actually doing the review. The rating can only officially come from the director of government contracting. What we will do is tell you those things that we might have found that were a trend and when we're talking about a trend, we're talking about if we're looking at 40 files and one is missing something that's not a trend. If we're looking at 40 files and 20 to 25% are missing something, we look at that as a trend. You can gauge what we're looking at on what kind or rating you think you might get. Again, we cannot tell you what rating we are recommending and that could change our stay the same depending on what the director of government contracting has decided.

Once we get done, we have a certain number of days to do the report and it goes to the area director that covers that agency. They review it, make any

changes and then it goes through myself as the program manager for prime contracts. I will review it and then send it up to the director of government contracting. Once it is signed by him, it is then formally distributed to your OSDBU and the head of your contracting activity or director of contracting at your agency. Next slide please.

The surveillance review has five parts. The first part that you will see when you get a copy is it's going to list all the team members. We are going to give you also in there it will give the dates, the scope of the review and give you your formal rating. Also in that section will be the members that attended the entrance and exit interviews that we did. Then we have the full body of the report which is the results of the surveillance reviews. We are going to tell you about our findings. Every one of our findings that we have in there will have a FAR or CFR reference so that you know where this is coming from and we will give you a recommended corrected action on each one.

The next part will be a summary of all the corrective actions that we found throughout our report and then a listing of the contract files that we reviewed so that when you go back and you look at them any of the corrective actions that we have will list the files that had any of those findings. You can go back and look at those files and see what we saw. Next slide please.

When you get the report, you're going to find all of these different things that we're going to be looking at. I want to go over these, each one of these very briefly so that you understand what we're looking at. When we're looking at overview of small business awards we are going to be looking at the last four full fiscal years plus to date on the current fiscal year. If they're coming in in June of 2017 to your agency, we are going to be looking at fiscal years 16, 15, 14, 13, as far as your goal and to date in June whenever that is. That's the basic part of the overview of the small business awards and you will see a narrative and any other information that you wish to submit on why you did or you didn't achieve your goals that were assigned to your specific activity.

The small business program management division is just that. We're going to talk about who your small business specialist is, the interaction between them and the rest of the divisions that they deal with, upper management, and your interaction with your PCR. The 8A contract review process is pretty straight forward. The district person that comes in is going to be looking at all of the 8A contract files to see if certain documentation is in there. For example, offering letters, acceptance letters. The correct clauses. Was distribution made to the district office after award, was the correct [NAICS 00:25:18] code included. The district person will actually write up their review and submit it to the person who's going to be writing the full surveillance review so that they're all incorporated together.

The women owned small business set asides, we're going to be looking to see if you did award any, was it in the correct NAICS code? As you all know, NAICS

codes are divided between women set asides and economically disadvantaged women set asides. Was the correct NAICS code put with the correct set aside? We're also going to see if your contracting officer went into certify.sba.gov which used to be called the repository and look and follow the directions on making sure that all that information from woman owned small business apparent awardee is in the system.

On acquisitions signing, we're going to be looking at your small business coordination forms. Were they signed by the small business specialist and by the PCR if it was required? We're going to look at STDSNG do see if how you've listed a firm correctly in the STDSNG matches up with what that firm is. We're also going to be looking at FAR clauses. Are you putting the right FAR clauses in there dealing with small business or are you not? That tends to be a big problem with every agency that we go see are the clauses. I think a lot of that is because a lot of you have programs where you hit a certain button or you put in what type of contract it is and the system generates the clauses. Sometimes those have not been kept up to date. We're going to be looking at that.

Subcontracting is a big issue with every agency that we've reviewed basically because the plans are not being reviewed by the small business specialist and the PCR prior to award or they are not in there at all. Subcontracting plans are missing. If you do have the plans in there, is the ESRS or [Easer 00:27:20] system, are reports coming in? Is the contracting officer assigned to that file reviewing and accepting or rejecting the report in a timely manner?

