



DEPARTMENT OF THE ARMY
OFFICE OF SMALL BUSINESS PROGRAMS

BUILDING THE FUTURE OF THE ARMY THROUGH SMALL BUSINESS

NDIA Materiel Enterprise Small Business Conference

November 16, 2011

Ms. Tracey Pinson

Director, Office of Small Business Programs
Office of the Secretary of The Army





Vision

To be the premier advocacy organization committed to maximizing small business opportunities in support of the Warfighter and Army Force Generation (ARFORGEN).





Mission

- Advise the Secretary of the Army and the Army Leadership on Small Business Related Matters
- Spearhead Innovative Initiatives that Contribute to expanding the Small Business Industrial Base Relevant to the Army Mission and Priorities
- Leverage the Use of Minority Serving Educational Institutions in Support of Army Science and Technology Programs



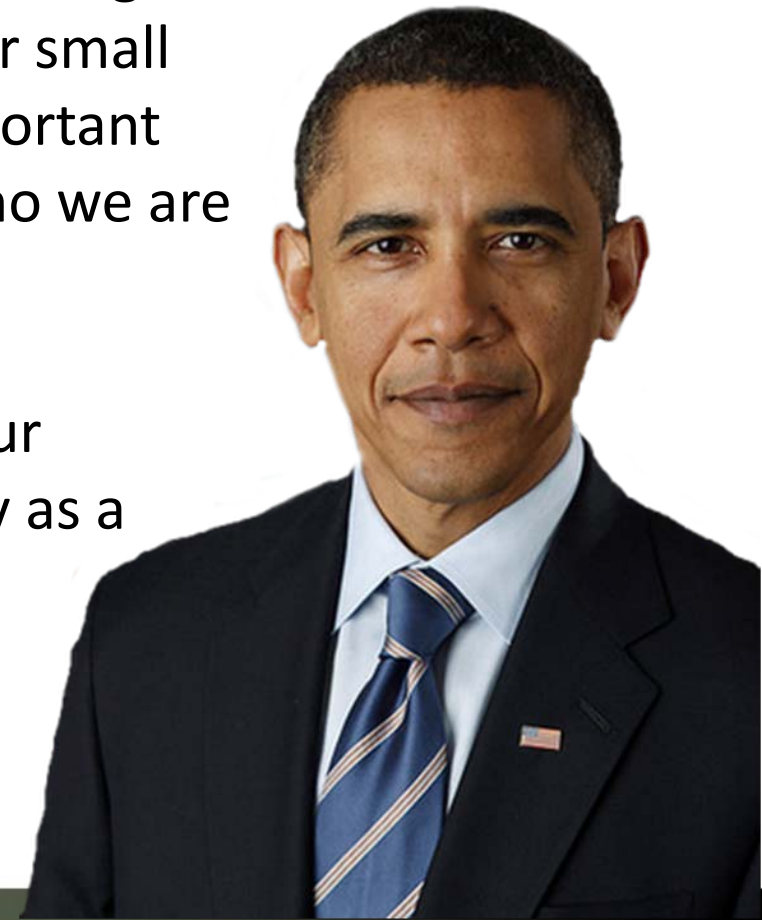


President Obama on Small Business

“Small businesses create two out of every three jobs in this country. So our recovery depends on them. And if we want to keep America moving forward, we need to keep investing in our small businesses. This is, by the way, more important than just our economy. It’s also about who we are as a people.”

“Small businesses are the backbone of our economy. They are central to our identity as a nation.”

Remarks by the President on the Small Business Jobs Initiatives, 28 July 2010.





FY11 Army Prime Contract Awards

Program	Spend	Percent
US Business	\$90,568.02M	
Small Business	\$23,816.27M	26.30%
Small Disadvantaged	\$9,558.56M	10.55%
Women-owned	\$4,111.46M	4.54%
HUBZone	\$4,654.39M	5.14%
Service-Disabled Veteran-Owned	\$3,172.63M	3.50%
HBCU/MI	\$28.50M	7.14%*

