

PARTNERSHIP AGREEMENT
Between
The U.S. Small Business Administration
and
U.S. Department of the Treasury
for the
8(a) Business Development Program

Executive Summary

Sections 7(j)(10) and 8(a) of the Small Business Act (the Act) (15 U.S.C. §§ 636(j)(10) and 637(a)) authorize the U.S. Small Business Administration (SBA) to establish a business development program, which is known as the 8(a) Business Development (8(a) BD) Program. The program is a nine-year program created to assist firms owned and controlled by socially and economically disadvantaged individuals. Small business concerns owned and controlled by Alaska Native Corporations (ANCs), Indian Tribes, Native Hawaiian Organizations (NHOs), and Community Development Corporations (CDCs) are also eligible to participate in the 8(a) BD Program. The SBA services all 8(a) Program Participants to provide various management, technical, financial and procurement assistance designed to strengthen their ability to compete effectively in the American economy.

The SBA partners with federal agencies to promote maximum utilization of 8(a) Program Participants to ensure equitable access to contracting opportunities in the federal marketplace. Once certified participants are eligible to receive federal contracting preferences.

Pursuant to section 8(a) of the Act the SBA is authorized to enter into all types of contracts with other Federal agencies. By statute, the SBA enters into prime contracts with procuring activities and arranges for the performance of those contracts by awarding subcontracts to eligible 8(a) BD Program Participants. Through this Partnership Agreement (PA), the SBA is delegating its contract execution functions to the procuring activity and is authorizing the **U.S. Department of the Treasury (Treasury Department)** to execute and sign contracts on behalf of the SBA and contract directly with the qualified 8(a) Program Participant. The **Treasury Department** will continue to perform all other required contract administration services. The 8(a) BD Program is governed by Part 124 of SBA regulations (13 C.F.R. part 124) and the Federal Acquisition Regulation (FAR), subpart 19.8 (48 C.F.R. § subpart 19.8).

For contracts with a duration of not more than five years awarded to an 8(a) Program Participant, including multiple award contracts (MACs) and Government-Wide Acquisition Contracts (GWACs) that are set-aside exclusively for 8(a) Participants, the firm is considered an 8(a) certified small business throughout the life of that contract, even if the firm's term of participation in the 8(a) BD Program has ended or the firm has otherwise left the 8(a) BD Program. Thus, where an 8(a) Program Participant is awarded an 8(a) MAC, the Participant may be awarded competitive orders under that 8(a) MAC even if the firm's term of participation in the 8(a) BD Program has ended or the firm has otherwise left the program. However, for any sole source order under the 8(a) MAC, the firm must be an eligible Program Participant and must qualify as small for the applicable size standard on the date of award for the order.

In the case of MACs that were not set-aside for exclusive competition among 8(a) Participants, an agency may restrict competition for an order to eligible 8(a) contract holders if the procuring agency offers the order to the SBA and the SBA accepts it into the 8(a) BD Program. In such a case, any firm seeking to be awarded the order must be an eligible Program Participant on the initial date specified for receipt of offers contained in the order solicitation, or on the date of award of the order if there is no solicitation.

If an 8(a) Program Participant is awarded a long-term 8(a) contract (i.e., one with a duration that exceeds five years), the contracting officer must verify in the Dynamic Small Business Search (DSBS) whether the firm continues to be an eligible 8(a) Participant no more than 120 days prior to the end of the fifth year of the contract and no more than 120 days prior to exercising any option. Where the contract holder no longer qualifies as an eligible 8(a) Participant or will cease to qualify as an eligible 8(a) Participant during the 120-day period prior to the end of the fifth year of the contract, the option shall not be exercised.

I. **PURPOSE:** The purpose of this Partnership Agreement (PA) between the SBA and the **Treasury Department** is to delegate the SBA's contract execution functions to **Treasury Department** per 13 CFR § 124.501(a). The following items are applicable to this PA:

- A. The PA sets forth the delegation of authority, delineates responsibilities, and establishes procedures for the award and oversight of 8(a) contract requirements.
- B. The PA encompasses all competitive and non-competitive acquisitions of **Treasury Department** requirements awarded through the 8(a) BD Program.
- C. This PA applies to all SBA offices and all **Treasury Department** Office of Small Disadvantaged Business Utilization (OSDBU) small business program offices and contracting offices deemed appropriate by the head of the agency, as defined in FAR 2.101 for **Treasury Department**.
- D. This PA supplements the requirements set forth for the 8(a) BD Program under FAR 19.8 and 13 CFR § 124.
- E. This PA replaces any previously executed Memorandum of Understanding (MOU) or PA on the 8(a) BD Program between the SBA and **Treasury Department**.