Other small business issues which is another category could include anything dealing with NAICS code or size issues. Any protest or any certificate of competencies that you have requested from SBA. Regulatory clauses and provisions are just that. Are we seeing the correct clauses in the file? Are there clauses at all? Bundling, we want to see if you've had any of that, if you've not been doing any bundling or that has not been a problem then that will just say there's no bundling issues and that's the end of that whole category. If you have, we want to make sure that the correct procedures are followed.

Limitations on subcontracting is a big area that most agencies have problems with because it is not being monitored. If you are not monitoring limitations on subcontracting, you need to get a procedure together to do that because we will be looking at that to see if it's being monitored and how it's being monitored on those small business set asides. When I'm talking small business set asides, that would be also your women owned economically disadvantaged women, 8A [inaudible 00:28:41], service disabled vets. When I say small business it also includes all the socioeconomic categories.

At the very end, we're going to give you some best practice recommendations that we feel might improve your performance. Those are not things that you have to do but we want to recommend them and say we think that this will help your program if you look at what we're recommending. Next slide.

Based on last year, this was my first year as the program manager to look at all the reports from all over the country that came in and these are some frequent findings. We want to go over some of these so that maybe want to go back if you think you might be having a review this year, go back and see if your activity is doing this. One of the things that we will mention is that if your small business specialist is reporting to a contracting officer we will make a comment about that that we think that that is incorrect as a small business specialist should not be reporting to a contracting officer.

Sometimes when we get the response back of course it's out of that activity's hands. That is up at the headquarters level and we will address that there if we get that response. The adequate or unrealistic goals, when we're looking at this, if you are consistently exceeding your goals, let's say your goal's 30 and you're doing 120% which we have seen, we're going to mention that maybe there needs to be some discussion between your headquarters and your office on the goaling because if it's been exceeded by wide margins or they're passing them down without any regard to your activity, where you may be located, what you do, then we're going to mention it, especially if we're seeing that all of the time the goals are being met. Unrealistic goals seems to be a problem.

We also find that some activities are not engaging their PCR which means that the PCR is not doing the coordination records, whether it's a 2579 for DOD, it's a 2268 for the VA, a 1787 for NASA. They are just not signing off on those. If the PCR has not been engaged in acquisition strategy reviews, and if we find out that they have not reviewed any subcontracting clients, that is a finding that we had found that has been written up quite a bit. Next slide please.

One of the big things on the woman program is what I mentioned before that a NAICS code that should be for women owned was used for economically disadvantaged women owned and vice versa. You really need to make sure because remember as of March the 1st of last year, March the 6th, that some of these codes were changed from economically disadvantaged to women. Some codes were taken out, some were added. We want to make sure that you have the proper codes that you are using and that also you went into the certify.sba.gov and we see in the file that the contracting officer has done the checklist that's required to do a woman or economically disadvantaged woman set aside.

The big problem in the 8A program is two fold when we say failure to notify SBA. It's either you didn't give us the acceptance letter to say that you are already offering letters, that you are putting it in the 8A program and then afterwards you did not send the award document to the appropriate district office that covers that 8A firm. You failed to notify us of an award. This is especially important for those awards that are under 150,000 where you don't have to do an offering letter so we need to make sure that you are always per the FAR forwarding those awards to the appropriate SBA district office.

Subcontracting as I said before tends to be a huge problem. We are either missing plans all together. Sometimes the primes are not submitting their reports in ESRS and there's no indication that the contracting officer is checking ESRS so they're not enforcing it, accepting or rejecting reports. Then when we say on lack of enforcement and limitations of subcontracting that really should be off to the left because we're looking at that contracting officer whether they are looking at doing that which has tended to be a problem. I know that some agencies have really started to address how they're going to monitor limitations or subcontracting. We would need that information.

