



# DISA Acquisition Deskbook

## Promoting Opportunities With Small Business Concerns

JULY 2003

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### INTRODUCTION

I. This deskbook provides guidance for promoting opportunities with Small Business (SB) concerns: Small Business Set Asides, Small Disadvantaged Business (SDB) Set Aside Program, Women Owned Small Business (WOSB) Program, Section 8(a) Program, Historically Underutilized Business Zone (HUBZone) Program, Historically Black Colleges and Universities and Minority Institutions (HBCU/MI) Program, Mentor-Protégé (MPP) Program, Small Business Innovative Research and Small Business Technology Transfer Program, Indian Incentive Program, Services-Disabled Veteran Owned Small Business (SDVOSB) Program, Comprehensive Subcontracting Plan Test Program, and Very Small Business Pilot Program (VSBPP). Every year the Office of the Secretary of Defense (OSD) establishes the small business goals for the Agency. This deskbook should facilitate the achievement of those goals. The 21.4 percent is the overall Agency SB goal while the other goals are separate target goals, which are not additive to the overall Agency goal.

Additional information on SB programs can be obtained from the DISA Small and Disadvantaged Business Utilization (SADBU) homepage at <http://www.disa.mil/main/sadbu.html> and the OSD SADBU homepage at <http://www.acq.osd.mil/sadbu>.

The Deputy Secretary of Defense memorandum of 24 August 2000 reiterated DOD's commitment to "improving our small business performance" in meeting our small business acquisitions goals for small business. It is DISA's policy to provide the maximum practicable opportunities for SB concerns to participate in acquisitions. The Head of the Contracting Activity (HCA) is responsible for effectively implementing the small business programs within the activity. The HCA is to ensure that contracting and technical personnel maintain knowledge of the small business programs; i.e., SDB, WOSB, and HBCU/MI requirements, and take all responsible action to increase participation of these businesses within the activity.

Increased participation is accomplished by the goals established by the OSD SADBU Office. The goals established for DISA are listed below:

**Defense Information Systems Agency  
Fiscal Year 2002 Goal Allocation**

<u>Prime Contracting*</u>	<u>Goal</u>
<b>Small Business</b>	<b>21.4%</b>
Small Business Set-Aside	1.3%
HUBZone Small Business	2.0%
Small Disadvantaged Business	5.0%
Service-Disabled Veteran Owned Small Business	3.0%
Women-Owned Small Business	5.0%
Historically Black Colleges and Universities and Minority Institutions (HBCU/MI)**	5.0%

\* Prime contracting goals include Federal Supply Schedule awards

\*\* Percentage HBCU/MI goal is based on Higher Education Institution Awards

II. SB will be given an equitable opportunity to compete for all contracts that they can perform, consistent with the best interests of the Government. To encourage participation by SB, the Contracting Officer (CO) will:

- Ensure that the requiring activity's Acquisition Manager/Program Manager (AM/PM) demonstrates and documents its market research of small businesses for every acquisition above \$10,000.
- Submit a DD Form 2579: Small Business Coordination Record, for SADBU review to determine if the requirement can be set aside per DFARS 219.201.

- Where practicable, divide quantities of supplies or services into small lots to permit offers on quantities less than the total requirement to encourage small business participation.
  - Establish realistic delivery schedules that will encourage small business participation.
  - Encourage prime contractors to subcontract with small business. Include all known small business sources on solicitation mailing lists.
  - Publicize all contracting opportunities in the Federal Business Opportunities (FEDBIZOPPS) Web Page at: <http://www.fedbizopps.gov/>.
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## **MARKET RESEARCH**

I. Acquisitions begin with a description of the Agency's needs in terms sufficient to allow the conduct of market research. The extent of market research performed will depend on the urgency, complexity, and estimated dollar value of the proposed procurement.

A. Benefits of Market Research:

- Help focus scarce resources on best opportunities.
- Identify emerging market needs and new products and services.
- Reduce the risks associated with unwinnable initiatives.

B. Market Research Techniques include, but are not limited to the following:

- Contacting the DISA SADBUs or the Defense Information Technology Contracting Organization (DITCO) Small and Disadvantaged Business Utilization Specialist (SADBUS) for small business candidates.
- Conducting interviews of knowledgeable industry or government representatives to ascertain information on companies and their capabilities.
- Reviewing recent market research of similar requirements.
- Publishing requests for information in technical and/or scientific journals.
- Querying Government databases, including those maintained by the SADBUs and the Small Business Administration (SBA).

- Querying the Internet.
- Reviewing catalogs or other product literature.
- Publicizing sources sought in the Commerce Business Daily (CBD).

