

**MEMORANDUM FOR THE RECORD****SUBJECT:** Class Deviation to FAR 19.8 - Section 8(a) Awards

In accordance with the provisions of FAR 1.404, I hereby authorize a class deviation of FAR Subpart 19.8 which requires the Small Business Administration (SBA) to be a third party signatory for 8 (a) awards. This class deviation will allow the Department of Health and Human Services (HHS) to implement its Memorandum of Understanding (MOU) with the SBA, under which the SBA has delegated to HHS, authority to enter into 8 (a) contracts directly with eligible 8 (a) firms. The MOU implements an innovative and effective methodology designed to streamline the, acquisition process for awards under the 8 (a) program. HHS and its Operating Divisions (OPDIVs) are designated components under the MOU. Any solicitation and subsequent awards processed under the referenced MOU, HHS and its OPDIVs will make the award directly to the 8 (a) firm. SBA will not be a signatory to the award resulting from this solicitation. SBA will, however, retain responsibility for 8 (a) certification, administer other eligibility related issues under the 8 (a) program, and be available to 8 (a) firms for counseling and assistance.

The General Services Administration has provided model language and clauses, contained in the Civilian Agency Acquisition Council (CAAC) Letter 98-3, dated May 1, 1989 (attached), to supplement the referenced MOU with appropriate FAR provisions. The CAAC Letter serves as evidence of consultation with the Chairman of the CAAC, as required by FAR 1.404(a)(1).

Terrence J. Tychan
Deputy Assistant Secretary for
Grants and Acquisition Management

2-4-99
(DATE)