DEFENSE LOGISTICS AGENCY
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IN REPLY REFER TO DESC-DU

MAY 3 1 2002

CONTRACTING INSTRUCTION (CI): 02-07

MEMORANDUM FOR CI DISTRIBUTION

SUBJECT: Mandatory Subcontracting Goals

Reference Federal Register Notice dated 14 January 2002.

Effective immediately, separate goals for the following small business concerns shall be provided on all Subcontracting Plans:

- Small Business
- Small Disadvantaged Business
- Women-Owned Small Business
- HUBZone Small Business
- Veteran-Owned Small Business
- Serviced-Disabled Veteran-Owned Small Business **(effective October 2001)**

Revised Forms DESC-P 19.1, Commercial Subcontracting Plan and DESC-P 19.2, Individual Small Business Subcontracting Plans are forthcoming. However, in order for the subcontracting plan to be determined acceptable, the offeror shall include a goal for each of the small business concerns.

This CI is informational only and expires upon dissemination.

KEVIN M. AHERN
Center Senior Procurement Official

Attachment:
Federal Register Notice dated 14 January 2002

Federal Recycling Program Printed on Recycled Paper

Federal Register

Monday,
January 14, 2002

Part IV

Department of Defense
General Services Administration
National Aeronautics and Space Administration

48 CFR Parts 19 and 52
Federal Acquisition Regulation; Veterans Entrepreneurship and Small Business Development Act of 1999; Rule

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 19 and 52

[FAC 2001–01; FAR Case 2000–302; Correction]

Federal Acquisition Regulation; Veterans Entrepreneurship and Small Business Development Act of 1999

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Correcting amendments.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council are issuing amendments to FAC 2001–01, FAR Case 2000–302, Veterans Entrepreneurship and Small Business Development Act of 1999 published in the **Federal Register** at 66 FR 53492, October 22, 2001, to correct the language concerning the separate goal for service-disabled veteran-owned small business concerns. Language was added in FAC 97–20 that service-disabled veteran-owned small business concerns were to be included in the goal for veteran-owned small businesses. This was based on a statutory change. A further statutory change established a goal for service-disabled veteran-owned small business concerns that is separate from the goal for veteran-owned small business concerns. This statute was implemented in FAC 2001–01 but, inadvertently, some of the FAC 97–20 language intended for deletion did not appear in the published case.

EFFECTIVE DATE: January 14, 2002.

FOR FURTHER INFORMATION CONTACT: Ms. Rhonda Cundiff at (202) 501–0044 in reference to this FAR case. For general information, contact the FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (202) 501–4755. Please cite FAC 2001–01, FAR case 2000–302, Correction.

Dated: January 10, 2002.

Gloria M. Sochon,

Director, Acquisition Policy Division.

Therefore, DoD, GSA, and NASA amend 48 CFR parts 19 and 52 as set forth below:

1. The authority citation for 48 CFR parts 19 and 52 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c) as set forth below:

PART 19—SMALL BUSINESS PROGRAMS

2. Amend section 19.704 in paragraph (a)(1) by removing the period after the first sentence and adding a semicolon in its place; and by removing the last two sentences. The revised paragraph reads as follows:

19.704 Subcontracting plan requirements.

(a) * * *

(1) Separate percentage goals for using small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors;

* * * * *

3. Amend section 19.705–4 in paragraph (d)(6) by removing the last sentence. The revised paragraph reads as follows:

19.705–4 Reviewing the subcontracting plan.

* * * * *

(d) * * *

(6) Advise the offeror of available sources of information on potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors, as well as any specific concerns known to be potential subcontractors. If the offeror's proposed goals are questionable, the contracting officer must emphasize that the information should be used to develop realistic and acceptable goals.

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PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

4. Amend section 52.219–9 by revising the date of the clause to read "(JAN 2002)"; and in paragraph (d)(1) of the clause by removing the second and third sentences. The revised paragraph reads as follows:

52.219–9 Small Business Subcontracting Plan.

* * * * *

Small Business Subcontracting Plan (Jan 2002)

* * * * *

(d) * * *

(1) Goals, expressed in terms of percentages of total planned subcontracting dollars, for the use of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors. The offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs.

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[FR Doc. 02–937 Filed 1–10–02; 3:07 pm]

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