II. PRO-Net (<http://pro-net.sba.gov/>) is an electronic gateway of procurement information for and about small businesses and procurement business opportunities. This system provides a search capability to retrieve information on approximately 195,000 small businesses and creates a virtual one-stop procurement shop.

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### **SMALL BUSINESS (SB) SET-ASIDE**

A SB concern includes affiliates that are independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the size standards set forth in 13 Code of Federal Regulations (CFR) Part 121.

I. **Purpose.** The program utilizes SB "set-asides" to award certain acquisitions or class of acquisitions to SB. The set-aside approach may be either a "partial" or "total" set-aside. This stipulation does not apply to purchases under \$2,500 (micro-purchases). Acquisitions over the micro-purchase threshold that do not exceed the Simplified Acquisition Threshold (SAT)(\$100,000) are automatically reserved for small business, unless the contracting officer is unable to obtain offers from two or more small business concerns. For acquisitions exceeding the SAT, the requirement to set aside an acquisition for HUBZone SB concerns (FAR 19.1305) takes priority over the requirement to set aside the acquisitions for SB concerns. Also, please note that if an acquisition is offered to SBA, first priority will be given to the HUBZone/8(a) concerns (FAR 19.800(e)).

The CO shall set aside any acquisition over \$100,000 (FAR 19.502-2(b)) when there is a reasonable expectation that the following conditions can be satisfied.

- Offers will be obtained from at least two responsible SB concerns.
- Award will be made at fair market prices.

If the criterion above is not met, the CO may consider a partial set-aside.

II. **Sole Source versus Competitive Thresholds.** All of the business types have a \$2,500 competitive threshold except for 8(a) requirements. The current 8(a) sole source threshold is less than \$3 million for

services and less than \$5 million for manufacturing concerns. The total estimated costs that exceeds these thresholds subjects the requirement to competition. The set-aside may be either total or partial. Other conditions may also affect the acquisition strategy, so refer to each of the sections in this guide and the Federal Acquisition Regulation (FAR), the Defense Federal Acquisition Regulations Supplement (DFARS), and the DISA Acquisition Regulations Supplement (DARS) for additional guidance and explanation.

**III. Information Technology (IT) and National Security System (NSS) IT Acquisitions.** IT and NSS IT have defined thresholds based on DISA Office of the Chief Information Officer (OCIO) Information Management (IM) and Information Assurance (IA) policies and procedures, which implemented the Clinger-Cohen Act (formerly the Information Technology Management Reform Act of 1996). The Office of the Deputy CIO (ODCIO) of the Office of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence (C3I) has established the reporting thresholds of \$30 million and greater when competitive and at or above \$3 million for other than full and open for acquisition plans that include IT and NSS IT resource requirements. This reporting requirement excludes an IT and NSS IT acquisition exclusively supporting a designated Major Defense Acquisition Program (MDAP) and/or a Major Automated Information System (MAIS). Reporting an IT and NSS IT acquisition to the Office of Secretary of Defense Chief Information Officer (OSDCIO) is accomplished through the DISA Chief Information Officer (CIO) (See DARS 39.101(S-93)(e)).

**IV. Severability.** The CO will also consider the severability of the work into separate lots in making a determination. Partial set-asides will not be authorized for procurements using Simplified Acquisition Procedures (SAP) (FAR Part 13). When considering a determination for a small business set-aside, preference should be given to HUBZone 8(a) firms over other SB preferences.

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#### **SMALL DISADVANTAGED BUSINESS (SDB) SET-ASIDE PROGRAM**

An SDB concern is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged or a publicly owned concern that has 51 percent of its stock owned by such individuals and that has its management and daily business controlled by one or more socially and economically disadvantaged individuals. Individual groups falling under this program are:

- African Americans
- Hispanic Americans
- Native Americans

- Asian-Pacific Americans
- Subcontinent-Asian Americans

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### WOMEN-OWNED SMALL BUSINESS (WOSB) PROGRAM

To assist WOSB concerns in gaining access to DOD procurement opportunities, the Military Departments, Defense Agencies, and subordinate commands are assigned WOSB prime and subcontracting goals. Each must report progress towards meeting these goals.

The Federal Acquisition Streamlining Act of 1994 (FASA) amended the Small Business Act to establish a government-wide goal to include the total value of all prime contract and subcontract awards for each fiscal year for WOSB concerns. A WOSB concern is a small business concern which is at least 51 percent owned by one or more women, or in the case of any publicly owned business, at least 51 percent of the stock is owned by one or more women and whose management and daily business operations are controlled by one or more women.

