



OHA Economic Hale Director Mark Glick discusses the Procurement Technical Assistance Center services with Capsun Poe and Clarita Barretto in his Kapi'olani Boulevard office. - Photos: Nelson Gaspar



By Lisa Asato  
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With a \$787 billion dollar stimulus bill approved by President Obama, there isn't a better time for OHA and its partners to offer HI-PTAC, Hawai'i's first Procurement Technical Assistance Center, which aims to open doors to billions in government contracting

When Native Hawaiian business owner Sundance "Sunny" Kim wanted to break into government contracting, he learned a valuable lesson the hard way – one that he wants others to learn from. After trying to navigate a contracting system that was tedious, overwhelming and disconnected, he borrowed money from a friend to attend a workshop he had heard about through an e-mail solicitation on how to win "multimillion-dollar contracts and become rich." "I thought \$5,000 for a crash course, it would be worth the investment," said Kim, president of the construction company Kim Group Inc.

But after the initial excitement, he started noticing red flags, like the fact that his company started receiving calls from people seeking his services – in fields he had no expertise in. Kim had taken the advice of the workshop leader to declare his company's services to be as varied and diverse as possible to increase his name recognition among potential clients, he recalled.

"Things were starting to come into focus about what they were trying to sell us," he said, adding that it was a scheme. "I went (to the workshop) the first day and the place was packed. Each person probably paid at least \$2,000 to \$5,000 to attend."

All was not lost. He was able to get an agreement for a refund, and a woman he met at the Small Business Administration referred him to the Hawai'i Procurement Technical Assistance Center, or HI-PTAC, for help.

There are 91 PTACs nationwide, and last year they helped small businesses attract about \$14 billion in contracts, said Mark Glick, OHA's Economic Hale Director. In October, OHA won a grant under the federal Defense Logistics Agency to bring the first PTAC to Hawai'i, and the move is being lauded in the business community.



State Rep. Gene Ward is a proponent of PTAC. - Photo: Lisa Asato

"It's very significant. A lot of (businesses) don't get involved in federal work because ... when you start in the system it's like being thrown into an area you don't understand. PTAC helps walk you through that," said Andrew Poepoe, the recently retired district director of the U.S. Small Business Administration's Honolulu office, adding that the SBA had been supporting the idea of a PTAC in Hawai'i for years.

State Rep. Gene Ward, a former small business owner who started an entrepreneurial training program for Hawaiians in 1978 along with George Kanahale, called the move "very favorable to businesses in Hawai'i."

PTAC's entry in the Islands fits with one of Ward's goals for this legislative session to "indigenize military contracts," his term for getting local businesspeople a bigger slice of the government contracting pie. He said military spending in Hawai'i last year was \$8.5 billion, of which local businesses got a "manini" portion.

"Fisherman say you have to fish where the fish are. Well, you have to fish where the fish are in terms of Department of Defense monies," he said. "There's \$8.5 billion out there, PTAC should be able to chisel into and get a very good substantial piece of that."

HI-PTAC is a one-stop shop for government contracts at all levels – federal, state and county. HI-PTAC also serves as a liaison between contractors and potential subcontractors. For example, pairing businesses that are new to the federal procurement process with businesses with experience.

HI-PTAC offers free workshops on how to get started and a host of other topics, training and technical assistance to help small businesses understand the federal procurement process, bid matching, which works to match firms with bidding opportunities and counseling. It also emails clients bid notifications daily.

"We are the sole entity under contract with the Defense Logistics Agency, so in that central role, we're able to serve our (Native Hawaiian) beneficiaries better. I think beyond that what we've done is bring in other parties so we're able to solve bigger problems," he said, referring to a partnership that involves the University of Hawai'i School of Law, Hawai'i Procurement Institute, Hawai'i Small Business IT Hui, Empower O'ahu, Group IQ and UH Honolulu Minority Business Enterprise Center. Partners play various roles, including providing in-kind contributions in staffing, providing experts to speak at workshops, counseling and more.

OHA funds about 8 percent of the annual \$600,000 cost, a percentage that's aligned with the number of Native Hawaiian-owned businesses in the state. The Defense Logistics Agency funds \$300,000 and the rest comes

At this stage, we're hopeful that PTAC will be a conduit for all of that new federal activity" that's coming to the state.

