



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

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21 DEC 2010

Mr. Kwame R. Brown
Chairman, COG Board of Directors
The Metropolitan Washington Council of Governments
777 North Capitol Street, N.E., Suite 300
Washington, DC 20002

Dear Mr. Brown:

Thank you for your November 4 letter to the Secretary of Defense regarding service support contractors. I am responding on his behalf.

The Secretary has directed the Department to find every opportunity to increase the effectiveness and efficiency of our business operations in order to protect current and future war-fighting capability. We are looking at all aspects of our business operations in order to maximize our capabilities and are finding that our small contractors are an important key to obtaining greater efficiency and productivity in Defense spending.

A November 3, 2010 memorandum from Ashton B. Carter, the Under Secretary of Defense for Acquisition, Technology and Logistics, illustrates the Department's support of small businesses. In that memo, under a section entitled, "Increase dynamic small business role in defense marketplace competition" Dr. Carter wrote, "Effective December 1, 2010, all competitive and non-competitive procurement actions will seek to increase small business participation through weighting factors in past performance and in fee construct."

In fulfillment of the November 3 memo, a DFARS case has been opened (which is the first step toward codifying his direction into regulation), I have briefed the Senior Integration Group (Dr. Carter's most trusted acquisition advisors) about the practical steps we should take, and a committee is working to provide specific guidance to all parts of the Department. As you probably realize, this is a very rapid response from an organization as large as the Department of Defense.

In a memo dated September 14, 2010, Under Secretary Carter provided specific guidance about increasing small business participation in providing services. He said, "Small businesses provide the Department with an important degree of agility and innovation, even in support services, and they do so with generally lower overhead structures. To strengthen and improve opportunities for small businesses in the acquisition of services, *I am directing the OSD Office of Small Business Programs to review acquisition plans for services acquisitions exceeding \$1 billion, and to be members of the OSD peer reviews of service acquisitions. Additionally, when multiple award contracts are used for service acquisitions, specific tasks suitable for small*

businesses will be set aside and military departments and DoD components will seek opportunities to compete Multiple Award/IDOQ contracts among small businesses."

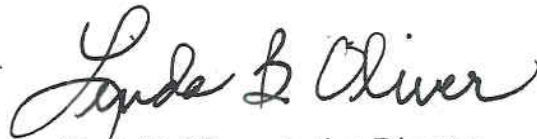
My office is now participating in the reviews discussed in Dr. Carter's memo.

Additionally, Dr. Carter indicates that he is contemplating other actions that I believe will increase small business opportunities within the Department. His words show that he favors policies that take advantage innovation, agility, and bargain rates. Those are precisely the strengths of small businesses.

As you point out, the Department benefits every day from the contribution of the diverse workforce that composes the small businesses in the National Capital Region. We will continue to assist small businesses in finding and winning contracts, notwithstanding the current resource-constrained environment because Defense needs the talents found in small businesses.

Thanks you for providing me with an opportunity to tell you about the future role I see for small businesses in the Department's procurements. If I may be of any further assistance to you, please do not hesitate to telephone me on my direct line, which is 703-604-0017.

Sincerely,

A handwritten signature in black ink that reads "Linda B. Oliver". The signature is written in a cursive, flowing style.

Linda B. Oliver, Acting Director
Department of Defense
Office of Small Business Programs