

SBA

SOP 60 02 8

Prime Contracts Program

Office of Government Contracting
U.S. Small Business Administration



**SMALL BUSINESS ADMINISTRATION
STANDARD OPERATING PROCEDURE**

National

SUBJECT: Prime Contracts Program	S.O.P.		REV
	SECTION 60	NO. 02	8

INTRODUCTION

1. Purpose. To outline the policies and procedures for the SBA Prime Contracts Program.
2. Personnel Concerned. All SBA employees involved in administering the Prime Contracts Program.
3. Directives Canceled. SOP 60 02 7.
4. Originator. Office of Government Contracting.

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Table of Contents

Chapter 1: Overview of the Prime Contracts Program	5
Chapter 2: Responsibilities of a PCR.....	7
Chapter 3: What Are the Responsibilities of Area Directors?	22
Chapter 4: What Are the Responsibilities of Headquarters?	26
Chapter 5: Surveillance Reviews	27
Chapter 6: Roles in Surveillance Review	30
Chapter 7: Site Selection Criteria for Surveillance Review	32
Chapter 8: Surveillance Review Team Selection.....	33
Chapter 9: Advance Planning for a Surveillance Review	34
Chapter 10: Contract Selection for Surveillance Review	38
Chapter 11: Surveillance Review Entrance and Exit Briefing.....	39
Chapter 12: Interview Questions for Surveillance Review	41
Chapter 13: Surveillance Review Report.....	42
Chapter 14: Record Retention for Surveillance Review	47
Appendix 1: Plan of Operation	48
Appendix 2a: Small Business Coordination Record (DD-2579)	53
Appendix 2b: Small Business Coordination Record (DI-1886)	54
Appendix 3: PCR Purchase Request Review Register	59
Appendix 4: Formal or Informal Form 70	60
Appendix 5: SBA Form 1970 Bundling Alert Form.....	61
Appendix 6: (Version 1) Checklist to Review a Subcontracting Plan for Completeness	62
Appendix 7: (Version 2) Checklist to Review a Subcontracting Plan for Completeness Advisory Comments (Quick Version)	66
Appendix 8: Proper Handling of Procurement Sensitive Information.....	67
Appendix 9: Government Contracting Activity Report (GCAR)	70
Appendix 10: Sample PCR Assignment Letter.....	77
Appendix 11: Surveillance Review.....	78
Appendix 12a: Surveillance Review Interview Questions.....	86
Appendix 12b: Surveillance Review Interview Questions	91
Appendix 13: Sample Letters.....	95
Appendix 13a: Sample Letter to Agency – Full Surveillance Review	96
Appendix 13b: Sample Letter to Agency – Follow-Up Surveillance Review	98
Appendix 13c: Sample Letter to Agency – Orientation Surveillance Review.....	100
Appendix 13d: Sample Letter to Local Activity – Full Surveillance Review	102
Appendix 13e: Sample Letter to Local Activity – Follow-Up Surveillance Review.....	105
Appendix 13f: Sample Letter to Local Activity – Orientation Surveillance Review	107

Appendix 13g: Sample Letter to Agency – Full Surveillance Review – Final Rating 109
Appendix 13h: Sample Letter to Agency – Follow-Up Surveillance Review – Final Rating 111
Appendix 14: Analysis of Contract File 113
Appendix 15: Interview Questions 120
Appendix 15a: Surveillance Review Interview Questions..... 121
Appendix 15b: Surveillance Review Interview Questions 125
Appendix 16: Surveillance Review Report..... 130
Appendix 16a: Sample Surveillance Review Report Format 131
Appendix 16b: Sample Surveillance Review Report Format 143
Appendix 17: Compliance Procedures for Surveillance Review Reports..... 159

Chapter 1: Overview of the Prime Contracts Program

1. What is the Prime Contracts Program?

The Prime Contracts Program serves to strengthen the economy of the Nation by striving to create maximum practicable opportunities to small business (SB), veteran owned small business (VOSB), service-disabled veteran-owned small business (SDVOSB), Historically Underutilized Business small business (HUBzone), small disadvantaged business (SDB) (including 8(a) Business Development (BD) concerns), women owned small business concerns (WOSB) and economically disadvantaged women owned small (EDWOSB) while increasing overall competition in the Federal acquisition process.

2. What Are Procurement Center Representatives (PCRs)?

Procurement Center Representatives (PCR) are the Small Business Administration (SBA) procurement analysts and industrial engineers who implement the Prime Contracts Program.

PCRs are located at various SBA offices and major federal buying centers around the country. They are responsible for assuring that small business concerns have a fair and equitable opportunity to compete for Federal procurement opportunities and that a fair proportion of the total sales of Government property is made to small business concerns.

In their capacity, PCRs work to create an environment for maximum participation by small business (including VOSB, SDVOSB, HUBZone, SDB, WOSB and EDWOSB) business concerns. PCRs represent the SBA on procurement matters pertaining to policy or operations which affect SBA's programs or the small business community at major federal buying centers around the country. PCRs duties include the review of procurement plans at Government installations, evaluation of their effect on small business participation, and the recommendation of changes that will support the interests of small business in obtaining a fair share of federal procurements. PCRs accomplish this by recommending the set-aside of selected acquisitions, recommending new qualified small businesses sources, appealing Contracting Officer's (CO) decisions which they deem adverse to small business, and providing advice to large business concerns to facilitate maximum practicable subcontracting opportunities for the small business community. Essentially, PCRs are the "cops on the beat" as advocates for small business concerns in the federal procurement world.

PCR Coverage Definitions

Resident – the PCR is located at the buying activity meaning that the individual has office accommodations and spends the majority of time at that location;

Liaison – the PCR does not spend the majority of their time at this location, the PCR may or may not have office accommodations, visits are coordinated with the buying activity based on a schedule identified by the PCR in the **PLAN OF OPERATION**. The buying activity does have access to the PCR in case of an urgent requirement, other buying activity requirements may be reviewed at this location.

On Call – In cases where an SBA PCR is not assigned to a particular buying activity, that activity may contact the cognizant Area office for assistance. The cognizant Area office will provide the buying activity with PCR contact information.

3. What Are the Laws and Regulations That Govern the Prime Contracts Program?

The acquisition related sections of the Small Business Act, as amended (15 U.S.C. 631, et seq.), provide the statutory authority for the Prime Contracts Program. The major regulatory authorities are the Code of Federal Regulations (CFR), [13 CFR Part 125](#), and the [Federal Acquisition Regulation \(48 CFR\) Part 19](#).

Chapter 2: Responsibilities of a PCR

1. What Is A PCR Required To Do?

- a. As a PCR, you cover procurement activities that have major contracting opportunities for small businesses (SB). You may reside at the contracting activity and perform complete reviews of purchase requisitions, acquisition forecasts, subcontracting plans, and systems as you determine necessary. For example, while you may choose not to individually review purchases under the simplified acquisition threshold, you should perform periodic examinations to determine that set-asides are being made or that files are properly documented as to why not.
- b. When your office is located at another facility, your review may be accomplished by telephone, mail, electronic means, or facsimile. Occasionally you must make site visits to these liaison activities. You should advise the Small Business Specialist (SBS) of items you need during your on-site review. This should include completed actions as well as those in process. It is important your Area Director (AD) or supervisor know your whereabouts and how to reach you while you are not at your regular post-of-duty.
- c. Most Area Offices assign supervisors to assist the AD in carrying out the Government Contracting Area Office functions. In this chapter, where it describes interaction between the PCR and the AD, it should be understood that where a supervisor has been assigned, the supervisor is included in the process.

2. How Do I Provide Maximum Opportunities for SB?

- a. As established by the Small Business Act, you strive to increase the small business share of large prime contracts (LPC) and small business (SB) participation in subcontracting opportunities by counseling and assisting SB, VOSB, SDVOSB, HUBZone, SDB (including 8(a) Business Development (BD) concerns), WOSB, and EDWOSB small business concerns identifying and providing small business sources and other methods outlined in this chapter. You are assigned to Federal contracting activities to increase both the dollar value and percentage of total contract awards to small businesses and to enhance overall competition. You should also coordinate with other PCRs across the country especially when the buying activity is under one PCR's jurisdiction while the place of performance (POP) is under another PCR's cognizance. The PCR that covers the POP is likely to be more aware of the local market conditions and that information should be shared and discussed among the PCRs.
- b. You review and analyze proposed acquisitions not set-aside or not proposed for competition by the CO, to determine if they can be set-aside for one of the categories of small business, or if competition can be enhanced. You also review and investigate bundled acquisitions and make recommendations for strategies that will enhance small business participation for Federal prime contracting opportunities. Typically, the acquisition review threshold is above \$10,000 (\$25,000 for civilian agencies); however, it may be as low as the micro-purchase threshold (currently \$3,000) depending on the covered contracting activity. Periodically, you should spot check procurements below the established threshold to ensure that small businesses are getting all awards and orders they are capable of performing and should be receiving according to current regulations.

Your review may be conducted by reviewing manual documents, an agency's internal website, email, faxes, the "Federal Business Opportunities" (FedBizOpps or FBO) website (www.fbo.gov) or other means developed by you and the contracting activity for this purpose.

You will also review subcontracting plans to provide advice and recommendations to the cognizant CO regarding the suitability of the plan submitted. COs are also required to provide PCRs with an opportunity to review any solicitation requiring submission of a subcontracting plan and to submit advisory findings before the solicitation is issued. ([FAR 19.202-2 \(a\)](#)). If a PCR is not assigned to the procuring activity or contract administration office, they should contact the SBA Office of Government Contracting Area Office serving the area in which they are located.

A PCR's office is generally located at the contracting activity. The PCR will visit assigned liaison activities periodically to conduct reviews. You should establish review procedures with the activity when it is assigned to you.

- c. You must establish and maintain a positive attitude that favors the interest of small businesses and fosters the competitive process at the activity. You also investigate issues upon the request of a SB, the contracting activity, your AD or headquarters.

3. How Do I Coordinate and Interface with Contracting Activities?

- a. You will interface with all of the contracting activities assigned to you and establish a written plan (e.g., Plan of Operation) (Appendix 1). The plan should include the following:
 - 1) A description of the items/services purchased by the contracting activity and its major customers and identification of the contracting activity's parent organization [e.g. for the Fleet Industrial Supply Center (FISC), the parent activity is the Naval Supply Command (NAVSUP)].
 - 2) Procedures for review of proposed procurements, solicitations (including electronic solicitation systems), and subcontracting plans. This includes establishing the dollar levels of procurements that will be reviewed by you prior to issuance of the solicitations.
 - 3) Frequency of your visits (for liaison agencies).
 - 4) Copies of reports and other information that you will need to accomplish reviews.
 - 5) Names, addresses, and telephone numbers of the Contracting Officials, Head of Contracting Activity (HCA), Competition Advocate (CA), Head of Agency Technical Support Officials, Small Business Specialist (SBS) and the Technical Advisor (TA), if assigned. (You may want to request a copy of the activity's organization chart as an addendum to your Plan of Operation).

- 6) Identification of the form to be used for coordination. As an example, at Department of Defense (DoD) agencies, and Department of Interior (DOI) Small Business Coordination Record is attached. (Use the appropriate form for your agency).
 - a) DoD (DD 2579) (Appendix 2a) would be used
 - b) Civilian Agencies – example BOR (DI-1886) (Appendix 2b)
- b. At a minimum, review this plan once each fiscal year (not later than October 15) and continue to update it as needed. You must send each plan to your AD, no later than October 31, for approval.
- c. When your office is located at the contracting activity, you should obtain non-reimbursable administrative support for telephone (including fax), internet access, photocopying, mailing services and supplies. You should seek to be included in procurement-related training courses sponsored by the contracting activity, assuming it is at no-cost to the SBA. You should coordinate these efforts with your AD, who will advise you on how to accomplish this goal.
- d. You are required to meet with the HCA, or designee, at least once a year and provide the AD with advance notice of all HCA meetings. Not later than five working days after the HCA meeting, you will provide the AD with a memorandum outlining the matters discussed and any actions you recommended that will enhance small business participation. (Note: If you make any recommendations to the HCA, you must follow-up to ensure that they have been implemented and periodically thereafter to assess if the desired results are being achieved).
- e. You will encourage the contracting activities to include you when training their personnel on any aspects of the small business program. You will also seek the contracting activity's support for all SBA initiatives, e.g., matchmaking events, etc.

4. How Do I Identify Qualified Sources

Although the CO is ultimately responsible for performing market research, you should assist when required by identifying qualified small business sources whether or not the procurement is set-aside. Your primary tool to identify and match qualified small business concerns to a solicitation's requirements is the Dynamic Small Business Search (DSBS). A link to the DSBS can be found at the System for Award Management (www.sam.gov). To the best of your knowledge, the sources provided should be capable of meeting the solicitation's technical, management and delivery requirements. You should also notify qualified small businesses, resource organizations, etc. of the availability of the solicitation on FedBizOpps.

5. How Do I Review Proposed Acquisitions?

The most effective way to increase the SB share of Federal acquisition dollars is through the review of proposed acquisitions at your covered agencies. These reviews will provide you with opportunities to recommend SB, SDVOSB, HUBZone, WOSB and/or EDWOSB set-asides or recommend use of the 8(a) Business Development Program. You should use the procedures discussed above to identify potential SBs that will support your recommendation. You should recommend the use of the appropriate SBA small business program for your agency's proposed procurements that meet the

requirements of FAR Parts [19.502](#); [19.8](#); [19.1305](#) (19.1306 for HUBZone sole source awards); [19.1405](#) (19.1406 for SDVOSB sole source awards) or [19.1505](#).

- a. Most purchase requirements should be reviewed within two working days after receipt and no longer than five working days under unusual circumstances. A PCR has 15 days to review an acquisition which involves bundling.
- b. You should review the FedBizOpps website (www.fbo.gov) regularly as a way to audit your covered activities to ensure that they are submitting all applicable procurements for your review.
- c. As authorized in [13 CFR 121.1101-1103](#), SBA may appeal the Office of Hearings and Appeals a North American Industry Classification System (NAICS) code should you determine that an incorrect NAICS code is assigned (§121.402). Prior to recommending such an appeal through the AD, the PCR should make every effort to convince the CO to use the NAICS code that best describes the principal purpose of the product or service being acquired. This action may change the size standard, resulting in more small business participation. Conversely, the assignment of an incorrect NAICS code with a size standard larger than would be the case if the correct code were used may result in a small business award to a concern that is not small for the actual work being performed and the agency taking small business credit toward its goals for an award to a concern that may in fact be a large business.
- d. You must maintain a log of each acquisition screened for set-aside on SBA Form 231, “PCR Purchase Request Review Register” (see Appendix 3). The electronic excel spreadsheet is located at: <http://collab.sba.gov/sites/GCBD/GC/default.aspx> - click on shared documents, Prime Contract Program SOP

6. How Do I Recommend a Set-Aside whether it is SB, HUBZone, SDVOSB, EDWOSB or WOSB?

- a. What is an informal set-aside request?

Set-aside recommendations may be made using what are termed formal or informal actions. Before using an actual SBA Form 70 (Appendix 4) to make a set-aside recommendation, a PCR should try to resolve the issue informally. An informal SBA Form 70 action may take place during your early participation in the acquisition planning process when you verbally or in writing advocate the set-aside of all or part of the requirement. Another example of an “informal SBA Form 70” would be your discussions or emails with agency personnel at any time during the acquisition planning process that the strategy be changed to use or more fully use one of SBA’s small business programs. If your efforts are successful, you must document your actions by filling out an actual SBA Form 70 for your records only and reporting this as an “informal SBA Form 70” action on the monthly Government Contracting Activity Report (GCAR).

- b. What is a formal set-aside request?
- 1) A formal set-aside request is made by the issuance of a SBA Form 70 to the agency contracting officer. The use of SBA Form 70 is often viewed by agencies as an adverse action on the part of the PCR. Therefore, it should only be taken after less formal attempts to influence the small business acquisition strategy on a proposed procurement have not succeeded. The SBA Form 70 clearly states that the PCR is making the recommendation on behalf of the Small Business Administration and in accordance with FAR [19.5](#). This establishes the PCR's right to appeal any rejection of the recommendation as provided at FAR [19.505](#). You must precisely state your rationale for the set-aside recommendation. If you believe this action may result in a HCA and/or Secretarial Appeal (SA), you must coordinate with your AD.
 - 2) If you recommend a class set-aside, clearly identify the product(s) or services(s) covered and follow the guidance provided in FAR [Part 19.503](#).
- c. What action do I take if the CO rejects my set-aside request?

If the CO denies the set-aside request, upon approval by the AD, you may issue an appeal to the HCA.

7. How Do I Appeal a CO's Rejection?

The appeal of a CO's unwarranted rejection of your set-aside or breakout recommendation must be made to the HCA within the time frames established in FAR Parts [19.502](#); [19.8](#); [19.1305](#) (19.1306 for HUBZone sole source awards); [19.1405](#) (19.1406 for SDVOSB sole source awards) or [19.1505](#). Some appeals may not go to the HCA, but directly to the Head of the Agency.

In your appeal, you must:

- a. Clearly address the CO's written rejection.
- b. Address the ability of the SB(s) to perform the requirement. You may include letters from firms affirming their intent and capability to perform the requirement. You must comply with procurement integrity regulations during all phases of the appeal process and must not release sensitive information on the procurement, or a contractor's proprietary information, without prior approval.
- c. Coordinate with the AD and supervisor, if assigned, during the HCA appeal process and notify the AD specifically if you believe that the HCA will deny your appeal. You must describe the acquisition (contracting activity: title of the procurement, estimated dollar value, period of performance, deliverables, contract terms, type, and other pertinent information) and briefly discuss the issues in dispute. If the HCA accepts the set-aside or breakout recommendation, advise the AD and Headquarters and report it on your monthly report.

8. How Do I Appeal an HCA's rejection?

Note: **PCRs do not process 8(a) appeals.** This is handled by the cognizant District Office. HUBZone, EDWOSB and WOSB appeals are authorized up through the Head of the Agency. SDVOSB appeals are only authorized up through the HCA level.

Upon receipt of the HCA's rejection of your appeal, you must immediately coordinate with the AD/supervisor and Headquarters about a secretarial appeal per FAR Part [19.505\(c\)\(2\)\(i\)](#).

- a. You must have Headquarters approval before notifying the CO of SBA's intent to pursue a secretarial appeal. You will coordinate this approval through your AD. You must notify the CO within one business day after receipt of the HCA's rejection that SBA intends to appeal to the secretarial level. Further, you must request, in writing, that the CO suspend action on the acquisition until the appeal is resolved. The SBA Administrator has 15 working days after making a request to suspend action on the acquisition to submit the appeal to the Secretary of the Department concerned.
- b. Contact firms about their interest and capability in the proposed acquisition. You must obtain the CO's approval before discussing any information not available to the public; however, you may disclose information that was contained in a FedBizOpps announcement. In doing this, you must tactfully perform the task of describing the procurement to the SBs without releasing any procurement sensitive information or any other information that would give these firms an unfair advantage in the procurement process. If you believe that the HCA will reject your appeal, you should advise your AD and start preparing the Secretarial appeal so you can forward the necessary documentation to the AD and Headquarters in a timely manner.
- c. If you can discuss information specific to the proposed acquisition, obtain letters from firms affirming their intent to submit an offer on the proposed acquisition containing:
 - 1) Technical and management capability to perform the requirement; and
 - 2) Experience performing a similar procurement
- d. If you cannot discuss information specific to the proposed acquisition, obtain letters from firms which address their overall corporate capabilities, recent contract performance history, and financial capabilities (i.e., bonding), as appropriate.
- e. Coordinate with your AD and Headquarters as you develop the appeal package.
- f. Obtain AD approval before forwarding the appeal package to Headquarters. You must send two copies of the complete appeal package by overnight mail to Headquarters within 10 business days after the date of notification to the contracting activity of SBA's intent to appeal and one copy to your AD. You must also send an electronic copy of the Table of Contents and Executive Summary (see below) of the appeal package and hard copies of any other pertinent document(s) that cannot be transmitted electronically. You must include the following in the appeal package:

- 1) Table of Contents
- 2) Executive Summary of sequential actions (not more than two pages)
- 3) Tabbed correspondence of all documents between the PCR, technical officer, CO and HCA. Address interest and capability of PCR identified firms to perform the requirement in the appeal. This should include comments from the Competition Advocate and Small Business Specialist, if available.
- 4) A transmittal letter to Headquarters that includes a point-by-point rebuttal of the HCA's rejection. It must include the CO's and HCA's full name, title, address, telephone number, fax number and email address.
- 5) SB letters should be listed as attachments

9. How Do I Review Proposed Bundled or Consolidated Requirements?

- a. Contract bundling poses a significant negative impact on the ability of SBs to fairly compete for Federal contract opportunities. Due to the potential effect on SB participation, when considering bundling requirements agencies must conduct adequate market research that clearly indicates that the proposed bundled procurement is necessary and justified, i.e., the agency will derive "measurably substantial benefits". Bear in mind that a reduction of administrative or personnel costs alone is not sufficient justification for bundling. Contract bundling includes multiple award contract vehicles (GWACS, including GSA multiple award schedules) and task and delivery orders under such vehicles.
- b. Agencies are required to take additional actions with respect to "substantial bundling". There are three dollar thresholds for substantial bundling: \$8.0M for DOD, \$6.0M for NASA, GSA and Energy, and \$2.5M for all other agencies ([FAR 7.104 \(d\)\(2\)\(i\)](#)). These dollar thresholds trigger requirements for specific actions to maximize small business participation as subcontractors, assuming that bundling is justified. Agencies must also issue a specific determination that the anticipated benefits of the proposed bundling justify its use and identify alternative strategies that will minimize the effect of the bundling on small business and the rationale for not choosing those alternatives.
- c. Agencies must coordinate acquisition strategies or plans contemplating bundling with the contracting activity's SBS and PCR at least 30 days before issuing a solicitation. The SBS must notify the agency Office of Small Business Programs (OSBP) when those strategies include contract bundling that is unnecessary or unjustified.
- d. You must aggressively pursue all instances where contracting agencies bundle requirements making it unlikely that SBs can compete for the consolidated requirements. Take actions to ensure you are "in the loop" with regards to proposed bundled actions. You will accomplish this by reviewing purchase requisitions and proposed solicitations for contract bundling.
- e. To mitigate the consequences of bundling on small business, it is imperative that you get involved early on in the acquisition planning stages. Request that you be involved as soon as a decision has been made to pursue a bundled acquisition. Procedures on how you should handle bundled requirements are contained at [13 CFR 125.2](#).

- f. If you need assistance from other SBA personnel, including other PCRs, CMRs, or Industrial Specialists to investigate bundled requirements, advise your AD. These reviews will be given priority treatment.
- g. Your analysis of the break-up, or other recommended strategy, should be sufficient to support a Secretarial appeal, if necessary. As time is of the essence, be sure to maintain orderly, chronological and comprehensive records and files in support of your position.
- h. When a set-aside is not possible, you must also review the solicitation's terms and conditions to determine if they preclude or restrict SB participation. Some examples of these restrictions are an "all or none" clause, overly restrictive performance specifications, unrealistic delivery requirements, an overly wide geographic area of performance, and/or combining diverse items/services. Advise the CO of overly restrictive terms and conditions by letter. (Note: The CO must include the HCA's market research that determined that the consolidation is necessary and justified).
- i. You must complete SBA Form 1970, "Bundling Alert Form", (Appendix 5) for each instance of bundling identified. An interim bundling report should be filed when a bundling situation arises and is not likely to be resolved in the near term; a follow-up interim report(s) should be filed as significant events develop and a final bundling report should be issued when SBA actions are no longer applicable (e.g., the activity accepted the PCR's formal or informal recommendation or the activity did not accept some or all of the PCR's formal recommendations). You should submit this to your AD as quickly as possible.

10. How Do I Review Subcontracting Plans?

- a. As required by FAR Part [19.705-3](#), you must review solicitations requiring subcontracting plans. You may submit advisory findings prior to issuance of the solicitation. A sample Pre-Award Subcontracting Plan Review Checklist is contained in Appendices 6 and 7. You can tailor the checklist to meet your individual needs. Copies of checklists should be retained in your files. You should develop a log to track all plans submitted for your review. At a minimum, your subcontracting plan review log should track the name of the firm submitting the plan, the contracting activity that submitted it for your review, the initial and final review dates, the plan type (individual, master or commercial) and brief comments.
- b. You must review subcontracting plans submitted. As stated in FAR [Part 19.705-4\(d\)\(7\)](#), COs from other contracting activities may seek your advice and recommendations on subcontracting plans. You should also consult with the cognizant Commercial Marketing Representative (CMR) to receive comments on the proposed plan.

- 1) You must review plans per guidelines established in FAR [Part 19.7](#). Submit your written recommendations to either the CO or SBS depending on the agency. This response should include your advisory comments regarding the acceptability of the plan and must be submitted within five working days after receipt of the plan.
 - 2) You must keep a record of the plans that you review, your recommendation, and when you do not concur, whether the plan was accepted without modification. In some cases, you may review more than one plan for a single solicitation.
 - 3) Provide instructions to the contracting activity on sending a copy of the plan plus award documents to the appropriate SBA area office.
- c. SB subcontracting goals must be aggressive yet reasonable in relation to the items that will be subcontracted. It is not necessary for the prime to submit goals that meet or exceed the statutory goals (e.g., 23% for small; 5% for SDB and WOSB; 3% for HUBZone and SDVOSB). However, all plans shall provide the maximum practicable opportunity for small business participation. A plan therefore that is proposing a low or zero goal for any category of SB shall be challenged, and must be justified and supported by the large prime submitting the plan. Zero goals must be coordinated within the contracting activity per that organization's procedures, e.g., one level above the CO, etc.
- d. Goaling - <http://www.sba.gov/content/small-business-goaling>

11. Do I Sign-Off on Acquisitions Unilaterally Reserved for the 8(a) Program?

An agency may require its Office of Small Business Programs to coordinate on all proposed procurements above a certain dollar threshold. These procurements are then provided to the assigned PCR for coordination. Normally included for PCR review are procurements that are slated for offering to the 8(a) BD Program. These 8(a) procurement coordinations should be submitted for small business review prior to the agency sending an official offer letter to the cognizant SBA District Office. The PCR review of proposed 8(a) procurements is beneficial, but it may present a problem if the PCR's review is construed by the agency to be acceptance by SBA of the proposed procurement into the 8(a) BD Program.

If the agency desires that you coordinate on proposed 8(a) procurements, be sure to add a caveat on the coordination form that your coordination does not relieve the contracting activity of the requirement at FAR [19.804-2](#) to offer the procurement to the appropriate SBA district office. This will eliminate the possibility of future claims that the agency assumed the PCR accepted the requirement on behalf of SBA.

12. How Do I Document PCR Initiated 8(a) Recommendations?

Consideration should be given to use of the 8(a) program when reviewing the activity's requirements. Your recommendations for use of the 8(a) Program are most successful when closely coordinated with and supported by the agency OSBP. You should document PCR initiated 8(a) recommendations by e-mail to the CO, agency OBBP and the cognizant district office BD staff with supporting rationale. Maintain a record of your written requests for 8(a) procurements and the estimated value of the requests.

13. How Do I Support the HUBZone, SDVOSB, & WOSB Programs?

- a. You support the above programs by identifying acquisitions suitable for performance by those firms and recommending set-asides or sole source (there is no sole source authority for WOSB or EDWOSB) procurements, as applicable. You can recommend that requirements previously set-aside for SB concerns be set-aside for one of the above programs. Ensure that the activity's COs are knowledgeable on how to apply the HUBZone Price Evaluation Preference.
- b. It is the responsibility of the contracting activity, based on market research, to first unilaterally decide to solicit a requirement to firms in any of the programs above and the 8(a) program. This decision should take into account the contracting activity's achievements relative to its goals for these programs. You can provide the contracting activity with your recommendations as to how they should proceed. (see paragraph on appeals)
- c. Instruct HUBZone, SDVOSB, & WOSB contractors on doing business with the Federal government, specifically at your assigned contracting activities. Provide counseling as set forth below in this chapter. When appropriate, recommend that contractors offer to make a presentation at your contracting activities.
- d. Any training sessions for contracting agency personnel should include all of the above programs.

14. How Do I Balance Support for the Various Segments of the Small Business Community?

As a PCR, you are responsible for advocating on behalf of all segments of the small business community equally. You must avoid even the appearance of supporting one segment of SBs over another but you have full authority to appeal on behalf of FAR 19 programs (excepting the 8(a) program - see paragraph on appeals). You should encourage COs to consider the contracting activity's achievements relative to its assigned goals when deciding which program to utilize to meet its procurement needs.

15. What Are Some of My Special Initiatives?

You may be assigned to perform special initiatives in carrying out your PCR duties. Instructions for these activities will be provided when assigned. Examples of special initiatives are:

- a. Women-Owned Small Business (WOSB) initiatives – Individually, or as a team effort with the District Office Women-Owned Business Representative, you will conduct training for WOSBs on how to do business with the Federal government, as appropriate.
- b. Review of Reported Contract Bundling Cases – You may be assigned to review and follow-up on suspected cases of contract bundling, at other than your covered activities, within your Area Office's area of coverage. This review and any subsequent actions will be accomplished as reflected in paragraph 9 above.

16. What Other SBA Programs Do I Promote?

- a. Provide information on resources offered by the Office of Government Contracting/8(a) BD: SBIR/STTR programs; Certificate of Competency (COC), size determination, size standard, SAMS and CMR subcontracting activities.
- b. Also provide directions and contacts regarding district programs: Loans, surety bond guarantee, economic development, 8(a), SDVOSB, VOSB and WOSB.

17. How Do I Handle Procurement Sensitive or Proprietary Information?

- a. In the course of your PCR duties you will have access to a broad range of procurement sensitive and proprietary information. You must not disclose, directly or indirectly, any proprietary or source selection information regarding procurement to any unauthorized person. Any information that is not available to the public but is known by the PCR is considered procurement sensitive information.
- b. You shall refer any requests from a member of Congress, or staff person, for procurement sensitive information to the CO and immediately notify your AD. If the caller insists on an SBA response, they should be referred to SBA's Office of Congressional and Legislative Affairs at Headquarters. The PCR shall provide the name, title and telephone number of the person making the contact, the information requested and the status of the request.
- c. You shall mark reports that provide information about specific procurements and government estimates "Procurement Sensitive – For Official Use Only" prior to release to your AD/Supervisor or to Headquarters. Reports containing procurement sensitive information should only be distributed to procurement officials. Requests from entities outside of SBA for procurement sensitive information concerning any other agency's procurement information should be referred to the Freedom of Information Act officer at the agency that generated the information for release. See Appendix 8 for guidance on handling procurement sensitive information.

18. How Do I Handle Unsolicited Proposals?

You must forward them to the appropriate official at the contracting activity. You must maintain documentation of the receipt and disposition of all unsolicited proposals.

19. How Do I Counsel Small Businesses?

The primary duties for a PCR are the oversight of the small business programs at assigned agencies and the performance of additional responsibilities as assigned by the AD. Although a PCR provides counseling to small business firms, this is not the PCR's primary focus. Whenever possible a PCR should refer small businesses to SBA district offices and SBA resource partners for counseling and training assistance.

- a. Small businesses may be referred for counseling and training to:
 - 1) Small Business Development Centers (SBDCs)
 - 2) Service Corps of Retired Executives (SCORE)

- 3) Women's Business Centers
- 4) Veterans Business Outreach Centers
- 5) U.S. Export Assistance Centers
- 6) Procurement Technical Assistance Centers (PTACs)

When referral to a resource partner is not appropriate the PCR should provide counseling assistance to small businesses seeking information or help in doing business with the Federal government. You should maintain a list of SBs counseled, which includes the date the assistance was provided, name of person, company, and a brief description of the counseling session.