*Percentage of total education contract dollars

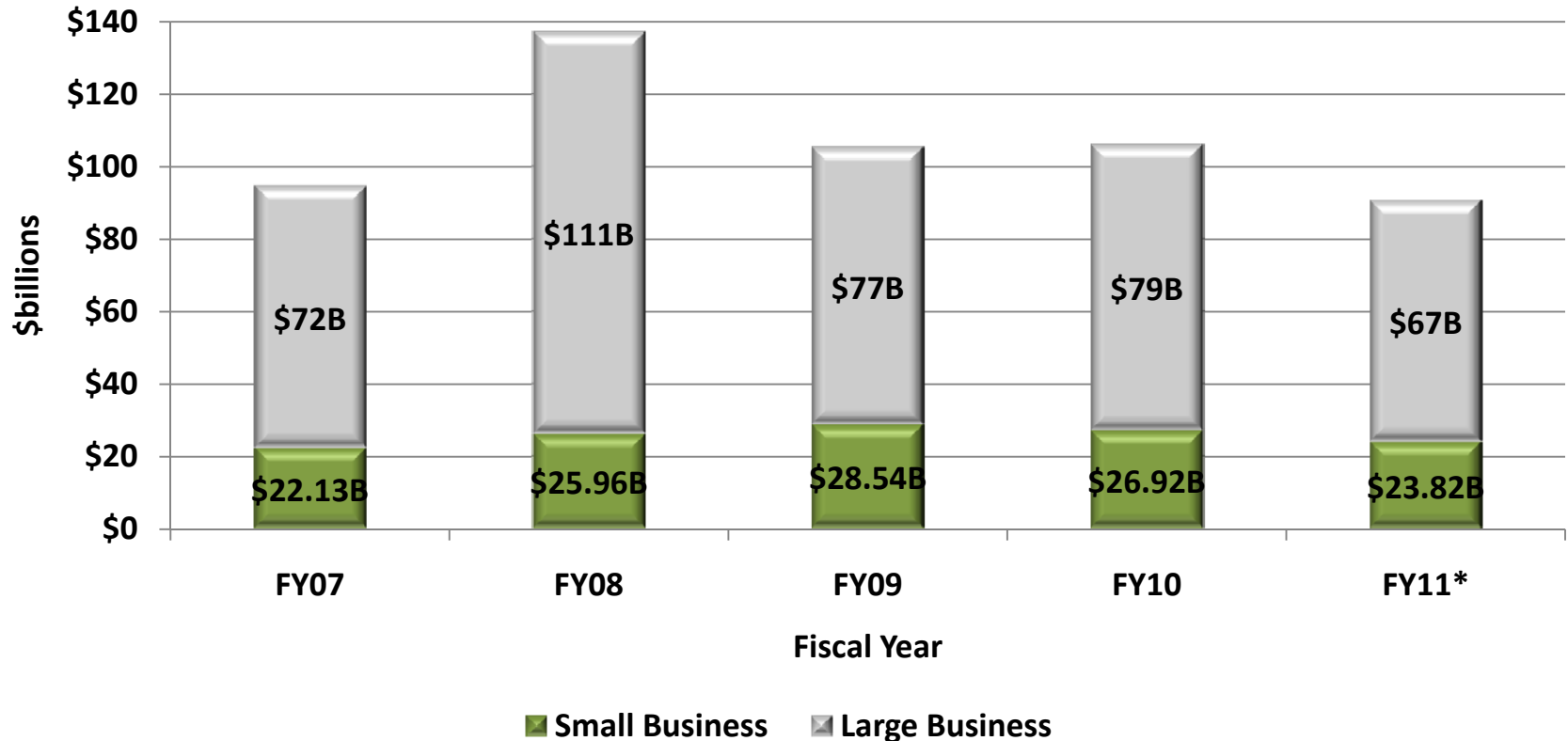
Source: FPDS-NG Data as of 11/07/11

Note: This data is preliminary and has not yet been verified by the SBA





Army Small Business Spend FY07-FY11



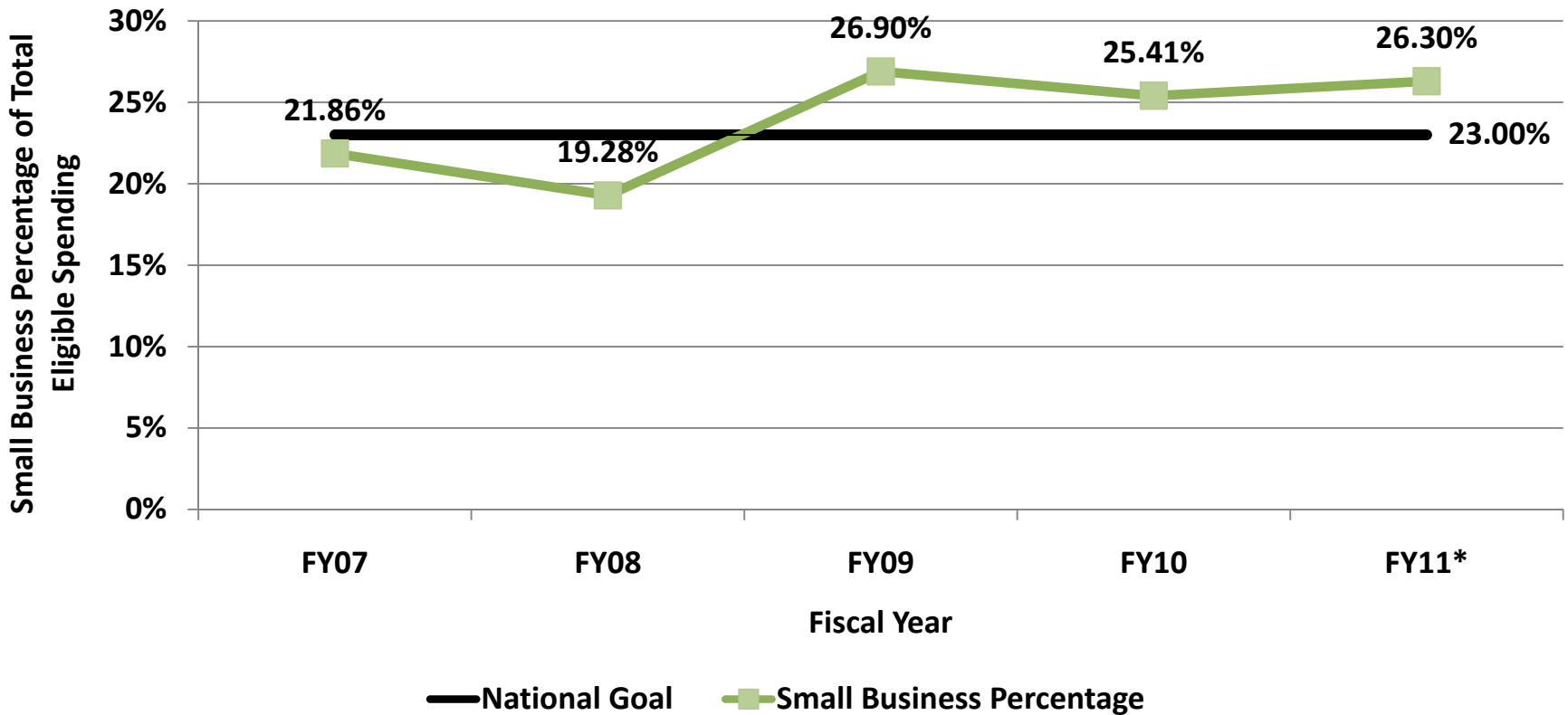
Source: FPDS-NG Data as of 011/07/2011

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Army Small Business Achievements FY07-FY11



