

Testimony of
Joe Flynn
President, Association of Procurement Technical Assistance Centers
Director, Center for Industrial Services, University of Tennessee
Senate Small Business and Entrepreneurship Committee
May 21, 2009

Chairwoman Landrieu, Senator Snowe, distinguished senators, thank you for the opportunity to testify here today. I am honored to speak before you on behalf of the Association of Procurement Technical Assistance Centers and the small businesses we serve across the country.

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

My name is Joe Flynn. I am Director of the Center for Industrial Services PTAC at the University of Tennessee. I am also President of the Association of Procurement Technical Assistance Centers – APTAC. Our members are the 89 PTACs across the nation, with over 500 dedicated procurement professionals, helping small businesses compete for federal, state, and local government contracts. Created by Congress in 1985, funded and administered through the Defense Logistics Agency, and supported by states and localities which must provide a non-federal funding match of up to 50%, the PTACs help small businesses to capably navigate government procurement systems - increasing our defense industrial base and generating new suppliers for federal, state and local government contracts. The resulting competition translates into higher quality goods and services at a lower cost to taxpayers while creating more jobs and economic opportunities for small businesses across the country.

The PTACs are the “boots on the ground” in the government acquisition process. We work with small businesses every day – offering classes and seminars, sponsoring matchmaking events with government agencies and prime contractors, and providing hundreds of thousands of hours of one-on-one counseling and support – all at little or no cost to the businesses. Not only do we help them prepare for and bid on contracts, we assist them in navigating post-award performance issues. Whenever possible, we collaborate with programs and organizations with complementary missions, such as Small Business Development Centers, Manufacturing Extension Partnerships and the Center for Veterans Enterprise allowing us to be part of a comprehensive network of small business support. At the national level, we have had memorandums of understanding with all three programs. At the local level, I (the Tennessee PTAC) share offices with the Tennessee MEP and I have a very close working relationship with the Tennessee SBDC program every day.

Last year, PTACs served well over 55,000 active clients, conducting over 175,000 counseling sessions, and sponsored or participated in over 3600 classes, seminars and conferences attended by over 1.3 million people. We work with larger prime contractors as well by assisting them in locating viable subcontractors and provide training on specific topics. One story I know is important to Chairwoman Landrieu is the Louisiana PTAC's work with Textron to identify small businesses and subcontractors in Louisiana.

As a result of our efforts, last year PTAC clients were awarded over 86,000 contracts and subcontracts worth over \$14 billion.¹ This includes over \$1 billion in Louisiana and \$212 million in Maine. These contracts created and retained almost 334,000 jobs – including 20,000 in Louisiana and over 4,000 in Maine.

We also serve as an outreach vehicle for many government agencies – on such national procurement issues as RFID, IUID, and Wide Area Workflow as well as more local acquisition efforts by military bases, the Defense Supply Centers, DoD Regional councils and the Dept of the Interior Fire Service, to name just a few. We can get the information – and training – out to the small businesses that they need to succeed in this continually changing environment and thereby help agencies identify suppliers they can work with.

Our nation's small businesses are hurting. With private sector investment continuing to decline, many small businesses are turning to the government. In preparation for this hearing, I did a quick, rather random, survey of 17 PTACs around the country asking what impact the economic downturn has had on demand for their services. The responses I received tell a story I'm sure you could guess: overall, initial counseling sessions – our first sit down with new clients – are up 68% over the same period from last year. In Maine, they are up 76%. In Madison, WI they are up 110%. The demand for classes and seminars has increased as well – and attendance at PTAC events is up over 40% from last year.

The federal government offers over \$350 billion each year in procurement opportunities. In addition, the American Recovery and Reinvestment Act includes over \$250 billion in additional procurement opportunities. I know each of you played a critical role in the passage of that bill. While some Senators may disagree on its size and details, I think all would agree that small businesses must have access to these dollars. Businesses are contacting their PTACs for help in identifying and responding to ARRA opportunities. PTAC staff take their duty to their clients, to the government – to their country – very seriously, and in this time of crisis are simply buckling down and putting in the extra hours and extra miles to meet these needs. As you see, we are seeing increased activity and are responding.

We see successes all across America. Like Marc and Cheryl Nunez, owners of Southern Services and Equipment in St. Bernard, Louisiana. After losing their homes and business in Katrina and Rita, Marc and Cheryl worked with the local PTAC and have since secured over \$12 million in federal contracts.

¹ These performance statistics have been compiled from survey responses from 79 of the 89 PTACs funded for the 2008 program year. Complete performance statistics have not been made available to APTAC.

Like Ann Yahner, who retired from a career in nursing in the U.S. Navy and formed Penobscot Bay Media in Camden, Maine. Ann worked with Pat Rice and the Maine PTAC and their Bid Match services to secure contracts with USDA and the US Forest Service, as well as the Maine DOT and Army National Guard.

Our program works. We work with small businesses every day, sharing their struggles with issues ranging from contract bundling to navigating inaccessible government websites such as CCR to finding skilled workers. Like you, we have a passionate commitment to supporting small businesses and ensuring that our nation can fully benefit from their energy, creativity and capability.

Chairwoman Landrieu, Senator Snowe, thank you again for your leadership on behalf of the PTAP, our centers, and our small business clients. As you know, the last several years Congress has been forced to add money to the PTAP budget request each year to allow us to provide the services small businesses need. You have always been there for us. This year, I am pleased to report that the Administration's budget request includes almost \$30 million for the program – a significant increase above previous years' requests. This is in large part due to the strong bipartisan support from each of you and your colleagues in Congress.

Thank you again for this honor and opportunity. I am happy to answer any questions you or the other Members of the Committee may have.