II. ROLES AND RESPONSIBILITIES

A. SBA

1. Delegates its 8(a) contract execution functions to the **Treasury Department**, in accordance with 13 CFR § 124.501(a); delegates its authority under section 8(a)(1)(A) of the Act to enter into 8(a) prime contracts, and its authority under section 8(a)(1)(B) of the Act to arrange for the performance of such procurement contracts by eligible 8(a) Program Participants. The **Treasury Department** may re-delegate this authority to all warranted **Treasury Department** Contracting

Officers (CO);

2. Remains the prime contractor on all 8(a) contract awards, modifications, options and purchase orders and must receive copies of all contracts and subsequent modifications from the **Treasury Department** in accordance with the processes delineated in this PA. The 8(a) Program Participant remains the SBA's subcontractor;

3. Will implement its responsibilities under this PA through uniform procedures for use by all SBA offices;

4. Will provide training for the **Treasury Department** on the SBA 8(a) BD Program and various aspects of the PA;

5. Shall review the **Treasury Department's** offering letters, and issue acceptance or rejection letters in accordance with the procedures set forth in Section III of this PA;

6. Shall review requests from the **Treasury Department** to release requirements from the 8(a) BD Program, and approve or deny such requests in accordance with the procedures set forth in Section III of this PA;

7. Shall select an appropriate 8(a) Program Participant when the **Treasury Department** submits an open offering letter for a sole source requirement;

8. Shall make eligibility determinations for 8(a) Program Participants;

9. Shall retain the responsibility for ensuring that 8(a) Program Participants comply with all applicable provisions relating to continued eligibility for 8(a) BD Program participation per 13 CFR § 124.112;

10. May identify a requirement for an 8(a) Program Participant for a possible award. The SBA may submit capability statements to the appropriate **Treasury Department** contracting activities for the purpose of matching requirements consistent with the 8(a) Program Participant's capability;

11. Shall retain its appeal authority in accordance with FAR 19.810 and 13 CFR § 124.505; and

12. Shall retain the right to review all non-classified information in contract files so that the SBA can ensure compliance with the terms and conditions of this agreement.

13. The SBA's Procurement Center Representative (PCR) will not sign the '**Treasury Department's** small business coordination form until the following pending actions with the 8(a) BD Program are officially coordinated and resolved with the SBA: requests to release a requirement from the 8(a) BD program; compliance with the notice requirements of 13 CFR § 125.504(d) when work that is or was performed under one or more 8(a) contracts will be procured outside the program through a requirement that has been deemed new; and the notice requirements of 13 CFR § 125.504(d) when the agency seeks to re-procure a follow-on to an 8(a) contract

through a pre-existing limited 8(a) contracting vehicle and the incumbent 8(a) contract award was not so limited. See Section II.B.5 of this PA for the notification requirements.

14. Shall ensure SBA officials receive requisite education and training to deliver services described in this PA.

B. Treasury Department

1. Shall adhere to all 8(a) BD Program requirements identified in FAR 19.8 and 13 CFR § Part 124;

2. Shall determine which requirements are suitable for offering to the 8(a) BD Program in accordance with FAR 19.8 and 13 CFR § Part 124, and, where appropriate, identify in conjunction with the appropriate SBA servicing District Office, 8(a) Program Participants capable of performing these requirements;

3. Shall submit offering letters to the SBA per FAR 19.8, 13 CFR § 124.502 and this PA;

4. Shall submit release requests to the SBA per FAR 19.8, 13 CFR § 124.504(d) and this PA;

5. Shall notify the SBA servicing District Office and the PCR assigned to the contracting office initiating a non-8(a) procurement in accordance with 13 CFR §124.504(d)(1) and this PA where a procurement intended for award outside the 8(a) BD program will contain work currently performed under one or more 8(a) contracts and **Treasury Department** determines that the procurement should not be considered a follow-on requirement to the 8(a) contract(s), but rather procured through a requirement that it considers to be new; such notification must include the dollar value (exclusive of service extensions under FAR 52.217-8), primary and vital requirements, and end user of the previously performed 8(a) contract(s) as well as the dollar value, primary and vital requirements, and end user of the requirement that the **Treasury Department** considers to be new;

