

September 24, 2014

The Honorable Don Young
U.S. House of Representatives
Washington, DC 20515

Dear Representative Young:

Administrator Contreras-Sweet has asked me to respond to your correspondence on behalf Alaska Native Corporations (ANC), regarding policies governing the U.S. Small Business Administration's (SBA) 8(a) Business Development (BD) Program and the U.S. Army Corps of Engineers (USACE).

As you stated in your correspondence, both the Ukpeagik Inupiat Corporation (UIC) and Bistol Bay Native Corporation (BBNC) have a family of firms who have successfully participated in SBA's 8(a) BD Program.

As it relates to your concern regarding Bowhead, a subsidiary of UIC, and its contracts with the USACE's Engineer Research and Development Center (ERDC), the Army has indicated that there is \$5.5 million in capacity remaining on Bowhead's contract and it expects that the contract will be fully executed to a total dollar amount of \$50 million when it expires on July 9, 2015. After the Army conducted an internal review of several ERDC contracts, it was determined that the Bowhead contract had to be restructured in order to improve internal accounting and control within the ERDC. The restructuring resulted in corrective actions to the Performance Work Statement for Bowhead's existing contract.

In addition, the Army awarded several new Performance Work Statement requirements for its seven laboratories after conducting market research and coordinating with SBA for a Service-Disabled Veteran-Owned Small Business set aside, small business set aside and six 8(a) BD direct awards. The provisions of 13 Code of Federal Regulations (CFR) § 124.504 do not apply to new requirements awarded by the Army since they were not previously procured under the 8(a) BD Program. Furthermore, any UIC or BBNC company that is not currently an 8(a) BD Participant would be ineligible to compete for new laboratory specific 8(a) solicitations.

The SBA has not observed the targeting or removal of ANCs work from Federal Government procurements. During of our Partnership trainings, SBA will continue to remind agencies of the benefits and importance of the 8(a) BD Program while emphasizing the provisions of 13 Code of Federal Regulations § 124.504(d) (4), where once a procurement has been accepted in the Program, its follow-on or renewable acquisition must remain in the 8(a) BD Program.

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We appreciate your continued support of SBA and the Alaska small business community. If you and your staff have any questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

John Shoraka
Associate Administrator
for Office of Government Contracting
and Business Development