



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

MEMORANDUM FOR ALMAJCOM/FIELDCOM/FOA/DRU (CONTRACTING)
ALMAJCOM/FIELDCOM/FOA/DRU/SB DIRECTORS

FROM: SAF/SB
1306 Luke Avenue, Suite 300
Washington, DC 20032-6402

SAF/AQC
1060 Air Force Pentagon, 4C149
Washington, DC 20330-1060

SUBJECT: Department of the Air Force Implementation of OMB-SBA-DoD OSBP
Small Disadvantaged Business (SDB) Strategies for Fiscal Year (FY) 2022

Last year, President Biden made a commitment to increase the share of contract dollars awarded to SDBs to 15 percent across the Federal government by 2025. This letter hereby implements the attached OMB-SBA-DoD OSBP memorandum which details strategies for meeting and exceeding the SDB goal for FY 2022, to put us in a strong footing to achieve or surpass that commitment in three years' time.

The contact information for SAF/SB is (202) 767-3016/SAF.SB.workflow@us.af.mil and SAF/AQC is (571) 256-2396/SAF.AQC.FAM.workflow@us.af.mil.

ALICE W. TREVINO, Maj Gen, USAF
Deputy Assistant Secretary (Contracting)
Assistant Secretary of the Air Force
(Acquisition, Technology & Logistics)

SCOTT A. KISER, SES
Director, Small Business Programs
Department of the Air Force

Attachment:
SDB-Quick-Hits-Memo-508 6-29-22

June 29, 2022



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

MEMORANDUM FOR CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES
AGENCY SMALL BUSINESS DIRECTORS
PROCUREMENT CENTER REPRESENTATIVES
CATEGORY MANAGEMENT LEADS
INDUSTRY LIAISONS
ACQUISITION INNOVATION ADVOCATES

FROM: Lesley A. Field *Digitally Signed*
Acting Administrator for Federal Procurement Policy
Office of Management and Budget

Bibi Hidalgo *Digitally Signed*
Associate Administrator for Government Contracting and Business
Development
Small Business Administration

Farooq Mitha *Digitally Signed*
Director, Office of Small Business Programs
Department of Defense

Miguel Estien *Digitally Signed*
Acting National Director, Minority Business Development Agency
Department of Commerce

SUBJECT: Strategies for Meeting and Exceeding the Small Disadvantaged
Business Goal for Fiscal Year 2022

Last year, the President made a commitment to increase the share of contract dollars awarded to small disadvantaged businesses (SDBs) to 15 percent by 2025. Achieving this heightened commitment will result in an additional \$100 billion in awards to small businesses in underserved communities in 5 years, which makes this commitment critical to building generational wealth for firms owned by underrepresented individuals and creating a more dynamic and resilient supplier base.

Over the past several months, agencies have taken an important first step towards achievement of this important commitment by negotiating individual SDB goals with the Small

Business Administration (SBA) to meet an interim goal for fiscal year (FY) 2022 of 11 percent of total eligible contract spending to SDBs, as set forth in [OMB Memorandum M-22-03](#), *Advancing Equity in Federal Procurement*. SBA plans to reflect agency efforts to increase SDB spending in agencies' FY 2022 small business scorecards.

Meeting the 11 percent SDB goal, as well as increasing awards to women-owned small businesses (WOSBs), service-disabled veteran-owned small businesses, and small businesses in HUBZones, will require concerted and collaborative efforts across acquisition and small business offices in concert with category management leads, industry liaisons, and acquisition innovation advocates as well as program and management offices whose activities are supported by contractors. Working together as a procurement equity network, the individuals that serve in these capacities can help one another make important advances in promoting equity and acquisition stewardship.

Agencies are asked to remind their workforce of the importance of collaboration during acquisition planning and take full advantage of the management tools and acquisition strategies and resources, including those discussed below, that are available to meet SDB and other socioeconomic goals.

General considerations

- ***Use both existing and open market contracts to reach a mix of new entrant and seasoned 8(a) and other SDBs.*** Remind agency buyers that under the new category management scoring established by M-22-03, automatic Tier 2 Spend Under Management (SUM) credit will be provided towards agency category management goals for all awards made to certified and self-certified socioeconomic small businesses – *including all awards to 8(a)s and SDBs* – irrespective of whether those businesses are reached on existing SUM vehicles or through open-market set-aside contracts.
- ***Review acquisitions under the simplified acquisition threshold (SAT).*** Regular review of contract opportunities under the SAT (which is \$250,000 with certain exceptions) to apply set-asides under the SAT or use small business order set-asides under multiple award contracts will increase awards to socioeconomic small businesses, including 8(a) contractors and other SDBs and broaden the diversity of entities in agency supplier bases. Analysis of data in the Federal Procurement Data System suggests that almost half of contract dollars under the SAT is not going to small businesses, despite the statutory requirement to automatically set aside work under the SAT for small businesses unless the contracting officer determines the “rule of two” cannot be met. This underutilization includes awards for products and services in industries where small businesses are typically well represented.

Maximizing use of the 8(a) program

The 8(a) business development program remains the preeminent program in the Government for helping 8(a) certified SDBs establish and grow their footprint in the Federal marketplace. There are many easy ways for agencies to reach the approximately 5,000 vendors that participate in the program.