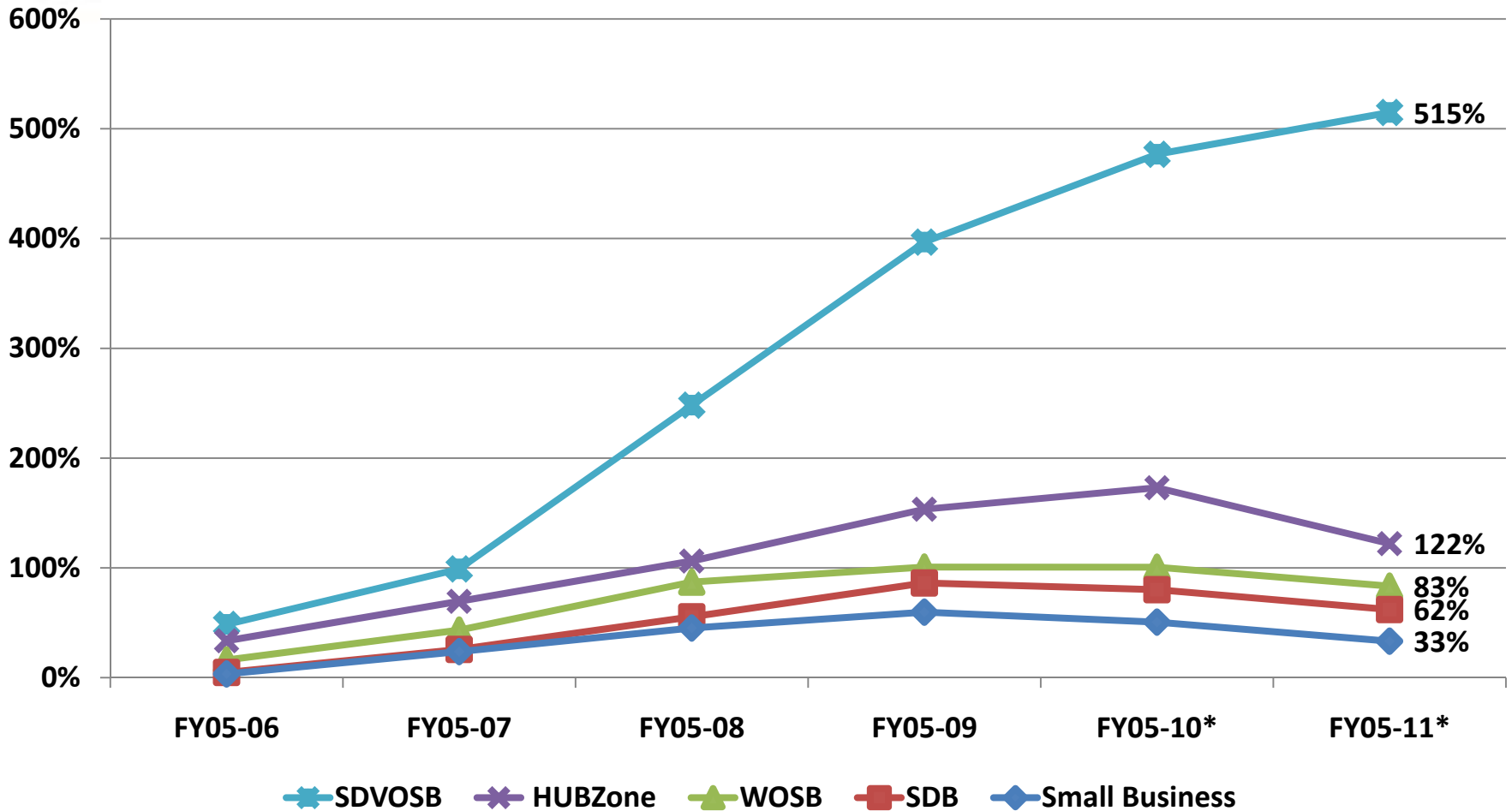
Source: FPDS-NG Data as of 01/04/2011

*FY10 data is preliminary and has not yet been verified by the SBA





Army Small Business Program Growth FY05-FY11



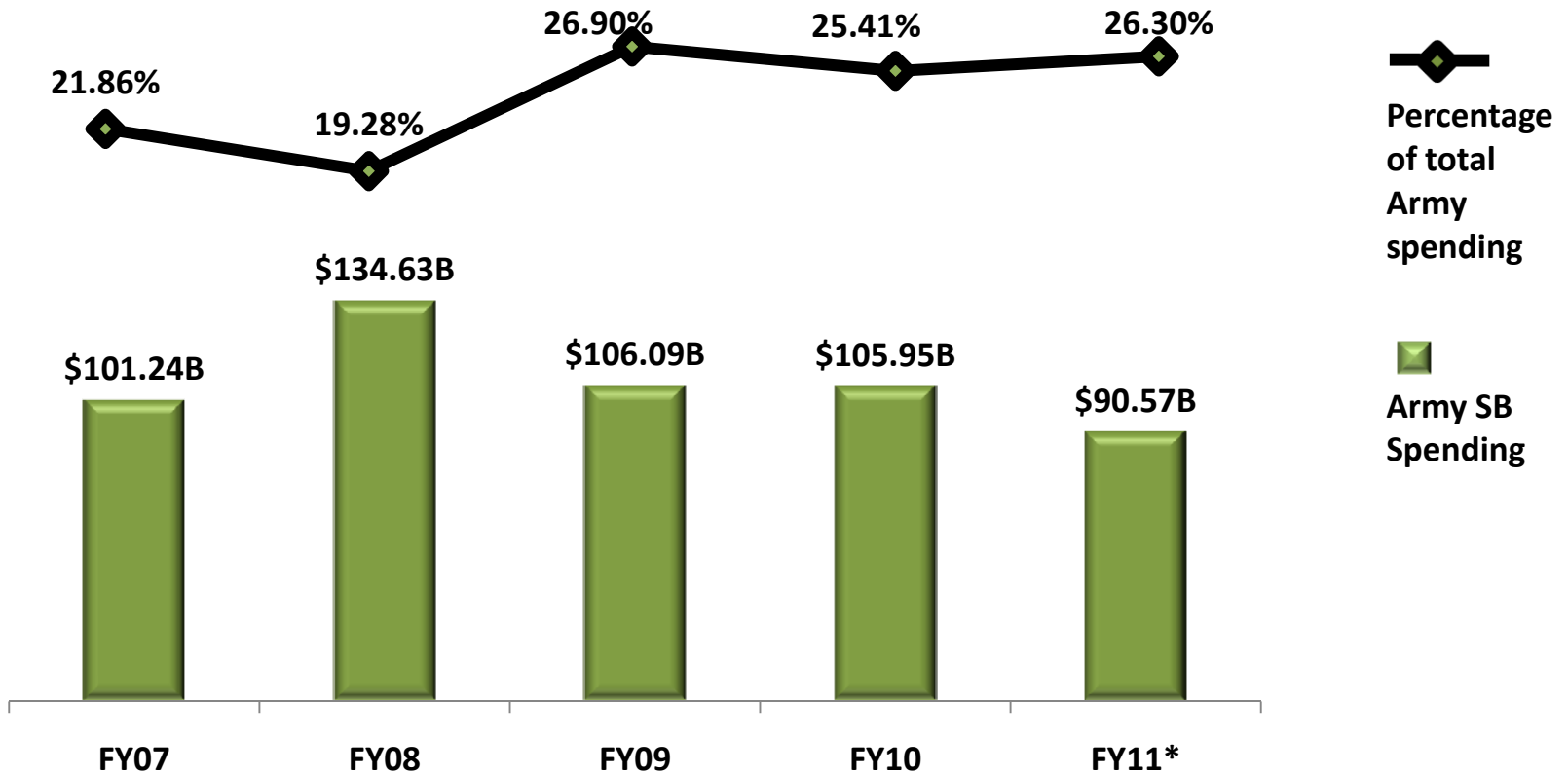
Source: FPDS-NG Data as of 11/07/2011

*FY11 data is preliminary and has not yet been verified by the SBA





