

Office of Acquisition and Property Management

June 12, 2007

Department of the Interior Acquisition Policy Release (DIAPR) 2007-07

SUBJECT: Small Business Competitiveness Demonstration Program

Reference: Federal Acquisition Regulation Part 19

1. *Purpose:*

This DIAPR provides updated guidance regarding the Small Business Competitiveness Demonstration Program (SBCDP). This policy release also supersedes DIAPR 2004-01 and its Amendment 01.

2. *Effective Date:*

Effective upon issuance. The instructions contained in this release are applicable to solicitations issued after receipt of this document.

3. *Expiration Date:*

No expiration unless superseded or canceled.

4. *Background and Explanation:*

Title VII of the Business Opportunity Development Reform Act of 1988, as amended (Public Law 100-656), established the SBCDP to allow testing of specified innovative procurement methods and procedures from January 1, 1989 through December 31, 1997. The Small Business Reauthorization Act of 1997, Public Law 105-135, established the program on a permanent basis. Section 821 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Public Law 108-375, amended Section 717 of the SBCDP Act of 1988 (15 U.S.C. 644 note). The program is implemented in FAR Subpart 19.10.

Participating agencies are required to monitor attainment of their small business participation goals and make adjustments in set-aside policy on an annual basis. The current goals for designated industry groups (DIGs) are as follows:

Designated Industry Groups/Codes	Small Business Goal	Emerging Small Business Goal
Architect-Engineer (A-E) services (including surveying and mapping) under NAICS codes 541310, 541330, 541360, or	40%	15%

541370 (limited to FPDS service codes C111 through C119, C121 through C124, C129, C130, C211 through C216 f C219, T002, T004, T008, T009, T014, and R404) awarded under the Brooks A-E Act selection procedures		
Refuse systems and related services under NAICS Codes 562111, 562119, and 562219 (FPDS code S205)	40%	15%
336611 – Non-nuclear Ship Repair	40%	15%
561710 - Exterminating and Pest Control Services	40%	15%
561730 - Landscaping Services	40%	15%

Accordingly, the Department has analyzed procurement activity for Fiscal Year 2006. Changes in set-aside policy are implemented based on attainment of 40% for each group and 35% for individual codes within the construction and A-E services groups. The FY 2006 report for the Department (see Attachment 1) shows that the dollar value of awards to small businesses in the designated industry groups were as follows:

- a. DOI met the 40 percent goal for subsectors 236 (Construction of Buildings), 237 (Heavy and Civil Engineering Construction), and 238 (Specialty Trade Contractors).
- b. Individual bureaus exceeded the 35 percent goal in most but not all construction codes (e.g., goals were exceeded in codes 236116, 236117, 236118 and 236220).
- c. Some bureaus failed to achieve the 35 percent goal in construction NAICS codes 234120 (bridge and tunnel construction), 237210 (land subdivision), and 238340 (tile and terrazzo contractors).
- d. DOI achieved the 40 percent goal for A-E services as a group, however, not all bureaus met the 35 percent goal in all individual NAICS codes.
- e. Some bureaus stayed below the 35 percent goal in A-E services code 541330 (engineering services).
- f. DOI did not meet the 40 percent goal in non-nuclear ship repair.
- g. DOI exceeded the 40 percent goal in refuse systems and related services.
- h. DOI exceeded the 40 percent goal in the pest control and landscaping services codes.

5. Action Required:

All bureaus and offices shall adjust their small business set-aside policy as follows:

Category/Code	Set-aside Adjustment
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All construction NAICS Codes except 234120, 237210, and 238340	Use full and open competition and other methods except for small business set-asides
Construction Codes 234120, 237210 and 238340	May use small business set-asides where possible and prudent
A-E Services Codes except 541330	Use full and open competition and other methods except for small business set-asides
A-E Services Code 541330	May use small business set-asides where possible and prudent.
All non-nuclear ship repair codes	May use small business set-asides where possible and prudent.
All refuse systems codes	Use full and open competition and other methods except for small business set-asides
Pest control services	Use full and open competition and other methods except for small business set-asides
Landscaping services	Use full and open competition and other methods except for small business set-asides

When set-asides are not permitted, the use of full and open competition applies to all DIG procurements estimated to exceed the Reserve Amount for Emerging Small Businesses. Reserve Amounts are \$50,000 for A-E services and \$30,000 for the other DIGs. However, bureaus are authorized and encouraged to use the 8(a), HUBZone, and service-disabled veteran-owned business programs as an exception and alternative to full and open competition in this mode. (See FAR 19.1007(b)(2)).

6. Additional Information:

Please contact Frank Gisondi, Office of Small and Disadvantaged Business Utilization on (202) 208-4907 if you should have any questions regarding the SBCDP.
/ signed Debra E. Sonderman, Director
Office of Acquisition and Property Management