



U.S. House Small Business Subcommittee on Contracting and Infrastructure
Leveling the Playing Field: The State of Small Business Contracting

Testimony of Ms. Jacqueline Lopez
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Thursday, May 11, 2023

Chairman LaLota and Ranking Member Scholten,

On behalf of Women Impacting Public Policy, and Premier Enterprise Solutions, LLC, I thank you for your leadership and commitment towards ensuring that federal contracting and procurement programs are more accessible to women, veteran and minority owned businesses like mine. I also wish to thank you for inviting me to share my experiences with the 8(a), Women Owned Small Business, and Veteran Owned Business certification programs.

My name is Jacqueline Lopez, and I am President and owner of Premier Enterprise Solutions. I started my business more than 10 years ago specializing in cyber security, information technology and program management services. We support the missions of the Department of Defense and Civilian departments such as the Air Force, Veterans Affairs, Health & Human Services, and Transportation to name a few. Premier is a Service-Disabled Veteran Owned and woman-owned Small Business participating in the SBA 8(a) development program.

Since starting Premier over 10 years ago, we've grown into a successful firm employing personnel in six states and the District of Columbia. I've become both a business leader and mentor to other groups of socioeconomic businesses like mine helping them utilize the services the federal government has to offer. Much of my success would not have been possible if it were not for the opportunities afforded me by the 8(a), WOSB program and SDVOSB programs- which helped me secure my first multi million contract and created new opportunities for my business. I'm also deeply grateful to the amazing work of groups like Women Impacting Policy (WIPP), that have connected me with a passionate community of women business owners who support each other's success. While these programs are not perfect, they are crucial to creating jobs, providing revenue streams, networking, and business growth opportunities. They also provide a means of collaborating with the federal community by bringing together government stakeholders with private sector innovators in fields such as infrastructure development, technology, STEM, construction and so much more.

My entrepreneurial journey began several decades ago and was built upon a career spent in both the private and public sectors, where I experienced the best and worst of public and private sectors enterprises. I was inspired to start Premier Enterprise Solutions because I realized there

must be a better way to foster public and private sector collaboration, consistently deliver value and be a premier employer and business partner. I envisioned launching a business in which collaboration and delivering value with every engagement would be the new business model.

My experience with both the WOSB and SDVOSB programs has been both positive and praiseworthy. The certification processes were seamless, comprehensive yet easy to understand. Because of my participation in these programs, my professional network has grown exponentially, and, as any business owner knows, you're only as strong as your network. Once Premier became 8(a) certified it took 18 months to secure our first sizeable contract which represented a turning point for my business. The contract provided much needed working capital to grow my business and win more contract awards. We were fortunate to have worked with a phenomenal customer who was committed to supporting 8(a) businesses.

I was fortunate to attend Veteran Women Igniting the Spirit of Entrepreneurship, or (V-WISE) in 2013, a year into starting my business. V-WISE was instructive in assisting business strategy development, building financial competence, providing tool sets, and much needed encouragement. I left V-WISE armed with the knowledge and tools to move in the direction of my dreams.

Our small business generated just over \$50,000 in our first year of operation. By the end of 2020 we generated \$5.5M and today, we are on track to exceed \$11M in revenue in 2023. With current opportunities in the pipeline, we could easily double this years' revenue by 2025. A significant part of our growth has been attributed to learning about and taking advantage of the many FREE programs and resources the Government owns or supports for socio-economically disadvantaged entrepreneurs. These federal programs include the SBA 8(a) development program and the SBA 7(a) loan program, Emerging Leaders, SDVOSB certification, WOSB certification, Mentor Protégé and JV program, VA OSDDBU's Women Veteran Owned Small Business Initiative, and state programs such as Montgomery County, Maryland's Veteran's Institute for Procurement. Each of these programs provided the information and resources that I needed to get to the next level. I was able to capitalize on access to opportunities, potential business partners, industry experts, and contracts. My first multimillion dollar contract came about because I was an 8(a). It gave us an opportunity to showcase our capabilities which led to 2 additional multimillion dollar prime contracts. Most importantly, we learned how to compete and win.