- a. During counseling the PCR may provide information on the following:
 - 1) Advising how to identify and where to sell items/services to the Federal Government.
 - 2) Advising SBs on various assistance and certification programs available to them.
 - 3) Identifying SBS points of contact at federal buying agencies. If the SB experiences problems, arrange for SB to meet with the SBS or other PCRs and CMRs, as appropriate.
 - 4) Assistance where possible in acquisition matters such as delays in contract payments, protest procedures, contract changes, cases of contract bundling, terminations, cure and show cause notices, becoming an "approved" source, and restrictive specifications or clauses.
 - 5) Advising SBs about the requirement and necessity of registering in the System for Award Management (SAM) in order to do business with the Federal government.
 - 6) Advising on subcontracting opportunities and alerting small businesses to SBA CMRs and prime contractor Small Business Liaison Officers (SBLO).
 - 7) Counseling on other government contracting programs, including [Certificate of Competency](#), CMR, [Size Determination](#), [Natural Resources & Timber Sales](#) and Property Sales Assistance.
 - 8) Discussing other SBA assistance, i.e., counseling sources – [Small Business Development Centers \(SBDC\)](#) and [Service Corps of Retired Executives \(SCORE\)](#), [loans/financial assistance](#); SBIR, [international trade opportunities](#), 8(a) and [HUBZone certifications](#), [WOSB](#), [Veterans and Advocacy programs](#).
 - 9) Referring SBs to the local [Procurement Technical Assistance Center \(PTAC\)](#).

Counseling sessions may be held with individual SBs or with SB groups through joint training activities with the contracting activity, SBDCs, procurement conferences, prime contractors, other Federal partners, SBA district offices, and city, county and state offices. Counseling groups of small businesses shall be reported as an event or a training session on your monthly GCAR (see Appendix 9 for GCAR instruction) report. You should not report the total number of attendees as individual counseling cases.

20. How Do I Network With Other SBA Offices?

You should work closely and cooperatively with SBA area offices, other PCRs, district offices and headquarters. You will advise SBs of these resources and how to request assistance from these offices. Stay current on the SBA's programs and special initiatives. You may accomplish this by attending district staff meetings whenever possible, networking with other PCRs, maintaining written information and logging onto the GC homepage. Make your AD/supervisor aware of significant actions at any of your covered activities and keep them informed of all significant developments. As part of your best practices routine, share information on contracting activities and any special projects that are taking place.

ADs will assign GC personnel as liaisons to the SBA district offices within the Area Office coverage. Your AD will discuss with each District Director (DD) or Deputy DD, how you/GC will provide support in government contracting activities. This could involve providing counseling and assistance to SBs referred by district personnel, and participating in joint activities such as procurement conferences, special programs and initiatives. A Plan of Operations (Appendix 1) should be presented to the District, and Regional Administrator (RA) similar to the ones with other Federal Activities.

21. How Do I Interface With State and Other Service Providers?

- a. You should develop contacts with state, city, and county organizations (i.e., Chambers of Commerce) offering small business assistance. Offer your services for presentations at their activities or as a referral to counsel SBs interested in doing business with the Federal government. Coordinate your efforts with the local SBA district office (The district office may be able to provide contact names).
- b. Participate in procurement conferences, local meetings, and other activities that have been planned by service providers.
- c. Advise your contacts periodically about SBA's special initiatives (e.g., matchmaking events) and learn of theirs.
- d. Instruct them on how to use SYSTEM FOR AWARD MANAGEMENT (SAM) to identify SB sources for their procurement opportunities.

22. What Records Do I Keep?

- a. A list of common PCR records is as follows:
 - 1) SBA Form 231, “PCR Procurement Request Review Log” (Appendix 3)
 - 2) SB counseling records
 - 3) Subcontracting plan review log
 - 4) SBA Form 70, “SBA Recommendation”, including Informal 70s (Appendix 4)
 - 5) PCR initiated 8(a) recommendations (see paragraph 12)
 - 6) HCA and Secretarial appeals
 - 7) Correspondence and notes of significant discussions with contracting activity and contractor personnel
 - 8) GCAR
 - 9) SBA Form 1970, “Bundling Alert” (Appendix 5)
 - 10) Copies of special and monthly reports, including highlights and success stories
 - 11) Annual Plan of Operation for each assigned activity (Appendix 1)
 - 12) Copies of any breakout recommendations and documented savings
- b. You must keep all reports, forms, and back-up documentation in your office for three years and then transfer the files to the appropriate Federal Records Center. See SOP 0041, “Records Management Program” for transfer procedures.

23. What Should I Report to the Area Director?

- a. GCAR – monthly
- b. Special reports as requested by your AD or Headquarters
- c. Annual Plan of Operations and updates, as applicable
- d. SBA form 1970, “Bundling Alert Form” (Appendix 5)
- e. High-visibility, procurement sensitive information at any threshold
- f. HCA Appeals including “final” status
- g. Significant items of interest for submission to Headquarters for inclusion in the GC weekly report to the Administrator

- h. Success stories of how you benefited a particular small business or the small business community at-large
- i. Summary of breakout activity including documented savings resulting from any breakout recommendations, as well as any other pertinent information related to breakout activities, e.g., success stories (annually).
- j. Anything else you believe is worthy of notice.

Chapter 3: What Are the Responsibilities of Area Directors?

Most Area Offices assign supervisors to assist the Area Director in carrying out the Government Contracting Area Office functions. In this chapter, where it describes interaction between the PCR and the Area Director, it should be understood that where a supervisor has been assigned, the supervisor is included in the process.

1. What Are My Administrative Duties as Area Director?

- a. You provide executive direction and supervision for the Prime Contracts Program within your designated area. You:
 - 1) On an annual basis, obtain, from Headquarters, data gathered, collated and consolidated to produce an “analytical tool” that will permit the analysis of historical federal procurement actual expend data and projected procurement opportunities for small businesses. The “analytical tool” will permit you to establish a rational basis for PCR allocations, Surveillance Reviews and identifiable Agency contract reviews;
 - 2) Ensure that contracting activities are covered by a PCR, as appropriate;
 - 3) You should be familiar with all major contracting activities in your geographical area;
 - 4) You should conduct a review and evaluation of a sampling of the buying activities in your geographical area every two years to evaluate coverage and propose changes in coverage, as necessary. The sampling may be determined by evaluating buying activities’ small business spend, small business eligible spend and small business opportunity; See Chapter 7, paragraph 1.a
 - 5) Implement plans and policies established by Headquarters;
 - 6) Coordinate and request training and security clearances for PCRs as needed;
 - 7) Support PCRs by encouraging communication and networking within your area; and
 - 8) Provide PCRs with current information and instructions necessary and beneficial in performing their duties.
- b. You must coordinate Area Office staff coverage in outreach for small businesses, such as attending procurement conferences, and meeting with private and public organizations to assist the small business community in understanding the Federal procurement program.
- c. You must assign special duties for review of bundling reports or other matters that are referred to you for inquiry by Headquarters.

2. What Should I Coordinate with Headquarters?

- a. You must recommend the contracting activities for PCR coverage and provide your rationale for the assignment to Headquarters.
- b. You must review prospective Secretarial Appeal files to ensure that proper documentation is included in the file and adequately supports the recommendations. You should coordinate with the PCR to prepare a one-page analysis of the appeal and include it with your transmittal memo to Headquarters indicating your concurrence with the appeal.
- c. You must request security clearances, when warranted, and obtain necessary information from the employees and forward to Headquarters. SOP 90 22, "Investigations Program," provides instructions for the process.
- d. You must initiate action on all reported instances of contract bundling. This can be accomplished by contacting the PCR, if assigned, by contacting the contracting activity, by generating SBA Form 1970, or other means appropriate to the situation.
- e. You must recommend to Headquarters where surveillance reviews will be conducted and provide your rationale for the locations. You must appoint a team leader and member(s) for each review and advise Headquarters of the composition of the team, and the plan for accomplishing the review. Within 30 days after completion of the exit interview, you must provide a copy of the report to Headquarters. See Chapter 5, "Surveillance Reviews", provides additional instructions for the process.
- f. Make selections to fill PCR/Supervisory PCR positions, and provide your recommendations to Headquarters. Coordinate with the applicable offices to obtain PCR access to SBA computer servers and personnel systems from host activities, provide PCRs with computer equipment at the contracting activity office, and obtain any necessary contracting activity credentials (e.g., identification cards). Equipment and programs may include the following: equipment – PC, laptop, personal data assistant device (e.g., Blackberry), remote access equipment; programs - timekeeping, performance appraisal, and travel systems.
- g. Ensure that reports have been provided to Headquarters and produce any requested evaluation of that data. Also provide special reports as needed (e.g., bundling, success stories).
- h. You must advise Headquarters of large or sensitive acquisitions or other issues that may be of Agency level concerns.

3. How Do I Network with District Offices and Other SBA Offices?

You should assign a PCR to act as a Government Contracting Area Office liaison to each District Office within your coverage area. The District Director (DD) shall be notified as to the identity of the PCR who covers their office. You should discuss with the DD specific services that will be furnished. These services may include counseling of referred small businesses, participating in conferences and other activities, and special initiatives as identified.

- a. You will network with regional administrators, other area and Headquarters offices and provide assistance whenever it is requested.

4. How Do I Recommend Assignments of PCRs?

Recommend assignment of PCR(s) to those contracting activities that generate significant contract dollars and which have procurement opportunities for small businesses. A PCR presence must be beneficial to small businesses and increase small business awards and competition. Your recommendations and substantiation will be provided to Headquarters. Should changes occur at the contracting activity, advise Headquarters of these changes and your recommendations for coverage. See Appendix 10 for a sample PCR Assignment Letter.

5. When Do I Visit Contracting Activities?

- a. You will make periodic, as requested by buying activities and/or as determined by gaps in coverage of buying activities with significant small business spend and small business opportunity, visits to contracting activities not covered on a resident or liaison basis by PCRs to establish and maintain a cooperative attitude toward SBA programs and small businesses. You will advise that PCR assistance can be provided on special issues at the request of the contracting activity or small businesses.
- b. When conducting PCR visits, initiate meetings with HCAs, whenever possible. If deficiencies exist at the contracting activity, discuss these problems with the contracting officials to reinforce action that has already been taken by the PCR.

6. How Do I Review PCR Records and Documentation?

- a. You should meet with each PCR at a minimum every other year, as other duties and travel funds permit; more frequently when problems with the contracting activity or PCR have been identified. Conducting on-site reviews of the PCR's records and documentation is preferable. If an on-site review is not feasible, you should request that they provide you with records, e.g., listing of subcontracting plan review checklists, counseling logs, etc. Verify method used by the PCR for obtaining socio-economic reporting information, records of activities that were attended at the contracting activity, method of recording other reporting information required by the monthly PCR Productivity Report, and SBA Form 231s, "PCR Purchase Request Review Register" or equivalent procurement review log.

- b. Check the PCR's records for indications that a good working relationship with the contracting activity has been established and that the PCR is discussing special small business activities. Review records to verify that the PCR is meeting annually with the HCA and that the Plan of Operation is current.
- c. If problems are evident, prepare a report of your review and submit a copy to Headquarters. Discuss any problems with the PCR and make recommendations on how to improve the working relationship.
- d. Review records submitted by PCRs at your office. Maintain information that document performance evaluations.

Chapter 4: What Are the Responsibilities of Headquarters?

The Office of Government Contracting (GC) works to create an environment for maximum participation by Small, Small Disadvantaged, Small Woman-owned, Small Veteran Owned and Small Service Disabled Veteran Owned Businesses in federal government contract awards and large prime subcontract awards. GC advocates on behalf of small business in the federal procurement world.

The Office of Contract Assistance must support Headquarters in the following areas:

- a. Provides executive leadership and direction in the formulation and recommendation of policies and procedures;
- b. Ensure that the implementation, coordination and management of activities are aligned with the President's initiatives and SBA's strategic plan;
- c. Implement best practices for operational excellence which includes re-engineering business processes, leveraging the use of technology to improve operations, and implementing performance metrics to measure and monitor performance;
- d. Establish plans to accomplish the Prime Contracts Program mission (e.g., SOP 60 02);
- e. Oversee the use of SBA plans and policies by area office personnel;
- f. Coordinate the Prime Contracts Program with other SBA programs;
- g. Prepare legislative proposals and regulations to enhance the effectiveness of the Program;
- h. Interpret regulations affecting small business;
- i. Implement best practices;
- j. Determine reporting requirements;
- k. Coordinate assignment of resident and liaison PCRs with Headquarters officials of other Federal government departments and agencies;
- l. Prepare appeals and reports for the Administrator (e.g., secretarial appeals);
- m. Work with senior government acquisition officials on small business issues (e.g., FAR Council);
- n. Coordinate personnel issues (e.g., PCR training, security clearances); and
- o. Make sure that area office personnel have adequate tools to perform their work (e.g., computers, access to SBA networks and other online information sources, and current regulation.

Chapter 5: Surveillance Reviews

1. What is a Surveillance Review?

A Surveillance Review is a comprehensive assessment of a Contracting Activity's small business program. The Office of Government Contracting performs these reviews under the authority of the Small Business Act, as implemented in the Federal Acquisition Regulation, which requires (PCR) to monitor the performance of Contracting Activities to ascertain compliance with small business policies, statutory requirements and applicable regulations.

2. What are the types of Surveillance Reviews?

There are two types of Surveillance Reviews.

- a. **A Full Surveillance Review** includes an analysis of contract files to determine if the Contracting Activity has made every reasonable effort to maximize contract opportunities for small business concerns. It also enables the PCR to identify deficiencies and recommend strategies to strengthen compliance with small business program requirements.
- b. **A Follow-up Surveillance Review** is conducted when a Contracting Activity has received a rating of "Satisfactory," "Marginally Satisfactory," or "Unsatisfactory". The purpose of a follow-up Review is to assess the Contracting Activity's progress made towards correcting deficiencies and implementing SBA's recommendations identified in the original Full Surveillance Review Report.

3. What is the Purpose of a Surveillance Review?

The purpose of a Surveillance Review is to:

- a. Assess the quality of a Contracting Activity's small business program;
- b. Evaluate its impact on small business;
- c. Evaluate compliance with requirements for award of 8(a) contracts under a delegation of authority through partnership agreements and in accordance with applicable regulations;
- d. Evaluate compliance with any other relevant agreements between SBA and the Agency and/or Contracting Activity;
- e. Recommend changes to improve small business participation in the Contracting Activity's acquisition process; and
- f. Provide suggestions, training, and/or technical assistance to the Contracting Activity to enable it to improve its small business program and 8(a) contract award procedures.

4. How Do You Perform a Surveillance Review?

To perform a Surveillance Review, you should use the “Surveillance Review Preparation Checklist and Request for Information” in Appendix 11. You may have to tailor your approach depending on the type of Contracting Activity you are reviewing. Your review must consider the following:

- a. Management of Contracting Activity’s Small Business Program;
- b. Compliance with regulations and procedures;
- c. Effectiveness of advance procurement planning;
- d. Pre-award and post-award functions;
- e. Small business training programs;
- f. Industry outreach programs which focus on small business;
- g. Review of procurement logs, small business coordination records, and contract actions;
- h. Small business goal achievement; and
- i. With respect to 8(a) Contracting Activity, determine if the awards comply with the terms of the relevant partnership agreement. Review a sampling of at least 20% of all 8(a) awards and modifications made under authority of the partnership agreement during the prior Fiscal Year. If abnormalities are noted, then the sampling should include a minimum of 10 awards or modifications. In examining the contract files:
 - 1) Review the Contracting Activity’s offering letter to SBA and review the SBA’s letter accepting the requirement into the 8(a) BD Program;
 - 2) Review any purchase orders. For purchase orders, the file should indicate that SBA was provided a copy of the signed purchase order document and that SBA was afforded the opportunity to address eligibility of the firm. The opportunity for SBA to address eligibility may be demonstrated either by SBA’s response to the Agency that the firm is program eligible, or by the Agency delaying performance not less than two working days from the date of the signed purchase order document;
 - 3) Review the contract for required contract clauses;
 - 4) Verify that SBA was provided a copy of the award document after contract award;
 - 5) If there was a novation of the contract, verify that SBA was provided the opportunity to review and approve the novation;
 - 6) If there was a termination of the contract, verify that SBA was provided advance notice, as the prime contractor, prior to issuance of the final notice of termination;
 - 7) Review the appropriateness of the NAICS codes and verify that the contract complies with the work performance requirements of FAR 19.508(e), if applicable; “including compliance with the limitations on subcontracting and non-manufacturer rules”;

- 8) Look for language added to the contract stating that, even though the SBA may not be identified in section A of the contract, the SBA is still the prime contractor on the contract; and
- 9) If the contract is performed by a joint venture, then ensure that the SBA approved the joint venture agreement before award of the contract.

Chapter 6: Roles in Surveillance Review

1. SBA Headquarters will:

- a. In cooperation w with the Area Directors, identify and select Surveillance Review sites for current/up-coming fiscal year;
- b. Provide annual updated “Surveillance Review Preparation Checklist and Request for Information” (Appendix 11) and Interview Questions (Appendix 12);
- c. As needed, coordinate with agency Small Business Program SADBUs on current policies and small business goal attainment;
- d. Notify SADBUs Directors of planned Surveillance Reviews for current/upcoming Fiscal Year;
- e. Review and finalize Surveillance Review reports submitted by Area Offices;
- f. Issue final reports to SB Program Offices/SADBU Directors and Contracting Activities; and
- g. Track and follow up agency corrective action responses as appropriate.

2. The Area Director will:

- a. Coordinate with SBA Headquarters on the selection of Surveillance Review sites;
- b. Select Surveillance Review Team Leader and Team members;
- c. Coordinate with respective District Offices to facilitate 8(a) Program personnel to participate in the review;
- d. Participate, when available, in Entrance and Exit Briefings;
- e. Review Surveillance Review Reports submitted by Team Leaders; and
- f. Provide the Corrective Action Report to the Team Leader and servicing PCR, when received.

3. The Surveillance Review Team Leader will:

- a. Plan and schedule all activities as required;
- b. Coordinate with the Area Director in selecting members of the Surveillance Review Team;
- c. Assign duties to the Surveillance Review team members, including District Office 8(a) personnel, which may include responsibility for conducting Contracting Activity interviews;
- d. Select the list of contracts to be reviewed; and
- e. Draft and coordinate the preparation of the Surveillance Review report with team members.

4. The District Office will:

- a. Coordinate with the AD and/or Team Leader regarding the availability of a Business Development Specialist to be a part of the Surveillance Review Team;
- b. Provide any significant information regarding experience with the procuring activity;
- c. Provide input regarding selection of 8(a) contracts to be reviewed; and
- d. Participate, when available, in the Entrance and Exit Briefings.

5. The Team Members will:

- a. Participate in the review of contract files;
- b. Participate in interviews of contracting personnel and other activities as assigned by the Team Leader; and
- c. Participate in the drafting of the Surveillance Review report.

As Team Members may have a diverse background as subject matter experts, their expertise may be utilized by the Team where needed in the review of the files.

Chapter 7: Site Selection Criteria for Surveillance Review

1. How Are Surveillance Review Sites Selected?

The Headquarters' Office of Government Contracting, in cooperation with the Area Directors, will determine which Contracting Activities will be subject to a Surveillance Review in the upcoming Fiscal Year. The following factors will be considered in selecting Contracting Activities for Surveillance Review:

- a. The Contracting Activity's, for the current and previous Fiscal Year, contracting spend, small business actual spend, small business eligible spend and small business opportunity spend. Buying activities will be sorted and prioritized on a nationwide basis, based upon its small business spend and small business opportunity. Buying activities that have a resident or liaison PCR will be filtered out and buying activities that have had a surveillance review in the past two years will be filtered out;
- b. The Contracting Activity's mission and acquisition workload;
- c. Small business program goal achievement and overall level of small business participation over the past two Fiscal Years;
- d. Experience indicating known or potential problems (e.g., PCR knowledge of significant problems, nature and number of complaints from the small business community about a Contracting Activity, District Office experience with the Contracting Activity, etc.);
 - 1) Changes in a Contracting Activity's acquisition policy;
 - 2) Input from SBA's 8(a) Business Development staff (HQ and/or field);
 - 3) Data on 8(a) contracting activity;
 - 4) Errors identified in GC's anomaly reports, considering the nature of errors identified, the number of errors in relation to the total number of related actions, potential dollar impact, etc.; and
 - 5) Area Director will discuss with the PCR other areas of consideration.

SBA Headquarters will notify and coordinate with the Small Business Headquarters Office of the appropriate Federal Agencies or Departments about the Surveillance Review schedule.

Chapter 8: Surveillance Review Team Selection

The Area Director selects the Surveillance Review Team Leader. Together, they strategically select the members of the Team to include the assigned PCR and a CMR. The Area Director will coordinate with the District Director regarding 8(a) Program personnel participation. However, any SBA Government Contracting employee may be selected by the Area Director to be a part of the Surveillance Review team.

Chapter 9: Advance Planning for a Surveillance Review

1. As Team Leader, How Do You Plan for the Surveillance Review?

- a. Before scheduling a Surveillance Review, the Team Leader should allow enough time to:
 - 1) Contact the Contracting Activity to schedule the Surveillance Review and confirm the dates at least 60 days prior to the Review;
 - 2) Prepare a letter for the Area Director's signature requesting the Contracting Activity to provide the information and documentation listed in the "Surveillance Review Preparation Checklist and Request for Information" (Appendix 11) that is sent to the Contracting Activity as part of the coordination letter to the Head of the Contracting Agency (HCA) (see Section 2 below). Additionally, ensure that courtesy copies are sent to the Director of Contracting or equivalent (when the HCA is not physically located where the review is to take place), the Small Business Specialist at the Contracting Activity, the District Director, and the SR team members;
 - 3) Obtain information from the Contracting Activity for your evaluation prior to the Review;
 - 4) Contact the Surveillance Review Team Members to discuss each member's role; and
 - 5) Prepare the Report after the Review, including coordinating with Team Members and obtaining the AD's approval. The report is due in Headquarters 30 days after the exit briefing.
 - 6) See Appendices 13a-h for sample letter for appropriate action.
- b. You should spend sufficient amount of time to review the information and documentation received in the "Surveillance Review Preparation Checklist and Request for Information" prior to visiting the Contracting Activity. Also, you should review a list of contracts or contract award actions for the period covered by the review. Taking into account the number of team members participating and the agreed upon allotted time to conduct the Review, select a sample size of a minimum of 25 contracts to assess the activities' implementation of SBA's small business programs. To ensure that the sample selection is weighted toward the high dollar contracts, select the top 7 contracts with the highest dollar value for review and then randomly select at least 18 contracts from the remaining contracts.. Notify the Contracting Activity of the contract files and logs required for review prior to visiting the Contracting Activity. The AD and Team Leader will determine the appropriate days required on-site to conduct the Review. You should exercise caution to avoid scheduling a Surveillance Review at the beginning of the Fiscal Year before the SBA has received funding or during September when such a review would interfere with a Contracting Activity's end-of-year procurements.

2. As Team Leader, How Do I Schedule a Surveillance Review?

You must contact the Contracting Activity to set the dates for the Surveillance Review, request the information and documentation required in the “Surveillance Review Preparation Checklist and Request for Information,” (Appendix 11) and schedule the Entrance telephone conference call and the Exit Briefing. At least 60 days prior to the Review, the AD must send a coordination letter and the “Surveillance Review Preparation Checklist and Request for Information” to the HCA about the Surveillance Review. In the letter, the AD should:

- a. Confirm the dates of the Review;
- b. Name the SBA Team Leader and request that the “Surveillance Review Preparation Checklist and Request for Information” be sent to you;
- c. Advise the Contracting Activity that you will schedule a telephone conference call* for the Entrance Briefing upon receipt of the “Surveillance Review Preparation Checklist and Request for Information;”
- d. Describe the purpose of the Surveillance Review;
- e. Discuss the areas that will be evaluated;
- f. Note the scope of the Review, which should cover at least two Fiscal Years;
- g. Identify the Team members;
- h. Request (or confirm, if known) a point of contact to coordinate:
 - 1) Information and documentation needed before the site visit (“Surveillance Review Preparation Checklist and Request for Information”);
 - 2) Work area requirements, including desk space and phone access; and
 - 3) Access issues (e.g., security clearances, computer access if Contracting Activity records are all electronic).
- i. Request a listing of all 8(a) contracts awarded or “modified” using delegated contracting authority during the prior full Fiscal Year and the current Fiscal Year, including the dollar amount of contracts, contractors, the duration of each contract, and the type of work. Additional information may also be requested such as the NAICS codes applicable to the contracts, a list of subcontractors, a description of what measures the Contracting Activity has taken to ensure compliance with subcontracting limitations and other 8(a) requirements, and whether the contracts were performed by joint ventures or mentor-protégé teams;
- j. Send a copy of the letter to the Contracting Activity Small Business Specialist and to all Team Members; and

- k. Follow-up with the HCA and/or the Director of Contracting and the Small Business Specialist a few days after the Area Director sends the coordination letter.

The Team Leader should prepare for the review by doing the following:

- a. Reviewing previous surveillance review reports and discussing observations about the strengths and weaknesses of the contracting activity's small business program with the team;
- b. Contacting the Small Business Specialist and other Contracting Activity personnel (e.g., Director of Contracting) before the actual review as necessary. Advise the Area Director before scheduling any pre-review conference calls or meetings at the Contracting Activity;
- c. Researching acquisition regulations and procedures that apply to the Contracting Activity;
- d. Coordinating with the point of contact about Surveillance Review activity (e.g., obtaining contract files, and interviewing contracting personnel by telephone);
- e. Requesting the presence of the Director of Contracting, Small Business Specialist, Competition Advocate, Technical Director, as appropriate, at the telephone conference call/Entrance Briefing;
- f. Coordinating with Team Members about the review. You should consider the knowledge and work experience of Team Members when assigning review tasks; and
- g. With respect to 8(a) contracting activity:
 - 1) Identifying companies the Contracting Activity routinely or excessively uses, with the intent of providing the name(s) of alternate firms that have received few or no contracts from the Federal government; and
 - 2) Selecting a representative sample of 8(a) contracts for review (see paragraph 2i above). The representative sample of 8(a) contracts should be sufficient for the Team to draw meaningful conclusions.

3. What Portions of the Review Should I Conduct From My Post-of-Duty?

You should conduct portions of the Review from your post-of-duty by doing the following:

- a. Reviewing a list of contracts or contract award actions for the period covered by the Review and selecting a representative sample of contracts for review; Conducting the telephone conference call/Entrance Briefing*;
- b. Reviewing and analyzing the information and documentation submitted by the Contracting Activity in the "Surveillance Review Preparation Checklist and Request for Information" package;
- c. Conducting telephone interviews of Contracting Officers, Small Business Specialists, and other Contracting Activity personnel*;
- d. Determining if other documentation is required and if follow-up in-person interviews are required;
- e. Notifying the Contracting Activity if additional documentation and interviews are required;

- f. Notifying the Contracting Activity of the contract files and logs required for review and scheduling an on-site review date at which time all the additional documentation and people (if any), files, and logs will be available for your review in the morning, if feasible; and
- g. Scheduling an Exit Interview on the same date as the on-site Review concludes. If this is not feasible, the exit briefing should be conducted within five days after the completion of the on-site review.

*All telephone conference calls/interviews may be conducted in person.

Chapter 10: Contract Selection for Surveillance Review

1. How Do I Select Contracts to Be Reviewed?

Contracts shall be selected from the list provided by the Contracting Activity. Recognizing that the number of contract files varies by Contracting Activity, it is recommended that you select an appropriate number of files sufficient to detect significant trends and to make sure that your findings are valid. You should obtain appropriate information from the Contracting Activity to make sure that your selection includes a. through h. as outlined below. (For example, request a printout of all Contract Action Reports (CAR) submitted to FPDS-NG of more than the Simplified Acquisition Threshold, indicating contract number, award amount, contractor name and business size, type of action, NAICS code, synopsis code, type of set-aside and subcontracting plan information). See Chapter 9, 1.b.

- a. Awards to large business over and under the Simplified Acquisition Threshold (SAT);
- b. Contracts for mission and base support operations;
- c. Contracts for construction, supplies, research and development, and services of varying complexity;
- d. Contracts of various types, including fixed-price, time and material, cost-reimbursement, and indefinite delivery;
- e. Awards to large business over the subcontracting plan thresholds, including those where contract administration functions are retained by the Contracting Activity;
- f. Awards subject to special regulations or procedures;
- g. Contracts for consolidated/bundled services; and
- h. With respect to 8(a) contracting activity, the selection should include:
 - 1) Contracts involving various procurement needs, such as mission and base support operations, construction, supplies, research and development, etc.; and
 - 2) Various types of contracts, including fixed price, time and materials, cost-reimbursement, and indefinite delivery. Enough files should be selected to permit detection of significant trends and to establish valid findings.
- i. A minimum of 25 contracts shall be selected for review.

(See Appendix 14 for sample questions for the Analysis of Contract Files.)

Chapter 11: Surveillance Review Entrance and Exit Briefing

1. How Do I Conduct an Entrance Briefing?

Upon receipt of the “Surveillance Review Preparation Checklist and Request for Information” package from the Contracting Activity, the Team Leader schedules and conducts a telephone conference call/Entrance Briefing by:

- a. Introducing the team members;
- b. Discussing the purpose, scope, and methodology of the surveillance review;
- c. Seeking information on areas of special concern to the Activity acquisition managers, Small Business Specialist, and the HCA;
- d. Discussing how the Report will be prepared and issued; and
- e. Confirming the date and time of the Exit Briefing.

2. How Do I Conduct an Exit Briefing?

- a. Although it is preferable to conduct the exit briefing on a face-to-face basis, it can be conducted via telephone conference call. Before conducting the Exit Briefing, you must advise the AD about your preliminary assessment (e.g., general program strengths and weaknesses, issues of non-compliance). With respect to evaluation of 8(a) compliance, also advise the cognizant District Director.
- b. At the Exit Briefing you should:
 - 1) Discuss significant deficiencies and program strengths identified during the Review, including any 8(a) issues;
 - 2) Solicit comments about the Surveillance Review (make a note of any forthcoming corrective action, and offer to accept rebuttals within a reasonable time);
 - 3) Discuss how the rating will be developed after a thorough analysis of the findings;
 - 4) Recognize those Contracting Activity personnel who assisted the Team during the review; and
 - 5) Explain how the report is prepared and processed, i.e., within 30 days, the findings and data are analyzed and the report is prepared and coordinated with the Area Director for submittal to SBA HQ. After review at SBA HQ, the final report is sent to the agency SB Program Office Director with a copy to the HCA.
- c. At the Exit Briefing you must **not**:
 - 1) Discuss the proposed rating with Contracting Activity personnel;
 - 2) Belabor major or minor deficiencies; or

- 3) Argue about any issues. If applicable, acknowledge that the points raised by the Contracting Activity will be considered before the final Report is written.

Chapter 12: Interview Questions for Surveillance Review

1. Why Do I Interview Contracting Activity Personnel?

You should interview Contracting Activity personnel by using the sample questions in Appendix 15. The purpose of this process is to:

- a. Determine the effectiveness of training programs, including a determination of what percentage of Contracting Officers and Contracting Officer Technical Representatives obtain training on small and disadvantaged contracting procedures, both initially and on a refresher basis, and how frequently such refresher training occurs;
- b. Assess program and management emphasis on small business issues; and
- c. Highlight areas of weakness or strength in the Activity's overall small business program that may not be apparent from written records.

