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DEPARTMENT OF THE ARMY  
Little Rock District, Corps of Engineers  
P. O. Box 867  
Little Rock, Arkansas 72203-0867

SWLR 715-1-11  
Change 1

Regulation  
No. 715-1-11

8 November 1995

Procurement  
SMALL BUSINESS AND SMALL DISADVANTAGED  
BUSINESS UTILIZATION (SADBU) PROGRAM

1. This is change 1 to SWLR 715-1-11, date 6 September 1994.
2. Substitute the revised pages as shown below:

REMOVE

page 2

page 3

page 4

page 5

page 6

page 7

INSERT

page 2 ✓

page 3 ✓

page 4 ✓

page 5 ✓

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3. Change 1 is effective upon receipt.
4. File this change sheet in front of the regulation for reference purposes.



P. S. MORRIS  
Colonel, Corps of Engineers  
District Engineer

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Procurement  
SMALL BUSINESS AND SMALL DISADVANTAGED  
BUSINESS UTILIZATION (SADBU) PROGRAM

1. Purpose. This Regulation provides guidance and procedures incidental to the Little Rock District's policy to ensure a fair proportion of the total purchases and contracts for supplies and services, design, and construction are placed with small business concerns, small disadvantaged business (SDB) concerns, women owned business, historically black colleges and universities and minority institutions (HBCU/MIs), and labor surplus area business concerns. This would include subcontracting opportunities.

2. Applicability. This regulation is applicable to all elements of the Little Rock District. The Small and Disadvantaged Business Utilization (SADBU) Specialist is the focal point for SADBU program management and oversight at the District and must provide assistance to the Contracting Officer (KO) or the Administrative Contracting Officer (ACO). The Chief of the Contracting Division is to ensure that contracting and technical personnel maintain knowledge of small and small and disadvantaged business program requirements and take reasonable actions to increase small business participation in their activities' contracting processes. Involvement of the small business program of appropriate personnel including Commander, division chiefs, project and program managers, contracting, and administrators (which include area and resident engineers involvement) is required to provide program emphasis in small business participation in acquisitions.

3. References/Authority.

- a. Small and Disadvantaged Business Handbook, U. S. Army Corps of Engineers, November 1993.
- b. Engineer FAR Supplement (EFARS), Part 19, Small Business and Small Disadvantaged Business Concerns.
- c. Army FAR Supplement (AFARS), Part 19, Small Business and Small Disadvantaged Business Concerns.
- d. Defense Federal Acquisition Regulation Supplement (DFARS), Subpart 219, Small Disadvantaged Business Concerns.

e. Federal Acquisition Regulation (FAR), Part 19, Small Business and Small Disadvantaged Business Concerns.

f. Department of Defense (DOD) Directive 4205.1, DOD Small Business and Small Disadvantaged Business Utilization Programs.

g. SADBUs Policy Memorandums, CESWD-DB.

4. Procedures.

a. DFARS 219.201(d)(i) through (viii) lists the duties of the SADBUs Specialist. In brief, these duties include but are not limited to the following:

(1) Program Goals Establishment Process.

(a) Small and small disadvantaged and women-owned business goals are established for each federal government contracting activity on a fiscal year basis. The process begins with establishment of goals by the Department of Defense (DOD), Department of Army (DA), and the U. S. Army Corps of Engineers. MACOM goals are determined based on the magnitude of contracts performed by a particular organization per DA.

(b) The SADBUs Specialist coordinates goal projections which are compatible with budget projections and the availability of small and small disadvantaged firms. Also, the SADBUs Specialist will enlist support for goal attainment.

(c) Meetings are held in July/August time frame to discuss upcoming **Fiscal Year (FY) Small Business Set-Aside (SBSA)** and 8(a) programs. Participants should include: (1) Programs & Project Management Division, (2) Construction-Operations Division, (3) Engineering Division, (4) Contracting Division (5) Planning Division, and (6) the SADBUs Specialist.

(d) Actual through end of previous FY, actual through current FY, and estimate for next FY are used in making the future FY contracting business projections.

(e) Identify project requirements that are susceptible and appropriately lend themselves to 8(a) or **SBSA** contracting. Factors to be considered in determining which projects are offered for the program include, but are not limited to: the

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value, complexity, urgency, equipment and manpower needed for the work. The final selection list should include a fair percentage of projects needed to attain the minimum small business, small disadvantaged business goal assigned the District.

