

Testimony of
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Committee on Small Business and Entrepreneurship
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Chairwoman Landrieu, Ranking Member Snowe, distinguished senators, thank you for the opportunity to testify here today. I am honored to speak before you on behalf of the Heartland Procurement Technical Assistance Center (PTAC) at Missouri Southern State University in Joplin, Missouri; my colleagues at the other PTACs across the country; and the thousands of small businesses that we assist each year.

First, I would like to express my gratitude and appreciation for your leadership and efforts on behalf of small businesses in Louisiana, Maine, Kansas, Missouri, and all across the nation.

My name is Terri Bennett. I am Program Manager of the Heartland PTAC, headquartered at Missouri Southern State University within the School of Business Administration in Joplin. We serve businesses in southwestern Missouri and the entire state of Kansas. I am also a past-president of the Association of Procurement Technical Assistance Centers – APTAC – which is the professional organization of PTACs nationwide.

Background

As most of you know, the Department of Defense (DoD) Procurement Technical Assistance Program (PTAP) was established by Congress in 1985 to provide specialized and professional technical assistance to individuals and businesses that are seeking to pursue and successfully perform under contracting and subcontracting opportunities with the DoD, other federal agencies and state or local governments. Chapter 142 of Title 10 U.S.C. authorizes the Secretary of Defense to enter into cost sharing cooperative agreements with state and local governments, non-profit organizations, and Native American Economic Enterprises and Tribal Organizations to provide procurement technical assistance. This authority has been delegated to the Defense Logistics Agency (DLA). Currently there are 93 PTACs of which almost half are statewide PTACs, and the rest of them are regional PTACs and Native American PTACs.

Our sole purpose – and we are passionate about it - is to help local businesses become capable government contractors, on the belief that a broad base of small business suppliers provides the highest quality and best value to our government agencies and at

the same time creates a strong and vibrant economic base for our communities. Sid Davis with Big John's Heavy Equipment, Inc., who is also testifying here today, happens to be one of our clients.

We assist small businesses by offering training events, bid-matching services which notify businesses electronically about upcoming bid opportunities, one-on-one sessions with a procurement counselor, notification of important contracting changes, help with understanding government contracting procedures and requirements, guidance in registering with the federal government, and much more. We assist government agencies by locating and educating the contractors and potential contractors which can provide the products and services they need.

Heartland PTAC and Disaster Recovery Efforts

As you might imagine, we have been intensely involved with small business participation in disaster recovery over the past few months. On Sunday, May 22, a deadly EF-5 tornado struck Joplin and tracked over 22 miles, killing 159 people and destroying thousands of homes and businesses. Total damage has been estimated at over \$2 billion. Recovery work began almost immediately after the storm. Actual reconstruction is just beginning and will continue for the foreseeable future.

In the Stafford Act, Congress rightly recognized the importance of local business participation in disaster response and recovery by requiring that federal contracts for disaster assistance activities be given, whenever feasible, to those residing or doing business primarily in the area affected. Local firms have the greatest knowledge of – and stake in – their communities, thereby positioning them to be efficient and effective vendors. Just as important, the impact of federal disaster funds is multiplied when awarded to local firms; important recovery work is accomplished and the local economy, which is often devastated by the disaster, is supported at the same time. Although the Stafford Act does not refer to small businesses per se, in Joplin – as in many localities – the majority of local contractors are small businesses.

I have observed that such contract awards can be daunting for both the agency and the vendors. Time is very short. Requirements within a single contract can be very large and diverse. The lack of electrical power and intermittent phone service make it difficult for agencies to contact potential bidders and bidders to access and respond to solicitations.

In Joplin, the United States Army Corps of Engineers (the Army Corps) and the Federal Emergency Management Agency (FEMA) were issuing solicitations in the days and weeks after the tornado. The Heartland PTAC reached out to both agencies by locating and contacting the pertinent personnel to ensure that they were aware of us and our readiness to assist them and potential contractors. We provided them a staff cell phone number and – especially in the first few weeks - worked with them through evenings and weekends to support their efforts to connect with local companies. I would like to share with you just a few examples of our activities, which I believe illustrate both the challenges and some avenues for addressing them.

