

2015

Assessing the Participation of the El Paso Construction Sector in Federal Contracting Opportunities

Ana Rodriguez Camargo

Hunt Institute for Global Competitiveness, arodriguez132@utep.edu

Follow this and additional works at: https://digitalcommons.utep.edu/hunt_techrep



Part of the [Government Contracts Commons](#)

Recommended Citation

Rodriguez Camargo, Ana, "Assessing the Participation of the El Paso Construction Sector in Federal Contracting Opportunities" (2015). *Technical Reports*. 6.

https://digitalcommons.utep.edu/hunt_techrep/6

This Article is brought to you for free and open access by the Hunt Institute for Global Competitiveness at DigitalCommons@UTEP. It has been accepted for inclusion in Technical Reports by an authorized administrator of DigitalCommons@UTEP. For more information, please contact lweber@utep.edu.



HUNT INSTITUTE

FOR GLOBAL COMPETITIVENESS

Survey Research Report

“Assessing the Participation of the El Paso Construction Sector
in Federal Contracting Opportunities”



Assessing the Participation of the El Paso Construction Sector in Federal Contracting Opportunities

Hunt Institute for Global Competitiveness
www.huntinstitute.utep.edu

Table of contents

Introduction	3
1. Getting to Know El Paso Businesses and Their Operations	5
2. Measuring the Development and Growth Potential of El Paso Businesses	8
3. Assessing the Participation in Federal Sub-Contracting Opportunities	10
4. Understanding the Businesses' Capacity Building	14
5. Looking towards the Future	17
Conclusion	20
Bibliography	21
Appendix	23

Introduction

The importance of vibrant and expanding small businesses to the American economy cannot be overstated. According to the Small Business Administration (SBA), small businesses accounted for 63% of net new jobs created between 1993 and 2013 (14.3 million of the 22.9 million net new jobs).¹ Recognizing the tremendous role they play in job creation, several agencies in the U.S. Federal Government manage and implement assistance programs to foster and ensure the success of these businesses.

Locally, most of El Paso's economy is composed of small businesses. Covering a wide range of sectors, small businesses in this city generally specialize in areas such as retail, construction, services (such as logistics and transportation, tourism, and healthcare) and, to a lesser extent, manufacturing. Construction, for example, is a very dynamic sector that has witnessed an economic improvement in El Paso. Since 2012, the construction sector has experienced a growth of approximately 3%, and it is expected to continue growing and expanding in the coming years.²

One of the most important sources of employment for small businesses within the construction sector are the military and other federal entities based in and around El Paso. Fort Bliss, the Biggs Army Airfield, White Sands Missile Range, and the William Beaumont Army Medical Center together constitute one of the largest military complexes in the U.S. These installations routinely require maintenance, modernization, and expansion of their facilities as mission priorities change, as the Base Realignment and Closure process continues to play out, and, most fundamentally, as infrastructure ages and requires replacement. Relying on the private sector to satisfy these needs, the Federal government has established procurement processes to allow its agencies, such as the Department of Defense and the Department of Veterans Affairs, to procure goods and services from a range of private sector businesses.

El Paso's small businesses specialized in construction-related activities are ideally situated to benefit from these Federal procurement opportunities. Nevertheless, as this survey indicates, local businesses often have scant participation in federal contracts related to construction services. For example, after Clark McCarthy Healthcare Partners II was awarded the \$650,000,000 William Beaumont Fort Bliss Replacement Hospital construction contract in June 2013, only about thirty local businesses in El Paso were awarded prime subcontracts³, representing a low level of local participation.

¹ Small Business Administration, Office of Advocacy, (2014) https://www.sba.gov/sites/default/files/FAQ_March_2014_0.pdf

² Fullerton, T. and Walke, A. (2014), "Borderplex Economic Outlook to 2016", Border Region Modeling Project, University of Texas at El Paso, Business Report SR14-1. Page 13

³ Clark McCarthy Healthcare Partners II (2015), Project Information <http://cmhpbliss.com/project-information/>

In order to assess the reasons behind the lack of small businesses participation in this and other federal contracting opportunities in El Paso, the Hunt Institute for Global Competitiveness designed a survey research study aiming, firstly, to gather the opinions of the local businesses about their participation in federal sub-contracting opportunities and, secondly, to assemble a comprehensive “best practices guide” to clarify and catalogue the procurement processes to serve as a resource for El Paso’s small and medium sized businesses. Finally, performing an economic impact analysis would allow this study to examine in more detail, the effect of the Fort Bliss Replacement Hospital for the local economy.⁴

The present report constitutes the first part of this survey research study. Based on an electronic survey⁵ designed to assess the opinions of 577 local businesses in El Paso specialized in construction-related services, this report summarizes the responses of the 156 participating businesses (See appendix A). The response rate to this survey was 27.03% which provides a margin of error of 6.71%.⁶

The data obtained from the sample population of 156 businesses that participated in this survey provide a valuable insight that allowed this report to assess their opinions, perceptions, and involvement federal sub-contracting opportunities. In order to summarize the survey results, this report contains five sections. The first, “Getting to Know El Paso Businesses and Their Operations,” offers a general overview of the type of businesses that participated in the survey and covers some of the activities involved in the day to day functioning of these businesses.

The second section, “Measuring the Development and Growth Potential of El Paso Businesses,” describes the tasks and processes generally intended to develop and implement growth opportunities within and between businesses. The third section, “Assessing the Participation in Federal Sub-Contracting Opportunities,” discusses issues related to federal contracting exclusively. The fourth section, “Understanding the Businesses’ Capacity Building,” measures the processes of developing and strengthening the businesses skills and resources. Finally, the last section, “Looking towards the Future,” assess businesses plans and strategies in order to improve their capacity to obtain federal contracts in the years to come.

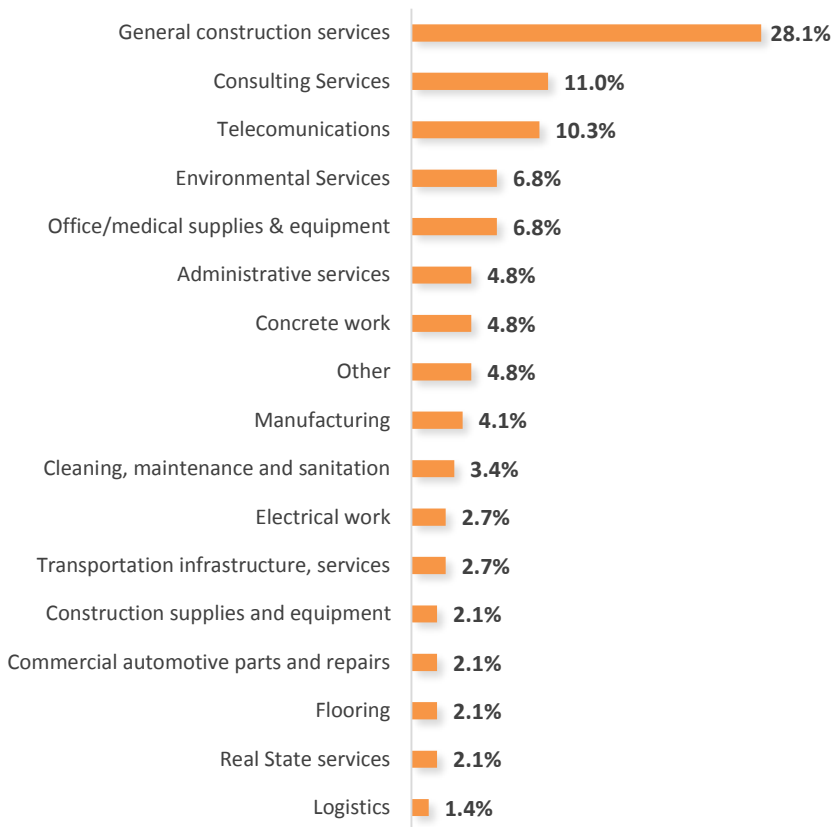
⁴ This economic impact analysis would be conducted upon availability of the data required to be able to run the Impact Analysis for Planning (IMPLAN) software.

⁵ The Hunt Institute for Global Competitiveness developed and tested the 34-questions electronic survey before sending each potential respondent a unique link to access the survey on-line. To maintain anonymity for respondents, a unique ID was also attached to each e-mail address. The first e-mails were sent on June 08, 2015 and weekly reminders were sent thereafter until the closing date July 13, 2015.

⁶ The margin of error implies that the responses received may not accurately represent the opinions of the entire population of local businesses in El Paso specialized in construction-related services.

1. GETTING TO KNOW EL PASO BUSINESSES AND THEIR OPERATIONS

Figure 1. Main Business Activity



Q1. What's your business' main activity?

The survey asked local businesses to name their main commercial activity in order to have an idea about their areas of expertise within the field of construction.

After organizing the responses to this question (see Figure 1), 28.1% of the businesses state that they are specialized in “general construction services.” This broad category includes several activities such as remodeling of commercial buildings, roofing and insulation services, energy management and control systems, design services, among others.

The second most common activity is related to consulting services. Eleven percent of the businesses state that they provide “consulting services” in architecture, civil engineering, computer programming and transportation infrastructure. Nearly 10.3% of the local businesses specialize in

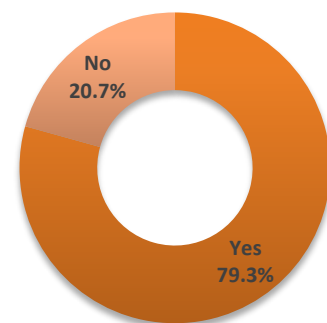
“telecommunications-related activities” such as aerial and commercial photography, audio and video production, information systems, IT, and network communication among others.

