



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT
600 ARMY PENTAGON
WASHINGTON DC 20310-0600



DAIM-ZA

OCT 19 1998

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: A-76 Studies Small Business Requirements

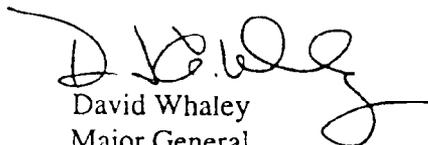
1. We understand that subject studies performed LAW OMB Circular A-76 ("Performance of Commercial Activities") and AR 5-20 ("Commercial Activities Program") are difficult and time-consuming. Keep in mind that solicitations under OMB Circular A-76 and AR 5-20 must observe the statutory and regulatory framework designed to assist small business; they do not provide an independent basis for the consolidation of contract requirements.
2. Consider the following questions when initiating the A-76 process. The questions are not meant to be a checklist of specific small business statutes and regulations, rather they are designed to bring small business issues into focus that have the potential to be neglected due to the complexity of the A-76 process. Addressing these issues early in the A-76 process will minimize protests from the Small Business Administration (SBA) and Congress.
 - a. Has our HCA approved the decision to study functions already under contract. If so, are we planning to displace existing small businesses as prime contracts?
 - b. Are we planning to bundle or consolidate requirements? If so, have we adequately addressed small business issues in accordance with the Deputy Secretary of Defense Memorandum dated 28 Oct 1996, Subject: Consolidation of Contract Requirements.
 - c. Have we considered breaking our studied requirements into smaller portions to enhance small business participation as prime contractors?
 - d. Did we get our local SADBUs and SBA representatives involved early in the process?
 - e. Did we conduct a market survey to determine what interest and capabilities exist in the small business community?
 - f. Have we made use of the internet, the Commerce Business Daily (CBD), and other media to solicit small business interest in competitive sourcing?
 - g. Have we discussed the study process with local small business associations?
3. Your goal should be to use small businesses as prime contractors whenever possible, and if not feasible, require aggressive small business subcontracting plans from large businesses as a significant factor in source selection.

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4. Feel free to use the Army OSADBU, OACSIM, and OSARDA to assist you in performing studies quickly and efficiently.



Tracey L. Pinson
Director, Office of Small
and Disadvantaged Business Utilization



David Whaley
Major General
Assistant Chief of Staff
for Installation Management

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