One of the things also we look at is training that there's a lot of training that has not been done lately. There might have been training done two or three years ago but there hasn't been any training done recently on any of the updates to any of the programs or anything that's going on. As all of you know, you can always enlist the assistance of a PCR or a CMR depending on what kind of training you're looking at to assist you with that. If you are looking at doing some training, you're not sure how to do it, we always are available to you to assist.

Again, the missing regulatory small business clauses, the solicitation for example we have as an example of missing or deficient or inappropriate clauses being in on a [hubs 00:34:34] own set aside we have seen some where the hubs own preference was put in. There's no reason for the hubs own preference to be put in so it will have it's own set aside. It's things of that nature again, we are looking at trends so when we say these are frequent finings requiring corrective actions, it's because when we look at an agency small business program these were trends, this wasn't just one style. Next slide please.

What happens after we do this review? After we do a full surveillance review we will have the exit briefing where we will sit and tell you our findings that we found. We will not engage in any discussion on what the rating is or anything else. If you have any comments that you need to make or that you want to dispute what our findings are we will take notes but if you receive a unsatisfactory or a marginal rating in your corrective action plan that will be the place for you to address those issues. Even if you receive a satisfactory rating, there may be something that we saw that we want you to correct so you can still receive a satisfactory or above rating and still have some findings. If you do have any type of findings you would need to do the corrective action plan within the 45 days of receipt of the report.

When we're talking about 45 days, anytime we mention days, we are talking calendar days. The follow up reviews if you do have a marginal or unsat as I said before will be planned for the next fiscal year. Just know that if you get one of the lower ratings you are going to have SBA come back the following fiscal year to do a follow up. That one will be let by the area director. That's the basics. I wanted to leave time for Jan to go over some of the other information that's in there and for you all to ask questions. I appreciate you all signing in for today to

learn about the surveillance reviews. If you are going to have a surveillance review this fiscal year you will probably be informed within the next 30 days. We are getting the letters out for the FY17 surveillance reviews the end of this week or at the latest by the end of next week and normally when your OSDDBU is notified they send it down pretty quickly to the field offices to let them know that SBA is coming in.

We had it pretty much divided across the country. I will tell you that there are eight or nine federal agencies that we are looking at for this fiscal year. It does include DOD, NAFTA, transportation, let me see commerce. I'm trying to remember every one of them off the top of my head. Education. Within DOD we're talking about Air Force, Army, Navy. We have an all over range of those that are going to be reviewed for FY17. Jan, I appreciate it, I will turn it over to you unless we want to start answering questions. I will leave that totally up to you and thank you all very much for calling in.

Jan Kaiser: Thank you Val. Debra, you've got some access to viewing some of the questions that we've received today. Would you like to begin with some of those?

Debra : Yes, we have a total of probably about seven questions. Two of the questions were referencing what a PCR and a CMR was and Jan answered that. A PCR is a Procurement Center Representative and a CMR is Commercial Market Representative. Dealing with the compliance review, the first question they asked is, does SBA publish the contracts that are going to be reviewed?

Valerie Coleman: Well, what we do is when we send you the checklist, we ask you for a listing of the contracts awarded over those past four fiscal years that I talked about earlier and to date. The team lead will go through that and pick out 8A files with the help of the district offices are going to be reviewed and then we look at the rest of the files to pick ... We try to do an array, an assortment of some that are set aside, some that are full and open those kind of things so that ... All kinds of dollar ranges so we're going to pick some that are lower, we're going to pick some that would require a subcontracting plan and then what we do is we let the agency know about a week ahead of time which files we want pulled and those files should be ready for us when we come in the day of the surveillance review. These are actually your files that you've sent to us that you've awarded and then we select from that listing that you've provided us.

Debra : Also Val, can you elaborate on the ratings? What their based on?

Valerie Coleman: Okay. The ratings are really based on the major and minor findings that we find in a agency. For example, of course the goals are going to be very big on what we look at. Have you met your goals? If you haven't, are there reasons why, things of that nature. We're going to be looking at if we have a firm, an agency where the PCR is not involved at all, if we have an agency where they're not looking at coordinations, you don't receive subcontracting plans, your clauses are all wrong, of course that's not going to be a good rating.

