



OFFICE OF FEDERAL
PROCUREMENT POLICY

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 3, 2011

MEMORANDUM FOR DEPUTY SECRETARIES
CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES
AGENCY SMALL BUSINESS DIRECTORS

FROM: Daniel I. Gordon
Administrator for Federal Procurement Policy
Office of Management and Budget

Karen Mills
Administrator
Small Business Administration

David Hinson
National Director, Minority Business Development Agency
Department of Commerce

SUBJECT: Small Business Procurement in Critical 4th Quarter – Key Tactics to Meet Goals

As you know, increasing Federal Government contracting opportunities for small businesses has been and continues to be a top priority for the White House. For the past three quarters, Valerie Jarrett, Senior Advisor to the President, together with the Small Business Administration, the Department of Commerce's Minority Business Development Agency, and the Office of Management and Budget, has convened meetings with top agency officials to discuss how to increase small business participation in Federal contracting. Our objective is to meet or exceed the statutory goal of 23 percent of Federal contracting dollars being awarded to small businesses in FY 2011, as well as each of our socio-economic goals: 5 percent to Small Disadvantaged Businesses, 5 percent to Women-Owned Small Businesses, 3 percent to Service-Disabled Veteran-Owned Small Businesses, and 3 percent to Historically Underutilized Business Zone (HUBZone) firms.

In Fiscal Year (FY) 2010, the Federal Government awarded contracts representing 22.7 percent of contracting dollars to small businesses, which meant that, together with progress in FY 2009, we saw the largest two-year increase in over a decade. We have received positive feedback from Congress, stakeholders, and the public regarding this achievement, yet we are still short of our goal of 23 percent.

We remain committed to achieving this goal and ask that each of you stress the importance of this effort to your agencies, particularly in the all-important fourth quarter. About 31 percent

of Federal contracting dollars are obligated in the fourth quarter of each fiscal year, the largest percentage of any quarter. Moreover, 40 percent of small business contracting dollars are typically awarded during the fourth quarter. Therefore, now is the critical time for all Federal agencies to push forward to meet and exceed their small business contracting goals.

In these final days of the fiscal year, a large amount of contracting dollars has not yet been obligated. We understand this year is particularly challenging, given the length of the continuing resolutions, but that can actually create more opportunities than usual for small businesses in this fourth quarter. Attachment 1 highlights your agency's performance as of July 27, 2011.

We urge you to identify the program and buying offices within your agencies that offer the greatest potential for helping your agency achieve these goals – both in terms of the amount remaining to be spent and the types of goods and services to be acquired. Once these organizational components have been identified, please ensure that every program manager and contracting officer in those offices understands the importance of meeting the small business goals and know of your commitment to making sure your agency achieves them.

Attachment 2 to this memorandum aims to equip you and your agencies with the most current tactical tools, management techniques, and resources to help you reach your goals. If you are at risk of not reaching your goals, please contact us immediately so we can work with you to help identify potential actions to increase opportunities for small business contracting.

Exceeding the small business procurement goals for FY11 is the immediate priority, but we are also in the process of setting goals for the next two fiscal years. We are currently working with each agency to conduct a fact-based analysis of past performance and projected future performance in order to determine appropriate goals. This is a collaborative approach and we encourage each agency's leadership to contact their Office of Small and Disadvantaged Business Utilization or Office of Small Business Programs if they would like to be more involved in that process.

In the meantime, we want to thank you all for your dedication to using small businesses – America's biggest job generators – in your procurement activities, especially at this critical time. We encourage your questions, comments, and concerns.

