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Progress Through Regional Cooperation In The Alleghenies

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Contracting Facts & Fictions

Many debates on the issues in government acquisition rely on assumed "facts" that may or may not be based on reality. However, examining the latest actual, comprehensive, uniform, and unbiased information directly provided by contracting officers (from the Federal Procurement Data System) sheds light on some

HAPPY LABOR DAY!



The Southern Alleghenies PTAC wishes you a happy and safe Labor Day! While it is usually considered the end of summer, look forward to the fact that the fall is when a lot of contracts are up for renewal and fiscal years begin!

Our best,
Gloria, Brandon, & James

Federal Contracting MBA Class October 9, 2014

The Southern Alleghenies PTAC, in partnership with the PTAC at SEDA-COG in Lewistown, PA is sponsoring a Federal Contracting MBA class on October 9, 2014, in Bellefonte, PA (Not too far from the Nittany Mall). The Federal Contracting MBA class is taught by the professionals at Wessel & Company of Johnstown, PA, a company who has had over 50 years of experience dealing with government contracting.

The class starts at 9 AM and ends at 12:00 PM, with a check-in at 8:30 AM. The topics that will be covered are Key Concerns for Government Contractors, Ensuring Compliance with Federal Contracts, and Teaming Arrangements/Prime and Subcontracting Relationships.

Pre-registration is required, and there is a fee of \$20 for the class. For more registration information, please visit

discrepancies. For example, despite the budget drama of the past two years, inflation adjusted figures reveal that contract awards remain over 20 percent higher in 2013 than back in 2003. For the contracting profession, this news is encouraging, especially considering the wind-down of the longest war in American history and indicative of the continued increase in government contracting in providing essential citizen services.

Similarly, while awards have dropped within in the General Services Administration, the Department of Defense, and the Department of State, other agencies--such as the Department of Education, the Department of the Treasury, the Department of Health and Human Services, the Department of Justice, and the Department of Veterans Affairs--have seen increases, as have contracts awarded to small businesses. Despite the perceived harshness of the contracting environment, competition for government awards remains steady, not in decline. The number of solicitations has increased, not decreased. The number of protests filed are down, not up. Awards to incumbents have declined significantly over the past three years, their use of multiple award contracts (e.g., GWACs and MACs) has increased. This could be indicative of contracting officers' determinations of the best vehicles to obtain fair and reasonable pricing, terms and conditions.

Regarding staffing, while hiring has been in continuous decline since 2009, the total numbers of "1102" contract managers has been increasing and the average dollars obligated per 1102 has been dropping; yet still remaining over 1/3 higher than before the huge increases of the past decade. Finally, the weighted index of stocks representing performance of the largest government contracting companies--continuously increased to all-time highs.

From these figures, all of which come from the National Contract Management Association's "2013 Annual Review of Government Contracting," one must conclude that the big picture of government contracting today and in the future will remain a tremendously significant aspect of efficient government delivery of citizen services. While there is considerable room for improvement, the policies and processes of government contracting run well and as intended. The profession thus remains viable, healthy, and poised for continued future growth, regardless of political party and changing program priorities.

It is important to understand and analyze the facts, data, and trends actually occurring before defining what the problems are--let alone developing their solutions. Since this data was only very recently available, it stands to reason that many of the "problems" requiring resolution or "reform" may not always conform to the reality. Our acquisition professionals working in the trenches of these issues every day should be consulted to ensure everyone's views are heard, along with that reality on the

<http://www.seda-cog.org/ptac/Pages/Federal-Contracting-MBA.aspx> or contact James Gerraughty at jgerraughty@sapdc.org or (814) 949-6528.

Travel Per Diems Aren't Changing in Fiscal 2015

Government [travel per diem rates](#) will not change in fiscal 2015, according to the General Services Administration.

"The standard lodging per diem rate will remain at \$83," according to a notice published in Friday's *Federal Register*.

"The meals and incidental expense tiers also remain unchanged for fiscal 2014 and range from \$46-\$71."

While the standard rates apply to about 2,600 counties, 400 additional "non-standard areas" -- or NSAs -- receive individual calculations. Feds traveling in more expensive cities receive higher rates of reimbursements. For example, feds heading to Washington, D.C. and the surrounding area currently receive a lodging per diem of between \$167 and \$224, depending on the time of year, and a \$71 per diem for meals and incidental expenses. San Francisco ranges from \$189 to \$226 for lodging, while lodging rates for New York City and its boroughs fluctuate between \$191 and \$303 per day. For fiscal 2015, GSA has renamed the Manhattan NSA "New York City" to more accurately reflect that it no longer sets individual rates for Manhattan and the other four boroughs.

Beginning in fiscal 2015, two more locations will move into the NSA category: Kayenta, AZ, and San Angelo, TX. GSA is shifting five locations that were NSA in fiscal 2014 to the standard or CONUS (Continental United States) category for fiscal year 2015: Glenwood Springs/Grand Junction, CO; Lakeville, CT; Chesapeake/Suffolk, VA; Lake Geneva, WI; and Sheridan, WY.

ground.

