



# Department of Defense

## DIRECTIVE

NUMBER 4205.01

March 10, 2009

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USD(AT&L)

SUBJECT: DoD Small Business Programs

References: See Enclosure 1

1. PURPOSE. This Directive:

a. Reissues DoD Directive 4205.01 (Reference (a)) and renames the DoD program from the “Department of Defense Small Business and Small Disadvantaged Business Utilization Programs” to the “DoD Small Business Programs.”

b. Updates policy and responsibilities, under section 2323 of title 10, United States Code (U.S.C.) (Reference (b)), sections 631-657f of title 15, U.S.C. (Reference (c)), and section 1544 of title 25, U.S.C. (Reference (d)), for implementing and managing the following statutory and regulatory requirements within the Department of Defense: small business, veteran-owned small business, Service-disabled veteran-owned small business, Historically Underutilized Business Zone small business, small disadvantaged business, women-owned small business, Historically Black Colleges and Universities and Minority Institutions, DoD Pilot Mentor-Protégé Program, Indian Incentive Program, Small Business Innovation Research (SBIR), and Small Business Technology Transfer (STTR) (hereafter referred to collectively as Small Business Programs).

2. APPLICABILITY. This Directive applies to OSD, the Military Departments (including the Reserve Components), the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense that award or administer contracts, cooperative agreements, and grants (hereafter referred to collectively as the “DoD Components”). It does not apply to the awarding of contracts for goods and services funded solely by non-appropriated funds.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that a fair proportion of DoD total purchases, contracts, subcontracts, and other agreements for property and services and for sales of property, be placed


with Small Business Programs mentioned in 1.b. of this Directive, in accordance with References (b) and (c), and that such small businesses have the maximum practicable opportunity to participate as subcontractors in DoD contracts, consistent with efficient contract performance.

5. RESPONSIBILITIES. See Enclosure 2.

6. INFORMATION REQUIREMENTS. The Small Business Procurement Scorecard Report has been assigned Report Control Symbol (RCS) DD-AT&L (SA) 2343. This reporting requirement has been approved and assigned an RCS number in accordance with DoDD 8910.01 (Reference (e)) and DoD 8910.1-M (Reference (f)).

7. RELEASABILITY. UNLIMITED. This Directive is approved for public release and is available on the Internet from the DoD Directives Program Web Site at <http://www.dtic.mil/whs/directives>.

8. EFFECTIVE DATE. This Directive is effective immediately.



William J. Lynn II  
Deputy Secretary of Defense

Enclosures

1. References
  2. Responsibilities
- Glossary

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 4205.01, "Department of Defense Small Business and Small Disadvantaged Business Utilization Programs," September 11, 1996 (hereby canceled)
- (b) Section 2323 of title 10, United States Code
- (c) Sections 631-657f of title 15, United States Code
- (d) Section 1544 of title 25, United States Code
- (e) DoD Directive 8910.01, "Information Collection and Reporting," March 6, 2007
- (f) DoD 8910.1-M, "DoD Procedures for Management of Information Requirements," June 30, 1998
- (g) Federal Acquisition Regulation (FAR), Part 19, "Small Business Programs," and Part 26, "Other Socioeconomic Programs," current edition
- (h) Defense FAR Supplement (DFARS), Part 219, "Small Business Programs," Part 226, "Other Socioeconomic Programs," current edition; Subpart 202.1, "Definitions" and associated Procedures, Guidance and Information (PGI)
- (i) DoD Instruction 5134.04, "Director of Small and Disadvantaged Business Utilization," September 27, 2005
- (j) DoD "Small Business Specialists," current edition<sup>1</sup>
- (k) DoD "Subcontracting Opportunities with DoD Major Prime Contractors," current edition<sup>2</sup>
- (l) DoD Directive 5000.1, "The Defense Acquisition System," May 12, 2003
- (m) "Small Business Innovation Research (SBIR) Program Policy Directive, Small Business Administration," September 24, 2002, and "Amended Definition of Small Business for SBIR Purposes," December 3, 2004<sup>3</sup>
- (n) "Small Business Technology Transfer (STTR) Program Policy Directive, Small Business Administration," December 16, 2005<sup>3</sup>

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<sup>1</sup> [http://www.acq.osd.mil/osbp/doing\\_business/index.htm](http://www.acq.osd.mil/osbp/doing_business/index.htm)

<sup>2</sup> [http://www.acq.osd.mil/osbp/doing\\_business/index.htm](http://www.acq.osd.mil/osbp/doing_business/index.htm), "Subcontracting Opportunities with DoD Major Prime Contractors"

<sup>3</sup> <http://www.dodsbir.net/deskreference/index.asp>

ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS (USD(AT&L)). The USD(AT&L) shall:

a. Establish and oversee DoD small business policies that comply with References (b) and (c).

b. Direct the Deputy Under Secretary of Defense for Acquisition and Technology (DUSD(A&T)) to appoint a Director for the DoD Office of Small Business Programs (OSBP) and provide funding for the operation and maintenance of that office.