Attachments

ATTACHMENT 1**FY11 Small Business Performance as of 8/03/11**

Agency	Goal	Actual as of 8/03/11	Portion of government wide spend in FY10
Dept Of Defense (9700)	22.28%	18.11%	67.53%
Energy, Department Of (8900)	6.00%	3.82%	5.75%
Health And Human Services, Department Of (7500)	19.50%	21.38%	4.27%
Veterans Affairs, Department Of (3600)	33.50%	33.34%	3.71%
National Aeronautics And Space Administration (8000)	15.90%	17.44%	3.60%
Homeland Security, Department Of (7000)	33.50%	28.35%	3.21%
General Services Administration (4700)	27.00%	38.74%	1.88%
Agriculture, Department Of (1200)	52.50%	47.83%	1.42%
Justice, Department Of (1500)	31.00%	22.31%	1.37%
Interior, Department Of The (1400)	56.69%	51.64%	1.03%
State, Department Of (1900)	34.00%	29.99%	0.95%
Commerce, Department Of (1300)	36.00%	35.61%	0.95%
Treasury, Department Of The (2000)	28.50%	32.59%	0.52%
Transportation, Department Of (6900)	39.00%	36.23%	0.48%
Office Of Personnel Management (2400)	24.33%	12.90%	0.28%
Labor, Department Of (1600)	33.42%	31.46%	0.51%
Environmental Protection Agency (6800)	42.00%	39.81%	0.44%
Education, Department Of (9100)	17.80%	16.20%	0.42%
Housing And Urban Development, Department Of (8600)	57.00%	33.25%	0.37%
Social Security Administration (2800)	30.00%	29.80%	0.32%
Agency For International Development (7200)	11.00%	10.65%	0.33%
National Science Foundation (4900)	17.65%	14.14%	0.07%
Nuclear Regulatory Commission (3100)	37.00%	34.29%	0.06%
Small Business Administration (7300)	67.50%	72.50%	0.03%
Total	23.00%	19.37%	

Proven Tools for Increased Contracting to Small Businesses

- I. **Tactical Tools.** Empowering agency procurement teams with these tools can help increase the percentage of contracts that an agency awards to small businesses:
- **Use Parity:** Through the Small Business Jobs Act of 2010, parity is now in place, allowing contracting officers to choose among a HUBZone, service-disabled veteran-owned, 8(a), or women-owned set-aside for contracts over the Simplified Acquisition Threshold (generally \$150,000). Agencies should take advantage of this flexibility as they monitor their numbers and consider not only their overall small business goal, but also their socio-economic goals.
 - **Be Rigorous in Evaluating Opportunities:** Every remaining contract to be awarded in FY11 should be evaluated for possible small business utilization.
 - **Focus on Industries Where Small Businesses Excel:** Small business set-asides are particularly effective and popular in certain fields and industries (see Appendix A for list of top 25 NAICS codes for small businesses in FY 2010, which represented over 60% of small business dollars).
 - **Conduct Robust Market Research:**
 - *Work with your Procurement Center Representative (PCR) to identify small business opportunities. A list of PCRs and their assigned agencies is available at: <http://www.sba.gov/content/government-contracting-field-staff-directory>. If your agency does not have an assigned PCR, please contact the Area Director (also listed on the website).*
 - *Reach out to agencies who buy similar products/services to identify potential new vendors (see Appendix B for instructions on how to conduct this search in the Federal Procurement Database System-New Generation or you may reach out to DOD and/or GSA who have developed tools to conduct this analysis. DOD contact: Carol Brown, Carol.A.Brown@osd.mil or (703) 604-0157 ext 147; GSA contact: Nadine McCoy, nadine.mccoy@gsa.gov or (202) 302-5120.)*
 - *Use the Dynamic Small Business Search to identify all small businesses capable of performing a contract (see Appendix C for instructions on how to use Dynamic Small Business Search).*
 - **Maximize Use of Existing Contracts:** GSA Schedules, Government-Wide Acquisition Contracts (GWAC), and agency-wide contracts hold huge potential to increase small business utilization. The Schedules alone provide access to more than 14,000 small businesses offering a wide range of commercial products and services, and agencies are authorized to consider socio-economic status to give preference to small businesses over large businesses in a competition (see Appendix D for

instructions on how to use Schedules and a list of existing GWACs with small business contract holders).

