



IL 049-05-6  
February 16, 2005

**OFFICE OF ACQUISITION AND MATERIEL MANAGEMENT INFORMATION LETTER**

**TO:** Under Secretaries for Health, Benefits, and Memorial Affairs; Assistant Secretary for Management; Chief Facilities Management Officer, Office of Facilities Management; Veterans Integrated Service Network Directors; Directors, VA Medical Center Activities, Domiciliaries, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices; Directors, Denver Distribution Center, Austin Automation Center, Records Management Center, VBA Benefits Delivery Centers, and VA Health Administration Center; and the Executive Director and Chief Operating Officer, VA National Acquisition Center

**ATTN:** Heads of the Contracting Activity and VA Contracting Officers

**SUBJ:** Expiration of Statutory Authority for the Price Evaluation Adjustment for Small Disadvantaged Businesses (SDB) (FAR 19.11) and the Very Small Business (VSB) Program (FAR 19.9)

1. This Information Letter (IL) replaces IL 049-04-12 on the same subject. The Department of Veterans Affairs (VA) has again been advised by memorandums from the Civilian Agency Acquisition Council (CAAC) and the Small Business Administration (SBA), copies attached, of the expiration of statutory authority for the price evaluation adjustment for small disadvantaged businesses (SDB) (FAR 19.11). Although not addressed in the CAAC or SBA memorandums, the statutory authority for the Very Small Business (VSB) Program (FAR 19.9) has also expired. The authorities for these programs for Federal civilian agencies expired on June 5, 2004. Congress temporarily reauthorized these programs in late September, but that temporary extension expired on December 8, 2004, and has not yet been renewed. Effective immediately, until Congress reauthorizes either or both of these programs, contracting officers shall not apply a price evaluation adjustment to bids or offers received from SDBs or set-aside acquisitions for award to VSBs.

2. Contracting officers are advised that the statutory Government-wide goal for the award of at least 5 percent of contract dollars to SDBs remains in effect. The Secretary's goal for award of contracts to SDBs, including 8(a) set-asides, is 10 percent. Contracting officers must continue their efforts to award a fair share (at least 10 percent) of contract dollars to SDBs and 8(a) firms.

2.

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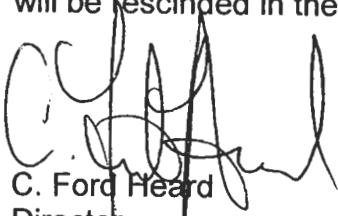
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3. Action Required:

a. Effective immediately and until further notice, contracting officers shall not apply the SDB price evaluation adjustment to bids or offers received from SDBs. Contracting officers shall not include the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns, in any solicitations issued after December 8, 2004. If there are currently any solicitations pending that contain this clause, the solicitations shall be amended to remove this clause.

b. Effective immediately and until further notice, contracting officers shall not set aside acquisitions for award to VSBs under the VSB Program. If a solicitation was issued after December 8, 2004, as a VSB set-aside, it shall be amended to convert it to a standard small business set-aside or a service-disabled veteran-owned small business set-aside. The clause at 52.219-5, Very Small Business Set-Aside, shall not be included in any new solicitation and shall be deleted from any pending solicitation issued after December 8, 2004.

4. Please direct any questions regarding the above guidance to Don Kaliher, Acquisition Policy Division (049A5A), at (202) 273-8819 or Howard Swartzman, Acquisition Policy Division (049A5A), at (585) 393-7840. This Information Letter will be rescinded in the event Congress reauthorizes either or both programs.



C. Ford Heard  
Director  
Acquisition Resources Service

Attachments: 2

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