DEPARTMENT OF THE AIR FORCE

Headquarters Air Force Materiel Command
Wright-Patterson Air Force Base Ohio

27 FEB 2001

MEMORANDUM FOR SEE DISTRIBUTION

FROM: HQ AFMC/PK
4375 Chidlaw Road, Room S208
Wright-Patterson AFB OH 45433-5006

SUBJECT: Suspension of the Price Evaluation Adjustment for Small Disadvantaged Businesses

1. On 25 Jan 01, the Director of Defense Procurement issued a DoD-wide class deviation, effective 24 Feb 01, to suspend the use of the price evaluation adjustment for small disadvantaged businesses (SDBs) in DoD procurements. This is due to the determination that in fiscal year 2000 DoD exceeded the 5 percent goal established in 10 USC 2323(a) for contract awards to SDBs.

2. The suspension of the price evaluation adjustment applies to all solicitations issued during the period from February 24, 2001 to February 23, 2002.

3. Our point of contact is Ms. Elaine K. Smith, HQ AFMC/PKPA, DSN 986-0364, e-mail address elaine.smith@wpafb.af.mil.

Milton Ross

MILTON C. ROSS, SES
Deputy Director of Contracting

Attachment
Director of Defense Procurement Letter, 25 Jan 01

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ACQUISITION AND TECHNOLOGY

JAN 25 2001

In reply refer to
DAR Tracking Number: 2001-00001

DP(DAR)

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT, ASN(RD&A)/ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
EXECUTIVE DIRECTOR FOR PROCUREMENT MANAGEMENT (DLSC/DLA)

SUBJECT: Suspension of the Price Evaluation Adjustment for Small Disadvantaged Businesses

Effective 30 days after the date of this memorandum, all Department of Defense (DoD) contracting activities shall suspend the use of the price evaluation adjustment for small disadvantaged businesses (SDBs) in DoD procurements, as prescribed in the Federal Acquisition Regulation (FAR), Subpart 19.11.

Subsection 2323(e) of title 10, United States Code (USC), as amended by Section 801 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, prohibits DoD from exercising the authority for a price exceeding fair market cost if the Secretary determines at the beginning of the fiscal year that DoD achieved the 5 percent goal established by subsection 2323(a) in the most recent fiscal year for which data are available. The determination has been made that in fiscal year 2000 DoD exceeded the 5 percent goal established in 10 USC 2323(a) for contract awards to SDBs. Accordingly, use of the price evaluation adjustment prescribed in FAR 19.11 is suspended for DoD.

This suspension applies to all solicitations issued during the period from February 24, 2001, to February 23, 2002.

Deidre A. Lee
Director, Defense Procurement

cc: DSMC, Ft. Belvoir