Army SB Program Achievements FY05-FY11



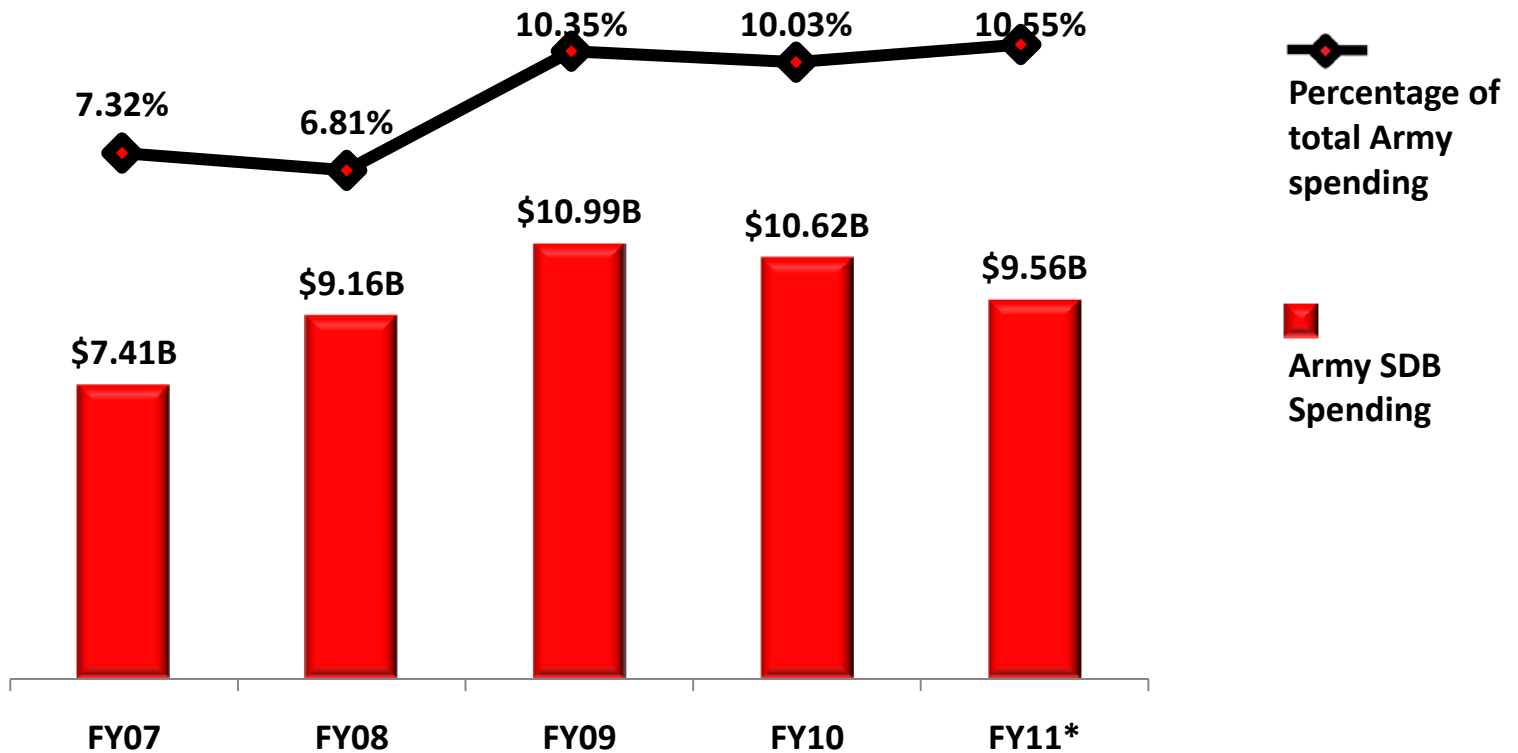
Source: FPDS-NG Data as of 11/07/2011

*FY11 data is preliminary and has not yet been verified by the SBA





Army SDB Program Achievements FY07-FY11



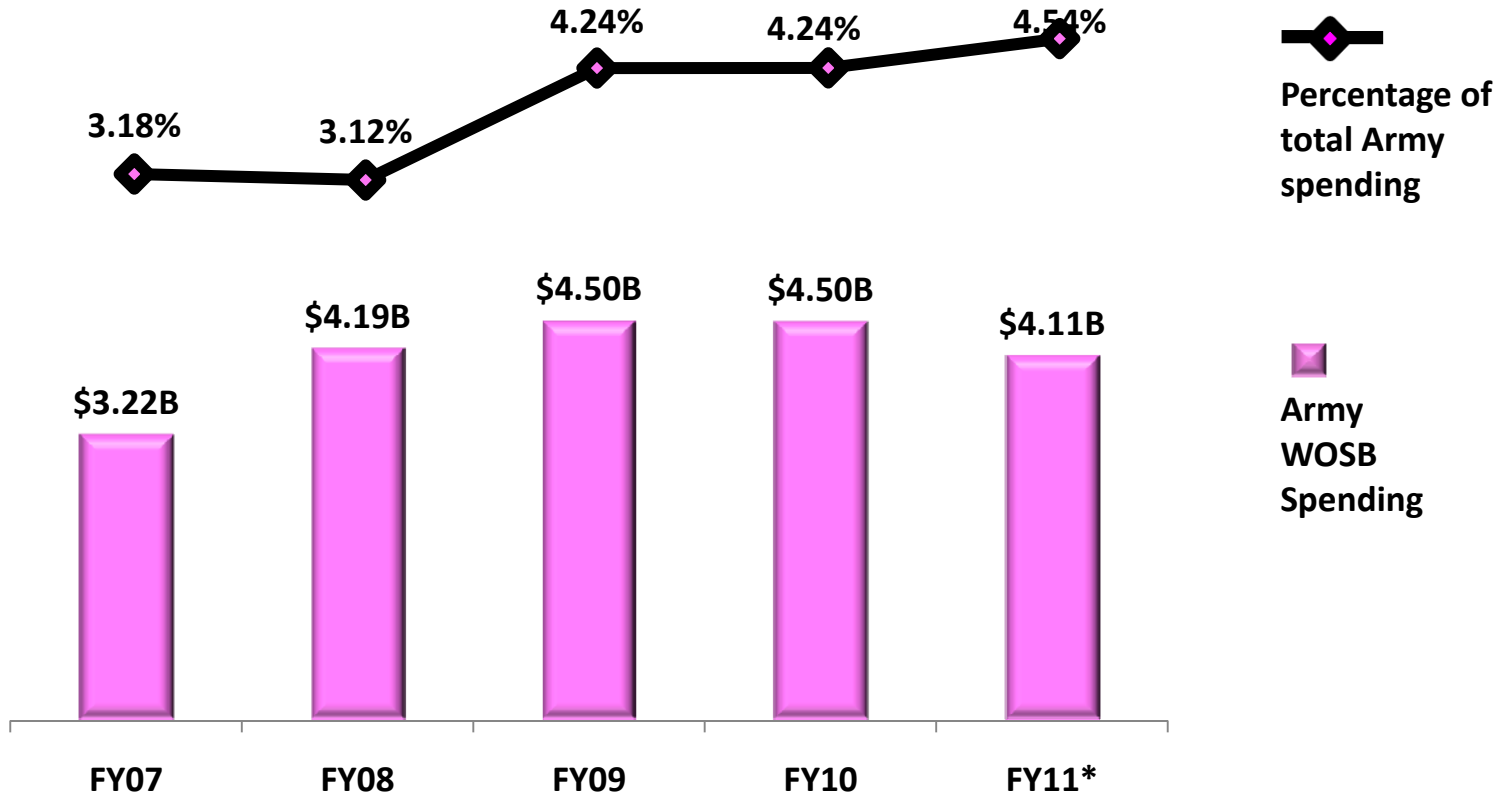
