



**DEPARTMENT OF THE ARMY**  
**OFFICE OF THE SECRETARY OF THE ARMY**  
**OFFICE OF SMALL BUSINESS PROGRAMS**  
106 ARMY PENTAGON  
WASHINGTON DC 20310-0106

**MAR 07 2014**

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**MEMORANDUM FOR U.S. ARMY HEADS OF CONTRACTING ACTIVITY**

**SUBJECT: Responsibility for Effective Implementation of Small Business Programs**

1. This memorandum is applicable to Heads of Contracting Activity (HCA) appointed by the Office of the Assistant Secretary of the Army, Acquisition, Logistics, and Technology.
2. In accordance with Federal Acquisition Regulation (FAR) Subpart 19.201 General Policy (c), Heads of Contracting Activities are responsible for effectively implementing the small business program within their contracting activity, including achieving program goals. In your capacity as the HCA, you must ensure that contracting and technical personnel maintain knowledge of small business program requirements and take all reasonable action to increase participation in the contracting activity's processes by these businesses.
3. The Small Business Act requires each agency with contracting authority to establish an Office of Small and Disadvantaged Business Utilization. For the Department of Defense, in accordance with the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), the office is redesignated as the Office of Small Business Programs (OSBP). In accordance with FAR 19.201 (d), management of the office shall be the responsibility of an officer or employee of the agency who shall be appointed by the agency head; and be responsible to and report directly to the agency head or the deputy to the agency head. The employee (*Associate Director of Small Business Programs*) shall have oversight of over agency personnel to the extent that their functions and duties relate to sections 8, 15, and 31 of the *Small Business Act*.
4. The Department of Defense Directive 4205.01 dated 10 Mar 09, requires Heads of Contracting Activities to 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. In addition, the HCA shall:
  - a. Provide the Army OSBP an opportunity to 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.

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b. Ensure that Associate Directors 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.

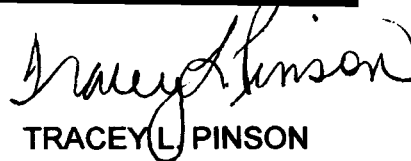
c. Ensure that Associate Directors advise and assist program managers and other related officials early in the acquisition planning, and throughout the follow-on process, in the development of strategies and market research to ensure maximum participation by small businesses.

d. Ensure that Associate Directors have effective resources to implement education and training programs for personnel whose duties and functions affect the activity's Small Business Program; and resources to maintain an effective small business outreach program.

e. Establish the OSBP with the authority, staff, and resources required to effectively manage the program within the activity. Army OSBP Policy Letter 02-11 (18 Mar 11), requires appointment of a full time Small Business Specialist to support each individual contracting office with obligations exceeding \$100 million per fiscal year. Two full-time Small Business Specialists shall be appointed to support offices with obligations exceeding \$300 million per fiscal year; and a minimum of three shall be appointed for offices with obligations exceeding \$700 million. The Army OSBP has the authority to waive the requirement for full time Small Business Specialists.

5. I look forward to working closely with you to achieve the Army's Small Business Program goals and initiatives. The Army is the most significant contributor to the Department of Defense's Small Business Program, and it's the result of committed and focused efforts of great Army leaders.



  
TRACEY L. PINSON  
Director