

Subpart 719.2—Policies

Parent topic: [PART 719—SMALL BUSINESS PROGRAMS](#)

719.270 Small business policies.

(a) In keeping with section 602 of the Foreign Assistance Act of 1961 (22 U.S.C. 2352), as amended, USAID shall, insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of said Act, assist U.S. small businesses to participate equitably in the furnishing of supplies and services for Foreign Assistance activities.

(b) It is the policy of USAID to:

(1) Fully endorse and carry out the Government's small business program for placing a fair proportion of its purchases and contracts for supplies, construction (including maintenance and repair), research and development, and services (including personal, professional, and technical services) with small business, including minority small business concerns; and

(2) Increase their participation in USAID procurement.

(c) In furtherance of this policy:

(1) Contracting officer's representatives shall make positive efforts (see 719.271-5) to identify potentially qualified small and minority business firms during precontract development of activities and shall, with the responsible contracting officers, assure that such firms are given full opportunity to participate equitably;

(2) Small business set-asides shall be made for all contracts to be executed in USAID/Washington which qualify for small business set-aside action under part 19 of the (48 CFR) FAR; and

(3) Consideration shall be given in appropriate cases to the award of the contract to the Small Business Administration for subcontracting to small business firms pursuant to section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

(d) This program shall be implemented by all USAID/Washington contracting activities in order to attain these policy objectives. In accordance with 719.271, all USAID/Washington direct-procurement requirements which exceed the simplified acquisition threshold shall be screened for small business opportunities by the Office of Small and Disadvantaged Business Utilization (OSDBU) except those exempted by 719.271-6(a).

(e) Where practicable and desirable, small business and minority business enterprise award goals will be established for the respective USAID/Washington procuring activities to provide incentive for contracting personnel to increase awards to small firms. The goals will be set by OSDBU after consultation with the respective head of the contracting activity (see 702-170).

(f) In the event of a disagreement between OSDBU and the contracting officer concerning:

(1) A recommended set-aside, or (2) a request for modification or withdrawal of a class or individual set-aside, complete documentation of the case including the reasons for disagreement shall be transmitted within five working days to the head of the contracting activity (see 719.271-6(e)) for a decision. Procurement action shall be suspended pending a decision.

(g) The above suspension shall not apply where the contracting officer:

(1) Certifies in writing, with supporting information, that in order to protect the public interest award must be made without delay;

(2) Promptly provides a copy of said certification to OSDBU; and

(3) Includes a copy of the certification in the contract file.

(h) OSDBU shall be the Small Business Advisor and Minority Business Procurement Policy Manager for all USAID/Washington procuring activities.

(i) The details on the Agency's direction and operation of the small business program are set forth in 719.271.

(j) No decision rendered, or action taken, under the coverage set forth in 719.271 shall preclude the Small Business Administration from appealing directly to the USAID Administrator as provided for in part 19 of the FAR.

719.271 Agency program direction and operation.

719.271-1 General.

The purpose of this section is to prescribe responsibilities and procedures for carrying out the small business program policy set forth in 219.270, and in part 19 of the (48 CFR) FAR. Small business concerns are defined in (48 CFR) FAR subpart 19.1; in addition, small business concerns are concerns organized for profit. Nonprofit organizations are not considered small business concerns. Small disadvantaged business enterprises are defined in (48 CFR) FAR subpart 19.1. Small disadvantaged business enterprises are included in the term "small business" when used in this subpart; specific reference to disadvantaged business enterprises is for added emphasis.

719.271-2 The USAID Office of Small and Disadvantaged Business Utilization (OSDBU).

(a) OSDBU is responsible for administering, implementing, and coordinating the Agency's small business (including minority business enterprises) program.

(b) OSDBU, headed by the Director, OSDBU, who also serves as the Minority Business Procurement Manager, shall be specifically responsible for:

(1) Developing policies, plans, and procedures for a coordinated Agency-wide small business and minority business enterprise procurement program;

(2) Advising and consulting regularly with USAID/Washington procuring activities on all phases of their small business program, including, where practicable and desirable, the establishment of small business and minority business enterprise award goals;

(3) Collaborating with officials of the Small Business Administration (SBA), other Government Agencies, and private organizations on matters affecting the Agency's small business program;

(4) [Reserved]

(5) Cooperating with contracting officers in administering the performance of contractors subject to the Small Business and Minority Business Enterprises Subcontracting Program clauses;

(6) Developing a plan of operation designed to increase the share of contracts awarded to small business concerns, including small minority business enterprises;