The lowest percentages were in the areas of “logistics,” “real state,” and “flooring” with 1.4%, 2.1% and 2.1%, respectively. As shown in Figure 1, local businesses in El Paso are specialized in several areas in the field of construction, offering a good range of technical and professional services.

Q2. Do you know the North American Industry Classification System (NAICS) code of your business activity?⁷

Approximately 79.3% of the participants to this survey know their NAICS code(s), while 20.7% responded that they do not. Those businesses that answered “yes” to this question, were asked to provide their relevant NAICS code(s) in Question 3. Not surprisingly, most of the businesses have more than one code. There is no central government agency with the role of assigning, monitoring, or approving NAICS codes. Individual businesses are assigned NAICS codes by various agencies for various purposes using a variety of methods.⁸

Figure 2. Awareness of NAICS codes



⁷ The NAICS code is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

⁸ U.S. Census bureau, “North American Industry classification system” Frequently asked questions (FAQs) [Accessed in 07/21/2015] <https://www.census.gov/eos/www/naics/faqs/faqs.html#q4>

Figure 3. NAICS code identification

Q3. If you answered “yes,” please provide the relevant NAICS code(s) of your business activity

Businesses participating in this survey provided a variety of NAICS codes. Responses may contain between 1 and 60 codes per business. Analyzing the responses yielded 24 different categories.⁹ For the purpose of this analysis we selected the broader NAICS code categories (consisting of two to three digits of the six-digit hierarchical classification system).¹⁰ The first two digits designate the economic sector and the third designates the subsector.

Considering the top three most common codes, 22.5% of the businesses are under the category of “Specialty Trade Contractors” (code 238); 14.3% under the “Professional, Scientific, and Technical Services” (code 54); and, 8.5% enter into the “Administrative and Support and Waste Management and Remediation Services” (code 56) category.

In contrast, the least common codes are “Warehousing and Storage” (code 493); “Finance and Insurance” (code 52); and, “Data Processing, hosting related services” (code 518), each of them accounting for 0.3% of the total of 24 areas analyzed in this question.

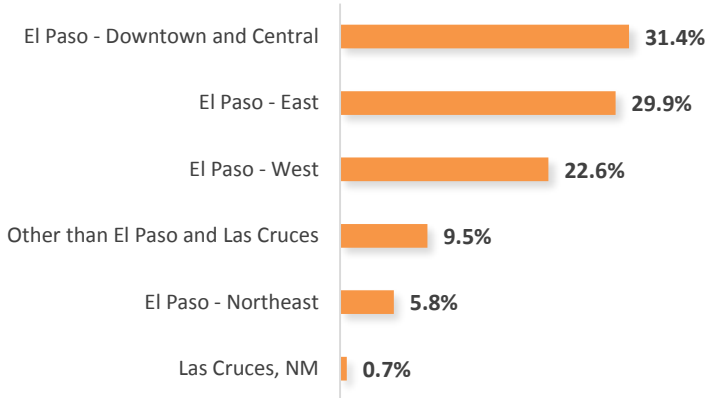
After evaluating these results, it appears that most of the local businesses’ workforce in the area of construction is centered in technical services (e.g., pouring concrete, site preparation, plumbing, painting, and electrical work) and to a lesser extent in professional services (e.g., architectural and engineering services).



⁹ The errors encountered were grouped under the “code not found” item and accounts for 1.5%.

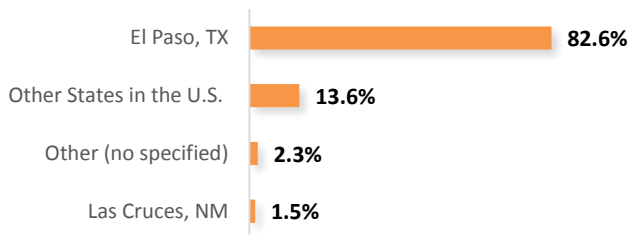
¹⁰ Each digit in the code is part of a series of progressively narrower categories, and the more digits in the code signify greater classification detail. The first two digits designate the economic sector, the third digit designates the subsector, the fourth digit designates the industry group, the fifth digit designates the NAICS industry, and the sixth digit designates the national industry. The 5-digit NAICS code is the level at which there is comparability in code and definitions for most of the NAICS sectors across the three countries participating in NAICS (the United States, Canada, and Mexico). The 6-digit level allows for the United States, Canada, and Mexico each to have country-specific detail. A complete and valid NAICS code contains six digits.

Figure 4. Headquarters' Location



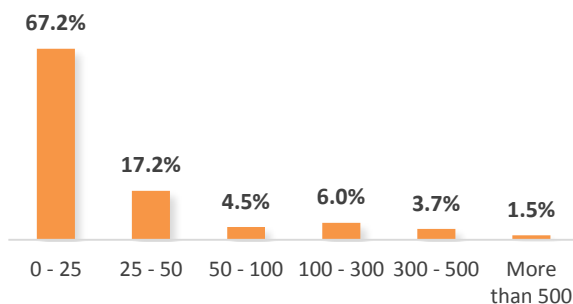
Incorporation refers to the process of legally declaring a corporate entity as separate from its owners. In many cases a business could be incorporated in a different place than the location of its headquarters.

Figure 5. Business Incorporation



El Paso’s marketplace is composed mainly by Small Businesses. The SBA has established numerical definitions of small businesses, or “size standards.” These standards are used to determine eligibility for SBA’s financial assistance as well as for the federal government procurement programs designed to help small businesses.¹²

Figure 6. Business Size



Q4. Where is your business' headquarters located?

In regards to the businesses’ headquarters, 31.4% of the businesses reported to be located in the “downtown and central” area of El Paso, 29.9% on “east El Paso,” 22.6% on “west El Paso,” and 5.8% in “northeast El Paso.” There are 9.5% of the businesses that are located “elsewhere than El Paso and Las Cruces” (e.g. Dallas, Houston, Phoenix,) and, finally, 0.7% stated that their headquarters are located in “Las Cruces.”

Closely related to the previous question, businesses were asked about their place of incorporation.¹¹

Q5. Where is your business incorporated?

For example in El Paso, 13.6% of the companies based in the city are incorporated “elsewhere in the U.S.,” such as Texas (7%), Virginia (2%), Delaware (2%), among others. Less than 2% of the companies affirmed that they are incorporated in “Las Cruces,” and 2.3% “do not specify” where their businesses’ are incorporated. However, the majority (82.6%) of the respondents to this question stated that their business is incorporated in “El Paso.”

Q6. How many employees does your business have?

Respondents to this question (see Figure 6) stated that 67.2% of their businesses are located within the range from 0 to 25 employees; 7.2% of the businesses have between 25 to 50 employees; 4.5% between 50 and 100 employees; 6% between 100 and 300; 3.7% between 300 and 500; and, only 1.5% have more than 500 employees.

¹¹ There are different types of business incorporation: limited liability company (LLC), S Corporation, partnership, or sole proprietor.

¹² For more information about Small Business size standards, visit: <https://www.sba.gov/category/navigation-structure/contracting/contracting-officials/small-business-size-standards>

2. MEASURING THE DEVELOPMENT AND GROWTH POTENTIAL OF EL PASO BUSINESSES

Several economic development experts consider small businesses as key actors that contribute to the construction of competitive economies. In order to help the U.S. achieve this goal, small businesses should reinforce their competitive capacity by recruiting and training a highly skilled and educated workforce. However, the participant businesses to this survey tend to have low levels of technically trained employees (see Figure 7).

Q7. What percentage of your employees have technical trainings from colleges, universities, or technical institutes?

According to the responses to this question, a considerable amount of businesses (39.6%) stated that between 0% and 20% of their employees have technical trainings; 17.9% selected between 20% to 40%; 17.7% between 40% and 60%; 9.7% between 60% and 80%; and, only 20.1% of the respondents have between 80% and 100% of their employees technically trained. These results show that Small Businesses in El Paso should invest more in training and education programs for their workforce, in order to increase the possibilities of improving technical skills and the knowledge required to compete in the federal procurement process.

Figure 7. Workforce Technical Training and Education

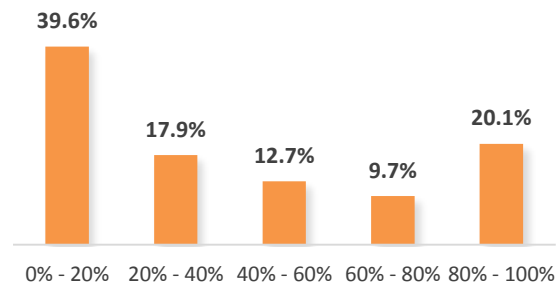
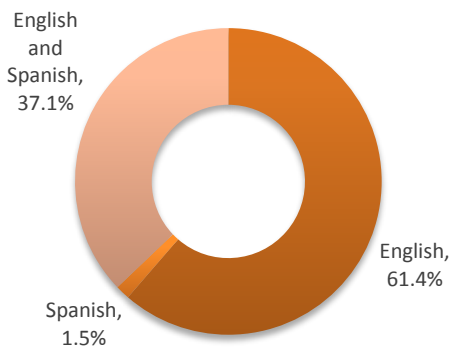


Figure 8. Language



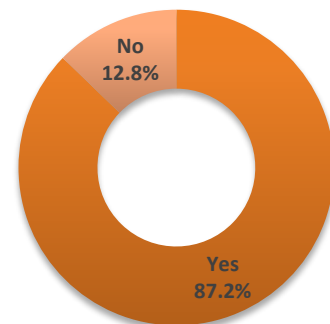
Q8. The primary language of your business operations is?

