



Set Aside Programs



DSCC's Office of Small Business Programs



Agenda



- DLA Background
- DSCC Small Business Program Performance
- Set-aside Programs
- Socio-Economic Program Requirements and Rules
- Protests and Appeals of Small Business Representations
- Suppliers Making a Difference
- Help is Available
- Conclusion



DLA's Business



PRODUCTS:

- ✓ Consumable Spare Parts
- ✓ Fuel
- ✓ Energy
- ✓ Food
- ✓ Medical
- ✓ Apparel
- ✓ Construction

5.2 Million
Items

- 95% of Services' Repair Parts
- 100% of Military Needs for Fuels, Medical & Clothing & Textiles, Construction & Barrier Materiel Met by DLA

SERVICES:

- ✓ Acquisition
- ✓ E-Business
- ✓ Log Info & Document Automation
- ✓ Warehousing & Distribution
- ✓ Reutilization & Disposal
- ✓ National Stockpile

Customers:

- Deployable Units
- Fixed Bases
- Ships at sea
- Allies
- Other Federal Agencies
 - FAA
 - NASA
 - Coast Guard
 - TSA



The DLA Enterprise



FY01 Sales/Services:	\$17B
FY02 Sales/Services:	\$21.5B
FY03 Sales/Services:	\$25B
FY04 Sales/Services:	\$28B
FY05 Sales/Services:	\$31.8B
FY06 Projection:	\$35.0B

- Land/Maritime: \$3.0B
- Aviation: \$3.3B
- Troop Support: \$12.3B
- Energy: \$11.0B
- Distribution: \$2.2B
- Other: \$1.3B

Foreign Military Sales

- Sales: \$1.18B
- Shipments: 535K
- Supporting 124 Nations

Scope of Business

- 54,000 Requisitions/Day
- 8,200 Contracts/Day
- #58 Fortune 500 – Above Sprint Nextel
- #2 in Top 50 Distribution Warehouses
- 26 Distribution Depots
- 5.2 Million Items – eight supply chains
- 1411 Weapon Systems Supported
- \$14.6B Annual Reutilizations/Disposals

People

- 20,805 Civilians
- 519 Active Duty Military
- 754 Reserve Military
- Located in 48 States/28 Countries



DLA Supply Centers



DSCC - COLUMBUS
3990 EAST BROAD STREET
COLUMBUS, OH 43213-1152
TEL: (614) 692-3541 or
1-800-262-3272
Web Site: www.dsccl.dla.mil

DSCP - PHILADELPHIA
700 ROBBINS AVENUE
PHILADELPHIA, PA 19111-5092
TEL: (215) 737-2321 or
1-800-831-1110
Web Site: www.dscpl.dla.mil

DSCR - RICHMOND
8000 JEFFERSON DAVIS HWY
RICHMOND, VA 23297-5124
TEL: (804) 279-3287 or
1-800-227-3603
Web Site: www.dscr.dla.mil

DESC - DEFENSE ENERGY
SUPPORT CENTER
8725 JOHN KINGMAN DRIVE
FT. BELVOIR, VA 22060-6222
TEL: (703) 767-9400 or
(800) 523-2601
Web Site: www.desc.dla.mil



Defense Supply Center Richmond



Aviation Supply Chain

AVIATION

- Engine Components
- Air Frames
- Landing Gear
- Flight Safety Equip
- Propeller Systems

Other Supply Chains

ENVIRONMENTAL

- Re-refined Oil
- Ozone Depleting
Substances
- Hazardous Min Program

MAPS

- Maps
 - Charts
 - Graphs
- For all DoD Activities

INDUSTRIAL

- Lathes
- Milling Machines
- Heavy Industrial
Machinery

LAND
DETACHMENT

MARITIME
DETACHMENT



Defense Supply Center Philadelphia



Troop Support Lead Center

CLOTHING / TEXTILES

- Combat uniforms/tents
- Body armor/field equip
- Individual chem/bio protective suit
- All Service uniforms

SUBSISTENCE

- Operational Rations (Meals Ready-to-Eat & Group Rations)
- Food Service & Field Feeding Equip
- Dining Facility Support
- Fresh Fruits & Vegetables

MEDICAL

- Diagnostic Imaging Equip
- MRI Equipment
- Surgical & Dental Supplies
- Pharmaceuticals
- Optical Products
- Laboratory Items

CONSTRUCTION & EQUIP

- Facilities Maintenance
- Diving, Safety & Rescue Equip
- Fire & Emergency Services
- Wood Products
- Metals
- Barrier Material