(7) Establishing small business class set-aside for types and classes of items of services where appropriate;

(8) Reviewing each procurement requisition to make certain individual or class set-asides are initiated on all suitable USAID/Washington proposed contract actions in excess of the simplified acquisition threshold which are subject to screening (see 719.271-6);

(9) Maintaining a program designed to:

(i) Locate capable small business sources for current and future procurements through GSA and other methods;

(ii) Utilize every source available to determine if an item is obtainable from small business; and

(iii) Develop adequate small business competition on all appropriate procurements;

(10) Taking action to assure that unnecessary qualifications, restrictive specifications, or other features (such as inadequate procurement lead time) of the programming or procurement process, which may prevent small business participation in the competitive process, are modified to permit such participation where an adequate product or service can be obtained;

(11) Recommending that portions of large planned procurements or suitable components of end items or services be purchased separately so small firms may compete;

(12) On proposed non-competitive procurements, recommending to the contracting officer that the procurement be made competitive when, in the opinion of OSDBU, there are small business or minority business enterprises believed competent to furnish the required goods or services, and supplying the contracting officer a list of such firms;

(13) Assisting small business concerns with individual problems;

(14) Promoting increased awareness by the technical staff of the availability of small business firms;

(15) Making available to GSA copies of solicitations when so requested;

(16) Counseling non-responsive or non-responsible small business bidders/offerors to help them participate more effectively in future solicitations; and

(17) Examining bidders lists to make certain small business firms are appropriately identified and adequately represented for both negotiated and advertised procurements.

719.271-3 USAID contracting officers.

With respect to procurement activities within their jurisdiction, contracting officers are responsible for:

- (a) Being thoroughly familiar with part 19 of the (48 CFR) FAR and this section dealing with the small business program;
- (b) Screening abstracts of bids and other award data to determine set-aside potential for future procurements;
- (c) Assuring that small business concerns and minority business enterprises are appropriately identified on source lists and abstracts of bids or proposals by an "S" and "M", respectively, or other appropriate symbol;
- (d) Reviewing types and classes of items and services to determine where small business set-asides can be applied;
- (e) Recommending that portions of large planned procurements of suitable components of end items or services be purchased separately so small firms may compete;
- (f) Making a unilateral determination for total or partial small business set-asides in accordance with subpart 19.5 of the Federal Acquisition Regulations;
- (g) Submitting proposed procurement actions for USAID/Washington contracts to OSDBU for screening (see 719.271-6);
- (h) Taking action to assure that unnecessary qualifications, restrictive specifications or other features (such as inadequate procurement lead time) of the programming or procurement process which may prevent small business participation in the competitive process are modified to permit such participation where an adequate product or service can be obtained;
- (i) Prior to rendering a final decision on a proposed non-competitive procurement action, and as part of his/her findings and determinations, the contracting officer shall consider the recommendations, if any, of SDB together with the latter's list of additional sources;
- (j) As appropriate, referring small business concerns, including small minority business enterprises, to OSDBU for information and advice;
- (k) Promoting increased awareness by the technical staff of the availability of small business concerns;
- (l) Making available to OSDBU copies of solicitations when requested;
- (m) Assisting OSDBU in counseling non-responsive or non-responsible small business bidders/offerors to help them to participate more effectively in future solicitations; and
- (n) Including the Small Business and Minority Business Enterprises Subcontracting Program clauses in all contracts where required by part 19 of the (48 CFR) FAR.

719.271-4 Heads of contracting activities.

In order for the Agency small business program to be effective, the active support of top management is required. The heads of the contracting activities shall be responsible for:

- (a) Rendering decisions in cases resulting from non-acceptances by their contracting officers of set-aside recommendations made by OSDBU;
- (b) Consulting with OSDBU in establishing small business and minority business enterprise award goals, where practicable and desirable; and
- (c) Advising contracting officer's representatives of their responsibilities as set forth in 719.271-5.

719.271-5 Contracting officer's representatives.

Since the procurement process starts with the establishment of a requirement, the actions of the Contracting officer's representatives can affect the opportunity of small business to participate equitably; therefore, each contracting officer's representative shall, during the formulation of activities which will require contractual implementation:

- (a) Consult with OSDBU on the availability and capabilities of small business firms to permit making a tentative set-aside determination where appropriate; and
- (b) Provide sufficient procurement lead time in the activity implementation schedule to allow potential small business participation.

719.271-6 Small business screening procedure.

