



PROCUREMENT ROUND TABLE

www.procurementroundtable.org

July 6, 2021

Chairman

David A. Drabkin

Vice Chairs

Ray Bjorklund – *Webmaster*

Robert A. Burton – *Legal*

Nancy Heimbaugh – *Operations*

Ken Oscar – *Treasurer/Awards*

Gary P. Quigley – *Audit*

Terry Raney – *Scribe*

Charlie E. Williams, Jr. – *Planning*

Directors

Edward L. Allen

Vic Avetissian

David J. Berteau

Paul C. Besozzi

Richard Beutel

Elliott Branch – *Audit*

Allan V. Burman

William H. Carroll

Alan L. Chvotkin

Samantha Clark

Kim D. Denver

Jonathan L. Etherton

Michael P. Fischetti

Patrick J. Fitzgerald – *Audit*

Harry Gatanas

Greg Giddens

Bill Gormley

Claire Grady

Bill Greenwalt

Ed Harrington

Theodore (Ted) Harrison

Stuart A. Hazlett

Charles R. Henry

A.R. “Trey” Hodgkins, III

James A. (Ty) Hughes

Andrew Hunter

Paul R. Ignatius – *Emeritus*

Daniel M. Jacobs

Joseph G. Jordan

Steve Kelman

Gary J. Krump – *Emeritus*

Stephen B. Leisenring

Althea (Allie) Coetzee Leslie

Peter Levine

Wendy M. Masiello

Paul F. Math – *Emeritus*

Kimberly McCabe

Katharina McFarland

Bill McNally

William R. Morris

Ralph C. Nash

Ronald S. Perlman

Debra W. Scheider

Steven L. Schooner

Darryl A. Scott

Thomas A. Sharpe Jr.

Thomas R. Sisti

Stan Z. Soloway

Eleanor R. Spector

Robert F. Trimble – *Emeritus*

Lenn Vincent

Roger D. Waldron

Jim Williams

Karen L. Wilson

Michael E. Wooten

Christopher R. Yukins

Office of Management and Budget

ATTN: Amira Boland

725 17th St., NW

Washington, DC 20503

Ref: Request for Information - Methods and Leading Practices for Advancing Equity and Support for Underserved Communities Through Government

Dear Ms Boland:

On behalf of the Procurement Roundtable (PRT), I am pleased to submit our comments to the May 5, 2021, Request for Information (RFI) titled “*Methods and Leading Practices for Advancing Equity and Support for Underserved Communities through Government.*” This RFI raises important questions that merit serious and sustained discussion. These comments specifically address Area 3, “Procurement and Contracting.” We look forward to further opportunities to engage with the Administration on these and other issues associated with federal acquisition.

The PRT is a nonprofit organization chartered in 1984 by former senior federal acquisition officials concerned about the economy, efficiency, and effectiveness of the Federal acquisition system. Our 60 directors have served in senior leadership and management positions in government, industry, professional associations, the legal profession, and academia. The diversity of experience among our Directors makes it possible for us to provide insight into a wide variety of acquisition issues from perspectives reflecting the full range of stakeholder communities. The PRT is committed to providing independent, non-partisan, expert advice on the full array of issues and challenges associated with federal procurement, to policymakers in the Executive and Legislative branches.

In response to the May 5th RFI, we start from the premise that our national economic and physical security is best served by a diverse, distributed, and where possible, domestic industrial base. On some levels, the RFI clearly reinforces this tenet.

We believe that the first order of business must be to establish clear definitions of intent and purpose attaching to them clear goals and a data-driven baseline upon which to build. To that end, these

comments address a set of predicate steps we believe are essential to ensuring the success of this initiative. These form the basis for the PRT's recommendations:

I. Create a Meaningful Baseline Through Definitions and Data

For decades, goals have been set in statute and policy that were designed to ensure that underserved communities receive a fair share of federal contract dollars. Currently, there is a goal of awarding twenty-three percent of all prime federal contracting dollars to small businesses generally; and five percent to each of a set of specified sub-categories, including small disadvantaged businesses, women-owned businesses, and veteran-owned businesses. Also, preference programs exist to support contracting to minority owned businesses (principally through the "8a" program), Native American, Native Alaskan, and Native Hawaiian tribal companies; historically under-utilized businesses (HUB zones) and others. And of course, there are substantial requirements for the subcontracting of work to small businesses.

Despite the numerous programs that currently exist, it is important to ask whether these programs are achieving their intended outcomes. While we have a reasonably good grasp on the performance of the prime contracting preference programs, data on the performance of the sub-contracting programs is not readily available. Obtaining and assessing that data is an essential predicate to determining what and what type of adjustments need to be made.

In addition, while the dollars that flow to underserved communities is of great importance, so too is the nature of work being performed under those contracts. If the bulk of the work going to these communities is lower skilled and less upwardly mobile, then our broader goals of closing economic gaps may not be adequately served. Similarly, there is little available data on the amount or type of work being performed in underutilized/underserved locales or on the nature and scope of federal, state, or local programs to incentivize such activities.

Finally, the goal of meaningfully addressing inequity also requires that we open the discussion aperture. As an example, virtually all of the socio-economic preference programs in federal contracting today are tied to one metric: "who" owns the company. That is an important metric and certainly highly relevant to closing the opportunity gap. But is it the only metric? As suggested by the data discussion above, where the location and nature of work are the focus, it may well be possible to have an equal, if not wider impact on income inequality, regardless of company ownership. This too must be a part of any discussion about utilizing the federal procurement process to help address existing inequities.

Accordingly, we recommend the following:

- A. Launch an immediate data collection effort to answer three core questions:
 - a. How much (proportionally and in actual dollars) of the agency's prime contracting dollars are currently flowing to each individual preference program?
 - b. How much (proportionally and in actual dollars) of the agency's subcontracting dollars are currently flowing to companies that are qualified for one or more of the preference programs?
 - c. What federal programs currently exist to incent the placement of high value work in underserved communities? To what extent (in dollar and job terms) are they being utilized?
- B. Provide greater clarity around the objectives of the RFI.

- a. Is the goal that more high value, good paying jobs be made available in underserved communities?
- b. Is it to ensure more opportunities for minority entrepreneurs?
- c. Is it both?
- C. Utilize technology tools, rather than traditional and burdensome, manual collection methodologies, to access and analyze the data. The more the burdens, on government entities and companies alike, can be reduced, the more likely the success of the data effort.
- D. And lastly, reduce the burdens, especially for small contractors, of doing business with the government. Countless studies document those burdens and recommend a range of reforms, including the most recent, congressionally mandated report by the Advisory Panel on Streamlining and Codifying Acquisition Regulations (Section 809 Panel). Real progress on driving equity in federal procurement must be underpinned by serious and sustained efforts to implement those recommendations that are most relevant to the questions of fairness and equity.

Acquisition is the engine that feeds government operations. It also can effectively be utilized to help achieve important socio-economic goals. The Biden Administration has wisely made data-driven/evidence-based policymaking a top priority. This initiative is a crucial opportunity to do just that. It is an area in which analytics are essential.

The PRT applauds the Administration for its commitment to substantively addressing key policy questions in acquisition. Consistent with our charter, we remain committed to providing whatever insights and support that might be helpful to this singularly important initiative.

If you have any questions or if we may be of further assistance please feel free to contact me directly at drabkind@gmail.com or our lead for these comments Stan Soloway at stan@celero-strat.com.

Sincerely,

Dave

David A. Drabkin
Chairman
Procurement Round Table
www.procurementroundtable.org
+1.703.927.1116