- We assisted in locating and contacting appropriate vendors – often on very short notice. Because many of our clients’ records included alternate (cell) phone numbers, we were able to reach business owners when the federal government was not able to reach them due to phone service issues and the volume of phone calls being made because of the tornado. In one instance we were notified by the Army Corps at noon about a contract that had to be awarded that day – with work to begin by that evening or the following morning. We were able to contact a number of clients, one of whom was awarded a \$492,000 contract later that afternoon.
- We helped businesses secure necessary registrations. There were multiple instances in which FEMA or the Army Corps wished to contract with specific companies that were new to contracting and not yet registered with Central Contractor Registration (CCR). Thanks to the close working relationship that PTACs have with the Defense Logistics Information Service (DLIS), which administers the CCR, we were able to have those registrations expedited. In another case, we were able to access registration records for a client whose office – including the business records – was destroyed.
- We made our resources, including website, e-mail lists and community forums, available to advertise solicitations, and provided computer access to businesses as needed.
- We worked with other PTACs around the country to develop detailed information to distribute to businesses to guide their efforts to identify and pursue disaster recovery contract opportunities.

I applaud the Army Corps and FEMA for their efforts to contract with local firms and am gratified by their willingness to work with us to that end. I believe that our knowledge of local contractors coupled with our ability to assist additional businesses in quickly becoming “contract-ready” resulted in significantly more local awards than would otherwise have been made. To date, our clients have reported to us almost \$52 million in government contract awards for disaster recovery.

That being said, the situation is still far from perfect. As I mentioned earlier, many of the solicitations are far too large, diverse and complex for small businesses to address alone, and the very short turn-around time makes teaming all but impossible. In addition, a few major contracts were awarded only to be cancelled a short time later, which can be very detrimental to the businesses involved. Accurate and timely information about upcoming solicitations can still be hard to come by. We would certainly welcome the opportunity to work with the agencies to explore how the process might be improved further.

PTACs and Disaster Recovery in Other Regions

I am encouraged to note that FEMA is increasingly reaching out to PTACs for help in connecting with vendors in disaster areas. I’ll offer just a few examples. After a string of

tornados struck their state in April, the North Carolina PTAC helped FEMA contracting officers by:

- identifying and connecting local small businesses for a range of contract opportunities,
- helping FEMA to coordinate a vendor outreach session for a Housing Mission, and
- serving as an advisory service for local vendors interested in recovery contract opportunities. Vendors contacting the FEMA Joint Field Office were referred to the North Carolina PTAC hotline, where they were connected to a counselor within their region to assist them.

The PTAC is now working with FEMA in a similar fashion in response to damage from Hurricane Irene.

The Georgia PTAC reports that FEMA Region IV has been working with them for quite some time now. In June 2010, they hosted a major conference at FEMA's request at which hundreds of local businesses had the opportunity to meet one-on-one with officials from FEMA, the Army Corps, GSA (General Services Administration) and other agencies. This past May, in the wake of tornados in the southeast, FEMA Region IV contacted PTACs in Georgia and other states requesting lists of vendors in a number of broad categories related to clean-up and repair.

Conclusion

Having lived through the Joplin tornado and its aftermath, I have a much greater appreciation of just how difficult it is to make local awards after a disaster. But that realization simply strengthens my conviction that the PTACs can be a critical partner in disaster recovery efforts. We are pleased that FEMA and other agencies are beginning to recognize this, and hope that future collaborations will be more comprehensive – even systematic – to allow us to truly maximize local small business participation.

Our position as an established contracting assistance resource – with deep roots in local communities – makes us an ideal central hub or clearinghouse for disaster contracting information. While this would not address every challenge, providing a well-known, central source for information would maximize the ability of local small businesses to easily identify appropriate opportunities and at the same time access the support they need to pursue them. Likewise, contracting agencies would have a centralized partner capable of broadcasting their opportunities and connecting them with suitable vendors. Particularly in the chaos following a natural disaster, minimizing confusion and maximizing the flow of accurate information are paramount to success.

Thank you for your time this morning, for your attention to this very important issue, and for your strong support you've shown for the PTACs over many years. Most of all, thank you for your unceasing commitment to supporting our nation's small businesses.