

## Procurement & Property Division Policy Memorandum

Subject: Small Business Competitiveness Demonstration Program (Clarifications)		Number: 19-08
Distribution: ARS: PAO's FD PPD	Date: May 30, 2001  Revised: January 15, 2002	This Replaces: N/A

### Background

The Department has restored the Small Business (SB) clearance procedure of Departmental Regulation (DR) 5090-1 which requires each acquisition over \$100,000 not being set-aside for SB to be submitted to the United States Department of Agriculture Office of Small and Disadvantaged Business Utilization (OSDBU) through the Procurement and Property Division's (PPD) OSDBU Coordinator for review and clearance by the Small Business Administration (SBA) Procurement Center Representative (PCR). Note that this clearance procedure excludes all Federal Supply Schedule (FSS) procurements. Questions have been raised regarding implementation of this policy in terms of the Small Business Competitiveness Demonstration Program (SBCDP). The following clarifies the applicability of the SB clearance procedures to projects covered under this Program.

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### Policy Guidelines

The language of DR 5090-1 paragraph 4, Exemption, item (d) provides that "non 8(a) awards under the SBCDP" need not be submitted for review." This means that all solicitations under the program which are in compliance with USDA's set-aside policy for the current fiscal year will be exempt from PCR review. For instance, if the requirement is under a Designated Industry Group (DIG) that is required to be set-aside for SB concerns, if the solicitation complies in all respects with this policy a PCR review will not be required.

Also, further explanation is provided in regards to notations found in the January 30, 2001, memorandum from James M. Green, Acting Director of OSDBU titled the SBCDP - Fiscal Year 2001 Set-Aside Policy. The following statements or phrases have the following meaning:

1. **“No Set-Aside ARS.”** The Department’s set-aside policy for the current fiscal year, has designated some DIGs as “no set-aside ARS.” Wherever the phrase is used, it means that ARS is required to compete the projects in this industry under full and open competition and a SB set-aside has not been authorized.
2. **Treatment of 8(a) Awards.** Each project is required to be reviewed to determine whether the project can be accomplished by an 8(a) concern. Awards to 8(a) firms shall be maximized to meet the goals of the Procurement Preference Program.
3. **Treatment of HUBZone Set-Aside.** Each project is required to be reviewed to determine whether the project can be accomplished by a HUBZone set-aside. The rule of two must be applied and fair and reasonable prices must be expected. HUBZone awards shall also be maximized to meet the goals of the Procurement Preference Program.
4. **If the North American Industry Classification System (NAICS) Code (SIC) is not listed in the Memorandum.** If the NAICS code is not mentioned in the memorandum, (for example, Group 235), this means that ARS (and all other USDA agencies) are required to compete projects in this industry under full and open competition.
5. **Emerging Small Business Set-Asides** (Architect-Engineering \$50,000; all others \$25,000). These projects are required to be reserved to this class of SB concerns.
6. **Projects Which must Be Reviewed by the SBA/PCR**

Projects where a small business set aside is required and the Contracting Officer is unable to meet the “rule of two” and/or the cost of the project is expected to be unreasonable;

Any exceptions to the Department’s set-aside policies for the Competitiveness Demonstration Program including DIG’s and Targeted Industry Groups (TICs). TICs are identified in Policy Memo 19-04.

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Action Required  
by PAO's

The SB Clearance Form from Appendix A of DR 5090-1 shall be used to document the review findings under the SBCDP.

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PPD Point  
of Contact

Theresa Stephens, Procurement Analyst, Policy Branch,  
PPD. Telephone 301-504-1729.

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Approved:

/s/  
Richard G. Irwin, Director  
Procurement and Property Division