



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

DATE: December 22, 2004
TO: Chief Acquisition Officers and Senior Procurement Executives
FROM: Emily Murphy
SUBJECT: Suspension of the Price Evaluation Adjustment for Small Disadvantaged
Businesses at Civilian Agencies
CC: OSDBU Directors

The purpose of this memorandum is to advise you that the statutory authority for the Small Disadvantaged Business (SDB) price evaluation adjustment for civilian agencies has lapsed.

The SDB price evaluation adjustment for civilian agencies, originally authorized under the Federal Acquisition Streamlining Act of 1994 (Pub.L. 103-355, Sec. 7102), expired starting on December 9, 2004. This provision, as implemented in Federal Acquisition Regulation Subpart 19.11, authorized civilian agencies to apply the price evaluation adjustment to benefit certain certified SDBs in competitive acquisitions. Although the program was continued under the Small Business Administration's (SBA) temporary authorizations, the authority for the SDB price evaluation adjustment was omitted from the Small Business Reauthorization and Manufacturing Assistance Act of 2004 (Pub.L. 108-447, Division K). As a result, civilian agencies have no statutory authority to apply the SDB price evaluation adjustment.

Please note that the SDB price evaluation adjustment for the Department of Defense, National Aeronautics and Space Administration, and the U.S. Coast Guard is governed by a separate statutory authority and is not affected by the recent lapse in authority for the civilian agencies. The statutory, government-wide goal for contracting with SDBs at not less than 5 percent remains in effect for both defense and civilian agencies.

If you have any questions or concerns regarding these programs, please contact Denise Benjamin at the SBA at 202-619-1799.