There is a set-aside preference for WOSB. The parameters for sole source and competitive awards utilize the same thresholds as the Business Development Program (Section 8a Program, Reference Section 811, of the Small Business Act). Additional guidance will be forthcoming when the FAR is revised.

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### SECTION 8(a) PROGRAM

I. **Background.** Section 8(a) of the Small Business Act establishes a program that authorizes the SBA to enter into contracts with other agencies and award subcontracts to perform the work. The SBA subcontractors are referred to as "8(a) contractors." The program was developed to assist small companies owned and operated by socially and economically disadvantaged persons develop their businesses. Selecting concerns to participate in the 8(a) Program is the responsibility of the SBA and is based on the criteria established in 13 CFR 124.101-113. Subcontracts to 8(a) firms may be awarded on a competitive or sole source basis. Another method for setting requirements aside for 8(a) firms is the Informal Technical Assessment (ITA), which is discussed in Section III.

A. Selecting Acquisitions. The SBA through its cooperative efforts with the Agency matches the Agency's requirements with the capabilities of small business 8(a)s. In this process, one of three approaches may be used:

- Approach #1 - SBA Issues Search Letter. SBA advises an Agency's contracting activity through a search letter of an 8(a) firm's capabilities and requests the Agency to identify acquisitions to support that firm's business plans.
- Approach #2 - SBA Identifies Requirement. SBA identifies a specific requirement for a particular 8(a) firm and requests the agency's contracting activity to offer the acquisition to the 8(a) business firm. As a result, the Agency is encouraged to offer the acquisition as a small business set-aside.
- Approach #3 - Agency Identifies Requirement. Agencies may review other proposed acquisitions to identify requirements that may be offered to the SBA. When agencies propose a requirement for the small business program, they may offer on behalf of a specific 8(a) contractor, for the 8(a) program in general, or for an 8(a) competition.

B. Competitive vs. Sole Source. Utilizing one of the selecting approaches for a Section (8(a) set-aside will result in either a competitive or sole source acquisition strategy. (See descriptions of both below.)

- Sole Source Strategy. A sole source requirement may be offered when the dollar value of the base or "firm" requirement plus its options do not exceed a cost threshold of \$3,000,000 for services and \$5,000,000 for manufacturing including option periods (exclusive of construction). Acquisitions under these thresholds and satisfying these conditions may be offered to the SBA on a sole source basis. The SBA determines that an 8(a) concern owned and controlled by an economically disadvantaged group is eligible, responsible, and needs the acquisition for its business development.
- Competition Strategy. An 8(a) competition will be offered to the SBA when the conditions below are satisfied:
  - Anticipated award price exceeds \$3,000,000 for services and \$5,000,000 for manufacturing.
  - There is reasonable expectation that at least two eligible and responsible 8(a) firms will submit an offer.

Competitive 8(a) acquisition shall be conducted by using sealed bids (FAR Part 14) or competitive negotiation (FAR Part 15). In competitive 8(a) acquisitions, the CO conducts negotiations directly with the 8(a) firms. The SBA determines the eligibility of the 8(a) firms for contract award.

II. **Process for Sole Source Offering.** Below is the sequential process for awarding a sole source offering through the 8(a) process.

Step 1 - 8(a) Nominated by Requiring Activity. If the requiring activity nominates an 8(a) firm for a sole source offering, the CO will ensure that adequate market research has been performed and that the requiring activity has knowledge of the firm's capability and capacity. As with any requirement, the extent of market research conducted should be commensurate with the urgency, complexity, and dollar value of the effort. The CO will then make a sole source offering to the SBA in accordance with the procedures in FAR 19.804-2. If the requiring activity has no known source or limited information is available for multiple sources, an ITA should be performed. (See Section III below.)

Step 2 - Agency Evaluation. The Agency should evaluate its current and future plans to acquire specific items or work that 8(a) contractors are seeking to provide. These evaluations also include other pertinent information about known 8(a) contractors; i.e., technical capabilities and similar products or provide similar services.

Step #3 - Agency Offers Requirement to the 8(a) Program. The Agency notifies SBA of the extent of its plans which includes notifying the SBA of processing milestones, description of work, estimated period of performance, North American Industry Classification System (NAICS) code, anticipated dollar value, type of contract anticipated, acquisition history, and special geographical considerations.

Step #4 - SBA's Acceptance of the Requirement into the Program. Once the contracting activity has submitted the Agency's offer to be included into the 8(a) Program, the SBA will make the final determination. During this step of the process, a confirmation letter is sent from the SBA. The solicitation is then prepared and issued to the 8(a) firm. The prospective offeror prepares their technical and cost proposal to submit to the contracting activity. The 8(a) firm then enters technical, management, and cost negotiations at this time.