6. Shall notify the SBA servicing District Office when the agency seeks to re-procure a follow-on to an 8(a) contract through a pre-existing limited 8(a) contracting vehicle and the incumbent 8(a) contract award was not so limited;

7. Shall coordinate as early as possible with the SBA servicing District Office when it seeks to offer a sole source 8(a) procurement on behalf of a joint venture. The **Treasury Department** shall submit offer letters for proposed 8(a) joint ventures for sole source 8(a) contracts to the SBA's District Office that services the 8(a)-managing venturer of the joint venture for approval before contract award per FAR 19.8, 13 CFR § 124 and this PA;

8. Shall retain the responsibility for ensuring 8(a) BD Program Participants comply with all limitations on subcontracting requirements, including FAR Clause 52.219-14;

9. Shall receive and retain the SBA's delegation of contract execution and review functions by reporting all 8(a) contract awards, modifications, options and purchase orders to the SBA until such time as the agreement is amended or terminated. Provide a copy of all 8(a) contract awards, purchase orders, orders under BOAs and BPAs, option year modifications, or other contract modifications (i.e., modifications that add time, money or scope changes; novation, name changes) to the SBA servicing District Office within fifteen (15) days of execution;

10. Shall have the final authority over CPARS ratings for 8(a) contracts. The SBA may provide input or recommendations, but the final rating is determined by the **Treasury Department**;

11. Shall inform the CO and other warranted officials and their equivalents who are awarding 8(a) contracts of their responsibilities concerning this agreement; and

12. Shall ensure that the CO and other warranted officials and their equivalents obtain training on their obligations under this PA and the subcontracting limitations of FAR 52.219-14 and 13 CFR §§ 124.510 and 125.6.

13. Shall ensure that any proposed sole source 8(a) contract action contains the appropriate FAR Subpart 6.3 justification for use of other than full and open competition.

14. Shall ensure that any proposed sole source award that exceeds applicable sole source thresholds contain a Justification and Approval (J&A) as set forth in FAR 19.808-1(a).

III. PROCEDURES: The policies and regulations detailed in the FAR, including FAR 19.8 and 13 CFR § Part 124 shall apply to 8(a) contracts, orders, modifications and options. Agencies are not authorized to issue internal guidance that would deviate from this agreement. The **Treasury Department** and the SBA agree to the following:

A. 8(a) BD Program Offering and Acceptance

1. Offering letters: The **Treasury Department** will follow the procedures at 13 CFR § 124.502 and FAR 19.804-2 for instructions to offer a procurement to the SBA for award through the 8(a) BD Program and to submit offer letters to the SBA District Office. The SBA District Office will evaluate the offering letter package to determine if complete or request additional information if necessary. The **Treasury Department** will allow the SBA five (5) working days to complete the review and respond with acceptance or decline.

Actions below the Simplified Acquisition Threshold (SAT) do not require

offer and acceptance but do still require an eligibility determination for the 8(a) Program Participant (see Section III.A.3.b).

a. **Sole source 8(a) Offers:** Follow the procedures at FAR 19.808-1 and 13 CFR § 124.502(a). The **Treasury Department** will coordinate with SBA on all offer letters for sole source 8(a) procurements to verify eligibility.

i. **Open Requirements:** If **Treasury Department** has a requirement for which no specific 8(a) Program Participant is nominated, submit the offering letter to the SBA District Office that services the geographical area where the contracting activity is located. For competitive and open construction requirements, submit the offering letter to the SBA District Office servicing the geographical area where the work is to be performed. For construction requirements where place of performance is overseas submit the offer letter to the Division of Management and Technical Assistance at SBA's Headquarters at omta@sba.gov. Upon receipt of a complete offering letter package the respective SBA office will determine acceptance.

ii. **Nominated 8(a) Participants:** If **Treasury Department** has a requirement for services or construction, and has nominated a specific 8(a) Program Participant, submit the offering letter to the SBA District Office responsible for servicing the nominated 8(a) firm.

iii. **Sole source offering on behalf of 8(a) Program Participant for contracts above the competitive thresholds.** Where the **Treasury Department** determines that an 8(a) Program Participant is responsible to perform a specific requirement that exceeds the applicable competitive thresholds, but that there is not a reasonable expectation that at least two or more eligible 8(a) Program Participants will submit offers at a fair price, the **Treasury Department** may submit a sole source offering letter on behalf of the identified 8(a) Program Participant. Only the AA/BD can approve such an offering. The **Treasury Department** CO will work with the servicing the SBA District Office to coordinate the request and establish a review timeline. The **Treasury Department** will use the appeal process described in Section III.C below to resolve concerns.