- **Use the 8(a) Program:** Agencies might consider sole-source awards for acquisitions below the thresholds (\$6.5M for manufacturing contracts and \$4M for non-manufacturing contracts). For acquisitions above the threshold, agencies should keep in mind that existing vehicles, such as the 8(a) STARS GWAC, offer an efficient way to make competitive 8(a) awards. Moreover, 8(a) firms that are also women-owned, service-disabled veteran-owned, or HUBZone will provide agencies credit for multiple socio-economic categories.
- **Use the New Women-Owned Small-Business Program:** This new program implemented in FY11 allows set-asides in select NAICS codes (visit www.sba.gov/wosb for a list of eligible NAICS codes) and below a dollar threshold (\$6.5M for manufacturing contracts and \$4M for non-manufacturing contracts).
- **Take Advantage of the Repeal of the Competition Demonstration Program:** As a result of the Small Business Jobs Act, the repeal of a program has opened up new opportunities in industries where small businesses have traditionally excelled (see Appendix E for a list of industries).

II. Management Techniques. Strong, engaged leadership and disciplined management can make the difference in whether or not an agency meets its goals.

- **Communicate from the Top:** Top-level communication from department and agency heads directly to program managers, contracting officers and specialists is crucial at this critical time of the 4th quarter. Relaying the information in this memo – especially the above “Tactical Tools” – is crucial. Please send the enclosed memo and appendices to every program manager, contracting officer and contracting specialist in your agency. We recommend that the memo be sent by either the agency Deputy Secretary (or equivalent) and/or Chief Acquisition Officer/Senior Procurement Executive, as well as the Office of Small and Disadvantaged Business Utilization Director.
- **Closely Monitor and Track 4th Quarter Spending:** Track small business performance and hold contracting officers accountable through regular reporting and distribution of metrics. Create an internal tracking report to monitor small business performance and send to procurement workforce on a weekly basis.
- **Create Incentives for Strong Performance:** For SES staff, program managers, contracting officers and specialists who have small business as part of their performance evaluations, please reiterate the importance of this issue. For any other staff whose role has an impact on procurement, consider offering other incentives such as recognition awards or time off. Also consider ways to create internal

competition (e.g., awards for the component within an agency that achieves the highest small business percentage).

III. Resources. Achieving the 23 percent goal is a shared goal for all agencies across the Government and we encourage you to utilize the following resources, who are ready to support you in this important initiative:

- **Small Business Administration (SBA):** SBA oversees small business procurement for the Federal Government and has a number of resources to help agencies identify different ways to increase opportunities for small businesses to compete for and win contracts.
- **Office of Federal Procurement Policy (OFPP):** OFPP oversees procurements across the entire Government and is available to help agencies with any questions or advice on procurement policies or practices.
- **Minority Business Development Agency (MBDA) at Department of Commerce:** MBDA is ready to help agencies engage with minority-owned businesses and identify minority-owned firms that can respond to and fulfill Government contracts.
- **Other agencies:** We encourage agencies to reach out to other agencies, particularly those who procure similar products and services to share best practices and identify potential new small business vendors.

Enclosure

Memo to send to every Program Manager, Contracting Officer and Contracting Specialists in your agency

Date: August XX, 2011

TO: Program Managers
Contracting Officers
Contracting Specialists

FROM: [Name], Deputy Secretary (or equivalent)

[Name], Chief Acquisition Officer/Senior Procurement Executive

[Name], Director, Office of Small and Disadvantaged Business Utilization

SUBJECT: Small Business Procurement at [Agency Name] in Critical 4th Quarter – Key Tactics to Meet Goals

As you know, increasing Federal Government contracting opportunities for small businesses has been and continues to be a top priority for the White House. For the past three quarters, Valerie Jarrett, Senior Advisor to the President, together with the Small Business Administration, the Department of Commerce's Minority Business Development Agency, and the Office of Management and Budget, has convened meetings with top agency officials to discuss how to increase small business participation in Federal contracting. Our objective is to meet or exceed the statutory goal of 23 percent of Federal contracting dollars being awarded to small businesses in FY 2011, as well as each of our socio-economic goals: 5 percent to Small Disadvantaged Businesses, 5 percent to Women-Owned Small Businesses, 3 percent to Service-Disabled Veteran-Owned Small Businesses, and 3 percent to Historically Underutilized Business Zone (HUBZone) firms.

In Fiscal Year (FY) 2010, the Federal Government awarded contracts representing 22.7 percent of contracting dollars to small businesses, which meant that, together with progress in FY 2009, this was the largest two-year increase in over a decade. Although Congress, stakeholders, and the public provided positive feedback on this achievement, the Government is still short of the goal of 23 percent.