Source: FPDS-NG Data as of 11/07/2011

*FY11 data is preliminary and has not yet been verified by the SBA





Army WOSB Program Achievements FY07-FY11



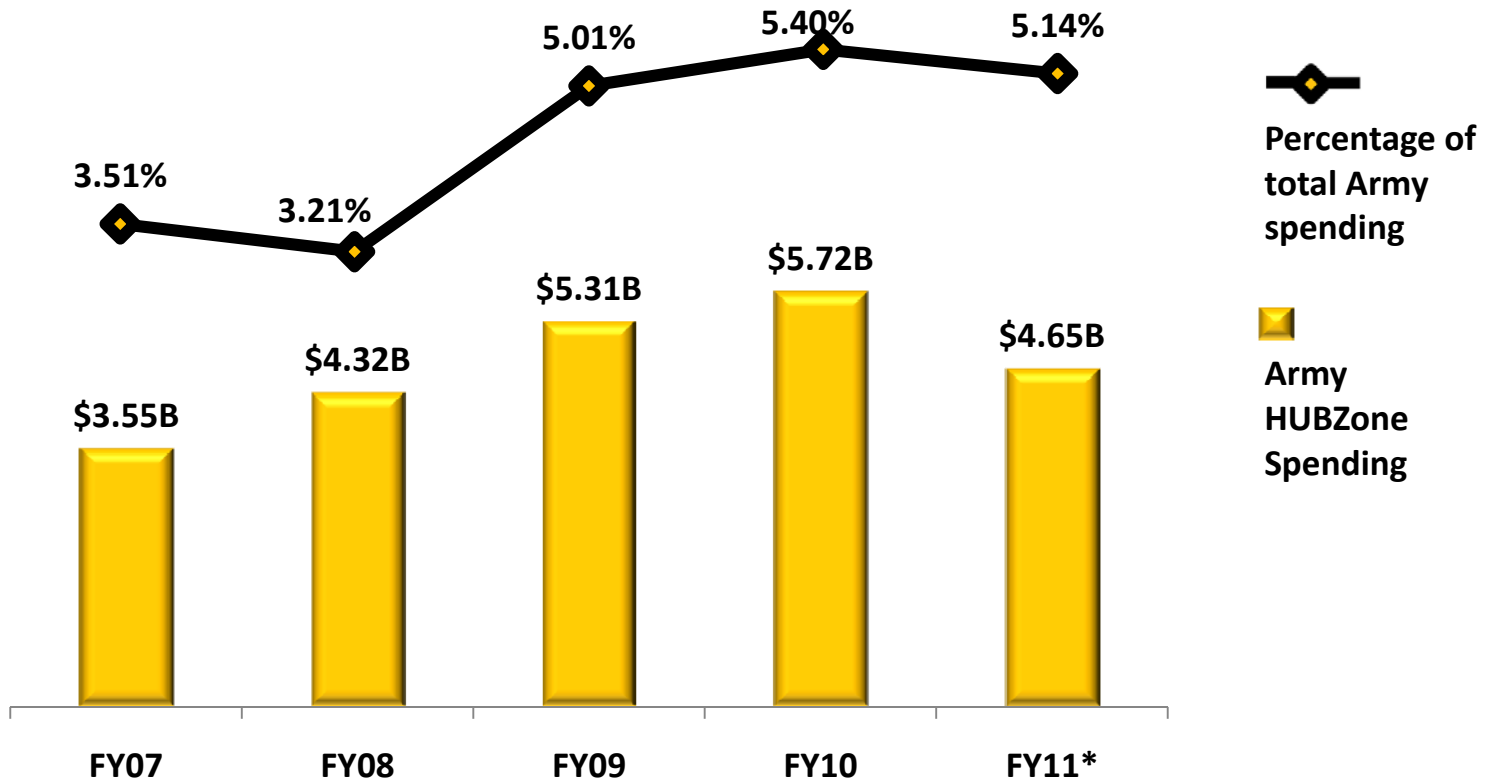
Source: FPDS-NG Data as of 11/07/2011

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Army HUBZone Program Achievements FY07-FY11