Due to the dual cultural nature of El Paso and its location right at the border with Mexico, bilingualism is ubiquitous. Almost forty percent, 37.1%, of businesses state that Spanish and English are the most used languages in their business' operations; 61.4% affirm that English is the primary language; while only 1.5% say that Spanish is their main working language. Speaking two languages rather than just one has obvious practical benefits in an increasingly globalized world. Several research articles suggest that Businesses that take advantage of adding bilingual speakers to their payrolls can benefit extensively because of the larger market of clients and customers they can capture.¹³

Q9. Does your business have a website?

A significant amount of respondents to this survey (87.2%) affirmed that their businesses do have a website, while 12.8% responded that they do not. Any business that does not have a website is missing out on one of the most powerful marketing tool opportunities. Research conducted by Verisign Research, show that computer and communications technology can be complex and even somewhat obscure to several small businesses. However, despite the difficulties, it is very important to maintain an on-line presence.

Figure 9. Business website



¹³ See Bienaime (2015), Konnikova (2015), Fraser (2013)

Today, people often turn to the Internet first for information about businesses and products—whether they are shopping online, or simply looking for a business’ address or phone number—making an online presence one of the most important assets for any business, not just to share information, but also to build credibility. Consumers and companies are looking to connect more than ever, and establishing an online presence through a website, blog or social media provides a great way to fulfill this interest.¹⁴

Q10. Does your business participate in business to business (B2Bs) events/activities?

Along with maintaining an on-line presence to facilitate and increase the connections between clients and companies, Business-to-Business (B2B) events are a set of platforms that allow the trade of products, services, or information (e-commerce) between businesses, rather than between businesses and consumers (B2C).¹⁵ The overall volume of B2B transactions is much higher than the volume of B2C transactions.

Are El Paso local businesses taking advantage of this type of business transaction? About 133 businesses replied to this question, from which 54.1% said that they do participate in B2B while 45.9% stated that they do not participate (see Figure 10). So, the participation of El Paso’s local businesses in B2Bs seems to be relatively small, which evidence that further opportunities could be found in this area.

Figure 10. B2B’s Participation

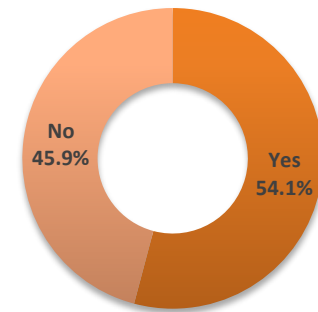
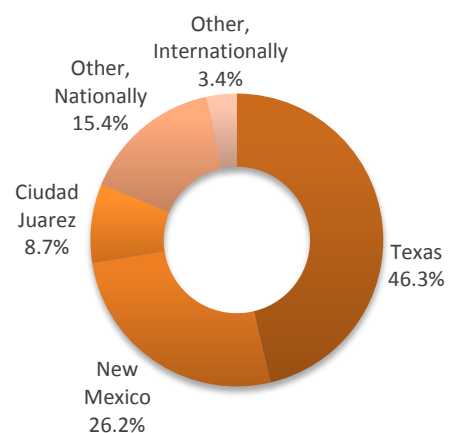


Figure 11. B2B’s location



Q11. If yes, where? (You can select more than one answer)

For those who do participate in B2Bs, 46.3% participate in Texas, 26.2% in New Mexico, 8.7% In Ciudad Juarez, 15.4% elsewhere nationally, and 3.4% elsewhere internationally (see Figure 11). This also demonstrates the opportunities for local business to participate more in these kinds of events.

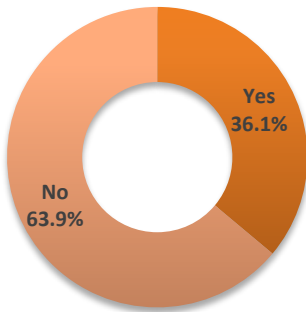
Sometimes, beginning the process of participating in B2B events can present challenges to those who have not participated before. Fortunately there are several on-line tools that can facilitate the B2B interactions. For example, social networks such as LinkedIn and Twitter are two examples that work well in establishing B2B events and relationships. Simply participating in the on-line conversations organized within these networks, businesses may increase their chances to communicate with other businesses who have the potential to become partners (e.g., by exchanging goods and services or even establishing long-term partnerships).

¹⁴ See Versign (2013), “Benefits and Barriers of bringing a small business on-line. Perspective from Global Small Businesses”. [Accessed on 07/22/15] in <http://www.verisigninc.com/assets/Research-small-business-september2013.pdf>

¹⁵ This is in contrast to business to consumer (B2C) and business to government (B2G). A typical supply chain involves multiple business to business transactions, as companies purchase components and other raw materials for use in its manufacturing processes. The finished product can then be sold to individuals via business to consumer transactions. See: Business To Business (B To B) Definition in: Investopedia <http://www.investopedia.com/terms/b/btob.asp#ixzz3jqNmtuNq>

3. ASSESSING THE PARTICIPATION IN FEDERAL SUB-CONTRACTING OPPORTUNITITES

Figure 12. Federal sub-contracts awarded



Q12. Has your business ever been awarded a federal sub-contract in the City of El Paso?

One of the primary aims of this survey report was to assess the participation of local businesses in Federal sub-contracting opportunities. Questions 12 to 15 were designed to understand the past experiences of local businesses with federal sub-contracts. One hundred and thirty-three, 133, businesses responded to the question of whether they had ever been awarded a federal contract (see figure 12). Only 36.1% responded positively and the majority, 63.9%, responded that they have never been awarded a federal contract.

Even though the sample population of this survey (156 businesses) is not representative of the total population of local businesses in the area of construction in El Paso, it evidences that there is a disconnect between the federal sub-contracting opportunities available and the local workforce. The survey was designed in a way that only those businesses who answered “yes” to the previous question (36.1%) were able to respond to questions 13 to 15, while those who answered “no” were automatically directed to question 16.

Q13. If yes, how many federal sub-contracts has your business participated in the City of El Paso?

From the 48 businesses that participated in this question, 33.3% responded that they have been awarded between one and two sub-contracts; 25% between 3 and 5; 6.3% between 8 and 10; 33.3% more than 10 sub-contracts and 2.1% did not reply to this question. In general terms, the allocation of just a few federal contracts helps not only local businesses, but also the entire local economy, to benefit from the federal funds designated to improve the military facilities in the El Paso region. Increasing the number of sub-contracts allocated to the local businesses would create more jobs, increase creativity, innovation, and technical expertise in order to help drive the local economy forward.

Figure 13. Amounts of awarded federal sub-contracts

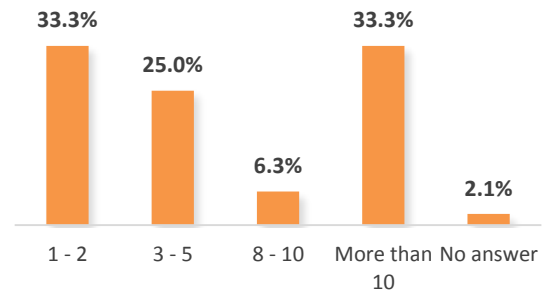
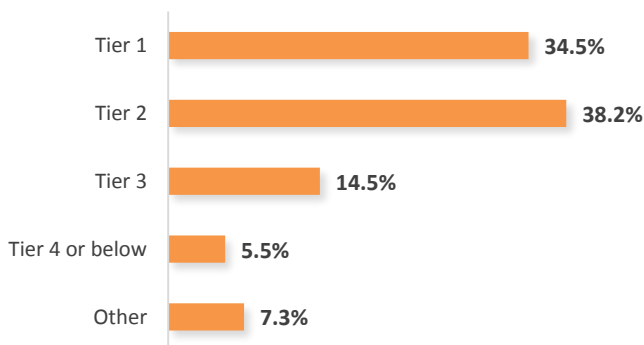


Figure 14. Tier classification



Q14. If your business has ever been awarded a federal sub-contract in the City of El Paso, was it: (You can select more than one if necessary)

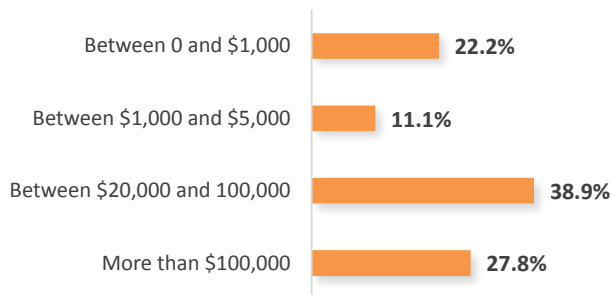
In regards to the Tier system (also called ranking or classification group) builders are rated according to their capacity to take on certain projects.¹⁶ The size, resources, experience, and money a company has determines the kind of projects it is able to take on and therefore what Tier group it falls into. Building companies are classified under ‘Tier 1’, ‘Tier 2’, ‘Tier 3’ and other tier categories. Similar to the previous question, 48 companies (33.3%) of those that answered “yes” to question 12, participated in this

question. 34.5% declared that their awarded sub-contracts fell into the “Tier 1” category; 38.2% under “Tier 2”, 14.5%