Clarita Barretto, acting PTAC program manager, said first and foremost "PTAC is here to help small businesses win government contracts."

"That's what we want to be able to do for them," she said, adding that the service is free. "In business, time is money and this is



Akimeka CEO Vaughn Vasconcellos and members of the Akimeka 'ohana, Deanna Garcia, John Harris, Alisa Manongan and Craig Floro, at a Business Leadership Hawai'i Event at Hilton Hawaiian Village.



From left: Robin Wainui of Akimeka performs a Geographic Informations Systems, or GIS, update to the mapping system at the 911 call center in Maui. Mark DelaCruz shows the components of a HiMod, or HiReso Hybrid for Mount and Dismount, which will provide mission and situation-awareness training for National Guard members at the headquarters of the 29th brigade at Kalaheo. DelaCruz sits at mission control while Nick Herring of subcontractor Atlantis Cyberspace Inc. tests the gear. - Photos: Lisa Asato



Vaughn Vasconcellos, founder and CEO of Akimeka, with U.S. Sen. Daniel Akaka. - Photos: Courtesy of Akimeka

And the bids are not restricted to military contracts. Sitting in his office, Glick quickly scanned the bid matches he received that day – "I'm on the list myself," he said – and it includes bids seeking delivery services for paper in Hawai'i County, installing fiber optic cable between the Fasi Municipal Building and the Alapa'i building for the City and County of Honolulu, researching the effects of alcohol, and a \$1.5 million contract through the Administration for Native Americans to preserve native language.

"This covers every kind of contracting opportunity, and we believe because of that, a firm that provides goods and services ought to be able to find something they can do in these opportunities that we're sending out every day," Glick said.

HI-PTAC serves all small businesses and reaches out to everyone, not only Native Hawaiians. "It's a departure for us," Glick

from other sources. The one-year contract is renewable on a yearly basis for up to three years.

For the past two years, Native Hawaiian firms have been awarded more than \$100 million in contracts annually. Glick said the goal is to have Native Hawaiian firms earning \$500 million, or a half-billion dollars, by the end of the three-year period. On average for the past several years, just over \$2 billion in federal contracts flowed to Hawai'i. The overall goal is for HI-PTAC to attract a total contract amount in the \$2.5 billion range or more at the end of the three years, he said.

Glick said with the recently approved \$787 billion economic stimulus package signed by President Obama in February, there "couldn't be a better time for us to take this on."

"We're lucky that we did all the hard work to secure (the grant) and we're able to get into a cycle where we're up and running. ...

for free and eventually we would like to be able to provide a PTAC roundtable where we can call small companies as well as prime contractors and have them meet so they can collaborate or encourage partnership. We're planning to have that soon."

Raised on Moloka'i, Vaughn Vasconcellos started Akimeka 12 years ago with an aim of getting into government contracting. After creating a niche for himself providing medical information technologies to the U.S. Defense Department, his company has grown to 125 employees and earned about \$19.3 million in total revenue in 2007. At the county level in Hawai'i, Maui and Kaua'i, Akimeka provides a Geographic Informations Systems, or GIS, support to enhance the counties' 911 systems to allow them to pinpoint a cellular caller's location. Today the company has offices in five cities from Honolulu to Washington, D.C.

the kind of thing that would make (businesses) be more efficient."

"Also, we provide all these workshops

His advice for aspiring government contractors? Register with PTAC, which will simplify the process for those who are just starting out, look into getting certified as an 8(a) company through the Small Business Administration "because the 8(a) allows you to compete on an even playing field with larger contractors," seek out a mentor, don't be afraid to start small, say with a \$150,000 contract, and persevere through good times and hard times.

"Government contracting is an opportunity where if you can get your foot in the door with a customer and they like the work that you do, then they can open up additional business opportunities for you in that area," said Vasconcellos, a 1978 graduate of West Point. "For us, getting in the Department of Defense medical information systems is what helped us establish our past performance and with that we were able to secure more work. Because now we had a track record that other potential customers could go back to and say: 'Look at this business, they're doing a good job, they have a great past performance. Let's allow them an opportunity, and we'll award this work to them.'"

To learn more about HI-PTAC or for workshop information, visit [hiptac.org](http://hiptac.org).