

UNCLASSIFIED

INFO MEMO

FOR: DEFENSE ACQUISITION EXCELLENCE COUNCIL (DAEC)

FROM: Department of Defense, Director, Small Business Programs

SUBJECT: DoD's Initiative to Streamline and Simplify Size Standards Proves Successful

- The Department of Defense (DoD), Office of Management & Budget (OMB) and the Small Business Administration (SBA) in a coordinated effort began an initiative to simplify and streamline the SBA's small business size standards. The DoD Office of Small and Disadvantaged Business Utilization provided the political interest necessary to move this initiative forward.
- The initiative resulted in the proposed small business size standards reduction from 37 to 10. The proposed size standard rule should reduce the number of small business that can fall into more than one size standard. Additionally, the proposed rule also brings greater consistency in the application by expanding the small business definition (employee based) across other program areas, such as contracting and loan guarantees, etc.
- The proposed new small business size standard rule was published in the Federal Register on Friday, March 19, 2004, with a sixty day comment period.
- This effort should reduce size standards confusion among small businesses and government contracting personnel.
- The proposed employee based size standards rule will result in:
 - A number of small businesses under the current small business size standards definition being redefined as large business.
 - A number of large businesses under the current small business size standard definition being redefined as small business.
- It is our collective responsibility to ensure that this small business size standards streamlining effort will, at a minimum maintain our small business prime and subcontracting opportunity or provide for improved small business performance. You are encouraged to review the proposal and respond not later than May 18, 2004.