

## EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

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MEMORANDUM FOR CHIEF ACQUISITION OFFICERS

SENIOR PROCUREMENT OFFICIALS AGENCY SMALL BUSINESS DIRECTORS

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SUBJECT: Increasing Small Business Participation in Federal Contracting

On January 10, 2011, the first meeting of the small business procurement group was held, to review agency progress in meeting federal small business contracting goals and subset goals. In FY 2009, agencies missed the 23% small business goal by 1.1%, which equates to nearly \$6 billion in federal contracting opportunities. This underachievement deprives our taxpayers of the creativity, innovation and technical expertise that small businesses provide to agencies as federal contractors and takes away opportunities for small businesses to create jobs and drive the economy forward.

The small business procurement group is an informal, ad hoc group of senior agency officials that was established at the recommendation of the Interagency Task Force on Small Business Contracting to give White House Officials and the co-chairs of the Task Force – the Small Business Administration (SBA), the Department of Commerce (DOC), and the Office of Management and Budget (OMB) – an opportunity to meet regularly with senior agency leadership and discuss the steps agencies are taking to increase small business contracting. Equally important, this venue will allow agency leadership to share ideas on actions SBA, DOC, and OMB can take to help agencies meet their FY 2011 small business goals.

The group intends to review the progress of all agencies in achieving their small business contracting goals. Seven agencies participated in the group's first meeting to discuss their progress: the Departments of Defense, Energy, Health and Human Services, Homeland Security, and Veterans Affairs, the General Services Administration and the National Aeronautics and

Space Administration. These seven agencies will participate regularly in the group's discussions. Other agencies will participate on a rotating basis.

At the conclusion of the meeting on January 10, each agency was asked to take immediate steps, under your leadership, to ensure small businesses are utilized to the maximum extent practicable. These steps focus on:

- strengthening your agency's accountability to small businesses, including SDBs, WOSBs, SDVOSBs, and HUBZone small businesses;
- enhancing your outreach efforts; and
- implementing plans to improve your agency's small business contracting participation including for each of the small business subset goals.

Agencies should take the following specific actions (Note: The seven agencies listed above should follow the instructions outlined in the memorandum entitled "Follow up Actions from the January 10, 2011 Meeting Concerning Small Business Procurement"):

- 1. Communicate to your Assistant Secretaries, senior officials, and agency workforce the importance of reaching the agency's small business goals and subset goals. A summary of key messages is provided in Attachment 1. You should aim to engage your workforce as soon as possible, and no later than the end of February.
- 2. Conduct high-level events in a major U.S. city to include business-to-business matchmaking that involves senior-level officials (i.e., undersecretaries or the equivalent and above) and are planned in coordination with national and/or local organizations that specialize in creating opportunities for small businesses and their constituencies. The White House Office of Public Engagement (OPE), Cabinet Affairs, SBA and MBDA stand ready to assist you with your events and partnering with other agencies. Examples of successful outreach practices are provided in Attachment 2. Bibi Hidalgo (tel: 202-456-1879) and Michael Blake (tel: 202-456-4772) from OPE will be the points of contact on all outreach efforts. You should plan to conduct at least two high-level events in FY 2011, with one occurring by the end of June.
- 3. Address responsibilities in the Small Business Jobs and Credit Act and non-regulatory recommendations made by the Small Business Task Force. These actions include the following:
  - a. Listing all upcoming outreach and small business training events on the website Federal Business Opportunities ("FedBizOpps"), the government-wide site for information on upcoming contract actions. This will allow small businesses to search for events and it will help them navigate the federal marketplace.

Instructions on how to transmit agency information to FedBizOpps will be sent to agency senior officials and small business directors by February 15, 2011. Postings should begin by the end of February.

- b. Sharing success stories and best practices on small business contracting within the agency and with other agency small business directors. Information sharing will be facilitated both through the use of a government site for posting model practices and achievements and at an event hosted by SBA and OFPP in the Spring where agency small business directors and senior procurement executives will share success stories and best practices. Additional information is provided in Attachment 3.
- c. Taking concerted steps to increase the percentage of dollars awarded to small businesses in FY 2011 under the General Services Administration's Federal Supply Schedules Program. Attachment 4 outlines steps agencies can pursue to more effectively utilize small business contractors participating in the Schedules Program. You should incorporate appropriate actions into your small business utilization plan after reviewing this Attachment.
- d. Evaluating the impact on small businesses of efforts to ensure work has been properly balanced between federal employees and contractors. Guidance for conducting this analysis is provided in Attachment 5. Agencies should report the results of their analysis to OMB's Office of Federal Procurement Policy by April 15, 2011.

