



**DEPARTMENT OF THE NAVY**  
NAVAL FACILITIES ENGINEERING COMMAND  
WASHINGTON NAVY YARD  
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WASHINGTON, DC 20374-5065

IN REPLY REFER TO  
ACQ 021  
9 Feb 00

MEMORANDUM FOR NAVFAC ACQUISITION PERSONNEL

Subj: SUSPENSION OF THE PRICE EVALUATION ADJUSTMENT FOR SMALL  
DISADVANTAGED BUSINESSES (00-08)

Ref: (a) NAVFAC Policy Memorandum 99-01 dtd 28 Jan 99

Encl: (1) OUSD DP (DAR) memo dtd 25 Jan 00

1. Enclosure (1) is furnished for your information and immediate implementation, as appropriate.
2. Reference (a) provided notification of a suspension by the Director of Defense Procurement of the use of price evaluation adjustments for small disadvantaged businesses (SDBs) as prescribed in the Federal Acquisition Regulation (FAR), Subpart 19.11. This suspension was effective for a one-year period.
3. Inasmuch as DoD achieved the established 5 percent goal in FY 99 for contract awards to SDBs, this suspension has been extended until 23 February 2001. In FY99, NAVFAC exceeded its SDB award goal of 12%. Although goals for FY 00 have yet to be assigned, it is important that we continue to ensure our SDB goals are met since NAVFAC is a critical player in the Navy/OSD SDB goal achievement.

A handwritten signature in black ink, appearing to read "M. F. Howard".

MICHAEL F. HOWARD  
Director, Strategic Management  
Community Management Section



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

January 25, 2000

ACQUISITION AND  
TECHNOLOGY

In reply refer to  
DAR Tracking Number: 2000-00001

DP (DAR)

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES  
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,  
ASN(RD&A)/ABM  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING), SAF/AQC  
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)  
EXECUTIVE DIRECTOR FOR PROCUREMENT MANAGEMENT (DLSC/DLA)

SUBJECT: Suspension of the Price Evaluation Adjustment for Small  
Disadvantaged Businesses

Effective 30 days after the date of this memorandum, all  
Department of Defense (DoD) contracting activities shall suspend the  
use of the price evaluation adjustment for small disadvantaged  
businesses (SDBs) in DoD procurements, as prescribed in the Federal  
Acquisition Regulation (FAR), Subpart 19.11.

Subsection 2323(e) of title 10, United States Code (USC), as  
amended by Section 801 of the Strom Thurmond National Defense  
Authorization Act for Fiscal Year 1999, prohibits DoD from exercising  
the authority for a price exceeding fair market cost if the Secretary  
determines at the beginning of the fiscal year that DoD achieved the  
5 percent goal established by subsection 2323(a) in the most recent  
fiscal year for which data are available. The determination has been  
made that in fiscal year 1999 DoD exceeded the 5 percent goal  
established in 10 USC 2323(a) for contract awards to SDBs.  
Accordingly, use of the price evaluation adjustment prescribed in FAR  
19.11 is suspended for DoD.

This suspension applies to all solicitations issued during the  
period from February 24, 2000, to February 23, 2001.

R.D. Kerrins, Jr.  
Colonel, USA  
Acting Director, Defense Procurement

cc: DSMC, Ft. Belvoir