b. **Joint venture nominees:** Where **Treasury Department** offers a sole source 8(a) procurement on behalf of a joint venture, the SBA will conduct an eligibility review of the lead 8(a) party to the joint venture as part of its acceptance. The SBA must approve the joint venture prior to the award of the sole source contract. Submit the offering letter as soon as possible to the SBA District Office servicing the 8(a) managing

venturer to ensure that it is approved prior to award. Upon receipt, the SBA may issue the acceptance or denial letter and eligibility determination, applicable no later than five (5) working days; and will coordinate a response date with the agency point of contact if more review time is needed. If no response is received within five (5) working days of request for acceptance, the **Treasury Department** may assume acceptance on the sixth (6th) working day.

c. **For Basic Ordering Agreements (BOA) and Blanket Purchase Agreements (BPA):** Refer to 13 CFR § 124.503(h). Neither BPA's or BOA's are contracts under the FAR (see 48 CFR § 13.303 and 48 CFR § 16.703(a)). Each 8(a) sole source or 8(a) competitive order to be issued under a BOA or BPA is an individual contract. The **Treasury Department** must offer, and the SBA must accept, each sole-source order under a multiple-award BOA or BPA in addition to offering and accepting the BOA or BPA itself. An 8(a) Program Participant seeking to be awarded an order under a BOA or BPA must be a current, eligible Participant in connection with each order. The SBA will not accept for award on a sole source basis any task order under a BOA or BPA that would cause the total dollar amount of task orders issued to exceed the applicable competitive threshold.

d. **Competitive:** Submit the offering letter for competitive 8(a) requirements to the SBA District Office that services the geographical area where the **Treasury Department's** contracting activity is located. For competitive requirements to be performed overseas, submit the offering letters to the Division of Management and Technical Assistance at the SBA's Headquarters via email at omta@sba.gov.

e. **Task or Delivery Order Contracts, including Multiple Award Contracts (MAC):**

Multiple award contracts: Refer to 13 CFR § 124.503(i). If the underlying task or delivery order contract or MAC was originally offered and accepted by the SBA for the 8(a) BD Program, and set-aside exclusively for 8(a) BD Program Participants, **Treasury Department** is not required to submit offer letters for **competitive task orders**. For **sole source orders**, please follow the Offer and Acceptance procedures outlined in Section III.A.1.a.iii of this PA. The **Treasury Department** must offer, and the SBA must accept, each sole source order under a multiple-award Task and Delivery Order Contract, in addition to offering and accepting the Task and Delivery Order Contract itself.

Single award contracts: No offer and acceptance are required for competitive or sole source orders.

- f. **Establishing a new Multiple Award Contract (MAC) reserved for the 8(a) Program:** When establishing a new vehicle (defined as larger than 5 times the NAICS, multiple NAICS and/or a period of performance that is longer than five years) exclusively for 8(a) Program Participants **Treasury Department** will work with their local SBA District Office to mutually establish a review timeline.

3. SBA Acceptance in accordance with 13 CFR § 124.503:

- a. **Actions that exceed the simplified acquisition threshold:** Follow the procedures at FAR 19.804-3 and 13 CFR § 124.503(a). Upon receipt of a complete offering letter package the SBA District Office will determine acceptance. The **Treasury Department** and the SBA agree that SBA's decision whether to accept or reject the requirement will be transmitted to the **Treasury Department's** CO in writing within five (5) working days of receipt of the offer. Absent a notification of rejection within five (5) working days of receipt of the offer, **Treasury Department** may assume acceptance on the sixth (6th) working day unless an extension has been requested and accepted.
- i. Reference FAR 19.804-3(a): **Treasury Department** and the SBA District Office agree that if the CO sends an offering letter and subsequently changes strategy before the SBA acceptance has been provided, the **Treasury Department's** CO may withdraw the offering letter from further consideration. Once the SBA receives the withdrawal, the SBA will stop the process of acceptance and the **Treasury Department's** CO does not have to go through the release procedures to remove the requirement because it was never accepted into the 8(a) BD Program.
- ii. **Withdrawal/substitution of offered requirement or Participant:** Refer to 13 CFR § 124.503(e). If the **Treasury Department** determines the identified 8(a) Program Participant is not a good match for the procurement, including for such reasons as **Treasury Department** finding the Participant non-responsible or the negotiations between the **Treasury Department** and the Participant failing, the **Treasury Department** may seek to substitute another 8(a) Program Participant. The **Treasury Department** must inform the SBA District Office of its concerns regarding the originally identified Program Participant and identify whether it believes another Program Participant could fulfill its needs.
- iii. If the SBA believes another Program Participant can fulfill the requirement, but the **Treasury Department** disagrees, the SBA may appeal that decision to the head of the procuring

