

Testimony for the US Senate Committee on Small Business and Entrepreneurship Field Hearing  
on “Opportunities and Challenges with the Small Business Administration’s Federal Contracting  
Programs”

Rolando Miranda  
President  
Miranda Electric, Incorporated

Anchorage, Alaska  
June 29, 2018

Good afternoon Chairman Risch, Senator Sullivan, and Senator Murkowski. My name is Rolando Miranda, but you can call me Rollie. I am the founder and President of Miranda Electric, Incorporated.

Originally from the Philippines, I became a naturalized American citizen in Hawaii, then went on to graduate from high school in San Francisco. Shortly after that, I enlisted in the US Air Force, which is how I ended up in Alaska. I was stationed at Eielson Air Force Base, right outside Fairbanks. Where I served as an electrician in the Air Force for six years before separating in 1981.

It was then that I started Miranda Electric. Miranda Electric began as a side-job for myself, while I still kept my day job in civil service, still with the federal government. While working in civil service and laying the foundation for Miranda Electric, I also continued to serve in a military capacity in the Air National Guard for four years.

Like many small businesses, I started Miranda Electric back in 1981 with myself as the sole employee working nights, and weekends on small electrical projects.

### **8(a) Program**

But after about 15 years of working in federal service and Miranda Electric as a side job, I wanted to make Miranda Electric my only job. I just wasn’t quite sure how. So I started soliciting to get onto Simplified Acquisition of Base Engineer (SABER) contracts on the military bases outside Fairbanks. I figured, if I could get into government contracting, I could make a real go of Miranda Electric as my sole occupation. After three or four years of trying, I finally landed a **sub/contract** on Eielson Air Force Base.

That’s when I heard about the Small Business Administration 8(a) Business Development Program through an SBA seminar held in Fairbanks. Shortly after, I reached out to the SBA and learned about other opportunities.

As you well know, the 8(a) Business Development Program is an essential instrument for helping socially and economically disadvantaged entrepreneurs gain access to the economic mainstream of American infrastructure and society. With my company, I had the same hopes when applying for the 8(a) program. A few years after my first SABER **sub/contract**, I applied and was accepted into the SBA 8(a) Business Development Program.

I was in the SBA 8(a) program for the full nine years allowed for individually owned entities, starting in 2001. I found the contracting training and assistance that I dearly needed to gain a real foothold in government contracting. While in the 8(a) program, I received my Federal Contracting Certificate from George Washington University at a reduced cost. I used the savings to regularly travel back and forth between North Pole and Anchorage, while taking the five core courses. I went from having four employees at enrollment to 35 employees at graduation. My business went up 700% over those nine years in the 8(a) program. I was able to use what the SBA offered to further myself and Miranda Electric. Since my graduation from the program in 2009, my largest single federal sub contract award I received was \$10 million. The 8(a) program helped catapult Miranda Electric into competing for new, higher dollar government contracts.

I will note that I didn't receive much in direct government contract awards while in the 8(a) program, the majority was federal subcontracts. This came a surprise to me, as I thought that once I was in the 8(a) program, then I would be awarded contracts. This was never told to me by the SBA, but it was an impression that I was under when pursuing entry into the program. The myth of receiving awards just by signing up needs to be dispelled.

With the 20 years of independent experience and the following nine years in the SBA's 8(a) program, Miranda Electric grew to be a respected name in the construction industry for electrical, data communication, fire alarm and life safety, and building automation.

### **Emerging Leaders Initiative**

Continuing my education and commitment to small businesses, I have been enrolled in the SBA's Emerging Leaders Initiative since April. It is a six month program that provides free entrepreneurship education and training for executives of small companies that are poised-for-growth and potential job creators.

While I find this initiative valuable, the entities represented in the program have a wide variety of experience. It might be more helpful to all those participating to be grouped with companies that have similar experience. I have been a company for almost 40 years, and while not an expert, I have participated in federal contracting for over 15 years and run a successful business. Which is much different from someone just starting out.

### **Service Disabled Veteran Owned Small Business**

In 2013, Miranda Electric self-certified as a Service Disabled Veteran Owned Small Business (SDVOSB). According to the SBA website, "joining the disabled veterans' business program makes your business eligible to compete for the program's set-aside contracts." Though, to date, I have not received any sole source awards because of this status.

Though, with my **five years as** a SDVOSB, I have experienced that my status helps the prime contractor win contracts to meet SBA goals though it has not resulted in a prime contract for Miranda Electric. In two cases, I have been involved in which begs the question, does repeatedly receiving subcontracts really give a SDVOSB an opportunity to grow and expand or is it an arrested development stuck as the subcontractor?

I have not been able to market my SDVOSB status directly to the local military bases near Fairbanks, Ft. Wainwright and Eielson, which was recommended by the SBA. I have reached out repeatedly, even as a veteran at a military base, I am lucky to get a single call back one time from all my efforts. I have also not seen very many SDVOSB opportunities on the Federal Business Opportunities website in the local area of Fairbanks.

I want to point out an issue that while I hope I am the only person experiencing this, I do not believe I am. In the past I won a bid with a prime contractor to perform as its subcontractor so it could get SDVOSB credit. I even received my letter of intent and engaged in the contract process. Then without any explanation the prime contractor went with another subcontractor, even with submitting my name to win the prime contract award. This leads me to believe that the prime contractor checked the box naming Miranda Electric as a key SDVOSB subcontractor to win the project, then dropped Miranda Electric and went with a different non-SDVOSB company once the award was given. I can never recover the money and time I spend preparing my bid on this project.

I have another example of winning an award as a subcontractor with another prime contractor. I was notified of pending award to Miranda Electric, so naturally, we fully engaged in the planning and obtained all the necessary clearances. We invested time, effort, and resources into planning for the award. After I refused to perform work prior to receiving a contract they awarded it to another company. Again, this is another example where my team and I invest our time and money into preparing for an award, just to be taken off the contract without warning or reason.

In both cases I contacted the SBA about these issues and was told to contact the contracting officer. I then contacted the contracting officer, who just repeated what the prime contractor said and said they had no further involvement with the issue. It was clear in both cases that Miranda Electric was used solely for the purpose of winning the award, but then dropped once the project was awarded. There needs to be recourse for the misbehaving prime contractors, as well as verification and follow up from contracting officers to ensure the contractors is using the subcontractors listed on their bid. I believe the SBA can help in these matters since they are there to help small businesses.

I know the SBA can't solve all the problems, but I do not think I am the only company experiencing these issues. How can the SBA better partner and educate their fellow federal agencies to ensure an honest process. I think these partnerships would go a long way for small businesses like Miranda Electric.

### **Project Labor Agreements**

Lastly, I would also like the SBA to look at contracts which require the use of Project Labor Agreements. From my experience, I don't know how this helps any small business who does not have a PLA. The PLA organizations are great for those employees facing bad working conditions from bad employers. However, there are many of us that really care about our employees and I'm one of them. How can the SBA help to find a solution where the employee is

protected but the small businessman, like myself, isn't automatically counted out of a contract based on the use of a PLA?

I am very thankful for the opportunities and assistance the SBA has provided me and my business to get to where I am today. The 8(a) program, the Emerging Leaders Initiative, and self-certification as a SDVOSB were made possible by the SBA.

Again, I want to reiterate my appreciation for the SBA and the many opportunities I have gained. Like any enterprise, including my own, there is always room for improvement, and I want to state the best resource for the SBA to learn how to better serve small businesses is with the small businesses themselves. And with that, I thank you for the opportunity to testify today.