
Veterans Verification and Teaming Arrangements

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What is a Teaming Arrangement?

FAR 9.601 "Contractor Team Arrangements"

- Two or more companies form a partnership or joint venture to act as a potential prime contractor; or
- A potential prime contractor agrees with one or more other companies to have them act as its subcontractors under a specific Government contract or acquisition program.

GSA Schedule Contractor Team Arrangements

- Two or more GSA Schedule contractors work together to meet ordering activity needs.
- Not a prime/sub relationship

FAR 9.6 vs. GSA Schedule Contractor Team Arrangements.
(*Veterans Healthcare Supply Solutions, Inc.*, B-409888, Sep. 5, 2014)



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Advantages of Teaming

- Contractor team arrangements may be desirable from both a Government and industry standpoint in order to enable the companies involved to:
 1. complement each other's unique capabilities and
 2. offer the Government the best combination of performance, cost, and delivery for the system or product being acquired.

FAR 9.602.



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Issues

- Limitations on Subcontracting
- Affiliation
 - 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.
 - Members of a joint venture are generally affiliates, with limited exceptions.



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Issues, continued

- Common control or management, identical or substantially identical business or economic interests
- Ostensible subcontractor rule
 - A contractor and its ostensible subcontractor are treated as joint venturers, and therefore affiliates, for size determination purposes.
 - An ostensible subcontractor is a subcontractor that: (1) performs primary and vital requirements of a contract or (2) a subcontractor upon which the primary contractor is unusually reliant.

Issues, continued

- Relevant Factors Include:
 - Division of Work
 - Degree of Experience and Expertise
 - Incumbent contractor
 - Equipment
 - Management of the work
 - Proposal Preparation and Content
 - Terms of Teaming Agreement

Size Appeal of Brown & Pipkins LLC, SBA No. SIZ-5621 (December 8, 2014)

- Brown & Pipkins (an 8(a) participant and small business) asked SBA to approve an 8(a) mentor-protégé agreement between itself and Able Services, a large business.
- SBA rejected the mentor-protégé application.
- Subsequently, Brown & Pipkins and Able submitted a proposal as a prime/subcontractor team, which expressly referred to the “mentoring” relationship.



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Size Appeal of Brown & Pipkins LLC, SBA No. SIZ-5621 (December 8, 2014)

“It seems clear that Appellant and Able originally intended to compete for this contract as mentor and protégé, and thus take advantage of the exclusion from affiliation afforded by 13 C.F.R. § 121.103(h)(3)(iii). The proposal is replete with references to Able as a “mentor.” Most tellingly, Appellant’s key employees charged with executing the contract each have an Able “mentor” assigned to them. However, there is no approved mentor/protégé relationship here and Appellant and Able are presenting themselves as contractor and subcontractor. A contractor should not require “mentors” for its key employees to perform their tasks. The fact that these mentors are assigned indicates that Able is deeply involved in the management of this contract, and indeed that Appellant requires Able’s assistance to manage the contract. This supports the Area Office’s finding of unusual reliance.”



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Ambuild Company, LLC v. U.S., No. 14-1786 (October 10, 2014)

- Following an agency-level protest, CVE decided to investigate whether Ambuild was unconditionally owned by a veteran.
- CVE found that the “unconditional ownership requirement” was not met because of provisions in Ambuild’s operating agreement.
- Ambuild lost its verified status without having had any opportunity to respond to CVE’s findings.

Size Appeals of G&C Fab-Con, LLC, SBA No. SIZ-5649 (March 23, 2015)

- G&C was identified as the apparent awardee; unsuccessful offerors filed protests.
- G&C was a verified SDVOSB, which required the CVE to find that a service-disabled veteran “unconditionally controlled” the company.
- G&C argued that the CVE’s finding should control SBA’s determination regarding affiliation.

Size Appeals of G&C Fab-Con, LLC, SBA No. SIZ-5649 (March 23, 2015), continued

- SBA denied the appeal, reasoning that “VA reviews eligibility for VA’s programs, not questions of size or affiliation . . . Accordingly, VA’s determinations have no bearing on the Area Office’s analysis.”



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