

John Dwyer and Fritz Meyer attended a meeting with the USACE at HQ in Washington DC. The General was unable to attend. In attendance were the following individuals – Col. Kirk Gibbs, Chief of Staff; Col Lowery, Chief of Contracting; Karen Baker, Chief Environmental Division; Chris Evans, Chief DOD Environmental Programs; and Kay Riplinger-Baltz, Deputy Associate Director, Office of Small Business Programs.

While our audience was not as anticipated – Gen. Semonite and Dr. Peebles were both unavailable, the meeting was still very productive. It was very clear from the tone of the meeting that our letter to Semonite triggered actions on behalf of the staff. We walked through a series of small business concerns including those expressed in the letter to Semonite as well as many of those provided by SEBAC members.

Some facts provided by Mr. Evans regarding USACE and the small business community. 60% of all environmental dollars go to SBs. Total environmental budget with USACE is \$1.5B. 70% of this \$1.5B is under a one year appropriation with 50% of this work awarded in the 4<sup>th</sup> quarter. 90% of environmental awards are task orders under ID/IQ contracts. Six USACE Districts/Centers procure over 50% of all environmental work – Huntsville, Omaha, Kansas City, Sacramento, Mobile and Baltimore.

### **Contract Delay or Cancellation**

The primary issue that of delayed and cancelled procurements, was the main topic. A number of reasons for delays and cancellations was provided. Lack of resources at the District is one reason for the delays. Re-directed resources such as a Stafford Act or other emergency requirement was another reason. Compliance with an ever more complicated FAR. Finally, a realization that the funding and/or need for the contract is no longer valid was given as a reason.

The lack of funding and/or reason can be traced back to the procurement cycle. USACE averages a three year cycle from acquisition assessment to contract award. This means that most ID/IQ procurements are initiated two years into the previous five year ID/IQ contract being replaced. Much can change in that three year period associated with the planned work and the funding. Additionally, in that period, the contract being replaced could be underutilized making a replacement less likely. Capacity requirements are also a consideration.

While this explains what is going on behind the scenes, there is really no remedy for the process. Suggestions from USACE included more transparency during the procurement cycle; identification/quantification of risk that the contract will be awarded; and updates with “real time” assessment of probable award date (two weeks).

Of the three examples we provided in our letter, one was cancelled due to lack of resources and two were cancelled due to lack of capacity requirement. Not good answers, especially when some of these were under the MEGA strategy and as we know, plenty of work continued to flow through the MEGA ID/IQ contracts.

## **LPTA versus Best Value Tradeoff**

The official position of USACE is that the work anticipated under existing and future ID/IQ Environmental contracts is complex and therefore warrants the use of a tradeoff selection process versus the LPTA approach currently in place. This position answers one question – does the FAR provision apply to environmental work under the definition of *complex work* – the answer is Yes. However, USACE is not always the decision maker on this selection. Many of their customers request the use of LPTA. They are working with the customer base to educate them on this NDAA and now FAR requirement. Our role as SEBAC should be to inform and educate our clients as to this requirement.

Col. Lowery asked if SEBAC could provide some good examples of where a tradeoff process would be appropriate and what issues should be considered during the tradeoff assessment, like life cycle cost comparisons.

## **Other Information**

USACE expects to be an ongoing resource to USEPA as they roll out the RAF contracting strategy. They recognize that USEPA does not have the resources necessary to execute all the requirements under the three contract vehicles. Not sure what role USACE will play, but they are planning to provide programmatic support at a minimum.

USACE expects to be the primary source of contracting for the AF (ORC). They are starting to pick up assignments from NAVFAC as well.

The CPAR rating provided to a joint venture task order or contract will be reviewed for the member company when USACE is conducting past performance reviews of potential awardees. This is a new procedure when judging a firms past performance.

We did not get an answer to the question on future use of fixed price versus cost reimbursable contracting other than how that selection parallels the use of LPTA vs Best Value Tradeoff.

Finally, USACE has opened the door for SEBAC to provide industry perspective on procurements to the HQ staff. This invitation came from both Karen Baker and Chris Evans. We need to take advantage of this communication conduit.

We have also been invited to come back when Gen. Semonite is available and to possibly present at their semi-annual meeting of the small business specialists from all USACE districts. Ms. Riplinger-Baltz will send us an invite.