



**DEPARTMENT OF THE NAVY**  
NAVAL FACILITIES ENGINEERING COMMAND  
WASHINGTON NAVY YARD  
1322 PATTERSON AVENUE SE SUITE 1000  
WASHINGTON, DC 20374-5065

IN REPLY REFER TO  
ACQ 021  
1 Mar 01

MEMORANDUM FOR NAVFAC ACQUISITION PERSONNEL

Subj: SUSPENSION OF THE PRICE EVALUATION ADJUSTMENT FOR  
SMALL DISADVANTAGED BUSINESSES (01-09)

Encl: (1)OUSD DP(DAR) memo dtd January 25, 2001

1. By enclosure (1), the Office of the Assistant Secretary of the Navy, Research, Development and Acquisition, is forwarded for your information and immediate implementation as appropriate. The Director of Defense Procurement has directed all Department of Defense contracting activities to suspend the use of price evaluation adjustments for small disadvantaged businesses in DoD procurements, as prescribed in the Federal Acquisition regulations (FAR) Subpart 19.11.

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

MICHAEL F. HOWARD  
Director, Acquisition Strategic Programs



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH, DEVELOPMENT AND ACQUISITION  
1000 NAVY PENTAGON  
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DAR Tracking Number:  
2001-00001

MEMORANDUM FOR DISTRIBUTION

Subj: SUSPENSION OF THE PRICE EVALUATION ADJUSTMENT FOR SMALL  
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This suspension applies to all solicitations issued during the period from February 24, 2001, to February 23, 2002.

  
M. F. Jaggard  
CAPT, SC, USN  
Executive Director (Acting)  
Acquisition and Business  
Management

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Subj: SUSPENSION OF THE PRICE EVALUATION ADJUSTMENT FOR SMALL  
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Prepared By: K. Wright (703) 602-2806



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

*Info*

JAN 25 2001

ACQUISITION AND  
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In reply refer to  
DAR Tracking Number: 2001-00001

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 2000 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, 2001, to February 23, 2002.

Deidre A. Lee  
Director, Defense Procurement

cc: DSMC, Ft. Belvoir

**ENCLOSURE(1)**

JAN 31 2001