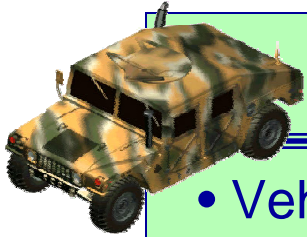
LAND
DETACHMENT

MARITIME
DETACHMENT

AVIATION
DETACHMENT

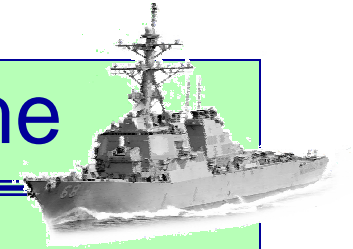


Defense Supply Center Columbus



Land

- Vehicles Components
- Gun Parts
- Tires
- Transmission Equip
- Water Purification Equip
- Batteries
- Bearings



Maritime

- Valves
- Fluid Handling
- Pipes, Hoses & Fittings
- Pumps
- Motors
- Electronics
- Fiber Optics

AVIATION
DETACHMENT



Defense Supply Center Columbus



- Over 2 million items managed
- Nearly \$3 billion in annual awards
- One of the largest suppliers of weapons system spare parts in the world
- 24,000 Military and Civilian Customers
- 10,000 Suppliers
- Approximately 2,300 Employees
- 6.5M Orders Annually
- Installation opened in 1918



DSCC SMALL BUSINESS GOALS



	FY05 GOALS	FY05 ACTUALS	FY06 GOALS	Current Performance Estimates
SMALL BUSINESS	58.2%	61.4%	60.0%	68.9%
HUBZone	2.1%*	3.9%	2.5%*	4.5%
SMALL DISADVANTAGED	3.7%	3.9%	4.1%	4.2%
WOMAN OWNED	5.9%	9.8%	6.9%	9.6%
SERVICE DISABLED	.70%*	.40%	.80%*	.94%
8(a) (SDB Subset)	.50%	.64%	.72%	.74%

* Agency assigned goal



Current SBA Programs with Set-Aside Provisions



- Small Business Set-aside
- Section 8(a) Business Development Set-aside
- HUBZone Set-aside
- Service Disabled Veteran Owned Set-aside (effective May 5, 2004)



SBA Programs Without Set-aside Authorization



- NO Small Disadvantaged Business Set-aside
- NO Veteran Owned Business Set-aside
- NO Women Owned Business Set-aside *



Woman Owned Implementation Coming?



- Small Business Reauthorization Act of 2000
 - (signed 12/21/2000, as part of Public Law 106-554)
 - Section 811(m) Provides for “Restricted Competition” for Woman Owned Small Businesses
 - Regulations implementing the provision have not been written
 - May be a set-aside or a preference



Small Business Set Aside Program



Small Business Set Aside Requirements



- Must be a small business concern
 - Organized for profit
 - Place of business located in the U.S.
 - Makes significant contribution to the U.S. economy through payment of taxes and/or use of American products, materials, and/or labor
 - Qualifies as small under the size standard for the NAICS code specified in the solicitation



Small Business Set Aside Requirements



- Service Contracts
 - Must perform at least 50 percent of the cost of the contract incurred for personnel with its own employees
- General Construction Contracts
 - Perform at least 15 percent of the cost of the contract with its own employees (not including the costs of materials)
- Special Trade Construction Contracts
 - Perform at least 25 percent of the cost of the contract with its own employees (not including the cost of materials)



Small Business Set Aside Requirements



- Contract for Supplies or Products (may be a manufacturer or non-manufacturer)
 - Manufacturer: perform at least 50 percent of the cost of manufacturing the supplies or products (not including the costs of materials)
 - Non-manufacturer: must supply the product of a domestic small business manufacturer or processor (non-manufacturers rule)



Supply Contracts



- Non-manufacturers: Rule Exceptions & Waivers
 - Exception: Small Business Set-aside acquisitions between \$2,500 and \$25,000
 - Non-manufacturers may supply any domestically manufactured large or small business product
 - Waiver: SBA has determined there are no small business manufacturers participating in the Federal marketplace
 - On a small business set-aside acquisition a non-manufacturer may supply any product



8(a) Business Development Contracting Set-asides



8(a) Program Set Aside Requirements



- Company must be a current 8(a) program participant (only one-9 year term)
- Capabilities must match the requirement
- Award price cannot exceed Government's established "fair market price"
- SBA must accept the requirement for the 8(a) program (over \$100,000 for DoD actions)



8(a) Set Aside Performance Requirements



- The 8(a) contractor must perform certain percentages of work with its own employees
- These percentages and the requirements relating to them are the same as those established for small business set-aside prime contractors (including non-manufacturers)