agency pursuant to 13 CFR § 124.505(a)(2).

- iv. If the SBA agrees that another Program Participant cannot adequately fulfill the requirement at a fair price, the **Treasury Department** may withdraw the requirement from the 8(a) BD Program.

b. Actions below the simplified acquisition threshold: Follow the procedures at FAR 19.804-3(a)(2) and 13 CFR § 124.503(a)(4). When the **Treasury Department's** CO decides to use the 8(a) BD Program, the SBA authorizes award of an 8(a) contract without requiring an offer and acceptance of the requirement for the 8(a) BD Program. The CO shall contact the SBA servicing District Office to verify eligibility of the nominated 8(a) Program Participant. If no response is received within two (2) working days of an eligibility request, **Treasury Department** may proceed with award on the third (3rd) working day. In such a case, the CO shall provide the following information to the SBA:

1. Firm's Name, Address and DUNS;
2. Total Dollar Amount;
3. A copy of the executed contract.

Reference FAR 19.804-3(b)(2): In the event that the SBA does not believe the NAICS code assigned to the procurement is reasonable, the **Treasury Department** and the SBA District Office agree to pursue the informal escalation process outlined in paragraph III.C.1 of this PA before pursuing the procedures in FAR 19.804-3(b)(2).

- c. **Federal Supply Schedules (FSS), including FAR Subpart 8.4 BPAs:**
This section applies to all ordering activities governmentwide as defined at FAR 8.401.

The **Treasury Department** must offer, and the SBA must accept, a Participant's base Schedule contract in order for the Participant to be deemed an eligible 8(a) contractor for any orders issued under the Schedule contract. This can be accomplished either by offering individual Schedule contracts to the SBA or by offering a pool under the Schedule for which only current 8(a) Program Participants are eligible. As with any other 8(a) contract, the SBA must determine eligibility prior to award of the contract. For those firms seeking to be deemed eligible 8(a) contractors under the FSS that currently have FSS contracts, the **Treasury Department** must offer modifications to the existing base Schedule contract to the SBA or allow the firm to be awarded a new Schedule contract through a pool of eligible 8(a) Program Participants. SBA would perform an eligibility determination on the 8(a) firm prior to accepting the modification or contract.

The CO can issue 8(a) set-aside orders under FSS at their discretion. Subject to the following, the CO can issue orders from BPAs under FAR

subpart 8.4 at their discretion.

Refer to Section III of this agreement for procedures for program offering, evaluation and acceptance.

- i. For a single-award FSS BPA under FAR Subpart 8.4, 8(a) acceptance is not required for orders, provided the single-award BPA was awarded competitively and was itself accepted into the 8(a) program for a term that does not extend past a date that is the firm's graduation date plus five years. Only active 8(a) Participants are eligible to receive a single-award BPA through the 8(a) BD Program. If accepted into the 8(a) BD Program at issuance, FSS BPAs are subject to the release procedures of 13 CFR 124.504.
- ii. For 8(a) sole source orders using multiple-award BPAs, the **Treasury Department's** CO is required to submit an offering letter and obtain acceptance from the SBA. The 8(a) Participant must be eligible as of the date of award for the order. For 8(a) competitive orders off a FSS BPA, an 8(a) contractor is eligible only if the award is made not more than 5 years past the 8(a) contractor's graduation date.
- iii. The ordering agency must offer and receive SBA acceptance for 8(a) sole-source orders. Only active 8(a) Participants are eligible to receive sole-source orders. Graduated 8(a) Participants are not eligible to receive sole-source orders.
- iv. Where an 8(a) Participant was awarded a Schedule contract through a modification to a current Schedule contract, the 8(a) Participant may continue to receive new competitive orders under the Schedule contract for up to five (5) years from the date of award or recognition, even after the contractor's 8(a) Program term expires, the contractor otherwise exits the 8(a) Program, or the contractor becomes other than small for the NAICS code(s) assigned under the 8(a) contract. In addition, agencies may continue to take credit toward their prime contracting goals for orders awarded to 8(a) Program Participants.

