



UNITED STATES DEPARTMENT OF COMMERCE
Office of Small and Disadvantaged
Business Utilization
Washington, D.C. 20230

October 29, 2019

SMALL BUSINESS PROGRAM 2020-01

ACTION

MEMORANDUM FOR Bureau Procurement Officials
Heads of Contracting Offices

FROM: *LaJuene Desmukes*
LaJuene Desmukes
Director
Office of Small and Disadvantaged
Business Utilization
Barry E. Berkowitz
Barry E. Berkowitz
Senior Procurement Executive and
Director for Acquisition Management

SUBJECT: Fiscal Year 2020 Small Business Program Goals

Federal policy requires agencies to ensure small business concerns, including small disadvantaged businesses (SDB), 8(a) participants (8a), women-owned small businesses (WOSB), HUBZone small businesses (HUBZ), and service-disabled veteran-owned small businesses (SDVOSB), receive a fair proportion of total purchases and contracts. The Department has a successful record for complying with Federal policy by awarding a significant percentage of our contracts to small businesses. In FY 2018, of the agencies with at least \$1 billion in eligible contract dollars, the agencies that awarded the highest share of contracting dollars to small businesses were the Departments of Agriculture (63.1%), Interior (58.0%), and Commerce (45.9%).

For the past nine fiscal years, the U.S. Small Business Administration (SBA) awarded Commerce with a score of "A" or higher on the statutory Small Business Procurement Scorecard in recognition of our outstanding performance in small business contracting and goal achievement. Based on preliminary analysis of our FY 2019 performance, DOC has once again met our prime small business and all socioeconomic contracting goals. And, although we are awaiting data on our subcontracting performance, we fully expect the results to show that we achieved another year of outstanding performance.

We heartily commend our operating units, procurement offices, and the many support groups across the Department for their commitment and hard work toward achieving our small business goals and ensuring small businesses are given maximum opportunities to compete and win our contracts.

As we begin work in FY 2020, we ask that you continue to focus your efforts on identifying and expanding prime and subcontract opportunities for small businesses and socioeconomic small businesses, and recognize the value of utilizing these concerns to access new ideas and innovative solutions.

The FY 2020 goals for the Department’s operating units are as follows—

Program	Operating Units	
	Prime Goals	Subcontract Goals
Small Business	49.00%	36.00%
SDB	14.00%	12.00%
8(a) *	8.00%	N/A
WOSB	12.00%	10.00%
HUBZone	3.00%	3.00%
VOSB	4.00%	3.00%
SDVOSB	3.50%	3.50%

*The 8(a) goal may be revised based on FY 2020 small business strategy plans submitted by the Bureau Procurement Officials (BPOs).

Required Actions:

1. The BPOs are required to submit small business reports by the required due date to the Senior Procurement Executive (SPE) and OSDDBU Director (see Attachment 1).
2. Individuals who are responsible for acquiring services and supplies or directing organizations to acquire services and supplies, including program managers, contracting officers, small business specialists, and other members of Commerce’s workforce responsible for formulating and approving acquisitions strategies and plans shall—
 - Preserve the exclusive reservation of acquisitions valued at and below the simplified acquisition threshold (SAT), \$3,500 - \$250,000, for small businesses and socioeconomic small businesses.
 - Give first consideration for acquisitions valued above the SAT to 8a, WOSB, HUBZ, and SDVOSB, set-aside or sole source, before considering small business set-aside. Small business set-asides have priority over acquisitions using full and open competition regardless of contract type.

- Collaborate during acquisition planning and market research with the bureau small business specialists, SBA procurement center representative (PCR), if a PCR is assigned to the operating unit, and OSDBU.
- Participate in small business outreach events organized by OSDBU and the bureau small business specialists.
- Increase procurement dollars awarded to socioeconomic small business and small business concerns by using the DOC strategic sourcing contracts.
- Conduct market research, exchange meaningful information with socioeconomic small business and small business concerns, and rely on information gathered to make set-aside and sole source determinations.
- Issue market research notices on Federal Business Opportunities website or GSA eBuy website to make small businesses aware of planned procurement and provide opportunity for small businesses to participate in market research.
- Submit acquisitions not slated for socioeconomic small business and small business award to the OSDBU review process by submitting a CD-570, Small Business Set-Aside Review, package to the bureau small business specialists.

Please direct any questions to the Office of Small and Disadvantaged Business Utilization at 202-482-1472.

cc: Acquisition Community

Required Small Business Reports

The Bureau Procurement Officials (BPOs) are required to develop strategies to maximize the utilization of socioeconomic and small business concerns as prime and subcontractors and achieve annual prime and subcontracting goals. As the Department increases the use of Category Management tools and policies, it is critical that the BPOs devise integrated strategies to ensure compliance with the Small Business Act as promulgated by the Federal Acquisition Regulation (FAR) and the U.S. Small Business Administration (13 CFR) and make efficient use of federal contract assistance mechanisms such as set-aside and sole source.

