



HOW DOD-OSB CAN HELP SMES THROUGH LOGCAP
VI SERVICES IN IRAQ

Washington, DC Door Knock / September 22-24, 2019

AMERICAN CHAMBER OF COMMERCE-IRAQ

POLICY ISSUE AND RECOMMENDATION

Issue

The exercise of American “soft power” in Iraq – and, by extension, the growth of critical American influence in Iraq in the face of increasing Iranian and Chinese business initiatives – requires a stronger American business presence in Iraq, not just large American corporations, but also the Small and Medium Enterprises (SMEs) that are the job creators and backbone of the American economy.

Yet, presently, there are very few American SMEs operating in Iraq because there currently is no effective market-entry incubator program for SMEs who have the capability of competing for and capturing business opportunities offered in Iraq by the main source of business across all sectors: the Iraqi Ministries and Iraqi State-owned companies.

There is a unique opportunity for the Department of Defense, through the Office of Small Business Programs, to significantly contribute to American’s exercise of soft power in Iraq by using its power to advocate to the new forthcoming LOGCAP VI Iraq Task Order contractor for qualified American SMEs to be selected as subcontractors to provide essential LOGCAP VI services in Iraq.

This is the case because:

1. It is within the province, power and mission of DoD OSBP to do so;
2. The LOGCAP VI contract *requires* the LOGCAP VI Iraq Task Order contractor to achieve a target goal of 15% of total Iraq Task Order dollars for small businesses
 - 5% of total Task Order dollars for Small Disadvantage Business (SDBs);
 - 5% of total Task Order dollars for Woman Owned Small Business (WOSB);
 - 3% of total Task Order dollars for Historically Underutilized Business Zone (HUBZone) Small Business;
 - 1% of total Task Order dollars for Service-Disabled Veteran Owned Business (SDVOB);
 - The 1% balance to small businesses generally.
3. Having SMEs in Iraq as LOGCAP VI subcontractors benefits DoD and the LOGCAP VI Task Order contract by facilitating the LOGCAP VI Task Order contractor’s realization of the contractually established Small Business Contracting targets.

AMERICAN CHAMBER OF COMMERCE-IRAQ

4. Once present in Iraq as LOGCAP subcontractors, the SMEs will gain expertise working with counterpart Iraqi companies – a capability that will enable the SMEs to do non-LOGCAP business in Iraq within the SMEs competency areas; and
5. As a consequence of being in Iraq doing business, SMEs will have the opportunity to learn how to successfully pursue business opportunities with pertinent Iraqi Ministries, State-owned companies and the Iraqi private sector, if such SMEs are so motivated.

Recommendation

DoD OSBP commence an initiative to assist SMEs to become LOGCAP VI subcontractors in Iraq through a program that includes:

- A. Coordinating with the eventual LOGCAP VI Iraq Task Order contractor to determine its Small Business contracting opportunities – including:
 - The work in Iraq to be subcontracted;
 - The LOGCAP VI Iraq Task Order contractor’s technical and business qualification requirements for prospective SME subcontractors;
 - The volume (estimated price) of particular work to be subcontracted;
- B. Joint LOGCAP VI Iraq Task Order contractor/DoD OSBP search for and identification of qualified prospective SME subcontractors; and
- C. Joint LOGCAP VI Iraq Task Order contractor/DoD OSBP organization of an “LOGCAP VI Iraq match-making Industry Day for interested qualified SMEs to meet with the LOGCAP VI Iraq Task Order contractor’s subcontracting representatives.

Conclusion

For the above reasons, AmCham-Iraq believes that by taking such initiative, DoD OSBP can and will materially contribute to the maintenance and growth of American soft-power influence in Iraq at this critically important inflection point.