¹⁶ The SBA explains the Tier system and defines each tier. For more information visit: [https://www.sba.gov/sites/default/files/articles/Small_Business_Liaison_Officer_\(SBLI\)_Handbook_6_2010.pdf](https://www.sba.gov/sites/default/files/articles/Small_Business_Liaison_Officer_(SBLI)_Handbook_6_2010.pdf)

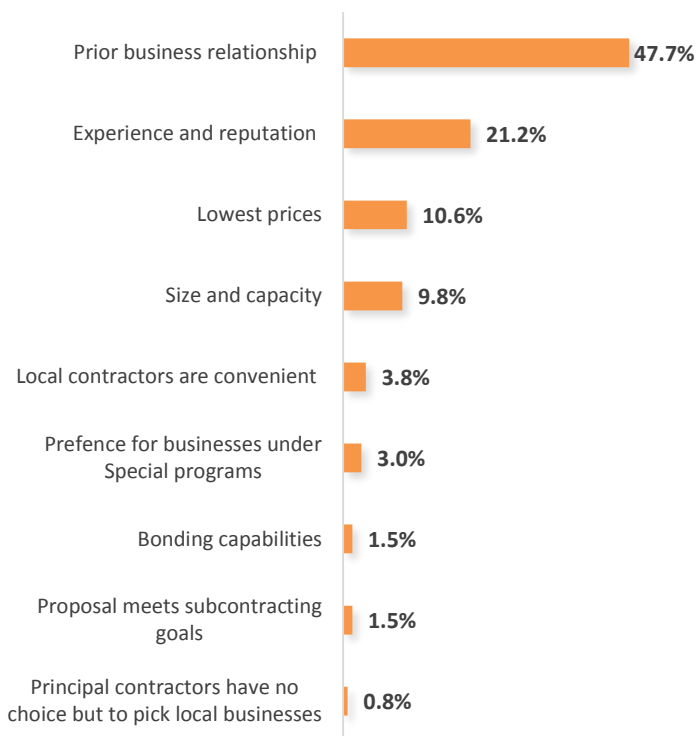
under “Tier 3”; 5.5% under “Tier 4 or below” and 7.3% selected “other” (this include responses like “I don’t know” or “I don’t understand the meaning”).

Figure 15. Amount of contracts awarded by Clark-McCarthy



assess 1) whether any of the participant businesses to this survey was awarded a subcontract by Clack-McCarthy and 2) the amount of the awarded contracts (in U.S. dollars). Only 18 businesses answered this question, which implies that only 18 businesses out of the initial 156 businesses that participated in this survey were awarded a sub-contract by Clark-McCarthy. About 22.2% of the respondents to this question affirmed that the value of the contract(s) they received was between \$0 and \$1,000; 11.1% between \$1,000 and \$5,000; 38.9% between \$20,000 and \$100,000; and, 27.8% were awarded sub-contracts of more than \$100,000.

Figure 16. Contractor reasoning to award a contract



0.8% think that contractors sometimes choose a local business because “they do not have other choice.” Even though there is a wide variety of opinions about the criteria that primary contractors use to award a sub-contract, it is clear

Q15. If your business was awarded a federal sub-contract from Clark-McCarthy (Ft. Bliss Replacement Hospital Project), what was the amount in U.S. dollars?

Now considering a specific example of federal sub-contracting in El Paso, this question is related to the construction of the Fort Bliss Replacement Hospital (FBRH).¹⁷ Clark-McCarthy Healthcare Partners II was awarded a total of \$648,930,000, to build the FBRH. Based on this information we designed this question to

Q16. In your opinion, the primary reason why principal contractors make the decision to award a sub-contract to a local business is?

This question continues to assess the opinion of all survey participants. From a total of 132 businesses who participated in this question (see Figure 16), 47.7% think that the primary reason why principal contractors make the decision to award a sub-contract to local businesses is based on “prior business relationship.”

Closely related to this response, 21.2% believe that the decision is based on the local businesses “experience and reputation;” 10.6% in the “lowest prices” (or lowest bid) proposed by local businesses; 9.8% in the “size and capacity” of the local businesses; 3.8% in the “convenience” that local businesses may represent for contractors (easy to reach, low costs, etc.); and, 1.5% believe that local businesses that prove to have “bonding capabilities” have more chances to be awarded a subcontract. About 1.5% of the respondents believe that it’s important that the “proposal meet the subcontracting goals” and finally

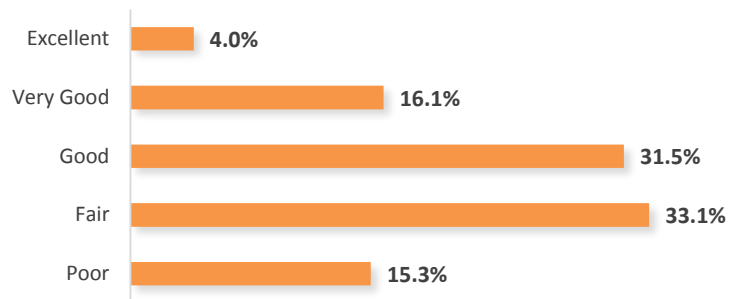
¹⁷ For more information about the project, the sub-contracts awarded, and Clark-McCarthy Healthcare Partners II in general visit: <http://cmhpbliss.com/>

that nearly half of the respondents believe that having worked for the primary contractor in the past and having a “special” relationship certainly influence the contractors’ final decision.

Q17. Based in your experience, the primary contractor’s performance (advertisement of the bid, responsiveness, feedback, etc.) in the bidding process has normally been

In construction industry, the usual bidding process consist on five main steps: 1) specifications for the job, 2) request for bids, 3) bidding, 4) reviewing the bids, and 5) awarding the contract. In order to have an idea about the general performance of primary contractors’ during the bidding processes that take place in El Paso, this question assess the local businesses opinions based on their past experiences. About 4% of the respondents (124 in total) believe that the primary contractor’s performance was “excellent;” 16.1% said it was “very good;” 31.5% “good;” 33.1% “fair;” and, 15.3% said it was “poor.” On average, local businesses believe that the primary contractor’s performance in El Paso is usually “good” and “fair.”

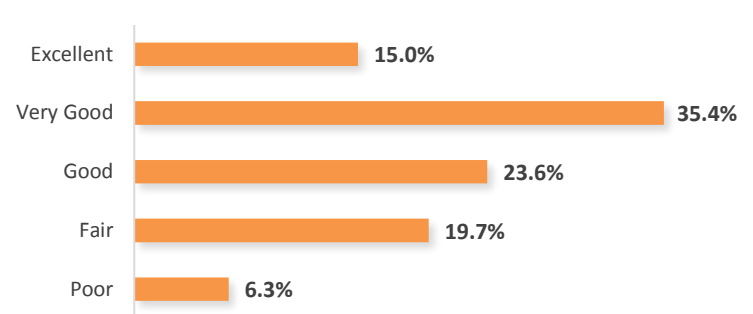
Figure 17. Contractor’s performance in the bidding process



Q18. How would you evaluate your business’ ability to write strong proposals to participate in federal sub-contracting opportunities?

One of the most important elements within the bidding process is the development a strong bid proposal (step 3 of the bidding process), a very specific summary explaining why a local business is qualified to undertake the job. The bid proposal¹⁸ allows businesses to state what their qualifications are and how their background would allow them to perform a specific job with excellence, accuracy, and within the established deadline. It is very important that local businesses understand the overall market for their service or product, and their target agency's history of how it prefers to buy a specific service or product. Extensive research and planning is necessary in order to tailor the proposal to the requirements of the bid.

Figure 18. Proposal writing capabilities

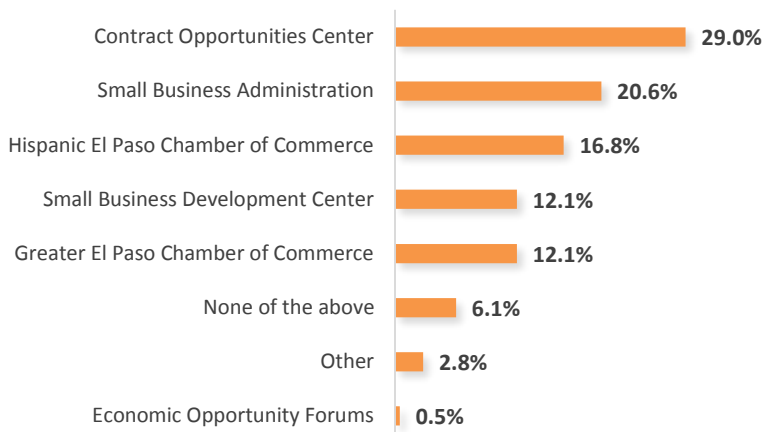


When asking the participant businesses to this survey about how would they evaluate their ability to write strong government contract proposals, 15% consider they have “excellent” abilities; 35.4% affirm having “very good” abilities; 23.6% “good;” 19.7% “fair;” and 6.3% stated their abilities are “poor.”

The bidding process is usually facilitated by several governmental and non-governmental organizations, who provide procurement technical assistance (e.g., proposal writing guidance) to local businesses and serve as points of contact between local businesses and prime contractors. The next question was designed to assess which of the existing organizations in El Paso usually provides guidance and support to the local businesses throughout the bidding processes.

