

Market Research /Task Orders under the DESP II and DESP III Contracts

A SBA/PCR Perspective

The DESP II and the forthcoming DESP III contracts are contract vehicles of choice. They are not mandatory contract vehicles and therefore adequate market research up front should be conducted to ascertain the most appropriate acquisition approach for every new requirement that is being considered for the DESP contracts. Among other things, this market research should include an analysis of the industry that would be responsive to a given procurement to determine whether certain types of small business set-asides would be more appropriate. For example, consideration must be given for Historically Underutilized Business Zones (HUBZones) small business set-asides, Service Disabled Veteran Owned Small Business Concern (SDVOSBC) set-asides, Small Disadvantaged Business set asides (8a direct award or set-asides) and Woman Owned Small Business (WOSB) set-asides. With the exception of HUBZones set-asides (which under certain circumstances are mandatory) these programs are discretionary with the contracting officer however, adequate research, consideration and documentation must be made prior to a selection of an acquisition approach. 13 CFR 125.19(b) states:

“A Contracting Officer should consider setting aside the requirement for 8(a), HUBZone, or SDVOSBC before setting aside the requirement as a small business set-aside.”

In selecting the appropriate vehicle the Contracting Officer should consider the results of market research, the agency's achievements of socioeconomic goals and the acquisition history of the requirement. Requirements previously awarded within one of the small business programs should not be included in the DESP contracts without SBA agreement. The acquisition approach must be documented and coordinated with the AF Small Business Office and the Small Business Administration/Procurement Center Representative (SBA/PCR) on a DD Form 2579. Insufficient rationale and documentation to support a chosen acquisition approach that does not sufficiently consider a small business program will be challenged by the SBA and will cause delays in the procurement. The SBA will generally not agree to a requirement being placed under the DESP contracts that previously had been awarded within one of the small business programs.

If reasonable market research determines that other small business programs are not viable alternatives in lieu of placing the requirement as a DESP task order then further market research limited to the DESP contract awardees will be required. This research will be utilized in determining whether the task order should be set-aside for small business or open to all contract awardees. This market research and findings should be included in the coordinated DD Form 2579 to the AF Small Business Office and the SBA.

Attachment 1 is a chart providing guidance on requirements for small business programs.

Attachment 2 is a basic guide on one approach to market research for small business programs.

Small Business Programs (Over \$100,000)			
"...the contracting officer should consider setting aside the requirement for 8(a), HUBZone, or SDVO SBC participation before considering setting aside the requirement as a small business set-aside" 13 CFR 125.19(b), 13 CFR 124.503(j)			
Program	Applicability	References	SBA/PCR Appeal Rights
HUBZone Set-Asides	Mandatory if the PCO has a reasonable expectation that; (1) Offers will be received from two or more HUBZone small business concerns; and (2) Award will be made at a fair market price.	15 U.S.C. 657a(b)(2)(B) (2006) FAR 19.1305(a) 13 CFR 125.503(j) 13 CFR 126.607(b) GAO Cases: B-400278 (Sep 2008)	FAR 19.505(a) 13 CFR 125.2 (b) 13 CFR 126.610
8(a)	Discretionary for sole source awards below \$5.5M (supplies), \$3.5M (Services) and for competitive acquisitions above these thresholds. The Small Business Act does not require that any particular contract be awarded under section 8(a); rather, that decision is solely within the discretion of the procurement officers of the government. The SBA can appeal a decision not to reserve a requirement for the 8(a) program as deemed appropriate.	15 U.S.C. 637(a)(1) 13 CFR 124.503(j) GAO Cases: B-250783 B-250465	13 CFR 124.505
SDVOSB	Discretionary with the contracting officer. SBA regulations provide that a PCO should consider the propriety of setting aside an acquisition for SDVOSBC before proceeding with a small business set-aside and it is implicit in this regulation that such consideration be reasonable.	13 CFR 125.19(b) GAO Cases: B-299291 (March 2007)	13 CFR 125.22

Market Research Utilizing the CCR Quick Market Search Database

- Step One: Log onto the Central Contractor Registration website at CCR.gov
- Step Two: Select “Dynamic Small Business Search” (left hand column of screen).
- Step Three: Select “Quick Market Search” (top of screen)
- Step Four:
- a) Enter the most appropriate NAICS (North American Industry Classification System) code for your specific requirement. To assist you in this selection there is a help button on the screen that will take you to the listing of NAICS codes. The contracting officer is ultimately responsible for the NAICS code selection and should be consulted with in this process. The small business specialist can also assist in making the appropriate selection.
 - b) You may also enter a keyword(s) specific to your requirement to narrow down the selection.
 - c) You may also select a geographical area (location of the firm within a particular state(s)) that you want to narrow your search to. There must be a valid reason to limited market research in this manner.
 - d) Select “Search Using These Criteria”
- Step Five: This Screen entitled “SBA Quick Market Search Results” contains the number of companies found within certain socioeconomic groups utilizing the selection criteria selected. Generally, only three of these groups (Service-Disabled Veteran, HUBZone and 8(a)) will have set-aside opportunities therefore the market analysis should be centered on these categories. The number of firms found for each economic group needs to be further analyzed to make a reasonable determination as to their capabilities and interest for your specific requirement.
- a) The names and additional information on each company can be reviewed by double clicking on the economic group.
 - b) Further information on each company can be found by double clicking on each individual company.
- Step Six: The information gathered from Step Five may need further research in order to make a reasonable determination that a set-aside in a particular small business category is feasible. This may require further market research with companies

Attachment 2

identified by making a personal contact (phone call, email etc) or reviewing company web sites to ascertain their capabilities and interest in your requirement. Part of the analysis should always be whether or not a company can comply with the limitations in subcontracting requirement for your specific requirement.

Step Seven: Document the results of the market research and include with the DD form 2579 prepared by the contracting officer and coordinated through the Air Force Small Business Office and the Small Business Administration/Procurement Center Representative