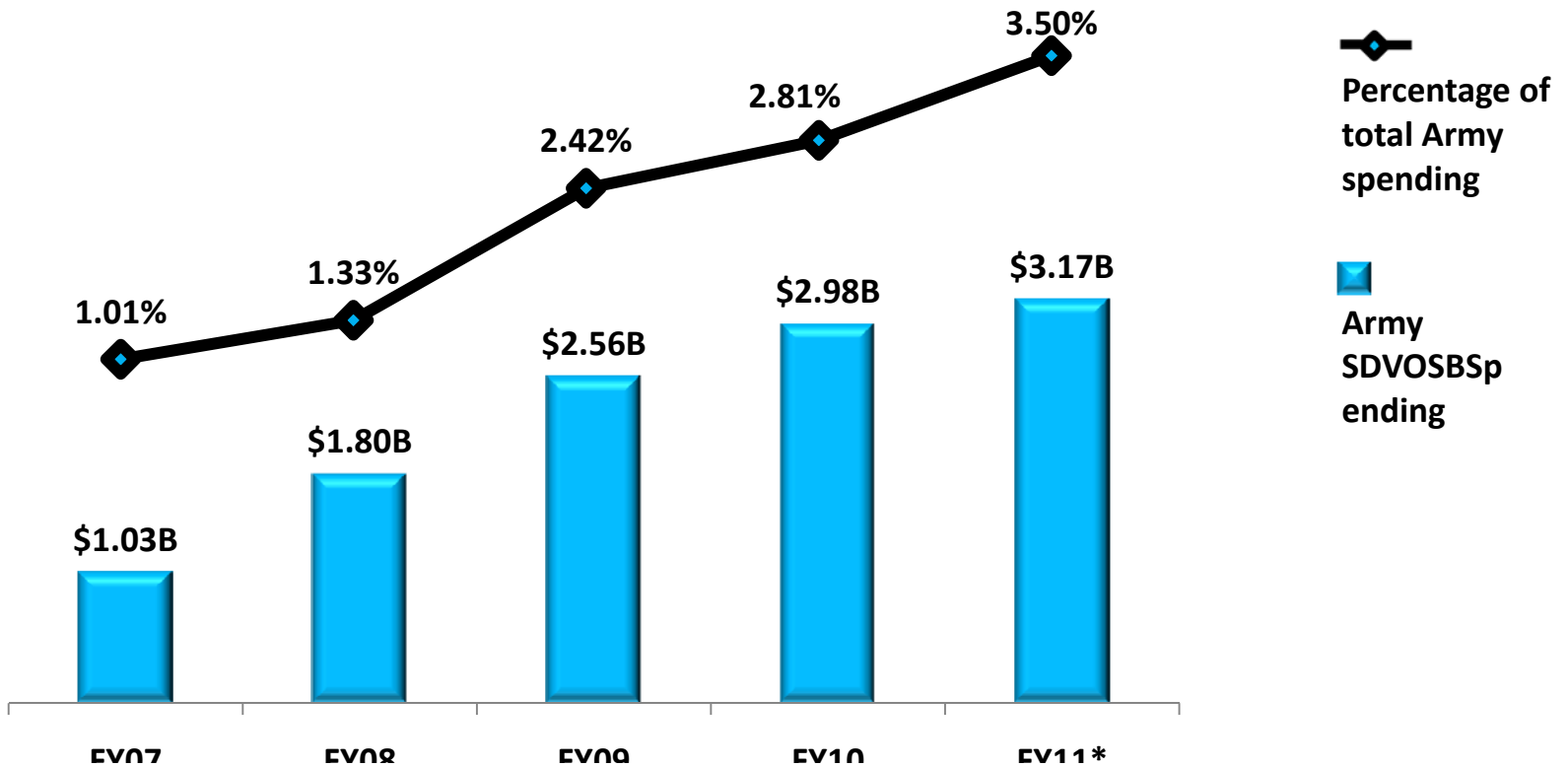
Source: FPDS-NG Data as of 11/07/2011

*FY11 data is preliminary and has not yet been verified by the SBA





Army SDVOSB Program Achievements FY05-FY10



Source: FPDS-NG Data as of 11/07/2011

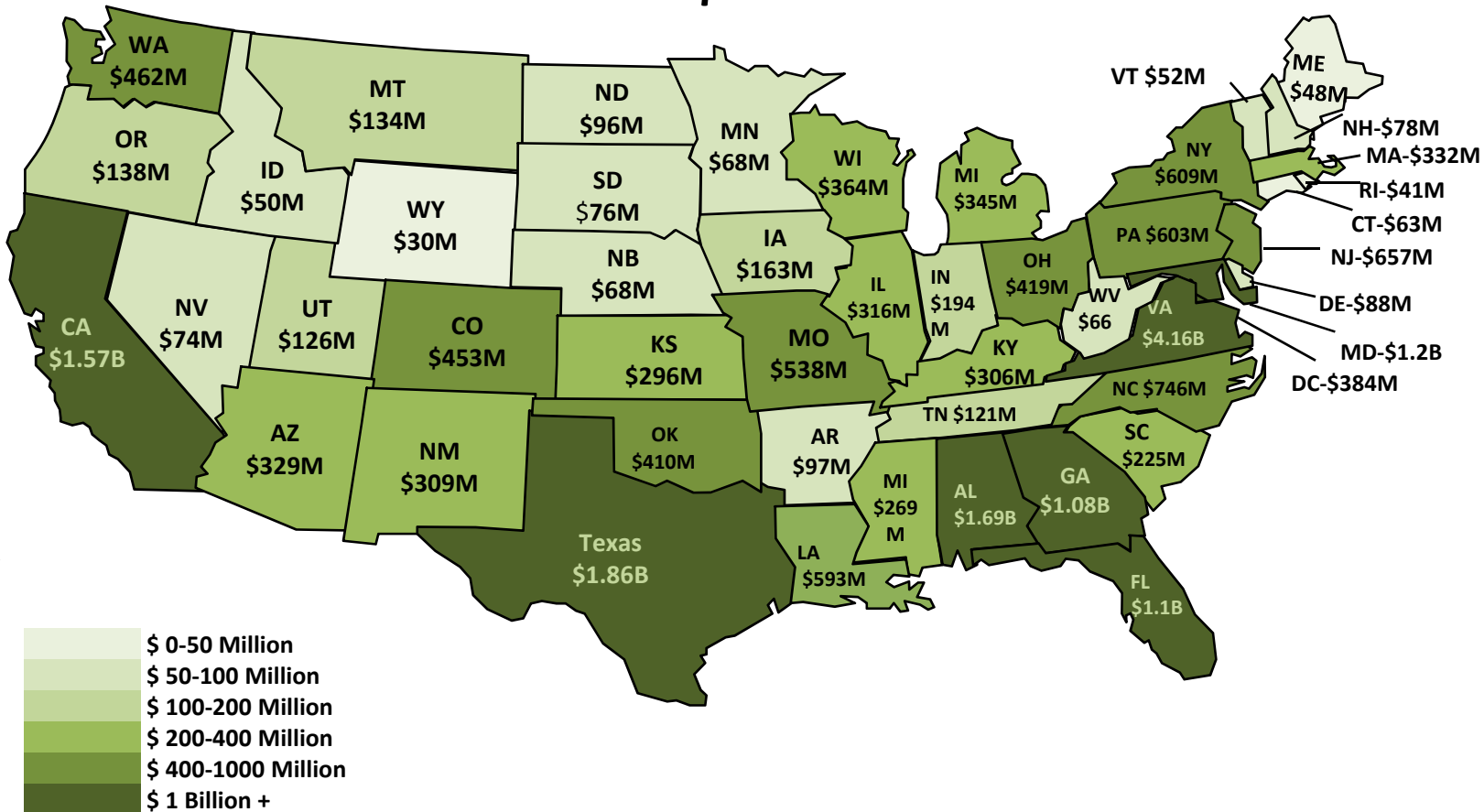
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FY11 Army Small Business Spending by State

