

Procurement & Property Division Policy Memorandum

Subject: Competitive 8(a) Set-Asides			Number: FAR 19-01
Distribution: ARS: PAOs FD PPD	Date: 3/17/99	This Replaces: N/A	

Background

The U.S. Small Business Administration (SBA) frequently identifies projects for possible competitive 8(a) set asides based upon the premise that there is reasonable likelihood that there will be at least two 8(a) firms capable of performing the requirement. Recently, the SBA has identified recurring requirements at a specific location seeking to have them set aside for competition among 8(a) firms. This is permitted by Federal Acquisition Regulation 19.805.

Applicability

When the value of the targeted requirement exceeds \$5 million (manufacturing SIC codes) and \$3 million (all others), the SBA may target the requirement for 8(a) set asides.

Policy Guidance

Contracting Officers shall jointly with the REE OSDBU Coordinator develop a response to the SBA. Compliance with the request may occur only after ensuring, through market research, that there is (a) reasonable expectation of offers from at least two responsible 8(a) firms, (b) that both firms have technical competence or productive and financial capacity to perform the contract, and (c) that the resulting award will be made at reasonable prices.

Procedure

Notify the PPD Policy Branch of the SBA's request by providing a copy of the request and of the response (in draft) to REE's OSDBU Coordinator. The Coordinator shall be afforded an opportunity to comment and concur on the correspondence prior to its release.

The response shall --

- o Comply with the policies and procedures of the Federal Acquisition Regulations, the Agriculture Acquisition Regulations, and whenever appropriate, consider its effect on the goals of the Procurement Preference Program (PPP) and the Procurement Forecast;
- o Take into account the size and complexity of the requirement; and
- o Take into account the availability, eligibility, and responsibility of 8(a) firms along with the expectation of reasonable prices.

The initial response to the SBA may advise of our intent to conduct a search for 8(a) sources including evaluation of capabilities and past performance information. The response may also advise that the determination will not be made until later in the fiscal year after completion of the design work.

Subsequent correspondence should provide the Contracting Officer's decision including the relevant findings from the market search upon which the decision is based.

Copies of all approved correspondence shall be provided to Stella Hughes, the OSDBU Desk Officer for REE (Tel. 202-720-6840; Fax 202-720-3001), and Theresa Stephens, the REE OSDBU Coordinator (Tel. 301-504-1729; Fax 301-504-1739) upon release.

PPD Point of Contact

Theresa Stephens, 301-504-1725.

Approved:

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