HUBZone Set-aside Program



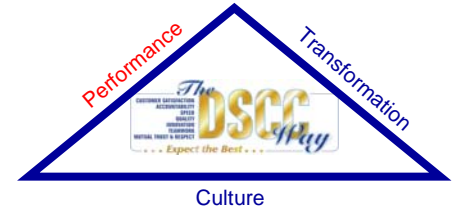
HUBZone Program Participation Requirements



- Must be a qualified HUBZone small business concern
 - To become certified by the SBA as a HUBZone small business concern:
 - Principle place of business must be located in a HUBZone
 - 35% of the employees must reside in a HUBZone



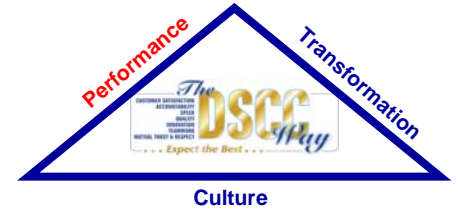
HUBZone Set-aside Performance Requirements



- Same as those for small business set asides with the following exceptions
 - The agreement to perform the required percentages of work may be met solely by the qualified HUBZone small business concern or in combination with one or more other qualified HUBZone small business concerns.
 - A qualified HUBZone nonmanufacturer must furnish only end items manufactured or produced by HUBZone small business manufacturers



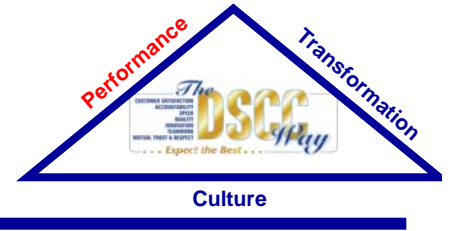
HUBZone Set-aside Performance Requirements



- General HUBZone construction contract:
 - At least 50% of the cost of the contract incurred for labor must be performed by qualified HUBZone contractor employees
 - At least 15% of the cost of the contract incurred for labor must be performed by the employees of the HUBZone prime contractor itself (as of August 2005)



HUBZone Set-aside Performance Requirements



- Special trades HUBZone construction contract:
 - At least 50% of the cost of the contract incurred for labor must be performed by qualified HUBZone contractor employees
 - At least 25% of the cost of the contract incurred for labor must be performed by the employees of the HUBZone prime contractor itself (as of August 2005)



HUBZone Program



- Special Exceptions & Waivers to the Non-manufacturers Rule:
 - for HUBZone set aside contract actions between \$2,500 and \$25,000, a qualified HUBZone small business concern may supply the end item of any domestic manufacturer, including a large business
 - There is no provision for a waiver to the non-manufacturers rule for HUBZone Set-asides



Service Disabled Veteran Owned Small Business Procurement Program



SDVOSB Program Participation Requirements



- Must be a domestic small business concern
- Must be owned by a service disabled veteran
 - At least 51% of the business must be owned and controlled by one or more service disabled veterans



SDVOSB Set Aside Performance Requirements



- Same as those for small business set asides with the following exceptions:
 - The agreement to perform the required percentages of work may be met solely by the SDVOSB or in combination with one or more other service disabled veteran owned small business concerns



SDVOSB: Non-manufacturers Rule Exceptions & Waivers



- Exception: SDVOSB Set-aside acquisitions between \$2,500 and \$25,000
 - Non-manufacturers may supply the product of any domestic large or small business
- Waiver: SBA has determined there are no SB Manufacturers participating in the Federal marketplace
 - On a SDVOSB set-aside acquisition a non-manufacturer may supply any product



Protests & Appeals of Small Business Representations



Protest and Appeals



- **Protesting a Small Business Representation**
 - May be filed by an offeror, the SBA, or another interested party to the contracting officer
 - Must relate to a specific procurement
 - Must include specific grounds and facts
 - Must be timely to effect the specific procurement
 - Received in writing within 5 business days of bid opening or notice of apparent successful offeror
 - Formal determination will be made by SBA GC Area Director



Protest and Appeals



- **Protesting HUBZone small business status**
 - May be filed by an offeror, the SBA, or the contracting officer
 - Must relate to a specific procurement
 - Must include specific grounds and facts
 - Must be timely to effect the specific procurement
 - Received in writing within 5 business days of bid opening or notice of apparent successful offeror
 - Formal determination will be made by SBA AA for the HUBZone Program



Protest and Appeals



- **Protesting SDVOSB status**
 - May be filed by an offeror, the SBA, or the contracting officer
 - Must relate to a specific procurement
 - Must include specific grounds and facts
 - must be timely to effect the specific procurement
 - Received in writing within 5 business days of bid opening or notice of apparent successful offeror
 - Formal determination will be made by SBA AA for Government Contracting