Government contracting is a large, complex undertaking--with many stakeholders with a variety of perspectives--and one that our taxpayers and citizens depend on for many basic government services. Let's make sure we separate the "facts" from fiction of this often discussed, debated, and emotionally charged subject to ensure any future modifications improve the situation far better than many of the changes implemented in the past.

Article posted courtesy of Michael Fischetti

Large Business's Unmet Subcontracting Goals Result in "Marginal" Score

A large business was appropriately awarded a "Marginal" score for small business participation based on the large business's history of failing to meet its small business subcontracting goals.

In a recent bid protest decision, the GAO held that the procuring agency properly assigned the large business a low score based on the large business's history of unmet subcontracting goals, even though the large business apparently pledged to subcontract a significant amount of work to small businesses under the solicitation in question.

The GAO's decision in [Cajun Constructors, Inc., B-409685 \(July 15, 2014\)](#) involved an Army Corps of Engineers solicitation for the construction of a concrete-covered canal in Louisiana. The solicitation was issued in an unrestricted basis. Award was to be made to the offerer presenting the best value to the government, considering price and four non-price factors: past performance, technical approach, key personnel and project management plan, and small business participation plan.

With respect to the small business participation plan factor, the solicitation stated that offerers would be evaluated "on the level of small business commitment that they propose...and the Offerers' prior level of commitment to the participation of small businesses in the performance of prior contracts." Offerers were required to submit small business participant plans identifying the extent to which they intended to use small business subcontractors in the performance of the contract, as well as "a description of the Offerers' performance over the past THREE (3) calendar years, in complying with the requirements of FAR 52.219-8 Utilization of Small Business Concerns."

Cajun Contractors, Inc. submitted a proposal. Although Cajun proposed to exceed several of the solicitation's

The fiscal 2015 per diem rates and other changes take effect October 1, 2014.

GSA establishes per diem rates for lodging, meals and incidental expenses in the continental United States. A standard per diem is applied in locations less commonly traveled by federal workers, while nonstandard areas frequently visited are granted individual rates based on the [average daily industry rate](#).

Federal employees received a slight increase in rates in fiscal 2014 after GSA [froze](#) fiscal 2013 travel reimbursement rates for lodging and other related expenses at fiscal 2012 levels. The freeze was part of the Office of Management and Budget's directive to agencies to reduce all travel spending in fiscal 2013 by 30 percent compared to fiscal 2010.

Article posted courtesy of Kellie Lunney

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subcontracting goals, Cajun did not specify whether small business subcontracting goals had been met on its prior contracts. The Corps reviewed Cajun's records in the [Electronic Subcontract Reporting System](#) and determined that Cajun had consistently failed to meet its subcontracting goals. Based on Cajun's history of unmet goals, the agency assigned Cajun a "Marginal" score for its small business subcontracting plan. The Corps awarded the contractor to a competitor.

Cajun filed a bid protest with the GAO. Cajun alleged, among the other things, that it was improper for the Corps to assign a "Marginal" score under the small business participation plan factor. Cajun noted that it had proposed to exceed many of the subcontracting goals set forth in the solicitation, and argued that its subcontracting plan warranted at least an "Acceptable" rating.

The GAO disagreed. After noting that the solicitation's evaluation criteria specifically called for a consideration of historical subcontracting achievements, the GAO wrote:

Based on Cajun's history of submitting aspirational proposals and then failing to deliver results consistent with the levels of small business participation it proposed, the agency concluded that Cajun's performance history in this area indicated a high risk of unsuccessful performance warranting a "marginal" rating. We see nothing unreasonable about the agency's conclusion.

The GAO denied Cajun's protest.

In my opinion, the most important part of the *Cajun Contractors* case is the evaluation system used by the Corps. Not only did the Corps include small business participation as an evaluation factor, the Corps required large business offerers to be evaluated, in part, on their historical subcontracting levels. In this way, the Corps was able to determine whether offerer's past performance demonstrated a genuine commitment to small businesses, or whether past contracts were more indicative of a "history of submitting aspirational proposals and then failing to deliver results consistent with the levels of small business participation it proposed...." If more procuring agencies adopt similar evaluation criteria, you can bet that many more large businesses will suddenly be meeting their goals.

Article posted courtesy of Steven Koprince

About Us

The PTAC at SAP&DC is an economic development entity that bridges the gap between supplier and buyer

in the government marketplace. The PTAC stands ready to support businesses in the Alleghenies region in their pursuit to secure contracts with local, state and/or federal government agencies nationwide by:

- Identifying niche government markets and specific contract opportunities
- Assisting with bid and proposal preparation
- Preparing the required vendor registrations
- Navigating your company through the requirements and procedures of government contracting
- Enhancing competition by obtaining applicable socio-economic certifications
- Providing guidance to ensure successful post-award contract performance

Due to the generous support of our Commonwealth and Federal funding partners, services provided by the PTAC are free of charge.

Whether you are an experienced contractor or new to the government marketplace, the PTAC will provide one-on-one counseling utilizing the following program resources to increase your share of contact awards.

PTAC Resources

- Electronic Bid Matching for products and services
- Military/Commercial specifications and standards
- Past procurement information and pricing histories
- State and Federal regulations guidance
- Professional training and outreach events
- Quality assurance and packaging guidance

Contact us today at [The PTAC at SAP&DC](#) to get started!

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