Procurement Opportunities For Small Businesses
Agenda

• DLA Background
• DSCC Small Business Program Performance
• Set-aside Programs
• Socio-Economic Program Requirements and Rules
• Protests and Appeals of Small Business Representations
• Help is Available
• Conclusion
DEFENSE LOGISTICS AGENCY MISSION

Provide Products and Logistics Services Worldwide to America’s Armed Forces…
DLA’s Business

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

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

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

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

5.2M Items
$30+B in Sales
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.dscc.dla.mil

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

<table>
<thead>
<tr>
<th><strong>CLOTHING / TEXTILES</strong></th>
<th><strong>SUBSISTENCE</strong></th>
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<tr>
<td>- Combat uniforms/tents</td>
<td>- Operational Rations (Meals Ready-to-Eat &amp; Group Rations)</td>
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<tr>
<td>- Body armor/field equip</td>
<td>- Food Service &amp; Field Feeding Equip</td>
</tr>
<tr>
<td>- Individual chem/bio protective suit</td>
<td>- Dining Facility Support</td>
</tr>
<tr>
<td>- All Service uniforms</td>
<td>- Fresh Fruits &amp; Vegetables</td>
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<td>- Diagnostic Imaging Equip</td>
<td>- Facilities Maintenance</td>
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<tr>
<td>- MRI Equipment</td>
<td>- Diving, Safety &amp; Rescue Equip</td>
</tr>
<tr>
<td>- Surgical &amp; Dental Supplies</td>
<td>- Fire &amp; Emergency Services</td>
</tr>
<tr>
<td>- Pharmaceuticals</td>
<td>- Wood Products</td>
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<tr>
<td>- Optical Products</td>
<td>- Metals</td>
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<tr>
<td>- Laboratory Items</td>
<td>- Barrier Material</td>
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### Detachments
- **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

<table>
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<tr>
<th>Category</th>
<th>FY06 Actuals</th>
<th>FY07 Goals</th>
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<tr>
<td>SMALL BUSINESS</td>
<td>64.9%</td>
<td>62.0%</td>
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<tr>
<td>HUBZone</td>
<td>3.4%</td>
<td>3.0%</td>
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<tr>
<td>SMALL DISADVANTAGED</td>
<td>5.2%</td>
<td>3.9%</td>
</tr>
<tr>
<td>WOMAN OWNED</td>
<td>9.3%</td>
<td>8.0%</td>
</tr>
<tr>
<td>SERVICE DISABLED</td>
<td>.80%</td>
<td>.50%</td>
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<tr>
<td>8(a) (SDB Subset)</td>
<td>1.7%</td>
<td>.60%</td>
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</table>

**NOTE:** Lower Goals reflect loss of Base Contracting dollars
What Small Businesses bring to the table:

• More flexible, more innovative and often more competitive than large businesses
  • 2/3 of the new jobs in the U.S.
  • 50% non-farm GDP
  • 14 times more patents per employee than large
• Congress recognized the importance of supporting small businesses with the passage of the Small Business Act (15 U.S.C. 631, et seq.)
Definition:
Small Business Concern

FAR 19.001
A business entity organized for profit, including its affiliates, that is independently owned and operated, not dominant in the field in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 CFR Part 121 (ref. FAR 19.102 & 19.303)
Small Business Status

What determines whether a business is a Small Business Entity?

- Offeror’s representation (now contained in ORCA)

Visit Business Partner Network: http://www.bpn.gov
Small Business and Socio-economic Programs
Small Business Act
Policy and Purpose

• Promote small businesses: provide contract, financial, technical, & management assistance

• Provide “Maximum practicable opportunities” for:
  • Small business
  • Veteran-owned small business
  • Service-disabled veteran-owned small business
  • HUBZone small business
  • Small disadvantaged business
  • Women-owned small business
The Purpose and Policy for Small Business Set-Asides

FAR 19.201 (a) and 19.501 (a):

To award certain acquisitions exclusively to small business concerns to meet the goal and policy of Government “to provide maximum practicable opportunities in federal acquisitions to small business.”
Small Business Set-Asides

- **Total Set-aside**
  - “Rule of Two” (reasonable expectation that offers will be obtained from at least two responsible small business concerns that are competitive in terms of market prices, quality and delivery)
  - Automatic Small Business reservation between $3K and $100K

- **Partial Set-asides** (severable into two or more lots and a reasonable expectation of offers from at least one responsible small business concern at a fair market price)
**Non-manufacturer Rule**