Step #5 - Contract Award. A signature by the CO finalizes the contract award.

**III. Process for Informal Technical Assessment (ITA).** This approach is conducted on a "case-by-case" basis at the discretion of the CO. This approach is used primarily for requirements under the competitive thresholds and inclusive of options. The steps are as follows:

Step #1 - Source List. The DISA SADBUs and DITCO Small and Disadvantaged Utilization Business Specialist (SADBUS) may be contacted by the requiring activity for a list of potential 8(a) candidates having the general capacity and capability to perform the work. Any technical assessments on file will also be forwarded to the requiring activity, e.g. Acquisition Manager/Program Manager (AM/PM).

Step #2 - Selection of NAICS Code. The AM/PM will provide the SADBUs and the CO with a copy of the Statement of Work requirements document, e.g. Statement of Work (SOW), Statement of Objectives (SOO), or Performance Work Statement (PWS). The CO, with concurrence from the appropriate SADBUs, will determine the appropriate NAICS code.

Step #3 - Development of Criteria to Rate 8(a) Firms. With the assistance of the DISA SADBUs, the DITCO SADBUs, and the CO, the originator of the requirement will develop criteria by which an 8(a) firm's presentation(s) will be evaluated. The criteria should be kept simple and focus only on the key areas of the technical and management considerations that were previously provided by the CO.

Step #4 - Presentation Planning. The firms on the list will be advised of the requirement and invited to provide their technical capabilities. Cost or price information will not be requested.

Step #5 - Pre-Presentation. Each firm will be provided a selection package, which includes the criteria and the opportunity for the 8(a) firms to submit questions through the contracting officer and AM/PM. At the close of the "question period," the CO will consolidate all questions and forward them to the AM/PM, who will address the questions. Subsequently, the CO will provide written answers to all of the questions submitted by the 8(a) firms.

Step #6 - 8(a) Presentations. Presentations are provided or given, as scheduled, by each 8(a) firm. The presentations should not be elaborate.

Step #7 - 8(a) Selection. The requiring activity will review the results of the technical assessment and determine the firm whose capabilities best suit DISA's need. There will be no formal technical evaluation or criteria. Rationale for the 8(a) decision will be summarized and attached to the procurement package that has been prepared by the AM/PM. This summary should be a brief statement; no further Determination and Finding (D&F) or Justification and Approval (J&A) are required for an 8(a) sole source procurement.

Step #8 - Sole Source Offering to SBA. The CO will make a sole source offering to the SBA in accordance with the procedures in FAR 19.804-2.

Step #9 - SADBUs Retains Information. The DISA SADBUs will retain all information inclusive of brochures, briefing slides, and capability statements received from the 8(a) firms for future acquisition requirements.

**IV. Process for Competitive 8(a) Requirement.** Another approach for acquiring products and services from 8(a) contractors is on a competitive basis. This approach is used primarily for requirements that exceed the competitive cost thresholds (inclusive of options). The steps to consider are as follows:

Step #1 - Source List. The DISA SADBUs and DITCO SADBUs will be contacted by the requiring activity for a list of potential 8(a) candidates having the general capacity and capability to perform the work. Any technical assessments on file will also be forwarded to the AM/PM.

Step #2 - Selection of the NAICS Code. The AM/PM will provide the SADBUs

and the CO with a copy of the Statement of Work (SOW), Statement of Objectives (SOO), or Performance Work Statement (PWS). The CO, with concurrence from the appropriate SADBUs, will determine the appropriate NAICS code.

Step #3 - Development of Evaluation Factors. With the assistance of the SADBUs and the CO, the AM/PM will develop the evaluation criteria to be used in the source selection process. The criteria should be concise and reflect the needs of the requiring organization.

Step #4 - Evaluation of Proposals. The technical and management proposals will be evaluated based on the evaluation factors and the approved source selection plan. The technical assessment can be submitted in writing, videotape, in person, or in any other form. Once the proposals are evaluated, the source selection official will submit the Source Selection Panel evaluation.

Step #5 - 8(a) Selection & Contract Award. The requiring activity will review the results of the technical evaluation and determine the firm whose capabilities best suit DISA's need. In instances of best value evaluation, the evaluation will require a concise and detailed best value determination. The CO can make the 8(a) award since it has direct contracting authority from SBA.

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#### **HUBZONE SMALL BUSINESS PROGRAM**

The HUBZone Empowerment Contracting Program is an initiative designed to stimulate economic development by providing federal contracting opportunities to small businesses located in eligible areas.