- **Take advantage of GSA's new 8(a) STARS III government-wide acquisition contract.** *8(a) STARS III* provides ready access to over 1,100 highly qualified 8(a) contractors for a wide range of emerging, cutting-edge, information technology (IT) services, including state-of-the-art emerging technologies to protect from evolving threats, artificial intelligence (including machine learning, deep learning/neural networks, natural language generation), automatic computing, blockchain/distributed ledger, quantum computing, robotic process automation, technological convergence, virtual reality (including augmented reality, extended reality, mixed reality), information assurance, and cybersecurity to store, analyze, and securely share data. Over the last 10 years, the STARS program has supported over \$15 billion in agency orders to SDBs.
- **Review SBA's 8(a) no-contracts list of eligible firms.** This list, which may be found on the [category management small business resources page](#) and SBA's [MAX.gov page](#), can help agencies build the diversity of their supplier base by quickly finding 8(a) participants that are available to perform contracts but haven't gotten a contract yet. If considering a specific 8(a) participant, use SBA's Dynamic Small Business Search, [DSBS.gov](#), and contact the SBA district office servicing the firm (available through <https://www.sba.gov/local-assistance>) to collaborate with the Business Opportunity Specialist on the potential offering to the 8(a) firm.
- **Use 8(a) sole-source authority, or seek approvals from SBA to run competitions among 8(a) firms, for contracts below the 8(a) competitive threshold.** The competition floor is \$4.5 million for most contracts and \$7 million for supplies and manufacturing. The SBA Associate Administrator for 8(a) Business Development may approve agency requests to run competitions below these dollar levels pursuant to FAR 19.805-1(d). Agencies can always make sole-source awards without SBA's approval below these thresholds.
- **Leverage an 8(a) contractor for a construction project.** SBA has imposed a [moratorium](#) on the requirement that 8(a) participants establish a bona fide place of business in a specific geographic area in order to be awarded any construction contract through the 8(a) program. Suspension of this requirement makes it easier for SDBs to become eligible for award by lifting the restriction on participation to just local participants. The change also facilitates opportunities for competition.
- **Consider software development requirements that might be suitable for the 8(a) program.** SDBs in the 8(a) program include skilled software developers. Using the 8(a) program for these services can shrink long procurement lead-times and implementation bottlenecks.

Taking advantage of other tools that facilitate awards to SDBs

The Federal Government does business with many graduates of the 8(a) programs and self-certified SDBs outside of the 8(a) program. To reach these businesses, consider the following:

- **Maximize opportunities for SDBs when using the General Services Administration's Federal Supply Schedule (FSS) program.** Thousands of SDBs participate in the Federal Supply Schedules program, making it an important gateway to the Federal marketplace. FAR 8.405-5(c) encourages all agencies to consider socioeconomic status in identifying vendors for FSS competitions and consider at least one SDB and other socioeconomic categories for award. The [Schedules e-library](#) has information on each vendor's socioeconomic status and allows customers to tailor their searches specifically for products and services provided by disadvantaged businesses.

Agencies have used language similar to the following to put interested vendors on notice that socioeconomic status would be considered:

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

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

- **Use the category management Quick Decision Dashboard and the Small Business Dashboard to quickly identify the many existing contracts that provide access to SDB contractors.** To identify socioeconomic small businesses on other existing Government-wide and agency-wide vehicles, use the "Quick Decision Dashboard" to identify various category management solutions that are SUM tier rated during the procurement planning process and the "Small Business Dashboard" to advance equity by helping agencies identify available socioeconomic and other small businesses on those vehicles. Both dashboards may be found [here](#).
- **Search SBA's [DSBS.gov](#)** by NAICS to find ready and willing SDB firms to meet your requirements. The DSBS uses keywords, so users can search for particular products and services as well.
- **Consider WOSB set-asides or HUBZone set-asides.** Almost 70 percent of WOSBs are also SDB contractors and 67 percent of HUBZone-certified small businesses are SDBs. When awards are made to WOSBs or HUBZone firms, there is a high likelihood that the action will also reach an SDB – serving two or more underserved communities with one action.
- **Use innovative buying practices**, such as those showcased on the [Periodic Table of Acquisition Innovations](#), that have been demonstrated to reduce barriers and increase small businesses participation, such as virtual industry days, virtual requirements development, video proposals, and remote technical demonstrations. Click on the "Small Business" filter to see practices that have particular benefits in contracting with small businesses.

- **Work with SBA's [Procurement Center Representatives](#)** to consider where there may be opportunities to break down previously consolidated/bundled purchases so more SDBs and other small businesses have the opportunity to compete for agency requirements.
- **Proactively use the "Acquisition 360" survey & meet with new SDBs.** The Acquisition 360 survey provides a standardized survey instrument to understand better how SDB and other awardees and potential contractors experience the Federal contracting process, which is critical to building and maintaining interest by the underserved community in the Federal marketplace. Look for the Federal Acquisition Regulatory Council to soon release a final rule to encourage the use of the Acquisition 360 tool. Holding regular meetings with new socioeconomic small businesses will improve understanding of mission and awareness of upcoming opportunities.

Agencies are encouraged to share this memorandum broadly across the workforce to anyone that supports the acquisition process, including program managers whose programs and projects are supported by Federal contractors. Questions about this memorandum may be posed to MBX.OMB.OFPPv2@OMB.eop.gov.