



*To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.*

**REVISION:** This revised directive supersedes TSA MD 3000.3, *Small Business Policy*, dated June 28, 2005 and TSA MD 200.6, *Small Business Set-Asides*, dated July 22, 2004.

**SUMMARY OF CHANGES:** This revised directive replaces all small business policy derived under the authority of the Acquisition Management System with those requirements of the Federal Acquisition Regulation. Additionally, it implements the requirements of [DHS Directive 143-03, \*Small Business Acquisition Policy\*](#).

1. **PURPOSE:** This directive provides TSA policy and procedures for small and small disadvantaged business contracting at TSA.
2. **SCOPE:** This directive applies to all contract actions within TSA.
3. **AUTHORITIES:**
  - A. Small Business Act, 15 U.S.C. § 637
  - B. Federal Acquisition Regulation (FAR) Part 19, “Socio-Economic Programs”
  - C. Homeland Security Acquisition Regulation (HSAR) Part 3019, “Small Business Programs”
  - D. Homeland Security Acquisition Manual (HSAM), Chapter 3019, “Small Business Programs”
  - E. DHS Directive 143-03, *Small Business Acquisition Policy*
4. **DEFINITIONS:**
  - A. Head of the Contracting Activity (HCA): The Assistant Administrator for Acquisition is the TSA HCA.
  - B. Office of Small and Disadvantaged Business Utilization (OSDBU) Program Manager: The individual within the Office of Acquisition that is appointed by the HCA to monitor and implement the Small Business Program by providing assistance, counsel, and advice to small businesses working with TSA.
  - C. Small Business (SB): A firm that is independently owned and operated, not dominant in its field, and meets the federal size standards for this category of businesses.
  - D. Small Business Administration (SBA): The Federal Government's advocate for small, disadvantaged, women-owned, HUBZone, service-related disabled veteran-owned businesses and SBA Contractors titled Section 8(a) of the Small Business Act.

- E. Small Business Subcontracting Plan: A plan that applies to a specific contract, covers the entire period of performance (including option periods), has goals that are based on the offeror's planned subcontracting in support of the specific contract, addresses each small business concern within the scope of contract performance goals, and describes the contractors approach for utilizing such subcontractors to achieve the goals.

**5. RESPONSIBILITIES:**

- A. The TSA Administrator is responsible for promoting the use of small business in TSA's acquisition activities and assessing the performance of each Assistant Administrator with respect to contribution towards TSA's small business contracting goals.
- B. Assistant Administrators, or equivalents, are responsible for promoting the use of small business within procurement requirements generated by their units and contributing meaningfully towards TSA's small business contracting goals.
- C. The HCA is responsible for:
  - (1) Appointing a full-time TSA OSDBU Program Manager in accordance with current DHS regulations to manage the Small Business Program;
  - (2) Providing oversight of the TSA Small Business program to ensure that all acquisitions are conducted in accordance with the Small Business Act and the TSA small business goals;
  - (3) Ensuring TSA socioeconomic contracting data is reported by the OSDBU to DHS and other stakeholders; and
  - (4) Reviewing and determining acquisition strategy for requirements greater than \$2 million, not subject to review by the SBA Procurement Center Representative (PCR), when the Program Office, Contracting Officer, and the TSA OSDBU are not in agreement on whether a small business set-aside is appropriate.
- D. The TSA OSDBU Program Manager is responsible for:
  - (1) Encouraging and promoting small business participation in TSA by ensuring TSA compliance with established guidelines in the Small Business Act;
  - (2) Assisting Contracting Officers and Program Managers to identify potential small businesses that qualify for a particular procurement;
  - (3) Participating in the Office of Acquisition procurement planning conferences and other scheduled meetings with the procurement teams as outlined in [TSA MD 300.8, Acquisition Program Planning, Review, and Reporting](#);
  - (4) Reviewing, approving and, when required, coordinating with the SBA and the DHS OSDBU, the [DHS Form 700-22, Small Business Review Form](#), and lists of potential source to ensure adequate representation of small businesses;

