



Sole Source Contracting with Bering Straits Native Corporation 8(a) Subsidiaries

For more information, please contact:

Richard Foster, BSNC Executive Vice President

T: 907.334.8307 | E: rfoster@beringstraits.com

Krystal Nelson, BSNC Chief Operating Officer

T: 907.334.8375 | E: knelson@beringstraits.com

Bruce Hellenga, General Manager/Operations Manager

T: 907.230.3510 | E: bhellenga@beringstraits.com

SBA Representative for Sole Source Contracts:

Christie L. Vandendries, Business Opportunity Specialist

U.S. Small Business Administration | Alaska District Office

420 L Street, Suite 300 | Anchorage, AK 99501

T: .907.271.4055 | E: christie.vandendries@sba.gov



**BERING
STRAITS**
Native Corporation

Your Best Interest

A Sole Source Contract with a Bering Straits 8(a) Subsidiary

This paper steps you through why a sole source contract with a Bering Straits 8(a) Subsidiary is in your best interest as a government agency, and what the process is for executing a sole source contract with a Bering Straits 8(a) Subsidiary.

Economic Development – Key to Native Sovereignty and Self Determination

With community-owned Native Enterprises, the profits secured from government contract performance are returned to our communities. Our governance structure then determines how those funds will be spent to the benefit of the community. Typically, funds are allocated to economic, workforce, infrastructure, cultural, educational, health care or elder programs – each reducing the dependence of our communities on US taxpayer dollars, while enhancing our sovereignty and right to self-determination as cited in the US Constitution.

The Native 8(a) Business Development Program

The Native 8(a) Business Development Program is the essential foundation for Native Enterprise growth and development through government contracting. Congress approved adding Native 8(a) for Tribal businesses in 1982 and Alaska Native Corporations in 1988, recognizing the trust relationship between the United States and its Tribes and Alaska Natives. Congress extended Native 8(a) to include Native Hawaiian Organizations in 2002 completing the inclusion of all US Indigenous Peoples.

8(a) Sole Source Contracts

The Federal Acquisition Regulations (FAR) allow the government to award contracts through other than full and open competition or “sole source.” FAR 6.302 authorizes seven categories for sole source of which one includes 8(a) under FAR 6.302-5, “Authorized or required by statute.” FAR 6.302-5(c)(2) requires that an 8(a) sole source award for a value greater than \$22 million requires a justification and approval (J&A).

8(a) Sole Source J&A

An 8(a) sole source J&A has five elements according to FAR 6.303-2(d): These are:

- (1) A description of the needs of the agency concerned for the matters covered by the contract.
- (2) A specification of the statutory provision providing the exception from the requirement to use competitive procedures in entering into the contract.
- (3) A determination that the use of a sole source contract *is in the best interest of the agency concerned.*
- (4) A determination that the anticipated cost of the contract will be fair and reasonable.
- (5) Such other matters as the head of the agency concerned shall specify for purposes of this section.

The Best Interest of Your Agency

In the end, the best interest of your agency is what an 8(a) sole source contract achieves successfully in multiple ways, and at multiple levels.

Your Urgent and Compelling Mission Need

When all regulatory requirements are complied with, an expedited full-and-open contracting process will take a minimum of 120 days to complete. And with the always present threat of contract protests, that timeline can extend for months or more. ***An 8(a) sole source contract is worked through the Small Business Administration (SBA) and can be executed in under 30 days.*** Additionally, CFR 13 §124.517(a) ensures that once the SBA has approved your 8(a) sole source offering, the award cannot be protested. That allows your urgent and compelling mission needs to be met unobstructed – when you need them.

Securing a Qualified, Capable, and Responsive Contractor

Your agency wants to minimize risk when executing any contract. Therefore, if you have identified or are working with a Native 8(a) Contractor who is delivering on performance, and is a qualified, capable, and responsive member of your mission team, asking them to take on an additional mission role makes practical sense from a risk reduction perspective. In fact, the sole source negotiation process allows the contracting and technical members of your team to sit down with the Native Contractor and openly discuss your needs and expectations - an option that is not available to you in the competitive environment. Up front, our Native Contractors are on your team to ensure we truly understand your expectations and can do the work you need. If you conclude our Native Contractor is not a fit, an award is not mandatory; however, it is very rare that our Native Contractors are unable to fulfill customer needs in the team-based negotiation process found in the sole source environment.

Flexibility in Contract Award Value

Tribally-Owned Enterprises, Alaska Native Corporations, and Native Hawaiian Organizations may receive a sole source contract valued up to \$22 million, and with the proper J&A, unlimited dollar amounts. Other SBA 8(a) companies can only receive sole source awards for manufacturing contracts up to \$7 million and for service contracts up to \$4 million. Therefore, using a Native 8(a) maximizes your agency's flexibility as you define your contract requirements.

Another Tool in Your Toolkit

A common misperception about an 8(a) sole source is that a non-competitive award adds cost to the government and the US taxpayer. This is not the case. First, you still make the decision within the parameters and criteria you have found through market research. You know best what your urgent and compelling needs are, what tasks must be performed, and what a fair price should be for that performance. If you select a company that has been a part of your team, you already have a history of their performance and costs to consult. Even then, once you determine you want to effect a sole source contract, the rates – to include profit -- are negotiated between you and the Native 8(a).

Mitigating Risk Through “Reach Back” and/or Past Performance

Bering Straits' 8(a) Subsidiaries have the capability to reach across the expertise found in the parent or other subsidiaries to ensure your mission needs are met. Bering Straits is staffed with managers who have previous experience with our subsidiaries on other contracts – compiling an impressive resume of past performance both by individuals, and ultimately by the 8(a) Subsidiary.

