

Statement for the Record of Rob Schroder Founder and Managing Partner, STEERBRIDGE

## United State House of Representatives Committee on Small Business Subcommittee on Contracting and Infrastructure

"Leveling the Playing Field: State of Small Business Contracting"

May 11, 2023

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## Rob Schroder, Founder and Managing Partner, SteerBridge Congressional Testimony May 11, 2023

Chairman LaLota, Ranking Member Scholten, and distinguished members of the Subcommittee, thank you for inviting me to appear before you to discuss the importance of small businesses in federal procurement and how this legislative body can help to ensure government agencies are fully engaging and utilizing these vital partners.

My name is Rob Schroder, founder of SteerBridge – a government services provider and a Service-Disabled Veteran Owned Small Business. Our company specializes in delivering bestin-class solutions to the federal government. We support our government partners with a diverse set of private sector solutions spanning information technology, strategic communications, construction management, and everything in between.

SteerBridge was born over ten years ago out of my own life experiences and significantly influenced by the jump I made between military service and the private sector.

After graduating from the U.S. Naval Academy, I had a 20-year career as a Marine Corps Officer. I served in multiple combat operations as an AV-8B Harrier pilot and as the commander of the famous "BlackSheep" squadron. I spent a year in these very hallways as a Congressional Fellow for the 107th Congress. I also proudly served as a Certified Acquisition Professional and the Marine Corps Program Lead for the Joint Strike Fighter (F-35) Program. My final role as a Marine was the manager of the Global Posture, Strategy, and Plans team for the Chairman of the Joint Chiefs of Staff.

After a successful military career, I became the Vice President of International Affairs at the U.S. Chamber of Commerce. In this role I managed both long-term strategic initiatives and daily operations of the International Affairs Division, the largest of any U.S. business association. With a staff of over 100 regional and policy experts, the division represents the Chamber and its members before foreign and U.S. governments as well as international business organizations.

I made the decision to launch SteerBridge with two goals in mind: supporting the veteran community, and providing top tier modernized solutions. I knew from my career that the best and most underutilized talent in the country can be found in our veteran community. I wanted to build a company that showcased those talented individuals and ensured our nation continued to capitalize on the breadth of their knowledge and expertise. Secondly, I had a deep personal knowledge of the critical need to modernize and make private sector solutions available for the federal government. Being part of the solution to these issues for the government is the focus of SteerBridge.

## SteerBridge Success Stories

Today, I am proud to sit before you and share that SteerBridge has made great strides towards those goals. Additionally, we've refined and developed new goals along the way to continue advancing our mission. We employ more than 70 professionals of which more than 30% are veterans or military spouses, and we have completed numerous successful projects alongside our federal government partners.

One of the projects the SteerBridge team is currently working truly embodies the type of impact we are striving to make. Alongside teams at the U.S. Department of Veterans Affairs and Accenture Federal Services, we are actively working on an initiative that has taken a 30-day GI Bill approval process down to a three second process - a huge win for our small business and, more importantly, a massive win for the veterans we serve.

This type of mission-driven project, coupled with our technological prowess, drives our team, and makes companies like mine uniquely qualified to have an outsized impact. But frankly, it is not just that our employees have a personal connection to projects like these - the size of our company is a significant piece of the secret to our success. Speed, agility, and mission focus are advantages of not just SteerBridge but our small business peers in the industry.

Our recent innovative and groundbreaking work utilizing artificial intelligence (AI) and machine learning (ML) for the Marine Corps shows how vital these advantages are. We are applying these advanced techniques to better supply the F35 on deployments. We have been successful in this contract <u>because</u> we are agile, flexible, and innovate at a speed only a company of our size - absent a big bureaucracy - can accomplish.

## How Congress can support small businesses

There is no mistaking the profound impact small business has had on advancing the federal government. But even with our own successes, we, like so many other small companies in this space, struggle to win federal contracts.

While the federal government -including Congress - has spent a lot of time advocating for small businesses, those efforts often come up short. Even though Congress sets well-intentioned goals for agencies to hire small businesses, the fact is that it has not resulted in more small businesses winning the government's business. For goals and good intentions to be effective, they must have some teeth to them.

Instead of the government creating small business goals, I would implore this subcommittee to consider legislation that outlines specific requirements for small business contracting. Taking this route will be more effective than advocacy, and ultimately, less costly for the government.

Somewhere along the way, federal contract officers came to believe that large, 'Best In Class' government contract vehicles were ideal. These vehicles represent an unnecessary and unfair barrier to entry for small businesses. The time costs, the financial costs, and the scorecards have become incredibly onerous for small businesses of all types to try and win a seat on them. This committee could effectively shine a spotlight on this type of small business barrier.

SteerBridge deeply values the partnerships we have cultivated with large businesses and the expertise we have gained by working as subcontractors is invaluable. And let's be clear, there is an absolute need for the value that big business brings to the federal government. But as I look forward to discussing further with you today, it is in the best interest of the U.S. government, and the industrial base, to have more small businesses engaging with the government and delivering bespoke and best-in-class solutions that are difficult to find at big companies.

For Congress to truly level the playing field, I would implore you to consider:

- Completely eliminate the Mentor-Protégé Joint Ventures (MPJV) program: The program was created with good intentions but has been warped into simply being a path for big business to drive revenue under a small business banner. Additionally, MPJVs result in never-ending protests, hampering the government's modernization and cybersecurity efforts. For example, the Court of Federal Claims stopped the Polaris source selection due to a recent protest. Polaris is supposed to be the small business vehicle of the future, and you may recall that its predecessor, Alliant 2 Small Business, was awarded and rescinded. It has been over four years since Alliant 2 Small Business was a viable solution for agencies to work with small businesses.
- Require a specific certification process for subcontracting: While eliminating self-certification (for SBA set-aside programs, but not reporting) was addressed in the most recent NDAA, there continue to be loopholes and delays that allow companies to misrepresent their ownership. I urge this committee to support legislation that would only allow federal and prime sub-scoring against their goals if the firm is certified, which would help create a fair process for small businesses trying to compete for these contracts. One such bill is <u>The Stop Stolen Valor for Service-Disabled Veteran-Owned Small Business Contractors Act</u>, introduced in the Senate by U.S. Senator Joni Ernst (R-IA) 's, would stop self-certified, service-disabled veteran-owned small businesses (SDVOSB) from being included in the count toward a governmentwide goal of 3% of federal contracting dollars going to SDVOSBs.
- Clean up SBA's government-wide contract reporting: Congress should consider passing a policy that allows agencies to only count their contract spending against one category for a small business. Agencies are currently achieving their goals by counting multiple credits for the same contract dollars and eliminating this practice will help spur even more small business engagement. Additionally, self-certified firms continue to be included in government reporting, bringing into question their reliability.

I am very thankful this committee is exploring more ways to help grow the small business community's engagement and partnership with the federal government. By bringing smaller and innovative companies further into the federal government, we will ensure the United States is leveraging the best of what small businesses have to offer, while increasing competition for contracts which will lead to better prices for the American taxpayer.

Thank you and I look forward to taking your questions and discussing the importance of America's small businesses further.