Small Business Perspectives
NDIA Small Business Conference

ESC/BC
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Small Business Topics

Presented by

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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
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

  - 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

  - 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
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

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

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Questions