A HUBZone includes more than 7,000 urban census tracts, 900 rural areas, and every federally recognized Native American reservation. The U.S. Small Business Administration (SBA) administers the HUBZone Program and certifies companies for eligibility. The HUBZone Program was enacted into law as part of the Small Business Reauthorization Act of 1997.

A. Applicability. Most Empowerment Zones/Empowerment Communities (EZ/EC) are initiatives that target tax incentives, performance grants, and loans to designated low-income areas. The purpose of EZs and/or ECs is to create jobs, expand business opportunities, and support people seeking employment. This program applies to firms that are currently located within HUBZones to include start-up businesses located in these areas and existing firms that choose to relocate their businesses to qualified HUBZone areas.

B. Criteria. A small business meets all of the following criteria to qualify for the HUBZone program:

- It must be located in a "historically underutilized business zone."

- It must be owned and controlled by one or more U.S. citizens.
- At least 35% of its employees must reside in a HUBZone.

C. Eligibility Requirements. A HUBZone is an area that meets one or more of the following criteria.

- A qualified census tract (as defined in section 42(d)(5)(C)(i)(I) of the Internal Revenue Code of 1986).
- A qualified "non-metropolitan county" (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986) with a median household income of less than 80 percent of the state median household income or with an unemployment rate of not less than 140 percent of the statewide average, based on the recent U.S. Department of Labor data.
- Lands within the boundaries of federally recognized Indian reservations.

D. Limited Competition. Eligible firms enjoy limited competition for set-aside contracting funds within participating agencies, and are able to receive preferential consideration for other types of Federal procurement contracts as follows:

- A competitive contract can be awarded if more than one qualified HUBZone SB will submit offers and the contract can be awarded at a fair market price.
- A sole source contract can be awarded if there is a reasonable expectation that only a single qualified HubZone SB will submit an offer and the agency determines that the qualified small business is responsible, and the contract can be awarded at a fair price. The government estimate cannot exceed \$5 million for manufacturing requirements or \$3 million for all other requirements (excluding construction).

Interested businesses can check to see if they are located in an eligible HubZone area, or if an area they are considering for relocation is eligible, by using the SBA locator site at <http://map.sba.gov/hubzone/>. The HUBZone locator requires the street address, city, state, and zip code to be entered. Specific information on local designations can be obtained by clicking on the geographic area of interest. If the location is a HUBZone, individual businesses can apply to receive preferences under this program by submitting an on-line application from the following web site:  
<https://el.sba.gov:9000/prodhubzone/hubzone/general.stm>.

E. Community Support. Communities can encourage and support the use of the HUBZone Program by participating in the following activities:

- Informing local businesses and business leaders about the HUBZone

Program and the appropriate contacts.

- Becoming familiar with the HUBZone boundaries in their area and helping local businesses determine if they are located in an eligible area.
- Helping businesses access and complete on-line applications and making local businesses aware of Federal contract announcements.

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### **HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND MINORITY INSTITUTIONS (HBCU/MI) PROGRAM**

Under 10 U.S.C. 2323, the Congress established certain goals and authorized programs to support the inclusion of HBCUs/MIs in defense acquisitions. Consistent with DFARS 226.70, acquisitions will be set aside for exclusive competition among HBCUs/MIs when the acquisition is for research, studies, or services of the type normally acquired from higher educational institutions.

The Minority On-Line Information Service (MOLIS) is a comprehensive search tool. It is funded entirely by Federal agencies and is one of the most comprehensive HBCU/MI information resources available. The information provided by MOLIS concerning participating institutions includes facility profiles, institutional capability profiles across a wide range of scientific and industry categories, research equipment and facilities, and enrollment information and academic programs. Additional information on the MOLIS Web page is located at <http://iam-molis.org/>.

The Department of Defense has entered into agreements with the United Negro College Fund (UNCF) and the Federal Information Exchange (FIE) to provide technical assistance to minority institutions which includes HBCUs, Hispanic Serving Institutions (HSIs), Tribal Colleges and Universities (TCUs), and other minority institutions of higher education. The College Fund partnering with OSD through its Infrastructure Development Assistant Program (IDAP) will make available regional workshops on Doing Business with DOD. The focus of the workshops is to strengthen the HBCU/MI capabilities to participate in DOD initiatives including educational programs, research and development efforts, and other selected contract/grant opportunities.

DISA's Minority Institutions Technology Support Services (MITSS) contract is the largest HBCU/MI contract sponsored by DISA. It provides analytical, engineering, logistical, communications, integration, computer systems research and development, application software development, testing and maintenance, information assurance, and education and training services.