None of these except for maybe the award has more weight. We look at it totality of it. You can still get above a satisfactory, you can get a highly satisfactory and still have a finding but it may be so minuscule, maybe it's just administrative for example that the rating is still justified. We are in the process of defining what each of these ratings are and what we're going to be looking at.

Debra : Okay, thank you Val. We have another question that talks about if SBA does a surveillance on an agency, when will the agency receive a [inaudible 00:41:53]? How often? Say for instance if SBA conducts a surveillance review on a particular agency this year and they get their rating back and their review back, how long will it take or how long will it be before that agency receives another surveillance review?

Valerie Coleman: As I said, if you get a marginal or unsatisfactory, we're coming back next fiscal year. Just expect us. If you get a satisfactory, highly satisfactory, or outstanding we may not be back for years and years. The reason why is we have 2,680 federal agencies. If you're doing what you're supposed to be doing and you get a satisfactory and above, I can't give you an exact time frame on when we would be back but I would not expect it in the near future at all. Maybe five, 10 years down the road unless if you got a review let's say last year and you were satisfactory and something big happens, your OSDDBU may say I know you just did a review two years ago and they were satisfactory but this is what happened. I need you to go back in. In that case, we would of course go back in at the request of the OSDDBU and do another one.

Debra : Thank you. There are some questions on limitation of subcontracting the FAR clause 52219-14. Do we want to hold off on these answers or do you want to talk about that?

Valerie Coleman: I will just say right now, SBA does not have any written guidance on how you do it. That's really internally up to the agency on how they do it. If you had not been doing it, you might want to get with some of your counter parts in other parts of the country, see if they're doing in and maybe get their guidance on how they're looking at that.

Debra : I think I have one final question on ESRS. The question is posed, how would SBA know or how should it be documented in the file when you do your surveillance review, what are you looking for? Are you looking for just an acceptance or an MFR stating that the CO has done this.

Valerie Coleman: No. When we come in what we will do is the CMR or the person who's looking at subcontracting plans will actually go into ESRS and pull up the reports. SBA, we are superusers in the system so we can go and look at anything. If I was doing the report and I was looking at subcontracting plans, I would go into ESRS, pull up that contract file and see whether the contracting officer has accepted or rejected a report or even if it has been submitted.

Jan Kaiser: A print out of the verification in the file certainly doesn't hurt though.

Valerie Coleman: You can do that if you want to put that in there that it's been approved. That's fine. My philosophy is to go straight into the system and pull it up or if the person looking there wants to say, "Hey, I've got it." Here's the one thing I want you all to understand. If we can't find, let's say on ESRS, we can't find something in the file or maybe you don't have the verification, we're going to ask you, "Hey we can't find this. Can you find this for us? Can you get it for us?" If you can find and get it for us, that's now going to be a finding. As I said, we're not in there to do a gotcha. We're in there to help you have the very best small business program you can and if you can find it because we missed it or maybe it was in another file and you can show us that you did it, we're fine. We're good.

Debra : Well, I think we've covered ... Oh, there's one question. I think you mentioned timber and the surveillance review. If you could clarify the surveillance review and in regards to timber if that's a [inaudible 00:46:21] agency or what type of surveillance review it is.

Valerie Coleman: Under the department of agriculture they have the forest service. The forest service manages the national forests. Our natural resources are timber people will actually be going into different national forests and talking to the contracting activities because we deal with small business sawmills and things of that nature. The timber people will actually go in and do a review just to make sure that that contracting office is in compliance with how they're selling the timber, who they're selling it to, whether small businesses are getting those contracts, things of that nature.

Debra : Is GSA one of the agencies to be reviewed in the near future?