2. DUSD(A&T). The DUSD(A&T), under the authority, direction, and control of the USD(AT&L), shall:

a. Comply with References (b) and (c), including the establishment of small business goals and submission of reports.

b. Appoint a Director of the DoD OSBP, as defined in the Glossary, to be the principal proponent within OSD for executing national and DoD policy regarding small business programs as mandated by the Congress and the President.

c. Budget funding for the operation and maintenance of the DoD OSBP.

3. DIRECTOR, OSBP. The Director, DoD OSBP, under the authority, direction, and control of the USD(AT&L), through the DUSD(A&T), shall:

a. Perform the duties and responsibilities in furtherance of policy established in this issuance and as set out in Federal Acquisition Regulation (FAR) Part 219 and Part 26; Defense FAR Supplement (DFARS) Part 219, Part 226, Subpart 202.1, and associated Procedures, Guidance, and Information; and DoD Instruction 5134.04 (References (g), (h), and (i), respectively), and maintain the information in DoD "Small Business Specialists" and DoD "Subcontracting Opportunities with DoD Major Prime Contractors" (References (j) and (k)).

b. Provide small business policy advice to OSD and provide policy oversight of all DoD Component small business activities.

c. Establish working groups as deemed appropriate, and issue periodic guidance and procedures, in furtherance of the execution of program responsibilities.

d. Represent the Department of Defense to the Small Business Administration, the Department of Commerce, and other Government Agencies regarding small business interests and concerns.

e. Develop, in consultation with the Small Business Administration, DoD-wide agency goals; disseminate DoD-wide agency goals to the DoD Components; and administer and maintain a DoD small business goal establishment and performance measurement system (Small Business Procurement Scorecard, Report Control Symbol DD-AT&L (SA) 2343). The Director, DoD OSBP, shall also issue system information to the DoD Components; receive, review, and evaluate performance reports; and forward results to the USD(AT&L) on behalf of the participating DoD Components.

f. Establish and support a small business training program for Small Business Specialists and other acquisition personnel.

g. Establish, support, and manage the DoD Regional Councils for Small Business Education and Advocacy.

h. Advise the USD(AT&L) and the DUSD(A&T) on means to structure acquisition programs, as defined in DoD Directive 5000.1 (Reference (l)), to facilitate small business participation throughout the program cycle.

i. Establish, support, document, and oversee implementation of the SBIR and STTR programs across the Department ensuring all participating DoD Components execute effective programs consistent with program guidance, SBIR Program Policy Directive, Small Business Administration, and Amended Definition of Small Business for SBIR Purposes; and STTR Program Policy Directive (References (m) and (n)) and overall DoD objectives.

4. HEADS OF THE DoD COMPONENTS. The Heads of the DoD Components shall:

a. Implement the program policy in paragraph 4 of the front matter of this Directive and as set forth in paragraph 19.201 of Reference (g) and paragraph 219.201 of Reference (h).

b. Establish challenging Small Business Program goals.

c. Ensure that all personnel who manage system acquisition programs and who approve system acquisition strategy decisions, including Service Acquisition Executives, Program Executive Officers, System Program Directors, and Program Managers, are responsible and accountable for supporting the DoD Small Business Program by ensuring that small business entities are afforded the maximum practicable opportunity to participate in DoD acquisitions.

d. Appoint full-time Component Directors of Small Business Programs who shall report directly to, and be supervised and rated by, the DoD Component Head or the second in command. The Director, DoD OSBP, shall be authorized to waive the requirement to appoint a full-time Director of Small Business Programs for DoD Field Activities where circumstances

justify. Requests for waivers shall be submitted in writing to the Director, DoD OSBP. The DoD Field Activity part-time Director for Small Business Programs shall report to the DoD Component Head or second-in-command on small business issues.

e. Task the Component Directors of Small Business Programs to:

(1) Establish policies and procedures for the programs within their DoD Component and develop and publish appropriate publications for respective DoD Components.

