

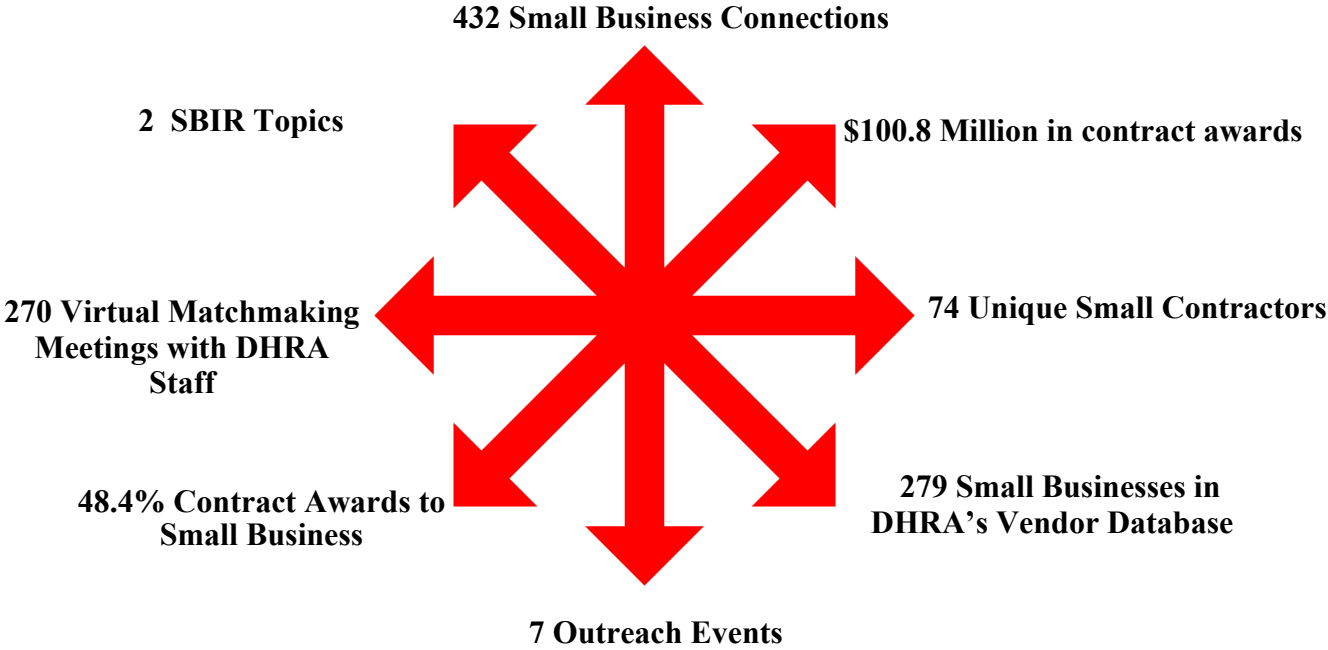


**Office of Small Business Programs  
Defense Human Resources Activity**

Annual Report  
Fiscal Year 2020

**OFFICE OF SMALL BUSINESS PROGRAMS**

**2020 Small Business  
by the Numbers**



## **OFFICE OF SMALL BUSINESS PROGRAMS**

### **VISION**

Foster a robust small business culture that values the agility, affordability, and innovation small business offers to the DHRA Enterprise and our customers.

### **MISSION**

To ensure small business opportunities are a priority in all DHRA acquisitions. Promote and facilitate strategies which allow small businesses to add value, innovation, and efficiency to our diverse efforts in support of the warfighter..

### **STAFF**

OSBP is staffed by a Program Manager (Director) and an administrative support contractor. Tammy J. Proffitt has served as the Director since July 2016. Rhonda Griffin serves as Administrative Support Specialist.

