

**STATEMENT OF STEPHEN T. AYERS, AIA
ACTING ARCHITECT OF THE CAPITOL**

**Regarding "Doing Business with the Government: The Record and Goals for
Small, Minority, and Disadvantaged Businesses"**

**Subcommittee on Economic Development, Public Buildings,
and Emergency Management, Committee on Transportation and Infrastructure
U.S. House of Representatives**

March 6, 2008

Madam Chair, Congressman Graves, and members of the Subcommittee, thank you for inviting me here today to discuss the Office of the Architect of the Capitol's (AOC's) efforts to increase AOC procurement opportunities for small businesses.

I am happy to report that the AOC is leading the way in the Legislative Branch in developing a program that enables and encourages small-disadvantaged and women-owned businesses to effectively compete for AOC contracts. As you know, Legislative Branch agencies are not subject to the Small Business Act, and therefore, do not have authority to set aside its procurements for small businesses. AOC procurement statutes, for example, require that all our procurements over \$100,000 be competed on a full and open basis.

Nonetheless, we recognize the importance of encouraging and working with small businesses and the AOC is implementing the following initiatives.

- Small Business Subcontracting Program for construction contracts greater than \$1 million.
- Small Business Outreach Program.
- Small Business set-aside for procurements between \$5,000 and \$100,000.

In August 2007, we launched our Small Business Subcontracting Program, requiring large businesses that are awarded construction contracts or task orders exceeding \$1 million to submit and adhere to a small business subcontracting plan. This plan includes goals for the prime contractor for recruiting small businesses as subcontractors.

The minimum subcontracting goals we set for the large businesses include:

- Small Business: 28%
- Small Disadvantaged Business: 8%
- Women-owned Small Business: 5%
- HUBZone Small Business: 3%
- Service-disabled Veteran-owned Small Business: 3%

These goals meet or exceed the Small Business Administration's statutory goals for Federal executive agencies. The AOC awarded its first contract under this new program, worth \$3.9 million, in 2007. We require each large business to submit a semi-annual progress report detailing how well they are achieving the prescribed goals.

A small business outreach program also has been launched to identify small businesses that are currently working with the AOC or are interested in competing for work with the AOC. In 2005, the AOC's Procurement Division began a large-scale mailing to all vendors in our vendor database requesting that they provide information on their business type, e.g. large, small, non-profit, et cetera.

We continue to reach out to vendors for this information and the data received is used to identify small businesses that can receive requests for quotations for Agency requirements. Vendors not used by the AOC can submit company literature, which is added to a source list posted on our Internet site and available AOC-wide. The AOC modifies this source list to note the type of contractor so that when new sources are needed, they can be identified by type of contractor.

As we continue to expand our current vendor database to include small business information, our procurement staff continues to communicate business opportunities with diverse audiences through workshops, business fairs, and small business conferences.

For example, last September our staff attended the Minority Procurement Workshop sponsored by the Committee on House Administration. In addition, we will continue participating in future Committee on House Administration Procurement Workshops, as well as attending other relevant conferences and/or workshops that may be available through other government agencies including the Small Business Administration's National Small Business Week in April 2008.

In addition, we will soon enter into negotiations with the Small Business Administration to solicit their support and assistance in establishing a small business program. We also are training Agency staff, creating internal policies, and publishing policies for review and comment by the small business community.

Lastly, the Chief of our Procurement Policy Branch has been designated to fulfill the equivalent functions of an Executive Branch Agency's Office of Small and Disadvantaged Business Utilization. These functions include coordinating outreach activities to small business concerns, providing training to the appropriate AOC staff, writing proposed policies for small business activities, and developing reporting mechanisms for measuring accomplishments in awards to small business concerns.

Although our Small Business Outreach program is relatively new, we can identify several contracts that were awarded in FY 2007 and FY 2008 to small business that successfully competed against large businesses. Eleven contracts were identified totaling more than \$10.5 million. These contracts ranged from \$121,000 to \$2.9 million and provide services ranging from janitorial services to Web site development.

In addition to the two earlier initiatives, we have begun implementation of a Small Business Set-aside Program for our small purchases between \$5,000 and \$100,000 when adequate competition exists among small businesses on such small purchase acquisitions. Within our Small Business Set-aside Program we will establish additional sub-goals of eight percent for small disadvantaged businesses and five percent women-owned businesses.

Recently, I formalized the AOC's Small Business Program by issuing a policy memo directing our Agency staff to fully implement the three initiatives I have outlined. We have a strong interest in encouraging small and disadvantaged businesses to successfully compete for AOC contracts. This increased competition ensures we receive the best value for taxpayers' dollars while supporting employment opportunities and businesses in our community.

Madam Chair, the AOC is dedicated to encouraging small business participation in our procurement process and we look forward to our continued work with this Subcommittee and Congress to ensure that our efforts result in strong small business participation in future AOC contract solicitations.

This concludes my statement. I would be happy to answer any questions you may have.