



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240



SEP 08 2009

Department of the Interior Acquisition Policy Release (DIAPR) ARRA-2009-14

Subject: Agency Approval of Blanket Waiver to Compete Construction Projects Below Competitive Threshold – 8(a) Business Development Program – American Recovery and Reinvestment Act of 2009 (ARRA)

References: Office of Management and Budget (OMB) Updated Implementing ARRA Guidance dated April 3, 2009; and Federal Acquisition Regulation (FAR) Subpart 19.8, *Contracting with the Small Business Administration*

1. Purpose:

The purpose of this DIAPR is to forward a copy of the Small Business Administration's (SBA) June 9, 2009, letter to the Department of the Interior granting approval to compete construction requirements below the \$3.5 million ARRA threshold. A copy of this document is attached. An electronic version was provided on June 11, 2009.

2. Effective Date: June 9, 2009

3. Expiration Date: September 30, 2010

4. Background and Explanation:

The 8(a) Business Development Program is established in Section 8(a) of the Small Business Act (15 U.S.C. 637(a)). The SBA is authorized to enter into various types of contracts with other agencies to let subcontracts to eligible firms. The subcontractors are referred to as 8(a) contractors. Contracts awarded to eligible 8(a) firms may be sole-source or awarded on a competitive basis. The current 8(a) program competition thresholds are \$5.5 million for contracts assigned manufacturing North American Industry Classification System (NAICS) codes, and \$3.5 million for all other acquisitions. Requirements below those dollar amounts are typically awarded on a noncompetitive basis. SBA procedures allow agencies to request a blanket waiver to conduct competitive procurements below the usual competitive thresholds.

OMB's April 3, 2009, ARRA guidance supports the use of small businesses and existing socioeconomic policies to further the ARRA's goals of economic growth and job creation. It allows agencies to request a blanket waiver from SBA to compete construction or information technology services below the established competition thresholds. Specific waivers for other industries may also be requested on a case-by-case basis.

The Department of the Interior requested and received SBA approval of a blanket waiver to compete requirements below the competition threshold of \$3.5 million for construction contracts. The primary NAICS codes for construction, 236, 237 and 238, are applicable. **SBA approval applies ONLY to ARRA-funded construction contracts below \$3.5 million from June 9, 2009, through September 30, 2010.**

It should be noted that the SBA identifies the applicable dollar value to be in excess of \$12.5 million. Although SBA has acknowledged that this figure underestimates the value of DOI's ARRA-funded construction projects, it has opted not to revise its waiver, as the minimum dollar amount is sure to be met.

5. Action Required: Contracting Officers must include a copy SBA's waiver as part of any offer packages submitted to SBA. This waiver does not negate the requirement to follow procedures outlined in FAR Part 19.8 for 8(a) awards, and does not waive Contracting Officers' responsibility to demonstrate that an 8(a) program is the most advantageous acquisition method.

6. Additional Information:

Questions may be directed to Brigitte Meffert, Senior Procurement Analyst, Office of Acquisition and Property Management, at (202) 208-3348, or via e-mail at Brigitte_Meffert@ios.doi.gov.



Debra E. Sonderman
Director, Office of Acquisition and Property Management
and Senior Procurement Executive

Attachment

cc: Director, OSDBU



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

JUN 9 2009

Ms. Debra E. Sonderman
Director
Office of Acquisition and Property
Management and Senior Procurement Executive
U.S. Department of the Interior
Office of the Secretary
Washington, DC 20240

Dear Ms. Sonderman:

This is in response to your request for approval of a blanket waiver to compete construction requirements below the competitive threshold under the American Recovery and Reinvestment Act of 2009. These construction projects will be performed nationwide.

Firm-fixed price contracts are anticipated. The North American Industry Classification System (NAICS) sector codes for construction, 236, 237 and 238 are applicable. The applicable dollar threshold is in excess of \$12.5M. The number of construction projects to be awarded is not known. The period of performance is effective immediately upon offer and acceptance of these requirements into the 8(a) Business Development (BD) Program by the respective district office.

Your request for a blanket waiver is being approved pursuant to the American Recovery and Reinvestment Act of 2009. The U.S. Small Business Administration (SBA) has reserved this authority solely "for contracts funded by the Recovery Act, for competition for construction and information technology services below the competition thresholds."

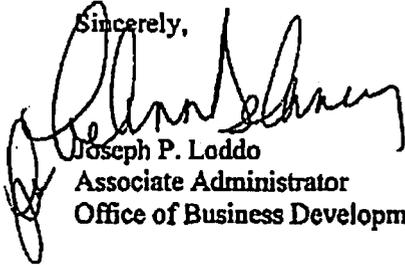
As stated, the U.S. Department of the Interior intends to award several 8(a) construction projects throughout the United States. As such, the procuring agency's contracting officer should forward the offer letter to the district office serving the geographical area in which the work is to be performed. That SBA district office will provide an acceptance letter. While the competition threshold for this requirement is being waived under the authority of the American Recovery and Reinvestment Act of 2009, 8(a) construction requirements are to be competed only among those participants having a bona fide place of business within the geographical boundaries of the competitive area. A copy of this letter should be included in the offering package when you submit your offer letter to the respective district office.

Ms. Debra Sonderman
Page 2

Should you have any further questions regarding this procurement, please contact Carol L. Thompson, Director, Office of Management and Technical Assistance at 202-619-1624.

Thank you for your continued support of the 8(a) Business Development Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph P. Liggio", is written over the typed name and title.

Joseph P. Liggio
Associate Administrator
Office of Business Development