Total: \$23.82B

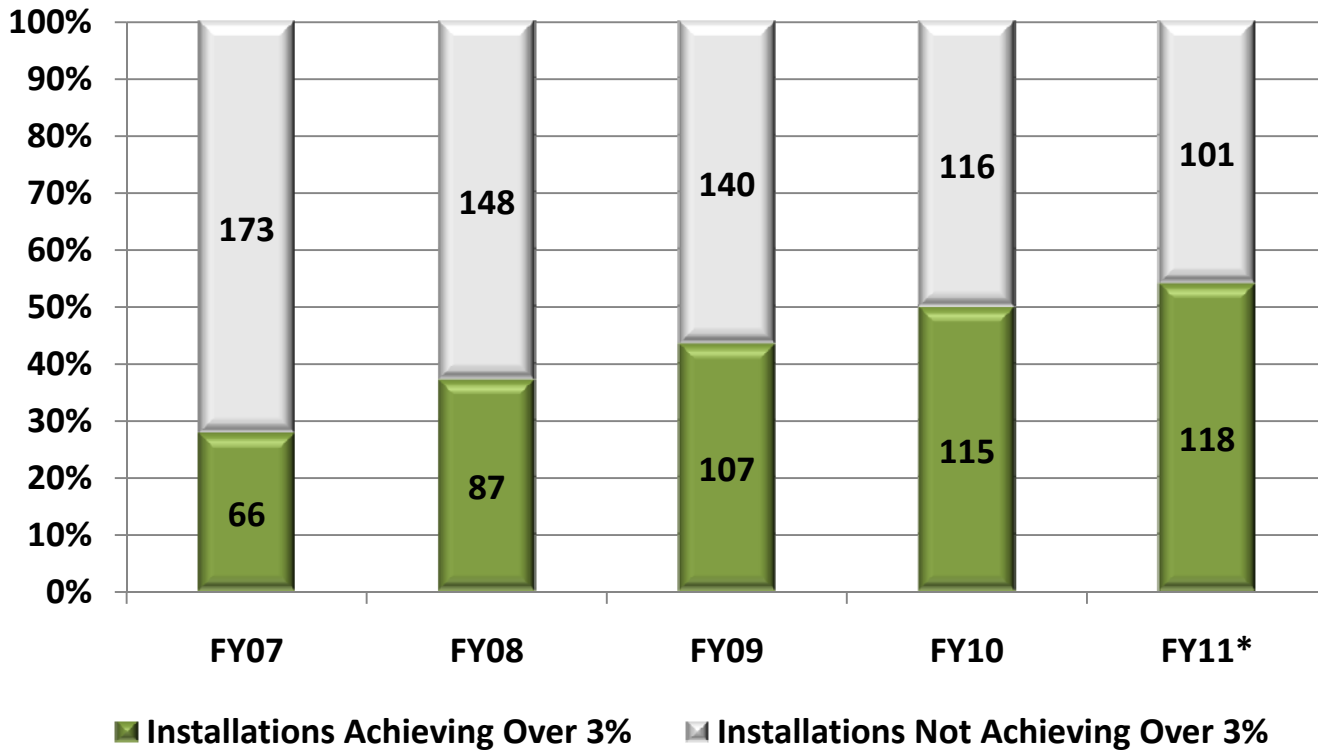


Source: FPDS-NG on 7 Nov 2011
*FY11 data is not yet certified by the SBA





Army Installations Exceeding Three Percent in SDVOSB Spending



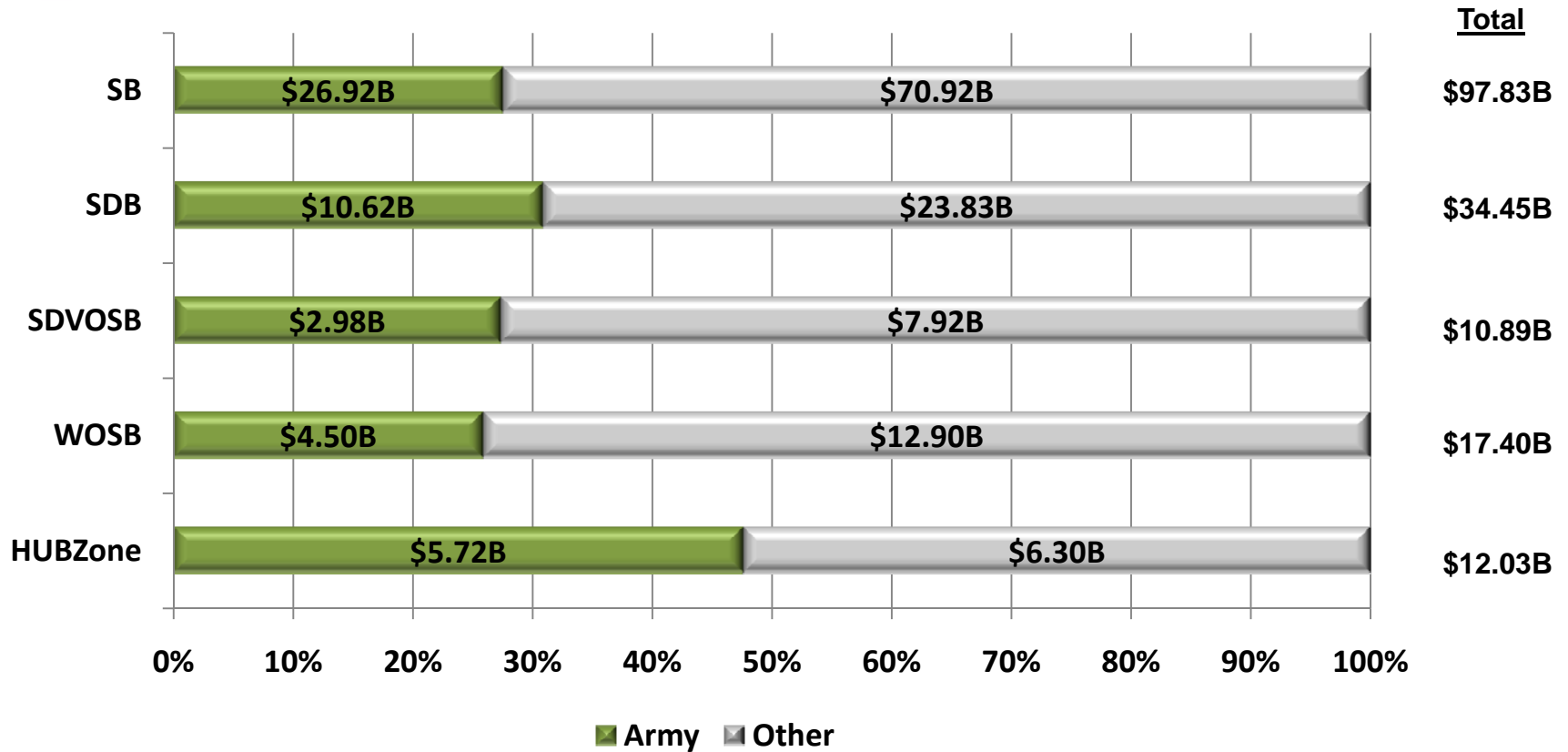
Source: FPDS-NG Data as of 11/07/2011

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Army Portion of Government Wide Small Business Spending in FY10



Source: FPDS-NG on 11/08/11





Small Business Act Public Law 85-536

“It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise...”

“The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business and opportunities for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this nation.”





Legislative Background

- **Public Law 95-507 (1978)**
 - Requires Agencies to Establish SB Goal
 - Requires Explanation to Congress When Goals are Not Met
 - Requires Establishment of Office of Small and Disadvantaged Business Utilization
 - Director Appointed by Agency Head
 - Director Reports to Head of Agency or Deputy
- **Public Law 99-661 (1987) Section 1207 (repealed by Rothe Decision)**
 - Requires Agencies to Establish 5% SDB and HBCU/MI Goals
 - Provides for Less than Full and Open Competition
 - Repealed by Supreme Court Decision Rothe vs. US





Legislative Background (Cont.)

- **Public Law 103-355 (1994)**
 - Requires Agencies to Establish 5% WOSB Goals
- **Public Law 105-135 (1997)**
 - Established HUBZone Program and Requires Agencies to Establish goal not less than 3% for FY 2003 and each year thereafter
- **Public Law 106-50(1999)**
 - Required Agencies to Establish 3% SDVOSB Goal
- **Public Law 108-183 (2003)**
 - Established set-asides for SDVOSB





Small Jobs Business Act

Public Law 111-240

- **Bundling**

New FAR language is mandate to establish a Government-wide policy regarding bundling including teaming and joint venturing by small businesses, and publicizing the rationale for bundling.

- **Consolidation**

The Senior Procurement Executive will now be required to consider market research, alternative contracting approaches, negative impact to small businesses, approaches as well as steps taken to ensure small businesses are included in the acquisition strategy. The Senior Procurement Executive will be required to make a determination that the benefits of the acquisition strategy substantially exceed the benefits of alternative contracting approaches for all contracts over \$2M.

- **Subcontracting Misrepresentations**

This will require offerors to submit a representation that they will make a good faith effort in the same amount as in their proposal.

- **Set-Asides for Multiple Award Contracts**

Allows small business set-asides on MACs, set asides of orders under MACs and reservation of contract awards for small businesses under full and open MAC procurements.

- **Agency Accountability**

Requires each procurement employee or program manager to communicate to subordinates the importance of achieving small business goals.





