

Teaming To “WIN”  
United States  
Department of Veterans Affairs



**Industry Day**

**VA Real time Location System (RTLS)**

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# Today's Topics

- OSDBU Mission
- Procurement Preference Goals
- Types of Teaming Arrangements
- Teaming Arrangement (Overview)
- Joint Ventures (Overview)
- Joint Ventures for SDVOSB/VOSB



# OSDBU Mission

OSDBU serves as an advocate for SDVO, VO, SDB, HUBZone and Women Owned Small Businesses. OSDBU provides outreach and liaison support to business (small and large) and other members of the private sector concerning small business acquisition issues. OSDBU is responsible for monitoring VA implementation and execution of the socioeconomic programs.

**It is the policy of the VA that firms be given maximum practicable opportunity to participate in our acquisitions, including subcontracting:**

# FY 2011 Goals & Accomplishments

(October 1, 2010 – September 30, 2011)

Category	Secretary's Goals	VA Accomplishments
Small Business	33.5%	36.0%
Small Disadvantaged Business [including 8(a)]	5%	8.7%
Woman Owned SB	5%	3.9%
Veteran Owned SB	12%	21.8%
Service Disabled Veteran Owned SB	10%	19.5%
HUBZone SB	3%	2.3%



## Team Arrangement (FAR 9.601)

The FAR uses the term “Team Arrangement” which describes two kinds of relationships:

- **Joint Venture:** Two or more companies form a partnership or joint venture to act as potential prime contractor; or
- **Teaming Agreement:** A potential prime contractor agrees with one or more other companies to have them act as its subcontractors under a specified Government contract or acquisition program



## Team Arrangement (FAR 9.603)

The FAR states:

The federal government will recognize the integrity and validity of contractor team arrangements: *provided*, arrangements are identified and company relationships are fully disclosed in an offer



## Teaming – Why?

- Customer demands specialized technology, competencies, and highly skilled work force
- Source selection criteria require depth of experience and past performance
- Successful proposals are expensive to write
- Share the cost of the risk of not winning



# Choosing between a TA and a JV

## **Study the solicitation**

- ✓ How does the capability of your company measure up to the evaluation factors?
  - Technical ability
  - Key Personnel
  - Past Performance
  - Experience



# Choosing between a TA and a JV

## **Due Diligence: Ask the important Questions!**

- ✓ Evaluate your company and your potential teaming partners
  - Do you want to bid as the prime?
  - Would you rather let another take the risk and commit as its subcontractor?
  - Do you and other desire to bid together as a single prime contractor?



# Teaming Agreement Overview

- Parties retain their separate identities
- One party agrees to be the Prime Contractor and the other agrees to be a Subcontractor
- TA is a promise from the Prime, that it will engage the Subcontractor if the Prime wins award of the government contract



# Teaming Agreements

## **Key Components of Teaming Agreement:**

- Identify the solicitation
- Terms of the subcontract
- Agreed division of the statement of work (Subcontracting Limitations)
- Exclusivity of TA



## Joint Venture Overview

- JV is a new entity
- CCR registration is required for JV
- JV are limited to three contract awards not offers
- JV subject to the approval or rejection of the warranted contracting officer of mention



## Joint Ventures (continued)

VA IL 049-6-4

- SDVOSB /VOSB and one or more other business concerns may submit an offer on a competitive procurement if each company is:
  - A Small Business under the size standard to the NAICS code for the procurement
    - Revenue Base – Procurement exceeds half the size standard to the NAICS assigned to the contract
    - Employee Based – Procurement exceeds \$10,000,000



## JV and SDVOSB set-asides

- VA 's Informational Letter (IL-049-06-4)
  - JV and Teaming Arrangements for SDVOSB/VOSB
  - IL does not apply to joint ventures under the 8(a) or HUBZone programs. (CFR 125.15)\*\*
  - VA Contracting Officers must review and approve these JV under the SDVOSB/VOSB procurement program



## JV agreement (IL-049-6-4)

### VA IL 049-6-4

- **Key Components of JV agreement:**
  - SDVO/VOSB must be the managing partner
  - Employee of the SDVO/VOSB must be project manager
  - 51% of profits distributed to SDVOSB
  - JV agreement must obligate all parties to ensure performance
  - Final records kept by SDVOSB for JV
  - Contract execution in the name of the JV



# Affiliation

## Definition:

- ✓ Business concerns and entities are affiliates of each other when one controls or has the power to control the other, or a third party or parties controls or has the power to control both. It does not matter whether control is exercised, so long as the power to control exists.



# Affiliation

**SBA may determine that the relationship between a prime contractor and its subcontractor is a joint venture, and that affiliation between the two exists when:**

- ✓ The subcontractor is a ostensible subcontractor performing primary and vital requirements of a contract, or of order under a multiple award schedule contract, or a subcontractor upon which the prime contractor is Unusually Reliant.
- See 13 CFR 121.103 (h) (4)



## VA Office of Small & Disadvantaged Business Utilization

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