Chapter 13: Surveillance Review Report

1. How Do I Prepare the Surveillance Review Report?

- a. You will use the Surveillance Review Report format (see Appendices 16a and 16b) as a guide in preparing the Report. The Report should be provided to your AD within 25 days after the Exit Briefing to allow the AD time to review the report and recommend changes before it is forwarded to Headquarters. The AD must then forward an electronic copy to Headquarters within 30 days after completion of the Exit Briefing.
- b. The Report should be logical and follow the prescribed format. For example, list all deficiencies and recommendations in the appropriate section of the Report. Each recommendation shall be numbered sequentially and include your recommended course of action for correcting the specific deficiency. Avoid personal opinions. All deficiencies and recommended corrections must be tied to a specific statute, regulation, or policy. A summary listing the numbered deficiencies and recommendations must be included with the report.
- c. Every Report must address bundling and what the Contracting Activity is doing regarding bundling.
- d. Every Report must include a listing of all the acquisition files reviewed.
- e. The Report should be accompanied by a draft cover letter, which contains the address of the HCA, and names of those deserving special mention (see Appendices 15a and 15b).
- f. The report must include reference to all information provided in the Compliance Procedures for Surveillance Review Reports (see Appendix 17) and the following:
 - 1) Names of reviewers and review date(s);
 - 2) Scope of the review, including specific contracts reviewed and personnel interviewed;
 - 3) Findings from the contracts according to the items listed above; and
 - 4) Findings and recommendations from interviews with staff.

2. What Ratings Do I Assign to a Contracting Activity?

There are five possible ratings you can assign to a Contracting Activity. Your Report must clearly support the rating you assign. The ratings are:

a. **Outstanding**

- 1) The majority of all assigned socio-economic goals should have been achieved.
- 2) Small business concerns are afforded the maximum opportunity to participate in the acquisition process.
- 3) The contracting activity has achieved the most aggressive small business goal percentages.

- 4) The contracting personnel conduct effective market research and document their results for appropriate set-asides.
- 5) All contract files contain properly executed “Small Business Coordination Records” and documentation that provides the rationale as to why a particular acquisition was not-set-aside for small business participation, if applicable.
- 6) The Contracting Activity requires on-going small business program training for all SBS and contracting personnel.
- 7) Contract file documentation clearly provides the steps taken to ascertain small business sources of all categories.
- 8) The Small Business Specialist (SBS) promotes the Small Business Program through means of training, participation in outreach events with local, state and federal agencies.
- 9) The Contracting Activity has an effective internal management review system that continually assesses its Small Business Program.

b. Highly Satisfactory

- 1) All statutory goals achievements should show significant improvement over the last two years.
- 2) The Contracting Activity has an extensive outreach and training program.
- 3) The Contracting Activity has a good overall understanding and implementation of the requirements to support the Small Business Office and small business community.
- 4) The Small Business Office develops plans, policies, and procedures to implement socio-economic programs.
- 5) The Small Business Office monitors and evaluates the impact of contracting operations on small business programs throughout the year to ensure it meets Congressional intent.
- 6) The Small Business Office is well established and staffed with the adequate amount of employees to perform its mission.
- 7) The Small Business Program is fully supported by its senior management and has been highly successful in setting aside a portion of its overall requirements for the small business community.
- 8) The Small Business Office encourages participation by the small business firms, as well as those firms that are classified under other socio-economic categories.

c. Satisfactory

- 1) No major deficiencies which affect the ability of small business to participate in the Contracting Activity's acquisition process.
- 2) Staffing deficiency in the Small Business Office.
- 3) Contracting personnel should receive periodic comprehensive small business program training.
- 4) The Small Business Office should provide guidance and training to contracting personnel regarding policies and procedures for conducting market research.
- 5) The Contracting Activity must ensure that applicable procurements are transmitted to the Government-wide Point of Entry.
- 6) The Contracting Activity shall ensure the coordination and documentation (e.g., Small Business Coordination Record, DD Form 2579) for all procurements as required.
- 7) No apparent verification that SBA was provided a copy of the 8(a) award document after contract award.
- 8) Ensure that appropriate documentation is distributed accordingly and clauses are included in contract files.
- 9) Procurement professionals should document the files to verify that market research was conducted.

e. Marginally Satisfactory

- 1) A negative trend or deficiency which is serious in nature.
- 2) Small business concerns are afforded a limited opportunity to participate in the Contracting Activity acquisition process.
- 3) The Contracting Activity procurement data may not be totally reliable based on inaccurate socio-economic and size data being reported to the Federal Procurement Data System – Next Generation. As a result, small business goal achievements may be suspect as they may be misrepresented by being overstated.
- 4) A majority of the acquisitions awarded by the Contracting Activity are directed sole source awards utilizing omnibus multiple-award contracts.
- 5) Procurement professionals should document the files to verify that market research was conducted.

f. Unsatisfactory

- 1) A small business is being denied an opportunity to participate in the acquisition process due to anti-small business bias, unreasonable policies, or any other significant impediments in violation of applicable rules and regulations.
- 2) The Team is unable to gain access to a Contracting Activity to conduct a Surveillance Review despite repeated attempts.
- 3) Contracting Activity fails to provide complete small business contract award data. (Complete, dependable, timely and quality data are the keystones to informed decision making and oversight of the Federal procurement system. A buying office's procurement data must be the authoritative source of information that allows managers and the SBA PCR to make knowledgeable business decisions, particularly as it pertains to enhancing small business participation).

3. Guidelines on identifying Major Deficiencies at a Contracting Activity:

- a. Failure to obtain subcontracting plan.
- b. Contracting Officer should verify socio-economic data elements are accurate.
- c. Flawed market research.
- d. Contracting Activity shall ensure all required small business clauses are included in the solicitation and contracts accordingly.
- e. Contracting Activity shall ensure coordination and documentation of the small business coordination record (e.g., DD Form 2579).
- f. The Contracting Activity must remove language that is found to be contradictory and not useful to the small business program to ensure compliance with the Federal Acquisition Regulations (FAR).
- g. The Contracting Activity must ensure that applicable procurements are transmitted to the Government-wide Point of Entry.

4. Guidelines on Identifying Minor Deficiencies at a Contracting Activity:

- a. Staffing deficiency in the Small Business Office.
- b. The Small Business Officer should provide guidance and training to contracting personnel regarding policies and procedures for conducting market research.
- c. No apparent verification that SBA has been provided a copy of the 8(a) award document after contract award.
- d. Ensure that appropriate documentation is distributed accordingly and clauses are included in contract files.

- e. Procurement professionals should document the files to verify that market research was conducted.
- f. Prior to the assignment of a rating, the Team Leader must discuss the basis for the proposed rating with the AD. The Surveillance Review Team members should be allowed to offer their recommendations with respect to any rating proposed by the Team Leader.
- g. Whether an Activity met or did not meet its goals should not be the sole basis for the assignment of the rating. You must evaluate how the goals are assigned and how realistic they are after taking into consideration the types of supplies and services that are being acquired. For example, a 20% SB goal may be a very aggressive goal at an R&D Contracting Activity, while a 50% SB goal at a Contracting Activity involved primarily in construction might not be challenging at all. Also take into consideration the efforts undertaken by the Contracting Activity to enhance small business participation.

5. How Is the Report Distributed?

The Office of Government Contracting at SBA Headquarters will approve the Report before sending it to the appropriate Office of SB Programs/SADBU Director. Headquarters will also send copies of the cover letter and final Report, within 60 days of Surveillance Review completion, to the AD, HCA, all Team members, the DD, and the cognizant PCR (if applicable). To ensure that SBA speaks with “one voice,” and that only the final officially-approved Report is circulated, you must not provide the Contracting Activity with a “draft” copy of your report.

Chapter 14: Record Retention for Surveillance Review

The Team Leader shall be responsible for collection and orderly retention of all Surveillance Review material and forwarded to the Area Office for on-site retention for no less than three years. After which, documents may be scanned and retained in electronic format and hard copies shipped to the records retention center.

All final Reports including the cover letter shall be posted on the GC SharePoint site for future reference by GC personnel. It shall be the policy of the Office of Government Contracting not to share these reports with outside agencies.

The Surveillance Review Team Leader must forward the backup documentation to the Area Director after Headquarters issues the Report.

Appendix 1: Plan of Operation



U. S. SMALL BUSINESS ADMINISTRATION Office of Government Contracting Area

U.S. Department of the Interior
Bureau of Reclamation
Acquisition & Assistance Management Division
Lower Colorado Regional Office
PO Box 61470
Boulder City, NV 89006-1470

Fiscal Year 2010

Your Name
Procurement Center Representative (PCR)
Area VI – City, State, Zip Code
01 October 2009 – 30 September 2010

Purpose: To outline how the PCR will aid, counsel, assist and protect the interest of small businesses at the Department of Interior, Lower Colorado Regional Office, Boulder City, Nevada.

Products/Services Procured:

The primary mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public and Managing Water in the West.

The authority and responsibility vested in the Secretary ([205 DM 11.1A](#)) and delegated to the Assistant Secretary-Water and Science (205 DM 11.2A) is re-delegated to the Commissioner, (255 DM 3.1H) Bureau of Reclamation, to act as the Head of the Contracting Activity (HCA). Additionally as authorized by the Reclamation Acquisition Regulations, the HCA is further defined as: (1) The Commissioner, Bureau of Reclamation; and (2) the Director, Management Services Office, 84-27000.

The Department of Interior Acquisition Regulations (DIAR 1401.603-1) create a regulatory re-delegation of contracting authority to the Bureau Procurement Chief (BPC) who is authorized to select, appoint, and terminate Contracting Officer's authority to individuals. By regulation (DIAR 1402.101) the BPC is defined as the senior GS-1102 official in a bureau, and is further defined for Reclamation (WBR 1402.101) as the Manager of Acquisitions and Assistance Management Division (AAMD).

Effective Date: 10/27/13

The BPC appoints the Chief of the Contracting Office (CCO) to the senior GS-1102 Contracting Officer within a contracting office. By definition, a CCO is the senior GS-1102 official in each Reclamation regional contracting office including the acquisition Denver acquisition operations group, 84-27810 (DIAR and WBR 1402.101).

The following is a Plan of Operation for the Lower Colorado Regional Office, Boulder City, Nevada, for the Fiscal Year 2010 and is submitted in compliance with SBA Standard Operating Procedures 60-02-7, Chapter 2, Paragraph 2 a.

Guidance:

- SBA PL [SBA Public Law P.L. 110-246](#)
- OSDBU <http://www.doi.gov/pmb/osdbu/index.cfm>
- DOI PA <http://www.doi.gov/pmb/osdbu/upload/Partnership-Agreement-with-SBA.pdf>
- FAR 19.4 [FAR 19.4 Cooperative with the Small Business Administration](#)
- DIAR http://www.doi.gov/pam/DIAR_1419.html
- DIAPR [Direct Awards to 8\(a\) DIAPR 2010-03.pdf](#)
- DIAPR DOI Acquisition Release Policy
<http://www.doi.gov/pam/programs/acquisition/diapr.cfm>
- DIAPR [DIAPR 2009-14 - WAIVER 8\(A\) Below the Competitive Threshold for ARRA.pdf](#)
- RAR http://www.usbr.gov/mso/aamd/downloads/BOR_RAR.doc#anchor1419
- BUDMS <http://www.usbr.gov/mso/aamd/budms/>
- CFR 125 [CFR 125 - Government Contracting](#)
- Non-MFR Rule [Non-MFR Rule Facts](#)
- Business Acq Services <http://www.aqd.nbc.gov/Business/AcqResources.aspx>
- DOI Green Goals <http://www.doi.gov/greening/procurement/index.html>
- Prime Contractor:

FY 09 DOI/BOR Goals Obtained: <http://www.doi.gov/osdbu/>

	** Dollars Obligated		% of Total Obligations	FY'09 Annual Goals	Pct. Above/ or Below Goal
TOTAL	\$473,366,402				
Small Business	\$225,496,365	SB	47.64%	50.0%	-2.36%
- SDB Program	\$134,164,423	SDB	28.34%	15.0%	13.34%
* 8(a) Program	\$55,526,751	8(a)	11.73%	7.0%	4.73%
- HUBZone	\$90,095,429	HZ	19.03%	7.0%	12.03%
- Women Owned	\$48,002,965	WOB	10.14%	7.0%	3.14%
- Service Disabled Veteran	\$13,006,949	SDV	2.75%	3.0%	-0.25%

* 8(a) dollars are included in SDB dollars as a subset.

** Current dollars EXCLUDES Other Funding Agencies.

Website: <http://www.usbr.gov/>

Type of PCR Location: Liaison

Contacts:

HCA	Elizabeth Cordova-Harrison Director of Management Services Office eharrison@do.usbr.gov	(303) 445-2783
OSDBU	Mark Oliver Director, Office of Small and Disadvantage Business Utilization (OSDBU) Mark_oliver@ios.doi.gov http://www.doi.gov/osdbu/	(202) 208-3493
Small Business Program Manager Specialist	Sandy Williamson HQ's Business Utilization and Development awilliamson@usbr.gov	(303) 445-3431
Small Business BUDS	Sherry Gossett Lower Colorado Regional Office Business Utilization and Developments Specialist (BUDS) sgossett@usbr.gov	(702) 293-8348
Senior Procurement Executive	Deborah Sonderman, Director Acquisition and Property Management ideas@ios.doi.gov http://www.doi.gov/pam/	(202) 208-6352
FOIA Officer	Casey Snyder Bureau of Reclamation – FOIA Officer csnyder@do.usbr.gov	(303) 445-2048
Competition Advocate	Diana Terrell (open ended) dterrel@usbr.gov	(303) 445-2349

The following is a description of my duties and responsibilities as the assigned Liaison Procurement Center Representative (PCR) for the Lower Colorado Regional Office, Bureau of Reclamation.

Review purchase requests not set-aside for small businesses in excess of \$25,000. Both in process and post process purchase requests are maintained in the PCR's agency folders. Review the reason for not setting aside a procurement as a small business set-aside, HUBZone sole source or HUBZone set-aside, 8(a) sole source or 8(a) competitive, or Service-Disabled Veteran-Owned Small Business (SDVOSB) sole source or set-aside, Woman-Owned/Economically Disadvantaged Woman-Owned Small Business (WOSB/EDWOSB) sole source or set-aside and if in agreement with the non-set aside action, sign and date the Department of Interior Acquisition Screening and Review Form (DI-1886).

Effective Date: 10/27/13

50

Alerts small businesses of acquisition opportunities when appropriate by forwarding via email FedBizOpps synopses and providing the website for Advance Acquisition Planning. Provides sources as developed from an experience file (firms counseled), the System for Award Management (SAM), Dynamic Small Business Search database, or from other contractors in that field.

On a sampling basis, reviews small business set-aside procurements and provides additional sources where practicable.

Reviews the synopsis file where appropriate to assure awareness of all contemplated procurement actions. Reviews bid abstracts and Request for Proposal (RFP) results for procurements not set-aside for small business in excess of \$25,000.

Resolves problems regarding procurement actions and small business sources through the Contracting Officer, Office of Small and Disadvantage Business Utilization (OSDBU) and HCA.

Meet annually or more often if necessary with the Head of Contract Activity (HCA) or Chief of Contracts Office (CCO) to discuss the Small Business Program. Document each visit by "Memorandum to File" and forward a copy to the Program Manager and Area Director (AD). Inform the HQ's BUDS of the meeting so that he/she may attend. Forward a copy of the documentation to the Area Director of Government Contracting, and Supervisor of Area VI, of the meeting. Maintain contact with contracting officers and buyers to determine the status of acquisitions in process and to keep them aware of their commitment to small, HUBZone small, small disadvantaged, women- owned small, veteran-owned small, and service disabled veteran-owned small business in accordance with the FAR and the [Small Business Act - PL 110-246](#).

Discusses potential 8(a) contracts with the BUDS where appropriate, reviews these procurements with the Area Director Business Development (AD/BD) Specialist and Supervisors to determine the availability of 8(a) contractors to handle these requirements before requesting an 8(a) set-aside from the agency. At least once annually, invites the local AD/BD to accompany the PCR to a meeting with the OSDBU and HCA to discuss 8(a) program issues and methodologies to increase procurement opportunities for those firms.

Encourages the HQ OSDBU and field offices to sponsor meetings or seminars periodically for small business contractors or potential contractors to discuss procurement matters and facilitate small business access to procurement opportunities.

Requests the Supervisor's and AD/GC's participation in seminars, conferences and other forums affecting small business. Keeps GC management and the District Director informed as to contacts with [Congressional Notification](#) members of Congress as they affect the buying activity.

Obtains annual statistics for the SBA reports and other information as needed.

Issues formal/informal [SBA Forms 70](#) when appropriate, and appeals unwarranted rejections for [SBA Forms 70](#) to the HCA and the Secretary of the Service, after coordination with the Supervisor and the AD/GC.

Recommends the division of bundled and consolidated acquisitions performs sufficient in-depth analysis to support secretarial appeals as appropriate, fills out bundling alert forms and notifies the Supervisor. Documents all bundled actions on [SBA Form 1970](#). All PCR-provided training for buying office staff includes segments on bundling.

Provides counseling to representatives of small business. Ascertains company qualifications and identifies appropriate buyers and engineers for firms to market. Offers advice that would enable firms to obtain government contracts.

Introduces 8(a) firms seeking their first 8(a) contract to appropriate contracting/technical personnel and provides opportunities to those firms to self-market at PCR monitored buying activities.

Reviews procurement actions for compliance with Sections 8(d) and 15(j) of the [Small Business Act PL 110-246](#).

Reviews subcontracting plans submitted by prospective prime contractors, in accordance with Section 8(d) of the Small Business Act. Provides advisory comments concerning these plans to the contracting officers. Provides potential SB, VOSB, SDVOSB, HUBZone SB, SDB and WOSB sources to large business primes.

Works with Commercial Marketing Representatives (CMRs), Small Business Liaison Officers (SBLOs), Administrative Contracting Officers (ACOs, and/or Procurement Contracting Officers (PCOs) regarding the implementation of [Section 211 of Public Law 95-507](#) subcontracting requirements. Familiarizes agencies and interested parties with [SBA SUB-Net](#).

Periodically reviews the buying activity's simplified acquisition procedures.

Researches acquisition and/or technical issues, ambiguities, etc. and takes appropriate actions to protect small business.

Reviews the following buying activity forms and reports:

Department of Interior Acquisition Screening and Review Form (DI-1886) - All full and open competition requirements > \$ 25,000.

Federal Procurement Data Systems – Next Generation (FPDS-NG) Reports (Quarterly and Annually) - <https://www.fpds.gov/>.

Electronic Subcontracting Reporting System (eSRS) – In negotiated acquisitions, each solicitation of offers to perform a contract or contract modification, that individually is expected to exceed \$ 650,000 (\$1,500,000 for construction) that has subcontracting possibilities. <http://www.esrs.gov/>

21. Reviews electronic solicitations received via email from Acquisition personnel.

PCR Name
Procurement Center Representative

Date Submitted:

THRU:

PCR Supervisor
Deputy Area Director of Government Contracting
Area VI

Date Reviewed:

APPROVED:

James Gambardella
Area Director of Government Contracting
Area VI

Date Approved

Appendix 2a: Small Business Coordination Record (DD-2579)

SMALL BUSINESS COORDINATION RECORD			REPORT CONTROL SYMBOL DD-AT&L(AR)1862
1. CONTROL NO. (Optional)	2. PURCHASE REQUEST NO./ REQUISITION NO.	3. TOTAL ESTIMATED VALUE (including options)	4. SOLICITATION NO./CONTRACT MODIFICATION NO.
5. BUYER			
a. NAME (Last, First, Middle Initial)		b. OFFICE SYMBOL	c. TELEPHONE (Include Area Code)
6. ITEM DESCRIPTION (including quantity)			6a. FEDERAL SUPPLY CLASS/SERVICE (FSC/SVC) CODE
7. TYPE OF COORDINATION (X one)		8. SMALL BUSINESS SIZE STANDARD	
<input type="checkbox"/> INITIAL CONTACT <input type="checkbox"/> MODIFICATION <input type="checkbox"/> WITHDRAWAL		a. NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) CODE	b. NO. OF EMPLOYEES c. DOLLARS
9. RECOMMENDATION (X as applicable)		10. ACQUISITION HISTORY (X one)	
YES <input type="checkbox"/> NO <input type="checkbox"/> (If all recommendations are "No." explain in Remarks.)		a. FIRST TIME BUY	
a. SECTION 8(a) (X one) <input type="checkbox"/> (1) COMPETITIVE <input type="checkbox"/> (2) SOLE SOURCE		b. PREVIOUS ACQUISITION (X all that apply)	
b. SMALL DISADVANTAGED BUSINESS (SDB) SET-ASIDE		<input type="checkbox"/> (1) SECTION 8(a)	
c. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES/ MINORITY INSTITUTIONS (HBCU/MI) SET-ASIDE (List percentage) %		<input type="checkbox"/> (2) SDB SET-ASIDE	
d. SMALL BUSINESS (SB) SET-ASIDE (List percentage) %		<input type="checkbox"/> (3) HBCU/MI SET-ASIDE	
e. EMERGING SMALL BUSINESS SET-ASIDE		<input type="checkbox"/> (4) SB SET-ASIDE	
f. EVALUATION PREFERENCE FOR SDBs		<input type="checkbox"/> (5) OTHER (Specify)	
g. HUBZONE SET-ASIDE		<input type="checkbox"/> (6) TWO OR MORE RESPONSIVE SB OFFERS ON PRIOR ACQUISITION	
h. HUBZONE SOLE SOURCE		<input type="checkbox"/> (7) ONE OR MORE RESPONSIVE SDB OFFER(S) WITHIN 10% OF AWARD PRICE OF PRIOR ACQUISITION	
i. HUBZONE PRICE EVALUATION PREFERENCE		<input type="checkbox"/> (8) WOMAN OWNED SB	
11. SB PROGRESS PAYMENTS (X one)		13. SYNOPSIS REQUIRED (X one) (If "No." cite FAR 5.202 exception)	
<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO	
12. SUBCONTRACTING PLAN REQUIRED (X one)			
<input type="checkbox"/> YES <input type="checkbox"/> NO			
14. REMARKS			
15. REVIEWED BY SMALL BUSINESS ADMINISTRATION (SBA) REPRESENTATIVE		16. LOCAL USE	
a. NAME (Last, First, Middle Initial)			
b. SIGNATURE	c. DATE SIGNED (YYYYMMDD)		
17. CONTRACTING OFFICER (X one)		18. SMALL BUSINESS SPECIALIST (X one)	
<input type="checkbox"/> CONCURS <input type="checkbox"/> REJECTS		<input type="checkbox"/> CONCURS <input type="checkbox"/> APPEALS	
a. RECOMMENDATIONS (Document rejections on reverse side)		NOTE: Any change in the acquisition plan this coordination record describes will require return for re-evaluation by the SB specialist.	
b. NAME (Last, First, Middle Initial)		a. NAME (Last, First, Middle Initial)	
c. SIGNATURE	d. DATE SIGNED (YYYYMMDD)	b. SIGNATURE	c. DATE SIGNED (YYYYMMDD)

DD FORM 2579, DEC 2000

PREVIOUS EDITION IS OBSOLETE.

Appendix 2b: Small Business Coordination Record (DI-1886)

(U.S. DEPARTMENT OF THE INTERIOR) ACQUISITION SCREENING AND REVIEW FORM (DI Form 1886)

ACQUISITION PLAN										Page 1	
1. Date Prepared:			2. Purchasing Office Identification:				3. Solicitation/Requisition No:				
4. Description of Product or Service and Quantity:						4(b) Product Service Code					
						Code	Title				
						4(c) NAICS Codes					
						Code	Title	Size Standard			
4 (a) Required Source for Supplies or Services:					Yes	No					
If yes, enter number code (1(a), 2(b), etc.) from Instructions:											
5. Competition			6. Synopsis		7. Cost/Price (Estimate):		8. Solicitation Date (Estimate):		9. Response/ Bid Opening Date (Estimate)		
Competitive	Yes		Yes								
Non-Competitive (Attach Justification unless 8(a))	No		No								
10 Period of Performance:			Projected Base Period : From _____ To _____				Projected Option Periods : From _____ To _____				
11. A. Proposed Method of Procurement <i>check all boxes (a) through (f) that apply.</i>				B. Small Business Preference Program <i>(Check one box (g) through (m))</i>				C. Other			
(a) GSA-FSS Award <i>(Add Justification if large bus.)</i>				(g) 8(a) Program (FAR 19)				(n) HBCU/Min. Serv. Institutions (FAR 26)			
(b) Commercial Item (FAR12)				(h) HUBZone Set-Aside (FAR 19)				(o) Performance-Based Acquisition (FAR 37)			
(c) Simplified Acquisition Procedures (FAR 13)				(i) Service-Disabled Veteran-Owned Small Business (FAR 19)				(p) Sole Source (FAR 6)			
(d) Sealed Bidding (FAR 14)				(j) Veteran Owned Small Business				(q) Women Owned Small Business (FAR 19)			
(e) Negotiated (FAR 15)				(k) Total Small Business Set-Aside (FAR 19)							
(f) NOT Set-Aside				(l) Partial Small Business Set-Aside (FAR 19)							
				(m) Buy Indian (FAR 26)							
12. Composition of bidders/sources list, including results of an SBA Dynamic Small Business Search: http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm											
(a) Number of Small Businesses				(d) Number of Large Businesses							
(b) Number of Small Disadvantaged Businesses				(e) Number of Women-Owned Businesses							
(c) Number of HUBZone Businesses				(f) Number of Service-Disabled Veteran-Owned Businesses							
13. Basis for Proposed Method of Acquisition						(d) Not Set-Aside for Small Business because :					
(a) Not Set Aside for 8(a) because:						(1) Non-Competitive					
						(2) Insufficient number of qualified Small Businesses.					
						(3) See Acquisition History Below					
						(e) Partial Small Business Set-Aside NOT Appropriate (FAR-19.502-3)					
(b) Not Set Aside for HUBZone because:						(14) Contract Bundling (FAR 7.107)					
						If Yes, Substantial Bundling (FAR 7.104(d) (2)):				No	Yes
						If either is Yes, provide rationale for Bundling:				No	Yes
(c) Not Set-Aside for SDVOSB because:											

15 Subcontracting (FAR 19.7)						
(a) Subcontracting Plan FAR 19.702(a)(1)				Yes		No
(b) Clauses Included						
• FAR 52.219-8, Utilization of Small Business Concerns				Yes		No
• FAR 52.219-9, Small Business Subcontracting Plan				Yes		No
(c) Subcontracting Goals FAR 19.704(a)(1)				Yes		No
16. Has similar item/service been procured within past 3 years? (If yes, enter previous purchase order/contract number)						
No		Yes				
If yes, indicate method of acquisition (use codes from Block 11 above) and place of performance:						
16a. Method of Procurement:						
b. Preference program or other:						
c. Place of Performance:						
17. If competitive, indicate number of responses received from the following types of businesses for most recent procurement:						
Large	Small	Small/Disadv.	HUBZone	Women-Owned	SDVOSB	Other (Specify)
18. Date of Award	19. Total Cost/Price		20. Name, Address and DUNS of Contractor			
21. Type of Business of most recent award (check all that are applicable):						
Large	Small	Small/Disadv.	HUBZone	Women-owned	SDVOSB	Other (Specify)
22. Signature and Date:*						
Purchasing Agent/Contract Specialist (complete if different than the Contracting Officer)				Date		
Contracting Officer				Date		
Small Business Specialist				Date		
SBA Procurement Center Representative**				Date		

Note:

*By providing their signatures, representatives concur and verify that maximum practicable contracting opportunities were provided to Small, Small Disadvantaged, Women Owned, HUB Zone and Service-Disabled Veteran-Owned Small Business Concerns.

** If a SBA procurement center representative is not assigned to the procuring activity or contract administration office, contact the SBA Office of Government Contracting Area Office serving the area in which the procuring activity is located for assistance in carrying out SBA policies and programs. http://www.sba.gov/aboutsba/sbaprograms/gcbd/GC_PCRD1.html for the location of the SBA office servicing the activity. FAR 19.402 (2) (03/2011) DI-1886

Instructions: Acquisition Screening and Review Form (DI Form1886)

This form is used for acquisitions equal to or greater than the simplified acquisition threshold (SAT), for Federal Supply Schedule orders exceeding the SAT, where fewer than three small businesses are competing, and for actions above the micro-purchase threshold and below the SAT that are not reserved for small business or the 8(a) program.

Page 1

- Block 1 Date prepared
- Block 2 Name of office preparing Form.
- Block 3 Enter requisition number and solicitation number if known.
- Block 4 Accurately describe purchase.
- If a product, provide a plain English description, quantity, and delivery date. If applicable, enter the part number, model number, and manufacturer.
 - If a service, provide a plain English description of the type of service required, and place of performance.
 - Use the 5 "Ws" (Who, What, Where, When and Why)
- Block 4(a) In accordance with FAR 8.002 there are required sources for supplies and for services. In descending order of priority the required sources for supplies and services are listed below. If a required source is being utilized, enter the appropriate number code from below in accordance with FAR 8.002.
1. Supplies:
- 1a. Agency inventories,
 - 1b. Excess from other agencies (FAR 8.1),
 - 1c. Federal Prison Industries (UNICOR) (FAR 8.6),
- Supplies on Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program, formerly the Javits-Wagner-O'Day Program) (FAR 8.7),
- 1d. Wholesale supply sources,
 - 1e. Mandatory Federal Supply Schedules (FAR 8.4),
 - 1f. Optional use Federal Supply Schedules (FAR 8.4),
 - 1g. Commercial sources (including educational and nonprofit institutions)
2. Services:
- 2a. Services on Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne Program, formerly the Javits-Wagner-O'Day Program) (FAR 8.7),
 - 2b. Mandatory Federal Supply Schedules (FAR 8.4),
 - 2c. Optional use Federal Supply Schedules (FAR 8.4),
 - 2d. Federal Prison Industries (UNICOR) (FAR 8.6)
- Block 4b Enter the relevant Product or Service Code and its title from https://www.acquisition.gov/service_product_codes.pdf
Use the "notes" section or a continuation sheet for multiple line items.
- Block 4c Enter the relevant NAICS Code, and title from <http://www.census.gov/eos/www/naics/> Use the "Notes" section or a continuation sheet for multiple line items. For Size Standards refer to <http://www.sba.gov/contractingopportunities/officials/size/table/index.html>.
- Block 5 Indicate if the purchase is competitive or non-competitive.
- Block 6 Indicate if the purchase is synopsisized. If purchase is not synopsisized provide rationale.
- Block 7 Enter the government's cost estimate. Provide background information in the Notes Page if the reasoning behind the estimate is not apparent.
- Block 8 Enter the projected or actual solicitation date.
- Block 9 Enter the offeror or bidder due date.
- Block 10 Enter the projected contract performance period.

Column 11A	Check all applicable boxes.
Column 11B	Check applicable box to indicate the Small Business Preference Program applicable to the purchase.
Column 11C	Check all applicable boxes.
Block 12	Enter the number of contractors for each category. Summarize results of the SBA Dynamic Small Business Search in the Notes.
Block 13	Provide brief explanation why method of procurement was proposed. In boxes (d) and (e), indicate which rationales apply. If not set-aside, provide rationale for decision.
Block 14	Provide the rationale for contract bundling. If substantial bundling is involved, specify actions taken to reduce the detrimental impact to small business.