(f) A memorandum/listing will be prepared by the SADBUs Specialist in the Contracting Division listing those items identified in the meeting required in paragraph 4.a.(1)(c) above and agreed to as appropriate for the SWL FY 8(a) and SBSA programs. The listing should include project name (short description), FY funded, estimated PA, and type of funding of items selected to be appropriate for the 8(a) and SBSA programs.

(2) Procedures for Contracting with Small Business Administration (SBA).

(a) The SBA's business development program for socially and economically disadvantaged firms is commonly called the 8(a) program (section 8(a) of the Small Business Act). Under this program, the Government awards prime contracts to the SBA which in turn, subcontracts noncompetitively with one of its certified section 8(a) contractors (FAR 19.801).

(b) The 8(a) program assists in the expansion and development of existing, newly organized, or prospective profit-oriented small business concerns that are owned and operated by disadvantaged persons. Small business concerns owned and controlled by one or more persons who can provide evidence of having been deprived of the opportunity to develop and maintain a competitive position in the economy because of social and economic disadvantaged may apply to the SBA for certification.

(c) SADBUs Specialist should obtain a list of all planned SBSA, 8(a) projects prior to the beginning of the ensuing FY.

(d) In accordance with EFARS 19.803(a)(2)(90) the District SADBUs Specialist is delegated the authority to identify to the SBA those specific contracts the District Commander has approved for accomplishment by 8(a) firms.

(e) The SADBUs Specialist shall notify SBA by letter of the Corps' intent to place the contract within the 8(a) program. The notification will identify the time frames with which contract actions must be completed in order for the District to meet its responsibilities, and shall include the information applicable to each contract as required by FAR 19.804. Formal offers of 8(a) projects will be to SBA Regional Offices and will contain at least: (1) Response deadline. The District will

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provide to SBA appropriate time frames for acquisition cycle milestones with their offering letter. The offering letter to SBA may include a statement that "failure on the part of SBA and/or its subcontractor to meet any milestones may result in the requirement being withdrawn from the 8(a) program and resolicited using open market competitive program," (2) Percent of work by contractor's firm (on construction projects), (3) Month solicitation will be issued, and (4) SBA formal request for reservation. The request should identify Contracting Officer, Specialist, and SADBUs Specialist involved.

(f) Upon receipt of the offering letter, the SBA will determine whether to accept the contract for the 8(a) program. The SBA will send its decision whether to accept the contract to the SADBUs Specialist in writing within 15 working days of receipt of the offer, unless an extension is granted by the Corps District.

(g) If SBA accepts the contract, Engineering Division will give completed plans and specifications and schedule award date to Contracting Division normally three weeks ahead of the issue date (one week in contracts, two weeks in reproduction).

(h) Copies of correspondence to or from SBA on any subject will be furnished to CESWD-DB.

(3) Competitive 8(a).

(a) Competitive 8(a) acquisitions shall be conducted in accordance with FAR 19.805 and by using sealed bids (FAR 14) or competitive proposals (FAR 15). In accordance with Public Law (PL) 100-656 and 13 CFR 124.311, effective October 1, 1989, a requirement offered to the 8(a) program shall be competed among 8(a) companies if: (1) There is a reasonable expectation that at least two eligible 8(a) concerns will submit offers and the award can be made at a fair market price; and (2) The anticipated award price of the contract including options will exceed \$5 million for contracts assigned manufacturing SIC codes and \$3 million for all other acquisitions. For purposes of indefinite quantity/delivery contracts, the thresholds will be applied to the guaranteed minimum value of the contract, including options.

(b) Issuance of the solicitation, opening and evaluation of bids and award of contracts shall be handled by Contracting Division. A public bid opening will be held for each competitive 8(a) acquisition when using sealed bid procedures (FAR 14).

(4) Negotiations.

(a) The SBA's contractor should participate, whenever practicable, in negotiating the contracting terms. When mutually agreeable, the SBA may authorize the contracting activity to negotiate directly with the 8(a) contractor. Whether or not direct negotiations take place, the SBA is responsible for approving the resulting contract before award and determining whether the 8(a) contractor shall be required to provide bonds.

(b) The Cost Engineering Branch of the Engineering Division is responsible for providing the Governments' estimate.

(c) The Construction Branch of Construction Operations Division is responsible for the technical analysis of the 8(a) contractor proposal. A representative from Construction Operations Division will be a member of the negotiations team and provide assistance.