(a) *General.* All USAID/Washington proposed contract actions in excess of the simplified acquisition threshold shall be screened by OSDBU, with the exception of:

- (1) Class set-asides and those unilaterally set-aside by contracting officers (719.271-3(f));
- (2) Those where the contracting officer certifies in writing that the public exigency will not permit the delay incident to screening (719.271-7(b));
- (3) "Institution building" contracts (contracts for development of a counterpart capability in the host country) with educational or nonprofit institutions; or collaborative assistance contracts pursuant to (48 CFR) AIDAR 715.370-2; and
- (4) [Reserved]
- (5) Personal services contract requirements (see 719.270).

(b) *Preparation of Form USAID 1410-14 (the Small Business/Minority Business Enterprise Procurement Review Form).*

- (1) The contracting officer shall prepare the subject form in an original and 3 copies and forward the

original and 2 copies to OSDBU within one working day of receipt by the contracting activity of a procurement requisition.

(2) The contracting officer will attach to his/her transmittal a complete copy of the procurement request and a copy of the recommended source list as furnished by the technical office and supplemented by him/her.

(3) The contracting officer shall complete blocks 2, 3, 4, 5, 9, and 10 (when appropriate) prior to submittal to OSDBU.

(c) Screening of Form USAID 1410-14 by OSDBU.

(1) OSDBU will screen the contracting officer's recommendations on set-aside potential, small business subcontracting opportunities, and section 8(a) subcontracting, and furnish him/her with either a written concurrence in his/her recommendations or written counter-recommendations on the original and duplicate copy within five working days from receipt of the form from the contracting officer.

(2) OSDBU will complete Blocks 1, 6, 7, 8, 11, and 12 (when appropriate) prior to returning the screened form to the contracting officer.

(d) Concurrence or rejection procedure.

(1) The contracting officer shall complete Block 13 upon receipt of the original and duplicate copy of the screened form from OSDBU.

(2) If the contracting officer rejects the OSDBU counter-recommendation, he/she shall return the original and duplicate forms with his/her written reasons for rejection to OSDBU within two working days.

(3) Upon receipt of the contracting officer's rejection, OSDBU may:

(i) accept, or (ii) appeal, the rejection. In the case of acceptance of the contracting officer's rejection, OSDBU shall annotate Block 14 when it renders a decision and return the original form to the contracting officer within two working days.

(e) Appeal procedure.

(1) When informal efforts fail to resolve the set-aside disagreement between the contracting officer and OSDBU, the latter official may appeal the contracting officer's decision to the head of the contracting activity. Such an appeal will be made within five working days after receipt of the contracting officer's rejection.

(2) In the case of an appeal, OSDBU will send the original and duplicate form, with the appeal noted in Block 14, directly to the head of the contracting activity with its written reasons for appealing. The contracting officer will be notified of OSDBU's appeal by means of a copy of the written reasons for appealing.

(3) The head of the contracting activity shall render a decision on the appeal (complete Block 15) within three working days after receipt of same and return the original to OSDBU and the duplicate to the contracting officer.

719.271-7 Reports on procurement actions that are exempted from screening.

(a) *Unilateral and class set-asides.* The contracting officer shall prepare Form USAID 1410-14 as stated in 719.271-6, but forward only the duplicate copy with the documentation required by Block 5 of the form to OSDBU. The original will be filed in the contract file.

(1) If, upon review of the material submitted under 719.271-7(a) above, OSDBU concludes that it would be practicable to accomplish all or a portion of the procurement involved under section 8(a) subcontracting, it shall so advise the contracting officer in writing within five days after receipt of such material.

(2) Such advice shall be considered a counter-recommendation and shall be processed in accordance with 719.271-6 (d) and (e).

(b) *Public exigency exemption.* The contracting officer shall prepare Form USAID 1410-14 as stated in 719.271-6, but forward only the duplicate copy with the documentation required by Block 5 of the form to OSDBU. In addition to the documentation called for in 719.271-6, the contracting officer shall furnish a copy of his/her written determination exempting the procurement from screening. The determination shall cite the pertinent facts which led to his/her decision. This exemption is not intended to be used as substitute for good procurement planning and lead-time; OSDBU will report abuses of this exemption to the head of the contracting activity for appropriate action in accordance with 719.271-4(c).

(c) *Institution building contract (IBC) exemption.* The contracting officer shall prepare Form USAID 1410-14 as stated in 719.271-6, but forward only the duplicate copy with the documentation required by Block 5 of the form to OSDBU.

(d) *Personal services contract exemption.* Preparation of Form USAID 1410-14 is not required for personal services contracts.

719.272 [Reserved]