For additional information, contact Ms. Sharon Sellers, DISA (CIO), at (703)696-1904, or visit OSD HBCU/MI Technical Assistance Web Page:

<http://www.acq.osd.mil/sadbu/hbcumi/index.HTM> or the MITSS web page at <http://www.disa.mil/acq/contracts/mitsschar.html>.

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### **MENTOR-PROTEGE PROGRAM**

The Mentor Protégé Program (MPP) provides incentives for DOD contractors who assist SDB and WOSB in enhancing their capabilities to satisfy DOD contractor or subcontractor requirements.

A. Mentor-Protégé Defined. The mentor firm is a prime contractor with at least one active subcontracting plan negotiated under FAR Subpart 19.7. Protégé firms are defined as SDB and WOSB concerns or qualified organizations employing the severely disabled. The purpose of the program is to develop the business and technical capabilities of small businesses. The firms are selected solely by the mentor firm and are eligible to receive Federal contracts. Mentor firms are incentivized by receiving reimbursement for developmental assistance costs and/or credit toward their SDB subcontracting goals by a separate contract or through a separately priced contract line item to an existing contract. The MPP was formally established under Section 831 of the Defense Authorization Act of 1999 (Public Law 510). All successful MPP Agreements are characterized by a mutually beneficial relationship for all parties: the mentor, the protégé, and DISA/DOD.

B. Scope of the MPP. The firm represented in DISA MPP specifically encompasses the Information Technology and Telecommunications Industries. The period for acceptance of applications is from October 1, 2000, through September 30, 2003.

C. DISA MPP Requirements. To qualify as a DISA prospective protégé, the following statutory and business organizational requirements must be complied with:

- Must be an SDB concern as defined by Section 8(d)(3)(C) of the Small Business Act.
- Qualified organization employing the severely disabled as defined in Public Law 102-172, Section 8064A.
- Women-Owned Business concern as defined by Section 8 of the Small Business Act.
- Minimum of 45 employees.
- Minimum of 8 years in business.
- Minimum of \$3 million a year in revenue.

D. Approval Process. Listed below are the basic approval steps for

Mentor-Protégé Agreements:

- Interested Mentors are required to have at least one DISA contract (as a prime contract) in addition to submitting a Mentor Protégé application agreement with supporting cost information provided to DISA's MPP Office.
- The DISA SADBUs and the DISA MPP Manager endorse each agreement.
- Proposed agreement with funding document is forwarded to DOD MMP Manager for review and approval.
- After the MMP agreement is approved by the DISA SADBUs, the DISA Director, and subsequently by the Office of the Under Secretary of Acquisition Technology and Logistics (OUSD AT&L), the funding document is forwarded to DITCO to award the contract to the MMP firm with a contract modification.

E. Defense Contract Management Agency (DCMA). The DCMA plays an integral role in DISA's MPP by ensuring the success of the program by conducting semiannual performance reviews of the DOD MMP Agreements each fiscal year. These agreement reviews provide valuable data on the mentor-protégé relationships, assists in assessing the success of the program, and contributes to adjustments in program management.

For additional information; contact the Program Manager for DISA's Mentor-Protégé Program, (703) 607-6436.

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**SMALL BUSINESS INNOVATIVE RESEARCH (SBIR) TRANSFER PROGRAM (SBTTP)  
AND SMALL BUSINESS TECHNOLOGY**

DISA does not participate in these programs. For additional information contact the Agency SADBUs, at (703) 607-6436, or Mr. Rodney Deavault, DITCO Small Business Specialist, at (618) 229-9106, or visit the OSD website at <http://www.acq.osd.mil/sadbu/sbir/homepg.htm>. The hotline phone number is 1-800-382-4634 or fax (800-462-4128), or email SBIRHELP@teltech.com.

## **INDIAN INCENTIVE PROGRAM**

The Indian Incentive Program allows an incentive payment equal to five percent of the amount paid to a subcontractor in performing the contract if the contract so authorizes and the subcontractor is an Indian organization or Indian-owned economic enterprise. DOD contracts that contain FAR Clause 52.226-1, Utilization of Indian Organizations and Indian Owned Economic Enterprises, are eligible for incentive payments under the Program.

A. Eligible Recipients. Prime Contractors and SBs for DOD that use Indian-Owned Businesses or enterprises as subcontractors.

B. Incentive Payments. Prime Contractors (regardless of size) are required to submit requests for incentive payments to their respective CO. The contractor's request letter should include the following:

- Use of FAR Clause 52.226-1 in the DISA contract.
- Pertinent copies of the subcontract agreement.
- Copies of the subcontractor's invoices.
- The payment made to the subcontractor with a calculation of a 5-percent rebate.
- Subcontractor's status as an Indian-Owned economic enterprise.
- POC with e-mail address and telephone and Fax numbers of DOD Contracting Officer.
- The request and verification summary for incentive payment should be forwarded to the DOD SADBU Office. The DISA SADBU's Office will provide the funding.