(5) Outreach Program.

(a) Actively participates in Government-industry conferences and regional interagency small business councils designed to locate and develop information on the technical competence of small business and small disadvantaged business concerns, historically black colleges and universities, and minority institutions (HBCU/MIs).

(b) Ensure that buyers making purchases under **simplified purchase procedures** are taking action to locate small, small disadvantaged and women-owned sources for new items and for items currently purchased from large business.

(c) Emphasize importance for all personnel involved in the acquisition process to include contracting, program management, and requirements personnel of small, small disadvantaged, HBCU/MIs, and women-owned business goals and their involvement in these programs.

(6) Bid Abstracts and Commerce Business Daily (CBD) Announcements. Ensure copies of bid abstracts, and all presolicitation notices on construction are provided to HQUSACE, ATTN: CEDB. Copies of Commerce Business Daily (CBD) announcements on A-E contracts are also required since no further solicitation is issued. The CBD announcement is the solicitation of A-E services. These documents are necessary to confirm whether subcontract plans are required and to evaluate whether the order of precedence of DFARS is being followed.

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(7) Counseling Small Business, Small Disadvantaged Business, and Women-Owned Business Firms.

(a) Advise small and disadvantaged business concerns on how to do business with the Corps of Engineers. Discuss the policies, procedures and functions of the SADBUs program along with the functions and responsibilities of the Small Business Administration. Advise the concerns on the procedures to be followed in order to be placed on the bidder's mailing list and how to properly complete the Bidder's Mailing List Application (SF 129). Firms need to be informed that a separate Bidder's Mailing List Application must be completed for each government contracting office they wish to do business with. Implementation of Electronic Commerce (EC) will require registration with a Value Added Network (VAN) and registration with each contracting office will not be required for solicitations in the Simplified Acquisition Threshold (\$2,500 to \$100,000).

(b) The extent of counseling will depend upon the current knowledge and prior experience the firm has had in dealing with the Government. Ensure that each firm's questions are answered in a tactful, candid and informative way.

(c) Ensure the firm is aware of the Commerce Business Daily, what information is available to the firm through this publication and how a subscription may be obtained. Stress the importance of this publication in obtaining information regarding contracting opportunities as a prime contractor, and also as a potential source of information for subcontracting opportunities. Also, inform the firms' representatives that if the firm cannot afford subscription to the CBD, access to the publication is available through the library. Information for registration with a VAN may be obtained by writing to the Electronic Commerce Office, 5111 Leesburg Pike, Suite 9104, ATTN: DoD EC Information Center, Falls Church, VA 22041, telephone 1-800-334-3414, FAX request (703) 681-1225, information is also available on the Internet at <http://www.acq.osd.mil/ec>.

(8) Processing of Small Business Coordination Record, DD Form 2579.

(a) The Small Business Coordination Record, DD Form 2579, is to be used for all acquisitions that exceed the dollar threshold for synopsis. The DD Form 2579 shall be prepared with sufficient lead time to permit the Contracting Officer, SADBUs Specialist, and the SBA Procurement Center Representative (PCR) to review and affix their signatures prior

to transmitting the CBD synopsis notice. The DD Form 2579 will be completed by the Buyer, Contracting Officer, and the SADBUs Specialist prior to forwarding to the SBA PCR for signature.

(b) Review acquisition programs to identify items suitable for purchase from small, small disadvantaged and women-owned business firms. Ensure that small, small disadvantaged and women-owned business firms are not precluded from competing because of restrictive drawings or specifications unless there are sufficient and valid reasons for such restrictions.

(c) Utilize the Procurement Automated Source System (PASS) or other sources to locate potential small business contractors.

(d) Ensure small business size standards and standard industry codes (SIC) are correctly indicated.

(e) Ensure that each acquisition of supplies and services which has an anticipated value of less than the **Simplified Acquisition Threshold (SAT) (\$100,000)**, and which is subject to **simplified purchase procedures** is solicited as a small business **simplified purchase procedure set-aside** or adequately justified as a non-set-aside. If the SADBUs Specialist cannot reach an agreement with the KO, it should be elevated to the Chief, Contracting Division.

(f) Detailed explanation of completion of the DD Form 2579 can be found in CESWL-CT #17, "Small Business Coordination Record."

(9) Review of Subcontracting Plans.

