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IN REPLY
REFER TO

MAR 09 2001

DESC-CPA
CONTRACTING INSTRUCTION (CI): 01-9

MEMORANDUM FOR CI DISTRIBUTION

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

This CI replaces CI 00-01 which suspended the Price Evaluation Adjustment for SDBs through February 23, 2001.

The Director of Defense Procurement has suspended the use of the price evaluation adjustment for small disadvantaged businesses (SDBs) in DoD procurements as required by 10 U.S.C. 2323(e)(3), as prescribed in the Federal Acquisition Regulation (FAR), Subpart 19.11. Subsection 2323(e) of title 10, United States Code (USC), as amended by Section 801 of the Strom Thurmond National Defense Authorization Act for the Fiscal Year 1999, prohibits DoD from exercising the authority for a price exceeding fair market cost if the Secretary determines at the beginning of the fiscal year that DoD achieved the 5% goal established by subsection 2323(a) in the most recent fiscal year for which data are available. The determination has been made that in fiscal year 2000 DoD exceeded the 5% goal established in 10 USC 2323(a) for contract awards to SDBs. Accordingly, use of the price evaluation adjustment prescribed in FAR 19.11 is suspended for DoD.

This suspension has been extended effective 24 February 2001 and shall be effective for one year. The price evaluation adjustment will be reevaluated based on the level of DoD contract awards to SDBs achieved in fiscal year 2001.

This instruction is effective immediately and expires on February 23, 2002.


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Center Senior Procurement Official

