



January 7, 2005

Ms. Nancy M. Norton
Contracting Officer
US Army CECOM Acquisition Center
AMSEL-ACCA-RT-AA (NOR)
Building 1208 West
Fort Monmouth NJ 07703

Dear Ms. Norton:

The Association for Small Businesses in Technology, Inc. (ASBT), a national trade association, was established to promote and increase the Federal market share for small and small disadvantaged businesses in our nation. ASBT is a member of the Minority Business Summit Committee (MBSC), a coalition of trade associations representing the interests of over 30,000 small businesses in our nation. Its membership includes: 1) Asian American Business Roundtable; 2) Alliance for Economic Freedom; 3) Minority Business Enterprise Legal Defense and Education Fund; 4) Minority Business Roundtable; 5) National Association of Small Disadvantaged Business; 6) National Indian Business Association; 7) National Minority Supplier Development Council; 8) Greater Washington Ibero American Chamber of Commerce; and 9) Solid Rock Community Development Corporation. ASBT supports the Army's mission of protecting freedom and democracy in our nation and world and many of our members, professionally and personally, are working arduously in support of the Army's efforts.

ASBT is taking the lead nationally in responding to issues pertaining to the Department of the Army, Communications-Electronics Command (CECOM), Solicitation No. W15P7T-05-R-E401. Presently, under the small business set-aside for this procurement, a \$23 million revenue size standard is under consideration. As of this juncture, there has been no discussion with any trade associations that comprise the MBSC concerning this procurement.

In order to ensure that the Army Program Managers have the ability to access, through the competitive procurement process, a wide range of small business firms that have developed significant capability and expertise required to meet the Army's needs, there needs to be healthy and robust competition for procurements. President Bush supports this view and states the following in his Small Business Agenda, "...small

Carlyle Crescent Center, 1940 Duke Street, Suite 200, Alexandria VA 22314 1
703.684.3150, 703.548.9446



*Norton
January 7, 2005
Page Two*

businesses that deal with the federal government, the contracting process should be fair, open, and straightforward.”¹

It is for this reason that we are deeply concerned that the ARMY is considering using the narrow \$23 million revenue size standard set for the small business award that will be made under the Army CECOM procurement. The current \$23 Million threshold limits over 40% of the small business community who have the proven sustainable infrastructure needed to meet the time sensitive, complex technical solutions required by Army. The Army’s interests will be better met if there is competition that does not exclude any small businesses. It is for this reason that we are very pleased that the Army is seeking input from the small business community concerning the NAICS for this procurement.

We have also found that DoD and Civilian Program Managers are willing to set aside procurements for small business when it is clear that mature small businesses with greater past performance are eligible to compete. The Small Business Administration, in response to similar issues, has proposed that all NAICS revenue size standards be converted to employee size standards because the current revenue size standards do not accurately reflect the current small business market place.

We are well aware that there are those who will argue that the \$23 Million size standard protects the emerging and developing small businesses that we support. However, this important objective should not be met at the expense of capable small businesses and the Army Program Managers who are in need of such experienced firms.

In order to resolve this issue of small business exclusion, we would like the small business awards set-aside for small business under a 1500 NAICS. Federal agencies in the past, recognizing that small and minority businesses have the maturity,

¹ [The President’s Small Business Agenda](http://www.whitehouse.gov/infocus/smallbusiness/agenda.html), Retrieved April 23, 2004, World Wide Web: <http://www.whitehouse.gov/infocus/smallbusiness/agenda.html>



infrastructure and technical expertise to compete have selected an all-inclusive 1500 employee size standard NAICS. For example, the Air Force selected a 1500 employee size standard NAICS for its Vandenberg AFB WROCI Procurement (\$430 million) and its Air Force Space Command C4I2TSR Procurement (\$800 million). In both instances the Air Force conducted its market research and found that there were small businesses with the capability of meeting the Air Force's need.

Norton

January 7, 2005

Page Three

Additionally, the Department of Commerce utilized a multiple NAICS three-tier process as a part of its procurement strategy for the COMMITTS NexGen, Solicitation No. CM1301-03-RP-0019 (COMMITTS NexGen) procurement. Their process was as follows:

- 1) Small businesses that certified at \$6 Million or \$12.5 Million size standards were allowed to compete for task orders with a life cycle value of equal to or less than \$5 Million (Tier 1);
- 2) Small businesses that certified at \$23 Million or 500 employees were allowed to compete for task orders with a life cycle of value between \$5 Million and \$40 Million (Tier 2); and
- 3) Small businesses that certified at 1500 employees were allowed to compete for task orders with a life cycle value of more than \$40 Million (Tier 3).

This strategy was selected so as not to exclude any segment of the small business community while simultaneously working to encourage and increase small business competition. Most importantly, this strategy provided the Government Program Managers the opportunity to support their small business program, while at the same time, ensuring that experienced and capable businesses were able to manage major programs as prime contractors.



We request that the Army select a 1500 NAICS employee size standard for the SDB awards or adopt the COMMITS NexGen strategy and utilize the NexGen's three tier strategy. In our meeting, we will be able to provide you with more data that supports utilizing this strategy.

I look forward to hearing from you at your earliest convenience and we thank you for your immediate attention to this matter. You may contact me at 443.865.4441.

*Norton
January 7, 2005
Page Four*

Respectfully yours,

Marvin H. Masterson, Esq.
Executive Director