¹⁸ For more information on how to prepare Government contract proposals see: SBA (2014), GSA (2015),

Figure 19. Assistance throughout the bidding process



Business Administration” (SBA); 16.8% “The Hispanic El Paso Chamber of Commerce;” 12.1% “Small Business Development Center;” 12.1% “The Greater Hispanic Chamber of Commerce;” 0.5% selected the “Economic Opportunity Forum” (Office of the Texas Comptroller of Public Accounts); 6.1% said that “none” of the mentioned organizations have provided them with assistance; and, finally, 2.8% of the respondents selected the option “other.” Within this last one, other organizations mentioned were Ft. Bliss Purchasing Department, National 8A Association, Private business consultants, corporate support, Federal Business Opportunities (FBO.gov), and the General Services Administration (GSA).

Q20. Have you participated in workshops/training programs available locally to increase your business changes to participate in federal sub-contracting opportunities?

Part of the procurement technical assistance provided by the above mentioned organizations is the development of trainings and workshops. Free-of charge for the most part, these trainings and workshops serve as valuable educational tools that provide local businesses the necessary skills and information to better respond to future federal sub-contracting opportunities. About 55.6% of the respondents (126 in total) participate in these type of activities while 44.5% do not (see Figure 20). These results evidence that the attendance of local businesses to these kind of educational activities organized by community organizations remain somewhat low.

Figure 20. Participation in contracting Workshops and trainings

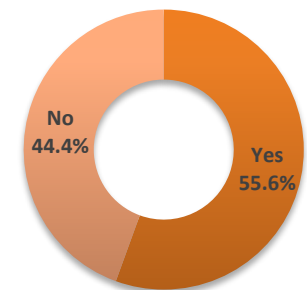
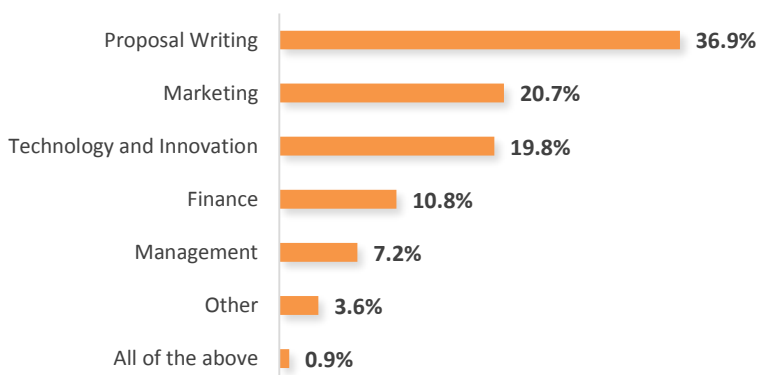


Figure 21. Workshops and Trainings’ preferences

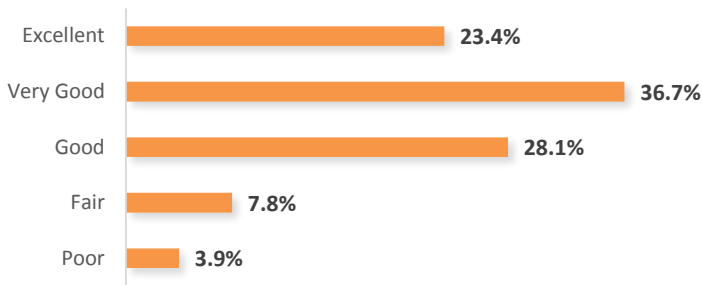


Q21. Which type of workshops/trainings would you like to participate in order to improve your business’ capacity?

Around 37% of the respondents to this question (111 in total) said that they would like to participate in educational activities related to “proposal writing”; 20.7% voted for “marketing”; 19.8% for “technology and innovation”; 10.8% for “finance”; 7.2% for “management”; 3.6% for “other” type of activities; and 0.9% would like to participate in “all of the above” mentioned trainings and workshops.

4. UNDERSTANDING THE BUSINESSES' CAPACITY BUILDING¹⁹

Figure 22. *Financial and accounting practices*

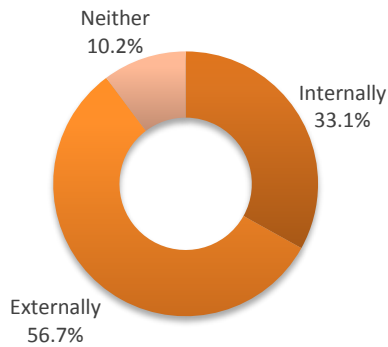


Q22. *How would you evaluate your business' financial and accounting practices? e.g. Management of Financial Statements, Access to capital (bank loan approvals).*

Financial and accounting practices, are one of the most important components of any type of business. Recording all transactions, preparing financial statements and keeping books up-to-date are essential aspects to assess a business' performance and to establish relationships with other businesses and financial institutions (e.g., requesting to

open a line of credit). Small-business owners may use financial accounting information to analyze competitors and evaluate investment opportunities. Because financial accounting is governed by generally accepted accounting principles, the financial statements of different companies are comparable to one another.²⁰ Approximately 23% of the participants to this survey evaluated their financial and accounting practices as “excellent”; 36.7% “very good”; 28.1% “good”, and between 7.8% and 3.9% said their financial and accounting practices are “fair” and “poor”.

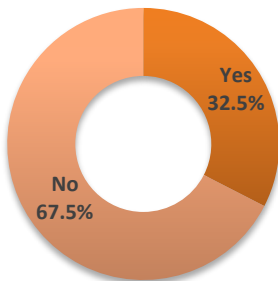
Figure 23. *Financial statements auditing practices*



Q23. *Your business' financial statements are audited*

Financial statements generally signify the situation of a business in terms of its finances. The business is held accountable by the amount of money made and used in a very detailed sense. They represent the picture of the institution in reference to its financial well-being as well as profitability. Businesses make use of the audited reports to verify that the details given in their statement are correct and accurate. Internal and external auditing enhances the financial statement's validity. In general terms local businesses in El Paso stated that they implement “external” and “internal” auditing practices, 56.7% and 33.1% respectively. Only 10.2% affirmed that they do not audit their financial statements neither internally nor externally.

Figure 24. *Certifications in the area of construction*



Q24. *Does your business have any type of certifications in the area of construction? e.g. International Organization for Standardization (ISO), Leadership in Energy and Environmental Design (LEED), etc.*

Before beginning doing business with the government, businesses must obtain the proper certifications. Small business certifications could be defined as professional and technical qualifications that allow small businesses to enhance special set of skills that will help them compete in the marketplace. Unlike permits and licenses, small businesses do not need to obtain certifications to legally operate. However, in order to take advantage of business opportunities, such as government contracts,

¹⁹ Capacity Building is a conceptual approach that focuses on understanding the obstacles that inhibit businesses, governments, international organizations and non-governmental organizations from realizing their goals while enhancing the abilities that will allow them to achieve measurable and sustainable results. See IFC (20

²⁰ See AICPA (2013) “Financial Reporting Framework for Small and medium size entities, [accessed on 07/28/15] <http://www.aicpa.org/InterestAreas/FRC/AccountingFinancialReporting/PCFR/DownloadableDocuments/FRF-SME/FRF-SMEs-Framework.PDF>

businesses may need to obtain some certifications. Federal, state and local governments offer businesses opportunities to sell billions of dollars' worth of products and services. Many government agencies require that some percentage of the procurements be set aside for small businesses. Therefore certified small business have more opportunities to successfully compete for government contracts.²¹ When asking local businesses whether they have any type of certifications in the area of construction (see Figure 24), only 32.5% responded positively while 67.5% declared that they do not have any type of certifications in the constructions field.

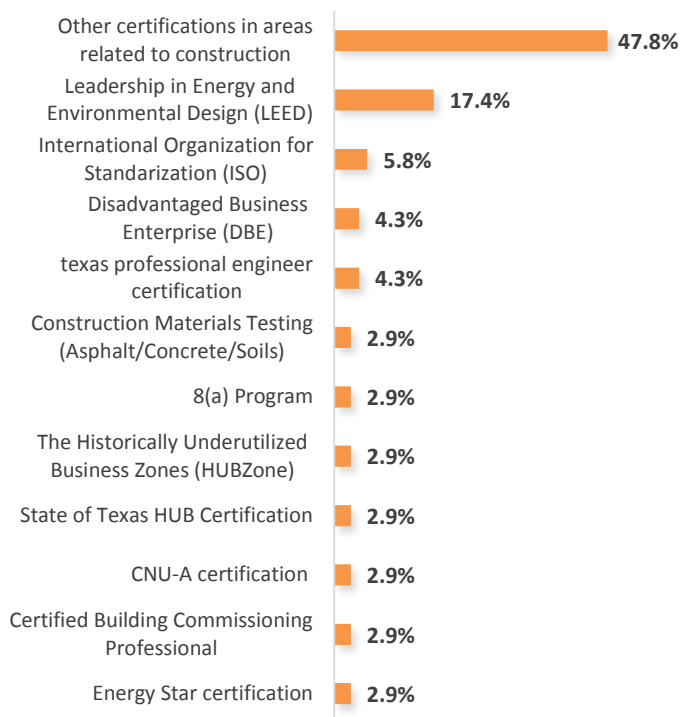
Q25. If so, which one(s)?

Parallel to government certifications, there many other types of professional and technical certifications in the field of construction, designed to assist the businesses improving their skills in specific areas, and at the same time increasing their competitiveness. The more educated and skilled a business is, the better chances it seems to have to obtain a federal contract.