We will hold bi-weekly calls or meetings with your staff to discuss the status of your efforts and to exchange ideas. This includes meetings of the Small Business Procurement Advisory Council. By February 28, please provide OMB, SBA and OPE a memorandum outlining your existing small business plan, as well as proposed enhancements to the plan, including outreach components. You may use the same plan that your agency submits to the SBA as part of the annual small business procurement goaling process. In the case of those agencies that are not one of the seven regular participants in the group's discussions, you will be advised by April 1, 2011, if your agency will be asked to attend the April meeting.

We look forward to working collaboratively with you to increase small business participation in federal contracting.

Attachments

### Strengthening Accountability for Small Business Goal Achievement

Achievement of federal small business contracting goals depends greatly on effectively communicating those goals throughout agencies and on clear lines of accountability for results. SBA's small business procurement scorecard shows progress, but also uneven results, across agencies. Quarterly meetings of the small business procurement group will improve communications and collaboration between agency leadership and senior policy officials, but sustained success in goal achievement requires clear accountability at all levels of the agency and an understanding that there is a shared responsibility among all the stakeholders who play a role in small business contracting.

Accordingly, each agency should ensure program, acquisition and small business policy staff throughout the agency understand their agency's small business contracting goals and the tools available for meeting their goals. At a minimum, by the end of February, the agency should convey the following key messages to their acquisition workforce, program managers, and small business specialists:

- Make sure stakeholders are aware of the President's April 26, 2010 Memorandum, his commitment to ensuring that all small businesses have a fair chance to participate in federal contracting opportunities, and his direction that "small business contracting should always be a high priority in the procurement process." Stakeholders should also be aware of the small business procurement group and the commitment of White House officials to reviewing agency progress on a quarterly basis.
- Remind stakeholders of the agency's overall small business prime contracting goal as well as the 5 percent goal for small disadvantaged businesses (SDBs), the 5 percent goal for women-owned small businesses (WOSBs), the 3 percent goal for service-disabled veteranowned small businesses (SDVOSBs), and the 3 percent goal for small businesses in Historically Underutilized Business Zones (HUBZones). Advise them of the agency's small business contracting results by sharing (i) the amount and percentages of overall contracting dollars that went to small businesses, as well as for the subcategories of small businesses, in Recovery Act contracting and in government contracting more generally in fiscal years 2009 and 2010 and (ii) the agency's grade on the small business scorecard. Remind them that the agency's performance results are made available to the public through the Small Business Dashboard, at http://smallbusiness.data.gov.
- Explain that the agency annually submits to the SBA, as part of the goaling process, a small business utilization plan to map out the strategy the agency plans to use to meet its goals and a corrective action report providing actions the agency will take to address goal shortfalls from the prior year. Highlight that the agency must now monitor progress on its corrective action plan on a monthly basis.

- Alert stakeholders that changes to the Federal Acquisition Regulation (FAR) (i) will be made in February to affirm SBA's parity policy between the 8(a), SDVOSB, and HUBZone contracting programs and (ii) have already been made to implement section 1335 of the Small Business Jobs Act, which repealed the competitiveness demonstration program and allows agencies to reinstitute set-asides in covered industry categories, such as construction, where small businesses excel and where the agency may be able to increase small business participation.<sup>1</sup>
- Encourage front-line contracting officers to work with your agency's small business policy and regulatory analysts to review proposed regulatory changes and guidance as they are developed to implement the Task Force's recommendations and the contracting provisions of the Jobs Act addressing (i) the use of small business set asides for orders under task and delivery order contracts, (ii) agency responsibilities associated with contract bundling and the consolidation of contract requirements, and (iii) small business subcontracting plan development and oversight.
- Challenge your agency stakeholders to increase their use of small business contractors under the Federal Supply Schedules program (see Attachment 4).
- Advise stakeholders that the Federal Acquisition Institute and the Defense Acquisition University are working together to (i) develop and deliver training on the new rules as they are issued, (ii) design refresher courses for contract and small business specialists and program managers so they can stay current on the latest tools and techniques for contracting with small businesses, (iii) review the adequacy of current small business course offerings, and (iv) consider the need for mandatory training to ensure the workforce has the skills to use small business tools in the most effective manner possible.