[Agency Name] remains committed to achieving our small business goal and ask that each of you maximize small business utilization in the all-important fourth quarter. In these final days of the fiscal year, a large amount of contracting dollars has not yet been obligated. We understand this year is particularly challenging, given the length of the continuing resolutions, but that can actually create more opportunities than usual for small businesses in this fourth quarter.

Below is a list of **tactical tools** that have been proven to help increase the percentage of contracts that an agency awards to small businesses. We strongly encourage you to utilize any or all of these tools:

- **Use Parity:** Through the Small Business Jobs Act of 2010, parity is now in place, allowing contracting officers to choose among a HUBZone, service-disabled veteran-owned, 8(a), or women-owned set-aside for contracts over the Simplified Acquisition Threshold (generally \$150,000). You should take advantage of this flexibility as you monitor your numbers and consider not only your overall small business goals, but also your socio-economic goals.
- **Be Rigorous in Evaluating Opportunities:** Every remaining contract to be awarded in FY11 should be evaluated for possible small business utilization.
- **Focus on Industries Where Small Businesses Excel:** Small business set-asides are particularly effective and popular in certain fields and industries (see Appendix A for list of top 25 NAICS codes for small businesses in FY 2010, which represented over 60% of small business dollars).
- **Conduct Robust Market Research:**
 - *Work with your Procurement Center Representative* to identify small business opportunities. A list of PCRs and their assigned agencies is available at: <http://www.sba.gov/content/government-contracting-field-staff-directory>. If your agency does not have an assigned PCR, please contact the Area Director (also listed on the website).
 - *Reach out to agencies who buy similar products/services* to identify potential new vendors (see Appendix B for instructions on how to conduct this search in the Federal Procurement Database System-New Generation or you may reach out to DOD and/or GSA who have developed tools to conduct this analysis. DOD contact: Carol Brown, Carol.A.Brown@osd.mil or (703) 604-0157 ext 147; GSA contact: Nadine McCoy, nadine.mccoy@gsa.gov or (202) 302-5120.)
 - *Use the Dynamic Small Business Search* to identify all small businesses capable of performing a contract (see Appendix C for instructions on how to use Dynamic Small Business Search)
- **Maximize Use of Existing Contracts:** GSA Schedules, Government-Wide Acquisition Contracts (GWAC), and agency-wide contracts hold huge potential to increase small business utilization. The Schedules alone provide access to more than 14,000 small businesses offering a wide range of commercial products and services, and agencies are authorized to consider socio-economic status to give preference to small businesses over large businesses in a competition (see Appendix D for instructions on how to use Schedules and a list of existing GWACs with small business contract holders).

- **Use the 8(a) Program:** Agencies might consider sole-source awards for acquisitions below the thresholds (\$6.5M for manufacturing contracts and \$4M for non-manufacturing contracts). For acquisitions above the threshold, agencies should keep in mind that existing vehicles, such as the 8(a) STARS GWAC, offer an efficient way to make competitive 8(a) awards. Moreover, 8(a) firms that are also women-owned, service-disabled veteran-owned, or HUBZone will provide agencies credit for multiple socio-economic categories.
- **Use the New Women-Owned Small-Business Program:** This new program implemented in FY11 allows set-asides in select NAICS codes (visit www.sba.gov/wosb for a list of eligible NAICS codes) and below a dollar threshold (\$6.5M for manufacturing contracts and \$4M for non-manufacturing contracts).
- **Take Advantage of the Repeal of the Competition Demonstration Program:** As a result of the Small Business Jobs Act, the repeal of a program has opened up new opportunities in 11 industries where small businesses have traditionally excelled (see Appendix E for a list of industries).

If you have any questions or concerns about these tools, please reach out to the Chief Acquisition Officer, Senior Procurement Executive or Director of the Office of Small and Disadvantaged Business Utilization.

Thank you all your hard work in these final days of the fiscal year and for your efforts to increase opportunities for small businesses.