(2) Plan, develop, and manage the programs within their DoD Component as defined in References (g) and (h).

(3) Develop, implement, and administer policies that will ensure that all major subordinate elements (within the DoD Component) establish challenging Small Business Program goals that aggressively support the achievement of the overall DoD Small Business Program goals and represent, for the subordinate element, the maximum practicable opportunity for small business entities to participate in its procurement activities.

(4) Assess implementation of the programs by subordinate activities and provide a report of the results to the activity, to include recommendations for correcting noted deficiencies.

(5) Consult with DoD Component Acquisition Managers, the Small Business Administration, the Department of Commerce, and other Government Agencies about small business matters.

(6) Review and provide, prior to their appointment, concurrence with individual appointments of Associate Directors, Assistant Directors, and other Small Business Specialists at contracting activities, contract management activities, subordinate activities, and direct reporting units (see definitions in Glossary). The Component Directors of Small Business Programs shall be authorized to waive the requirement to appoint a full-time Associate Director, Assistant Director, and other Small Business Specialists; and to appoint a part-time individual where circumstances justify in accordance with Component procedures. The part-time Small Business Specialist should not be subject to the control or direction of contracting, contract management, or technical personnel.

f. Ensure that Heads of contracting activities, contract management activities, subordinate contracting activities, and direct reporting units:

(1) Comply with paragraph 19.201 of Reference (g) and paragraph 219.201 of Reference (h). Ensure that personnel appointed as Associate Directors, Assistant Directors, and Small Business Specialists possess the business acumen, knowledge of acquisition policies and procedures, training, and background to accomplish the Small Business Program policy and are not subject to the control or direction of contracting, contract management, or technical personnel.

(2) Establish an Office of Small Business Programs and appoint a full-time Associate Director, Assistant Director, or Small Business Specialist of Small Business Programs in accordance with DoD Component regulations, with the authority, staff, and resources required to effectively manage the program within the activity. The Associate Director shall report directly to, and be supervised and rated by, the head of the activity or the second-in-command, and shall perform the Small Business Specialist functions at that activity.

g. Ensure that Associate and Assistant Directors of Small Business Programs, and other Small Business Specialists, in addition to performing the functions and duties prescribed in References (g) and (h):

(1) Provide advice and counsel to the head of the activity on all small business matters and brief the head of the activity at least once quarterly, or more frequently as necessary, on program status.

(2) Advise and assist program managers and other related officials early in the acquisition planning, and throughout the follow-on process, in the development of strategies and market research to ensure maximum participation by small businesses.

(3) Develop and implement education and training programs for personnel whose duties and functions affect the activity's Small Business Program.

## GLOSSARY

Assistant Director of Small Business Programs. The Small Business Specialist at each subordinate contracting activity or subordinate contract management office who performs duties set out in References (g) and (h).

Associate Director of Small Business Programs. The Small Business Specialist at each contracting activity, direct reporting unit, or contract management district office who provides oversight over other subordinate activities with contracting and contract management authority, in accordance with References (g) and (h).

contracting activities. Any DoD contracting activity listed in DFARS subpart 202.1 of Reference (h). All contracting activities shall have a Small Business Programs Office.

contract management activities. Contract management districts of the Defense Contract Management Agency. Small business specialists are designated by its Director of Small Business Programs for small business program management purposes.

direct reporting units. DoD activities not identified in DFARS subpart 202.1 that report directly to the Component Head and award or administer contracts, cooperative agreements, and grants.

Director, DoD OSBP. The official at OSD who, under the authority, direction, and control of the USD(AT&L), through the DUSD(A&T), performs the responsibilities as defined in section 644(k) of Reference (c).

DoD Component Director of Small Business Programs. The official at each Military Department or other DoD Component who performs the duties set out in References (g) and (h).

head of the activity. The Commander, Director, or other designated official who has the ultimate responsibility for a contracting activity, a contract management activity, a subordinate activity, or a direct reporting unit.

second in command. The Deputy Commander, Deputy Director, or other designated individual who reports directly to the head of the activity and has the ultimate responsibility, in the absence of or as delegated by the head of the activity, for a contracting activity, a contract management activity, a subordinate activity, or a direct reporting unit.

Small Business Specialist. The official who performs Small Business Program duties and who provides general guidance and program management oversight.

subordinate contract management activities. Any contract management office that conducts small business administration of DoD subcontracts.

subordinate contracting activities. Any DoD activity with authority to award contracts that is subordinate to a contracting activity, except for offices that only use purchase cards.