



DEPARTMENT OF THE TREASURY
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MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Thomas A. Sharpe, Jr. 
Senior Procurement Executive
Office of the Procurement Executive

SUBJECT: **Required Procedures for Solicitation of Service-Disabled Veteran-Owned Small Businesses (SDVOSB) and Qualified Historically Underutilized Business Zone (HUBZone) Small Businesses**

Purpose: This AB supersedes and replaces AB06-05R2, dated September 27, 2007, which is now cancelled. This AB clarifies the required procedures and reporting of efforts to identify, solicit, and award to SDVOSB and HUBZone businesses. This revision implements the discussion and subsequent vote that was held at the Treasury Acquisition Council meeting on February 28, 2008.

Effective Date: This AB is effective immediately.

Expiration Date: This AB will expire when cancelled or superseded.

Background: The Department of the Treasury is required to provide Federal contracting assistance to SDVOSB and the HUBZone small business concerns. In order to meet Department goals, continued efforts to identify, solicit, and award to businesses in these preference groups are required. This procedure, established in FY2006, supported improvement in achievement of our socio-economic goals for these targeted groups.

Action: Bureau procurement offices are required to solicit SDVOSB and HUBZone businesses for procurement actions in excess of the micro-purchase threshold to the maximum extent practicable.

1. All requirements shall be reviewed for set-aside, and, as appropriate, sole source award to SDVOSB and HUBZone businesses. Set-aside and/or sole source awards to SDVOSB and HUBZone businesses shall be considered prior to consideration of Federal Supply Schedule (FSS) vendors. The contracting officer shall document his/her determination

concerning set-aside/sole source determinations.

2. All requirements solicited against the FSS shall include a minimum of two SDVOSB and HUBZone vendors from either category in addition to the other sources solicited by the contracting officer. Potential offerors shall be identified through market research.

This policy shall be applied to the establishment of new Blanket Purchase Agreements against the FSS.

For all requirements issued against the FSS, the contract file shall contain the following documentation:

- a. Market research conducted by the contracting officer.
 - b. A list of businesses identified.
 - c. A list of businesses solicited, including a minimum of two SDVOSB or HUBZone vendors, if found.
 - d. A list of vendor responses.
 - e. Contracting officer's basis for selection of contract awardee.
3. For all requirements not set aside for SDVOSB and HUBZone vendors or placed against the FSS, the contracting officer shall solicit these preference groups to the maximum extent practicable. The contracting officer shall document the contract file concerning the extent to which these preference groups were solicited and responses received as follows:
 - a. Market research conducted by the Contracting Officer or specialist
 - b. A list of businesses identified.
 - c. A list of businesses solicited.
 - d. A list of vendor responses.
 - e. Contracting officer's basis for selection of contract awardee.
 4. The Bureau small business specialist shall review contracting officer determinations concerning SDVOSB and HUBZone that are not set-aside or sole source determinations for actions over \$100,000. If the small business specialist does not concur with the contracting officer's determination, the Bureau Chief Procurement Officer shall make a written determination concerning sources to be solicited.
 5. OPE shall generate two reports on a monthly basis to track progress against this AB. The two reports are:
 - a. Actions below \$100,000
 - b. Actions between \$100,000 and \$3,000,000

These reports will contain all actions entered into FPDS-NG for the calendar month that were not awarded to a SDVOSB or HUBZone concern. This report will exclude modifications, delivery/task orders against existing contracts, and BPA calls against

existing BPAs. Awards made to other socioeconomic concerns will be included for informational purposes, but no response will be required by the BCPO.

The report template distributed from OPE shall contain the following for each procurement action:

- a. PIID number of the award,
- b. Action obligation amount
- c. Prepared by,
- d. All actions in which the market research did not identify any SDVOSB or HUBZone vendors,
- e. All actions in which the market research identified SDVOSB and HUBZone vendors, but the award was made to another party,
- f. Number of SDVOSB or HUBZone businesses solicited (if zero, include reason not solicited in column h and leave columns d-e blank.),
- g. Total number of firms solicited,
- h. Number of SDVOSB or HUBZone proposals or bids received, and
- i. If applicable, reason for not soliciting or awarding to a SDVOSB or HUBZone.

OPE will populate fields a and b above with the information that has been entered and validated into FPDS-NG.

6. BCPOs shall review the report distributed by OPE, complete fields c through h listed above, and submit responses on to OPE 14 calendar days after receipt of the spreadsheet from OPE.

Questions about this AB may be directed to Patrick Breen at Patrick.Breen@do.treas.gov or (202) 622-0248