<sup>&</sup>lt;sup>1</sup> As a result of the repeal of the Competitiveness Demonstration Program (in section 1335 of the Small Business Jobs and Credit Act of 2010, <u>Pub. L. 111-240</u>), agencies may use set-asides in the following designated industry groups: construction, non-nuclear ship repair, architectural and engineering services (including surveying and mapping), refuse systems and related services, and landscaping and pest control services. See 75 FR 82567 (December 30, 2010) (final FAR rule implementing the repeal).

#### **Enhancing and Expanding Outreach to Small Business Contractors**

### Guidance for Conducting High-Level (Under Secretary participation and above) Outreach Events to Small and Minority Businesses

Cabinet-level outreach events bring significant attention to the issue of small and minority business contracting and ensure that local elected officials, local and state-wide contracting decision makers and major prime contractors are in the room to network directly with small and minority owned businesses. It is also important to have contract opportunities on the table for small business owners to discuss with decision makers. This type of high-level networking brings significant value to the small business owner, as they seldom have the opportunity to engage directly with national, state and local decision makers around existing contract opportunities. High-level networking is important for developing the next generation of mid to large businesses, and providing access to often disenfranchised communities.

Agencies should plan and conduct an appropriate number of high-level events during FY 2011. The Departments of Defense, Energy, Health and Human Services, Homeland Security, and Veterans Affairs, the General Services Administration, and the National Aeronautics and Space Administration should each conduct at least two high-level events involving senior-level officials by April 15, 2011.

To ensure the success of Cabinet level matchmaking events, agencies are encouraged to do the following:

- Work with the White House Office of Public Engagement (OPE) to decide in which two major cities you will hold the high-level matchmaking events.
- Contact the Chief of Staff to the Mayor of each city and ask if they would be interested in partnering around a business-to-business matchmaking event and could host the agencies at a local government location, such as City Hall. Ensure that the Mayor and a local member of Congress are available to participate in the event.
- If the City is a grantee of your agency, ask that they bring their contract opportunities to the table and indicate that your agency will also bring its current contracting opportunities and local/state major prime contractors to the table.
- Make sure that all the contracting decision makers are available throughout the event to talk directly with the small businesses.
- Work with your regional procurement offices to identify all the major prime contractors of that state. Ask the primes to participate in the event and provide information on available sub-contracting opportunities.
- Partner with the local Minority Business Enterprise Center (MBEC); SBA District Office;

the office of the member of Congress; the state development authority; and local civic, business and faith-based groups to invite local small and minority business contractors as well as small disadvantaged businesses, small businesses owned by women, service-disabled veteran-owned small businesses, and small businesses in Historically Underutilized Business Zones. Engage national membership groups as well. Work with a broad range of diverse groups, including African-American, Latino, Asian-American, Native-American, women and veteran business communities and organizations. The goal is to diversify the talent pool – to make sure agencies are getting the very best small businesses and the very best value for the government. Ask that the businesses RSVP to one central location.

- Develop the agenda for the event to include speaking roles for the Mayor, member of Congress, your agency Principal, and any other partner agencies. The second half of the agenda should allow for business-to-business matchmaking with your agency, City agencies, and prime contractors. Concurrent training workshops by the SBA and local MBEC are also encouraged.
- Work with OPE and your Office of Public Affairs (OPA) to schedule local radio and newspaper interviews in advance of the event featuring your agency Principal.
- Work with your OPA to send a press release to local and statewide news outlets.
- Apart from OPE, take advantage of Cabinet Affairs, SBA, and the Department of Commerce's Minority Business Development Agency (MBDA) to help market the event and engage other agencies for these events. Cabinet Affairs can serve as a conduit to invite other major agencies and their high-level Principals to participate with your agency. To the extent that it is feasible, joint federal agency events are highly encouraged.
- Please talk with Michael Blake (tel: 202-456-4772) or Bibi Hidalgo (tel: 202-456-1879) in OPE for more information on how to organize the events in a limited time-frame. Based on previous experiences with agencies, one month generally should be a sufficient amount of time to organize each event, but agencies should map out a schedule tailored to the level of coordination required by the agency. In order to conduct one by April 15 and a second by May 20, the planning should begin in early February.