Business concerns are not required to recertify size and/or socioeconomic status for set-aside orders (see FAR 19.301-2). However, if an 8(a) contractor re-represents that it is other than small for the NAICS code(s) assigned under the contract or, where ownership or control of the 8(a) contractor has changed and the SBA has granted a waiver to allow the contractor to continue performance (see 13 CFR § 124.515), the **Treasury Department** may not credit any subsequent orders awarded to the contractor towards its small, disadvantaged business or small business goals. This is also dependent on whether ownership has changed to

another 8(a) firm, or to another socially and economically disadvantaged individual, or, for the small business goal, where the firm is still small.

- v. A limited source justification as noted at FAR 8.405-6 is not required for orders or BPAs that are sole source 8(a) awards under FSS.

B. Competition below the competitive thresholds

1. **General:** Reference FAR 19.805-1(a)(2): **Treasury Department** and SBA acknowledge that, under the Federal Supply Schedule (FSS), STARS vehicles, or any governmentwide acquisition contract (GWAC), orders set aside for 8(a) Program Participants may be awarded on the basis of competition limited to all eligible 8(a) Program Participants at any dollar value. The CO shall work with the SBA District Office to coordinate the 8(a) Program Offer and Acceptance. Refer to Section III.A. above.
2. **Procedures:** Follow the procedures at FAR 19.805-2(b): If **Treasury Department** requests an eligibility determination the SBA has five (5) working days after receipt of the CO's request to respond. If **Treasury Department** has not received a response within five (5) working days of request **Treasury Department** may assume eligibility on the sixth (6th) working day.

C. SBA Appeals: Reference FAR 19.810: **Treasury Department** and the SBA agree to pursue the informal escalation process steps outlined below in the event that a disagreement arises between the **Treasury Department's** CO and the SBA representative (District Office, Business Opportunity Specialist (BOS), Procurement Center Representative (PCR), or any SBA representative):

1. The **Treasury Department's** CO shall seek assistance from their agency Small Business Technical Advisor (SBTA), or agency Small Business Specialist if an SBTA is not assigned, to coordinate a meeting with the SBA Representative to attempt to resolve the issue at the lowest level possible, within ten (10) working days. The SBA representative may include, but is not limited to, the District Director or their Deputy.
2. If step 1 is not successful, the **Treasury Department** shall seek assistance and coordinate a meeting with the SBA District Director and the SBA Area Director to resolve within five (5) working days.
3. If there is no resolution from steps 1 or 2, the **Treasury Department** shall contact their agency's Office of Small and Disadvantaged Business Utilization (OSDBU) to coordinate a meeting with the SBA Associate Administrator, Office of Business Development (AA/BD) to

resolve within five (5) working days. The POC for these requests is the SBA's Director, Management and Technical Assistance Division and the **Treasury Department** will email the request to the SBA at omta@sba.gov.

4. The last step in the informal escalation process before following the procedures of FAR 19.810 would be a discussion between the **Treasury Department's** OSDBU, the SBA Associate Administrator, Office of Business Development (AA/BD) and the Deputy Associate Administrator, Office of Government Contracting and Business Development (DAA/GCBD) to resolve the issue.
5. When the SBA is notified by an 8(a) Program Participant with concerns about **Treasury Department's** procurement causing adverse impact, the SBA will promptly notify the **Treasury Department's** OSDBU and senior procurement official representative in writing. The **Treasury Department** representative will respond in 10 (ten) working days.

D. Administration of Contracts: The **Treasury Department's** CO must advise and consult with the SBA of any intent to terminate an 8(a) contract for default or convenience before doing so (refer to 13 CFR § 124.518). The CO will contact the SBA District Office servicing the incumbent 8(a) firm awarded the original underlying contract.

F. Release for Non-8(a) or Limited 8(a) Competition: Reference FAR 19.815 and 13 CFR § 124.504(d) for release from the 8(a) BD Program. Where a procurement is offered and accepted into the 8(a) BD Program and subsequently awarded as an 8(a) contract, its follow-on requirement must remain in the 8(a) BD Program unless the SBA Associate Administrator for Business Development (AA/BD) agrees to release it.