Meeting Your Small Business Goals

In the Small Business Act, Congress recognized small businesses as critical to the nation's economy and national security. 15 USC 644 implemented government-wide small business goals which today are a part of each government agency's "small business report card." Bering Straits' 8(a) Subsidiaries are small businesses, with capabilities and capacity to help you meet your small business goals.

You're Not Alone -- SBA Oversight Included

Your agency risk is further mitigated through the oversight provided by the Small Business Administration who tracks and manages the Native 8(a) program to include the certification of participants, and their approval that is required to allow a potential contractor to receive an 8(a) sole source contract from your agency.

You Hire a Proud Culture of Excellence

Bering Straits is rooted in our proud culture. We view our performance as a reflection of our history, our communities, our people. When you hire a Native 8(a) to support your mission, you bring our community's interest and support with it.

You Add to Sovereignty and Self-Determination

This brings us full circle back to what Native Contracting is all about – providing the economic means to support and advance self-determination and sovereignty. When you award a sole source to a Native 8(a), you are supporting a Constitutional mandate, you are acknowledging the importance of small business in our nation's economy and national security, and you become a stakeholder in the trust relationship between the United States and its Native Peoples. You give a hand up – not a hand out.

The Process

The process for awarding a sole source may vary somewhat from SBA region to region; however, if you are an agency program manager, it should generally proceed in this manner:

- (1) Contact Bering Straits to discuss project details such as price estimates, time frame, and technical requirements.
- (2) Contact your contracting officer or agency small business specialist for assistance, and provide a package that includes the requirements description, estimated period of performance, applicable NAICS and/or PSC code, and anticipated dollar value.
- (3) Your contracting officers will send an Offering Letter to the SBA requesting permission to conduct sole source negotiations with Bering Straits.
- (4) The SBA will confirm the eligibility of Bering Straits' 8(a) Subsidiary and authorize negotiations.
- (5) If the sole source is over \$22M in value, you will need to complete a J&A per your agency instructions.
- (6) Upon completion of negotiations, have your contracting officer prepare a contract award document and send it to Bering Straits for signature.
- (7) Once the signed contract from Bering Straits is received, your contracting officer can sign the contract and send it to the SBA.
- (8) All steps completed ... contract performance can now begin.

Is a Bering Straits Subsidiary a Good Choice to Provide your Mission Critical Requirements?

Bering Straits' 8(a) subsidiaries are part of the Bering Straits Native Corporation, one of the original 13 regional Alaska Native Corporations. ANCs are not restricted to owning only one firm like other 8(a) entities. As a result, we are a company owned by tribal member shareholders, centrally managed and controlled, and provided with the very best in business management tools and techniques.

Capitalization is not an issue with Bering Straits. Bering Straits has excellent capitalization and immediate access to start up and operational funds, allowing us to start virtually any enterprise and meet contract requirements.

Bering Straits is experienced. Bering Straits is an Alaskan Native Corporation that is certified as an 8(a) contractor with the Small Business Administration. Bering Straits is a superior provider of management services and has a broad scope of management experience, solid resume of satisfied customers, and is exceptionally managed, organized and capitalized. Attached is a contract performance matrix that identifies current customers, the scope of services, contract values, and points of contact.

Strength	Bering Straits	Result
Financial Strength	Well Capitalized	<ul style="list-style-type: none"> • Ability to select from many options in procuring expensive equipment and select best funding mechanism. • No concerns on the part of the government regarding continuous operation and compliance with payrolls, meeting vendor payment requirements.
Management Staff Experience	Strong management team, experienced in mobilization and operations of a variety of contract types	<ul style="list-style-type: none"> • Smooth phase in and operation of any assigned contract, ability to quickly develop phase-in plans and identify pitfalls that less experienced contractors don't see. Ability of former government employees to empathize with the needs of government agencies and meet transition needs. • Normally, as goes the transition, so goes the contract. With experienced leadership on the mobilization team you can expect procedures and practices to be reliable, timely, orderly and cost effective. • Experienced implementation of complex systems of integrated technology that would give pause to lesser qualified contractors.
Management Systems	Strong internal control processes, management "by the numbers"	<ul style="list-style-type: none"> • Balanced approach to management autonomy, i.e. trust but verify. • Exceptional "home office support" from payroll, accounts payable and receivable, contract management. • Emphasis on performance to the customer's satisfaction.
Quality Systems	Exceptional leadership of professional staff centered on the selection process Motivation of workers, and commitment to excellence in all aspects of contract performance	<ul style="list-style-type: none"> • Exceptional employee selection process with solid retention programs such a bonuses, recognition and wellness programs. • Commitment to the details. Detailed employee training records, standard practice procedures, quality evaluation, standardization and process control. • Commitment to levels of customer care that exceed the standards. • Commitment to retention of those who made us successful.
Contract Experience	Experienced in bringing high technology applications to the workplace to enhance productivity. Integration of various components to develop complex, reliable, inter-operative systems.	<ul style="list-style-type: none"> • Ability to field high technology systems that interoperate flawlessly as a system. • Ability to "human engineer" technology around the users and operators. • Application of people and technology to solve problems. • Human resource management that supports and fosters commitment to meeting schedules, deadlines, and mission accomplishment. • Excellent nuts and bolts management of duties, responsibilities, job details.

Conclusion

"All steps completed ... contract performance can now begin." In one simple sentence, that's why Native 8(a) can and should matter to you. Native 8(a) is a means that you can quickly achieve contract performance to meet your mission needs.