



DEPARTMENT OF THE ARMY
OFFICE OF THE SECRETARY OF THE ARMY
OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION
106 ARMY PENTAGON
WASHINGTON DC 20310-0106

25 APR 2005

MEMORANDUM FOR MACOM COMMANDERS AND PROGRAM EXECUTIVE OFFICERS

SUBJECT: Policy Letter 01-05; The Army Small Business Program.

1. References:

- a. Federal Acquisition Regulations (FAR), Parts 19 and 26.
- b. Defense Federal Acquisition Regulation Supplement (DFARS), Parts 219 and 226.
- c. Department of Defense (DOD) Directive 4205.1, DOD Small Business and Small Disadvantaged Business Utilization (SADBU) Programs, September 11, 1996; and DOD Directive 5134.4, Director of Small and Disadvantaged Business Utilization, March 17, 1989, and 10 USC 2323 (a)(1)(c)
- d. DOD Small Business Program Strategic Management System (SMS) Guide
- e. Army Federal Acquisition Regulation Supplement (AFARS), Part 5119.
- f. Army Regulation 70-1, Army Acquisition Policy.
- g. Army Acquisition Executive Memorandum dated 23 February 2004, subject: Small Business Program Reinvention.

2. The purpose of this memorandum is to establish the Army as the premier organization for the promotion of and assistance to small business, small disadvantaged business, women-owned small business, Historically Black Colleges and Universities Minority Institutions (HBCU/MIs), Service Disabled Veteran-Owned (SDVOSB) small business and firms located in historically underutilized business zones (HUBZone). Special emphasis is placed on assisting concerns who have been historically underutilized or who have had difficulty participating in the Army procurement process. It is the intent to bring faster, more efficient information on Army forecasted procurement opportunities, thereby providing the business community adequate time to develop business strategies.

3. This policy applies to personnel involved in the acquisition process (including program management, technical development, engineering, requirements, contracting functions, and research and development) and the personnel process (such as education, training, and recruitment).

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4. Duties and Responsibilities. In accordance with Headquarters, Department of the Army General Order #3, the Army SADBU office oversees Army Secretariat small business functions.

a. The Director of the Office of Small and Disadvantaged Business Utilization:

(1) The Director, Small and Disadvantaged Business Utilization (SADBU), reports to the SA and is the senior advisor on all Small Business Program matters. The Director, SADBU is responsible for developing policies for implementation of programs designed to afford opportunities to small businesses, including small disadvantaged businesses, women-owned small businesses, service disabled veteran-owned businesses, businesses located in historically underutilized business zones and historically Black colleges, universities, and minority institutions as set forth in title 10 U.S.C. and title 15 U.S.C., as amended, and other pertinent laws, directives, regulations and Executive orders.

(2) Develops, implements, and oversees policy and management of the Army small business programs in coordination with the ASA (ALT) to ensure the effective execution of the Small Business Program. Develops targets and initiatives for the small business program; monitors performance through established metrics as defined in the Army's Small Business and HBCU/MI Program Plan; and performs a mid-year review and an annual assessment of each program's accomplishments.

(3) Reviews and provides recommendations on proposed appointments, performance elements, standards, and appraisals for command associate directors of small business (AD) who serve as principal staff assistants and advisors to the commanders of MACOM, Field Operating Agencies (FOA), Direct Reporting Units (DRU), and Program Executive Officers (PEO).

(4) Receives and rules on all appeals from the Small Business Administration.

(5) Establishes and chairs the US Army HBCU/MI Board of Advisors comprised of senior Army and HBCU/MI leadership. Their role is to advise and recommend on policies, procedures, needs assistance, and outreach.

(6) Consults on a regular basis with Army and Department of Defense acquisition managers, representatives of the Small Business Administration, the Department of Commerce, and other government agencies.

b. The Office of the Deputy Assistant Secretary Army for Policy and Procurement (DASA P&P) implements contracting aspects of the small business program through promulgation in the FAR, DFARS, and AFARS.

c. The Office of the Chief Public Affairs (OCPA) disseminates public information for the small business program.

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d. MACOM, FOA, and DRU, with Delegated Contracting Authority. Oversee small business and HBCU/MI command and reporting activity functions:

(1) Implement the small business program within their commands including the establishment of program targets and initiatives in accordance with the DOD Small Business Program Strategic Management System (SMS) Guide. However, reporting dates to Army SADBU are 30 June and 30 December. Ensure that acquisition and technical personnel maintain knowledge of small business program requirements and take all reasonable actions to promote SB and HBCU/MI participation in the command's mission.