Page 2

Block 15	Under boxes (a) or (b) the acceptable reasons for a No answer are either that the anticipated value of the acquisition is below the dollar threshold or that the acquisition meets one of the exceptions of FAR 19.702(b). For all other No answers, provide an explanation in the Notes.
Block 16	Indicate whether the product or service has been purchased within the previous three years by the office preparing the Form. Enter the contract/order number(s) for the most recent purchases. In box (a), enter the method of procurement for the most recent purchase using the codes from Block 11A. In box (b), enter the preference program or other information applicable to the most recent purchase, using the codes from Block 11B and 11C. In box (c), enter the place of performance for the most recent purchase.
Block 17	If the most recent purchase was competitive, enter the number of offers received for categories indicated.
Blocks 18 through 20	Enter the date of award, total cost/price, and the vendor's name and address, including their Data Universal Numbering System (DUNS) identifier, for the most recent purchase.
Block 21	Check all the applicable boxes for the type of business that received the most recent award.
Block 22	The purchasing agent or contract specialist should sign first, and should submit for review by the CO. After the CO's signature, forward the form to the local SBS for review and signature. If PCR review is available, it will be obtained by the SBS. The purchasing agent or contract specialist should sign first, and should submit for review by the CO. After the CO's signature, forward the form to the local SBS for review and signature. If PCR review is available, it will be obtained by the SBS. If a SBA procurement center representative is not assigned to the procuring activity or contract administration office, contact the SBA Office of Government Contracting Area office serving the area in which the procuring activity is located for assistance in carrying out SBA policies and programs. The completed DI Form 1886 shall be placed in the solicitation file.

Page 3

Notes	Blank page may be used for continuation of blocks 1-22 if needed. Written explanations should be sufficient to understand rationale for decisions documented. Additional sheets may be attached if necessary.
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Appendix 4: Formal or Informal Form 70

	U.S. Small Business Administration Recommendation	
Acquisition Activity:		
Location:		
Solicitation No.	Value:	No. of Years:
Title of Solicitation:		
<p>On behalf of the U.S. Small Business Administration and in accordance with FAR Subpart 19.5, I recommend the following action, in accordance with the rationale on Page 2 or in the attached memorandum:</p> <p>A. total small business set-aside _____</p> <p>B. breakout action _____</p> <p>C. break-up and set aside the following services/components included in</p> <p style="padding-left: 20px;">item number _____, covering _____</p> <p style="padding-left: 20px;">CLIN/SIN _____, covering _____</p> <p>D. partial small business set-aside _____</p> <p>E. un-bundle items/services _____</p> <p>F. reconsideration of the acquisition strategy _____</p> <p>G. other action (i.e., restrictive specifications, mandatory subcontracting, etc.) _____</p>		
_____		_____
SBA, PCR Signature		Date
_____		_____
Concur		Nonconcur (justification attached)
_____		_____
Contracting Officer		Date
SBA Form 70 (6-98) Ref: SOP 60 02 Previous Edition Obsolete		



Appendix 5: SBA Form 1970 Bundling Alert Form

SBA Form 1970, "BUNDLING ALERT FORM"

(NOT FOR PUBLIC DISCLOSURE)

- (1) Date: _____ Interim Final
- (1a) Fiscal Year: _____ Quarter: _____
- (2) Procuring Activity: _____
- (3) SBA Case No: _____
- (4) Solicitation No.: _____
- (5) Description of Supplies/Services: _____
- (5a) Est. Dollar Value: Base Period: _____ Total Value: _____
- (6) Procuring Agency POC/Telephone: _____
- (7) Form 70 Filed? Yes No
Explain: _____
- (8) No. of Current Contracts/Requirements Being Bundled: _____
- (9) No. of Current Contract/Requirements Previously Set-Aside: _____
- (10) Type(s) of Contractors Performing Current Contracts (No.):

<u>SB</u>	<u>HZ</u>	<u>8(a)</u>	<u>WOB</u>	<u>SDV</u>	LB	OTHER
<input type="checkbox"/>						
- (11) No. of Bidders/Offerors on Current Contracts (No):

<input type="checkbox"/>						
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

SBA PCR Signature Name: _____ Date _____
Phone/Email: _____

SBA Form 1970 (4-96) (ref SOP 60 02)

Appendix 6: (Version 1) Checklist to Review a Subcontracting Plan for Completeness

Note: This format may also be used by prime contractors to evaluate subcontracting plans received from large business subcontractors under the flow-down requirement.

Subject: Advisory Comments on Subcontracting Plan for _____

Dear _____:

The subcontracting plan submitted by _____, is considered to be acceptable/unacceptable *{as applicable}*. The following checklist was used to determine compliance with applicable requirements:

Acceptable/Unacceptable

1. Offeror's plan did/did not {as applicable} include separate percentage goals (expressed in terms of percentage of total planned subcontracting dollars) for planned subcontracting to small, veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned small business concerns. (The offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect or overhead costs.)

As part of its establishment of percentage goals, the offeror shall include in its subcontracting plan:

- (a) A statement of:
 - (i) total dollars planned to be subcontracted;
 - (ii) total dollars planned to be subcontracted to small business concerns;
 - (iii) total dollars planned to be subcontracted to veteran-owned small business concerns;
 - (iv) service-disabled veteran-owned small business concerns;
 - (v) total dollars planned to be subcontracted to HUBZone small business concerns;
 - (vi) total dollars planned to small disadvantaged business concerns; and
 - (vii) total dollars planned to be subcontracted women-owned small business concerns.

(Note: A subcontract awarded to a small disadvantaged business concern which is also women-owned and a HUBZone small business concern would be included in (i),(ii), (v) and (vi) and (vii), above.)

Acceptable/Unacceptable

(b) Offeror's plan did/did not (as applicable) contain a description of all (including planned subcontracting to large business concerns) the principal supplies and services to be subcontracted, identifying those supplies and services where it is planned to use:

- (i) small business subcontractors;
- (ii) veteran-owned small business;
- (iii) service-disabled veteran-owned small business);
- (iv) HUBZone small business subcontractors;
- (v) small disadvantaged business subcontractors, and
- (vi) women-owned small business subcontractors.

Acceptable/Unacceptable

(c) Offeror's plan did/did not (as applicable) describe the method used to develop the subcontracting goals for:

- (i) small business concerns;
- (ii) veteran-owned small business;
- (iii) service-disabled veteran-owned small business
- (iv) HUBZone small business concerns;
- (v) small disadvantaged business concerns; and
- (vi) women-owned small business concerns.

Acceptable/Unacceptable/Not Applicable

(d) If the offeror includes indirect costs in establishing subcontracting goals, the offeror did/did not *{as applicable}* describe the method used to allocate the proportionate share applicable to this plan.

Acceptable/Unacceptable

2. Offeror's plan did/did not *{as applicable}* include the name of the employee responsible for administering its subcontracting plan, and furnish a description of his/her duties.

Acceptable/Unacceptable

3. Offeror's plan did/did not *{as applicable}* furnish a description of the efforts the offeror will take to assure that small, veteran-owned small business, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned small business concerns will have an equitable opportunity to compete for subcontracts.

Acceptable/Unacceptable

4. Offeror's plan did/did not *{as applicable}* contain assurances that it will include the clause entitled "Utilization of Small Business Concerns" (FAR 52.219-8) in all subcontracts which offer further subcontracting opportunities. Additionally, the offeror's plan shall contain assurances that it will require all subcontractors (except small business concerns) who receive subcontracts in excess of \$500,000 (\$1,000,000 if it a subcontract for construction services) to adopt a plan similar to the plan agreed to by the offeror. Such assurances shall describe the offeror's procedures for the review, approval and monitoring for compliance with such subcontracting plans.

Acceptable/Unacceptable

5. Offeror's plan did/did not *{as applicable}* contain assurances that it will:

- (i) cooperate in any studies or surveys as may be required;
- (ii) submit periodic reports in order to allow the Government to determine the extent of compliance by the offeror with the subcontracting plan;
- (iii) submit SF 294;

Subcontracting Report for Individual Contracts, and/or SF 295, Summary Subcontracting Report, in accordance with the instructions on the forms; and

- (iv) ensure that its subcontractors agree to submit standard forms 294 and 295.

Acceptable/Unacceptable

6. Offeror's plan did/did not *{as applicable}* include a recitation of the types of records it will maintain to demonstrate procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists, and a description of its efforts to locate small, veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned business concerns, and award subcontracts to them. The records shall include at least the following:

- (i) Source lists (e.g., CCR), guides and other data that identify small, veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned business concerns.

Acceptable/Unacceptable

- (ii) Organizations contacted in an attempt to locate sources that are small, veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged and women-owned business concerns.

Acceptable/Unacceptable

- (iii) Records on each subcontract solicitation over \$100,000, indicating:
 - (a) whether small business concerns were solicited, and if not, why not;
 - (b) whether veteran-owned small business were solicited, and if not, why not;
 - (c) whether service-disabled veteran-owned small business concerns were solicited, and if not, why not;

Effective Date: 10/27/13

- (d) whether HUBZone small business concerns were solicited, and if not, why not;
- (e) whether small disadvantaged business concerns were solicited, and if not, why not;
- (f) whether women-owned small business concerns were solicited, and if not, why not; and
- (g) if applicable, the reason award was not made to a small business concern.

Acceptable/Unacceptable

(iv) Records of any outreach efforts to contact trade associations and business development organizations, or participate in conferences and trade fairs, to locate small, veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged and women-owned small business sources.

Acceptable/Unacceptable

(v) Records of internal guidance and encouragement provided to buyers through:

- (a) workshops, seminars, training, etc., and
- (b) monitoring performance to evaluate compliance with the program's requirements.

Acceptable/Unacceptable

(vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor.

(Companies with company or division-wide annual plans need not comply with this requirement.)

Summary Paragraph

{Add comments as appropriate}

In accordance with FAR 19.705-5(a)(5) and 19.705-6(a) and (e), the contracting officer shall ensure that an acceptable subcontracting plan is incorporated into and made a material part of the contract.

If there are any questions, please contact me at _____.

Appendix 8: Proper Handling of Procurement Sensitive Information

The Procurement Integrity Act, 41 U.S.C. § 423, places restrictions on disclosing and obtaining contractor bid or proposal information or source selection information. That statute broadly states that anyone who:

- 1) is a present or former official of the United States, or a person who is acting or has acted for or on behalf of, or who is advising or has advised the United States with respect to, a Federal agency procurement; and
- 2) by virtue of that office, employment, or relationship has or had access to contractor bid or proposal information or source selection information shall not knowingly disclose that contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates. Thus, the Procurement Integrity Act applies not only to a "present or former official of the United States," but to any "person" who advised the United States with respect to that procurement.

The Federal Acquisition Regulation (FAR) provides further guidance on this issue. FAR § 3.104 defines "contractor bid or proposal information" to mean any of the following information submitted to a Federal agency as part of or in connection with a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

- 1) Cost or pricing data.
- 2) Indirect costs and direct labor rates.
- 3) Proprietary information about manufacturing processes, operations, or techniques marked by the contractor in accordance with applicable law or regulation.
- 4) Information marked by the contractor as "contractor bid or proposal information" in accordance with applicable law or regulation.
- 5) Information marked in accordance with FAR 52.215-1(e).

FAR § 2.101 defines "source selection information" to include information that is prepared for use by an agency for the purpose of evaluating a bid or proposal to enter into an agency procurement contract, if that information has not been previously made available to the public or disclosed publicly, including:

- 1) Bid prices submitted in response to an agency invitation for bids, or lists of those bid prices before bid opening;
- 2) Proposed costs or prices submitted in response to an agency solicitation, or lists of those proposed costs or prices;
- 3) Source selection plans;
- 4) Technical evaluation plans;
- 5) Technical evaluations or proposals;

- 6) Cost or price evaluations of proposals;
- 7) Competitive range determinations that identify proposals that have a reasonable chance of being selected for award of a contract;
- 8) Rankings of bids, proposals, or competitors;
- 9) Reports and evaluations of source selection panels, boards, or advisory councils;
- 10) Other information marked as “Source Selection Information - See FAR 2.101 and 3.104.”

This contractor bid or proposal information and source selection information is often referred to as procurement-sensitive information. Basically, any information that is not available to the public but is available to the PCR should be considered procurement sensitive information. PCRs are required to protect procurement sensitive information, the release of which could give an unfair advantage to the recipients of that information and have a serious effect on the overall integrity of the government’s procurement processes. Most of the information that the PCR reviews, or is asked by the agency to consider or discuss, which involves any aspect of the procurement process, is procurement-sensitive and must not be released to the public so that the procurement process is not compromised. PCRs may also be given access to agency sensitive information that should not be released to protect the integrity of the system and also to protect the credibility of the SBA and/or the procuring agency itself.

PCRs are often faced with preserving a delicate balance in the acquisition planning/pre-solicitation stages. For example, at the outset, a buying office’s inclination may be to procure items or services on an unrestricted basis. While the PCR may be able to identify a number of potentially qualified small business concerns through Dynamic Small Business Search, he/she may also need to contact the firms directly to determine whether or not they will submit bids and proposals if the requirement is procured on a set aside basis (i.e., to ensure the “rule of two” requirement can be met). The PCR must be adept in discussing the government’s procurement needs in general terms and careful not to disclose any procurement sensitive information.

PCRs often come into possession of information on contractor proprietary processes, techniques or operations as part of the decision making process to recommend a set aside, when reviewing subcontracting plans or when participating in the source selection process. So, the PCR must also guard against the unauthorized release of contractor proprietary information to other parties, including competitors, buying office officials, e.g., Contracting Officers, unless granted express permission by the contractor.

The FAR requires Contracting Officers to process requests for information, “as appropriate.” FAR 5.403, covers “Requests from Members of Congress.” While Contracting Officers are required to give Members of Congress, upon request, detailed information on a particular contract, if responsiveness would result in disclosure of classified matter, proprietary information, or “information prejudicial to the competitive acquisition,” they shall refer the request to the “agency head and inform the legislative liaison office of the action.” One could infer that requests for procurement information from Members of Congress, or their staffs, shall be referred to the Contracting Officer for disposition.

Thus, if a member of Congress or staff person contacts a PCR requesting procurement sensitive information he/she shall refer the request to the cognizant Contracting Officer and immediately notify their Area Director. If the caller insists on an SBA response, they should be referred to the Office of Congressional and Legislative Affairs (CLA).

The PCR shall provide the name, title and telephone number of the person making contact, the information requested and the disposition of the request, e.g., referred to the Contracting Officer. It will be within the Area Director's discretion to notify GC Headquarters and/or CLA.

Weekly, monthly, quarterly and year-end reports that provide information about specific procurements and government estimates must be marked "Procurement Sensitive-For Official Use Only" by the PCR before submission to the Area supervisors/directors. In turn, all reports containing procurement sensitive information that are submitted to Headquarters by the Area directors should be marked "Procurement Sensitive-For Official Use Only." Reports submitted by Headquarters should be marked appropriately. Requests from entities outside of SBA for procurement-sensitive information concerning any other agency's procurement information should be referred to the agency that generated the information for release.

FAR § 15.201(f) expressly authorizes the release of general information about agency mission needs and requirements. However, PCRs should only release procurement-specific information that has already been released to the public, i.e., acquisition forecasts, FedBizOps synopsis notices, solicitation packages, amendments, information released subsequent to a pre-proposal conference. Any requests for information beyond what is in the public domain must be promptly referred to the Contracting Officer to ensure the integrity of the procurement process. There is nothing to prevent PCRs from recommending means, e.g., Freedom of Information Act, for small businesses to get information that a Contracting Officer may be unwilling to provide.

**Appendix 9: Government Contracting Activity Report (GCAR)
Instructions – Fiscal Year 2012**

WHAT'S NEW FOR 2012: Increased emphasis on your narrative reporting?

When should you file a narrative report? Scan the dashboard tab. Any time that you enter any data that shows on the dashboard, substantiate the action with a narrative report. In addition, various elements in these instructions require narrative comments. A narrative tab has been added to the excel spreadsheet separated by program and month, with additional space to continue comments at the bottom.

What to report: The narrative is a very short statement detailing the circumstance and outcomes of the numbers you have reported in GCAR.

Success stories? There is a good chance that what you influence is a success story. Report it that way. Be specific.

GCAR as a tool for you. Think of GCAR as the repository for documenting what you do throughout the year. Using this will allow you to have solid means for keeping track of your accomplishments.

Prime Contracts Tab: Think, “PCR Influenced Action”. That is the phrase used now instead of “Informal 70”. Report what you influence. Much of a PCR’s influence is done without filing a SBA Form 70. It is important that we document these details. Report anything you influence having to do with 8(a), SDVOSB, HUBZone, WOSB, and EDWOSB. (These show up on the dashboard.)

IMPORTANT: When you influence HZ, SDVOSB, WOSB, or EDWOSB you **MUST** report the base period in **BOTH** the Form 70 or PCR Influenced Action line **AND** the applicable sub-category reporting line. (Example, a PCR Influenced Action to support the WOSB program gets reported twice; once on the PCR Influenced Action line and again on the WOSB action line.)

Back-up Documentation: Retain documentation that demonstrates how you helped to obtain the set-aside for all PCR-influenced actions including SBA Form 70s, other set-asides and 8(a) program reservations.

GENERAL: **Customize your spreadsheet with the GCAR number assigned to you by the area office.** This is completed on the first page in cell K1 and then flows onto the other tab sections.

Dollar value entries: All dollar value entries are whole dollars. No decimal points.

Narrative report: The monthly report accompanying the GCAR report for expanding upon information contained in this report. (When in doubt, comment.)

Instructions enclosed:

- Section I - Prime Contracts Tab (page 2-3)
- Section II - Subcontracting Program Tab (page 4)
- Section III - Certificate of Competency (page 5)
- Section IV - Size Program (page 6)
- Section V - Counseling (page 6)
- Section VI - Events-Outreach-Training (page 7)

SECTION I TAB PRIME CONTRACTING.

PRs reviewed = procurement packages reviewed: Include the number of the small business coordination records reviewed; not the number of line items. One solicitation is one review.

SB Sources Added: Number of SBs you recommended or notified for procurement opportunities.

Number of Formal Form 70s Submitted and Withdrawn:

Base period or one time award \$ value of formal 70s. Narrative & documentation required.

The Base Period Value equals the initial contract value without Including option periods. Always report the base period value. For multiple-period contracts, report the value of the base period AND on a separate line the total estimated dollar value. The total value is equal to the total contract value if all options are exercised.

If your Form 70 is rejected or withdrawn, report it during the month/year in which it happens.

Comment in the narrative report.

Number of PCR Influenced Actions (formerly Informal Form 70s) submitted and withdrawn:

Base period or one time award \$ value of PCR Influenced Action (informal 70s). Narrative and documentation required.

About SBA Form 70s & PCR Influenced Actions (formerly Informal Form 70s).

PCRs influence set-asides through issuing SBA Form 70s and PCR Influenced Actions (informal 70s). (Refer to Prime Contracts SOP for details.) The totals include actions for small business set-asides, HUBZone set-asides, SDVOSB set-asides, WOSB set-asides and EDWOSB set-asides. (PCRs do not use these tools for 8(a) because PCRs do not have appeal authority for those actions.) For headquarters measurement, the total acquisitions you influence is the total number of SBA Form 70s and PCR Influenced Actions (informal 70s) you file. Narrative comments are required for each.

If your PCR Influenced Action is rejected or withdrawn, report it during the month/year in which it happens.

IMPORTANT: When you influence HZ, SDVOSB, WOSB, or EDWOSB you **MUST** report the base period in **BOTH** the Form 70 or PCR Influenced Action line **AND** the applicable sub-category reporting line. (Example, a PCR Influenced Action to support the WOSB program gets reported twice; once on the PCR Influenced Action line and again on the WOSB action line.) Narrative comments and documentation are always required.

Other Formal Form 70s Submitted for Other than Set-asides. (Bundles, other PCR actions to improve small business opportunities.): Number

Comment in the narrative report and retain documentation.

8(a) PROGRAM SUPPORT – PCR Influenced 8(a) recommendations (Narrative and documentation required): Include Procurements you influence or refer to the 8(a) program. Must report base period or one time award \$ value: Total value:

BUNDLING ACTION.

Interim Form 1970 Filed: Number of interim actions you filed.

Base period or one time award \$ value:

Total value:

Final Form 1970 Filed: Number of final actions you filed.

Base period or one time award \$ value:

Total value:

Comment in the narrative report and retain documentation.

APPEALS:

HCA Appeals Submitted.

Base period or one time award \$ value:

Total value:

Secretarial Appeal recommendations submitted

Base period or one time award \$ value:

Total value:

Comment in the narrative report and retain documentation.

PCR SUBCONTRACTING PLAN REVIEWS:

Plans reviewed: Number

Plans non-concurred with: Number of plans you recommended for revision.

Plans not modified prior to award:

Number of plans that were recommended for revision that were not modified prior to the agency awarding the contract.

SURVEILLANCE REVIEWS: Number you participated in during the month.

(Team Members Only) (Team Leaders: See surveillance reviews under the events tab.)

Actions you influenced through formal or PCR Influence Actions (informal 70s) broken out from above totals:

HUBZone set-asides (Comment in the narrative report and retain documentation.)

Base period or one time award \$ value:

Total value:

SDVOSB set-asides (Comment in the narrative report and retain documentation.)

Base period or one time award \$ value:

Total value:

WOSB set-asides (Comment in the narrative report and retain documentation.) (This entry does not include EDWOSB)

Base period or one time award \$ value:
Total value:

EDWOSB set-aside actions (Comment in the narrative report and retain documentation.) (This entry does not include WOSB)

Base period or one time award \$ value:
Total Value:

SECTION II TAB SUBCONTRACTING

Program Compliance Reviews– See subcontracting SOP for definitions.

On-site (at the contractor’s facility)

Reviews Conducted Individually: Number of on-site visits you conducted to perform a program compliance review.

Joint DCMA reviews: Number of joint reviews with DCMA.

Joint reviews with other agencies: Number of other joint reviews.

Off-site reviews (not at the contractor’s facility): Number of reviews you conducted off-site.

Follow-up reviews

On-site: Number of follow ups conducted on-site.

Off-site: Number of follow ups you conducted off-site.

Performance reviews

With letter: Number of desk audits you conducted which required a letter to the prime.

Without letter: Number of desk audits you conducted which did not require a letter to the prime.

SOAR reviews – Orientation Reviews

On-site: Number of SOAR reviews you conducted on-site.

Off-site: Number of SOAR reviews you conducted off-site.

Total of on-site reviews:

Total of off-site reviews:

Total of all reviews and visits:

Comment in the narrative report and retain documentation.

Number of CMR recommendations made in the report sent to the prime contractor this month:

Recommendations to improve small business opportunities you made during reviews you conducted this month.

Number of CMR prior review recommendations implemented: Recommendations that primes implemented to improve small business opportunities *from prior reviews* you noted during your current review.

Number of prime contractors implementing one or more CMR recommendation(s):

Comment in the narrative report and retain documentation.

Award nominations:

Submitted for award of distinction: Number submitted.

Comment in the narrative report.

SECTION III TAB CERTIFICATES OF COMPETENCY

Referrals Received: Value:	Number of CoC requests received.
Applications Filed: Value:	Number of CoC Applications filed.
Applications Failed or Declined To File:	Number that failed or declined to file.
CoCs Issued: Value:	Number of CoCs issued. Comment in the narrative report and retain documentation.
Procurement Assistance Awards: Value (Direct Awards):	Number of CoC Direct Awards.
Current Active CoC Contracts:	Number of current active contracts this month that you are still monitoring.
Delinquent CoC Contracts:	Number that became delinquent this month.
Delinquency Rate % Average Monthly Delinquency rate:	Calculated automatically
Tenacity, Perseverance and Integrity Cases:	Number of applicable cases.
Contractor Caused Delinquency:	Number of caused by the contractor.
CoCs in Indefinite Status:	Number of pending CoCs – awaiting award.
CoCs Completed:	Number of CoC contracts completed.
CoCs Terminated for Default:	Number of terminated for contractor default.
CoCs Terminated for Convenience:	Number of terminated for convenience by the government.
FOLLOW-UPS:	
Site:	Number of follow-ups you conducted on-site.
Telephone:	Number of follow-ups you conducted either by telephone or electronic means.

CoCs completed within 15 days or agreed-upon time:	Number
CoCs completed (include issued, declined, declined to file):	Number
Percent completed within 15 days or agreed-upon time:	Calculated automatically.
Percent terminated for default:	Calculated automatically.

SECTION IV TAB SIZE DETERMINATIONS

Size Determinations Requested:	Number received
Cases Dismissed:	Number dismissed
Cases Determined to be Small Business:	Number
Cases Determined to be Other Than Small Business:	Number
Decisions Appealed to OHA:	Number
Decisions Remanded by OHA:	Number
Decisions Sustained by OHA:	Number
Decisions Overturned by OHA:	Number
Number of cases completed in 15 days or agreed-upon time:	Number
Number completed:	Number
Percent completed in 15 days or agreed-upon time:	Calculated automatically.

SECTION V TAB COUNSELING

Total Small Businesses Counseled: Enter the number of all small business counseled on a one to one basis either in person, via telephone, mail or electronic means. The next line items are for breakdown by small business socio-economic category for these small businesses.

Small Disadvantaged Business (SDB):	Number
Women Owned Small Business (WOSB):	Number
HUBZone Small Business (HZSB):	Number
Veteran Owned Small Business (VOSB):	Number
Service-Disabled Veteran Owned Small Business (SDVOSB):	Number
Other than Small Businesses (OTSB): For example, non-profit, state or local government entities. Does not include contracting activities.	Number
Economically Disadvantaged WOSB (EDWOSB)	Number

SECTION VI TAB EVENTS/OUTREACH/TRAINING

Total Events Attended: Number of outreach and/or training events you attended during the month.

Total Presentations Made: Number of outreach and/or training events you made during the month.

Total Number of Attendees Trained by your Presentations: Number of attendees at your presentations from these outreach/training events.

TEAM LEADER ONLY – Surveillance Review

SRs you led: Number
Findings Reported (record when reported): Number

OTHER TRAINING – not one-on-one counseling:

Large Business (OTSB): Number of training sessions
Contracting Agencies: Number of training sessions
Resource Partners: Number of training sessions for other entities such as non-profits, PTACs, Universities, District Offices.

Counseling/Advice/Training with Large Businesses and Federal Agencies constitute “Other Training” as the purpose is to educate these entities on how to increase small business opportunities.

SUCCESS STORIES: Number for the month.
Comment in the narrative report and retain documentation.

WOSB AND EDWOSB SUPPLEMENTAL REPORTING

Events Attended specific to the WOSB/EDWOSB Program Number of WOSB Events
Number of Presentations You made at these WOSB events Number of Presentations
Attendees Trained by your Presentations Number of Attendees
Contracting Activity Training Sessions for WOSB/EDWOSB (# of sessions) Contracting Site Sessions
Number of Attendees at Contracting Activity Training Sessions Contracting Site Attendees

Appendix 10: Sample PCR Assignment Letter



**U. S. SMALL BUSINESS ADMINISTRATION
Washington, DC 20416**

Date: _____

[Contracting Agency Name]
[Address 1]
[Address 2]
[City, State, Zip Code]

Dear [insert contracting agency POC]:

This letter confirms the assignment of [PCR Name] as the U.S. Small Business Administration (SBA) Procurement Center Representative (PCR) for the [insert name of the specific contracting activity, address, city, state, zip code].

I would appreciate your concurrence with this assignment and request that you notify the activity. Thank you for your continued cooperation with the SBA. Should you have any questions regarding the assignment, please contact [insert area director name, phone number, email address].

Sincerely,

[Name]
SBA Director, Area [insert]
Office of Government Contracting

Appendix 11: Surveillance Review

Preparation Checklist & Request for Information

Fiscal Year _____

Instructions

Please submit the following information and documentation requested in Electronic Form with a Hard Copy to the Surveillance Review Team Leader email address: _____
Information should be submitted in the same order as it appears on this checklist.

Information required for the following periods: FY _____ through FY _____.

- 1. Contract Action Reports (CAR) submitted to Federal Procurement Data System – New Generation (FPDS-NG) of more than \$150,000 to include the following:**
 - a. Contractor Name
 - b. Contract Number
 - c. Solicitation Number
 - d. Award Amount
 - e. Award Date
 - f. Business Size
 - g. Type of Contract
 - h. Item Description
 - i. NAICS Code
 - j. Synopsis Code
 - k. Type of Set-Aside
 - l. Subcontracting Plan Information

- 2. Also supply the following information for the same fiscal years as noted above:**
 - a. A list of contracts terminated for default or convenience.
 - b. A list of contracts for which contract administration functions has been retained in-house.

4. Overview of Small Business Awards

FY20XX	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
Goals:	48.4%		14.5%	3.0%	7.4%	1.7%	2.3%
Actual:	\$534.0M		\$156.4M	\$49.6M	\$93.5M	\$22.1M	\$19.5M
% Achieved	36.2%		10.6%	3.3%	6.3%	1.5%	1.3%
FY20XX	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
Goals:							
Actual:							
% Achieved							
FY20XX	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
Goals:							
Actual:							
% Achieved							
FY20XX	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
Goals:							
Actual:							
% Achieved							
FY20XX	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
To Date							
Goals:							
Actual:							
% Achieved							

SB = small business; SDB/8(a) = small disadvantaged business and 8(a) are combined as there was no separate goal for 8(a); WOSB = women-owned small business; HUBZone = Historically Underutilized Business Zone small business; SDVOSB = service-disabled veteran-owned small business; M = Millions

Discuss your plans to increase awards in any category (e.g., special initiative targeting WOSBs, or efforts to identify Service-Disabled Veteran Owned Small Businesses.)

5. Background & Management of the Small Business Program

- a. Does the Contracting Activity have a Small Business Specialist formally appointed by an appropriate authority (e.g., OSDDBU or HCA)? Provide a copy of the appointment document.
- b. Who does the Small Business Specialist report directly to? List full name and title.
- c. How is the HCA active in implementing an effective small business program? Please describe.
- d. Does the PCR have access to all reasonably obtainable contract information within their security clearance?

6. Regulatory Compliance

- a. Acquisition Planning
 - 1) Are all pre-solicitation documents available to your Small Business Specialist to assist you in procurement planning? Discuss the method and effectiveness of any advance procurement planning as it relates to small business.
 - 2) Describe how your Activity's Contracting Officers make every reasonable effort to solicit additional small business sources, including all sub-categories. Describe your market research methods and practices. Include whether and how the Contracting Activity uses Dynamic Small Business Search in accomplishing market research and source identification.
 - 3) Are requirements divided into reasonably small lots (quantities of supplies/services) to permit offers on less than the total requirement? If not, what action do you take?
 - 4) Are solicitations structured to allow more than one small business to satisfy the requirement? If not, what action do you take?
 - 5) Are delivery schedules reasonable? If not, what action do you take?
 - 6) Do you ensure that bundling requirements are referred to the PCR at least 30 days prior to issuance of the solicitation? Does the file contain market research justifying any proposed bundles; including the measurable benefit analysis required by FAR 7.107? If not, why? Briefly describe how your activity complies with the acquisition guidance regarding "bundling".
 - 7) Provide a listing of all bundled or consolidated requirements over \$1 million procured prior to the scope of this Surveillance Review and solicited during the scope of this review. Include the re-competes of previously bundled requirements.

Provide previous procurement history, dates of awards, contract numbers, dollar amounts and names of awardees.

