



July 18, 2006

Marcia Madsen
Chair, Acquisition Advisory Panel
General Services Administration
18th and F Streets, NW
Washington, DC 20405

Dear Ms. Madsen:

As a small-business owner who is passionate about playing a role in winning the War on Terror, my business and my employees are committed to protecting government and private facilities in America.

Since 1988, Condortech has provided electronic tools including access control, CCTV, intrusion detection and Biometrics to our customers in security and law enforcement. Unlike many security providers that had not ever worked in security services prior to 9/11, Condortech's involvement in the electronic security industry spans nearly two decades making it a pioneer in security service. We are well positioned to address the ever changing and demanding security needs of our country.

While Condortech should be setting the pace for security services, the government contracting arena has been paved with potholes, and those potholes have become increasingly difficult to navigate over the last several years.

In 2003, during testimony before Congress, I provided three separate examples of how Condortech's existence has been threatened by the practice of contract bundling. As detailed in that testimony, three separate federal agencies each awarded contracts to a single contractor, effectively shutting businesses like mine out of the ability to compete or even bid on government projects. By way of example:

- The Federal Deposit Insurance Commission (FDIC) sent out a Request For Proposal (RFP) suited for a large business to provide security services nationwide,
- The Transportation Security Agency (TSA) awarded a major security contract to one defense contractor, and
- The U.S Department of Justice (DOJ) Office of the U.S. Attorneys also awarded a major security contract to one contractor.

While these are just three examples, over the last three years I have run into occasion after occasion where these and similar scenarios have continued to repeat themselves.

The federal government's own research confirms the experiences of Condortech. A 2002 SBA Office of Advocacy study noted that, "bundled contracts continue to grow in size

and number” and that bundling grows through “the addition of diverse tasks to existing multiple award contracts.” Observing the ten-year trend of how small business is impacted by government contracting the report notes that the occurrence in bundling by FY 2001 was at its highest point in ten years (*The Impact of Contract Bundling on Small Business*, October 2002).

In spite of the evidence, little has been done to address the corrosive effects of contract bundling on small business. As the largest purchaser of goods and services in the U.S., the federal government must adopt more effective ways of encouraging business participation from small business, and that begins by creating a government procurement environment that is more hospitable to the small business community.

Moving forward, this panel should consider two specific suggestions that are aimed at creating a more favorable environment for small business participation in federal procurement. The first is that federal agencies should review and retrain contracting officers to comply with existing requirements in the Small Business Act (SBA) related to government contracting. Officials should pay particular attention to ensuring that federal agencies comply with analytical requirements in SBA regulations associated with government contracting practices to ensure that contracting officers can provide measurable benefits (that can be quantified) before issuing a bundled contract.

Second, although my primary focus may not be securing subcontractor status, subcontractor work must be widespread amongst small businesses. As the panel reviews subcontractor participation in government contracting events, federal government agencies must be required to vigilantly enforce subcontractor plans and demonstrate that prime contractors are not continually relying on the same handful of small businesses to serve again and again as their subcontractors. Performing this much-needed oversight is critical to making sure that as many small businesses as possible have the same opportunity to compete for federal contracting dollars.

Certainly, solving the challenges that currently exist in the federal procurement area require efforts from the largest of the large and the smallest of the small. Stakeholder input at every level is essential to success and this forum is critical to reforming procurement practices. The Acquisition Advisory Panel is poised to help create a contracting process that is both fair to small business, to the government, and ultimately to the American taxpayer – a process that is long overdue.

Sincerely,
Jorge Lozano of Annandale, VA
Owner, Condortech Inc.
Member, National Federation of Independent Business (NFIB)