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## **SERVICE-DISABLED VETERAN OWNED SMALL BUSINESS (SDVOSB) PROGRAM**

A SDVOSB concern not less than 51 percent of which is owned by one or more service disabled veterans. In instances of publicly traded corporations, one or more disabled veterans own not less than 51 percent of the stock. The other requirement is that the management and daily business operations are controlled by service-disabled veterans. Specific guidance will be forthcoming, when it becomes available.

## COMPREHENSIVE SUBCONTRACTING PLAN TEST PROGRAM

The DOD Comprehensive Subcontracting Plan Test Program authorizes the negotiation, administration, and reporting of subcontracting plans on a plant, division, or company-wide basis, as appropriate. The purpose of the test program is to determine whether comprehensive subcontracting plans will result in increased subcontracting opportunities for SDB while reducing the administrative burdens on contractors. The test period for this program is from 1 October 1990 through 30 September 2005.

A. Eligibility Requirements. Large businesses are eligible if, during the preceding fiscal year, they performed on at least three DOD contracts for supplies and services, aggregating more than \$5 million or more and achieving an SDB subcontracting rate of five percent. An important aspect of the test program is that it offers significant opportunity to create a dialogue between DOD and program participants on major small business issues.

B. Requirements for Participants.

- Establish comprehensive subcontracting plans on the same corporate, division, or plant-wide basis under the previously submitted SF 295: Summary Subcontract Report.
- Reported results on SF 295 last FY.
- Accept an SDB goal for each FY of not less than five percent or under a detailed plan to achieve five percent.
- Complied with DFAR Subpart 215.3 for source selection purposes.
- Offer a broad range of subcontracting opportunities.
- Voluntarily agree to participate.
- Have a minimum of one active contract that requires a subcontracting plan.

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## VERY SMALL BUSINESS PILOT PROGRAM (VSBPP)

The purpose of the program is to improve access to Government contract opportunities for small business concerns by reserving certain acquisitions for competition among such concerns. The program applies to all acquisitions with an estimated value exceeding \$2,500 but not greater than \$50,000. The CO and the SBA district office should be within the same geographical areas and there should be a reasonable expectation of obtaining offers from two or more responsible Very Small Business (VSB) concerns.

A. A VSB is a concern with headquarters located within the geographic area served by a designated SBA district, and, together with its affiliates, has

no more than 15 employees and has average annual receipts that do not exceed \$1.0 million.

B. Procurement requirements estimated to be between \$2,500 and \$50,000 must be reserved for eligible small business concerns. This pilot program is effective as of January 4, 1999, and terminates September 30, 2003.

C. The ten pilot areas are as follows:

- Los Angeles, California
- Santa Ana, California
- Louisville, Kentucky
- New Orleans, Louisiana
- Boston, Massachusetts
- Detroit, Michigan
- Albuquerque, New Mexico
- Columbus, Ohio
- Philadelphia, Pennsylvania
- El Paso, Texas

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#### **DOD REGIONAL COUNCILS**

The DOD Regional Councils for Small Business Education and Advocacy is a nationwide network of SADBUs organized to promote the National Small Business Programs of the United States.

The Councils' primary objective is to promote the National Small Business Programs to include small, HUBZone, SDB, WOSB, VOSB and HBCU/MI, tribal colleges, and other sanctioned small business programs. Additional objectives include promoting the exchange of ideas, experiences, and general information among SB Specialists and the contracting community; developing closer relationships and better communication among Government entities and the SB community; and staying abreast of statutes, policies, regulations, directives, trends, and technology affecting the Small Business Program.

There are eight Regional Councils sponsored by the DOD SADBUs Office each governed by individual by-laws. Membership is open to small business advocates from the DOD and civilian agencies.

For additional information, contact the DISA SADBUs Office, at (703) 607-6436, or Mr. Rodney Deavault, DITCO SADBUs, at (618) 229-9106.

The following web sites provide additional information:

OSD Regional Councils web page at:

<http://www.acq.osd.mil/sadbu/programs/regional/index.htm>

SDB web page at: <http://www.sba.gov/sdb/>.

OSD ACQ web page at: <http://www.acq.osd.mil/sadbu/wosb/>

SBA HUBZone Web page at: <http://www.sba.gov/hubzone/>.

Office of the OSD SADBUs Indian Incentive Program at:

<http://www.acq.osd.mil/sadbu/programs/iip/index.htm> .