- 8) Describe the efforts taken to mitigate the negative impact on small business as a result of the bundling.
- 9) Are Small Business Utilization Plans considered as an evaluation factor (e.g., formal source selection procedures for large acquisitions)? If not, why not?

b. Acquisition Review and Implementation of the Small Business Programs

- 1) How are small business program goals established (e.g., assigned by Headquarters), and are they reasonable and attainable?
- 2) How often are goals briefed to Contracting Officers and Specialists? How often are small business goals and programs briefed to your technical personnel? Please give dates.
- 3) Provide examples of how the small business program is promoted.
- 4) Are all actions requiring Small Business Specialist and/or PCR review documented with a small business coordination record (e.g., DD Form 2579, or Agency equivalent), for new actions and all appropriate contract modifications?
- 5) Oftentimes a Contracting Officer may decide to not set-aside a requirement in spite of the fact the recommendations of the cognizant Small Business Specialist, and the acquisition's procurement history, market survey, and known sources might appear favorable for a set-aside. When this occurs, provide your procedure to ensure that non-set-asides are being properly considered and documented.
- 6) How are Small Business Specialist and PCR 8(a) recommendations resolved appropriately (e.g., through the FAR process which allows a PCR to appeal or the 8(a) Program Office to appeal)? Please list recent formal or informal appeals and resolutions. When selecting the 8(a) program for a particular procurement, are contracting officers complying with the requirements of FAR 19.8 and/or specific Partnership Agreement, including providing notification to SBA as applicable?"
- 7) Generally, are Contracting Officers reluctant to unilaterally set-aside requirements for small business? If yes, please describe. If there are an unusually high number of Small Business Specialist or PCR set-aside recommendations, please describe.
- 8) Do Contracting Officers consider 8(a), HUBZone, Service Disabled Veteran Owned Small Business, and Woman-Owned Small Business contractors when processing requirements? Describe the process and define how the firms are considered.
- 9) Do Contracting Officers using GSA Schedules for awards notify the PCR and/or Small Business Specialists? Do Contracting Officers attempt to include at least one small business when obtaining quotes? Provide examples of when your agency used GSA's best value on behalf of small business as authorized by GSA

Acquisition Letter V-05-12 as amended (socio-economic programs under schedule). Were large businesses allowed to bid and did they win?

c. Publicizing Contract Actions & Use of FedBizOpps

- 1) What solicitations are available on the Internet? What posting sites are used?
- 2) Describe and provide examples of how the Contracting Activity routinely uses FedBizOpps (e.g., to perform a market survey, synopsise a solicitation, publicize a contract award).
- 3) Do solicitations normally allow offerors the required response time to submit bids or proposals? If not, why not?
- 4) How does your agency advertise and solicit to small businesses for procurements under \$25,000?

d. Subcontracting Program Issues

- 1) How do Contracting Officers obtain advisory comments from the Small Business Specialist and PCR for subcontracting plans? Describe the process.
- 2) Subcontracting plans are required to be formally incorporated into the contract. Please provide copies of 3-5 examples of completed and executed subcontracting plans.
- 3) How are copies of Subcontracting Plans sent to the cognizant Contract Administrative office (e.g., DCMA) and SBA Area Office?
- 4) If contract administrative functions are retained in-house, how are prime contractors monitored for compliance with their Subcontracting Plans?
- 5) When was training on compliance with the subcontracting program last presented?

7. Other Small Business Program Issues

a. Responsibility Issues, Certificates of Competency, Protests & Size Challenges/Issues

- 1) What is your Activity's procedure or guidance to ensure that small business responsibility issues are referred to SBA for Certificates of Competency (COCs) as appropriate? Provide examples.
- 2) How does your Activity ensure that the proper NAICS code and size standard are included in the solicitation?
- 3) How does your Activity issue pre-award notifications of the awardee for small business set-asides to allow offerors the opportunity to submit a size challenge?

- 4) How do Contracting Officers promptly refer size, NAICS code and socio-economic status challenges to SBA?

b. Miscellaneous Small Business Issues

- 1) What do your managers do to ensure that contracting and technical personnel maintain knowledge of small business program requirements (e.g., formal training, in-house seminars)?
- 2) Describe how Technical Advisors provide appropriate assistance to the PCR.
- 3) What does the Contracting Activity do to enhance opportunities for small business to participate in its acquisition process (e.g., outreach efforts, procurement fairs)?
- 4) Describe how the Contracting Activity assesses its small business program (e.g., internal management reviews, etc.). If releasable by your activity, provide a copy of your most recent internal Procurement Management Review.
- 5) Describe how your higher-level management evaluates your small business program (e.g., Headquarters office).
- 6) Discuss any special initiatives in regards to increasing your agency's procurement personnel's awareness of the Small Business program (e.g., in-house training, participation in match-making events).
- 7) Are copies of "show cause letters" and "cure notices" sent to the Small Business Specialist and appropriate SBA offices?
- 8) How well is the Agency utilizing social media like Facebook, Twitter, etc. in identifying small business opportunities?
- 9) Does the Agency post its procurement forecast on its website?
- 10) Does the Agency provide a list of prime contracts (MATOC, JOC), etc.) to increase subcontracting opportunities to small business?
- 11) Does the Agency provide a link to SBA's Subnet website to direct firms to another source for small business subcontracting opportunities?

c. FAR Clauses & Provisions

- 1) How do you ensure that all appropriate small business clauses are included in all solicitations?
- 2) The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of the Online Representations and Certifications Application (ORCA), Central Contractor Registry (CCR), Federal Agency Registration (Fedreg) and Excluded Parties List System (EPLS). Are Contracting Officers verifying and printing out a copy of the Representations and

Certifications for the file or are they asking for a hard copy of 52.219-1 or 52.204.1?

- 3) The **System for Award Management (SAM)** is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS.

Appendix 12a: Surveillance Review Interview Questions

Interviews will be conducted with the Small Business Specialist (SBS) and randomly selected from Contracting Officers (CO), Contract Specialists (CS) and Technical proponents.

All of the Following Questions Shall be asked of the **Small Business Specialist**

1. Background Information

- a. How long have you been in your present position?
- b. What are your duties?
- c. Who do you report to within your organization?
- d. Do you periodically brief the Head of the Activity or their Deputy? How often?
- e. When was your last briefing held?
- f. How does your management support the Small Business Program?

2. Acquisition Planning

- a. How do you deal with conflicts between what the HCA “wants” vs. the interests of small business?
- b. Are you involved in any advance procurement planning as it relates to the Small Business Program?
- c. What training has been provided on contract bundling regulations and small business regulations?
- d. To whom was it given?
- e. How do the Contracting Officers and Contract Specialists routinely make efforts to increase the participation of small business firms, including all subgroups?
- f. How are efforts made by you and the Contracting Officers and Contract Specialists to identify new small businesses?
- g. Where do you obtain information on vendors/sources?
- h. Do your agency’s contracting personnel know when to submit a Small Business Coordination Record (example: DD 2579 (DOD), DI-1886 (DOI) to the SBA’s PCR for review?

3. Acquisition Review & Small Business Programs

- a. How do you promote the Small Business Program?
- b. Do you know what your buying activity's Small Business goals are for the last five years?
 - 1) FY_____
 - 2) FY_____
 - 3) FY_____
 - 4) FY_____
 - 5) FY_____
- c. Did your buying activity achieve its Small Business goals for FY _____ and FY_____? If not, what were the results of your analysis? What action, if any, did you take?
- d. Do you provide any input to your activity's goals?
- e. Do you think Contracting Officers and Contract Specialists are knowledgeable of the Small Business Program procedures and goals?
- f. Other than goal achievement, how do you assess your Small Business Program?
- g. How do you interact with the technical community regarding the Small Business Program?
- h. How do you evaluate a requirement for the 8(a), HUBZone, SDVOSB, or WOSB program?
- i. What do you do when you identify a requirement that is suitable for more than one small business program?

4. Publicizing Contract Actions & FedBizOpps

- a. Do you monitor the contracting officer's use of FedBizOpps to issue sources sought notices, announce set-asides, and post award notices (for subcontracting opportunities notification)?
- b. If yes, how do you monitor it?

5. Subcontracting Program Issues

- a. The FAR requires submission of subcontracting plans by other than small businesses for acquisitions valued at more than \$650,000 (\$1.5 million for construction). Does your activity waive this requirement, and if so in what situations would you waive it?

- b. What is your role as Small Business Specialist regarding the acceptability of subcontracting plans?
- c. Over the last two FYs, how many subcontracting plans have you sent back to the Contracting Officers (prior to PCR review) recommending that goals be increased? Provide examples.
- d. What type of guidance or training is available to your contracting personnel regarding the subcontracting program? When was it last presented or updated?
- e. Is your activity using the Electronic Subcontracting Reporting System (eSRS)?

Other Small Business Program Issues

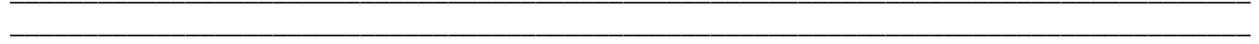
6. Responsibility & Certificates of Competency (CoC)

Are you familiar with and does your agency provides written guidance on Certificate of Competency procedures?

7. Protests & Size Challenges/Issues

- a. Describe your activity's use of pre-award small business set-aside notification procedures to permit size challenges and guidance for any ensuing challenges or protests.
- b. Is your activity aware of the non-manufacturer rule procedures?
- c. Is your activity using wholesale/retail NAICS code for the procurement of supplies?
- d. Overall Knowledge of the Program & Other Issues
- e. Briefly describe your buying activity's recent outreach programs to enhance opportunities for small business firms (including all sub groups) to participate in procurement requirements.
- f. How do you ensure the accuracy of the data input in FPDS-NG?
- g. Describe your on-going Small Business Program training. Is it a requirement at your buying activity? If yes, for whom?
- h. Describe your working relationship with the PCR (if one is assigned).
- i. Is your activity reviewing set-aside contracts to determine whether the prime contractor is meeting all of the terms and conditions contained within the contract, especially FAR Clause 52.219-14 – Limitations on Subcontracting.
- j. If not, why not?

8. Special 8(a) Program Requirements



Appendix 12b: Surveillance Review Interview Questions

Contracting Officers, Contract Specialists, & Technical Proponents

(Note: All of the following questions shall be addressed during the interview process)

Interviews will be conducted with the Contracting Officers, Contract Specialists and Technical personnel .

All of the Following Questions Shall be asked of the Contracting Officers, Contract Specialists and Technical Personnel.

1. Background Information

- a. How long have you been in your present position?
- b. Please discuss your perspective of the effectiveness of the Small Business Program at your activity?
- c. Explain how your management supports the Small Business Program?
- d. How familiar are you with the Small Business Act and FAR Part 19 requirements?

2. Acquisition Planning

- a. Describe any training or guidance provided to you on contract bundling regulations. When was training on bundling issues last offered? Did you attend?
- b. Have you ever been involved in a bundled acquisition? If so, did you follow the special procedures that apply to bundling (e.g., notify the PCR at least 30 days before solicitation issuance, document the benefits of a bundling strategy, etc.)?
- c. Describe how you conduct market research.
- d. How often do you use sources sought and requests for information to identify eligible small business sources for procurement?
- e. How do you make efforts to increase the participation of small business firms, including all subgroups?
- f. What efforts do you make to identify new small businesses?
- g. How do you encourage small business participation in the acquisition process?
- h. Where do you obtain information on vendors/sources?
- i. Are you familiar with the Dynamic Small Business Search and how to use it? Do you utilize the Quick Market Research tool?
- j. Do you include in the source selection criteria an evaluation factor addressing the extent of SB participation in a requirement when appropriate? If not, why not?

- k. Have you evaluated past performance related to contractor performance on existing subcontracting plans?

3. Acquisition Review & Small Business Programs

- a. How are you made aware of your buying activity's Small Business goals for FY _____?
- b. How do you evaluate a requirement for the set-aside programs? What do you do when you identify a requirement that is suitable for more than one program?
- c. How do you treat re-procurement requirements that have been historically set-aside in a particular set-aside program?
- d. Do you process a small business coordination form for new work or additional work contract modifications valued over \$10,000? Over \$25,000?
- e. How do you advertise and solicit to small businesses for procurements under \$25,000?
- f. How do you alert the Small Business Specialist and Procurement Center Representative (PCR) when processing an urgent requirement?
- g. How do you solicit and evaluate requirements when using the General Service Administration (GSA) Schedules? How do you ensure small business participation?

4. Subcontracting Program Issues

- a. FAR requires submission of subcontracting plans by other than small businesses for acquisitions valued at more than \$650,000 (\$1.5 million for construction). Do you ever waive this requirement, and if so in what situations would you waive it?
- b. Do you obtain a new or revised subcontracting plan for contract modifications over \$650,000 (\$1.5M for construction)?
- c. Describe how you evaluate subcontracting plans before getting Small Business Specialist and PCR comments. Does your evaluation include obtaining information on prior compliance with subcontracting plans when evaluating an offer's responsibility?
- d. Is your activity using Electronic Subcontracting Reporting System (eSRS)?
- e. Do you formally incorporate the subcontracting plan into the contract at time of award?
- f. How do you alert the appropriate contract administrator and SBA offices about an award involving a subcontracting plan?
- g. Is the contracting officer accepting the Individual Subcontracting Reports (formerly SF 294's) and Summary Subcontracting Reports (formally 295's) in eSRS? If not, why not?

5. Other Small Business Program Issues

- a. Protests & Size Challenges/Issues
- b. Are you aware of NAICS Code, size and socio-economic protest procedures?
- c. Do you issue pre-award notifications of awardee for small business set-aside solicitations to permit size challenges?
- d. Is your activity aware of the non-manufacturer rule procedures?
- e. Do you feel that training in the Small Business Program is needed?
- f. What type of Small Business Program training was offered at your activity, e.g. bundling, subcontracting, COC, size determination, set-asides, etc.
- g. Briefly describe the responsibilities of the Small Business Specialist and the SBA Procurement Center Representative (PCR), if assigned, as you understand them?
- h. What type of working relationship do you have with the Small Business Specialist? With the PCR?
- i. What do you do when you experience a problem with a small business, whether it is a question or protest before award or a performance issue after award?
- j. Have you been involved in any outreach programs conducted by the buying activity to enhance opportunities for small business firms (including all sub groups) to participate in procurement requirements?
- k. Is your activity reviewing 8(a) contracts to determine whether the prime contractor is meeting all of the terms and conditions contained within the contract, especially FAR Clause 52.219-14, Limitations in Subcontracting? If not, why not?
- l. Are copies of the 8(a) contract award documents and/or modifications (if applicable) sent to the SBA district office servicing the 8(a) firm? If not, why not?
- m. Do you consult the servicing 8a SBA District Office regarding an 8(a) firm's eligibility status prior to making contract award (regardless of the dollar threshold)?
- n. Is your activity in compliance with the regulations of the 8(a) BD program and FAR 19.8? If not, why not?
- o. How do you monitor limitations in subcontracting -- Clause 52.219-14?
- p. What comments, pro and con, do you wish to make about the Small Business Program?

Appendix 13: Sample Letters

- a. Sample Letter to Agency Full Surveillance Review
- b. Sample Letter to Agency Follow-Up Surveillance Review
- c. Sample Letter to Agency Orientation Surveillance Review
- d. Sample Letter to Local Activity Full Surveillance Review
- e. Sample Letter to Local Activity Follow-Up Surveillance Review
- f. Sample Letter to Local Activity Orientation Surveillance Review
- g. Sample Letter to Agency Full Surveillance Review Final Rating
- h. Sample Letter to Agency Follow-Up Surveillance Review Final Rating

Appendix 13a: Sample Letter to Agency – Full Surveillance Review
Sample Letter 1
(Initial Letter to be sent by SBA Headquarters)

SBA Letterhead

Date:

Mr. Joseph Smith, Director
Office of Small Business Programs
Department of the Navy
720 Kennon Avenue, SE
Building 36, Room 27
Washington, DC 20374-5015

Dear Mr. Smith:

This is to inform you that the U.S. Small Business Administration (SBA) will perform a **Full Surveillance Review** at the following locations:

- Naval Inventory Control Point, Mechanicsburg, PA
- Naval Air Warfare Center, Lakehurst, NJ
- Naval Surface Warfare Center, Panama City, FL
- FISC, Pearl Harbor, Hawaii

The Surveillance Reviews will be conducted in accordance with Section 15(m)(2) of the Small Business Act, as implemented in the Federal Acquisition Regulations 19.402(c)(5), which requires SBA's Procurement Center Representative (PCR) to monitor the performance of contracting activities to ascertain the degree of compliance with small business contracting policies and programs.

The Surveillance Review process includes an analysis of contract files to determine if the contracting activity has made reasonable efforts to maximize contract opportunities for small business concerns. It also enables the PCR to identify deficiencies and recommend strategies to strengthen compliance with small business program requirements. Additionally, the Surveillance Review may also include interviews with activity personnel.

Prior to the Review, the PCR will assess the Federal Procurement Data System-Next Generation (FPDS-NG) contract data to measure the contracting activity's progress against assigned goals. The PCR will also evaluate special initiatives or procedures that are in place to promote small business participation in Federal procurement. Every effort will be made by the PCR to perform as much of these tasks in advance, although a site visit will be necessary to gain access to these files that cannot be transferred electronically due to the volume or classified nature of its contents.

Please notify the contracting activity (ies) above that our respective Area Director will contact the Head of the Contracting Activity and Small Business Specialist to arrange dates for the Review.

If you have any questions, please contact _____, Director, Office of Contract Assistance at (202) _____.

Sincerely,

Director
Office of Government Contracting

cc:

(List the names and addresses of the respective Area Directors involved)

(List the names and addresses of the Local Commands/Administrators)

Also copy higher HQ SB Offices, e.g., for Army, Navy, Air Force, etc., copy the Director of the DOD Office of SB Programs

Appendix 13b: Sample Letter to Agency – Follow-Up Surveillance Review
Sample Letter 2
(Initial Letter to be sent by SBA Headquarters)

SBA Letterhead

Date:

Mr. Joseph Smith, Director
Office of Small Business Programs
Department of the Navy
720 Kennon Avenue, SE
Building 36, Room 27
Washington, DC 20374-5015

Dear Mr. Smith:

This is to inform you that the U.S. Small Business Administration (SBA) will perform a **Follow-up Surveillance Review** at the following locations:

- Naval Inventory Control Point, Mechanicsburg, PA
- Naval Air Warfare Center, Lakehurst, NJ
- Naval Surface Warfare Center, Panama City, FL
- FISC, Pearl Harbor, Hawaii

Unlike a Full Surveillance Review, a Follow-up Review is conducted when a contracting activity has previously received a rating of “Satisfactory,” “Marginally Satisfactory” or “Unsatisfactory.” The purpose of a Follow-up Review is to assess progress made towards correcting deficiencies and implementing SBA’s recommendations identified in the original Surveillance Review Report.

This review will also be conducted in accordance with Section 15(m)(2) of the Small Business Act, as implemented in the Federal Acquisition Regulations 19.402(c)(5), which requires SBA’s Procurement Center Representative (PCR) to monitor the performance of contracting activities to ascertain the degree of compliance with small business contracting policies and programs.

Every effort will be made by the PCR to perform as much of these tasks in advance, although a site visit will be necessary to gain access to files that cannot be electronically transferred due to the volume or classified content.

Please notify the contracting activity (ies) above that our respective Area Director will contact the Head of the Contracting Activity and Small Business Specialist to arrange dates for the Review.

If you have any questions, please contact _____, Director, Office of Contract Assistance at (202) _____.

Sincerely,

Director
Office of Government Contracting

cc:

(List the names and addresses of the respective Area Directors involved)

(List the names and addresses of the Local Commands/Administrators)

Also copy higher HQ SB Offices, e.g., for Army, Navy, Air Force, etc., copy the Director of the DOD Office of SB Programs

Appendix 13c: Sample Letter to Agency – Orientation Surveillance Review
Sample Letter 3
(Initial Letter to be sent by SBA Headquarters)

SBA Letterhead

Date:

Mr. Joseph Smith, Director
Office of Small Business Programs
Department of the Navy
720 Kennon Avenue, SE
Building 36, Room 27
Washington, DC 20374-5015

Dear Mr. Smith:

This is to inform you that the U.S. Small Business Administration (SBA) will perform an **Orientation Surveillance Review** at the following locations:

- Naval Inventory Control Point, Mechanicsburg, PA
- Naval Air Warfare Center, Lakehurst, NJ
- Naval Surface Warfare Center, Panama City, FL
- FISC, Pearl Harbor, Hawaii

Orientation Surveillance Reviews are conducted at Federal Contracting Activities where an SBA Procurement Center Representative (PCR) is not assigned. In accordance with the Small Business Act (P.L. 85-536, as amended), the purpose of the review is to determine if the contracting activity is maximizing every effort to award contracts to small business concerns. An SBA PCR will visit the activity and review market research processes to ensure that proper outreach to small business concerns is being done; provide counseling, assistance, and training on all phases of the procurement cycle; and review any current procurements when necessary.

After the completion of our initial visit, on-going visits will be scheduled throughout the remainder of the Fiscal Year. Unlike a Full Surveillance Review, no rating is assigned, no formal report is issued, and no measurement of the contracting activity is performed.

Please notify the contracting activity (ies) above that our respective Area Director will contact the Head of the Contracting Activity and Small Business Specialist to arrange dates for the review.

If you have any questions, please contact _____, Director, Office of Contract Assistance at (202) _____.

Sincerely,

Director
Office of Government Contracting

cc:

(List the names and addresses of the respective Area Directors involved)

(List the names and addresses of the Local Commands/Administrators)

Also copy higher HQ SB Offices, e.g., for Army, Navy, Air Force, etc., copy the Director of the DOD Office of SB Programs

Appendix 13d: Sample Letter to Local Activity – Full Surveillance Review
Sample Letter 4
(To be sent by Area Director after SBA HQ sends Initial Letter to Agency)

SBA Letterhead

Date:

Rear Admiral Joseph Smith, Commander
Naval Inventory Control Point, Mechanicsburg
5450 Carlisle Pike
P.O. Box 2020
Building 311, Code M003
Mechanicsburg, PA 17055-0788

Dear Admiral Smith,

Periodically, the U.S. Small Business Administration (SBA) performs Surveillance Reviews of Federal military and civilian Contracting Activities' small business programs. We perform these Reviews under the authority of the Small Business Act (P.L. 85-536, as amended) for the following purposes:

To assess the quality of a Contracting Activity's small business program;
To evaluate the program's impact on small business; and,
To enable SBA to recommend changes to improve small business participation in the Contracting Activity's acquisition process.

An ancillary benefit of our Surveillance Review is that we might learn of any particularly effective techniques that your Activity uses to promote small business participation. We may share these with other government Contracting Activities to facilitate their own continuing program improvement.

As you know, SBA is scheduled to perform a Surveillance Review of your Activity during Fiscal Year _____. The Review will begin with our receipt and analysis of your response to the ***Preparation Checklist and Request for Information***, which is attached to this correspondence. The Surveillance Review Team Leader will then contact you or your designee to arrange an on-site Entrance Briefing or telephone conference call, which will be followed by an on-site review of contract files as arranged between _____, Small Business Specialist, (Activity Name), and _____, SBA, Team Leader. The Review may vary in actual length, but is anticipated to last between ____ to ____ business days.

To summarize, the Surveillance Review will consist of:

- Submittal of a completed ***Preparation Checklist and Request for Information*** by your Activity to the SBA Surveillance Review Team Leader;
- Entrance Briefing in person or via telephone conference call between Team Members and the Head of the Contracting Activity or designee;
- In person or telephone conference call interview between Team Members and your Small Business Office personnel;
- In person or telephone conference call interview between SBA Team Members and your Activity's Contracting Officers;

Effective Date: 10/27/13

102

- On-site review of contract files; and,
- Exit Briefing in person or via telephone conference call.

We presently anticipate that SBA’s Surveillance Review team will consist of the following individuals:

- _____, Procurement Center Representative (Team Leader)
- _____, Procurement Center Representative
- _____, Commercial Marketing Representative

In addition to these participants, the SBA District Office will be invited to send a Team Member who will assist with the assessment of your Activity’s compliance with the 8(a) Business Development Program.

We would appreciate the assistance of your Office in preparation for the review. The ***Preparation Checklist and Request for Information*** should be completed and addressed to;
 _____ Team Leader by _____ (Date).

His/her e-mail address is: _____. The mailing address is U.S. Small Business Administration, Procurement Center Representative, is _____.

In addition, please mail a copy of the completed Checklist to me when you send the original to _____, Team Leader. My address is U.S. Small Business Administration, Office of Government Contracting, Area Director, Area _____, _____.

The scope of the Surveillance Review will include, but not be limited to, Fiscal Years _____ to date and the following areas:

- Management of your Activity’s small business program;
- Compliance with regulations and procedure;
- Effectiveness of advance procurement planning;
- Pre-award and post-award functions;
- Small business training programs;
- Review of procurement logs, small business coordination records and contract actions;
- Industry outreach programs which focus on small business; and,
- Small business goal achievement.

To ensure a successful experience, I ask that you **designate a Point of Contact** to coordinate (a) the information and documentation needed (the *Preparation Checklist and Request for Information*) prior to our site visit, (b) the times, dates, and attendees to **participate in the Entrance and Exit Briefings and/or conference calls**, and (c) the work area requirements (including desk space, telephone access, photocopying facilities, etc.), and access issues (e.g., security clearances). An electronic copy of the *Preparation Checklist* will be emailed to your designee, once identified.

The Team Leader will also schedule an Exit Briefing in person or via a telephone conference call. This permits the Review Team to brief you or your designee as to our preliminary findings and facilitates elimination of misunderstandings or misconceptions prior to the determination of a final rating.

Thank you in advance for your cooperation and assistance. We are looking forward to working with your Activity’s Staff and are confident that this process will be of mutual benefit to our organizations.

Should you have any immediate questions, _____, Team Leader, can be reached at _____, or via email at: _____.

Sincerely,

Area Director

Encl: *Preparation Checklist and Request for Information*

cc:

_____, Procurement Center Representative (Team Leader)
_____, Procurement Center Representative
_____, Commercial Marketing Representative
_____, SBA _____ District Director
_____, Contracting Activity SB Specialist

Appendix 13e: Sample Letter to Local Activity – Follow-Up Surveillance Review
Sample Letter 5
(To be sent by Area Director after SBA HQ sends Initial Letter to Agency)

SBA Letterhead

Date:

Rear Admiral Joseph Smith, Commander
Naval Inventory Control Point, Mechanicsburg
5450 Carlisle Pike
P.O. Box 2020
Building 311, Code M003
Mechanicsburg, PA 17055-0788

Dear Admiral Smith,

Periodically, the U.S. Small Business Administration (SBA) performs Surveillance Reviews of Federal military and civilian Contracting Activities' small business programs. We perform these Reviews under the authority of the Small Business Act (P.L. 85-536, as amended) for the following purposes:

- To assess the quality of a Contracting Activity's small business program;
- To evaluate the program's impact on small business; and
- To enable SBA to recommend changes to improve small business participation in the Contracting Activity's acquisition process.

As you know, SBA is scheduled to perform a Follow-up Surveillance Review of your Activity during Fiscal Year _____. Unlike a Full Surveillance Review, a Follow-up Review is conducted when a contracting activity has previously received a rating of "Satisfactory," "Marginally Satisfactory" or "Unsatisfactory." The purpose of a Follow-up Review is to assess progress made towards correcting deficiencies and implementing SBA's recommendations identified in the original Surveillance Review Report.

The Surveillance Review Team Leader will contact you **or your designee to arrange an on-site Entrance Briefing or telephone conference call**, which will be followed by an on-site review of contract files as arranged between _____, Small Business Specialist, (Activity Name), and _____, SBA, Team Leader. The Review may vary in actual length, but is anticipated to last between ____ to ____ business days.

We presently anticipate that SBA's Surveillance Review team will consist of the following individuals:

_____, **Procurement Center Representative (Team Leader)**
_____, **Procurement Center Representative**
_____, **Commercial Marketing Representative**

In addition to these participants, the SBA District Office will be invited to send a Team Member who will assist with the assessment of your Activity's compliance with the 8(a) Business Development Program. (NOTE: Only include if there were 8(a) Program deficiencies identified in the original report)

To ensure a successful experience, I ask that you **designate a Point of Contact** to coordinate (a) the information and documentation needed, (b) the times, dates, and attendees to **participate in the Entrance and Exit Briefings and/or conference calls**, and (c) the work area requirements (including desk space, telephone access, photocopying facilities, etc.), and access issues (e.g., security clearances).

The Team Leader will also schedule an Exit Briefing in person or via a telephone conference call. This permits the Review Team to brief you or your designee as to our preliminary findings and facilitates elimination of misunderstandings or misconceptions prior to the determination of a final rating.

Thank you in advance for your cooperation and assistance. We are looking forward to working with your Activity's Staff and are confident that this process will be of mutual benefit to our organizations.

Should you have any immediate questions, _____, Team Leader, can be reached at _____, or via email at: _____.

Sincerely,

Area Director

cc:

- _____, Procurement Center Representative (Team Leader)
- _____, Procurement Center Representative
- _____, Commercial Marketing Representative
- _____, SBA _____ District Director
- _____, Contracting Activity SB Specialist

Appendix 13f: Sample Letter to Local Activity – Orientation Surveillance Review
Sample Letter 6
(To be sent by Area Director after SBA HQ sends Initial Letter to Agency)

SBA Letterhead

Date:

Rear Admiral Joseph Smith, Commander
Naval Inventory Control Point, Mechanicsburg
5450 Carlisle Pike
P.O. Box 2020
Building 311, Code M003
Mechanicsburg, PA 17055-0788

Dear Admiral Smith,

Periodically, the U.S. Small Business Administration (SBA) performs Surveillance Reviews of Federal military and civilian Contracting Activities' small business programs. We perform these Reviews under the authority of the Small Business Act (P.L. 85-536, as amended) for the following purposes:

- To assess the quality of a Contracting Activity's small business program;
- To evaluate the program's impact on small business; and,
- To enable SBA to recommend changes to improve small business participation in the Contracting Activity's acquisition process.

An ancillary benefit of our Surveillance Review is that we might learn of effective techniques that your Activity uses to promote small business participation. We may share these with other government Contracting Activities to facilitate their own continuing program improvement.

As you know, SBA is scheduled to perform an Orientation Surveillance Review of your Activity during Fiscal Year _____. Orientation Surveillance Reviews are conducted at Federal Activities where an SBA Procurement Center Representative (PCR) is not assigned. The purpose of the review is to determine if the contracting activity is maximizing every effort to award contracts to small business concerns. An SBA PCR will visit the Activity and review market research processes to ensure that proper outreach to small business concerns is being done; provide counseling, assistance, and training on all phases of the procurement cycle; and review any current procurements when necessary.

After completion of our initial visit, on-going visits will be scheduled throughout the remainder of the Fiscal Year. Unlike a Full or Follow-up Surveillance Review, no rating is assigned, no formal report is issued, and no measurement of the Contracting Activity is performed. Please notify your Activity's Small Business Specialist that _____, SBA PCR, will be contacting them to arrange date(s) for the review.

Thank you in advance for your cooperation and assistance. We are looking forward to working with your Activity's Staff and are confident that this process will be of mutual benefit to our organizations.

If you have any questions, please contact me at (xxx)xxx-xxxx or email at _____.

Sincerely,

Area Director

cc: _____, PCR

**Appendix 13g: Sample Letter to Agency – Full Surveillance Review – Final Rating
Sample Letter 7
(Letter to be sent by SBA Headquarters)**

SBA Letterhead

Date:

Mr. Joseph Smith, Director
Office of Small Business Programs
Department of the Navy
720 Kennon Avenue, SE
Building 36, Room 27
Washington, DC 20374-5015

Dear Mr. Smith:

In a letter dated _____, you were advised that the U.S. Small Business Administration (SBA) would be conducting a Full Surveillance Review to monitor the quality and effectiveness of the Small Business Program at the Naval Inventory Control Point, Mechanicsburg, PA.

Subsequently, we conducted that Review at the site on _____. This Report covers Fiscal Years ____ through _____, year-to-date.