1. **General:** The **Treasury Department** CO must notify the SBA of any follow-on procurement from the 8(a) BD Program when going to a multiple award contract (MAC) that is not itself an 8(a) contract, but where the procuring activity intends to compete and award a competitive 8(a) order under the MAC.

Release from the 8(a) BD Program is not required for follow-on procurements that are offered to and accepted into the program. Task or delivery orders, including BPAs using FAR 8.405-3, under a basic contract or established pools accepted into the 8(a) BD program are covered and do not require release.

2. **Procedures:** When a release is requested, **Treasury Department** and the SBA agree to send the release request to the SBA District Office where the original offering letter or other notice was accepted. **Treasury Department** will provide the following additional information in the request for release:

- a. Reason(s) for the request;

- b. Procurement history of the requirement;
- c. Market research;
- d. Re-procurement strategy;
- e. Incumbent 8(a) contractor name;
- f. Assigned NAICS Code; and,
- g. Statement of Work; and
- h. Copy of the SBA's original acceptance letter from the procurement history; and
- i. Agency goals and achievements for SDB, SDVOSB, HUBZone and WOSB.

3. Reference FAR 19.815(c): The **Treasury Department** will coordinate its request for release with the SBA servicing District Office. Upon receipt of the request the SBA will work with the requestor to mutually establish a review timeline. The **Treasury Department** will use the appeal process described in Section C above to resolve concerns.

4. **New Requirements:** In accordance with 13 CFR § 124.3 and the definition of follow-on requirement or contract, the **Treasury Department** and the SBA agree that the expansion or modification of an existing requirement may be considered a new requirement for:

- a. significant scope changes requiring different capabilities of work,
- b. 25% value change for equivalent periods of performance (adjusted for inflation), and/or
- c. requirement end user changes.

Meeting any one of these conditions is not dispositive that a requirement is new. In particular, the 25% and end user rules cannot be applied rigidly in all cases (e.g., consolidated requirements and assisted acquisitions).

ii. For **New requirement determinations:** The **Treasury Department** CO shall notify the SBA servicing District Office and the PCR, as early as possible in the acquisition but no later than 30 days prior to the submission of the acquisition review package to the PCR that it intends to procure work currently under one or more 8(a) contracts as a requirement it considers to be new. Such notification must include:

- a. The basis for **Treasury Department's** determination that the requirement is new relative to the work currently fulfilled under the 8(a) BD Program;
- b. The Independent Government Cost Estimate for the requirement and applicable market research based on estimated dollar value;
- c. The statements of work for the new requirement and the

- work currently fulfilled under the 8(a) BD Program; and
d. Procurement history.

IV. TERM / AMENDMENT

- A. This PA is effective on the date of SBA's signature. This PA may be amended, in writing, at any time by mutual agreement of the parties.
- B. Either the SBA or **Treasury Department** may terminate this PA upon thirty (30) calendar days advance written notice to the other party.
- C. Either the SBA or **Treasury Department** may suspend this PA for failure to follow the terms of this PA upon thirty (30) calendar days advance written notice to the other party.
- D. This PA does not have an expiration date. However, it will be reviewed at a minimum every five (5) years from its effective date for accuracy and effectiveness and modified as needed.

Termination or suspension of this PA will require **Treasury Department** to utilize the prescribed processes to contract with the SBA for the 8(a) BD Program as stated in FAR 19.8.

V. ADMINISTRATION

For Treasury Department:

Steve Kvalevog
U.S. Department of the Treasury
Steven.kvalevog@treasury.gov

For SBA:

Associate Administrator, Office of Business Development
Government Contracting and Business Development
Office of Program Review (OPR/GCBD)
Sharon.Gurley@sba.gov

VI. ACCEPTANCE : Authorized by, and on behalf of their respective agencies, the undersigned parties hereby accept the terms and conditions of this agreement.

For Treasury Department

Donna M. Ragucci Digitally signed by Donna M. Ragucci
Date: 2022.06.27 18:41:06 -04'00'

Donna Ragucci Date
Executive Director
Office of Small and Disadvantaged Business Utilization
U.S. Department of the Treasury
Donna.ragucci@treasury.gov

Nicole Evans

6/27/2022

Nicole Evans

Date

Senior Procurement Executive
U.S. Department of the Treasury
Nicole.evans@treasury.gov

For SBA:

Donna L. Peebles

June 29, 2022

Donna L. Peebles, D.M

Date

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