



Small Business Perspectives NDIA Small Business Conference



ESC/BC
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Small Business Topics

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Overview



Main Points:

- Small Business News
- Small Business Legal Legacy
- Getting Traction in USAF Contracts
- Goals
- Discussion
- Wrap-up and Questions & Answers



Small Business News – 68FR 20350

- Final Rule – RIN 3245-AF06
- Small Business Utilization – CPARS
- Small Business Office Name Change



Small Business Utilization as Past Performance Factor



- Contractor Performance Assessment Report (CPAR)
- USAF and USN Contractor “Report Card”
- Types of Subcontracting Plans:
 - Individual – applies to specific contract
 - Master – contains all elements of Individual, except goals
 - Commercial – production of commercial items
 - Comprehensive – DoD Test Program –Corporate or plant-wide
- Clauses:
 - FAR 52.219-8 Utilization of Small Businesses
 - FAR 52.219.9 Small Business Subcontracting Plan (DFARS 252.219-7003 & 7004)



SB Utilization (Continued)

- Requires the offeror to submit and negotiate a subcontracting plan addressing SB, VOSB, SDVOSB, HUBZone SB, SDB, and WOSB concerns.
 - Goals for each category as a percentage of total planned subcontracting dollars
 - Method used to identify potential sources
 - Description of efforts offeror will make to assure SB have an equitable opportunity to compete for subcontracts
 - Contractor reports subcontracting data via SF 294/SF295 bi-annually



SB Utilization (Continued)

- Required in solicitations and contracts that offer subcontracting possibilities and the contract is expected to exceed \$500,000 (\$1,000,000 for construction at a public facility), and
- The clause FAR 52.219-8 is included



SB Utilization (Continued)

- CPARs Recommended Changes:
 - OSD Subcontracting Manager's Group recommends separate rating element for assessing "Small Business Utilization" – distinct from "Business Relations" or "Subcontract Management"
 - More comprehensive assessment of contractor's utilization of SB – rather than just the achievement of SB goals
 - Meet the past performance evaluation requirements including DFARS 215.305



CPARS Recommended Assessments

- Compliance with terms and conditions of the contract for Small Business participation

- Compliance with FAR 52.219-8 and FAR 52.219-9
 - Compliance with individual subcontracting plan
 - Good faith effort towards meeting goals
 - Identification of potential sources and efforts made to assure SB had equitable opportunity to compete
 - Data from SF 294s/295s

 - Compliance with comprehensive plan including submission of any required program specific data

- May require DCMA/ACO/PCO input



Small Business Offices

Section 901 of the FY06 National Defense Authorization Act changes Office titles:

From: “Small and Disadvantaged Business Utilization”

To: “Office of Small Business Programs”



Legal Legacy

- Small Business Mobilization Act of 1942
 - Price differential in time of war – supported small plants
- Armed Services Procurement Act of 1947
- Defense Production Act of 1950 – allowed awards to Small Businesses at other than the lowest price
 - Early yrs of WW II – 100 large corps rec'd 67% of Fed Prime Ks
 - ...during this period, one-sixth of Nations SBs closed their doors
 - This Mistake Must Not Be Repeated!
- Small Business Act of 1953
 - Created SBA – two notable aspects for today's discussion:
 - Incorporate Subcontracting Clauses in Ks over \$10,000.00
 - Required Fed Agencies to publicize all procurements over Small Purchase Threshold in the Commerce Business Daily



Legal Legacy Highlights

- Revision to the Small Business Act of 1953 (1978)
 - Req'd Fed Agencies to Establish Small Business Goals
 - Req'd SB & SDB Subcontracting Goals for Ks to LBs
 - Reserved all awards under \$25K for Small Business
 - Req'd establishment of Office of Small and Disadvantaged Business Utilization – appointed by- & reports to CC
- National Defense Authorization Act (1987)
 - Established SDB Program and 5% Goal
- Federal Acquisition Streamlining Act (1994)
 - Set “Micro-purchases” at \$2,500 or less; established SAT at \$100K (Auto SB reservation became \$2,500 to \$100K)
 - Added WOSB to Subcontracting Plans



Getting Traction in Military Contracts

- First things to consider are your strengths and weaknesses
- Seek customers who can benefit from your strengths
 - Find customers who cannot do what you can do
 - Find a problem – then solve it
 - NAICS Codes are a good place to start
 - Capitalize on Socioeconomic status; size
- Within the Government, find the optimal route to the decision makers
 - Trial & Error wastes time and money
 - Use Government Websites; <http://www.selltoairforce.org> ;
<http://www.sellingtoarmy.info> ;
<http://www.hq.navy.mil/sadbu>



Getting Traction (Continued)

- Know your CCR, Cage Code and DUNS Number
- Don't mass email
- Use your advocates:
 - Small Business Specialists - \$100M or more
 - Procurement Technical Assistance Centers (PTACs)
 - Small Business Liaison Officers (SBLOs)
 - Small Business Administration
 - General Services Administration
 - State and local agencies, chambers, blue pages, etc.
- Never pay anything!.... well almost never!!!



ESC Small Business Office

- Be Sure to Monitor The Hanscom AFB Electronic RFP Bulletin Board at: <http://herbb.hanscom.af.mil>
- Schedule a meeting with us, ESC/BC
 - Appointments, call (781) 377-4973
 - Get our Business Card - contact us



Small Business Goals

- Statutory Prime Contract Goals for USG Agencies/Departments FY06:
 - Small Business 23%
 - SDBs 5.8%
 - WOSBs 5%
 - HubZ 3%
 - SDV OSBs 3%



Small Business Goals

- DoD FY 2006 Goals:

- Prime Contract. Subcontracting:

▪ Small Business	23%	40%
▪ SDBs	5.8%	5%
▪ WOSBs	5%	5%
▪ HubZ	3%	*
▪ SDV OSBs	3%	3%
▪ HBCU/MI	5%	5%**

- * - HUBZ S/C pgm does not req a DoD-wide goal but reqs negotiation of HUBZ goal in all DoD Ks and s/cs that req a S/C plan
- ** - DoD components not req'd to est sep HBCU/MI s/c targets – these should be included when developing S/C targets for SDBs



Small Business Goals - ESC

	USG	ESC FY05 Goals %	ESC FY05 Actual %	ESC FY05 Actual \$M	ESC FY06% Goals
Total \$s				\$3,656	
SB	23	12.7	13.80	447	13.10
SDB	5.7	6.1	7.90	247	6.86
WOSB	5	1.6	2.10	66	1.85
HUBZ	3	0.5	0.2	1.09	0.1
SDV	3	0.3	0.1	1.12	0.05



Wrap-up

Questions