APPENDICES

Appendix A - Top 25 NAICS codes for Small Businesses in FY 2010

Rank	NAICS Code	NAICS Description	Dollars obligated in FY 2010
1	236220	Commercial And Institutional Building Construction	\$10,620,087,697
2	541519	Other Computer Related Services	\$5,637,643,071
3	541330	Engineering Services	\$5,319,396,679
4	541712	Research And Development In The Physical, Engineering, And Life Sciences (Except Biotechnology)	\$4,515,793,509
5	237990	Other Heavy And Civil Engineering Construction	\$2,981,847,361
6	541611	Administrative Management And General Management Consulting Services	\$2,738,439,374
7	561210	Facilities Support Services	\$2,738,127,685
8	541710	Research And Development In The Physical, Engineering, And Life Sciences	\$2,392,756,418
9	541511	Custom Computer Programming Services	\$2,097,261,546
10	541512	Computer Systems Design Services	\$2,055,145,963
11	562910	Remediation Services	\$2,038,197,467
12	336413	Other Aircraft Parts And Auxiliary Equipment Manufacturing	\$2,025,692,200
13	531120	Lessors Of Nonresidential Buildings (Except Miniwarehouses)	\$2,014,779,208
14	336611	Ship Building And Repairing	\$1,564,475,249
15	517110	Wired Telecommunications Carriers	\$1,333,262,084
16	237310	Highway, Street, And Bridge Construction	\$1,328,728,238
17	334111	Electronic Computer Manufacturing	\$1,224,384,741
18	424720	Petroleum And Petroleum Products Merchant Wholesalers (Except Bulk Stations And Terminals)	\$1,189,771,939
19	541513	Computer Facilities Management Services	\$1,154,804,550
20	236210	Industrial Building Construction	\$1,034,794,513
21	315999	Other Apparel Accessories And Other Apparel Manufacturing	\$1,002,839,168
22	334220	Radio And Television Broadcasting And Wireless Communications Equipment Manufacturing	\$1,000,090,221
23	561612	Security Guards And Patrol Services	\$939,188,085
24	541990	All Other Professional, Scientific, And Technical Services	\$890,585,058
25	541930	Translation And Interpretation Services	\$888,897,448

Appendix B – Instructions on how to search for agencies that procure similar products/services in the Federal Procurement Database System-New Generation (FPDS)

- Log into FPDS at: <https://www.fpds.gov>
- Click “Adhoc Reports”, then click “New.”
- “1 Select metrics” will be automatically highlighted, and in the left-hand side column you will see the Metrics folder opened.
- Click on the + sign next to “Award – IDV Information.”
- Click on the “Dollar Values” folder.
- In the main pane look for Action Obligation, then click “Add” on the far right-hand side.
- To open the second section, click “2 Select attributes” at the top of the screen. In the left-hand side column, the Attributes folder will be open.
- Click the + sign next to the “Award – IDV Information” folder.
- Next, select “Product or Service Information.” In the main pane, click the “Add” button next to “NAICS Code.”
- Then, in the left-hand side column, select “Business Size Selection.” In the main pane click the “Add” button next to “Contracting Officers Business Size Selection.”
- Finally, in the left-hand side column, select “Department and Agency Information.” In the main pane, click the “Add” button next to “Contracting Department Name.”
- Now, click “3 Select time, filters, and rankings” towards the top of the screen.
- Under the Add Filter section, it will have a “Select an attribute” drop-down menu. Find and select “Contracting Officers Business Size Selection.” For the adjacent drop-down menu keep the value at “Show Only.” And in the third scroll down menu click the blue “Select attribute values...” link.
- A window titled “Choose Attribute Values” will appear. In the window, select “Small Business,” then click “OK.” The window will then close.
- Return to the Add Filter section on the original page, click “Add.” This filter will then be added to your report, and the Add Filter section will once again be reset.
- You can add another filter based on the NAICS code you are searching for. Under the “Select an attribute” drop down menu, select “NAICS Code.” Keep the next menu as “show only,” and in the third menu click the “Manually enter a value...” link. A new window titled “Enter Attribute Value” will appear. Enter the 6-digit NAICS code you are searching for. Then click “OK.” The window will close and you will be brought back to the main page.
- Then on the main page in the “Add Filter” section, click “Add.”
- To complete the fourth step of the process, click “4 Layout and setup.” Verify that the layout is what you desire. Then hit “Execute” in the top right-hand corner of the page.