## OFFICE OF SMALL BUSINESS PROGRAMS

### ACTIVITY HIGHLIGHTS - OUTREACH

2020 included many DHRA outreach firsts:

- ◆ Quickly adjusting to a 100% telework environment DHRA hosted one of the first virtual industry events in DoD and pivoted from hosting our large bi-annual event at George Mason University to hosting a virtual series.
  - Industry day for DCPAS requirement to provide support for Executive Development Program - June
  - DHRA Industry Outreach Symposium in conjunction with the Virginia Procurement Technical Assistance Center– an enterprise wide event conducted virtually over a series of five weeks. This event had a record 215 small business participants and was very well received by industry – Sept-Oct
  - The Industry Outreach Symposium event crossed fiscal years,, concluding with our first matchmaker; over 32 DHRA program office staff met individually with over 90 small business vendors in 270 meetings
- ◆ Participated in five outside sponsored outreach events, including three matchmakers (one for SBIR).
- ◆ Conducted 76 One-on-One Vendor meetings.
- ◆ Small Business Vendor Database grew to 279 vendors; actively utilized the database to inform vendors of upcoming activities and procurement news (via email),

### ACTIVITY HIGHLIGHTS - INREACH

- ◆ 18 Smart Start meetings
- ◆ 4 Acquisition Strategy Panels
- ◆ Two training sessions for Contracting Staff – Subcontracting and Legislative/Regulatory Updates
- ◆ One-on-one meetings w/ Component leadership
- ◆ 28 One-on-one Vendor Capability sessions (for program offices)

## OFFICE OF SMALL BUSINESS PROGRAMS

### Achievements / Goal Performance \*excludes assisted acquisitions

| Goal Category                            | FY20 Goal   | FY20 Achievement |
|--|-------------|------------------|
| <b>Small Business</b>                    | <b>42%</b>  | <b>48.44%</b>    |
| <b>Small Disadvantaged Bus</b>           | <b>5%</b>   | <b>29.9%</b>     |
| <b>Woman-Owned Small Bus</b>             | <b>5%</b>   | <b>8.49%</b>     |
| <b>Service-Disabled Vet<br/>Owned SB</b> | <b>3%</b>   | <b>9.42%</b>     |
| <b>HUBZone Small Business</b>            | <b>2.2%</b> | <b>2.43%</b>     |

| FY 20 DHRA Award Detail<br>Small Bus Eligible Dollars -<br>\$208,127,321.56<br>Eligible Actions - 682 | Dollars Awarded                    | Number of Contract<br>Actions |
|---|------------------------------------|-------------------------------|
| Small Business  | \$100,825,251.59                   | 415                           |
| Small Disadvantaged Bus.<br>8(a)  | \$62,248,010.86<br>\$36,361,854.31 | 234<br>61                     |
| Woman-Owned SB  | \$17,684,423.49                    | 140                           |
| Service-Disabled Vet SB   | \$19,161,038.62                    | 52                            |
| HUBZone SB  | \$5,058,914.96                     | 17                            |

**Comments:**

The above achievement data is as of November 24, 2020, from Beta.SAM.gov. This data may change before it is finalized for the purpose of congressional reporting in February 2021.

The Small Business goal of 43% is a two-year goal, covering fiscal years 2020 and 2021. Eligible small business dollars reflect the exclusion of contracts awarded under the Ability One Program (JWOD), OCO-NUS awards, etc.

## OFFICE OF SMALL BUSINESS PROGRAMS

### Small Business Participation—Total Acquisition View

Small business goals for DoD components are targeted and assessed for internal contracting office spend. Assisted acquisitions are excluded from consideration but still count towards DoD’s overall small business goal. The following represents DHRA’s total small business participation including those assisted acquisitions:

| FY 20 DHRA Total Funded<br>Small Business Picture<br>Eligible Dollars - \$489,122,723.55<br>Eligible Actions - 1045 | Dollars Awarded and %      | Number of Contract<br>Actions |
|---|----------------------------|-------------------------------|
| Small Business  | \$121,674,346.27<br>24.87% | 477                           |
| Small Disadvantaged Bus.  | \$72,369,579<br>14.8%      | 252                           |
| 8(a)  | \$36,361,854.31<br>7.2%    | 61                            |
| Woman-Owned SB  | \$38,188,039<br>7.8%       | 162                           |
| Service-Disabled Vet SB   | \$19,621,131<br>4.0%       | 55                            |
| HUBZone SB  | \$3,977,049<br>.8%         | 22                            |

### Small Business Innovation Research Pilot Program

OSBP provided program management for the SBIR Pilot. In FY20, OSBP established the scaffolding for DHRA to full participate in the SBIR program and take advantage of funds we contribute, and leverage additional funds, for our innovation and modernization projects. Established relationships within the Office of the Under Secretary for Research & Engineering and Navy Lakehurst contracting to facilitate use of the program. Created processes, forms and guidance to serve as foundation for pilot and future utilization of the program.

