

# CHANGE REQUEST COVER SHEET

**Change Request Number:** 12-104A

**Date Received:** 7/10/2012

**Title:** Approval for SEDB 8(a) Greater than \$20M

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**Name:** Tim Eckert

**Phone:** (202) 267-7527

**Policy OR Guidance:** Guidance

**Section/Text Location Affected:** T.3.6.1A.3

**Summary of Change:** Additional justification required for SEDB 8(a) procurements as well as those owned by an Indian Tribe or Alaska Native Corporation - over \$20M - change also to "AMS Thresholds" in FAST

**Reason for Change:** Congressional concern about the lack of competition on such procurements - adaptation of Government-wide changes for purposes of AMS.

**Development, Review, and/or Concurrence:** Small Business Office; Acquisition Policy Division; Procurement Legal; and Contracting Workforce at HQ, Service Areas, and Centers.

**Target Audience:** Contracting Workforce

**Potential Links within FAST for the Change:** <http://fast.faa.gov/ProcurementToolbox.cfm> (AMS Thresholds)

**Briefing Planned:** No

**ASAG Responsibilities:** None

**Potential Links within FAST for the Change:** <http://fast.faa.gov/ProcurementToolbox.cfm> (AMS Thresholds)

**Links for New/Modified Forms (or) Documents (LINK**

1) <http://fast.faa.gov/ProcurementToolbox.cfm>

**Links for New/Modified Forms (or) Documents (LINK 2)** [null](#)

**Links for New/Modified Forms (or) Documents (LINK 3)** [null](#)

## SECTIONS EDITED:

### Procurement Guidance:

*T3.6.1 - Small Business Development Program*

*Small Business Development*

**Section 3 : Prime Contracting with Small Business** [\[Old Content\]](#)[\[New Content\]](#) [\[RedLine Content\]](#)

## SECTIONS EDITED:

### **Section 3 : Prime Contracting with Small Business**

**Old Content:** Procurement Guidance:

*T3.6.1 - Small Business Development Program*

*Small Business Development*

### **Section 3 : Prime Contracting with Small Business**

a. While the use of small business set-asides as a method of procurement is not mandatory, small businesses must be afforded reasonable opportunities to compete for all procurements. All procurements must first be considered for set-aside before procuring the product or service on an unrestricted basis. Thus, procurement teams should take the following actions when appropriate:

- (1) Set-aside procurements competitively in accordance with the policies and guidance contained in Acquisition Management System (AMS) Section 3.2.2 Source Selection;
- (2) Consider the capabilities of small businesses and small businesses owned and controlled by a socially and economically disadvantaged individuals during the screening phase of each procurement;
- (3) Breakout large requirements (if severable) into smaller sized requirements to provide for greater small business participation;
- (4) Plan procurements of supplies and services so that more than one small business firm may perform the work (if the work exceeds the amount that a single small business can handle);
- (5) Ensure that delivery schedules are established on a realistic basis to encourage small business participation to the extent consistent with actual requirements of FAA;
- (6) Encourage teaming relationships among small and large businesses to enhance competition; and
- (7) Utilize small businesses on qualified vendor lists on a rotational basis to increase opportunities to the greatest number of small businesses.

b. Conducting set-asides with small businesses, very small businesses, small businesses owned and controlled by socially and economically disadvantaged individuals, and service-disabled veteran owned small businesses:

- (1) All set-asides are to be conducted directly with small businesses independent of the Small Business Administration (SBA);
- (2) Procurements may be set-aside exclusively for small businesses and very small businesses;
- (3) Procurements may also be set-aside exclusively for competitive award among socially and economically disadvantaged businesses (SEDBs) that are expressly certified by the Small Business Administration (SBA) for participation in the SBA's 8(a) program. Each firm claiming 8(a) status is required to provide a copy of its SBA 8(a) certification letter to the Contracting Officer (CO) as evidence of eligibility. The CO must confirm with the responsible Business Opportunity Specialist at SBA that the offeror is in good standing with the 8(a) Program at the time of award. The CO should obtain Small Business Specialist contact information from the 8(a) offeror. There is no requirement for SBA's approval to make award to the selected socially and economically disadvantaged business (SEDB).
- (4) Procurements may not be exclusively set-aside for women-owned businesses;
- (5) Industry should be notified of the applicable North American Industry Classification (NAIC) System code representing the predominant portion of the overall requirement in the public announcement to ensure small business size eligibility requirements are timely known; and
- (6) The service team will state the date when the firm must be 8(a) certified.
- (7) Procurements may be set-aside exclusively for competitive award among service-disabled veteran owned small businesses (SDVOSB) as defined by 38 U.S.C. 101. Each firm claiming SDVOSB status is required to provide a completed Business Declaration Form to self-certify its eligibility. The CO must verify the self-certification at the Vendor Information pages, available on the Small Business Development Office website.
- (8) There is no requirement to obtain the SBA's or Veteran Administration's approval to make award to the selected SDVOSB. However, unless the firm is designated as a SDVOSB on the VA website, the CO must not make an award to the firm as a SDVOSB.
- (9) A procurement may not be set-aside if:

(a) there is no reasonable expectation of obtaining offers from two or more responsible SEDB(8(a)) concerns, small business concerns, very small business concerns or service-disabled veteran owned small business concerns that are competitive in terms of market prices, quality and delivery; or

(b) it is in the best interest of the FAA to contract with a single source and the rational basis is documented; or

(c) extension of the current services.

c. Noncompetitive Awards to SEDB (8(a)) and SDVOSB Firms. A rational basis for the decision to award a noncompetitive SEDB (8(a)) or SDVOSB procurement should be documented. Procurement decision makers should consider potential SEDB (8(a)) or SDVOSB sources of supply contained in the Source Net, System for Award Management (SAM), and Vetbiz (market research) websites, available on the Small Business Development Office website. The ownership and control of the sources on this website have been verified by Veterans Affairs (VA). The public announcement requirements of the AMS Section 3.2.1.3.12 are not applicable to noncompetitive awards to SEDB (8(a)) or SDVOSB firms if the product being procured is not available from Federal Prison Industries.

There is no requirement to obtain the SBA's or Veteran Administration's approval to make award to the selected SDVOSB. However, unless the firm is designated as a SDVOSB on the VA website, the CO must not make an award to the firm as a SDVOSB.

**New Content: Procurement Guidance:**

*T3.6.1 - Small Business Development Program*

*Small Business Development*

**Section 3 : Prime Contracting with Small Business**

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d. Noncompetitive awards above \$20 million to SEDB 8(a) firms, or a concern owned by an Indian Tribe or Alaska Native Corporation. For such awards, the following additional requirements apply:

(1) The program official must prepare a written justification at a minimum documenting the rational basis for the award as follows:

- (a) Description of the supplies/services being purchased;
- (b) Determination that a noncompetitive contract is in the best interests of FAA;
- (c) Determination that the anticipated cost of the contract will be fair and reasonable; and
- (d) Applicable AMS references.

(2) The CO and program official must approve the justification, with concurrence by legal counsel (on the justification) and the Small Business Program Development Office (on the Small Business Set-Aside Determination and Coordination form) before negotiations on the contractor's proposal.

**Red Line Content: Procurement Guidance:**

*T3.6.1 - Small Business Development Program*

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