

TESTIMONY OF STEPHEN G. HAYDUK, P.E.
BEFORE THE SMALL BUSINESS COMMITTEE AND VETERANS AFFAIRS
COMMITTEE ECONOMIC OPPORTUNITY SUBCOMMITTEE
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Good morning, and thank you to my Congressman, Nick LaLota and to all of you for inviting me to appear before you today.

I enlisted in the Army in 1968 and served as a Helicopter Crew Chief in the US Army's 57th Assault Helicopter Company in Vietnam, known as the Gladiators.

I returned home and attended college on the GI Bill and founded my own consulting engineering firm in 1984.

Hayduk Engineering is both a NYS certified Service-Disabled Veteran-owned Business (SDVOB) and a federally certified Service-Disabled Veteran-owned Small Business (SDVOSB)

Our company is well-respected on Long Island and has grown significantly as a result of the State SDVOB program.

Under the State program, all contracts issued by any state agency include a set aside of about six percent for service-disabled veteran-owned small businesses.

Under the State program, prime contractors have no choice but to seek out an SDVOB to serve as a sub-contractor.

Our firm gets inquiries every week from companies pursuing contracts with the State asking if we will agree to be part of their teams.

Getting work under the federal program has been more challenging.

I want to emphasize that I am not criticizing the federal program, but instead offering my observations about the differences between the State and federal programs.

The federal program apparently does not include the same requirements that the New York State program does for winners of all contracts awarded to include an SDVOB on the project team.

Under the State program, our firm has been awarded hundreds of engineering contracts, helping to create dozens of new jobs at Hayduk Engineering, from less than 10 employees in 2015 to nearly 50 today.

Under the federal program, we have been awarded one contract, for technical design of an upgrade of the sewage treatment plant at the VA Medical Center in Northport, New York.

We completed that work successfully and have a great working relationship with the staff at the VA's Northport facility.

We would like to provide engineering support for other federal agencies that operate facilities on Long Island.

Our firm is well respected on Long Island and has been recognized for the high quality of our work.

We are notified regularly by local governments about opportunities for new work as it becomes available. Receiving the same kind of notice about federal procurements in our region would be helpful.

Instead, our staff is left to attempt to identify pending federal projects by navigating their way through federal procurement notices on the internet.

That system, SAM.gov, is more complicated than it should be. The search engine is cumbersome and when you apply different search filters to try and identify opportunities by region or by business classification, it either yields sometimes many irrelevant results or sometimes very few results, but not often are they applicable or relevant to our business type and location.

Because it uses a nationwide database, our staff are searching through projects all over the world that we could never pursue.

For a small business, paying staff to dedicate work hours to that process is not an efficient or cost-effective use of resources.

Another issue that is common to any program intended to help small businesses is the need for sustained economic growth.

If a program helps to create dozens of new jobs, we should have a shared goal of making sure the people we hire can rely on those jobs to continue.

The issue I'm raising relates to the need for a transition period for businesses that do grow as a result of the program.

Right now, there is no glide path for a transition to protect a business and its employees in the event a veteran owner passes on or leaves the business.

The intent of the program is to help businesses expand and to create new jobs. But if a state SDVOB or federal SDVOSB certification is lost abruptly, the business could face an instant reduction in work flow, meaning loss of jobs for those who have benefitted from the success of the program, or in the worst case, closure of a business.

A transition process to allow companies to reduce their reliance on SDVOSB or SDVOB certifications over time would protect businesses and employees from an abrupt loss of work and jobs.

In closing, there are several things that could make the SDVOSB program more effective and easier to participate in:

- 1) Consider modifying the program to require a broader set aside on contracts issued by all federal agencies, similar to the approach taken in the State program.
- 2) Consider establishing a proactive notification system, alerting certified SDVOSBs of procurements of services by federal agencies that they could qualify for.
- 3) Consider improving the Sam.gov website's search filtering capabilities to be more accurate and user-friendly.
- 4) Consider creating a transition process to protect companies and their employees from the loss of jobs that could result from abrupt termination of certifications under both federal and state programs when a veteran passes away or leaves the business.

Thank you for allowing me the opportunity to speak to you today.