



**THE ASSISTANT SECRETARY OF THE NAVY**

(RESEARCH, DEVELOPMENT AND ACQUISITION)

1 000 NAVY PENTAGON

WASHINGTON DC 20350-1000

DEC 13 2012

**MEMORANDUM FOR DISTRIBUTION**

**SUBJECT: Meeting Small Business Goals in FY 2013**

The Department of Navy (DoN) is committed to ensuring that small business remains an important component in meeting the Department's mission. SECNAV has emphasized a commitment to increase small business roles and opportunities as part of the overall strategy to improve affordability in acquisition. Your recent efforts to improve small business participation are having a positive impact on innovation and affordability in our acquisition programs.

For FY 2013, DOD has assigned the following goals to the DoN.

- Prime Contracting Awards to Small Business – 16.5%
- Simplified Acquisition Threshold Performance – 86.18%
- Knowledge Based Services (KBS), Electronics and Communications Services (ECS) and Facility Related Services (FRS) – 39.13% (of combined TOA)

For FY 2013, senior leaders will be expected to support the established targets as shown in attachment (A). These targets account for the historical small business award capacity of the DoN's contracting activities (HCA), account for influences of major platform procurements, and provide a measurable and attainable goal.

As each HCA builds a strategy to hit these targets, you should consider the following components as part of that strategy:

- 1) Leadership's accountability for this target.
- 2) A plan to achieve a 10 point small business prime contracting growth over FY2010 achievement in the areas of KBS, ECS and FRS as applicable in accordance with AT&L Memo of 13 March 2012.
- 3) A plan to achieve 86.18% Small Business awards under Simplified Acquisition Threshold procedures. The DOD methodology on how this figure is calculated is in Attachment (B).

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- 4) A plan to exercise maximum use of set-aside authority within Multiple Award Contract (MAC) vehicles where appropriate and applicable.
- 5) Improvement in public online forecasting tools.
- 6) Participation by your OSBP in contract service courts and measures taken to align outcomes with small business targets.
- 7) Tangible actions to promote increased small business subcontracting opportunities through the use of evaluation factors, SBIR/STTR, sponsoring of new Mentor-Protégé Agreements and other means.

Heads of Contracting Activities should plan to brief me quarterly on Small Business progress.

A handwritten signature in black ink, appearing to read 'SJS', with a long horizontal flourish extending to the right.

Sean J. Stackley

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Attachments:

As stated

Distribution:

CMC

CNR

COMMARCORSYSCOM

COMNAVAIRSYSCOM

COMNAVFACENGCOM

COMNAVSEASYSYSCOM

COMNAVSUPSYSCOM

COMSPAWARSYSCOM

DASN (AP)

DASN (E&LM)

DRPM (SSP)

PEO (A, T, U&W, JSF, CARRIERS, SHIPS, SUB, LCS, IWS, C4I, SPACE, EIS, LS)

USMC (P&R)

cc:

ASN (RD&A) (PMD, EA, MA)

DASN (AIR, SHIPS, C4I/IO/SPACE, AP, RDT&E, M&B, EL&M, IP)

RD&A (AGC)

DACM

ATTACHMENT (A)

**Head of Contracting Authority (HCA)  
Fiscal Year 2013 Small Business Goals**

<b><u>HCA</u></b>	<b><u>Small Business \$ Goal</u></b>
NAVAIR	\$1.75B
NAVSEA	\$2.55B
SPAWAR	\$1.39B
MCSC	\$0.90B
NAVSUP	\$1.95B
NAVFAC	\$3.65B
ONR	\$0.54B
USMCHQ I&L	\$0.41B
MSC	\$0.67B
SSP	\$0.06B

## ATTACHMENT (B)

### Department of the Navy (DON)

#### Simplified Acquisition Threshold (SAT) Performance Dashboard

**Objective:** The purpose of the SAT Performance Dashboard process is to provide Head of Contracting Authority (HCA)s with a tool they can use to analyze their small business performance on contracts within the Simplified Acquisition Threshold (SAT), **\$3,000-150,000K**.. This is the basic business or “sweetspot” for small business as contracts within the SAT are reserved for small business (SB) per 15 USC Sec. 644(j)(1) and FAR 13.003(b)(1).

Part 19.502-2 (a) Language: ...Each acquisition of supplies or services that has an anticipated dollar value **exceeding \$3,000** (\$15,000 for acquisitions as described in [13.201\(g\)\(1\)](#)), but **not over \$150,000** (\$300,000 for acquisitions described in paragraph (1) of the Simplified Acquisition Threshold definition at [2.101](#)), is automatically reserved exclusively for small business concerns and shall be set aside for small business unless the contracting officer determines 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 contracting officer does not proceed with the small business set-aside and purchases on an unrestricted basis, the contracting officer shall include in the contract file the reason for this unrestricted purchase.

**Metrics Dashboard Methodology:** Data for the DON Small Business “Simplified Acquisition Threshold Performance Dashboard is consistent with Department of Defense (DOD) metric development. All associated Major Command data is retrieved from the Federal Procurement Data System – Next Generation (FPDS-NG) for all contracts with a *Base and All Options Value* under the SAT for Contracting Department 9700 (DOD) and Contracting Agency 1700 (DON) using an AD HOC query for the specified reporting period.

**Metrics Measured:** Both the U.S. Small Business Administration (SBA) and DOD use the *Base and All Options Value* as the inclusion criteria for the “Sweetspot” analysis. However, DOD measures performance against *Obligated Amount* only during the specified period. The rationale being that while the *Base and All Options Value* provides the total potential spend (and potential performance) for the life of a contract, the

*Obligated Amount* measures what was actually awarded during the specified time period. Maximum contract value or exercising of options may not always be attained. Point of obligation more properly depicts executed performance. Only contracts where the Modification Number is "0" are included in this analysis.

Other than using the *Obligated Amount* method, DOD adheres to the current SBA criteria. The analysis is limited to the following Award Types for the specified reporting period –

- 1) Base and All Options Value between \$3,000 and \$150,000.
- 2) Modification Number is "0".
- 3) Award Type is BPA Call and IDV Part 13 Only, or
- 4) Award Type is Delivery Order and IDV Type is Basic Ordering Agreements (BOA) only, or
- 5) Award Type is Definitive Contract, Purchase Order, and Indefinite Delivery Contracts. Note the analysis does not include any Delivery Orders (outside of BOAs) ie Federal Supply Schedule (FSS), Government wide Acquisition Contracts (GWAC), or IDIQs are not included).

DOD applies the following additional filters to measure performance allowing for sole sourced requirements from Other than Small Business (OTSB):

- 1) All contracts where the contracting officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns *AND*
- 2) The *Contracting Officer's Determination of Business Size* is "OTSB" *AND*
- 3) The *Extent Competed* for the contract is "Not Competed", "Not Available for Competition", or "Not Competed under SAP".
- 4) All other authorized goaling exclusions are included.

Note: Authorized goaling exclusions are NOT applied when data is retrieved from FPDS-NG using an AD HOC query for the canned Small Business Achievements by Awarding Organization Report. In order to exclude these contracts you will need to consult the following DOD/OSD link for the full list of goaling exclusions

<http://www.acq.osd.mil/osbp/gov/goalingExclusions.shtml>

After all of the filters are applied to the data, DON then creates the "Sweetspot" Executive Dashboard for all Major Commands which are posted monthly at

<https://smallbusiness.navy.mil/index.html>.