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GSA Office of the Chief Acquisition Officer

GSA Acquisition Letter V-05-08

MEMORANDUM FOR ALL GSA CONTRACTING ACTIVITIES

FROM: DAVID A. DRABKIN 
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OFFICE OF THE CHIEF ACQUISITION OFFICER

SUBJECT: Implementation of the Small Business Competitiveness
Demonstration Program

1. Purpose. This Acquisition Letter provides fiscal year 2004 performance data for the Small Business Competitiveness Demonstration Program to be used for solicitations issued on or after June 1, 2005.

2. Background. Title VII of the "Business Opportunity Development Reform Act of 1988," as amended (Public Law 100-656) established the Small Business Competitiveness Demonstration Program to provide for the testing of specified innovative procurement methods and procedures from January 1, 1989 through December 31, 1997. The Small Business Reauthorization Act of 1997, Public Law 105-135 established the program on a permanent basis. On March 9, 2005, the Federal Acquisition Regulation (FAR) Subpart 19.10, Small Business Competitiveness Demonstration Program was amended to add two North American Industry Classification System (NAICS) codes, landscaping (561730) and pest control services (561710). The FAR amendment implements Section 821 of the Ronald W. Reagan National Defense Authorization Act for Fiscal year 2005, Public Law 108 -375, which amends Section 717 of the Small Business Competitiveness Demonstration Program Act of 1988 (15 U.S.C. 644 note).

The Office of the Chief Acquisition Officer (OCAO) will no longer incorporate the fiscal year Small Business Competitiveness Demonstration Program updates in the General Services Administration Acquisition Manual (GSAM). Instead, the Office of the Chief Acquisition Officer will amend the GSAM to refer contracting personnel to an annual Acquisition Letter that will be available on InSite and on the OCAO website.

3. Cancellation. Acquisition Letter MV-04-02 and Supplement Number Three.

4. Effective Date. June 1, 2005.

5. Termination Date. This Acquisition Letter will expire February 28, 2006, unless cancelled or extended.

6. Applicability. This Acquisition Letter applies to all GSA contracting activities involved in the procurement of construction (except dredging), architect-engineer services (including survey and mapping) using "Brooks Act" selection procedures, trash/garbage collection services, exterminating and pest control services, and landscaping services. This Acquisition Letter does not apply to construction (including repair and alteration) services acquired from a lessor under the terms and conditions of a lease for space in buildings.

7. Reference to regulations. Federal Acquisition Regulation 19.10 and GSAM 519.10.

8. Instructions/procedures.

a. Revises Subpart 519.10 to provide fiscal year 2004 performance data under the Small Business Competitiveness Demonstration Program and procedures to be used for solicitations issued on or after June 1, 2005, under the Program. This Acquisition Letter revises the GSAM as follows:

- (1) Paragraph 8.b. replaces GSAM 519.1006-70(a).
- (2) Paragraph 8.c. replaces GSAM 519.1006-71(b) introductory paragraph and (b)(1).
- (3) Paragraph 8.d. (1) - (3) replaces GSAM 519.1006-72.
- (4) Paragraph 8.e. replaces GSAM 519.1006-73.
- (5) Deletes Appendix 519C- Reports of Small Business Participation

b. Designated industry goals: GSA goals for designated industry groups are as follows:

| Designated Industry | Small Business Goal | Emerging Small Business Goal |
|---|----------------------------|-------------------------------------|
| Construction under North American Industry Classification System (NAICS) codes that comprise subsectors 236, 237 (excluding dredging), and 238 | 40% | 15% |
| Architect-Engineer (A-E) services (including surveying and mapping) under NAICS codes 541310, 541330, 541360, or 541370 (limited to FPDS service codes C111 through C119, C121 through C124, C129, C130, C211 through C216, C219, T002, T004, T008, T009, T014, and R404) awarded under the Brooks A-E Act selection procedures | 40% | 15% |
| FPDS service code S205 (trash/garbage collection services including portable sanitation services) | 40% | 15% |

| | | |
|--|-----|-----|
| 561710 - Exterminating and Pest Control Services | 40% | 15% |
| 561730 – Landscaping Services | 40% | 15% |

c. Unrestricted procurements. “Unrestricted procurements are those procurements that do not have to be set aside for the Small Business Competitiveness Demonstration Program but must be considered for 8(a) and HUBZone set aside before conducting a full and open competition.” You may make procurements of construction or trash/garbage collection services with an estimated value in excess of \$25,000 and procurements of A-E services with an estimated value in excess of \$50,000 on an unrestricted basis as long as annual review shows that GSA, as an agency, has attained the 40 percent goals. The 40 percent goal applies to each of the 3 subsectors in construction, to trash/garbage collection services, to A-E services, exterminating and pest control services, and landscaping services (see chart above).

d. Goal attainment for period: Fiscal Year 2004.

