



**DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC
OFFICE OF THE UNDER SECRETARY**

6 June 2023

MEMORANDUM FOR ALMAJCOM/FLDCOM/FOA/DRU/CENTER (CONTRACTING)
ALMAJCOM/FLDCOM/FOA/DRU/CENTER (SMALL BUSINESS)

FROM: SAF/SB AND SAF/AQC

SUBJECT: Achieving Small Disadvantaged Business (SDB) Goals and Expanding Opportunities for All Small Business (SB) for the Department of the Air Force (DAF)

References: [\(a\) SecAF Memorandum, DoD Small Business Contracting \(11 January 2022\)](#)).
[\(b\) SAF/SB and SAF/AQC Memorandum, Department of the Air Force Implementation of OMB-SBA-DoD OSBP Small Disadvantaged Business \(SDB\) Strategies for Fiscal Year 2022 \(FY22\) \(21 July 2022\)](#).
[\(c\) DoD OSBP and DPC Memorandum, Achieving Small Business Goals through Category Management Practices \(27 January 2023\)](#).
[\(d\) Executive Order 14091, Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government \(16 February 2023\)](#).
[\(e\) OMB Memorandum M-23-11, Creating a More Diverse and Resilient Federal Marketplace through Increased Participation of New and Recent Entrants \(17 February 2023\)](#).
[\(f\) Department of the Air Force, Category Management Program Charter \(21 February 2023\)](#).

1. In Section 7 of Executive Order 14091, *Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* (Reference (d)), the President ordered increases to Government-wide SDB contracting goals in FY24 and FY25. The goals are intended to [help drive an additional \\$100 billion in Government-wide contract awards to SDBs from FY2021 to FY2025](#). As we know, the FY23 goal for DoD is 10.57% and the FY24 goal will be set to stairstep toward the FY25 SDB goal, which is set at 15%. Further, in Section 7 of Reference (d), the President directed all agencies to expand contracting opportunities for all other small businesses, in addition to SDBs. In addition, OMB Memorandum M-23-11, *Creating a More Diverse and Resilient Federal Marketplace through Increased Participation of New and Recent Entrants* (Reference (e)), directs Federal agencies to focus management attention on SB industrial base participation metrics beyond spending goals, e.g., the number of SBs in all categories (SB, SDB, Women-Owned Small Business (WOSB), Service-Disabled Veteran Owned Small Business (SDVOSB), and Historically Underutilized Zone (HUBZone) Small Business) receiving agency contracts.

2. Implementation of Reference (d) and (e) requires your continued consideration and maximum practicable use of all SB participation tools, consistent with applicable laws, regulations, and policies. This especially includes the tools discussed below:

- i. **Use DFARS 206.303-1 special exemption from sole source Justification and Approval (J&A).** This exemption, which enables awards up to \$100 million to SDBs that participate in the Section 8(a) Program and are owned by Native American Tribes, Native Hawaiian Organizations (NHOs), and Alaska Native Corporations (ANCs). This exemption was enacted in Section 823 of the National Defense Authorization Act for FY20, Public Law 116-92, to expand contracting opportunities for native businesses, corporations, and organizations capable of performing DoD contract requirements at fair market prices. It is also an important acquisition flexibility that can help reduce the procurement administrative lead time, where appropriate. As confirmed in SBA regulations, 13 C.F.R. § 124.506(b)(3), “[t]here is no requirement that a procurement must be competed whenever possible before it can be accepted on a sole source basis for a Tribally-owned or ANC-owned concern, or a concern owned by an NHO.”
- ii. **Utilize other SB contracting authorities, particularly for requirements that were previously awarded without the use of such authorities.** These authorities include: (a) FAR Part 19 authorities, e.g., sole source awards, set-asides, and reserves specifically for Section 8(a) SDBs, HUBZone SBs, SDVOSBs, WOSBs and Economically Disadvantaged WOSBs, the HUBZone price evaluation preference, and set-asides and reserves for SBs; (b) disaster-area SB preferences and set-asides under 15 U.S.C. § 644(f) and 13 C.F.R. § 129.101; (c) set-asides for construction design and architect and engineering contracts required by 10 U.S.C. § 2855; and (d) the Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) special acquisition preference as provided in Section 4(c)(7) of the SBIR/STTR Combined Policy Directive. To expand SB participation in substantially bundled acquisitions, maximize the use of teaming arrangements under FAR §§ 7.107-4(b)(3), 7.107.6, and 19.503, and [GSA Multiple-Award Schedule \(MAS\) Contractor Teaming Arrangement \(CTA\)](#) procedures. Through teaming, particularly in conjunction with the DoD/DAF and SBA Mentor-Protégé Programs, small firms can grow capability over time by partnering with more experienced large or small firms.
- iii. **Regularly review and continue to apply the latest SB policy and process guidance.** Current guidance includes: Reference (a) *SecAF Memorandum, DoD SB Contracting* (11 January 2022)); *SAF/SB and SAF/AQC Memorandum, Department of the Air Force Implementation of OMB-SBA-DoD OSBP SDB Strategies for FY22* (21 July 2022) (Reference (b)); *DoD OSBP and DPC Memorandum, Achieving SB Goals through Category Management Practices* (27 January 2023) (Reference (c)), and the DAF *Category Management Program Charter* (21 February 2023) (Reference (f)). These references outline DoD and DAF senior leadership priorities on expanding SB participation and reducing barriers to entry for small firms. The guidance also outlines implementation actions that DoD and DAF senior leadership expects will be taken as part of acquisition planning, including acquisition strategy reviews.
- iv. **Consult other valuable SAF/SB and SAF/AQC resources.** SAF/SB resources are found on [SAF/SB Public Website](#) and [SAF/SB SharePoint site](#) (request access from SAF/SB). SAF/AQC’s Air Force Contracting Central ([AFCC](#)) SharePoint site provides access to the AFFARS Part [5319 Library page](#) with reference material on tools,

flexibilities, and processes related to contracting with SBs (CAC access required).

- v. **Develop local MAJCOM/FLDCOM/FOA/DRU/CENTER/PEO/Installation/unit acquisition planning procedures** for ensuring that, to the maximum extent practicable, contract requirements are structured to: (a) facilitate competition by and among SBs, and (b) avoid unnecessary and unjustified bundling that precludes SB participation as prime contractors. FAR 7.103 (u) and Reference (c) require DoD Components, including the DAF, to ensure that procedures of this type are in place. DAF acquisition organizations and their local SB Professionals can collaborate on development of such local procedures via the [DAF Contracting TTP Library](#) (CAC access required).
- vi. **Take advantage of market research assistance tools.** Reference (e) contains helpful links to General Services Administration's (GSA's) Supplier Base Dashboard, a procurement equity tool, and a [portal of related information](#). You should also seek market research assistance from your local APEX Accelerator, which can be located via the [APEX Accelerators Program](#) website (formerly the Procurement Technical Assistance Program). Consider SBA sources, such as: (a) SBA's repository of capability statements for SDBs participating in the SBA's Section 8(a) Program, which includes SDBs that are new entrants to DAF Contracting, and may be found on SBA's MAX.gov [page](#) (CAC access required); (b) SBA's Dynamic SB Search (DSBS) [database](#); and (c) SBA's SBIR/STTR awardees' database (includes awardees' SB category information): <https://www.sbir.gov/sbirsearch/award/all>. In addition, the AFFARS Part [5310 Library Page](#) contains valuable guidance, training, and templates.

3. The DAF will continue updating this and other guidance on implementing the President's SB Initiatives to ensure our acquisition workforce has the latest tools to maximize SB participation. Contact information for SAF/SB is (703) 693-6041 or SAF.SB.workflow@us.af.mil, and SAF/AQC is (571) 256-2396 or SAF.AQC.FAM.workflow@us.af.mil.

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