Small Jobs Business Act

Public Law 111-240 Continued

- **Payment of Subcontractors**

Requires prime contractors to notify CO of payment of a reduced price to a subcontractor or any past due payment of more than 90 days. The results will be included in the contractor's performance evaluation.

- **Repeal of the Small Business Competitive Demonstration Program**

This will apply to the first full fiscal year after the bill is enacted.

- **Small Business Size and Status Integrity**

Requires certification of small business size and status, including the signature of an authorized official, as well as annual certification in ORCA. Requires Government-wide policy be issued on prosecution of small business size and status fraud.

- **Training for Contracting Personnel**

Requires courses for acquisition personnel in the proper classification of business concerns and small business size and status.

- **Updated Size Standards**

Requires the SBA to review 1/3 of all the size standards every 18 months and make appropriate adjustments.

- **Mentor-Protégé program**

Requires a GAO report on the effectiveness of the 8(a) M-P program. Allows SBA to establish M-P programs for HUBZones, WOSBs, SDVOSBs similar to the 8(a) M-P program.

- **Small Business Contracting Parity**

Creates parity among the 8(a), HUBZone, SDVOSB and WOSB programs.





FY12 Focus

- Small Business Participation in Major Systems Programs (ASARC)
- Promote Greater Involvement of SBs in Army Contracts for Services (AASP)
- Contract Bundling and Consolidation
- Support of HBCUs & MIs in the Acquisition Process
- Subcontracting Plan Development and Enforcement
- SB Participation in OCONUS contracts
- Staffing of Small Business Offices and development of SB personnel
- Update of Army Acquisition Regulations
- Implementation of Acting AAE policy memo





16 July ASA (ALT) Memo to Army HCAs

- Utilization of the Small Business Program is a priority;
- Utilize existing contracting vehicles awarded to small businesses as well as unique authorities such as 8(a) and SDVOSB.
- Maximize opportunities for small businesses for contracts between \$3k and \$150k (automatic reservation).
- Place emphasis on small business participation and weighting factors in past performance and in fee construct, and ensure the establishment of aggressive subcontracting goals for all non-small business awards.
- Maximize contract awards to qualified protégés in the Army Mentor Protégé Program.
- Enhance training for all acquisition officials regarding the Small Business Program.
- Report Progress within 30 days and identify at least 1 major initiative to increase small business awards.



Warrior Ethos

I will always place the mission first.

I will never accept defeat.

I will never quit.

I will never leave a fallen comrade.

Questions?



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