We assigned an overall small business utilization program effectiveness rating of "_____." Our rationale for this rating is explained in detail in the enclosed Report. A copy of this Report is also being sent to the HCA/Director of Contracting.

We request that within 30 days upon receipt of this Report, you provide a summary of actions taken and planned by _____ to correct the cited deficiencies and areas of non-compliance. Please forward the summary to my attention with a copy to _____, Area Director, Area ____ at:

Director for Government Contracting
U.S. Small Business Administration
409 Third Street, SW, 8th Floor
Washington, DC 20416

Director, Office of Government Contracting
Area ____
U.S. Small Business Administration

We appreciate the courtesy and cooperation extended to our Surveillance Review Team by your Office and by _____. We look forward to working closely with you in furtherance of this important initiative.

If you have any questions, please contact _____, Assistant Director, Office of Contract Assistance, at (202) _____.

Sincerely,

Director,
Office of Government Contracting

Enclosure

cc:

(HCA/Director of Contracting)

(Local Small Business Specialist)

(SBA-PCR Team Leader)

(On-site or Liaison PCR)

(SBA District Office)

Appendix 13h: Sample Letter to Agency – Follow-Up Surveillance Review – Final Rating
Sample Letter 8
(Letter to be sent by SBA Headquarters)

SBA Letterhead

Date:

Mr. Joseph Smith, Director
Office of Small Business Programs
Department of the Navy
720 Kennon Avenue, SE
Building 36, Room 27
Washington, DC 20374-5015

Dear Mr. Smith:

In a letter dated _____, you were advised that the U.S. Small Business Administration (SBA) would be conducting a **Follow-up** Surveillance Review to monitor the quality and effectiveness of the Small Business Program at the Naval Inventory Control Point, Mechanicsburg, PA.

Subsequently, we conducted that Review at the site on _____. This Report covers Fiscal Years ____ through _____, year-to-date.

We assigned an overall small business utilization program effectiveness rating of “_____.” Our rationale for this rating is explained in detail in the enclosed Report. A copy of this Report is also being sent to the **(HCA/Director of Contracting)**.

We request that within 30 days upon receipt of this Report, you provide a summary of actions taken and planned by _____ to correct the cited deficiencies and areas of non-compliance. Please forward the summary to my attention with a copy to _____, Area Director, Area ____ at:

Director for Government Contracting
U.S. Small Business Administration
409 Third Street, SW, 8th Floor
Washington, DC 20416

Director, Office of Government Contracting
Area _____
U.S. Small Business Administration

We appreciate the courtesy and cooperation extended to our Surveillance Review Team by your Office and by _____. We look forward to working closely with you in furtherance of this important initiative.

Effective Date: 10/27/13

If you have any questions, please contact _____, Assistant Director, Office of Contract Assistance, at (202) _____.

Sincerely,

Director,
Office of Government Contracting

Enclosure

cc:

(HCA/Director of Contracting)

(Local Small Business Specialist)

(SBA-PCR Team Leader)

(On-site or Liaison PCR)

(SBA District Office)

Appendix 14: Analysis of Contract File

Contract No: _____ Contractor: _____
DUNS: _____
NAICS Code: _____ Item/Service: _____
Acq. Strategy: _____ Contract Value: \$_____

Reviewer: _____ Subk Plan Required: _____

A detailed analysis of contract files will be conducted to determine if specific actions were taken. Does each contract file contain documentation supporting the following actions? If not, why not?

Acquisition Planning:

- | Yes | No | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Was market research conducted? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did the procurement request include suggested small business sources? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did the procurement meet the criteria for a small business-small purchase set-aside or a small business set-aside, but was unrestricted? |
| <input type="checkbox"/> | <input type="checkbox"/> | If this contract was a bundle, was the requirement referred to the PCR at least 30 days prior to issuance of the solicitation? Does the file contain the required market research justifying the proposed consolidation and all required approvals? |
| <input type="checkbox"/> | <input type="checkbox"/> | If the Contracting Officer rejected the set-aside recommendation of the Small Business Specialist or PCR, does the file contain the Contracting Officer’s written response explaining why the recommendation was not accepted (within five business days after the initial recommendation was made)? |
| <input type="checkbox"/> | <input type="checkbox"/> | If this acquisition involved the rejection of a set-aside recommendation which was subsequently appealed to the HCA and the SBA Administrator; and a procurement suspension was not honored by the Contracting Officer, does the file contain the determination that proceeding to contract award and performance is in the public interest? |
| <input type="checkbox"/> | <input type="checkbox"/> | If the acquisition was conducted using other than full and open competition, did it include the Competition Advocate’s review of the exception to competition (when required)? |
| <input type="checkbox"/> | <input type="checkbox"/> | If practicable, was the action planned so that more than one small business concern might be able to satisfy the requirement? |

Did the Contracting Officer notify the PCR of the opportunity to review the proposed contract or modification, including the subcontracting plan and supporting documentation, in sufficient time to allow the PCR to submit advisory recommendations? Were the recommendations implemented?

8(a) Program and Set-aside Issues:

If this acquisition was previously acquired successfully as any type of small business set-aside (sole source or competitive), were all subsequent requirements for this particular supply/service obtained on an appropriate set-aside basis? If not, does the file contain documentation to explain why there was not a reasonable expectation that offer(s) would be received and an award made at a fair market price?

If this acquisition was previously acquired successfully via the 8(a) Program, were all subsequent requirements for this particular supply/service obtained through the 8(a) Program? If not, did the contracting activity formally request release of the requirement in accordance with the terms of the Partnership Agreement?

If this was a set-aside action and the Contracting Officer withdrew the set-aside determination (whether unilateral or joint), was written notice given to the Small Business Specialist and the PCR stating the reason(s) for the withdrawal?

If the acquisition is a multiple award, were portions set aside or reserved for 8(a), HUBZone SB, SDVOSB, WOSB and/or small business concerns? If so, how does the contracting activity ensure equitable distribution under the contracts?

Solicitation and Synopsis Issues:

Was the synopsis published in FedBizOpps at least 15 days before the issuance of the solicitation? (Not applicable if the Contracting Officer established a shorter period for a commercial item acquisition or used the combined synopsis and solicitation procedure.) Was a minimum 45 days allowed for a response to an R&D requirement and 30 days for another requirement? (Not applicable for the acquisition of commercial items.)

Did the Contracting Officer synopsise the contract award in FedBizOpps if it exceeded \$25,000 and was subject to the Trade Agreements Act or likely to result in the award of any subcontracts?

Was the contract award synopsized in FedBizOpps no longer than 60 days after award?

Was the appropriate NAICS code and applicable size standard included in the solicitation?

Did the solicitation furnish specifications, plans or drawings, or provide information on where these documents could be obtained or examined?

- Were functional specifications used rather than detailed design specifications?
- Was the delivery schedule realistic?
- Was the requirement divided into reasonably small lots to permit offers on less than the total requirement?

Evaluation of Offers:

- Does the abstract of offers or proposal tabulation reflect the size status of offerors?
- Is there any indication in the contract file that a small business offeror's bid or proposal was not given a fair evaluation?
- Does the statement of work or specifications appear to be tailored for a specific firm, or are they unnecessarily restrictive?
- If the acquisition is accomplished through a schedule contract, are one or more small, women-owned small, small disadvantaged, veteran-owned small, service-disabled veteran-owned small, or HUBZone small business schedule contractor(s) considered? Was preference given to the items of small business concerns when two or more items at the same delivered price will satisfy the requirement?

Subcontracting Plan Issues:

- If the solicitation was for a large dollar value acquisition, did the Contracting Officer include an evaluation factor/subfactor that addresses large business commitment to subcontracting with all categories of small business concerns? Evaluation factors may include: (1) the extent to which such firms are specifically identified in proposals; (2) the extent of commitment to use such firms (for example, enforceable commitments are to be weighted more heavily than non-enforceable ones); (3) the complexity and variety of the work small firms are to perform; (4) the realism of the proposal; (5) past performance of the offerors in complying with requirements of the Subcontracting Plan clause; and, (6) the extent of participation of such firms in terms of the value of the total acquisition.
- If the contract was for a new program or is a large dollar value requirement, was the extent of small business participation in the requirement evaluated as a source selection factor (e.g., best value criteria)? Can small businesses identify likely prime contractors during the pre-solicitation/pre-proposal stage (e.g., by accessing the list of firms that download program information) for potential subcontracting opportunities? How are large business offerors required to address the extent of small business participation in their proposal? Are small business offerors exempt from this proposal requirement or are they burdened with addressing this requirement? For bundled acquisitions, do small business offerors automatically receive the highest rating for this factor?

If this is a new contract or modification to an existing contract above the subcontract plan threshold, did the successful offeror submit an acceptable subcontracting plan containing all six essential elements; and was negotiated, approved, and made a material part of the contract? If this was an undefinitized contract action (e.g., a letter contract), did the Contracting Officer address the subcontract plan requirement appropriately?

If an approved subcontracting plan was not incorporated into the contract at the time of award, was a proper waiver placed in the file?

Was the prime contractor encouraged to publish subcontracting opportunities in FedBizOpps and SUB-Net if a subcontracting plan was required?

Did the Contracting Officer notify the PCR of the opportunity to review the proposed contract or modification, including the subcontracting plan and supporting documentation, in sufficient time to allow the PCR to submit advisory recommendations? Were the recommendations implemented?

Was the subcontracting plan challenged if it did not contain positive small business goals?

For DOD contracting activities, if the SDB subcontracting plan goal was less than five percent, does the file contain justification for that SDB goal, approved one level above the Contracting Officer?

In this contract, was compliance with previous subcontracting plans a factor in determining the offeror's responsibility?

For this contract, were subcontracting plans considered as an evaluation factor in proposal evaluations?

Did this solicitation contain target subcontracting plan goals, mandatory minimum goals or request that offerors propose challenging goals?

If a modification over the subcontract plan threshold was issued, does the file contain a revised subcontracting plan?

Are contract administration functions for this contract accomplished in-house? If not, by whom and to what extent? Did the Contracting Officer forward a copy of the subcontracting plan or a determination that a subcontracting plan is not required, to the contract administration office delegated this function?

If contract administration functions are retained in-house, is the prime contractor monitored for compliance with its subcontracting plan for this contract?

Did the Contracting Officer send a copy of the award document (including subcontract plan) to the SBA Area Office in the area where the contract would be performed?

If the contract contains a commercial plan (which requires annual resubmissions), and contract administration functions are retained in-house, does the contracting activity have a tracking system in place to ensure receipt of a new commercial plan and does the contract file contain a current subcontracting plan? Note that 30 working days before the end of the contractor's fiscal year, contractors must submit a new subcontracting plan to the Contracting Officer responsible for the uncompleted government contract with the latest completion date. Copies of that approved plan must be obtained by each Contracting Officer responsible for an ongoing contract that is subject to the plan.

Does the contract file contain appropriate ISRs/SSRs?

Other Issues:

Is the socio-economic status of the contractor properly coded in the FPDS-NG system? Is the Contracting Officer using SAM to code the contractor's status?

Is the Contracting Officer monitoring compliance with the appropriate work performance requirement (limitations on subcontracting) when applicable? If not, is the contractor in compliance with the requirement?

Terminations:

If the contractor was issued a "show cause" or "cure notice" as a result of performance under this contract, was a copy of the notice(s) provided to the contracting activity Small Business Specialist and to the SBA Area Office nearest the small business firm?

If this contract was terminated, is there evidence that any attempts were made by the Administrative Contracting Officer to resolve contract problems with the small business firm?

FAR Clauses/Provisions Review List - solicitation

- Either FAR provision 52.219-1 or 52.204-8 for representations and NAICS Codes;
- FAR clause 52.219-2 for Equal Low Bids.
- FAR 52.219-3 (HubZone), 52.219-6 (Total SB Set-Aside), 52.219-7 (Notice of Partial Set-Aside), 52.219-27(SDVOSB), 52.219-29 (EDWOS B), 52.219-30 (WOSB);
- FAR clause 52.219-4 for HUBZone SB price evaluation preference;
- FAR clause 52.219-8 for Small Business Utilization Concerns;
- FAR clause 52.219-9 or 52.219-10 for subcontracting program issues;
- FAR 52.219-14 for Subcontracting Limitations;
- FAR clause 52.219-16 included when FAR clause 52.219-9 is present;
- FAR clauses 52.219-11 and 52.219-12 Special 8(a) in sole source 8(a) contracts;
- FAR clause 52.219-17 in 8(a) competitive awards;
- FAR clause 52.219-18 for special competitive 8(a) conditions;
- FAR clause 52.219-28 for Post-Award SB Program Representation

File Review Notes:

Protests:

If this contract file contains a GAO, Board of Contract Appeals or direct protest to the agency/command, was the protest handled promptly?

If the contract file contains a protest of a concern's size status, does evidence indicate that the Contracting Officer promptly forwarded the protest to the cognizant SBA Area office for a determination of eligibility, even if receipt of the challenge from an interested party was untimely?

If the contract file contains a protest of a concern's socio-economic status, does evidence indicate that the Contracting Officer promptly forwarded the protest to the appropriate SBA office for a determination of eligibility, even if the Contracting Officer believes that the protest was insufficiently specific or untimely?

If a small business bid or proposed on this action, and the Contracting Officer determined that the small business lacked any element of responsibility, did the Contracting Officer withhold contract award and refer the matter to the cognizant SBA Area Office for a COC?

If there was a protest involving a NAICS code, was it promptly referred to the SBA?

8(a) Checklist

Offering letter in file, if applicable? Yes _____ No _____

If yes, does it include all required info? _____

Is the NAICS code appropriate? Yes _____ No _____

SBA acceptance letter in file? Yes _____ No _____

Signed purchase orders in file? Yes _____ No _____

If yes, did SBA address eligibility? _____

Are required clauses in the contract? Yes _____ No _____

If no, what clauses are missing: _____

Does the contract indicate that even though SBA may not be identified as the prime contractor in Section A of the contract, SBA is still the prime contractor? Yes _____ No _____

Award document in file? Yes _____ No _____

If performed by a Joint Venture (J/V), did SBA approve the J/V before contract award?
Yes _____ No _____

Are there any teaming agreements? Yes _____ No _____

If yes, who is performing the work/where are orders placed/where is the billing sent:

Has there been a novation of this contract? Yes _____ No _____

If yes, was SBA given an opportunity to review and approve the novation agreement?
Yes _____ No _____

If no, why not: _____

Is the Contracting Officer monitoring compliance with work performance requirements (limitations on subcontracting – 52-219-14) IAW the Partnership Agreement? Yes _____ No _____

If no, is the firm in compliance with the requirement? Yes _____ No _____
If no, why not:

Evidence of Distribution of Award to the appropriate SBA Office: Yes _____ No _____

Appendix 15: Interview Questions

- a. Sample Interview Questions for Small Business Specialist
- b. Sample Interview Questions for Contracting Officers, Contract Specialists and Technical proponents.

Appendix 15a: Surveillance Review Interview Questions

Interviews will be conducted with the Small Business Specialist (SBS).

All of the Following Questions Shall be asked of the **Small Business Specialist**

1. Background Information

- a. How long have you been in your present position?
- b. What are your duties?
- c. Who do you report to within your organization?
- d. Do you periodically brief the Head of the Activity or their Deputy? How often?
- e. When was your last briefing held?
- f. How does your management support the Small Business Program?

2. Acquisition Planning

- a. How do you deal with conflicts between what the HCA “wants” vs. the interests of small business?
- b. Are you involved in any advance procurement planning as it relates to the Small Business Program?
- c. What training has been provided on contract bundling regulations and small business regulations?
- d. To whom was it given?
- e. How do the Contracting Officers and Contract Specialists routinely make efforts to increase the participation of small business firms, including all subgroups?
- f. How are efforts made by you and the Contracting Officers and Contract Specialists to identify new small businesses?
- g. Where do you obtain information on vendors/sources?
- h. Do your agency’s contracting personnel know when to submit a Small Business Coordination Record (example: DD 2579 (DOD), DI-1886 (DOI) to the SBA’s PCR for review?

3. Acquisition Review & Small Business Programs

- a. How do you promote the Small Business Program?
- b. Do you know what your buying activity's Small Business goals are for the last five years?
 - 6) FY_____
 - 7) FY_____
 - 8) FY_____
 - 9) FY_____
 - 10) FY_____
- c. Did your buying activity achieve its Small Business goals for FY _____ and FY _____? If not, what were the results of your analysis? What action, if any, did you take?
- d. Do you provide any input to your activity's goals?
- e. Do you think Contracting Officers and Contract Specialists are knowledgeable of the Small Business Program procedures and goals?
- f. Other than goal achievement, how do you assess your Small Business Program?
- g. How do you interact with the technical community regarding the Small Business Program?
- h. How do you evaluate a requirement for the 8(a), HUBZone, SDVOSB, or WOSB program?
- i. What do you do when you identify a requirement that is suitable for more than one small business program?

4. Publicizing Contract Actions & FedBizOpps

- a. Do you monitor the contracting officer's use of FedBizOpps to issue sources sought notices, announce set-asides, and post award notices (for subcontracting opportunities notification)?
- b. If yes, how do you monitor it?

5. Subcontracting Program Issues

- a. FAR requires submission of subcontracting plans by other than small businesses for acquisitions valued at more than \$650,000 (\$1.5 million for construction). Does your activity waive this requirement, and if so in what situations would you waive it?
- b. What is your role as Small Business Specialist regarding the acceptability of subcontracting plans?

- c. Over the last two FYs, how many subcontracting plans have you sent back to the Contracting Officers (prior to PCR review) recommending that goals be increased? Provide examples.
- d. What type of guidance or training is available to your contracting personnel regarding the subcontracting program? When was it last presented or updated?
- e. Is your activity using Electronic Subcontracting Reporting System (eSRS)?

Other Small Business Program Issues

6. Responsibility & Certificates of Competency (CoC)

Are you familiar with and does your agency provide written guidance on Certificate of Competency procedures?

7. Protests & Size Challenges/Issues

- a. Describe your activity's use of pre-award small business set-aside notification procedures to permit size challenges and guidance for any ensuing challenges or protests.
- b. Is your activity aware of the non-manufacturer rule procedures?
- c. Is your activity using wholesale/retail NAICS code for the procurement of supplies?
- d. Overall Knowledge of the Program & Other Issues
- e. Briefly describe your buying activity's recent outreach programs to enhance opportunities for small business firms (including all sub groups) to participate in procurement requirements.
- f. How do you ensure the accuracy of the data input in FPDS-NG?
- g. Describe your on-going Small Business Program training. Is it a requirement at your buying activity? If yes, for whom?
- h. Describe your working relationship with the PCR (if one is assigned).
- i. Is your activity reviewing set-aside contracts to determine whether the prime contractor is meeting all of the terms and conditions contained within the contract, especially FAR Clause 52.219-14 – Limitations on Subcontracting.
- j. If not, why not?

8. Special 8(a) Program Requirements

- a. Are copies of all 8(a) contract award documents and/or modifications (if applicable) sent to the SBA District Office servicing the 8(a) firm? If not, why not?
- b. Is your activity in compliance with the regulations of the 8(a) BD program and FAR 19.8 and any applicable partnership agreement? If not, why not?

Appendix 15b: Surveillance Review Interview Questions

Interviews will be conducted with the Contracting Officers, Contract Specialists and Technical proponents.

All of the Following questions shall be asked of the Contracting Officers, Contract Specialists and Technical Personnel.

1. Background Information

- a. How long have you been in your present position?
- b. Please discuss your perspective of the effectiveness of the Small Business Program at your activity?
- c. Explain how your management supports the Small Business Program?
- d. How familiar are you with the Small Business Act and FAR Part 19 requirements?

2. Acquisition Planning

- a. Describe any training or guidance provided to you on contract bundling regulations. When was training on bundling issues last offered? Did you attend?
- b. Have you ever been involved in a bundled acquisition? If so, did you follow the special procedures that apply to bundling (e.g., notify the PCR at least 30 days before solicitation issuance, document the benefits of a bundling strategy, etc.)?
- c. Describe how you conduct market research.
- d. How often do you use sources sought and requests for information to identify eligible small business sources for procurement?
- e. How do you make efforts to increase the participation of small business firms, including all subgroups?
- f. What efforts do you make to identify new small businesses?
- g. How do you encourage small business participation in the acquisition process?
- h. Where do you obtain information on vendors/sources?
- i. Are you familiar with the Dynamic Small Business Search and how to use it? Do you utilize the Quick Market Research tool?
- j. Do you include in the source selection criteria an evaluation factor addressing the extent of SB participation in a requirement when appropriate? If not, why not?
- k. Have you evaluated past performance related to contractor performance on existing subcontracting plans?

3. Acquisition Review & Small Business Programs

- a. How are you made aware of your buying activity's Small Business goals for FY _____?
- b. How do you evaluate a requirement for the set-aside programs? What do you do when you identify a requirement that is suitable for more than one program?
- c. How do you treat re-procurement requirements that have been historically set-aside in a particular set-aside program?
- d. Do you process a small business coordination form for new work or additional work contract modifications valued over \$10,000? Over \$25,000?
- e. How do you advertise and solicit to small businesses for procurements under \$25,000?
- f. How do you alert the Small Business Specialist and Procurement Center Representative (PCR) when processing an urgent requirement?
- g. How do you solicit and evaluate requirements when using the General Service Administration (GSA) Schedules? How do you ensure small business participation?

4. Subcontracting Program Issues

- a. FAR requires submission of subcontracting plans by other than small businesses for acquisitions valued at more than \$650,000 (\$1.5 million for construction). Do you ever waive this requirement, and if so in what situations would you waive it?
- b. Do you obtain a new or revised subcontracting plan for contract modifications over \$650,000 (\$1.5M for construction)?
- c. Describe how you evaluate subcontracting plans before getting Small Business Specialist and PCR comments. Does your evaluation include obtaining information on prior compliance with subcontracting plans when evaluating an offer's responsibility?
- d. Is your activity using Electronic Subcontracting Reporting System (eSRS)?
- e. Do you formally incorporate the subcontracting plan into the contract at time of award?
- f. How do you alert the appropriate contract administrator and SBA offices about an award involving a subcontracting plan?
- g. Is the contracting officer accepting the Individual Subcontracting Reports (formerly SF 294's) and Summary Subcontracting Reports (formally 295's) in eSRS? If not, why not?

5. Other Small Business Program Issues

- a. Protests & Size Challenges/Issues
- b. Are you aware of NAICS Code, size and socio-economic protest procedures?

- c. Do you issue pre-award notifications of awardee for small business set-aside solicitations to permit size challenges?
- d. Is your activity aware of the non-manufacturer rule procedures?
- e. Overall Knowledge of the Program & Other
- f. Do you feel that training in the Small Business Program is needed?
- g. What type of Small Business Program training was offered at your activity, e.g. bundling, subcontracting, COC, size determination, set-asides, etc.
- h. Briefly describe the responsibilities of the Small Business Specialist and the SBA Procurement Center Representative (PCR), if assigned, as you understand them?
- i. What type of working relationship do you have with the Small Business Specialist? With the PCR?
- j. What do you do when you experience a problem with a small business, whether it is a question or protest before award or a performance issue after award?
- k. Have you been involved in any outreach programs conducted by the buying activity to enhance opportunities for small business firms (including all sub groups) to participate in procurement requirements?
- l. Is your activity reviewing 8(a) contracts to determine whether the prime contractor is meeting all of the terms and conditions contained within the contract, especially FAR Clause 52.219-14, Limitations in Subcontracting? If not, why not?
- m. Are copies of the 8(a) contract award documents and/or modifications (if applicable) sent to the SBA district office servicing the 8(a) firm? If not, why not?
- n. Do you consult the servicing 8a SBA District Office regarding an 8(a) firm's eligibility status prior to making contract award (regardless of the dollar threshold)?
- o. Is your activity in compliance with the regulations of the 8(a) BD program and FAR 19.8? If not, why not?
- p. How do you monitor limitations in subcontracting -- Clause 52.219-14?
- q. What comments, pro and con, do you wish to make about the Small Business Program?

6. FAR Clauses & Provisions

- a. How do you ensure that all of the proper small business clauses are included in the solicitation?
- b. Is your activity using SAM to obtain representations and certification?
- c. How are the NAICS and size standards assigned?

Appendix 16: Surveillance Review Report

- a. Template for Surveillance Review Report
- b. Sample Surveillance Review Report Format

Appendix 16a: Sample Surveillance Review Report Format

Template for Surveillance Review Reports

SBA Letter Head

Surveillance Team Members

Ms. Debra B. Libow, Procurement Center Representative (PCR) and Team Leader
Mr. Ben R. Manzano, PCR and Team Member
Ms. Joyce C. Spears, PCR and Team Member
Mr. Clyde G. Martin, Business Development Specialist (BDS), New York District

Dates and Scope of Review

Mr. John W. Klein, Acting Director for Government Contracting, U.S. Small Business Administration (SBA), notified Ms. Jiyoung C. Park, Associate Administrator, Office of Small Business Utilization (OSBU), General Services Administration (GSA) by letter dated December 24, 2010, that SBA would be conducting an on-site surveillance review (SR). Ms. Janette Fasano, Area Director for the SBA Office of Government Contracting, Area 1, sent the confirmation letter that SBA would be conducting an on-site SR from June 20, 2011 through June 24, 2011 with the preparation checklist and request for information to Ms. Denise L. Pease, Regional Administrator (RA) and Head of the Contracting Activity (HCA), GSA, Northeast and Caribbean Region (NECR), on February 25, 2011. The team leader received information prior to the review and requested specific contract files to be available for the review. The SBA New York District Office BDS participated by reviewing selected 8(a) contract files.

An entrance briefing was conducted on June 20, 2011, by Ms. Debra Libow. Attendees at this meeting included Mr. Ben Manzano; Ms. Joyce Spears; Mr. Clyde Martin; Ms. Denise Pease; Mr. James Smith, Supervisory Contract Specialist, Service Centers Division, Manhattan Acquisition Unit, Public Buildings Service (PBS); Mr. Richard Favuzzi, Branch Chief, GSA, Real Estate Acquisition Division, Social Security Administration; Mr. Warren Hall, Regional Procurement Officer, Director Acquisition Management Staff, Public Buildings Service (PBS); Ms. Kirsten Clark, Acquisition Management Specialist, PBS; Mr. Marvin Newman, Supervisory Contracting Officer, Acquisition Services Branch, Design and Construction Division, PBS; Mr. Jeffrey Lau, Contracting Officer, Office Products Acquisition Branch, Federal Acquisition Service (FAS); and Ms. Gita Stulberg, Special Assistant to the RA. The entrance briefing described the purpose, scope, and methodology of the SR, and general information about the GSA NECR was also discussed.

The scope of SBA's review was to determine the effectiveness of the GSA NECR, Small Business Program. The team evaluated procedures and practices required by federal and agency regulatory guidance: examined the contents of contract files that were selected to represent a sampling of the dollar values and procurement methods being used including a variety of prime contract files including both simplified and large purchase procedures; task orders; 8(a) contracts; contracts containing or requiring subcontracting plans to ensure compliance with the subcontracting program (including review, award and administration of subcontract plans); and interviewed procurement and small business personnel. The intent of the review was to include statistical data and Small Business Program information from Fiscal Years 2007-2011, to date.

An exit briefing was held on June 23, 2011, with the following attendees: Ms. Libow; Mr. Manzano; Ms. Spears; Mr. Hall; Ms. Stulberg; Mr. Smith; Ms. Theresa Ramos, Regional Acquisition Manger, Office of the Regional Commissioner, FAS; Mr. Robert Woodside, Office Supplies and Administrative Services Acquisition Center Branch Chief, Administrative Services Acquisition Branch, (FAS); Mr. David Monahan, Branch Chief, Acquisition Services Branch, Design and Construction Division, PBS; Ms. Mildred Broughton, Procurement Analyst, PBS; Ms. Winnie Eng, Supervisory Contracting Officer, Acquisition Services Branch, Design and Construction Division, PBS; and Mr. Jeremy Bozikee, Contract Specialist, PBS. Preliminary findings as well as the post-review process for the transmittal of the final report were discussed. The SR team invited GSA NECR to provide written comments and proposed solutions to our findings, with assurance that their input would be valued and included in the final report.

III. Results of the Surveillance Review

Small Business Program Rating (must include rating summary justification)

The GSA NECR is assigned an overall rating of **Satisfactory**. The review of the GSA NECR contracting files revealed mostly minor deficiencies. None of the deficiencies cited below appears to have impacted small businesses ability to participate in the acquisition process. GSA NECR contracting personnel conduct effective and documented market research. While interviews with several acquisition personnel revealed considerable knowledge about and support of small business issues, additional training in the Small Business Act, Federal Acquisition Regulations (FAR) Part 19 requirements and General Services Administration Acquisition Manual (GSAM) Part 519 would be helpful. Ms. Janice Bracey, Lead Small Business Specialist, Small Business Utilization Center (SBUC) Specialist and Small Business Technical Advisor (SBTA) and Ms. Libow, the assigned SBA PCR, have conducted small business training within the past twelve months. There is consensus among the staff that it would benefit from periodic, comprehensive small business program training. Senior management will need to encourage staff attendance at training sessions in order for training to be effective. Based on year-to-date statistics, indications are that GSA NECR will likely meet and/or exceed its goals in all small business categories for FY 2011.

Buying Activity Background

The GSA is a federal procurement and property management agency created to improve government efficiency and help federal agencies better serve the public. The GSA NECR mission is to provide products and services in New York, New Jersey, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. The GSA NECR provides a full range of workplace-related support such as project management, interior design, architects/engineers, and contract professionals, building operation and maintenance, and tenant services, including lease administration, and repairs and alterations in federally-owned facilities, leased locations, and border station facilities. The FAS mission is to help federal agencies better service the public by offering, at best value, expert solutions, acquisition services and management policies by acquiring and providing office space, equipment, supplies, telecommunications, information technology and professional services. The SBA currently provides resident PCR coverage at GSA NECR.

Overall Effectiveness of the Small Business Program

The GSA NECR Small Business Program is Satisfactory. Through a recent reorganization, the FAS Regional Commissioner, Mr. Paul McDermott, presides over the Small Business Utilization Center (SBUC) for GSA NECR. Mr. McDermott stated his avid support for the small business program, yet he along with each of the GSA associates we spoke with agrees that the SBUC is not

sufficiently staffed. For years, the SBUC was housed in a private, standalone office with a staff of at least two individuals. Presently, the SBUC is solely embodied by Ms. Bracey and she is expected to perform all SBUC functions for the entire GSA NECR including, but not limited to, the review of acquisition plans, procurements not set-aside, and subcontracting plans. She is also responsible for planning and participating in networking sessions, workshops, and trade- shows. As a result of the reorganization, the SBUC lost staff and office space. Ms. Bracey is currently housed within the FAS, which consequently resulted in the mistaken perception of GSA NECR staff that Ms. Bracey's main area of responsibility is within the FAS program. Moreover, Ms. Bracey was relocated into a cubicle space surrounded by others, and from which she is no longer able to provide small business concerns with anonymity when they call or visit seeking counseling and assistance on GSA NECR issues. Ms. Bracey's telephone conversations with small business and contracting personnel are overheard by all within earshot and visitors are within full view, leaving small business concerns and GSA NECR personnel seeking her counsel without any expectation of privacy or confidentiality. The issues of an understaffed and poorly situated SBUC were addressed with Ms. Pease, an ardent small business advocate. She has committed to evaluate the staffing needs and space requirements of the SBUC and to implement necessary changes to enhance the effectiveness of the small business program, as appropriate.