Valerie Coleman: I can't say in the near future. I can tell you that we are still in the process of looking at some of the agencies but every agency is always going to be eligible for a review. It just depends again on the selection process and again we do 30 a year. With 2,680 agencies you can see that if you've been meeting your goals and there haven't been any problems et cetera, et cetera, you may not be getting a review for a while. If we see that there's a trend of your agency not meeting their goals or at the request of the OSDBU, we are definitely going to take those into consideration. GSA has been reviewed in the past and will continue to be reviewed in the future as will all other federal agencies.

Debra : Thank you. I have another final question. Is there any particular SBA guidance or limitations on subcontracting required documentation?

Valerie Coleman: Well, there is items in the ... If you look at 52219-14 which talks about the limitations of subcontracting, and there was some recent ... It does give you some information there and it does talk about because it's a set aside, that's the reason why the LOS clause is in there and being monitored to make sure that that small business is doing their required percentage of work. If this person is

looking for the exact regulation, if they want to send a note to SBAlearning@SBA.gov I can look up and give them the specific FAR reference or CFR reference.

Debra : Okay. Thank you Val. I think that concludes the questions. Jan, do you see any that I may have missed?

Jan Kaiser: Well, there's one that asks what is a timely manner for the review of the ESRS report?

Valerie Coleman: I think recent legislation if you will look it up says 60 days. 30 days is given to the other than small prime contractors to get the report into you and then if you take that 30 days away from the 60, that gives the contracting officer 30 days to either accept or reject the report.

Jan Kaiser: Val, you brought up a really good point about when SBA is reviewing contract files and we can't find something because each agency may dictate how a file is supposed to be set up but then there's little idiosyncrasies about even within a buying activity how the contracting folks are organizing their files. When you multiply that over how many buying activities you look at, not everybody files everything in the same way or thinks in the same rationale as the SBA PCR or CMR person who's reviewing the files. When we can't find something, it does involve resources and time from the contracting buying activity that we're surveilling because we need to have someone help us through the files but another thing that has come up in the reviews I've been on is that sometimes files are paper files and sometimes files are electronic. Val, do you have any comments about electronic contract files?

Valerie Coleman: Yeah. We're seeing a lot more Jan that are electronic with certain agencies. Some of us have given permission for us to go directly in there. A couple of the agencies that I reviewed as a PCR last year before I got this job, we actually had to have an individual from the agency sit with us and then we asked for the documents and they took us through their files and pulled up the documents to show us. You are right as far as the checklist. If we have a checklist in the file, that's great. There have been times when the checklist has been there and said something is there and it's not. Having the small business specialist or someone that they designate to assist us during the review to help find things is very important to us because as I said, we don't want to put in a finding that something is missing if it just happens to be in another folder or it's misfiled. We want you to help us out as much as we can.

I do know that when I sat there, I've been on 32 surveillance reviews. I was the team lead on all but two and so over the years I've developed the way I like to do things and I always want to give the activity the benefit of the doubt and ask them where something is and can you get it to me before it goes into a formal report.

Jan Kaiser:

Well, Val, I want to thank you very much for providing your assistance to us in understanding the experience learned or the lessons learned and some of the surveillance reviews that have happened in the past so we can take those lessons forward. I did want to provide just real quick here how to find your PCR. At the SBA.gov website, if you're interested in learning more about the surveillance review process and talking about and preparing for if you're capped to receive a surveillance review or you want to use the guidelines for surveillance review to do a mini inspection on your own small business program so that you can see and use the surveillance review process and checklist as a way to gauge your internal performance. Here is a link to and this is the last slide in the slide deck of the PowerPoint is the directions or the hyperlink to locating your PCR. If you know who your PCR is, that's great. If you don't know who your PCR is, here's a link to that SBA website where you can locate the PCR that is assigned your agency.

If a PCR has not been assigned your agency, contact the area director for the area of the country that your office is located in so that you can be assigned a PCR. With that, Carla if you have any other comments regarding today's program. I think today's program is concluded.

Carla:

All right Jan. Thank you and thank you all for joining us today. This concludes our event. You may now disconnect.

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