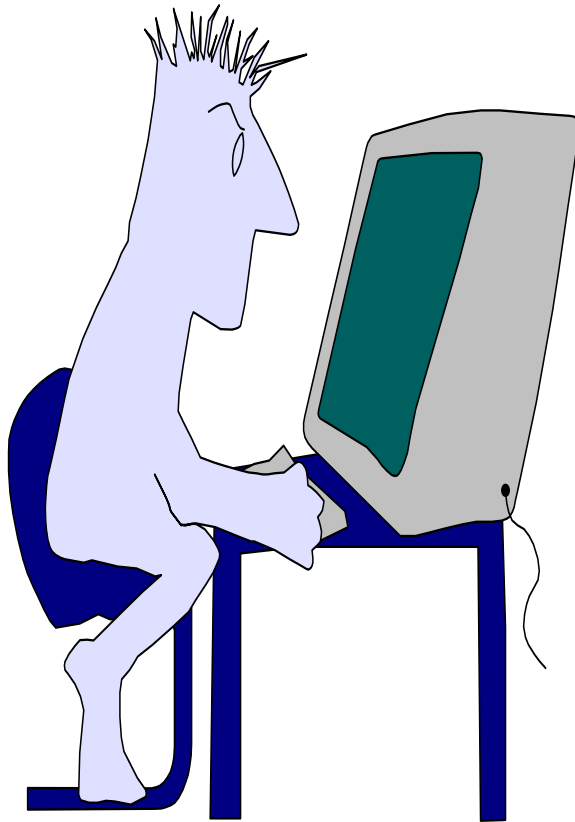
Protest and Appeals



- Appeals may be made by
 - The party whose protest has been denied
 - The concern adversely affected by the protest
 - The contracting officer
- SB Size and SDVO status appeals are made to SBA's Office of Hearings & Appeals
- HUBZone status appeals are made to the SBA's ADA of GC & 8(a) BD



SBA's Key Internet Addresses



- SBA's Home Page:
www.sba.gov
- Government Contracting:
www.sba.gov/GC
- 8(a) Business Development
www.sba.gov/8abd
- HUBZone:
www.sba.gov/hubzone



Small Business Program Success Stories



Suppliers Making a Difference



Service Disabled Program Sun Precision



- A machine shop established in 1978:
 - Precision turning, milling, honing, deep bore drilling, mold design and fabrication
 - Armored vehicle components, ordnance components, and diesel engine components
- Slide for a .50 caliber machine gun was desperately needed in the war zone
- On the top 10 backordered item list
- Sun completed First Article Testing and delivered all in less than 60 days!

www.sunprecision.com



8(a) Program UPI



- Produces military transportation equipment, including HMMVW components
 - bulletproof windows, driver seats, exhaust manifolds and exhaust crossover pipes
- HMMVW Ballistic Window Assemblies needed for urgent Up-Armor Project
- UPI shipped within 1 month, 4 months earlier than the contract delivery date



www.upimfg.com



HUBZone Program Blue Chip Manufacturing



- Columbus-based company started in 1994
- Specialize in hard to manufacture items
- Over 350 contracts in 16 different stock classes
- Machine gun shield kit - corrected welding process and expedited delivery to offset backorders
 - Other manufacturer's parts determined defective
 - Blue Chip only usable parts to support the troops



Where Can I Go for Help??



DSCC Office of Small Business Programs



NAME	PROGRAM	PHONE 800-262-3272
Eleanor Holland eleanor.holland@dla.mil	Director	614-692-3735
Will Chavez william.chavez@dla.mil	Small Disadvantaged Business and 8(a) Programs	614-692-1288
Vikki Hawthorne vikki.hawthorne@dla.mil	Outreach and Woman Owned	614-692-4864
Rebecca Parks rebecca.parks@dla.mil	HUBZone Program	614-692-3510
Tom Pfenning thomas.pfenning@dla.mil	JWOD Workshops (Blind & Severely Handicapped)	614-692-1494
Dwight deWeaver dwight.deweaver@dla.mil	Service Disabled Veteran Owned	614-692-7935
Charles Miller charles.miller@dla.mil	Opportunity Specialist	614-692-7624



DSCP and DSCR Small Business Offices



DSCR - RICHMOND

Director: John Henley

(804) 279-3287 or 1-800-227-3603

Web Site: www.dscr.dla.mil

DSCP - PHILADELPHIA

Director: Mike McCall

TEL: (215) 737-2321 or 1-800-831-1110

Web Site: www.dscp.dla.mil



Conclusion



**PLEASE VISIT THE
SMALL BUSINESS BOOTH
704
ALONG THE DSCC CORRIDOR**