MEMORANDUM FOR DISTRIBUTION

SUBJECT: Oversight of 8(a) Program Contracts

Reference: (a) DPAP memorandum, Subj: Class Deviation—New 8(a) Partnership Agreement Between the U.S. SBA and the DoD, dated Feb 28, 2007

The purpose of this memorandum is to emphasize some responsibilities of the Department of the Navy when awarding contracts under the 8(a) Business Development Program. These responsibilities were included in the Partnership Agreement between the U.S. Small Business Administration (SBA) and the Department of Defense (DoD) which was attached to the reference (a) memorandum.

The Partnership Agreement allows DoD Contracting Officers to make awards directly to 8(a) Program participants under DFARS 219.800. Contracting Officers are responsible for assuring that awards under the 8(a) Program are made to firms having the technical ability to perform the work and are made at fair and reasonable costs/prices. Contracting Officers are required to report all 8(a) contract awards, modifications, options, and purchase orders to the SBA servicing district office within 15 working days of the date of award. Contracting Officers are further responsible for monitoring performance of awards made under the 8(a) Program to ensure compliance with terms and conditions of the award including the FAR 52.219-14 Limitations on Subcontracting which requires specific percentages of the costs be incurred by the firm which received the award under the 8(a) Program. These percentages vary depending on whether the contract is for services, supplies, general construction, or special trade construction.

These responsibilities are applicable to all awards under the 8(a) Program including awards to concerns owned by Alaska Native Corporations, Indian tribes, and Native Hawaiian Organizations.

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