The GSA NECR Small Business Program can rapidly be improved by increased staff attendance at small business training sessions. As previously stated, Ms. Bracey and Ms. Libow have provided several small business program training sessions for the contracting staff. However, a substantial number of contracting associates are consistently unavailable to attend the programs, citing more pressing obligations.

We recommend that GSA NECR management consider the feasibility of granting Continuing Learning Points (CLPs) for those who attend small business program training sessions to further enhance attendance.

The GSA NECR contracting staff received training on the Electronic Subcontracting Reporting System (eSRS), however many associates remain confused and overwhelmed by the system and need additional support and training to increase the input and reliability of data.

In spite of the fact that the GSA NECR SBUC does not appear to have sufficient staff to support the workload, it does have an extensive and well documented small business outreach program.

There is no contract bundling at this activity. While some of the contract files could have been better organized, most files did contain all the documentation required for this SR.

Contracts and subcontracting plans are currently administered by GSA NECR; however, as will be discussed later in this report, the administration of FAS subcontracting plans is proposed to be delegated to Administrative Contracting Officers (ACO).

Deficiency #1: The SBUC is understaffed and poorly located. One individual cannot reasonably be expected to perform all duties required by the GSA NECR SBUC. The current space assigned to the SBUC is located in an open cubicle encircled by other associates. Small business concerns and GSA associates seeking SBUC counsel are not afforded the anonymity, confidentiality or privacy they deserve to comfortably utilize the SBUC.

Recommendation #1: Recommend GSA NECR undertake and evaluate the staffing needs and appropriate space requirements of the SBUC. We note that the RA has already expressed her interest in evaluating this recommendation.

Overview of Small Business Awards:

<u>FY2007</u>	<u>Total (\$)</u>	<u>SB</u>	<u>SDB</u>	<u>WOSB</u>	<u>HUBZone</u>	<u>SDVOSB</u>
	453.6M	\$132.1M	\$39.6M	\$30.9M	\$24.9M	\$8.4M
Goals:		36.00%	8.00%	6.00%	3.00%	4.00%
Actual Goal % Achieved:		29.12%	8.72%	6.81%	5.48%	1.84%

<u>FY2008</u>	<u>Total (\$)</u>	<u>SB</u>	<u>SDB</u>	<u>WOSB</u>	<u>HUBZone</u>	<u>SDVOSB</u>
	365.7M	\$191M	\$49.3M	\$35.5M	\$26.5M	\$30M
Goals:		24%	8.00%	5.00%	3.00%	3.00%
Actual Goal % Achieved:		52.24%	13.49%	9.72%	7.24%	8.21%

<u>FY2009</u>	<u>Total (\$)</u>	<u>SB</u>	<u>SDB</u>	<u>WOSB</u>	<u>HUBZone</u>	<u>SDVOSB</u>
	611.5M	\$189.8M	\$44.1M	\$35M	\$19.35M	\$38.4M
Goals:		24%	8.00%	5.00%	3.00%	3.00%
Actual Goal % Achieved:		31.04%	7.21%	5.73%	3.16%	6.28%

<u>FY2010</u>	<u>Total (\$)</u>	<u>SB</u>	<u>SDB</u>	<u>WOSB</u>	<u>HUBZone</u>	<u>SDVOSB</u>
	627.6M	\$283.5M	\$88.8M	\$31.2M	\$60.5M	\$40.4M
Goals:		26.0%	5.00%	5.00%	3.00%	3.00%
Actual Goal % Achieved:		45.16%	14.15%	4.97%	9.64%	6.43%

<u>FY2011</u> <u>to date</u>	<u>Total (\$)</u>	<u>SB</u>	<u>SDB</u>	<u>WOSB</u>	<u>HUBZone</u>	<u>SDVOSB</u>
	126.7M	\$69.2M	\$19.2M	\$16.0M	\$7.1M	\$7.7M
Goals:		26.00%	5.00%	5.00%	3.00%	3.00%
Actual Goal % Achieved:		54.63%	15.11%	12.64%	5.57%	6.06%

SB = small business; SDB/8(a) = small disadvantaged business and 8(a) are combined as there was no separate goal for 8(a); WOSB = women-owned small business; HUBZone = Historically Underutilized Business Zone small business; SDVOSB = service-disabled veteran-owned small business; M = Millions

Small business program goals are assigned to the GSA NECR on an annual basis by the Associate Administrator, OSBU, who establishes the GSA Agency-wide and Regional Small Business Program Socio-economic Goals with input from the regional offices. The goals vary each year depending on prior performance and in consideration of future requirements. The goals are communicated to the acquisition staff on a quarterly basis and the achievement of the goals is discussed at least quarterly to identify which acquisition strategies would increase the probability of meeting or exceeding each of the goals.

An analysis of performance indicates that GSA NECR missed its SB goal in FY 2007 when it achieved 29.12% of its 36% SB goal. Consequently, in FY 2008 the SB goal was reduced from 36% to 24%, and SB goal achievement was 52.24%. However, the FY 2009 SB goal remained at 24% and SB goal achievement was 31.04%. In FY 2010 and FY 2011 the SB goal was increased to 26%, and goal achievement was 45.16%, and 54.63% to date, respectively. GSA NECR's SDB goal was 8% in FY 2007, FY 2008 and FY 2009, and while it exceeded its goals in FY 2007 and FY 2008, it barely missed its goal in FY 2009, but nevertheless performed well, awarding 7.21% to SDB. However, for FY 2010 and FY2011, the SDB goal was decreased to 5%, and goal

achievement was 14.15% and 15.11% to date, respectively. GSA NECR's WOSB goal remained at 5% for the period of this review, and it exceeded its goal in FY 2007, FY 2008 and FY 2009. It barely missed its WOSB goal in FY 2010, but nevertheless performed well, awarding 4.97% to WOSB. With the exception of FY 2007, GSA NECR far exceeded its SDVOSB goal. GSA NECR consistently exceeded its HUBZone goal. Data for the FY 2011 to date indicates that GSA NECR is exceeding its goals.

The reasonableness of the small business goals assigned to GSA NECR is questionable as they appear to insufficiently consider recent goal achievements before assigning goals for succeeding years.

Deficiency #2: GSA AAOSBU establishes the goals without giving sufficient consideration to recent goal achievements.

Recommendation # 2: Recommend GSA AAOSBU take into consideration the previous year(s) socio-economic achievements. Also, recommend GSA NECR discuss with its Headquarters the deficiencies in goaling methodologies, identified by the SR team.

We recommend that procedures be developed to further improve the methodology for goal setting in order to establish realistic socio-economic goals for FY 2012 and thereafter.

Small Business Program Management

Ms. Janice Bracey was appointed to her position in October, 1995, and performs the day-to-day duties required by this position. As noted above, Ms. Bracey reports to the FAS Regional Commissioner, who reports to the RA/HCA. Ms. Pease has encouraged an open door policy with Ms. Bracey. Ms. Bracey regularly reports and advises Ms. Pease on small business matters. Ms. Bracey serves as subject matter expert on procurement requirements involving small business for the Region and also serves as SBTA on acquisition plans and subcontracting plans. Ms. Bracey communicates policy changes and updates on Small Business Programs to the RA/HCA, Senior Management, Regional contracting staff, and potential vendors to include training on small business policies. Although, the SR team found that Ms. Bracey frequently disseminated small business information through proper channels much of it never reached the contracting associates. There are layers of management between the SBUC and much of the contracting staff. As a result, information is not as easily exchanged as it could be if there was a more direct line of communication between the contracting staff and the SBUC.

Ms. Bracey demonstrates a strong commitment to the small business program which is evidenced by the excellent small business outreach program. The SBUC sponsors and participates in small business seminars, GSA Schedule Contract Training, and Procurement Fairs. The SBUC also participates in procurement conferences sponsored by other government agencies, Procurement Technical Assistance Centers (PTACs), and Small Business Development Centers (SBDCs). Over the period covered by this review the SBUC participated in nearly one hundred workshops and conferences of which at least half were conducted by the SBUC. It is noted that Ms. Bracey was unable to participate in this review.

American Recovery and Reinvestment Act of 2009 (ARRA)

GSA NECR undertook several actions to maximize opportunities for small business under ARRA. The Region conducted several Small Business Fairs to promote its contracting opportunities under the program. The PBS ARRA Recovery Executive (RAE) is Ashley Cohen, and acquisition related questions regarding GSA NECR are referred to him. The GSA NECR, PBS also hired two

Contracting Officers to perform contracting responsibilities under the Recovery Act. However, the Region used its in-house acquisition staff for the majority of ARRA contracting actions.

The RAE addressed ARRA opportunities before audiences of Professional Women in Construction; and served as a panelist before the Society for Marketing Professionals and its members to encourage participation in upcoming ARRA projects, among other events.

Contracting Officers were provided in-house training on ARRA contract actions, and project teams were asked to utilize special procedures to maximize outlays under ARRA contracts to facilitate contract financing flexibilities and accelerate payments of ARRA invoices.

The GSA NECR appears to have adhered to the ARRA unique requirements for posting of pre-solicitation notices and contract award announcements in Federal Business Opportunities (FBO).

8(a) Contract Review Process

Selected contracts were reviewed to ensure the following: required clauses were incorporated; offering and acceptance letters were in the files; indication that SBA received a copy of the award document; contract language that identifies SBA as the prime contractor; SBA approval of any novation or joint venture arrangement; contract termination notices; appropriately selected NAICS codes; and compliance with limitations of subcontracting and non-manufacturer rules. While the Government Contracting Office via the SR team assumes responsibility for the 8(a) contract review, the New York District Office Business Development Specialist accepted our invitation to participate. A total of 7, 8(a) contract files were reviewed (see Section V for identification of the 8(a) contracts reviewed). Two deficiencies were identified and are reported below (see deficiencies #9 and #10).

Deficiencies and Regulatory Non-compliance

A total of forty-four contract files were reviewed (see Section V for contract list) that were selected from the list provided to the team leader in advance of the review. Files were selected to represent a sampling of the dollar values and procurement methods being used, and included contracts for construction, supplies, services and leases.

Acquisition Planning (must include social media)

The market research performed by the GSA NECR is generally well documented and frequently includes a sources-sought synopsis in FedBizOpps. Although the FAR does not require FedBizOpps sources-sought notices when conducting market research, the use of this tool provides the greatest notice to industry about the government's upcoming requirements. The GSA NECR also employs the use of Industry Days, one-on-one sessions and pre-solicitation conferences to involve industry in its acquisition process. Market research is also accomplished through use of The System for Award Management (SAM); historical information on prior procurements; and vendor supplied marketing materials. The GSA NECR posts information about future acquisitions on their website and has a social media directory on their website to identify small business opportunities.

There was no contract bundling activity by GSA NECR during the period covered by the review. Electronic records accurately reflected the socio-economic data and the corresponding data in the FPDS-NG was correct, and both pre-award and post-award contract actions were publicized in compliance with regulations, with the exception of the deficiencies cited below.

Deficiency #3: The GSA NECR issued 5 sole source acquisitions (GS02P07PCC0026, GS02P07PVC0014, GS02P08PJP0026, GS02P09PVD0015, and GS02P11PVC0022) that were awarded to other than small business without requisite coordination with the SBTA and SBA PCR. FAR 19.501 requires the Contracting Officer to coordinate all proposed acquisitions in excess of the micro-purchase threshold that have not been unilaterally set aside for small business to be coordinated with the SBA PCR; and FAR 19.402(b) and (c)(1)(i), requires that the PCR review proposed acquisitions ...not unilaterally set aside by the Contracting Officer.” GSAM 519.502-70 (a) requires that a Contracting Officer’s decision on an acquisition expected to exceed \$100,000 that is not to be set aside for small business, must be recorded on a GSA Form 2689 and reviewed by the SBTA and the SBA PCR.

Recommendation # 3: Recommend GSA NECR ensure that requisite documentation and coordination of the GSA Form 2689 and/or other coordination methodologies with the SBTA and SBA PCR for all relevant procurements.

Subcontracting Issues

The GSA OSBU web page has a link to the “*Doing Business with GSA*,” a comprehensive guide about contracting with GSA that includes a link to SBA’s SUB-Net System.

FAR 19.705-4, GSAM 519.705-3(b)(c) and (d), and GSAM 519.705-4 require that Contracting Officers assess the reasonableness, and therefore the acceptability, of proposed subcontracting goals. As was reported on prior GSA Surveillance Reviews, specifically GSA NER in 2009, a review of FAS contract files and discussions with the contracting staff evidenced a common misconception that the Region-wide subcontracting goals are the standard/target goals for all subcontracting plans, without regard for the nature of the acquisition.

We observed numerous cases of different offerors submitting subcontracting plans which contained identical or nearly identical goals to those GSA listed in the solicitation. In accordance with GSAM 519.705-4(d), the Government cannot tell the offerors what its goals must be, however you may tell the offeror what GSA’s national goals are. However, many FAS contracting personnel encourage offerors to use the goals posted in the solicitation which results in “parroting” unrealistic goals that do not provide the maximum opportunity practicable to small, HUBZone, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns to participate as subcontractors.

The SR team also noted that the Contracting staff is generally not evaluating the proposed goals against past performance with respect to subcontracting, and the proposed good faith effort. Moreover, many subcontracting plan entries that should appear in the eSRS system were missing and others are not being properly administered by GSA NECR staff that currently retain the contract administration function.

Deficiency #4: The team reviewed the following contract files and/or performed online eSRS reviews and found contractor submissions on eSRS that are pending because they require GSA input; some without any eSRS reports because either FPDS-NG was improperly coded which precluded the contractors from entering data and/or the contractors failed to submit reports with no GSA intervention or administration. The contracts noted are GS02F0205N, GS14F9729C, GS14F8818B, and GS15F0070K.

Recommendation #4: Recommend GSA NECR ensure that its staff is sufficiently trained on the eSRS system and must implement a means for oversight of subcontracting plan administration to

ensure that contractors are in compliance with their subcontracting reporting requirements. GSA NECR should create a system of checks and balances to ensure that its data input is timely, accurate and responsive to contractors' entries into the eSRS.

As with all findings discussed at the exit conference, the SR team invited GSA NECR staff to respond to our findings with a commitment that we would include their comments in the final report. FAS officials advised that several initiatives and systemic improvements were being put in place to improve its Subcontracting Program, as follows: To improve the timeliness of eSRS Reviews and Approvals, it has been agreed by all pertinent parties in FAS that subcontracting plan administration for GSA NECR will be delegated to the Administrative Contracting Officers, sometime in the future. A timeline for when the delegation will take place has not yet been determined, but all parties agree in principle that the delegation will happen. In the interim, they have made changes to their process to ensure timely review of eSRS reports. They now have two analysts who will be reviewing eSRS and informing the respective contract personnel when they have a report for review. They will be maintaining a spreadsheet of when the notification are sent and processed. Supervisors will be informed of any reports not processed timely in order to take corrective action. They will also be requesting eSRS training support from the GSA OSBU.

Deficiency #5: FAR 19.705-4, GSAM 519.705-3(b)(c) and (d), and GSAM 519.705-4 require that Contracting Officers assess the reasonableness and acceptability of proposed subcontracting goals. Especially in FAS, acquisition officials generally do not sufficiently perform this function.

Recommendation # 5: Recommend GSA NECR provide guidance and training to contracting personnel to ensure that each subcontracting plan is evaluated in terms of the circumstances of the particular acquisition instead of the flawed principle that one set of Region-wide goals is acceptable for all subcontracting plans.

Deficiency #6: There was no indication that award documents including subcontracting plans were distributed to SBA Area offices in accordance with FAR Subpart 19.705-6.

Recommendation #6: Recommend GSA NECR ensure that subcontracting plans and award documents are distributed as required in FAR Subpart 19.705-6. GSA NECR should consider adding this action to the contract file checklist.

Other Small Business Issues

Interviews with Contract Specialists and Contracting Officers revealed significant knowledge about the purpose and implementation of FAR Part 19 small business requirements. GSA NECR refers NAICS protests, size protests and other socio-economic protests to SBA as required. Requests for Certificate of Competency reviews are also referred to SBA when appropriate. No evidence of any barrier to small business participation was found during the review.

Regulatory Clauses/Provisions

Deficiency #7: The contracts listed below were missing some of the required FAR 52.219 clauses.

GS02P07PWD0029	52.219-8
GS02P07DTC0017	52.219-16, 52.219-19, and 52.219-28
GS02P08PWC0018	52.219-3
GS02P09DTC0005	52.219-28
GS02P06PCD0072	52.219-8, and 52.219-14

GS02P07PVC0014	52.219-1, 52.219-19, 52.219-28
GS02P09PVD0015	52.219-28
GS02P08DTC0021	52.219-28
GS02P10PIC0014	52.219-28
GS02P10PVC0023	52.219-19
GS02P10PVD0032/ (GS02P11PV5001)	52.219-28
GS02P11PJP0010	52.219-28
GS02P11PVC0022	52.219-28

Recommendation #7: GSA NECR shall ensure that all required small business clauses are included in the solicitations and contracts, accordingly.

Compliance with the Limitations on Subcontracting Requirement

All contracts set-aside for small business or awarded under the authority of the 8(a) Program include a “Limitations on Subcontracting” requirement (FAR 52.219-14). Contracts awarded under the HUBZone SB Program or the SDVOSB Program requires a similar requirement (FAR 52.219-3) “Notice of Total HUBZone Set-Aside or Sole Source Award” or FAR 52.219-27 “Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside”). In light of recent GAO reports and other agency findings, SBA is reviewing Contracting Officer activity related to compliance with the limitations on subcontracting requirement as part of the surveillance review. This includes the Contracting Officer’s responsibility determination during the pre-award process as well as any post-award (one-time or periodic) review of a contractor’s compliance with the requirements of the applicable clause.

Although, the FAR does briefly address the Limitations on Subcontracting requirement in FAR subpart 9.1 (dealing with pre-award activity), there does not appear to be any specific guidance regarding post-award compliance review, nor is this activity included in the FAR Part 42 list of contract administration delegation functions. Guidance regarding how to calculate the percentage of work performed can be found in the SBA regulations at 13 CFR 125.6 “Prime Contractor Performance Requirements (Limitations on Subcontracting).”

During interviews with GSA NECR acquisition personnel, it appears that a pre-award responsibility determination regarding this requirement is often accomplished. After contract award, no periodic review regarding contractor compliance with this requirement is performed by acquisition personnel nor is compliance reviewed at contract completion. According to acquisition personnel, this requirement is sometimes considered during the early acquisition planning process, i.e., when deciding whether or not a set-aside strategy is appropriate considering the general ability of small business to comply with the limitations on subcontracting requirement. Although, no apparent contractor (non-compliance) issues were identified during the file review, it should be noted that not all the information required for such a determination is generally available in a contract file. Additional information would be needed from the contractor and significant time would be required to determine if each contractor was complying with this contract requirement.

Deficiency # 8: There was no evidence that the Contracting Officer evaluated compliance with the Limitations on Subcontracting clause requirements after award in any of the set-aside contract files.

Recommendation # 8: Recommend GSA NECR institute procedures addressing the Contracting Officer's post-award responsibility determination regarding compliance with the Limitations on Subcontracting requirement.

8(a) Contract Actions

A review of the selected 8(a) contract files indicated that in most instances an offering letter and acceptance letter were in the files. NAICS codes appeared to be correct and work performance was incorporated by reference.

Deficiency #9: There was no apparent verification that SBA was provided a copy of the award document after contract award for the following 4, 8(a) contracts: GS02P06PCD0072, GS02P10PE5077, GS02P10PIC0014, and GS02P10PVC0023.

Recommendation #9: Recommend GSA NECR review the SBA/GSA Partnership Agreement, SBA Acceptance Letter and/or FAR 19.812(b) as appropriate to ensure that documentation is distributed accordingly and a process for sending the documents should be initiated. For example, include this distribution requirement on the current contract checklist to ensure compliance.

Deficiency #10: There was no apparent verification that GSA reported direct 8(a) actions to SBA on a quarterly basis in accordance with GSAM 519.870-7(a) for the following 5, contracts: GS02P06PCD0072, GS02P10PE5077, GS02P10PIC0014, GS02P10PVC0023, and GS02P10PWC0005.

Recommendation #10: Recommend GSA NECR ensure that direct 8(a) actions are reported to SBA per GSAM 519.870-7(a). GSA NECR should consider adding this action to the contract file checklist.

General Comments

The GSA NECR management and staff were extremely cooperative and forthcoming during our review. The SR Team would like to thank and recognize Mr. Warren Hall for his efforts and assistance during our review.

IV. Summary of Recommendations

Recommendation #1: Recommend GSA NECR undertake and evaluate the staffing needs and appropriate space requirements of the SBUC. We note that the RA has already expressed her interest in evaluating this recommendation.

Recommendation # 2: Recommend GSA AAOSBU take into consideration the previous year(s) socio-economic achievements. GSA NECR should discuss with its Headquarters the deficiencies in goaling methodologies, identified by the SR team. We recommend that procedures be developed to further improve the methodology for goal setting in order to establish realistic socio-economic goals for FY 2012 and thereafter.

Recommendation # 3: Recommend GSA NECR ensure that requisite documentation and coordination of the GSA Form 2689 and/or other coordination methodologies with the SBTA and SBA PCR for all relevant procurements.

Recommendation #4: Recommend GSA NECR ensure that its staff is sufficiently trained on the eSRS system and must implement a means for oversight of subcontracting plan administration to ensure that contractors are in compliance with their subcontracting reporting requirements. GSA

NECR should create a system of checks and balances to ensure that their data input is timely, accurate and responsive to contractors' entries into the eSRS.

Recommendation # 5: Recommend GSA NECR provide guidance and training to contracting personnel to ensure that each subcontracting plan is evaluated in terms of the circumstances of the particular acquisition instead of the flawed principle that one set of Region-wide goals is acceptable for all subcontracting plans.

Recommendation #6: Recommend GSA NECR ensure that subcontracting plans and award documents are distributed per FAR Subpart 19.705-6. GSA NECR should consider adding this action to the contract file checklist.

Recommendation #7: Recommend GSA NECR ensure that all required small business clauses are included in the solicitations and contracts, accordingly.

Recommendation # 8: Recommend GSA NECR institute procedures addressing the Contracting Officer's post-award responsibility determination regarding compliance with the Limitations on Subcontracting requirement.

Recommendation #9: Recommend GSA NECR review the SBA/GSA Partnership Agreement, SBA Acceptance Letter and/or FAR 19.812(b) as appropriate to ensure that documentation is distributed accordingly and a process for sending the documents should be initiated. For example, include this distribution requirement on the current contract checklist to ensure compliance.

Recommendation #10: Recommend GSA NECR ensure that direct 8(a) actions are reported to SBA per GSAM 519.870-7(a). GSA NECR should consider adding this action to the contract file checklist.

List of Contract Files Reviewed

GS02P06PCD0072*
GS02P07DTC0017
GS02P07DTC0025
GS02P07PCC0026
GS02P07PVC0014
GS02P07PVD0010
GS02P07PWC0015
GS02P07PWD0029
GS02P08DTC0021*
GS02P08DTD0013*
GS02P08DTD0016
GS02P08PJP0026
GS02P08PVA0040/GS06F0081M
GS02P08PWC0018
GS02P09DTC0005
GS02P09DTC0010
GS02P09DTC0022
GS02P09PVD0015
GS02P10DT0008
GS02P10PE5077*

GS02P10PIC0014*
GS02P10PVC0023*
GS02P010PV0026/GS00P10CYD0127
GS02P10PVD0032/GS02P11PV5001
GS02P10PWC0003
GS02P10PWC0005*
GS02P11DTP0014
GS02P11PFP0008
GS02P11PJP0010
GS02P11PJP0022
GS02P11PVC0022

**Multiple Award Schedules
and Leases**

GS02B19158
GS02B22464
GS02F0205N
GS02F0151X
GS02F0208P
GS14F0017K
GS14F8818B
GS14F9729C
GS15F0042M
GS15F0070K
LNJ23663
LNY22464
LPR19124

8(a) contracts identified by asterisk (*).

Appendix 16b: Sample Surveillance Review Report Format

**U.S. Small Business Administration
Surveillance Review Report
U.S. Army Medical Research & Materiel Command
U.S. Army Medical Research Acquisition Activity (USAMRAA)
Fort Detrick, Maryland**

SBA Letter Head

I. Surveillance Team Members

Ms. Marsha L. Daigle, Procurement Analyst and Team Leader
Ms. Sheila Berry, Business Development Specialist (BDS), Baltimore District Office and Team Member
Ms. Carol Decker, Acting Supervisory Procurement Center Representative (PCR) and Team Member
Mr. Vincent Mazzotta, Area II, Area Size Program Manager and Team Member
Mr. Howard Parker, Procurement Center Representative (PCR) and Team Member

II. Dates and Scope of Review

On January 13, 2012, Mr. Kenneth Dodds, Director for Government Contracting, U.S. Small Business Administration (SBA), notified Ms. Tracey L. Pinson, Director, Office of Small Business Programs, Department of the Army, that SBA would be conducting an on-site surveillance review (SR). Mr. David Loines, Area Director for the SBA Office of Government Contracting, Area 2, sent the confirmation letter that SBA would be conducting an on-site SR from April 23, 2012 through April 26, 2012 with the preparation checklist and request for information to MG James Gilman, Head of the Contracting Activity (HCA), Dr. Paul Michaels, U.S. Army Medical Research and Materiel Command, U.S. Army Medical Research Acquisition Activity (USAMRAA), Director of Contracting, and Mr. Jerome K. Maulsby, Associate Director, Office of Small Business Programs on March 2, 2012. The team leader received information prior to the review and requested specific contract files to be available for the review. The SBA Baltimore District Office BDS participated by reviewing selected 8(a) contract files.

An entrance briefing was conducted on April 23, 2012, by Ms. Marsha Daigle. Attendees at this meeting included Ms. Carol Decker, Mr. Vincent Mazzotta, Mr. Parker, Dr. Paul Michael, Director of Contracting, Mr. Monte Kapec, Assistant Director, Mr. Jerome Maulsby, Associate Director, Office of Small Business Program, Ms. Nichola Ohaegbu, Small Business Specialist Assistant, Mr. Brian Martin, Chief of Contracting, Mr. Robert Bishop, FOIA Officer and Ms. Kelly Green, Procurement Analyst. The entrance briefing described the purpose, scope, and methodology of the SR, and general information about the Army USAMRAA was also discussed.

The scope of SBA's review was to determine the overall effectiveness of the Army's USAMRAA, Small Business Program, to evaluate the program's impact on small businesses, and to enable SBA to recommend changes to improve small business participation at the activity. The team evaluated procedures and practices required by federal and agency regulatory guidance and examined the contents of contract files that were selected to represent a sampling of the dollar values and procurement methods being used. Files included a variety of prime contract files consisting of both simplified and large purchase procedures; task orders; 8(a) contracts, and contracts containing or requiring subcontracting plans to ensure compliance with the subcontracting program (including reviews of DD Form 2579, award and administration of subcontract plans). The team interviewed procurement and small business personnel. The intent of the review was to include statistical data and Small Business Program information from FY 2008 to FY 2012 (year to date).

An exit briefing was held on April 26, 2012, with the following attendees: Ms. Marsha Daigle, Ms. Carol Decker, Mr. Vincent Mazzotta, Mr. Howard Parker, Ms. Sheila Berry, Dr. Paul Michael, Director of Contracting, Mr. Jerome Maulsby, Associate Director, Office of Small Business Program, Ms. Nichola Ohaegbu, Small Business Specialist Assistant, and Mr. Robert Bishop, FOIA Officer.

Preliminary findings as well as the post-review process for the transmittal of the final report were discussed. The SR team invited USAMRAA to provide written comments and proposed solutions to our findings, with assurance that their input would be valued.

III. Results of the Surveillance Review

Small Business Program Rating

The Army USAMRAA is assigned an overall rating of Marginally Satisfactory. The review of the USAMRAA contracting files revealed both minor and major deficiencies.

Among the deficiencies impacting small business participation at the site are those related to market research, file reviews and the subcontracting program. USAMRAA contracting personnel conduct market research related to their competitive requirements; however, there was little evidence that the results of the market research are annotated or analyzed to determine small business potential. Evidence of USAMRAA small business specialist review prior to solicitation was frequently not found in the contract files and evidence of SBA PCR review was missing from all files reviewed. When competing unrestricted acquisitions, the requirement to submit an acceptable subcontracting plan was frequently either waived or not addressed. A small number of copies of actual subcontracting plans were found to be incorporated into contracts. Conversations with contracting personnel revealed knowledge gaps related to their subcontracting program responsibilities. Due to staff changes, USAMRAA has lost a number of personnel to other agencies. During the SR, it was noted the agency will be going through reorganization and will be moving from a customer-based organization to one that is commodity-based. They stated that they intend to obtain higher-graded personnel to stabilize the workforce.

While it possesses a robust outreach program, the current small business office lacks some of the mechanics that ensure long-term success. It was the consensus of the team members that much of the current success in progress towards small business goals/targets was due to the type of items and services being procured rather than specific actions being taken. This report addresses findings of noncompliance with mandatory requirements of the Federal Acquisition Regulations (FAR) and Department of Defense Federal Acquisition Regulations Supplement (DFARS), general procurement procedures and practices, and management issues that adversely impact the small business program.

While interviews with several acquisition personnel revealed some knowledge about and support of small business issues, other conversations revealed a lack of knowledge and understanding related to contracting officer responsibilities under specific small business programs. Additional training in the Small Business Act, various parts of the FAR and DFARs, and the Jobs Act requirements, along with overall training would be helpful. Mr. Jerome Maulsby, Associate Director, Office of Small Business Programs, and Mr. Parker, the currently-assigned SBA PCR, stated that they intend to provide small business training within the next three months. There is consensus among the staff interviewed that it would benefit from periodic, comprehensive small business program training that will reach beyond email updates. Contracting staff stated a preference for face-to-face training not only in policy, but also on subcontracting requirements, clauses and overall small business program updates. Based on year-to-date statistics, indications are that USAMRAA is not likely to meet its small business goals for FY 2012.

Overall, the Team found USAMRAA staff to be open, professional and willing to learn. In order to make a positive change in the overall small business program, USAMRAA is encouraged to consider the recommendations contained herein which are expected to help ensure that small business have expanded opportunities to do business at Fort Detrick.

Buying Activity Background

The U.S. Army Medical Research and Materiel Command, under which USAMRAA is organized, is the Army's medical materiel developer, with responsibility for medical research, development, and acquisition and medical logistics management. The USAMRMC's expertise in these critical areas helps establish and maintain the capabilities the Army needs to fight and win on the battlefield.

Ensuring that armed forces remain in optimal health and are equipped to protect themselves from disease and injury, particularly on the battlefield, is the job of the U.S. Army Medical Research and Materiel Command. The Command is headquartered at Fort Detrick, MD, with 11 subordinate commands located throughout the world.

Six medical research laboratory commands execute the science and technology program to investigate medical solutions for the battlefield with a focus on various areas of biomedical research, including military infectious diseases, combat casualty care, military operational medicine, medical chemical and biological defense, and clinical and rehabilitative medicine. The Command manages a large extramural research program with numerous contracts, grants, and cooperative research and development agreements to provide additional science and technology capabilities from leading academic, private industry, and other government organizations.

Five additional commands focus on medical materiel advanced development, strategic and operational medical logistics, and medical research and development contracting, to complete the full life cycle of medical materiel acquisition.

The Command is staffed with scientists, program managers, logisticians, contracting experts, and support personnel. The critical expertise in these areas ensures the Army has the medical capabilities it needs to fight and win on the battlefield. Overall, about 6,000 military, civilian, and contractor personnel are assigned to support the Headquarters and subordinate units. Officers, enlisted Soldiers, and civilians-many of whom are specialists in their fields-provide subject matter expertise in medical, scientific, and technical areas throughout the Command.