From those businesses who replied “yes” to the previous question, 69 participated in question 25. A large number of responses were received since some businesses have more than one certification (see Figure 25). Considering the top three most common certifications, 17.4%, said they are certified with the “Leadership in Energy and Environmental Design” (LEED), 5.8% with the “International Organization for Standardization” (ISO) and 4.3% with the “Disadvantaged Business Enterprise” (DBE) certification.

Since there were several other certifications that received between one and two votes, we grouped them under the category of “other certifications in areas related to construction”. This broad category includes several activities such as: “Master technician”, “lead paint testing”, “Homebuilders’ Association”, “Modular/Demountable wall installation” among other construction-related certifications

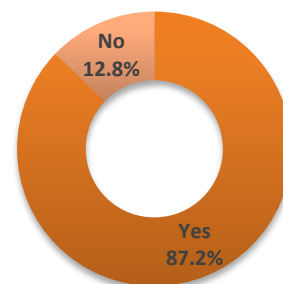
Figure 25. Type of certifications in the area of construction



Q26. Are you planning to expand your business’ capacity in the next couple of years?

Business expansion relates to better brand recognition, building value in the business for employees and customers, offering a wider range of products and services to a larger geographical market, and creating “economies of scale.”²² As Figure 26 shows, about 87% of the respondents to this question affirmed that they are planning to expand their businesses in the next couple of years, while 12.8% do not. This positive response-rate in favor of business expansion, could be translated into a favorable growth potential for El Paso. When the local economy is flourishing, it is easier for a business to succeed and vice versa.²³

Figure 26. Business expansion plans



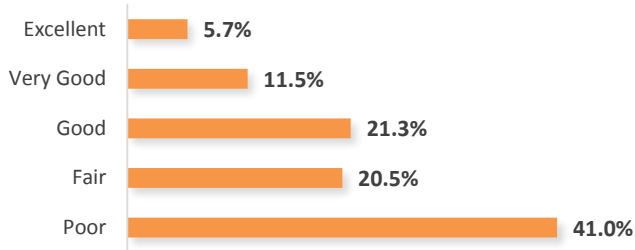
²¹ SBA (2012) “How to Certify as a Small Business” [accessed on 07/30/15] in: <https://www.sba.gov/offices/headquarters/obd/resources/4210>

²² This means that bigger businesses achieve lower costs per unit and stretch administration dollars over a larger product line: marketing, professional fees, insurance and banking charges, to name a few. The economy of scale contributes to having more money for R&D, sponsorships, employee training and education, investment in new technology and creating more productivity out of employees. See Boswell (1973).

²³ See McFarland and McConnell (2011)

Expanding a business can be certainly rewarding but it can also be challenging and risky. In an environment where capital is scarce, several experts recommend small business’ owners to consider collaborating with other businesses to reach new customers or broaden their offerings without the cost of developing additional expertise or hiring more employees.

Figure 27. *Joint ventures’ experience*



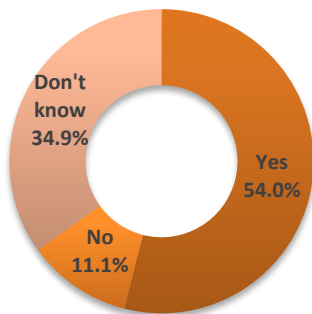
Q27. *What is your experience establishing joint ventures (partnering with other businesses)* in the City of El Paso?*
**Partnering with other local businesses to increase your chances to be awarded a federal contract.*

According to the Federal Acquisition Regulation (FAR), a joint venture could be understood as a legal organization that takes the form of a short-term partnership in which the persons jointly undertake a transaction for mutual profit.²⁴

Generally, each person contributes assets and share risks. Like a partnership, joint ventures can involve any type of business transaction and the parties involved can be individuals, groups of individuals, companies, or corporations.²⁵ In this context, a very good example of a joint venture in El Paso is the establishment of Clark McCarthy Healthcare Partners II, the joint venture of Clark Construction Group and McCarthy Building Companies, Inc., that is in the process of building the Fort Bliss Replacement Hospital in El Paso.

When assessing the experience of local businesses with the establishment of joint ventures (see figure 27), we found that only 5.7% declared to have “excellent” experience; 11.5% “very good”; 21.3% “good”; 20.5% “fair” and 41% affirmed having “poor” experience. These results indicate that local businesses could take better advantage of this opportunity.

Figure 28. *Joint ventures and sub-contracting*



Q28. *Do you think that partnering with other local businesses increases the potential of achieving a federal sub-contracting award?*

In fact 54% of local businesses believe that establishing joint ventures with other local businesses increase the potential of being awarded a federal sub-contract. Still, there are 34.9% of the businesses who don’t know the answer to this question and 11.1% responded negatively (see Figure 28). It would be interesting that the previously mentioned business assistance organizations in El Paso (see Figure 19), could organize more trainings and workshops designed at educating the local businesses about the establishment of joint

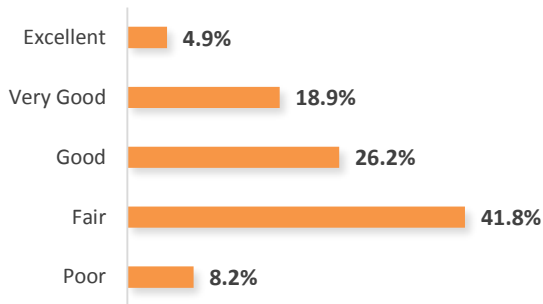
ventures, in line with the Federal Acquisition rules. Likewise, it would be interesting to organize more B2B meetings aiming to foster the creation of new joint venture partnerships between local businesses. In general terms, joint ventures could greatly increase the chances to get a federal sub-contract because this partnership allows local businesses to combine and complement each other’s skills, to share knowledge and technology in order to be more competitive and deliver the best product or service to the government within the required deadlines.

²⁴ The Federal Acquisition Rules (FAR) have a very specific notion of what constitutes a “joint venture” for teaming purposes.

²⁵ Federal Acquisition Regulation, (2015), 19.101, “Control through contractual relationships”

5. LOOKING TOWARDS THE FUTURE

Figure 29. Local businesses and future sub-contracting awards



respondents, 41.8%, believe their ability would be “fair”; while 8.2% said it would be “poor”.

Q29. *In five years from now, do you expect the ability of local businesses to compete successfully in federal sub-contracting opportunities to be?*

When asking the local businesses’ how do they believe their ability to compete and be awarded a federal sub-contract will be in the next five years, the general opinion seem to be rather pessimistic (see figure 29). Only 4.9% consider it would be “excellent”; 18.9% said it would be “very good”, 26.2% think it would be “good”; nearly half of the

Q30. *Is your business planning to participate in future federal sub-contracting opportunities?*

In hand with the previous question and aiming to assess the future perception of local businesses activities in relation to federal contracts, businesses were asked whether they plan to participate in future federal sub-contracting opportunities (see Figure 30). More than half of the respondents to this question, 60%, answered “yes,” 34% answered “maybe” and only 6% said that they “will not” participate in future sub-contracting opportunities.

Figure 30. Future plans in federal contracting

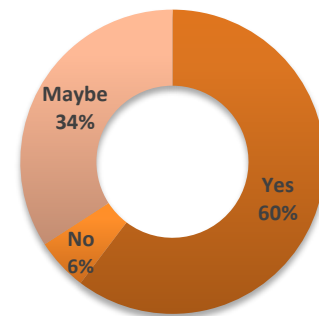


Figure 31. Local businesses who do not plan to participate in federal contracting



Q31. *If the answer to the previous questions was “no”, please explain why?*

Even if only a small portion of the respondents to the previous question (13 responses in total) affirmed that they do not plan to participate in future federal contracting opportunities, it was important to identify the reasons behind this negative response. Organizing the responses revealed seven different categories (see Figure 31). The most voted ones are related to “cost, complexity and time” (23.1%) and “better opportunities can be found elsewhere” (23.1%), and “maybe” (23.1%). The latter one encompasses the local businesses who are not sure whether to participate in future federal sub-

contracting opportunities or not. Other less voted reasons are classified into categories related to “lack of financial means” (7.7%); “most sub-contracts are awarded to larger businesses” (7.7%), and “previous bad experiences with prime contractors” (7.7%). There was only one response that came from an actual contractor, so it was classified it under the category “Not a small business (contractor).”

Q32. If the answer was “yes”, how is the business preparing to compete in future federal contracting opportunities?

Those businesses who responded “yes” to question 30 provided several statements explaining how they are preparing themselves to compete in future federal contracting opportunities (see figure 32). Organizing the responses left us with 5 different categories.

The most voted statements were related to “strengthening small business’ capabilities” (59%). Some of the comments within this category referred to: “acquiring better knowledge in proposal writing”, “taking advantage of business certifications”, “improving accounting practices”, and “increasing bonding capabilities”.

The second most important category, contains statements related to the “development of better and closer relationships with prime contractors and federal agencies” (20%). The “other responses” category, (8%) contains a wide variety of comments. For example, “we are looking out for opportunities”, and “we are certified as a woman-owned business”.

The lowest percentages contain statements grouped in two categories. One is related to the “increase in the participation in community associations and groups in the area of construction” (7%). The other one gathers statements regarding “building partnerships with other larger and small businesses” (6%).

