



THE ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
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WASHINGTON DC 20350-1000

AUG 6 2018

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Small Business Utilization for a Strategic Advantage

References: (a) ASN RDA Memorandum "Head of Contracting Activity and Program Executive Officer Small Business Strategy Document Requirements" of 12 June 2018
(b) DASN (AP) Memorandum "Clarification on Improving Communications During the Market Research Process" of 6 August 2014
(c) Defense Federal Acquisition Regulation Supplement (DFARS) 215.304, Evaluation Factors and Significant Subfactors
(d) DoDI 5000.2 dtd 7 January 2015, Change 3 dtd 10 August 2017
(e) Good News Stories Template

Winning teams capitalize on all the unique talents of their players and our success in meeting the National Defense Strategy (NDS) relies on our ability to continue to include Small Businesses as key members of our Department of the Navy (DON) team. Small Businesses are an incredible source for innovation, adaptability, pivot speed, and resilience whether in a prime contractor or subcontractor role. To that end, I expect Acquisition Commands and Program Executive Offices (PEOs) to place a priority on improving utilization of Small Business in accomplishing the Department of the Navy's mission.

Many of my expectations are articulated in my reference (a) memo; however, I direct the DON acquisition teams to focus on the following areas:

- Streamline processes so that new entrants and small-scale vendors can provide cutting-edge technologies;
- Increase the level of transparency on decisions resulting from the sources sought/market research process in accordance with reference (b);
- Consider including Small Business Participation as a factor or subfactor IAW reference (c);
- Review prior Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) projects and assess opportunities to utilize SBIR/STTR authorities or projects as part of the acquisition strategy. Where applicable, acquisition strategies should also address incentives for SBIR/STTR in accordance with reference (d);
- Leverage the agile, time-saving authorities resident in the SBIR/STTR Program's Phase III award process, to include direct SBIR/STTR Phase III awards without future competition, where applicable. Direct SBIR/STTR Phase III awards without further competition are an authorized exception to competition requirements and Programs are encouraged to employ this exception where such action meets performance requirements and affordability;

- Highlight the considerations of and contributions from small business at DoN level program reviews to include gate reviews and stem to stern meetings;
- Accurately evaluate Small Business Utilization in the Contractor Performance Assessment Reporting System; and
- Involve Small Business Professionals early in the acquisition process.

I also expect our DON Small Business Professionals to continue to be experts in their field, to assist in market research, and to justify recommendations for the use of Small Business in terms of benefits to the DON and the Defense industrial base, not simply in terms of meeting annual small business goals.

I want to capture and share our successes in utilizing Small Business as prime and subcontractors and also its impact in supporting the Navy and Marine Corps. Commands and PEOs are directed to submit good news stories to the DON Office of Small Business Programs (OSBP) utilizing the reference (e) format at small_business@navy.mil.

Enhanced implementation of the Small Business Program will require continued learning and changing the way we do acquisition. I am keenly interested in your ideas on how we can create more opportunities to utilize Small Business as a strategic advantage. For questions on this subject, please contact Ms. Emily Harman, Director, DON OSBP, at emily.harman@navy.mil, (202) 685-6485.



James E. Geurts

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