



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
24 Feb 99

MEMORANDUM FOR DISTRIBUTION

Subj: REINSTATEMENT OF SMALL BUSINESS SET-ASIDES AND UNRESTRICTED
COMPETITION UNDER THE SMALL BUSINESS COMPETITIVENESS
DEMONSTRATION PROGRAM (99-01)

Ref: (a) NAVFAC memo ACQ 021 of 7 Dec 98 (98-62)
(b) NAVFAC memo ACQ 021 of 23 Sep 98 (98-52)
(c) NAVFAC memo ACQ 021 of 16 Sep 98 (98-36)

Encl: (1) OASN(RD&A)/ABM memo of 17 Dec 98

1. Enclosure (1) is forwarded for information and immediate implementation.
2. References (a) through (c) reinstated the use of small business set-aside procedures for SIC Codes in the 1500 series and individual SIC Codes 1629 and 1791. Inasmuch as DoD awards in SIC Major Group 15 met the required small business goal of 40 percent during the 12 months ending September 1998, unrestricted competition procedures have been reinstated for this designated industry group. DoD awards in SIC Major Group 16 fell below the 40 percent goal during the 12 months ending September 1998. Therefore, small business set-aside procedures for all SIC Codes in the 1600 series have been reinstated.
3. The reinstatement of small business set-asides for SIC Code 1791 and the designated industry group titled "Architectural and Engineering Services" remain in effect. The emerging small business reserve amount increase from \$25,000 to \$50,000 for Architectural and Engineering Services also remains in effect.
4. The implementing guidelines provided by reference (a) shall be applied to work under existing indefinite delivery type construction vehicles and new solicitations that fall under SIC Codes in the 1600 series. Contracting officers are reminded that upcoming requirements should be reviewed during acquisition strategy meetings to ensure, at a minimum, 40% prime awards to small business categories on a quarterly basis.

A handwritten signature in cursive script that reads "Robert R. Boyer".

ROBERT R. BOYER
Director, Acquisition



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1322 PATTERSON AVENUE SE SUITE 1000
WASHINGTON, DC 20374-5065

IN REPLY REFER TO
ACQ 021
DRAFT

MEMORANDUM FOR DISTRIBUTION

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COMPETITION UNDER THE SMALL BUSINESS COMPETITIVENESS
DEMONSTRATION PROGRAM (99-01)

Ref: (a) NAVFAC memo ACQ 021 of 7 Dec 98 (98-62)
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ROBERT R. BOYER
Director, Acquisition

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abm
online
ASN-RDA:
[1998] [97] [96]

OSD + Other:
[97] [96]

DEC 17 1998

MEMORANDUM FOR DISTRIBUTION

Subj: REINSTATEMENT OF SMALL BUSINESS SET-ASIDES
AND UNRESTRICTED COMPETITION UNDER THE
SMALL BUSINESS COMPETITIVENESS
DEMONSTRATION PROGRAM

Encl: (1) [DDP memorandum of December 11, 1998](#)

Enclosure (1) is provided for your immediate implementation.
Specific changes include:

- Reinstatement of small business set-aside procedures for Construction, SIC Major Group 16
- Reinstatement of unrestricted competition procedures for Construction, SIC Major Group 15 and Non-Nuclear Ship Repair, SIC Code 3732, for both Service Codes J998 and J999

Please ensure all appropriate contracting personnel are notified of these changes.



Elliott B. Branch
Executive Director
Acquisition & Business
Management

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December 11, 1998

MEMORANDUM DEPUTY ASSISTANT SECRETARY OF THE
FOR ARMY
(PROCUREMENT)
DEPUTY FOR ACQUISITION AND
BUSINESS MANAGEMENT,
ASN(RD&A)/ABM

SUBJECT: Reinstatement of Small Business Set-asides and
Unrestricted Competition Under the Small
Business Competitiveness Demonstration
Program

The Office of Federal Procurement Policy (OFPP) and the Small Business Administration (SBA) issued a revised interim policy directive and test plan on September 29, 1998, for the Small Business Competitiveness Demonstration Program. The program is further implemented in FAR subpart 19.10 and DFARS subpart 219.10.

Under the program, small business set-asides were initially suspended for certain designated industry groups. Agencies are required by paragraphs III.D.2.a. and IV.A.3. of the interim policy directive and test plan to reinstate the use of small business set-asides whenever the small business awards under any designated industry group fall below 40 percent or whenever small business awards under an individual Standard Industrial Classification (SIC) Code or Service Code within the designated industry group fall below 35 percent. Reinstatement' is to be limited to the organizational elements that failed to meet the small business participation goals. Agencies are required by paragraphs III.D.2.b. and IV.A.3. of the interim policy directive and test plan to reinstate the use of unrestricted competition upon determining, after an annual review, that their contract awards to small business concerns again meet the required goals.

The DoD procurement data system indicates that for the 12 months ending September 1998, our awards in SIC Major Group 16 fell below the 40 percent. Accordingly, pursuant to DFARS 219.1006(b)(2), I direct the reinstatement of small business set-aside procedures pursuant to subpart 19.5 of the FAR for all solicitations issued on or after the date of this letter, or as

soon thereafter as practicable, for:

Construction, SIC Major Group 16--All Army and Navy activities.

The DoD procurement data system indicates that for the 12 months ending September 1998, our awards in SIC Major Group 15 and SIC Code 3731 meet the required small business goal of 40 percent. Accordingly, I direct the reinstatement of unrestricted competition for all solicitations issued on or after the date of this letter, or as soon thereafter as practicable, for:

Construction, SIC Major Group 15--All Army and Navy Activities.

Non-Nuclear Ship Repair, SIC Code 3731--All Navy Activities.

The reinstatement of small business set-asides for SIC code 1791 for all Navy activities remains in effect (memorandum dated September 2, 1998). The departmentwide reinstatement of small business set-aside procedures for the designated industry group titled "Architectural and Engineering Services" remains in effect (memorandum dated September 30, 1991). Also, OFPP raised the emerging small business reserve amount for Architectural and Engineering Services from \$25,000 to \$50,000 on September 13, 1991; this increase remains in effect.

Please ensure that all appropriate contracting personnel are notified of the changes to the Small Business Competitiveness Demonstration Program, and that timely implementation is effected.



Eleanor R. Spector
Director, Defense Procurement

cc:
DIR, SADB
SAF/AQC
CDR, DCMC
DIR DEFENSE AGENCIES
CDR IN CHIEF, SOCOM
DIR, DOD EDUCATION ACTIVITY
DIR, TRICARE MANAGEMENT ACTIVITY
PRESIDENT, USUHS
DIRECTOR, WHS