### Saving Money and Improving Government Services with Small Business Contractors

One of the best ways to improve results is to emulate success. Many agencies have had success increasing opportunities for small businesses, but information often is not effectively communicated between agencies or even between offices within an agency. As a result, promising practices are not used consistently across all agencies. Each agency's Small Business Office or Office of Small and Disadvantaged Business Utilization (OSDBU) should identify and share success stories and best practices with other agency small business directors. To facilitate information sharing:

- Each agency should begin collecting stories and practices and posting them by March 15, 2011 on the MAX system managed by the Office of Management and Budget at https://max.omb.gov/community/x/EwFoIQ. <sup>1</sup> Agency small business directors should periodically review the site so they can benefit from the achievements and insights of their colleagues.
- SBA and OFPP will sponsor a small business contracting event at the Executive Office of the
  President in the Spring, where agency small business directors, OSDBUs, Chief Acquisition
  Officers, and Senior Procurement Executives will be asked to present best practices and
  success stories for achieving greater small business participation and strategies for effective
  collaboration between agency small business and acquisition offices. Details on this event
  will be sent separately.

A number of agencies already have identified impressive examples of saving taxpayers money by contracting with small businesses and, at the same time, taking greater advantage of fiscally responsible contracting practices, such as use of competition and lower-risk fixed-price contracts; small business contracting tools, such as competitive set-asides; and better use of technology. The descriptions below illustrate how agencies are achieving these win-win results.

<sup>&</sup>lt;sup>1</sup> First time users of MAX must complete a registration form to gain access to the system. Instructions for registering with MAX can be found at <a href="https://max.omb.gov/maxportal/">https://max.omb.gov/maxportal/</a>.

## ❖ The National Nuclear Security Administration (NNSA) Ends Large High-Risk Contract and Disaggregates Requirements to Make Competitive Awards to Small Businesses, Saves \$22 Million

For the past decade, the Department of Energy's NNSA has acquired cyber security and IT support services for its headquarter operations and information assurance response center under a sole-source cost-reimbursement contract managed by a large business. Last year, NNSA's Chief Information and Acquisition offices divided these requirements into two separate contracts in order to generate more competition. The smaller, more manageable requirements drew strong interest from almost 50 small businesses that had been prequalified to offer their IT services to Federal agencies under a government-wide acquisition contract managed by the General Services Administration. The robust competition enabled NNSA to award two five-year fixed-price contracts to small businesses that will allow the agency to save \$22 million, or 15 percent of what it was previously paying for these services under its old high-risk cost-reimbursement contract.

# \* The Environmental Protection Agency (EPA) Shifts from a Cost-Reimbursement to a Fixed-Price Contract for Superfund Clean-Up, Makes Award to a Service-disabled Veteran-Owned Small Business, Saves 65 percent

For many years, EPA's Superfund program has relied on cost-reimbursement contracts to provide remediation cleanup services. By using its knowledge of historical costs paid under prior cost-reimbursement contracts, EPA successfully acquired these services on a fixed-price basis for remediation work at the Tower Chemical Superfund site. The conversion to a fixed-price contract and use of competition, both of which were achieved through extensive collaboration between senior agency program and acquisition managers, resulted in savings of \$5.2 million, or a reduction of 65% from the original baseline estimate of what it would have cost to acquire these services on a cost-reimbursement basis. It also allowed EPA to successfully switch from a large business contractor to a service-disabled veteran-owned small business contractor.

### ❖ The National Aeronautics and Space Administration (NASA) uses a competitive set-aside, saves \$43 million

NASA repackaged its requirements for comprehensive information technology support to increase competition, encourage innovation, and enhance opportunities for small business participation. Strong small business interest enabled NASA to set aside the procurement and resulted in award to a small business at an estimated savings of \$43 million from the previous budgeted value.

# ❖ The Department of Homeland Security (DHS) Makes Thousands of Awards to Small Businesses Using Electronic Reverse Auctions, Saves \$40 Million; Other Agencies Have Similar Experiences

Electronic reverse auctions – where vendors bid prices down to win an agency's work – are helping agencies increase competition, increase awards to small businesses, and save millions of dollars on their purchases of commercial off-the-shelf products. Documentation of each auction is captured on-line so that contracting officers and other agency officials can consider this information in developing more informed cost estimates for future needs. In FY 2009, DHS conducted more than 2,500 reverse auctions for approximately \$340 million in goods, resulting in savings of more than \$40 million. The vast majority of these awards went to small businesses. Other agencies have seen similar success. Almost half of the reverse auctions conducted at the State Department were made to small and disadvantage businesses; almost three-quarters of reverse auctions conducted under the Department of Health and Human Services' "Electronic Commodity Store" government-wide acquisition contract for IT hardware and software products went to small businesses.

