

**Written Public Statement Submitted by Marion J. Bonhomme Know,
President of Knowledge Connections, Inc.**

1. Request the Acquisition Advisory Panel add three small businesses to the advisory panel: 1 non service and non legal commercial representative, 1 woman owned, and 1 minority owned.

Rationale: There is a large business on the committee. The SBA is a regulatory agency and an advocacy agency. To protect its current regulations it may seek to avoid new policies that impact upon current regulations. There is a built-in conflict of interest. Three small business panel members are recommended because the number of small businesses exceeds the number of large businesses significantly and is the largest source of national employment. A manufacturing or other non service commercial organization is recommended because it appears that most of the acquisition policy inordinately deals with service contracting issues. Other potential representatives may include product manufacturers, real estate etc.

2. Recommend the Acquisition Panel consider FAR changes that would prohibit any Federal agency other than the GSA to make multiple year, multiple award ID/IQ contracts for any product or service for which the GSA has a Contract. Rationale: It eliminates the replication of GSA contract management processes and duplication of federal government contract costs associated with managing these bundled contracts. Commercial Businesses would not expend business marketing and proposal funds on what are essentially “marketing vehicles” for agency procurements. Management of multiple award ID/IQ contracts would reside within one body of the Federal government who could promulgate a well trained, experienced contract management staff. Federal Agencies(other than GSA) could focus their efforts on contract development and management for specific products and services that are well defined, for a specific quantity and delivery date and cost that is unique to their mission area (e.g. missiles). Use of GSA for all standard products and services would be reinforced to all Federal agencies. Contract bundling could be monitored and controlled by the GSA and SBA more easily.

3. Small Business set aside contracts under existing GSA Schedule contracts should be authorized. Rationale: Federal Agencies could use standard GSA processes and tools to meet their small business requirements. The need for unique small business set aside acquisitions and therefore federal contract costs could be reduced. The SBA would train small businesses to use standard competitive processes. GSA could merely establish an eligible small business website or Federal Agencies would use CCR to identify small businesses with GSA Schedules. Federal Agencies would be able to easily identify 2 or more small businesses capable of performing a requirement.

4. Food for thought on implementation of Commercial practices into Federal Acquisition: GSA Schedule Contract catalogs and contract procedures most

closely approximate the processes and procedures that Knowledge Connections, Inc uses for our business acquisitions. We obtain a catalog of prices from at least three sources or request three price quotes from vendors that have previous experience meeting our stated requirements and determine the lowest reasonable cost, and technically acceptable solution. We research past performance and check sellers' past performance prior to acquisition. We negotiate warranties, product replacement or final bill reductions for poor performance to mitigate our risks. Best Value is not a term that we frequently use in our business acquisitions, since what is best is what works best and you cannot determine the 'best' without an actual lifecycle evaluation.. We do perform trials, sample evaluations or tests when possible, or when there is inadequate information to determine the technical acceptability of a product. However, that is infrequently. We would recommend that the government only perform best value acquisitions when an actual trial or test of a product can be made. Otherwise all acquisitions should be lowest reasonable cost, technically acceptable.

5. There are problems inherent in our commercial acquisition procedures that should be avoided in Federal procurements. They are:
 - a. We tend to buy from the same sources once we have found a source that delivers a quality, cost effective product. For the Federal government this would limit commercial vendors' access to federal markets.
 - b. We are highly reliant on commercial advertising i.e. the web, print or broadcast media to identify vendors. We are reluctant to purchase products from unknown vendors or non brand names. Again this would limit commercial vendors' access to federal markets.
 - c. We are more likely to procure products from local sellers than to perform national searches.
 - d. We have never needed research and development of a product to meet our basic needs.
 - e. Public Safety and/or welfare have never depended upon our acquisitions so that we have only our corporate needs to consider.

6. Commercial business acquisition practices are also inherently flawed. Rather than seek to change Federal acquisition to mirror general commercial practices perhaps it might be best to identify a few innovative or cost effective practices to tweak Federal contract performance.