Medical information and products developed by the USAMRMC protect and sustain the health and safety of the force through deployment and combat. The USAMRMC motto, "Protect, Project, Sustain," emphasizes the Command's priorities in support of the warfighter.

Small businesses represent an essential component regarding how the Department of Defense provides support to the Armed Services. The US Army Medical Research and Materiel Command (USAMRMC) seek to ensure various categories of small businesses receive equitable opportunities to participate in the procurement process.

Overall Effectiveness of the Small Business Program

The team considers USAMRAA to have a small business office with great potential. The addition of one small business specialist (February 2012) should allow the Associate Director to direct some of his energy and enthusiasm to resolving the communication and education issues which appear to be at the center of several of the deficiencies found. It appeared to the team that while developing and supporting an active and successful outreach and Mentor-Protégé program, the day-to-day procurement file reviews and direct interaction with procurement personnel was minimal. The team believes that a concerted effort by USAMRAA acquisition personnel working with the Office of Small Business Programs staff to remind and inform contracting officers about their responsibilities to the small business program will result in great improvements. Evidence that this type of cooperative effort is in planning stages was encouraging to the team members.

The USAMRAA Small Business Program shows positive signs of reorganization. During the site visit, the small business specialist made an effort to learn additional methods to conduct market research, requested training materials, and tried to capitalize on the presence of the team members and knowledge they brought with them. It is the team's hope that this interest will carry through to the procurement review process and results in additional opportunities for small businesses at USAMRAA.

The USAMRAA Small Business Program can be rapidly improved by increased small business training sessions. The team discovered that acquisition policy personnel are currently responsible for most of the live-session training, whereas the small business office relies heavily on online presentations. While online presentation postings have value, we encourage increased involvement of the Associate Director, Office of Small Business Program in the live-session training where questions are answered and specific situations can be addressed. In addition, USAMRAA management should consider granting Continuing Learning Points (CLPs) for those who attend small business program training sessions.

The team found no evidence of contract bundling at this activity and no bundling was reported by USAMRAA in FPDS-NG. Many of the contract files were not well-organized; files presented to the Team contained some of the documentation required to conduct this review, but much of the pertinent documentation was missing.

A few contracts reviewed were delegated to Defense Contract Management Agency (DCMA), while other remained in-house for post award duties. SBA recommended delegation of Authority to DCMA for FAR 42.302(a) and retain in house FAR 42.302(b).

Deficiency: USAMRAA Small Business Programs Office (SBPO) is not sufficiently involved in the day-to-day acquisition processes, including market research, analysis of market research, interaction with the PCR and interaction with the training programs.

Recommendation #1: Undertake and evaluate how to increase SBPO involvement in the day-to-day acquisition processes related to the small business programs.

Deficiency: The USAMRAA Advanced Acquisition Forecast (AAF) Contracting Opportunities list contains little evidence of small business opportunities; procurement types are typically labeled as unrestricted, "TBD", or Sole Source.

Recommendation #2: Provide training on the small business requirements to the customers and review the requirements prior to posting on the AAF to ensure there are opportunities for small businesses. Coordinate the AAF content with the OSBP personnel to identify opportunities suitable for small business participation.

Overview of Small Business Awards:

FY2008	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
Goals:	\$ 1,475,320,334.47	48.4%	14.5%		7.4%	1.7%	2.3%
Actual:		\$534.0M	\$156.4M	\$49.6M	\$93.5M	\$22.1M	\$19.5M
% Achieved		36.2%	10.6%	3.3%	6.3%	1.5%	1.3%
FY2009	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
Goals:	\$ 1,764,577,169.09	47.8%	14.7%		7.4%	1.7%	3.0%
Actual:		\$515.2M	\$170.3M	\$87.9M	\$98.2M	\$17.6M	\$26.1M
% Achieved		29.2%	9.6%	4.9%	5.5%	1.0%	1.4%
FY2010	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
Goals:	\$ 2,091,569,394.73	47.8%	14.7%		7.4%	1.7%	3.0%
Actual:		\$493.9M	\$159.6M	\$79.3M	\$105.7M	\$17.0M	\$28.3M
% Achieved		23.64%	7.6%	3.7%	5.0%	0.82%	1.3%
FY2011	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
Goals:	\$ 2,031,203,824.90	30.0%	9.0%		5.5%	1.5%	3.0%
Actual:		\$482.9M	\$162.5M	\$86.0 M	\$98.1M	\$12.9M	\$66.5M
% Achieved		23.77%	8.0%	4.2%	4.8%	0.6%	3.24%*
FY2012 To Date	Total(\$000)	SB	SDB	8(a)	WOSB	HUBZone	SDVOSB
Goals:	\$ 646,126,776.17	24.0%	8.0%		5.5%	1.0%	3.0%
Actual:		\$110.5M	\$35.2M	\$19.1M	\$23.6M	\$0.9M	\$6.0M
% Achieved		17.0%	5.4%	2.9%	3.6%	0.1%	0.9%

SB = small business; SDB/8(a) = small disadvantaged business and 8(a) are combined as there was no separate goal for 8(a); WOSB = women-owned small business; HUBZone = Historically Underutilized Business Zone small business; SDVOSB = service-disabled veteran-owned small business; M = Millions

Small business program goals are assigned to the USAMRAA on an annual basis by the Associate Administrator, OSDDBU office. The goals vary each year depending on prior performance and in consideration of future requirements. The goals are communicated to the acquisition staff on a quarterly basis and the achievement of the goals is discussed at least quarterly to identify which acquisition strategies would increase the probability of meeting or exceeding each of the goals.

Deficiency: USAMRAA did not achieve any small business goals from FY 2008 thru FY 2012 YTD, with the exception of the SDVOSB goal for FY 2011.

Recommendation #3: USAMRAA become increasingly involved in the goal-setting process and develop procedures to improve the methodology for goal setting in order to establish realistic socio-economic goals for FY 2012 and thereafter.

Recommendation #4: Initiate monthly updates with contracting staff to ensure they are aware of the current year socio-economic goals and achievements to date.

Small Business Program Management

Mr. Jerome K. Maultsby, Associate Director, Office of Small Business Program, was appointed to his role as the Small Business Specialist (SBS) position in February 2003, and performs the day-to-day duties required by this position. As noted above, Mr. Maultsby reports to the Captain John C. Daniel, Deputy Commander for USAMRMC, who reports to MG James K. Gilman. This meets the requirements of FAR 19.201(d). Among his responsibilities, Mr. Maultsby regularly reports to Captain Daniel and Dr. Paul Michaels, Director of Contracting on small business matters, serves as subject matter expert on procurement requirements involving small business for the activity and serves as SBS on acquisition plans and subcontracting plans. Mr. Maultsby communicates policy changes and updates on Small Business Programs Office (SBPO) to the Director of Contracting, Senior Management, Regional contracting staff, and potential vendors to include training on small business policies.

Mr. Maultsby demonstrates a strong commitment to the small business program which is evidenced by the excellent small business outreach program. The SBPO participates in small business seminars and procurement events. The SBPO also participates in procurement conferences sponsored by other government agencies, Procurement Technical Assistance Centers (PTACs) and Small Business Development Centers (SBDCs). Over the period covered by this review of the SBPO, our discussions with the Small Business Manager indicate that he attends conferences and interfaces with small businesses regularly to develop potential new small business sources.

The lead contracting officers mainly interface with Mr. Maultsby; the SBPO is not the primary source of face-to-face training sessions on small business program updates. As a result, the program lacks synergy that encourages all levels of acquisition personnel to tap into the knowledge and resources that a SBPO can offer.

In FY10, the SBA assigned a Procurement Center Representative, Mr. Howard Parker, to review acquisitions and provide liaison PCR coverage with USAMRAA. Although initially involved with a small business set-aside protest, Mr. Parker has not received regular small business or subcontracting plan reviews from the site and has not been invited to provide training.

Currently, the SPBO falls short in overall adherence to the DoDD 4205.01 policy and procedures for implementing and managing a small business program.

Deficiency: The Team found a lack of interface between the contracting staff, PCR and the SBPO on coordination on contracting requirements.

Recommendation #5: Ensure there is early coordination with the SBPO for all relevant procurements. All personnel should challenge requirements to ensure that small businesses have the maximum practicable opportunity to compete.

Recommendation #6: Ensure the SBA PCR is included early in the acquisition review process, invited to participate in training opportunities, and to attend outreach events.

On a positive note, during this review, Mr. Maulsby and Mr. Parker laid the groundwork toward establishing a working relationship that should assist the activity in achieving their socio-economic goals. Additionally, the Team was pleased to learn that the USAMRAA policy office is developing a new Small Business Programs Desk Reference. To aid in the initial efforts to promote small business program training, the Team identified a relatively new Federal Acquisition Institute small business program online class, FAC-031, and has provided the OSBP with PowerPoint presentations covering various aspects of the small business program.

American Recovery and Reinvestment Act of 2009 (ARRA)

USAMRAA undertook several actions to maximize opportunities for small business under ARRA. The Region conducted several Small Business Fairs to promote its contracting opportunities under the program.

The USAMRAA appears to have adhered to the ARRA unique requirements for posting of pre-solicitation notices and contract award announcements in Federal Business Opportunities (FBO).

8(a) Contract Review Process

Selected contracts were reviewed to ensure the following: required clauses were incorporated; offering and acceptance letters were in the files; indication that SBA received a copy of the award document; contract language that identifies SBA as the prime contractor; SBA approval of any novation or joint venture arrangement; contract termination notices; appropriately selected NAICS codes; and compliance with limitations of subcontracting and non-manufacturer rules. While the Government Contracting Office via the SR team assumes responsibility for the 8(a) contract review, the Baltimore District Office Business Development Specialist accepted our invitation to participate. A total of eight, 8(a) contract files were reviewed (see Section V for identification of the 8(a) contracts reviewed). Two deficiencies were identified and are reported herein.

Deficiencies and Regulatory Non-compliance

A total of 31 contract files were reviewed (see Section V for contract list) that were selected from the list provided to the team leader in advance of the review. Files were selected to represent a sampling of the dollar values and procurement methods being used, and included contracts for construction, supplies, services and leases.

A. Acquisition Planning

The market research performed by the USAMRAA, while deficient of documentation and analysis, frequently includes a sources-sought synopsis in FedBizOpps. Although the FAR does not require FedBizOpps sources-sought notices when conducting market research, the use of this tool provides the greatest notice to industry about the government's upcoming requirements. The USAMRAA also employs the use of Industry Days, one-on-one sessions and pre-solicitation conferences to involve industry in its acquisition process. Market research is also accomplished through use of System for Award Management (SAM) ; historical information on prior procurements; and vendor supplied marketing materials. USAMRAA posts information about future acquisitions on their website, Fort Detrick Business Development Office's (FDBDO) website www.fdbdo.com to identify small business opportunities and news & events for Fort Detrick.

Electronic records from Federal Procurement Data System-Next Generation (FPDS-NG) files were pulled by the SR members to ensure accurate socio-economic data and type of contracts. The SR members found several errors including the following: use of incorrect NAICS Code; incorrect codings of Extent Competed, Type of Set-Aside, and Subcontracting Plan.

On both pre-award and post-award contract actions, SR Team members found that not all actions were publicized in compliance with regulations. USAMRAA explained that due to higher priorities and urgency, not all actions can be publicized.

Deficiency: The Team identified five sole source acquisitions (DAMD17-02-C-0002, W81XWH-08-P-1050, W81XWH-09-A-0001, W81K04-11-C-0006 and W81XWH-11-C-049) that were awarded to other than small business without requisite coordination with the SBPO and SBA PCR. The DFARS at 219.201 requires the Contracting Officer to coordinate with the SBPO all proposed acquisitions in excess of \$10,000 that have not been unilaterally set aside for small business; a Contracting Officer's non-set-aside decision on an acquisition expected to exceed \$10,000 must be recorded on a DD Form 2579, Small Business Coordination Record; a Contracting Officer's rejection of a SBPO recommendation for a set-aside must be referred to the SBA PCR, if assigned. In noncompliance with DFARS 219.201(d)(10)(a) the majority of contract files reviewed were missing the Department of Defense Small Business Coordination Record, DD Form 2579.

The following contracts lacked any evidence of SBS coordination:

W81XWH08P1050, W74V8H04A0036, W81XWH08D0050, W81XWH08F0634, W81XWH06F0548, W81XWH11F0281, W81XWH09A0001, W81XWH10C0025, W81K0411C0006, W81XWH11C0542, W81XWH09C0180M and W81XWH12C0130

The following Small Business Coordination Records were presented by the SBPO to the Team during the surveillance review, but the Team was unable to identify which resulting contract file the Coordination Record pertained to:

W23RYX12064023-4025
W23MYC1230N216
W45MW31294N900
W23RYX12062022
W23MEX11531011
HT000312238661
W45MW311868402

W45MW311468406
W23MYC1227N264
W45MW312160500
W25MWY1259N001
W23MYC1230N281
W74MYF1109N429
HT000310913268

W23MYC1229N210
W74MYH11580252
W56DNH12940700
W23RYX12864001
W23MEX12988008
W45MW312028410
W45MW31152N902

Effective Date: 10/27/13

Recommendation #7: Ensure that the DD Form 2579, Small Business Coordination Record, is properly prepared, identified, reviewed, signed by the SBS, and placed in the applicable contract file for all actions expected to exceed \$10,000, including federal supply schedule actions, which have not been unilaterally set-aside by the contracting officer.

Deficiency: In noncompliance with FAR 19.402(c)(1), Cooperation with the Small Business Administration, the majority of contract files reviewed lacked evidence of SBA PCR review or coordination: the files reviewed did not contain evidence of coordination with the Small Business Administration.

Recommendation #8: Provide the SBA PCR with adequate time, market research and acquisition information to conduct procurement reviews prior to solicitation. Review and comply with the PCR Plan of Operations which will set expectations for coverage.

Deficiency: There was a lack of documentation and rationale associated with the acquisition reviews to explain why the requirements were solicited on an unrestricted basis. After conducting and analyzing market research, the contracting officer must first consider the 8(a) BD, HUBZone, SDVOSB or WOSB Program before setting aside the requirement as a small business set-aside or proceeding on an unrestricted basis. Non-set-aside decisions must be documented in the contract file with the rationale to support the determination.

Recommendation #9: Ensure that market research is properly analyzed and documented to demonstrate that maximum practicable consideration has been given to the small business programs.

B. Subcontracting Issues

The USAMRAA web page has a robust and comprehensive website for business opportunities and contracting, but the SR members could not locate a link to SBA's SUB-Net System or anything in reference to Subcontracting Requirements.

Subcontracting plans were missing from files which should have contained them; the requirement to submit a subcontracting plan was frequently waived – in one instance, the requirement was waived despite a notice in FedBizOpps that stated substantial subcontracting opportunities were anticipated; plans that were obtained contained no evidence of being reviewed, negotiated, sent to the Small Business Specialist or PCR for advisory comment, plans were not incorporated into the resulting contract, plans were not distributed to the SBA Government Contracting Area Office where the contractor is located, and FPDS-NG CARs were not always coded correctly with regards to the subcontracting program. In side discussions with contracting personnel, it was evident that many lack a basic working knowledge of the types of subcontracting plans, responsibilities of the PCO, and post-award responsibilities.

Contract files containing at least one of these errors related to the subcontracting program:

DAMD1702C0002, W74V8H04D0036, W81XWN06C0362, W81XWH06F0548, W81XWH08D0017, W81XWH08D0025, W81WXH08F0634, W81XWH08P1050, W81XWH09C0014, W81XWH10C0257, W81K0411C0006, W81XWH11C0495, W81XWH11C0542, W81XWH11F0281, W81XWH11P0777, and W81XWH09C0180.

Deficiency: The SR staff observed numerous cases of lack of solicitation review prior to issuance by either the Small Business Director or SBA's PCR for any solicitation requiring submission of a subcontracting plan.

Recommendation #10: In accordance with FAR 19.705-3, provide a copy of the solicitation for PCR review to ensure that all clauses and requirements are valid prior to posting.

Deficiency: The SR team also noted that the Contracting staff is generally not evaluating or negotiating the proposed goals in subcontracting plans, and is not considering past performance with respect to subcontracting goal achievement when establishing new subcontracting goals. Moreover, several contracts that should appear in the eSRS system had not carried over from FPDS-NG, which is usually due to a miscoding of the Contract Action Report. In addition, the Team found that subcontracting plan administration is not being properly performed by USAMRAA staff when they retain the contract administration function.

Recommendation #11: Comply with FAR 19.705-4, DFAR 19.705-4 and PGI 219.7 and require that Contracting Officers assess the reasonableness, and therefore the acceptability, of proposed subcontracting goals.

Deficiency: The team reviewed several contract files and/or performed online eSRS reviews and found contractor submissions on eSRS that are pending; some without any eSRS reports because either FPDS-NG was improperly coded which precluded the contractors from entering data and/or the contractors failed to submit reports.

Recommendation #12: Ensure contracting staff receives training on the eSRS system and implement a means for oversight of subcontracting plan administration to ensure that contractors' subcontracting programs are in compliance with their subcontracting plans. USAMRAA should create a system of checks and balances to ensure that contracting officers provide timely review of Individual Subcontract Reports and when administration is retained, of Summary Subcontract Reports in eSRS.

Deficiency: There was no indication that award documents including subcontracting plans were distributed to SBA Area offices in accordance with FAR Subpart 19.705-6.

Recommendation #13: Establish a process to ensure that subcontracting plans and award documents are distributed as required in FAR Subpart 19.705-6. USAMRAA should consider adding this action to the contract file checklist.

C. Other Small Business Issues

Interviews with Contract Specialists and Contracting Officers revealed significant knowledge about the purpose and implementation of FAR Part 19 small business requirements. USAMRAA refers NAICS protests, size protests and other socio-economic protests to SBA as required. Requests for Certificate of Competency reviews are also referred to SBA when appropriate. No evidence of any barrier to small business participation was found during the review.

Deficiency: NAICS codes are being improperly used in procurements in non-compliance with the federal regulations as detailed below.

The Code of Federal Regulations at 13 CFR 121.402(b) states that “acquisitions for supplies must be classified under the appropriate manufacturing NAICS code, not under a Wholesale Trade or Retail Trade NAICS code.” The table of size standards posted at the SBA website includes a notice at Sectors 42, 44, and 45, “These NAICS codes shall not be used to classify Government acquisitions for supplies.” A review of procurements award information posted on the Federal Procurement Data System (FPDS-NG) from FY08 to 12 (year to date), shows that USAMRAA incorrectly uses NAICS codes from the Wholesale and Retail sectors.

The Sector 42 codes were used as follows: FY08, 366 actions valued at \$60.9 million; FY09, 407 actions valued at \$62 million; FY10, 337 actions valued at \$43.8 million; FY11, 264 actions valued at \$43.4 million and in FY12 YTD, for 45 actions valued at \$1.9 million.

The Sector 44 and 45 codes were used as follows: FY08, 185 actions valued at \$72.8 million; FY09, 138 actions valued at \$51.6 million, FY10, 119 actions valued at \$13.4 million; FY11, 77 actions valued at \$9.8 million, and FY12 YTD, 14 actions valued at \$114,099.

There is a notable decrease in misuse of the NAICS Sectors 42, 44, and 45 this year. The team hopes that this is indicative of corrective action and on-going diligence.

Files that contained Wholesale or Retail NAICS Codes include W81XWH09D0088, W81XWH08C0118, W81XWH11P0333, and W81XWH11P0777).

Two files that were reviewed contained no evidence of a NAICS code or size standard (W81XWH11F0281, W81XWH09C0186). In one file, the NAICS code was stated in the FedBizOpps post, but was not identified in the subsequent solicitation (W81XWH09C0014).

Recommendation #14: Continue to monitor assignment of NAICS codes to ensure that NAICS codes and size standards are consistently applied to procurements that are valued at more than the micro-purchase threshold; also, ensure that procurements for supplies are properly assigned a manufacturing NAICS Code and not one of the Wholesale or Retail NAICS Codes.

Recommendation #15: Review FPDS-NG reports on a quarterly basis for NAICS Codes issues, making corrections as needed.

D. Regulatory Clauses/Provisions

Deficiency: The contracts listed below were missing some of the required FAR 52.219, DFAR 252.204 and 252.219 clauses. Based on the type of contract, several contracts contained incorrect clauses or were missing clauses that would have been required based on the type of contract. A lot of the pre-award documents were not found with the contract files; therefore, the team could not always determine if the appropriate clauses were in the solicitation.

W81XWH06F0548	W81XWH08D0013	W81XWH08D0050
W81XWH08F0634	W81XWH08P1050	W81XWH09C0014
W81XWH10C0256	W81XWH10P0313	W81XWH11C0542
W81XWH11F0281	W81XWH11P0333	W81XWH09C0180

Recommendation #16: Establish a method to ensure that all required small business clauses are included in the solicitations and contracts, accordingly.

Compliance with the Limitations on Subcontracting Requirement

All contracts set-aside for small business or awarded under the authority of the 8(a) Program are required to include a “Limitations on Subcontracting” requirement (FAR 52.219-14). Contracts awarded under the HUBZone SB Program or the SDVOSB Program have a similar requirement (FAR 52.219-3) “Notice of Total HUBZone Set-Aside or Sole Source Award” or FAR 52.219-27 “Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside”. In light of recent GAO reports and other agency findings, SBA is reviewing Contracting Officer activity related to compliance with the limitations on subcontracting requirement as part of the surveillance review. This includes the Contracting Officer’s responsibility determination during the pre-award process as well as any post-award (one-time or periodic) review of a contractor’s compliance with the requirements of the applicable clause.

Although, the FAR does briefly address the Limitations on Subcontracting requirement in FAR subpart 9.1 (dealing with pre-award activity), there does not appear to be any specific guidance regarding post-award compliance review, nor is this activity included in the FAR Part 42 list of contract administration delegation functions. Guidance regarding how to calculate the percentage of work performed can be found in the SBA regulations at 13 CFR 125.6 “Prime Contractor Performance Requirements (Limitations on Subcontracting).”

During interviews with USAMRAA acquisition personnel, it appears that a pre-award responsibility determination regarding this requirement is often accomplished. After contract award, no periodic review regarding contractor compliance with this requirement is performed by acquisition personnel nor is compliance reviewed at contract completion. According to acquisition personnel, this requirement is sometimes considered during the early acquisition planning process, i.e., when deciding whether or not a set-aside strategy is appropriate considering the general ability of small business to comply with the limitations on subcontracting requirement. No apparent contractor (non-compliance) issues were identified during the file review; however, it should be noted that not all the information required for such a determination was generally available in a contract file. Additional information would be needed from the contractor and significant time would be required to determine if each contractor was complying with this contract requirement.

Deficiency: There was no evidence that the Contracting Officer evaluated compliance with the Limitations on Subcontracting clause requirements after award in any of the set-aside contract files.

Recommendation #17: Institute procedures addressing the Contracting Officer’s post-award responsibility determination regarding compliance with the Limitations on Subcontracting requirement.

E. 8(a) Contract Actions

A review of the selected 8(a) contract files indicated that in most instances an offering letter and acceptance letter were not found in the contract files.

Deficiency: There was no apparent verification that SBA was provided a copy of the award document after contract award for the following (7) 8(a) contracts: W81XWH-08-D-0050, W81XWH-09-C-0186, W81XWH-09-P-0877, W81XWH-10-C-0276, W81XWH-10-P-0313, W81XWH-11-P-0692 and W81XWH-12-C-0130. USAMRMC distribution list does not include SBA to receive a copy of the 8(a) contracts.

Recommendation #18: Review the SBA/DOD Partnership Agreement and FAR 19.812(b) for guidance on proper handling of SBA Offer and Acceptance Letters; provide guidance and training. Include the SBA for distribution on the contract checklist to ensure compliance.

Deficiency: There was no apparent verification that USAMRMC reported direct 8(a) actions to SBA in accordance with 13 CFR 124.503(a)(4)(ii). The 8(a) contracts reviewed did not show evidence of forwarding a copy of the contract to the appropriate SBA office where the contractor is located.

Recommendation #19: Ensure that direct award 8(a) actions are reported to SBA IAW the Partnership Agreement. Add this action to the contract file checklist.

General Comments

The USAMRAA management and staff were extremely cooperative and forthcoming during our review. The SR Team would like to thank and recognize Dr. Paul Michaels, Director, Mr. Lamont Kapec, Assistant Director, USAMRAA, Mr. Jerome Maultsby, Associate Director and Ms. Nicola Ohaegbu, Small Business Assistant for their efforts and assistance during our review.

IV. Summary of Recommendations

Recommendation #1: Undertake and evaluate how to increase SBPO involvement in the day-to-day acquisition processes related to the small business programs.

Recommendation #2: Provide training on the small business requirements to the customers and review the requirements prior to posting on the AAF to ensure there are opportunities for small businesses. Coordinate the AAF content with the OSBP personnel to identify opportunities suitable for small business participation.

Recommendation #3: USAMRAA become increasingly involved in the goal-setting process and develop procedures to improve the methodology for goal setting in order to establish realistic socio-economic goals for FY 2012 and thereafter.

Recommendation #4: Initiate monthly updates with contracting staff to ensure they are aware of the current year socio-economic goals and achievements to date.

Recommendation #5: Ensure there is early coordination with the SBPO for all relevant procurements. All personnel should challenge requirements to ensure that small businesses have the maximum practicable opportunity to compete.

Recommendation #6: Ensure the SBA PCR is included early in the acquisition review process, invited to participate in training opportunities, and to attend outreach events.

Recommendation #7: Ensure that the DD Form 2579, Small Business Coordination Record, is properly prepared, identified, reviewed, signed by the SBS, and placed in the applicable contract file for all actions expected to exceed \$10,000, including federal supply schedule actions, which have not been unilaterally set-aside by the contracting officer.

Recommendation #8: Provide the SBA PCR with adequate time, market research and acquisition information to conduct procurement reviews prior to solicitation. Review and comply with the PCR Plan of Operations which will set expectations for coverage.

Recommendation #9: Ensure that market research is properly analyzed and documented to demonstrate that maximum practicable consideration has been given to the small business programs.

Recommendation #10: In accordance with FAR 19.705-3, provide a copy of the solicitation for PCR review to ensure that all clauses and requirements are valid prior to posting.

Recommendation #11: Comply with FAR 19.705-4, DFAR 19.705-4 and PGI 219.7 and require that Contracting Officers assess the reasonableness, and therefore the acceptability, of proposed subcontracting goals.

Recommendation #12: Ensure contracting staff receives training on the eSRS system and implement a means for oversight of subcontracting plan administration to ensure that contractors' subcontracting programs are in compliance with their subcontracting plans. USAMRAA should create a system of checks and balances to ensure that contracting officers provide timely review of Individual Subcontract Reports and when administration is retained, of Summary Subcontract Reports in eSRS.

Recommendation #13: Establish a process to ensure that subcontracting plans and award documents are distributed as required in FAR Subpart 19.705-6. USAMRAA should consider adding this action to the contract file checklist.

Recommendation #14: Continue to monitor assignment of NAICS codes to ensure that NAICS codes and size standards are consistently applied to procurements that are valued at more than the micro-purchase threshold; also, ensure that procurements for supplies are properly assigned a manufacturing NAICS Code and not one of the Wholesale or Retail NAICS Codes.

Recommendation #15: Review FPDS-NG reports on a quarterly basis for NAICS Codes issues, making corrections as needed.

Recommendation #16: Establish a method to ensure that all required small business clauses are included in the solicitations and contracts, accordingly.

Recommendation #17: Institute procedures addressing the Contracting Officer's post-award responsibility determination regarding compliance with the Limitations on Subcontracting requirement.

Recommendation #18: Review the SBA/DOD Partnership Agreement and FAR 19.812(b) for guidance on proper handling of SBA Offer and Acceptance Letters; provide guidance and training. Include the SBA for distribution on the contract checklist to ensure compliance.

Recommendation #19: Ensure that direct award 8(a) actions are reported to SBA IAW the Partnership Agreement. Add this action to the contract file checklist.

V. List of Contract (31) Files Reviewed

List of Contract (31) Files Reviewed

DAMD17-02-C-0002	W74V8H-04-A-0036	W74V8H-04-D-0036
W81XWN-06-C-0362	W81XWH-06-F-0548	W81XWH-07-C-0003
W81XWH-07-C-0098**	W81XWH-08-C-0018	W81XWH-08-D-0013

Effective Date: 10/27/13

W81XWH-08-D-0017
W81XWH-08-F-0634
W81XWH-09-C-0014
W81XWH-10-C-0025
W81XWH-10-C-0276*
W81XWH-11-C-0495
W81XWH-11-P-0333
W81XWH-12-C-0130*

W81XWH-08-D-0025
W81XWH-08-P-1050
W81XWH-09-C-0186*
W81XWH-10-C-0256
W81XWH-10-P-0313*
W81XWH-11-C-0542
W81XWH-11-P-0692*

W81XWH-08-D-0050*
W81XWH-09-A-0001
W81XWH-09-P-0877*
W81XWH-10-C-0257
W81K-04-11-C-0006
W81XWH-11-F-0281
W81XWH-11-P-0777

* 8(a) contracts

** SDVOSB contract

W81WH-08-F-0634 – Close out file

Appendix 17: Compliance Procedures for Surveillance Review Reports

A cover letter is to accompany every report and is addressed to the Director, Office of Small and Disadvantaged Business Utilization and/or Office of Small Business Programs. A courtesy copy of the report is sent to the Head of the Contracting Activity, Small Business Specialist, respective SBA District Director, and others who participated in the review. If it is a DOD activity, a courtesy copy is sent to Linda Oliver, Deputy Director, Office of Small Business Programs.

The report contents consist of the following order:

- I. Surveillance Team Members
- II. Dates and Scope of Review
- III. Results of the Surveillance Review
 - Small Business Program Rating (to include rating summary justification)
 - Buying Activity Background
 - Overall Effectiveness of the Small Business Program
 - Overview of Small Business Awards
 - Small Business Program Management
 - American Recovery and Reinvestment Act of 2009
 - 8(a) Contract Review Process
 - Deficiencies and Regulatory Non-compliance
 - A. Acquisition Planning (to include social media)
 - B. Subcontracting Program Issues
 - C. Other Small Business Program Issues
 - D. Regulatory Clauses/Provisions
 - Compliance with the Limitations on Subcontracting Requirement
 - E. 8(a) Contract Actions
- IV. Summary of Recommendations
- V. List of Contract Files Reviewed

Listed below is a **Rating Summary Justification Example:**

Small Business Program Rating

The Air Force XYZ small business program is assigned an overall rating of “Satisfactory.” This rating is assigned based upon the observations and deficiencies noted during the review, the condition of and the Effective Date: 10/27/13

documentation contained within the contract files reviewed, the buying activities' outreach efforts, and its overall achievement of its small business goals.

XYZ is a strong supporter of SBA's 8(a) BD program and awards a relatively high percentage of its contracts to all categories of small business, considering the types of supplies and services that are procured. It has had problems meeting each of its small business goals. In addition, several major deficiencies were identified which need to be addressed including oversight of the XYZ small business subcontracting program, the determination of business size status and missing contract clauses in 8(a) contracts and its lack of the ability to support the Service-Disabled Veteran-Owned Small Business (SDVOSB) concerns. In addition, several minor deficiencies were noted including missing or incomplete market research results in the contract files and failure to distribute 8(a) contracts and/or modifications to SBA.

Note: There will be amendments to the report based on rule, policy, and procedural changes. Also, *Request for Information, Checklist, and Interview Questions* are modified accordingly.

Final surveillance review reports are located in SharePoint at:
<http://collab.sba.gov/sites/GCBD/GC/default.aspx>.