(a) DOD requires its prime contractors to make maximum possible use of small and small disadvantaged business concerns in its subcontracting program. The successful offeror, if a large business concern, is required to submit an acceptable subcontracting plan for acquisitions that contain subcontracting possibilities and are in excess of \$500,000 (\$1 million for construction). The clause at FAR 52.219-9, Small Business and Small Disadvantaged Business Subcontracting Plan, and DFARS 252.219-7003, Small Disadvantaged Business Subcontracting Plan (DOD Contracts) are utilized that require the prime contractor to submit a subcontracting plan outlining the firm's intent to utilize small and small disadvantaged business concerns as subcontractors to the maximum extent possible. FAR 19.708 and DFARS 219.708 provide guidance on solicitation provisions and contract clauses.

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(b) The subcontracting plan required under FAR 19.702(a)(1) and (2) must include:

(1) Separate percentage goals and dollar amounts for small business concerns and SDB concerns as subcontractors (remember the SDB dollars are a part of SB dollars). The goal for use of SDB concerns shall include subcontracts with HBCU/MI's in addition to subcontracts with SDB concerns.

(2) Name, title, address, telephone, and description of duties of individual who will administer the offeror's subcontracting program.

(3) Description of efforts the offeror will make to ensure that small business concerns and small disadvantaged business concerns will have an equitable opportunity to compete for subcontracts.

(4) Offerors will include clause at FAR 52.219-8, Utilization of Small Business Concerns and SDB Concerns (see FAR 19.708(b)) in all subcontracts that offer further subcontracting opportunities, and that the offeror will require subcontractors (except small business concerns) that receive subcontracts in excess of \$500,000 (\$1 million for construction) to adopt a plan similar to the plan required by the clause at FAR 52.219-9, Small Business and Small Disadvantaged Business Subcontracting Plan (see FAR 19.708(c)).

(5) Offerors should cooperate in any studies or surveys as may be required. They should submit Standard Form (SF) 294, Subcontracting Report for Individual Contract, and SF 295, Summary Subcontract Report, following the instructions on the forms to be utilized to determine the extent of compliance with their subcontracting plan.

(6) An explanation of types of records the offeror will maintain to demonstrate procedures adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to solicit small and SDB business concerns and to award subcontracts to them.

(c) For contracts containing options, the cumulative value of the basic contract and all options is considered in determining whether a subcontracting plan is necessary (see FAR 19.705-2(a)). If plan is required, the plan shall contain separate parts, one for the basic contract and one for each option.

(d) The SADBUs Specialist shall participate on behalf of the KO in reviewing and evaluating on the adequacy of all subcontracting plans submitted in accordance with Public Law (PL) 95-507, as implemented in FAR Subpart 19.7.

(e) The SADBUs Specialist will provide assistance to contracting officers in determining the need for and acceptability of subcontracting plans and assist administrative contracting officers in evaluating, monitoring, reviewing, and documenting contract performance to determine compliance with subcontracting plans (DFARS 219.706(a)(ii)).

b. The Small Business Administration (SBA). The Small Business Act is the authority under which the SBA and agencies consult and cooperate with each other in formulating policies to ensure that small business and small disadvantaged business interests will be recognized and protected. The SBA acts as an advocate for small business concerns. SBA has several programs and services available to small and SDB concerns including: training and educational programs, advisory services, publications, financial programs and contract assistance. The SBA Procurement Center Representative (PCR) is assigned to the District to carry out SBA policies and programs. The PCR is required to comply with the contracting agency's directives governing the conduct of contracting personnel and the release of contract information. Duties of the PCR are outlined in FAR 19.402. The principal duties consist of the following:

(1) Reviewing proposed acquisitions to recommend setting aside those not unilaterally set aside by the KO; recommending new qualified small and SDB sources and recommending breakout of components for competitive acquisitions.

(2) Recommending concerns for inclusion on solicitation mailing lists or on a list of concerns to be solicited in a specific acquisition.

(3) Appealing KO's determination not to solicit a concern recommended by the SBA for a particular acquisition, when not doing so results in no small business being solicited.

(4) Recommending any alternate contracting method that the representative reasonably believes will increase small business prime contracting opportunities. The recommendation must be made within 15 days after receipt of package.

(5) Conducting periodic reviews of the contracting activity to which assigned to ascertain whether it is complying

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with the small business policies and regulation.

(6) Sponsoring and participating in conferences and training designed to increase small business participation in the contracting activity.



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