- Non-manufacturer rule - a contractor under a small business or 8(a) set-aside shall provide its own product or that of a domestic small manufacturer
  - Exception - Large business product
    - Does not exceed $25,000
    - When using SAP
    - Manufactured in US
  - Waiver - Small, large or foreign product
    - Exceeds $25,000
    - SBA determines no small businesses are available for the specific product or class of products
Small Business Set-Asides

Dollar Thresholds

- $3,000 or less - May **NOT** be set-asides
- < $3,000 to $25,000
  - Automatic reservation
  - Apply “Rule of Two”
  - *Exception* to non-manufacturer rule applies
- > $25,000 to $100,000
  - Automatic Reservation
  - Apply “Rule of Two”
  - If non-manufacturer rule is *waived*, two small businesses must offer the product of different large, small or foreign manufacturers
Small Business Set-Asides
Dollar Thresholds cont’d

• > $100,000
  • Apply “rule of two”
  • If non-manufacturer rule **is not** waived, two SBs **must offer** product from two different SB manufacturers/producers
  • If non-manufacturer rule **is** waived, two SBs **can offer** product from two different large, small, or foreign manufacturers/producers
  • Waiver of non-manufacturer rule may apply
Recap of the Non-manufacturers Rule

Exception: Small Business Set-aside acquisitions between $3,000 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

- Non-manufacturer may supply any product
Partial Set-Asides

FAR 19.502-3

The contracting officer shall set-aside a portion of an acquisition when:

- A Total Set-Aside is not appropriate (19.502-2)
- The requirement is severable in economic lots
- One or more small business concerns are expected to have the technical and productive competency to satisfy the set-aside portion at a fair market price
- The acquisition is not subject SAP
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
8(a) Business Development
Set-asides
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 Program

• Special Exceptions & Waivers to the Non-manufacturers Rule:

  – for HUBZone set aside contract actions between $3,000 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 Set-aside 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
• Exception: SDVOSB Set-aside acquisitions between $3,000 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
Where Do I Go For More Help and Information on Doing Business with DLA?
Procurement Technical Assistance Centers (PTACs)

What are PTACs???
Government funded local resources providing assistance in marketing your products and services to Federal, state and local governments

PTAC Goals:
• Help small businesses be competitive
• Explain complexities of Government procurement
• Encourage economic development through job retention and creation
• Build strong contractors through targeted training and one-on-one assistance

http://www.dla.mil/db/procurem.htm
# DSCC Office of Small Business Programs

<table>
<thead>
<tr>
<th>NAME</th>
<th>PROGRAM</th>
<th>PHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eleanor Holland</td>
<td>Director</td>
<td>614-692-3541</td>
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<tr>
<td><a href="mailto:eleanor.holland@dla.mil">eleanor.holland@dla.mil</a></td>
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<td></td>
</tr>
<tr>
<td>Will Chavez</td>
<td>Small Disadvantaged Business and SBA 8(a)</td>
<td>614-692-1288</td>
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<tr>
<td><a href="mailto:william.chavez@dla.mil">william.chavez@dla.mil</a></td>
<td></td>
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<tr>
<td>Vikki Hawthorne</td>
<td>Supplier Outreach and Woman Owned</td>
<td>614-692-4864</td>
</tr>
<tr>
<td><a href="mailto:vikki.hawthorne@dla.mil">vikki.hawthorne@dla.mil</a></td>
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<tr>
<td>Rebecca Parks</td>
<td>HUBZone</td>
<td>614-692-3510</td>
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<tr>
<td><a href="mailto:rebecca.parks@dla.mil">rebecca.parks@dla.mil</a></td>
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<tr>
<td>Tom Pfenning</td>
<td>JWOD Workshops (Blind &amp; Severely Handicapped)</td>
<td>614-692-1494</td>
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<td><a href="mailto:thomas.pfenning@dla.mil">thomas.pfenning@dla.mil</a></td>
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<tr>
<td>Dwight deWeaver</td>
<td>Service Disabled Veteran Owned</td>
<td>614-692-7935</td>
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<td><a href="mailto:dwight.deweaver@dla.mil">dwight.deweaver@dla.mil</a></td>
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<tr>
<td>Charles Miller</td>
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<td>614-692-7624</td>
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<td><a href="mailto:charles.miller@dla.mil">charles.miller@dla.mil</a></td>
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Conclusion

PLEASE VISIT THE SMALL BUSINESS BOOTH ALONG THE DSCC CORRIDOR