



DEFENSE LOGISTICS AGENCY
DEFENSE ENERGY SUPPORT CENTER
8725 JOHN J. KINGMAN ROAD, SUITE 4950
FORT BELVOIR, VIRGINIA 22060-6222

IN REPLY
REFER TO

FEB 22 2002

DESC-CPA
CONTRACTING INSTRUCTION (CI): 02-02

MEMORANDUM FOR CI DISTRIBUTION

SUBJECT: Suspension of the Price Evaluation Preference Adjustment for Small Disadvantaged Businesses (SDBs)

This CI replaces CI 01-9 which suspended the Price Evaluation Adjustment factor for SDBs through February 23, 2002.

The Director of Defense Procurement has suspended the use of the price evaluation adjustment factor for small disadvantaged businesses (SDBs) in DoD procurements as prescribed in FAR Subpart 19.11. Subsection 2323(e) of title 10, United States Code as amended by Section 801 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, prohibits DoD from exercising the authority for a price exceeding the fair market price if the Secretary determines at the beginning of the fiscal year that DoD achieved the 5 percent goal established by subsection 2323(a) in the most recent fiscal year for which data are available.

DoD has made the determination based on fiscal year 2001 data that DoD exceeded the 5 percent goal. Accordingly, use of the price evaluation adjustment factor is suspended for all solicitations issued during the period from February 24, 2002 to February 23, 2003. Coverage at DEPI 19.1101 is hereby revised.

This instruction is effective immediately and expires on February 23, 2003.

Kevin M. Ahern

KEVIN M. AHERN
DESC Center Senior Procurement Official