Two topics were advertised in the August DoD Broad Agency Announcement:

1. Domain Specific Text Analysis – OPA and DMOC/DEOMI joint research effort
2. Modernization of Biometric Capture – DMDC

Topic broad agency announcements resulted in 101 and 22 proposals, respectively, Awards are expected in early calendar year 2021.

## OTHER HIGHLIGHTS:

- ◆ OSBP Director served as a speaker and panelist

Topic broad agency announcements resulted in 101 and 22 proposals, respectively, Awards are expected in early calendar year 2021.

### **Small Business Regulatory Update/Legislation to Watch** **Regulatory Changes**

#### **Final Rule – Consolidation of Mentor Protégé Programs**

- All Small Business Mentor Protégé Programs and 8(a) Mentor Protégé Programs were consolidated to have same rules; Effective November 16, 2020

#### **Final Rule – Women Owned Small Business (WOSB) Certification Program**

- Eliminates self-certification and requires WOSB to be certified by SBA or third party certifier to receive credit on WOSB sole source or WOSB set-aside
- SBA began issuing certifications to WOSB on October 15, 2020

#### **Acquisition Thresholds Increased for Inflation**

- Subcontracting Plan Threshold raised from \$700,000 to \$750,000
- 8(a) Sole-source threshold raised from \$7 million to \$7.5 million for manufacturing and from \$4 million to \$4.5 million for all other contracts
- Same thresholds apply for HUBZone sole source contracts
- WOSB sole source contracts raised from \$6.5 to \$7 million for manufacturing and \$4 million and \$4.5 million for all other contracts

#### **Interim Rule for Assessing Contractor Implementation of Cybersecurity Requirements (CMMC)**

- Requires assessment of compliance with NIST 800-171
- Phases in implantation over 5 years
- Applies to all DoD contracts except below simplified acquisition threshold (\$250,000) or COTS; Effective November 30, 2020

#### **NDAA2020 Sec. 880 (Public Law No: 116-92) Assistance for SBIR Concerns**

- Requires the Senior Procurement Executive and Small Business Director to review existing SBIR technology as part of market research and assist vendors in marketing technology

#### **Legislation to Watch—NDAA 2021**

- Sec 833 Exempts 8(a), WOSB, HUBZone and SDVOSB contracts from procedural requirements on Category Management and category management goaling
- Sec 834 Require agencies to report on whether they are providing accelerated payments to SB prime and SB subcontractors
- Sec 837 Requires Category Management Training by SBA
- Section 871 Amends contract finance law to strengthen the requirement that DoD establish a goal of paying small businesses within 15 days of receipt of invoice

## Conclusion and Looking Ahead

Fiscal Year 2020 was highly successful for DHRA, OSBP. We hope to build upon this success in FY2021. We will be challenged to meet the small business goal for FY21 given the plan to award the Defense Travel Modernization as sole source to SAP/Concur. OSBP will work closely with contracting and program staff to ensure robust market research is conducted and small business is fully considered for each acquisition.

- ⇒ Continue to work closely with staff and teams to ensure a strategic and balanced approach is applied to use of category management and consolidation efforts.
- ⇒ Further streamline and standardize the public-facing DHRA Acquisition Forecast.
- ⇒ Develop a subcontracting guide and establish relationships with our large prime contractors to improve small business participation.
- ⇒ Explore ways to leverage virtual environments to support and improve learning, industry connections, and sharing information about DHRA acquisitions.
- ⇒ Connect with the DMDC Innovation Team. Bring SBIR contracting efforts in house and award a Phase II prototype.
- ⇒ Prepare SBIR Pilot Program progress report with recommendations.

Prepared by:

**Tammy J. Proffitt, Director**

November 2020