- Next you will be asked to enter the dates you choose to see data from. Enter the dates where it says “For Date Signed only show values between”. We suggest entering from “10/01/2009” to “09/30/2010” to see the 2010 fiscal year data.
- Finally, in the top right-hand side corner, click “Display Report.”

Once you have gathered the names of other agencies/departments who purchase the same NAICS code good or service from a small business, you may contact the agency’s Office of Small and Disadvantaged Business Utilization (OSDBU) for recommendations on small business vendors. You can find a list of OSDBU contacts at: www.osdbu.gov.

Appendix C – Instructions on how to use Dynamic Small Business Search

- Go to the following website: <http://dsbs.sba.gov>.
- Under “Location of Profile,” you can select the state that you’d like to search for firms in or you can input an area code or zip code.
- To find certified 8(a) or HUBZone firms, in the “Government Certifications” section, select the radio button that says “Required (Active Certifications Only)” under “8(a) certified or 8(a) Joint Venture” or “HUBZone Certification.”
- To find Service-Disabled Veteran-Owned or Women-Owned Small Businesses, in the “Ownership and Self-Certifications” section, select the box that says “Service Disabled Veteran Owned” or the appropriate box under “Any Women-Owned Small Business.”

Note: To see all small businesses regardless of type, do not select any type of Certification or Ownership and all small businesses that meet the criteria you selected will be shown.

- In the next section called “Specific Nature of Business,” you can enter a specific NAICS code(s) to find small businesses that operate in those industries.
- There are other criteria you may select throughout the page to tailor your search.
- When you are finished selecting criteria, go to the bottom of the page and press “Search Using These Criteria.”
- A screen will appear with a list of all small businesses that meet the criteria selected.

Appendix D – Maximizing Use of Existing Contracts

Maximizing Opportunities for Small Businesses on Federal Supply Schedules

More than 14,000 small businesses participate in the Federal Supply Schedules Program managed by the General Services Administration (GSA), which is used by agencies to acquire close to \$47 billion in products and services each year, approximately 10 percent of overall Federal procurement spending. The proportion of dollars going to small businesses through schedule sales exceeds the Government-wide average, but additional capacity exists that is not currently being tapped.

To ensure small businesses have maximum practicable opportunity to receive work through their Schedule contracts, each agency should take steps to increase the percentage of dollars awarded to small businesses in FY 2011 under the Schedules.

This appendix, prepared by GSA's Federal Acquisition Service, reviews tools currently available to agencies to increase opportunities for small business contractors under the Schedules and outlines several steps to help agencies take full and effective advantage of the capability and capacity of small businesses participating in the Schedules Program.

Background

The Federal Supply Schedules Program serves as an important gateway to the Federal marketplace for small businesses, helping new entrants gain access to a wide range of agencies and experienced small businesses grow their customer base. Approximately 37 percent of these dollars are awarded to small businesses. While this participation rate is well above the Government-wide goal of 23 percent, there is additional capacity and capability that agencies should make concerted efforts to utilize.

Section 8.405-5(b) of the Federal Acquisition Regulation encourages all agencies to consider, "at a minimum," at least one small business, veteran-owned small business, service disabled veteran-owned small business, HUBZone small business, women-owned small business, or small disadvantaged business schedule contractor(s) when placing orders. As the express wording of the FAR provision reminds, this policy is intended to serve as a floor. With many thousands of small business contractors participating in the Schedules Program, agencies have ready access to a wide range of skills and expertise to meet their needs and should take full advantage of this capacity in planning and conducting their buys.

Tools for increasing small business participation

Over the years, GSA has developed a suite of tools and resources to enhance procuring agencies' ability to target small business contractors on Schedule competitions. Agencies are encouraged to review these resources and take the following steps to increase opportunities for small business schedule contractors:

1. **Use the GSA Schedule and Small Business Utilization website to review the policies, procedures, and tools that may be used to conduct competitions focused on small businesses.** GSA has created a new section of its GSA Schedules website focused on small business contracting at <http://www.gsa.gov/portal/content/202261>. The new section includes information on practices to facilitate awards to small businesses as prime contractors or subcontractors and sample language from statements of work that have been used to successfully implement these practices. These practices include: (1) establishing evaluation criteria which give weight to socio-economic factors in a best value analysis and (2) giving meaningful consideration to small business subcontracting plans when placing task or delivery orders. These practices are described in greater detail below.