- (5) Reviewing subcontracting plans for all contracts over \$550,000 for service contracts and \$1,000,000 for construction contracts and coordinating those subcontracting plans with SBA PCR;
- (6) Assisting in the preparation of socioeconomic reporting data to the DHS OSDBU and the SBA as required by the HCA;

E. Contracting Officers are responsible for:

- (1) Providing maximum practicable opportunities to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, 8(a) business, small disadvantaged business, and women-owned small business in prime and subcontracting opportunities;
- (2) Ensuring that all purchase requests estimated to be less than \$100,000 are set-aside for the exclusive participation of small business concerns;
- (3) Coordinating DHS Form 700-22 with Program Managers, and the TSA OSDBU.

F. The Deputy Assistant Administrator for Acquisition is responsible for reviewing and approving acquisition strategy for requirements under \$2 million, not subject to review by the SBA PCR, when the Program Office, Contracting Officer, and the TSA OSDBU are not in agreement on whether a small business set-aside is appropriate.

G. Program Managers are responsible for:

- (1) Working with Contracting Officers to identify potential opportunities for small business participation;
- (2) Providing information in the purchase request to enable the Contracting Officer to adequately complete a DHS Form 700-22 for all procurement requests.

**6. POLICY:**

- A. TSA is committed to executing a small business program that thoroughly implements the requirements of the Small Business Act and achieves the small business contracting goals, including each socioeconomic subcategory. See Attachment, *Small Business Goals*, for more information..
- B. All TSA employees shall consider strategies for meeting TSA's small business goals at all stages of the acquisition process. Assistant Administrators shall reinforce these goals throughout their organizations. See Attachment, *Small Business Goals*, for more information.
- C. When conducting market research to satisfy contracted needs, if there are two or more small businesses that can satisfy your need, the procurement shall be set-aside for small businesses consistent with acquisition regulations. All acquisitions with an estimated value greater than \$100,000 shall include a properly executed and endorsed DHS Form 700-22.

- D. All procurements less than \$100,000 shall be set aside for exclusive small business competition unless compelling evidence to the contrary is made to the Contracting Officer and OSDBU Program Manager.
- E. All acquisition strategies must consider small business participation at the prime or subcontracting level.
- F. All Program Managers must include a DHS Form 700-22 as part of each purchase request submitted to the Office of Acquisition with an estimated value greater than \$100,000.

**7. PROCEDURES:**

- A. Upon receipt of purchase requests, Contracting Officer's shall review, endorse, and provide to the OSDBU Program Manager the DHS Form 700-22. The Contracting Officer shall work directly with the Program Manager to ensure that the DHS Form 700-22 adequately reflects a sound small business contracting strategy.
- B. The OSDBU Program Manager will review all submitted DHS Form 700-22 to make recommendations and grant approval. The OSDBU Program Manager will also coordinate additional reviews by the DHS OSDBU or SBA as required.
- C. Once approved, the Contracting Officer shall execute the agreed upon small business contracting strategy.

**8. EFFECTIVE DATE AND IMPLEMENTATION:** This policy is effective immediately upon signature.

**APPROVAL**

*Signed*

*9/1/2009*

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Domenico Cipicchio  
Assistant Administrator for Acquisition

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Date

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**Attachment**

**Small Business Goals**

TSA small business goals are based on the Small Business Act, which mandates that, in the aggregate, agencies award 23% of their contracting dollars to small businesses. Of that 23% total, agencies must target awards of 5% to small disadvantaged businesses; 5% to women-owned small businesses; 3% to HUBZone (Historically Underutilized Business Zone) small businesses; and 3% to service-disabled veteran-owned small businesses.

The table below identifies the small business goals for TSA prime contracts and subcontracts for each socioeconomic category. The prime contracts goals are a percentage of total obligated dollars of TSA. The subcontracts goals are of subcontracted dollars of each prime contract.

	Prime Contracts	Subcontracts
Small Business	23%	40%
Small Disadvantaged Business	5%	14.5%
Woman-Owned Small Business	5%	5%
HUBZone	3%	3%
Service-Disabled Veteran-Owned Small Business	3%	3%