Figure 32. Local businesses federal contracting strategy

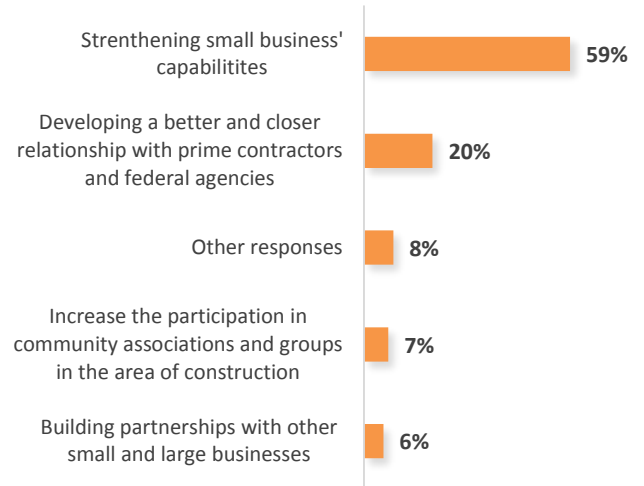
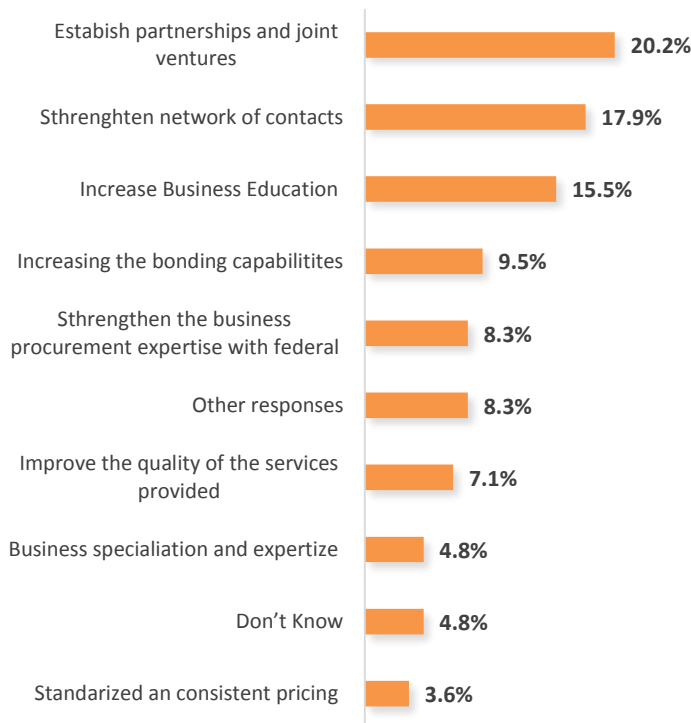


Figure 33. Strategy to obtain a federal sub-contract



Q33. What do you see as the most important strategy that local El Paso businesses should adopt to achieve an award of a federal sub-contract?

Similar to Question 32, this question was designed to find out what kinds of strategies are the local businesses looking to adopt in order to be awarded a federal sub-contract. Since this was an open question, a large number of responses were received. For organizational purposes, the strategies provided by the businesses were placed into ten different categories.

Considering the top three most common strategies, 20.2% of the businesses believe that “establishing partnerships and joint ventures” with other businesses (e.g., through the mentor-protégé program) could allow them to be awarded a federal sub-contract.²⁶ Almost twenty percent, 17.9%, stated that they center their attention in “strengthening their network of contacts” (e.g., prime contractors, other businesses, federal, state

²⁶ There are several types of mentor-protégé programs (e.g. SBA, GSA) but in general terms the purpose of the program is to encourage and motivate prime contractors or big companies to assist small businesses’ concerns in all small business categories, enhancing their capability of performing successfully on future contracts and subcontracts. For more information see: U.S. General Service Administration (2015).

and local agencies) and 15.5% consider that it is important to “increase their business education.” This latter category includes strategies such as training their staff, obtaining more certifications, identifying their industries’ NAICS code(s), and working closer with the previously mentioned business assistance organizations in El Paso (see Figure 19). In general terms, local businesses believe that designing strategies based on education and networking could increase their chances to capture a federal sub-contract.

Q34. Additional Comments/Questions

The concluding question of this survey allowed the participants to write additional comments. In fact, only 29 local businesses took part in this question, but yet the responses were extensive. When organizing the data, we found some similarities among the responses, which allowed us to classify and summarize them in different categories:

Federal Level:

- Even if businesses are registered as official vendors, Federal agencies do not normally reach out to them.
- Businesses thank the Office of Congressman O’Rourke for their efforts to improve the participation of local businesses in federal contracting.
- Local businesses could be able to increase their chances to be awarded federal sub-contracts, if the federal government would offer smaller contracts, according to the size of the small businesses, instead of offering huge contracts tailored for prime contractors only.
- In order to secure that more local businesses get federal contracting opportunities in El Paso, Fort Bliss should have a contracting office that ensures the allocation of funds locally.

Proposed solutions:

- By using methodologies such as Lean Six sigma, small businesses could improve their internal organization and increase their chances to be granted federal sub-contracts.
- At the local level (city, county) a good solution would be to raise the contracting standards rather than just going with the lowest bid. This would increase local competitiveness and job quality. This would allow local subcontractors to have better resources, allowing them to hire better educated staff in order to run federal projects.
- It’s important to utilize mentors within the construction industry and to locate a qualified consultant with proven performance and credentials to help small businesses understand the Federal Acquisition Rules (FAR).
- Training the staff on how to plan, perform, and execute sub-contracts with timely completion.

Disadvantages:

- Having contacts and good relationships with prime contractors would allow small businesses to get a sub-contract easily, rather than having technical and professional capacity (favoritism v. meritocracy).
- If local businesses are not registered under the programs (minority business, Hub program) then their chances to be awarded a federal sub-contract could be reduced considerably.
- Women-owned businesses are still in disadvantage within the procurement market.
- Businesses in El Paso, lack the knowledge, the expertise and the information required to be competitive in the federal procurement market.
- Many of the subcontracts awarded to local businesses are limited to low-skilled activities (e.g. cleaning services, portable bathrooms, landscaping, pavement, etc.) while the high skilled, better payed contracts are awarded to out-of-town companies.
- Applying to a federal sub-contract is time consuming, complex and extremely bureaucratic which creates an obstacle for small businesses.
- In terms of payments, sub-contractors usually experience challenges to get paid on-time.

Other comments:

- Local businesses believe that the information events organized by prime contractors could be used better to get to know the local workforce better.
- It’s good that this survey study is being conducted by UTEP. It is important to identify what is the main problem affecting local businesses’ participation in federal contracting opportunities.

Conclusion

Local Businesses in El Paso are specialized in several areas in the field of construction, offering a good range of technical and professional services. However most of the services provided are centered in low skilled services (e.g. pouring concrete, site preparation, plumbing, painting, and electrical work); and in a lesser extent in professional services (e.g. architectural and engineering services), which could be a setback when competing for a federal contract.

In order to make the transition from low to high skilled services, it is important that local businesses invest resources in training and education programs for their workforce. There are several educational tools available on-line (webinars, MOOC courses, etc.) and offered by the government and community organizations in El Paso (page 13). Likewise, local businesses should keep their business portfolio up-to-date (mainly on their websites), including their skills, the services provided, certifications and any value added to enhance their profiles. This exercise could considerably help improving the businesses' strategic planning efforts.

Overall, local businesses have the potential to improve and capture federal sub-contracts. The key to be successful lies in educating their workforce, modernizing their infrastructure and constantly updating their knowledge on federal contracting. In many ways, small businesses' future performance in the federal contracting marketplace will be a direct result of how effectively they choose to implement disciplined business development, proposal development and knowledge management processes and methodologies.

Bibliography

American Express OPEN for Government Contracts Program (2013) “Trends in Federal Contracting for Small Businesses”
<http://assets.fiercemarkets.net/public/sites/govit/amexsurvey.pdf>

American Institute of Certified Public Accountants (2013) “Financial Reporting Framework for Small and Medium-Sized Entities” PP. 1- 188

<http://www.aicpa.org/InterestAreas/FRC/AccountingFinancialReporting/PCFR/DownloadableDocuments/FRF-SME/FRF-SMEs-Framework.PDF>

Arline, K. (2015) “What is B2B?” Business News Daily.

<http://www.businessnewsdaily.com/5000-what-is-b2b.html#sthash.fPrk6a1s.dpuf>

Bienaimé, P. (2015) “The 'bilingual advantage' might not be a real thing”, Business insider

<http://www.businessinsider.com/is-there-a-bilingual-advantage-2015-1>

Bond Exchange (2015) “The Importance of Bonding Subcontractors”

<http://www.thebond-exchange.com/Pages.aspx/The-importance-of-bonding-subcontractors>

Boswell, J. (2014) “The Rise and Decline of Small Firms” Routledge, 1st edition, New York: NY. PP. 1 - 272

Clark, L. and Saade, R. (2010), “The Role of Small Business in Economic Development of the United States: From the End of the Korean War (1953)”, Office of Advocacy U.S. Small Business Administration,

https://www.sba.gov/sites/default/files/advocacy/rs372tot_0.pdf

Damour, S. (2013), “The Heart of America: Recognizing Small Business”, the GSA blog,

<http://gsablogs.gsa.gov/gsablog/2013/06/21/the-heart-of-america-recognizing-small-business/>

Edmiston, K. (2007) “The role of small and large businesses in economic development”, Federal Reserve Bank of Kansas City Economic Review. 92(2): 73-97

<https://www.kansascityfed.org/publicat/econrev/pdf/2q07edmi.pdf>

Emrick, H. (2010), “You Say You Aren’t A Government Contractor – Or Is It Just Wishful Thinking?”, Womble Carlye Sandridge & Rice, PLLC

http://news.acc.com/accwm/downloads/WCSR_111210.pdf

Federal Acquisition Regulation (2015), Part 19-Small Business Programs,

<https://www.acquisition.gov/?q=/browse/far/19>

FindLaw (2008), “Federal Government Contract Overview”

<http://corporate.findlaw.com/law-library/federal-government-contract-overview.html>

Forbes (2013) “How Much Is Online Presence Helping Small Business?”

