



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

April 12, 2023

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Ensuring Maximum Opportunity for Inclusion of Small Businesses in the Department of the Navy Procurements

Reference: (a) Office of Management and Budget Memorandum M-22-03, "Advancing Equity in Small Business," December 21, 2021

Consistent with the President's direction to increase small business utilization, it is my expectation that the Department of the Navy (DON) will not only achieve its small business goals negotiated with the Office of the Secretary of Defense, but will exceed them. In order to accomplish this, increased focus on the use of small business, specifically socioeconomic small businesses, must be addressed in the acquisition strategies and/or acquisition plans formulated throughout the DON. As the senior leadership within the DON, it is our responsibility to provide the direction and resources necessary to address our small business objectives. To do so, we must maximize the opportunities for small businesses to contribute while setting the tone that small businesses are fundamental to sustaining our country's national security.

To strengthen the accountability for meeting our small business goals and consistent with the requirement in reference (a), I direct each Head of the Contracting Activity (HCA) identify a Senior Executive Service member who is subject to the requirements in reference (a), to serve as the Activity's Small Business Champion (SBC). The SBC shall collaborate with the activity's Small Business Director (SBD) to negotiate the activity's small business goals with the DON Office of Small Business Programs (OSBP). Additionally, the SBC shall also ensure that the requirements of 15 United States Code 631(j), as implemented at Federal Acquisition Regulation (FAR) 7.103(u), are fully instituted. These require that acquisition planners, to the maximum extent practicable, structure contract requirements to facilitate competition by and among small business concerns; and avoid unnecessary and unjustified bundling that precludes small business participation as contractors. These reviews will ensure requirements are appropriately disaggregated and will increase the likelihood of streamlined approval of the DD Form 2579 (Small Business Coordination Record). The SBD is encouraged to resolve any DD Form 2579 disputes with the contracting officer, but if unable, elevate it to the activity's SBC for mediation prior to referring the dispute to the Small Business Administration's Procurement Center Representatives as provided at FAR 19.402 and 19.502-8.

While it is the contracting officer's responsibility to monitor the contractor's performance to its subcontracting plan (if one was required), the contracting officer's representative (if one was appointed) as well as the requirement owner should review the goals established in the subcontracting plan (when applicable), and when necessary, recommend corrective actions to the contracting officer if it appears that the prime contractor is not demonstrating a good faith effort to meet its contractual subcontracting plan's goals.

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No later than 1 June 2023, each HCA shall provide the name of their Activity's SBC and an outline indicating to whom responsibility and authority resides to comply with the requirements of 15 United States Code 631(j) as implemented in FAR 7.103(u). The activity SBD is available to assist with providing strategy and planning advice as well as training to identify disaggregation opportunities.

My point of contact for this is Ms. Denise L. Randolph, DON OSBP Chief of Staff who can be reached at (762) 233-6473 or e-mail at denise.l.randolph4.civ@us.navy.mil.


Carlos Del Toro

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