2. **Take advantage of GSA's market research tools to target small business contractors.** GSA Advantage, the Schedules' online shopping and ordering system, and the GSA e-Library at <http://www.gsa.gov/fss> contain information on the small business representations of Schedule contractors and allow customers to tailor their searches specifically for products and services provided by disadvantaged, service-disabled veteran, women-owned, HUBZone, and other small businesses.

3. **Consider using socioeconomic status as an evaluation factor.** FAR 8.405-5(b) authorizes agencies to consider socio-economic status when identifying contractors for consideration or competition for award of an order or blanket purchase agreement. These criteria may be used to give preference to small businesses over large businesses in a competition. Agencies have used language similar to the following to put interested vendors on notice that socio-economic status would be considered:

Socio-economic status of the vendor shall be considered as a primary evaluation factor for award with the goal of achieving one of the agency's socioeconomic goals to increase small business participation as prime contractors.

The following factors will be used by the Government to evaluate proposals in descending order of importance: (1) socio-economic, (2) past performance, (3) price, (4) technical approach, and (5) management work plan & key personnel.

GSA's electronic request for quote system, e-Buy, allows agencies to request invitations to bid specifically from disadvantaged, veteran-, service-disabled veteran-, women-owned, and other small businesses. If a large business contractor expresses an interest in participating in the competition, it must be allowed to participate, but could receive a lower rating than a small business under the socio-economic status factor (e.g., "fair" vs. "excellent").

4. **Consider subcontracting goal promises and achievements.** Large businesses on Schedules that involve subcontracting are required to establish small business subcontracting plans as a condition of participation in the program and annually report their achievements in eSRS. An agency might consider giving a higher score to a contractor whose latest annual subcontracting report shows that it is exceeding the goals approved

under its Schedule contract over one that has not exceeded its goals. Consideration should also be given to the dollar value of the small business goals offered. One agency used the following language to apply these concepts:

The Government will evaluate the contractor's achievement of their small business subcontracting goals as well as the dollar value of the small business goals offered. The Government will give an exceptional rating to small business entities. The next highest rating, satisfactory, will be given to other than small businesses whose subcontracting plans and latest annual subcontracting reports exceed goals approved under their contract. Large firms that have not exceeded their schedule subcontracting goals will receive a marginal rating.

Taking Advantage of GWACs with Small Business Contract Holders

Government-wide acquisition contracts provide a convenient way in which to access small business contractors offering a wide range of IT products and solutions. Several GWACs are set-aside for small businesses, including GSA's Alliant Small Business, 8(a) Streamlined Technology Acquisition Resources for Services (STARS), and Veterans Technology Services (VETS). For a list of currently available GWACs, see the table below.

Government-wide Acquisition Contracts (GWACs) as of Summer 2011

Executive Agent	GWAC/Program Name	Program Description	Contract Ceiling ¹ (in billions)	Expiration	FY 2009 Spending (in millions)
GSA	Alliant	Provides integrated IT solutions	\$15	April 2014	\$40
GSA	Alliant Small Business	Small business set-aside offering integrated IT solutions	\$15	Feb 2014	\$21
GSA	8(a) Streamlined Technology Acquisition Resources for Services (STARS)	8(a) STARS is a small business set-aside contract for technology solutions.	\$15	Nov 2011	\$192
GSA	Veterans Technology Services (VETS)	VETS is a small business set-aside GWAC for service-disabled veteran-owned (SDVO) small technology firms.	\$5	Feb 2012	\$94

¹ Contract ceiling is applicable over the life of the contract, which includes a base performance period, ranging from 4-7 years, and any option periods.