I. **Small Business Utilization Plan** - Due no later than November 29, 2019.

The BPOs are required to submit an FY 2020 Small Business Utilization Plan to the SPE and OSDBU Director that describes a comprehensive strategy to increase award dollars to socioeconomic small business and small business concerns and achieve prime and subcontracting goals in all categories. At a minimum, the plan must include the following requirements—

- 1) Identify bureau-wide initiatives or projects that will result in a significant increase in award dollars to small business or to one or more small business socioeconomic categories.
- 2) Increase and/or expand prime contract requirements for socioeconomic small business and small business concerns compared with two-year average from the previous fiscal years.
- 3) Describe actions to improve performance to achieve any missed prime and subcontracting goals from previous fiscal year.
- 4) Describe market research and communication activities targeting socioeconomic small business and small business concerns.
- 5) Implement effective monitoring of large business prime contractors to ensure compliance with small business plans and achievement of small business subcontracting goals in all categories.
- 6) Utilize bureau leadership to achieve socioeconomic small business and small business prime and subcontracting goals.
- 7) Utilize bureau leadership to ensure personnel who are SES and GS-15 and in a position to influence an acquisition have small business goal achievement as a critical element in their performance plans or at least one critical element that measures engagement and commitment to the achievement of small business goals;
- 8) Organize at least one on-site small business outreach event.
- 9) Provide funding for bureau small business specialist to travel and participate in small business outreach and training events in cooperation with the OSDBU;
- 10) Ensure FPDS-NG data accuracy.
- 11) Ensure eSRS data accuracy.
- 12) Provide and cooperate with OSDBU to provide workforce training on small business contracting rules and mechanisms based on the Small Business Act, FAR, 13 CFR, and DOC small business policy.

II. **Small Business Progress Report** – Due no later than November 29, 2019.

The BPOs are required to submit a FY 2019 year-end report to describe effectiveness of strategies and activities used to achieve prime and subcontracting goals. Also include the following information:

- 1) Actions taken to manage and process unsolicited proposals from small business concerns. Include information such as—
 - (i) Number of unsolicited proposals received during the fiscal year;
 - (ii) Final outcome (i.e., made an award or rejected the proposal).
- 2) Actions taken to resolve any complaints of unduly restrictive solicitations, request for proposal, or request for quotation. Include information such as—
 - (i) Number of complaints received during the fiscal year;
 - (ii) Final outcome.
- 3) Actions taken to manage in-sourcing, the conversion of work performed by a small business contractor to government employee(s).
 - (i) Number of contracts affected during the fiscal year;
 - (ii) Number of contractor employees hired by program office (if known).

III. **Contract Bundling Report** – Due no later than December 13, 2019.

Contract bundling, bundled requirement, or bundled contract is the consolidation of two or more procurement requirements for goods or services previously provided or performed under separate smaller contracts into a solicitation of offers for a single contract or a Multiple Award Contract that is likely to be unsuitable for award to a small business concern due to the diversity or size of the requirement; aggregate dollar value of the contract; geographical dispersion of contract performance sites; or any combination of these factors.

The BPOs are required to submit a FY 2019 year-end contract bundling report to describe effectiveness of strategies to avoid unnecessary and unjustified bundling. If no bundled contract has ever been awarded, then provide a one sentence statement to that effect.

However, if the bureau procurement office awarded a bundled contract in FY 2019, then describe actions taken to mitigate the adverse effect of contract bundling on small business and socioeconomic small business contractors. Also include the following information—

- 1) Describe methodology and results of review conducted prior to the recomplete of a bundled contract, to include the amount of savings and benefits achieved and analysis to demonstrate a continuation of savings and benefits under the recompleted bundled contract.
- 2) Summary of cumulative savings and benefits of all bundled contracts awarded in FY 2019.
- 3) Describe steps taken to ensure actions were not miscoded as bundled in FPDS-NG.

Please direct any questions to the Office of Small and Disadvantaged Business Utilization at 202-482-1472.

Resources to Help Locate Small Businesses

All Small Business Categories

- SBA Dynamic Small Business Search - https://web.sba.gov/pro-net/search/dsp_dsbs.cfm
- Human Capital and Training Solutions (HCaTS) GWAC
 - 40 small business contractors, including 8(a), WOSB, SDVOSB, HUBZone)
 - DOC has direct acquisition authority
 - Best-In-Class Designation
- Alliant 2 Small Business GWAC (but verify status of contract with GSA)
- OASIS Small Business GWAC
 - Professional services for program management, management consulting, engineering services, scientific services, financial services
 - Best-in-Class Designation

Service-Disabled Veteran-Owned Small Businesses

- GoVets™ - www.GoVets.com
 - e-Commerce platform
 - secure site; purchase card information is not stored
 - 100% of vendors are VA-verified
- GSA VETS 2 GWAC
 - SDVOSB set-aside
 - 70 GSA prime contractors
 - Best-in-Class Designation
 - Period of performance: February 23, 2018 – February 22, 2022, with one five-year option that extends award through February 22, 2028

8(a) Small Businesses

- GSA 8(a) STARS II GWAC
 - Best-in-Class Designation
 - Period of performance: through August 30, 2021. Orders issued on or before August 30, 2020 may continue performance through August 30, 2024.
 - Provides access to custom computer programming, computer systems design, computer facilities management, and other computer related services.