Barriers within Federal Contracting and Procurement Programs:

Although federal contracting programs have helped my business and many others grow and become sustainable, it doesn't mean that they aren't without their flaws. Some of those flaws include an unwillingness to consider an entrepreneur's extensive private sector experience in the decision-making process to award contracts, instead relying solely on previous government experience. Another would be the application of Category Management which conflicts with the government's goal to increase the industrial base. While well-meaning to improve the efficiency and effectiveness of acquiring goods and services, the net effect has been a shrinking of the

industrial base. It is very difficult for small businesses who generate less than \$10-\$15 million annually to become a Best-in-Class contractor. Very few small businesses can compete for an award on most of the BICs without a large or mid-size joint venture partner.

These vehicles should lower the barriers to BIC and Governmentwide Acquisition Contracts (GWAC) awards. There should be BIC and GWAC tiers of competitors for businesses that are \$10M or under with less stringent requirements. It would also better serve small businesses and new entrants if the number of awardees on the BICs and especially GWACs is increased. We need to have more vehicles, especially GWACS, like 8(a) STARS III which has a simple bid process and is designed to get entrants an award rather than keep them off the vehicle. There also needs to be vehicles, such as the GWAC, available for WOSBs. Several federal procurement programs, including 8(a) and the SDVOSB programs have access to GWACs, and it serves as a major value add for those businesses. Having such vehicles available for the WOSB program would help more WOSBs pursue larger contracts, and more than likely help federal agencies achieve their contracting goals. Taking the necessary steps to improve contracting and procurement programs makes it simpler for more businesses to work with the federal government, and it would level the playing field by giving new entrants more equal footing to experienced firms.

Barriers within the 8(a) Program:

The 8(a) development program has been the catalyst for many small businesses entering the federal market. However, anecdotal data has shown that it takes several years for 8(a) firms to gain traction and win contracts. My business has been in the program for nearly 8 years, and we're only starting to win significant contracts. While I was able to secure a contract within 18 months of certification, I, and we must recognize that most firms are not this fortunate, and my story is an exception to the rule. An extension of the 8(a) program from 8 to 12 years would allow me to pursue more strategic projects, increase my working capital and sharpen my competitive skills that would ensure a long-term, sustainable business upon exiting the program. Extending the 8(a) program would provide firms with a longer 'ramp up' period as well, which is necessary for new entrants to ensure they have the time necessary to build up their knowledge of the program and to learn how to best leverage it for their business. Most businesses that enter the 8(a) program win their first contract after they've been in the program for 2-3 years, offering very little time for them to truly benefit, secure significant contracts and grow their businesses before exiting the program. Lastly, the sole source threshold for 8(a) firms currently stands at \$4.5 million, except for Native American Tribes and Hawaiians, in which case the sole source threshold is \$22 million. In a perfect world, the threshold would be equal across all 8(a)s, but even a modest increase to the threshold for non-Native and Hawaiian firms (\$10-\$12 million) would be impactful for 8(a)s. An increase to the threshold would promote larger awards which means more employees and revenue for the company and their respective states in which employees reside.

Looking to the Future:

Despite these barriers, success is attainable. It is through the assistance of these programs, WOSB, SDVOSB and 8(a) that I have created a successful business, for without them I would have a significantly smaller business and my growth trajectory would be far less significant than it is today. These programs are one of the main drivers behind my business's success and that of many others. These programs provide invaluable opportunities for the businesses that are able to successfully navigate them. As stated throughout this testimony, federal contracting programs need improvements to provide a success platform for underserved socioeconomic groups and for the industrial base. I believe that this could be done by expanding the 8(a) program thresholds, stratifying category management so that it promotes awards for smaller contracts enabling participation by new entrants and smaller firms on a more level playing field.

As my business and network continues to grow, I look forward to continuing to leverage the tools, skills, and capital that have gained through the WOSB, SDVOSB and 8(a) programs to pursue more contracts and keep building my business.

Once again, I wish to express my deepest gratitude to this Subcommittee, and the full House Small Business Committee for its continued efforts to support America's women owned businesses and for inviting me to share my story.