



## LEGISLATIVE UPDATE

### DATE

April 4, 2017

### SPEAKERS

**Mr. Shannon Jackson**, Moderator  
Program Manager, DoD OSBP

**Dr. James Galvin**  
Director, DoD OSBP

**Mr. Ken Dodds** (pictured above)  
Director, Office of Policy, Planning  
and Liaison, SBA

**Mr. Lee Rosenberg**  
Director, MDA OSBP

**Mr. Mark Tiner**  
Congressional Liaison, DoD OSBP

### BACKGROUND

The Department of Defense (DoD) Office of Small Business Programs (OSBP) in partnership with the Small Business Administration sponsored Small Business Training Week (SBTW17) at the Sheraton Atlanta in Atlanta, Georgia. Answers to questions submitted through the OSBP SBTW mobile app are included below.

### QUESTIONS AND ANSWERS

**If a \$230 million construction contract is awarded to a large business concern by a contracting office in the United States for performance overseas (say on a U.S. military base in Japan), is this \$230 million applicable to the DoD small business goals or excluded?**

It is excluded. Exclusions include DoD contracts awarded and performed outside of the U.S., foreign-military sales, contingency operations, humanitarian operations and status-of-forces agreements.

**How can we count small business overseas contracting when to be a small business, a company must be located in the United States?**

There are small businesses located in the United States that perform contracts overseas.

**Are there any planned legislative changes related to the non-manufacturer rule? Are you aware of any outside efforts that seek to update this outdated law/regulation?**

No.

## TWEETS

"All of you are in a terrific position to tell [small business success] stories." Mr. Mark Tiner at #SBTW17

The biggest impact of the current administration on business in general is the "moratorium on rules." #SBA at #SBTW17

**Non-manufacturer rule \$ changed in CFR but not in FAR. SBA will not process waiver requests under SAT; DOD/USAF has stated we must use \$25k limit. The disconnect between the two agencies not only is confusing but hurts small businesses. Your fix?**

The Air Force should follow SBA rules because the SBA decides whether a firm qualifies as small for a procurement, including whether a firm qualifies as a non-manufacturer, and we decide whether to issue a waiver of the non-manufacturer rule.

**Doesn't changing the current Simplified Acquisition Threshold (SAT) of \$150K require Congressional action?**

The SAT and the small business reserve are not the same thing even though, right now, they are the same dollar value. Either one can be changed by Congress or by inflation laws that apply to thresholds. The change we made in 2016 implements the Small Business Act, which exempts small business set-asides valued at or below 150K from the LOS and NMR.

**What are the new scorecard requirements?**

Fifty percent of an agency's grade will be based on prime contracting, 20 percent subcontracting, 20 percent OSDDBU compliance with the requirements of Section 15(k) of the Small Business Act and 10 percent will be a comparison of the number of small business concerns awarded prime contracts in the current fiscal year versus the prior fiscal year.

**DoD spends most in the industries where small businesses are underrepresented. Instead of identifying goals by total spending, what is the likelihood that the goals could be defined by industry to push for more small business inclusion in those industries?**

SBA's overall mission is to ensure that small business concerns receive 23 percent of contract dollars awarded in each fiscal year. SBA does provide tools to assist agencies in identifying opportunities by NAICS. Part of DoD's grade in FY 2017 will include a comparison, by NAICS code, of the number of contracts awarded in FY 2017 versus the prior fiscal year.

**Regarding the new scorecard item on increasing the number of small businesses we contract with: what are you really looking for-the number of small businesses or the number of new small businesses? If new, how do you define and count that?**

We are counting the number of unique small business concerns awarded contracts in each NAICS code.

**With respect to the scorecard, can changes to the success factors be announced early in the fiscal year in order to prevent chasing outdated success factors?**

The Peer Review panel will review all of the OSDDBU requirements in Section 15(k) of the Small Business Act.

## LEARN MORE

We are the Department of Defense (DoD) Office of Small Business Programs (OSBP). We maximize opportunities for small businesses to contribute to national security by providing combat power for our troops and economic power for our nation.

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