

07/16/12

POLICY ALERT

No. 12-47

Increasing Opportunities for Small Businesses through Small Business Set-asides under the Simplified Acquisition Threshold

REFERENCE: A Joint Defense Procurement and Acquisition Policy and Office of Small Business Programs Memorandum, Subj: Increasing Opportunities for Small Businesses through Small Business Set-asides under the Simplified Acquisition Threshold, dated July 11, 2012

TYPE OF ACTION: Policy Guidance

EFFECTIVE DATE: July 11, 2012

SUMMARY: The reference memorandum (see attachment 1) was issued to reiterate that small businesses play a vital role in their contribution to the defense industrial base and the Department of Defense (DoD) is committed to increasing contracting opportunities for these entities. The purpose of the memorandum is to remind of longstanding statutory requirements to set aside contracts for small businesses where the contract value is equal to or less than the simplified acquisition threshold (SAT) unless the "rule of two" is not met, and request to redouble efforts to ensure these requirements are followed consistently.

To help DoD increase its contracting with small businesses, please take the following steps in conjunction with every new contract award that has an anticipated dollar value exceeding \$3 ,000 but not exceeding the SAT:

- Automatically reserve the work for small business concerns and set aside the contract for small business, unless there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery.
- If the work is not set aside for small business, document the contract file the reason for acquiring the service or product on an unrestricted basis. Such documentation shall be completed using the DD 2579, which must be coordinated with the contracting activity small business specialist in accordance with Defense Federal Acquisition Regulation Supplement Subpart 219.201(d)(10).

ACTION REQUIRED: Contracting Officers shall comply with policy guidance.

This Policy Alert is effective on the date indicated above, and remains in effect until incorporated into a policy document(s) or until otherwise rescinded.

You may direct comments/questions on this Policy Alert to the Contract Policy and Pricing Branch at 303-676-3985 or to Ms. Cassandra Martin, Director of the TMA Office Small Business Programs, at 703-735-4923.

If this policy alert has any broken links please report them by clicking [here](#).