<http://www.forbes.com/sites/thesba/2013/11/25/how-much-is-online-presence-helping-small-business/>

Gormley, B. (2010) “Government Contracting: Explaining the Process in 5 Steps”, U.S. Small Business Administration, Blogs.

<https://www.sba.gov/blogs/government-contracting-explaining-process-5-steps>

Government of Canada (2013), Office of the Commissioner of Official Languages,

<http://www.ocol-clo.gc.ca/en/pages/notes-address-bilingualism-business-bilingual-advantage-symposium>

Hubzone Council (2015) “HubZone Program Background”

<http://www.hubzonecouncil.org/clubportal/ClubStatic.cfm?clubID=528&pubmenuoptID=29458>

International Finance Corporation (2010), “A Quick Guide Highlights from IFC’s Good Practice Handbook”, Washington, D.C. PP. 1 - 34
http://www.ifc.org/wps/wcm/connect/ace84b804885511b57cf76a6515bb18/IFC_com_inv_handbook_2.pdf?MOD=AJPERES

Konnikova, M. (2015) “Is bilingualism really an advantage?”
<http://www.newyorker.com/science/maria-konnikova/bilingual-advantage-aging-brain>

McFarland, C. and McConnell, K. (2011) “Local Roles in Cultivating a Small Business and Entrepreneurial Culture”, For the "Small Business and Entrepreneurship during an Economic Recovery" Conference sponsored by the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of Atlanta, and the Ewing Marion Kauffman Foundation. Washington, D.C. November 9, 2011
<http://www.federalreserve.gov/newsevents/conferences/mcfarland-20111109.pdf>

Mehta, M. (2010), “Using a Joint Venture to Expand”, Bloomberg Business
http://www.businessweek.com/smallbiz/content/oct2010/sb2010108_640716.htm

National Association of Women Business Owners (2012) “Government contracting, mentor-protégé program”
http://www.nawbo.org/GovernmentContracting/OPEN_Insight_Gov_Contracting_4_Mentor%20Protege.pdf

Rammes, J. (2013), “How can contractors improve their bonding capacity?” Barnes Denning Business advisors.
<http://www.barnesdennig.com/uploads/File/Improve%20bonding%20capacity%20-%20full%20article.pdf>

U.S. General Services Administration (2015), “Bidding on Federal Construction Projects”
<http://www.gsa.gov/portal/content/103328>

U.S. Small Business Administration (A 2010), “Twelve Step Program for Federal Procurement Contracts”, April.
<https://www.sba.gov/sites/default/files/articles/Tweleve%20Steps%20to%20Contracting.pdf>

U.S. Small Business Administration (J 2010), “A Handbook for Small Business Liaison Officers”, June.
[https://www.sba.gov/sites/default/files/articles/Small_Business_Liaison_Officer_\(SBLO\)_Handbook_6_2010.pdf](https://www.sba.gov/sites/default/files/articles/Small_Business_Liaison_Officer_(SBLO)_Handbook_6_2010.pdf)

U.S. Small Business Administration (2014), “How to Prepare Government Contract Proposals”,
https://www.sba.gov/sites/default/files/proposals_workbook.pdf

White House (2009), “President Obama Announces New Small Business Lending Initiatives”, Office of the press secretary,
<https://www.whitehouse.gov/the-press-office/president-obama-announces-new-small-business-lending-initiatives>

White House (2011) “Increasing Small Business Participation in Federal Contracting”, Office of Management and Budget. Washington D.C.
<https://www.whitehouse.gov/sites/default/files/omb/procurement/memo/increasing-small-business-participation-in-federal-contracting.pdf>

Verisign (2013) “Benefits and barriers of bringing a small business on-line. Perspectives from Global small businesses”, White paper. PP. 1 – 11.
<http://www.verisigninc.com/assets/Research-small-business-september2013.pdf>

Appendix

A. Electronic Survey Sample

El Paso local businesses: Participating in federal contracting opportunities

Please note that your identity and your business' identity will remain completely anonymous throughout this survey.

What is your business' main activity?

e.g. Plumbing, electrical, transportation, rentals, recycling, mechanical, services, etc.

Do you know the North American Industry Classification System (NAICS) code* of your business activity?

*The NAICS code is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

- Yes
- No

If so, please provide the relevant NAICS code(s) of your business activity:

Where is your business' headquarters located?

- El Paso - West
- El Paso - East
- El Paso - Northeast
- El Paso - Downtown and Central
- Las Cruces, NM
- In NM (other than Las Cruces)
- Ciudad Juarez, MX
- Other

Where is your business incorporated?

- El Paso, TX
- Las Cruces, NM
- Ciudad Juarez, Chihuahua
- Other

How many employees does your business have?

- 0 - 25
- 25 - 50
- 50 - 100
- 100 - 300
- 300 - 500
- More than 500

What percentage of your employees have technical training from colleges, universities, or technical institutes?

- 0% - 20%
- 20% - 40%
- 40% - 60%
- 60% - 80%
- 80% - 100%

The primary language of your business operations is:

- English
- Spanish
- Both English and Spanish
- Other

Does your business have a website?

- Yes
- No

Does your business participate in business to business (B2Bs) events/activities?

- Yes
- No

If yes, where?

(You can select more than one answer)

- Texas
- New Mexico
- Ciudad Juarez, MX
- Other, Nationally
- Other, Internationally

Has your business ever been awarded a federal *sub-contract* in the City of El Paso?

- Yes
- No

If yes, how many federal *sub-contracts* has your business participated in the City of El Paso?

- 1 - 2
- 3 - 5
- 5 - 8
- 8 - 10
- More than 10

If your business has ever been awarded a federal *sub-contract* in the City of El Paso, was it:

(You can select more than one if necessary)

- Tier 1
- Tier 2
- Tier 3
- Tier 4 or below
- Other

If your business was awarded a federal *sub-contract* from Clark-McCarthy (Ft. Bliss Replacement Hospital Project), what was the amount in U.S. dollars?

- Between 0 and \$1,000
- Between \$1,000 and \$5,000
- Between \$5,000 and \$20,000
- Between \$20,000 and 100,000
- More than \$100,000

In your opinion, the primary reason why principal contractors make the decision to award a *sub-contract* to a local business is:

- Prior business relationship between the local business and the principal contractor
- Experience and reputation of the local business
- Size and capacity of the local business
- Other

Based in your experience, the primary contractors' performance (advertisement of the bid, responsiveness, feedback, etc.) in the bidding process has normally been:

- Poor Fair Good Very Good Excellent

How would you evaluate your business' ability to write strong proposals to participate in federal sub-contracting opportunities?

- Poor Fair Good Very Good Excellent

Which of the following government/community organizations has provided your business, guidance and support throughout the application process to Federal *sub-contracting* opportunities?

(You can select more than one answer)

- Small Business Administration (SBA)
- Small Business Development Center
- Contract Opportunity Center (COC) at El Paso Community College
- Economic Opportunity Forums (Texas Comptroller's office)
- The Greater El Paso Chamber of Commerce
- The El Paso Hispanic Chamber of Commerce
- Other

Have you participated in workshops/training programs available locally to increase your business changes to participate in federal *sub-contracting* opportunities?

- Yes
 No

Which type of workshops/trainings would you like to participate in order to improve your business' capacity?

- Technology and Innovation
- Management
- Finance
- Marketing
- Proposal Writing
- Other

How would you evaluate your business' financial and accounting practices?

e.g. Management of Financial Statements, Access to capital (bank loan approvals).

- Poor
- Fair
- Good
- Very Good
- Excellent

Your business' financial statements are audited:

- Internally
- Externally
- Neither

Does your business have any type of certifications in the area of construction?

e.g. International Organization for Standardization (ISO), Leadership in Energy and Environmental Design (LEED), etc.

- Yes
- No

If so, which one(s)?

Are you planning to expand your business' capacity in the next couple of years?

- Yes
- No

What is your experience establishing joint ventures (partnering with other businesses)* in the City of El Paso?

*Partnering with other local businesses to increase your chances to be awarded a federal contract.

- Poor
- Fair
- Good
- Very Good
- Excellent

Do you think that partnering with other local businesses increases the potential for achieving a federal sub-contracting award?

- Yes
- No
- Don't know

In five years from now, do you expect the ability of local businesses to compete successfully in federal sub-contracting opportunities to be:

- Poor
- Fair
- Good
- Very Good
- Excellent

Is your business planning to participate in future federal sub-contracting opportunities?

- Yes
- No
- Maybe

If the answer to the previous questions was "No", please explain why?

If the answer was "Yes", how is the business preparing to compete in future federal contracting opportunities?

What do you see as the most important strategy that local El Paso businesses should adopt to achieve an award of a federal subcontract?

Additional Comments/Questions

Dear El Paso business leader, Thanks for your contribution to make a better El Paso!

**Regards,
Hunt Institute For Global Competitiveness
University of Texas at El Paso**

0%  100%