(2) Appoint, in writing, a full-time command associate director of small business (AD) after prior consultation and approval of the Director, Department of the Army (DA) SADBU. The command AD manages the small business program, reports directly to the commander or the deputy (second in command) on small business program matters, and is at a grade level sufficient to interface with other staff functions and subordinate units, generally the same grade as the Principle Assistant for Contracting (PARC).

(3) Provide the command AD with optimum staff and resources to perform their functions.

e. Army PEOs. In accordance with Army Regulation 70-1, Army Acquisition Policy and Army Acquisition Executive Memorandum dated 23 February 2004,
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(1) Ensure that a small business specialist is assigned to support your programs. Conduct small business outreach activities at least once each year.

(2) Establish three initiatives to support the small business program and insure that they are reported to both the Military Deputy for Systems Acquisition and the Director, SADBU no later than 30 December and a progress report due by 30 June.

(3) Ensure that small business coordination and involvement in acquisition strategies occurs in a timely manner and that subordinate program offices include small business specialist input in developing the small business strategy part of the acquisition strategy.

f. All other commands with annual contract obligations to U.S. business firms in excess of \$100 Million:

(1) Implement, within your command, the small business program in accordance with 4. d.

(2) Appoint a full-time unit SBS who manages the small business program for the commander and, at a minimum, a part-time HBCU/MI representative to manage the HBCU/MI program. The command SBS and HBCU/MI representatives are appointed in writing after consultation and approval of the

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MACOM AD. The SBS and HBCU/MI representatives report directly to the commander on small business and HBCU/MI matters, respectively, and are at a grade level sufficient to effectively manage the command small business and HBCU/MI programs. The Director, DA SADBU, only, can waive this requirement. Adequate justification must be presented to the MACOM AD, who will then document their concurrence or non-concurrence and their reasoning, and forward the request to the Director, DA SADBU. A waiver is granted for only one year and a part time small business specialist must be appointed. Small business program functions take precedence over all other duties. If the SBS is less than full-time, make clear how the small business program is effectively managed. If the SBS reports to someone other than the commander, justify why this channel of command is more effective.

(3) Provide the SBS optimum staff and resources to perform assigned duties or functions.

g. All other Commands with Contracting Authority have the same responsibilities previously stated. However, approval for appointing part-time command SBS and HBCU/MI representatives to manage their small business and HBCU/MI programs is delegated to the MACOM AD. The SBS and HBCU/MI representatives shall be appointed in writing and, when performing their respective program duties, they report directly to the commander. In accordance with AFARS 5119.201 (e) (C) the part time SBS should be the chief of the contracting office. If not the Director, the SBS shall be at a grade level that permits effective management of the small business or HBCU/MI programs and in a grade/position no lower than the senior contracting officer.

5. Duties and Responsibilities of the Command Associate Director, SADBU.

- a. Develops command policy to support references in 1.
- b. Develops and manages the command small business and HBCU/MI Program Plan to achieve the command targets and initiatives. The plan must be approved and signed by the appointing authority, or reporting official, and forwarded to the Director, SADBU.
- c. Prepares and presents to the Director, SADBU, an annual small business assessment in accordance with reference 1.d. and 4. d. (1).
- d. Reviews acquisitions as required by DFARS 219.201 and reference e.
- e. Works closely with and assists the unit competition advocate to ensure that potential SB and 8(a) opportunities are thoroughly explored.
- f. Reviews and provides recommendations on proposed performance elements, standards, and evaluations for unit small business specialists (SBS).

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g. Prepares, reviews, and/or coordinates the command position on Section 8(a), SB set-aside, and certificate of competency secretarial appeals before forwarding to the Director, SADBU.

h. Monitors source approval requests; participates in source development surveys; performs market surveys, and other source development activities as required to support the command small business program.

i. Maintain a process for measuring the effectiveness of the outreach program in producing new sources.

j. Schedules command representation at procurement and outreach conferences in accordance with Army FAR Supplement 5119.201 (d)(9)(B).

k. Evaluates and provides for the SB training needs of command personnel.

l. Manages the small business awards program.

m. Coordinates SBA Surveillance Review visits with the DA SADBU and ensures corrective actions are in place for any cited deficiencies.

n. "Works closely with the Deputy Program Executive Officer/Program Manager who serves as the designated point of contact and assists in drafting the Small Business Strategy in support of each Acquisition Strategy in accordance with AFARS Revision # 11, dated May 4, 2004."

6. The Small Business and HBCU/MI Program Report. This report describes the command's qualitative and quantitative achievements in pursuit of the targets and initiatives in accordance with reference 1. d. Reporting periods to DA SADBU are 30 June and 30 December.

7. The POC for this action is Mr. Paul Gardner, (703) 697-2868.



Tracey L. Pinson
Director

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