### Military OneSource Program Saves \$300M and Improves Quality of Service through Use of Competition and Small Business Subcontracting

The Military OneSource Program contracts with vendors to provide a variety of support services to military personnel and their families. These contracts had not been competed since the program was established shortly after 9/11. DOI, which provided acquisition assistance to DoD, conducted a full and open competition to replace the non-competitive contract. This action is expected to produce over \$300 million in savings over the life of the contract and will be heavily supported by small business subcontracts –including women owned small businesses, service-disabled veteran owned small businesses, small disadvantaged businesses, and HUBZone small businesses.

### Maximizing Opportunities for Small Businesses on Federal Supply Schedules

More than 14,000 small businesses participate in the Federal Supply Schedules Program managed by the General Services Administration (GSA), which is used by agencies to acquire close to \$47 billion in products and services each year, approximately 10 percent of overall federal procurement spending. The proportion of dollars going to small businesses through schedule sales exceeds the government-wide average, but additional capacity exists that is not currently being tapped.

To ensure small businesses have maximum practicable opportunity to receive work through their Schedule contracts, each agency should take steps to increase the percentage of dollars awarded to small businesses in FY 2011 under the Schedules.

This document, prepared by GSA's Federal Acquisition Service, reviews tools currently available to agencies to increase opportunities for small business contractors under the Schedules and outlines several steps to help agencies take full and effective advantage of the capability and capacity of small businesses participating in the Schedules Program.

#### **Background**

The Federal Supply Schedules Program serves as an important gateway to the federal marketplace for small businesses, helping new entrants gain access to a wide range of agencies and experienced small businesses grow their customer base. Approximately 37 percent of these dollars are awarded to small businesses. While this participation rate is well above the government-wide goal of 23 percent, there is additional capacity and capability that agencies should make concerted efforts to utilize.

Section 8.405-5(b) of the Federal Acquisition Regulation encourages all agencies to consider, "at a minimum," at least one small business, veteran-owned small business, service disabled veteran-owned small business, HUBZone small business, women-owned small business, or small disadvantaged business schedule contractor(s) when placing orders. As the express wording of the FAR provision reminds, this policy is intended to serve as a floor. With many thousands of small business contractors participating in the Schedules Program, agencies have ready access to a wide range of skills and expertise to meet their needs and should take full advantage of this capacity in planning and conducting their buys.

### **Tools for increasing small business participation**

Over the years, GSA has developed a suite of tools and resources to enhance procuring agencies' ability to target small business contractors on Schedule competitions. Agencies are encouraged to review these resources and take the following steps to increase opportunities for small business schedule contractors:

- 1. Use the GSA Schedule and Small Business Utilization website to review the policies, procedures, and tools that may be used to conduct competitions focused on small businesses. GSA has created a new section of its GSA Schedules website focused on small business contracting at http://www.gsa.gov/portal/content/202261. The new section includes information on practices to facilitate awards to small businesses as prime contractors or subcontractors and sample language from statements of work that have been used to successfully implement these practices. These practices include: (1) establishing evaluation criteria which give weight to socio-economic factors in a best value analysis and (2) giving meaningful consideration to small business subcontracting plans when placing task or delivery orders. These practices are described in greater detail below.
- 2. Take advantage of GSA's market research tools to target small business contractors. GSA Advantage, the Schedules' online shopping and ordering system, and the GSA e-Library at http://www.gsa.gov/fss contain information on the small business representations of Schedule contractors and allow customers to tailor their searches specifically for products and services provided by disadvantaged, service-disabled veteran, women-owned, HUBZone, and other small businesses.
- 3. Consider using socioeconomic status as an evaluation factor. FAR 8.405-5(b) authorizes agencies to consider socio-economic status when identifying contractors for consideration or competition for award of an order or blanket purchase agreement. These criteria may be used to give preference to small businesses over large businesses in a competition. Agencies have used language similar to the following to put interested vendors on notice that socio-economic status would be considered:

Socio-economic status of the vendor shall be considered as a primary evaluation factor for award with the goal of achieving one of the agency's socioeconomic goals to increase small business participation as prime contractors.