OSD SADBUs web page at:

<http://www.acq.osd.mil/sadbu/csp/background.htm>.

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### **SUBCONTRACTING PLANS**

The Small Business Subcontracting Program is based on Public Law 95-507 that was passed in 1978 to ensure that prime contractors further the goals of increasing participation of small businesses in Federal procurement. Originally focused on only small and small disadvantaged businesses, the subcontracting program now includes VOSB, SDVOSB, HUBZone SB, and WOSB. The government requires the adoption of Federal Acquisition Regulation (FAR) 52.219-8, Utilization of Small Business Concerns, in all purchases/contracts over \$100,000 that offer subcontracting opportunities. The legislation requires certain prime contractors and subcontractors to prepare formal subcontracting plans. The law specifically requires Large Businesses to submit a subcontracting plan for contracts exceeding \$500,000 including options (\$1 million for construction), as well as reporting and record keeping for contractors with subcontracting plans. Generally, every acquisition for SB Set-Aside, HubZone, SDB, WOSB, SDVOSB, and HBCU/MI with an estimated value of \$500,000 (\$1M for construction) must include a small business subcontracting plan consistent with FAR 19.7, unless the acquisition is an 8(a) or otherwise restricted to SB concerns. In addition, the extent of SB participation in a negotiated acquisition must be evaluated as part of the source selection process consistent with DFARS 219.605(b).

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### **SELF-MARKETING**

The SBA encourages small businesses to market their capabilities to potential customers. Firms marketing their capabilities to DISA and other requiring activities supported by DISA's contracting activities will be encouraged to first approach the SADBUs. A small business firm's submission of self-marketing brochures or other information does not commit DISA to use a specific small business concern.

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## DISA'S SMALL AND DISADVANTAGED BUSINESS UTILIZATION (SADBU) OFFICE

Within DISA, there is a DISA SADBU Office as well as a contracting activity SB Specialist. Information on their responsibilities is listed below:

### A. Agency SADBU Office

The office advises the Director, DISA, on small business matters and represents the Agency before Congress, OSD, and other Federal agencies. Also, the office participates in and monitors the DISA acquisition process and develops and monitors the small business programs to ensure they receive a fair portion of DISA contract awards.

- Functions (Not All Inclusive)

- Develops policies, procedures, and programs to strengthen the SADBU Program. Also establishes and maintains a systematic program designed to locate firms eligible as sources for current and future DISA needs by ensuring that opportunities to compete for awards are extended to such sources.

- Advises potential sources on how to obtain information about acquisitions and how to market their services to DISA.

- Establishes and maintains liaison with local Chambers of Commerce, industry and trade groups, state and local governments, and other Federal agencies to promote and enhance SB, SDB, and WOSB business opportunities.

- Assists contracting activities and prime contractors upon request in locating sources for critical supply and service requirements for which limited or no known sources exist.

- Sponsors and participates in Government and industry conferences.

- Establishes and conducts the SADBU education and training program for AM/PMs, COs, and other personnel within DISA and develops and implements an annual management plan.

- Develops and implements a system to establish goals for prime contract awards or subcontract awards by prime contractors to SB concerns and for allocating these goals within Agency.

- Phone Listing  

<u>Positions</u>	<u>Telephone Numbers</u>
Chief, DISA SADBUs	703-607-6436 Fax 703-607-4173
Deputy & Manager, Mentor-Protégé Program	703-607-6436 Fax 703-607-4173

B. DITCO SADBUs

- The DITCO SADBUs is responsible for making recommendations in accordance with Agency regulations as to whether a particular acquisition should be awarded under Subpart 19.5 as a set-aside or under Subpart 19.8 as a Section 8(a) award. The DITCO SADBUs performs this function by reviewing and making recommendations for all acquisitions over \$100,000. The DITCO SADBUs documents this review on the DD Form 2579: Small Business Coordination Record. The DITCO SADBUs uses a large repository of company profiles that is considered for possible sources regardless of dollar amount of the requirement in making these recommendations. Also, the DITCO SADBUs is responsible for making sure that the contracting activity takes the necessary actions to implement SB and HBCU/MI Programs and provides assistance to the CO in determining the need for and acceptability of subcontracting plans.
- In addition to these duties, the DITCO SADBUs advises and assists contracting, program management, and requirements personnel on all matters that affect SB and HBCU/MI, as well as provides aid, counsel, and assistance to SB, SDB, HBCU/MI, and WOSB.

- Phone Listing

<u>Positions</u>	<u>Telephone Numbers</u>
DITCO SADBUs	(618) 229-9106 Fax (618) 229-9110.

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