HHS	Chief Information Officer–Solutions and Partners 2 Innovations (CIO SP2i)	Provides a range of services, from software development to integration services, IT operations and maintenance, and solutions in support of IT health.	\$19.5	Dec 2011	\$893
HHS	Electronic Commodities Store III (ECS III)	Provides commercial IT supplies and related services, including hardware, software, networking and telecommunications equipment, scientific research stations, and warranties and maintenance services.	\$6	Nov 2012	\$86
NASA	Solutions for Enterprise Wide Procurement (SEWP)	Provides IT products and services	\$5.6	May/June 2014	\$1,800

Appendix E – List of industries previously in the Competitive Demonstration Program

NAICS Code	NAICS Description
1. Construction (except dredging)	
Subsector 236—Construction of Buildings	
236115	New Single-Family Housing Construction (except Operative Builders)
236116	New Multi-Family Housing Construction (except Operative Builders)
236117	New Housing Operative Builders
236118	Residential Remodelers
236210	Industrial Building Construction
236220	Commercial and Institutional Building Construction
Subsector 237—Heavy and Civil Engineering Construction	
237110	Water and Sewer Line and Related Structures Construction
237120	Oil and Gas Pipeline and Related Structures Construction
237130	Power and Communication Line and Related Structures Construction
237210	Land Subdivision
237310	Highway, Street, and Bridge Construction
237990	Other Heavy and Civil Engineering Construction (except dredging)
Subsector 238—Specialty Trade Contractors	
238110	Poured Concrete Foundation and Structure Contractors
238120	Structural Steel and Precast Concrete Contractors
238130	Framing Contractors
238140	Masonry Contractors
238150	Glass and Glazing Contractors
238160	Roofing Contractors
238170	Siding Contractors
238190	Other Foundation, Structure, and Building Exterior Contractors
238210	Electrical Contractors
238220	Plumbing, Heating, and Air-Conditioning Contractors
238290	Other Building Equipment Contractors
238310	Drywall and Insulation Contractors
238320	Painting and Wall Covering Contractors
238330	Flooring Contractors
238340	Tile and Terrazzo Contractors
238350	Finish Carpentry Contractors
238390	Other Building Finishing Contractors
238910	Site Preparation Contractors
238990	All Other Specialty Trade Contractors
2. Non-nuclear Ship Repair	
336611	Ship Building and Repairing
PSC J998	Non-nuclear Ship Repair (East) Ship Repair (including overhauls and conversions) performed on non-nuclear propelled and nonpropelled ships east of the 108th meridian
PSC J999	Non-nuclear Ship Repair (West) Ship Repair (including overhauls and conversions) performed on non-nuclear propelled and nonpropelled ships west of the 108th meridian

3. Architectural and Engineering Services (including surveying and mapping)	
541310	Architectural Services
541330	Engineering Services
PSC C111	Administrative and Service Buildings
PSC C112	Airfield, Communication and Missile Facilities
PSC C113	Educational Buildings
PSC C114	Hospital Buildings
PSC C115	Industrial Buildings
PSC C116	Residential Buildings
PSC C117	Warehouse Buildings
PSC C118	Research and Development Facilities
PSC C119	Other Buildings
PSC C121	Conservation and Development
PSC C122	Highways, Roads, Streets, Bridges and Railways
PSC C123	Electric Power Generation (EPG)
PSC C124	Utilities
PSC C129	Other Non-Building Structures
PSC C130	Restoration
PSC C211	Architect-Engineering Services (including landscaping, interior layout, and designing)
PSC C212	Engineering Drafting Services
PSC C213	A&E Inspection Services (non-construction)
PSC C214	A&E Management Engineering Services
PSC C215	A&E Production Engineering Services (including Design and Control, and Building Programming)
PSC C216	Marine Architect and Engineering Services
PSC C219	Other Architect and Engineering Services
541360	Geophysical Surveying and Mapping Services or
541370	Surveying and Mapping (except Geophysical) Services
PSC T002	Cartography Services
PSC T004	Charting Services
PSC T008	Photogrammetry Services
PSC T009	Aerial Photographic Services
PSC T014	Topography Services
PSC R404	Land Surveys, Cadastral Services (non-construction)
4. Refuse Systems and Related Services	
562111	Solid Waste Collection or
562119	Other Waste Collection or
562219	Other Nonhazardous Waste Treatment and Disposal
PSC S205	Trash/Garbage Collection Services—including Portable Sanitation Services
5. Landscaping and Pest Control Services	
561710	Exterminating and Pest Control Services
561730	Landscaping Services