(1) Report. The Report on Small Business Participation Under the Small Business Competitiveness Demonstration Program for Designated Industry Groups for all of Public Buildings Service (PBS) and a separate report for each PBS region will no longer be incorporated into the GSAM.

(2) Performance toward small business goals. Review of cumulative award data from the Federal Procurement Data System – Next Generation (FPDS-NG) for the period beginning October 1, 2003 through September 30, 2004, indicates that:

(a) GSA met the 40 percent goal for subsectors 236 (Construction of Buildings), 237 (Heavy and Civil Engineering Construction), and 238 (Specialty Trade Contractors). Not all organizational units met the 35 percent goal in all individual NAICS codes.

(b) GSA met the 40 percent overall goal for A-E services. Not all organizational units met the 35 percent goal in all individual NAICS codes.

(c) GSA did not meet the 40 percent overall goal in refuse systems and related services (trash/garbage collection services). The 35 percent rule does not apply to refuse systems and related services (trash/garbage collection services).

(3) Performance toward emerging small business goals. Review of cumulative award data from the Federal Procurement Data System – Next Generation (FPDS-NG) for the period beginning October 1, 2003 through

September 30, 2004, indicates that GSA did not meet the 15 percent goals in:

- (a) Subsectors 236 (Construction of Buildings), 237 (Heavy and Civil Engineering Construction), or 238 (Specialty Trade Contractors);
- (b) Architect-Engineering Services; or
- (c) Trash/garbage collection services including portable sanitation services.

e. Procurement procedures for solicitations issued on or after June 1, 2005.

(1) Construction, trash/garbage collection services, landscaping or pest control with an estimated value of \$25,000 or less and procurement of A-E services with an estimated value of \$50,000 or less. Follow the procedures in 519.1006-71 for these procurements.

(2) Procurements above the reserve levels in 519.1006-71(a). Use the following procedures for construction, trash/garbage collection services, landscaping or pest control estimated to exceed \$25,000 and A-E services estimated to exceed \$50,000.

(a) NAICS subsectors 236, 237, and 238. Conduct procurements in these NAICS subsectors on an unrestricted basis except as follows. For the regions and NAICS subsectors listed below, you must set aside the procurements for small business when you have a reasonable expectation of obtaining competition from two or more small businesses. If no such expectation exists, you may conduct the procurement on an unrestricted basis.

| Region | NAICS |
|-----------|--|
| Region 1 | 236115, 236116, 236117, 236118, 236210, 236220 |
| Region 2 | 236115, 236116, 236117, 236118, 236210, 236220, 237210 |
| Region 3 | 238310, 238330 |
| Region 7 | 238110 |
| Region 9 | 237110, 237120, 237130, 237210, 237310, 237990, 238160 |
| Region 10 | 236115, 236116, 236117, 236118, 236210, 236220 |
| NCR | 238350 |

(b) Trash/garbage collection services in PSC S205. With the exception of Regions 1, 2, 3, 5, 6, 9, 10, and the National Capital

Region conduct any procurement for refuse services on an unrestricted basis.

(c) Architect-Engineer services (all PSC codes under the Program). Conduct procurements for A-E services under the Program on an unrestricted basis except as follows. For the regions and PSC codes listed below, you must set aside the procurements for small business when you have a reasonable expectation of obtaining competition from two or more small businesses. If no such expectation exists, you may conduct the procurement on an unrestricted basis.

| Region | PSC |
|-------------------------|---|
| Region 1 | C123 |
| Region 2 | C123, C215 |
| Region 3 | C211, C219 |
| Region 4 | C119, C219 |
| Region 5 | C123, C211 |
| Region 7 | C219 |
| Region 8 | C211, C214 |
| Region 9 | C111 through C119, C121 through C124, C129, C130, C211 through C216, C219, T002, T004, T008, T009, T014, R404 |
| Region 10 | C111 through C119, C121 through C124, C129, C130, C211 through C216, C219, T002, T004, T008, T009, T014, R404 |
| National Capital Region | C219, R404, C211, C123 |
| Central Office | C111 through C119, C121 through C124, C129, C130, C211 through C216, C219, T002, T004, T008, T009, T014, R404 |

(d) Conduct procurements for Exterminating and Pest Control services under the Program on an unrestricted basis.

(e) Conduct procurements for Landscaping services under the Program on an unrestricted basis.