The following factors will be used by the government to evaluate proposals in descending order of importance: (1) socio-economic, (2) past performance, (3) price, (4) technical approach, and (5) management work plan & key personnel.

GSA's electronic request for quote system, e-Buy, allows agencies to request invitations to bid specifically from disadvantaged, veteran-, service-disabled veteran-, women-owned, and other small businesses. If a large business contractor expresses an interest in participating in the competition, it must be allowed to participate, but could receive a lower rating than a small business under the socio-economic status factor (e.g., "fair" vs. "excellent").

4. <u>Consider subcontracting goal promises and achievements</u>. Large businesses on Schedules that involve subcontracting are required to establish small business subcontracting plans as a condition of participation in the program and annually report their achievements in eSRS. An agency might consider giving a higher score to a contractor whose latest annual subcontracting report shows that it is exceeding the goals approved under its Schedule contract over one that has not exceeded its goals. Consideration should also be given to the dollar value of the small business goals offered. One agency used the following language to apply these concepts:

The Government will evaluate the contractor's achievement of their small business subcontracting goals as well as the dollar value of the small business goals offered. The Government will give an exceptional rating to small business entities. The next highest rating, satisfactory, will be given to other than small businesses whose subcontracting plans and latest annual subcontracting reports exceed goals approved under their contact. Large firms that have not exceeded their schedule subcontracting goals will receive a marginal rating.

### Small Business Contracting and Rebalancing the Relationship between the Government and Contractors

OMB Memorandum M-09-26, issued on July 29, 2009, addresses the balance of work performed for the government by federal employees and contractors. It establishes a framework for agencies to use in reviewing the mix of work performed by federal employees and contractors and discusses steps that can be taken where an imbalance is identified. The Interagency Task Force on Small Business Contracting noted that the relationship between this initiative and small business contracting policies is not well understood, and recommended that this relationship be clarified.

Insourcing is intended to be a management tool – not an end in itself – to address certain types of overreliance on contractors. In many cases, overreliance may be corrected by allocating additional resources to contract management – i.e., an agency does not necessarily need to take work away from contractors and have it performed by federal employees. For this and other reasons, OMB does not anticipate that the guidance in M-09-26 will lead to a widespread shift of work away from contractors, small or large, as a result of steps to implement the guidance, some of which have already been taken. Nor does OMB believe such a shift will occur as a result of a pending policy letter from the Office of Federal Procurement Policy (OFPP) which is designed to clarify policies on when work must be reserved for federal employees, as required by section 321 of the FY 2009 National Defense Authorization Act (P.L. 110-417) and the President's March 4, 2009 Memorandum on Government Contracting.

However, some insourcing is taking place and will be undertaken in the future in some situations, such as where an agency determines that outsourced work is inherently governmental or where the agency is at risk of losing control of its operations regarding work of a critical nature. OMB expects agencies to identify and then address these situations, and insourcing may be an appropriate way to do that. The loss of work through insourcing should be more than offset by new opportunities created as the Small Business Jobs and Credit Act and the task force recommendations are implemented.

That said, OFPP is carefully considering refinements to its policy letter as a result of recommendations made by the Task Force and public comments submitted on the draft policy letter. Pending publication of the final letter, agencies should take the following steps to help minimize the impact of insourcing on small businesses:

1. When prioritizing what outsourced work should be reviewed for potential insourcing, agencies generally should place a lower priority on reviewing work performed by small businesses where the work is not inherently governmental and where continued contractor performance does not put the agency at risk of losing control of its mission or operations.

2. Agencies should apply the "rule of two" to work that will continue to be performed by contractors following the insourcing of part of the work. In deciding between small and large businesses who will perform the work that remains in the private sector, the agency should involve its small business representative in the same manner as it would in working with the acquisition and program office in evaluating opportunities for small businesses for new work.

In addition, to ensure the effects of rebalancing are fully understood, each agency small business office and other appropriate agency officials should conduct an impact analysis of insourcing. The analysis should consider to the extent possible: (1) the type of work and dollar value of work that has been insourced, (2) the basis for the insourcing, and (3) the portion of the insourced work that was being performed by small businesses. The review should also identify the steps that have been taken to offset the impact of insourcing. The analysis should be submitted to the agency's OFPP desk officer by April 15, 2011.