

dollar activity (\$60 million divided by \$150 billion for the first 3 quarters of the fiscal year). Based on FY 2001 data, the proposed rule will impact approximately \$3 billion in orders placed against Federal Supply Schedules (FSS), GWACs, and multi-agency contracts. Applying the contract bundling estimate of 0.0004% to these un-reviewed orders, SBA expects approximately \$1 million will be identified as bundled. This proposed rule establishes 3 dollar thresholds ranging from \$2 million or more for the majority of civilian agencies to \$7 million or more for the Department of Defense. The dollar amounts are based on a comparative analysis of the number and size of the contracting actions of the major procuring activities and are intended to target reviews of the contracting actions that would most likely involve contract bundling without unduly disruption the acquisition process of the individual agency.

4. Description of the Projected Reporting, Recordkeeping, and Other Compliance Requirements of the Rule, Including an Estimate of the Classes of Small Entities Which Will Be Subject to the Requirement and the Type of Professional Skills Necessary for Preparation of the Report or Record

The proposed rule imposes no reporting, recordkeeping, or other compliance requirements.

5. Relevant Federal Rules That May Duplicate, Overlap, or Conflict With the Rule

None.

6. Description of Any Significant Alternatives to the Proposed Rule Which Accomplish the Stated Objectives of Applicable Statutes and Which Minimize the Rule's Economic Impact on Small Entities

Currently, there are no practical alternatives that will accomplish the objectives of this proposed rule. However, SBA invites alternative proposals from the public.

List of Subjects in 13 CFR Part 125

Government contracts, Government procurement, Reporting and Recordkeeping requirements, Small business, Technical assistance.

For the reasons set forth in the preamble, SBA proposes to amend part 125 of title 13 of the Code of Federal Regulations as follows:

PART 125—GOVERNMENT CONTRACTING PROGRAMS

1. The authority citation for 13 CFR part 125 continues to read as follows:

Authority: 15 U.S.C. 634(b)(6), 637 and 644; 31 U.S.C. 9701 and 9702.

2. Amend § 125.2 as follows:

- a. By revising the heading of paragraph (b);
- b. By revising paragraph (b)(1);
- c. By redesignating paragraphs (b)(2) through (b)(7) as paragraphs (b)(3) through (b)(8);
- d. By adding paragraph (b)(2);
- e. By revising redesignated paragraph (b)(3), introductory text, (b)(6)(iii), and (b)(8);
- f. By revising paragraphs (d)(1)(iii), (d)(2) (i) and (ii), (d)(5)(i) (A) and (B) and (d)(7), and adding paragraphs (d)(1) (iv) and (v);
- g. By adding paragraph (e).

The revisions and additions to § 125.2 read as follows:

§ 125.2 Prime contracting assistance.

(b) *Responsibilities in the acquisition planning process.* (1) SBA Procurement Center Representatives (PCRs) are generally located at Federal agencies and buying activities which have major contracting programs. PCRs are responsible for reviewing all acquisitions not set-aside for small businesses to determine whether a set-aside is appropriate and to identify alternative strategies to maximize the participation of small businesses in the procurement.

(2) As early in the acquisition planning process as practicable, but no later than 30 days before the issuance of a solicitation, the procuring activity must coordinate with the procuring activity's Small Business Specialist (SBS) when the acquisition strategy contemplates award of a contract or order meeting the dollar amounts in paragraph (b)(2)(i) of this section, unless the contract or order is entirely reserved or set-aside for small business concerns as authorized under the Small Business Act. The SBS must notify the agency Office of Small and Disadvantaged Business Utilization (OSDBU) if the strategy or plan includes bundled requirements that the agency has not identified as bundled or includes unnecessary or unjustified bundling of requirements.

(i) The procuring activity must coordinate the acquisition strategy with the cognizant SBS in accordance with paragraph (b)(2) of this section if the estimated contract or order value is:

(A) \$7 million or more for the Department of Defense;

(B) \$5 million or more for the National Aeronautics and Space Administration, the General Services Administration, and the Department of Energy; and

(C) \$2 million or more for all other agencies.

(3) A procuring activity must provide a copy of a proposed acquisition strategy (e.g., Department of Defense Form 2579, or equivalent) to the applicable PCR (or to the SBA Office of Government Contracting Area Office serving the area in which the buying activity is located if a PCR is not assigned to the procuring activity) at least 30 days prior to a solicitation's issuance whenever a proposed acquisition strategy: * * *

* * * * *

(6) * * *
(iii) The PCR will also work to ensure that small business participation is maximized through teaming arrangements and subcontracting opportunities. This may include:

(A) Recommending that the solicitation and resultant contract specifically state the small business subcontracting goals, which are expected of the contractor awardee;

(B) Recommending that the small business subcontracting goals be based on total contract dollars instead of subcontract dollars; and

(C) Reviewing an agency's oversight of its subcontracting program, including its overall and individual assessment of a contractor's compliance with its small business subcontracting plans. The PCR will furnish a copy of the information to the SBA Commercial Market Representative (CMR) servicing the contractor.

* * * * *

(8) PCRs will work with the cognizant SBS and agency OSDBU as early in the acquisition process as practicable to identify proposed solicitations that involve bundling, and with the agency acquisition officials to revise the acquisition strategies for such proposed solicitations, where appropriate, to increase the probability of participation by small businesses, including small business contract teams, as prime contractors. If small business participation as prime contractors appears unlikely, the SBS and PCR will facilitate small business participation as subcontractors or suppliers.

* * * * *

(d) * * *

(1) * * *

(iii) Single contract, as used in this definition, includes:

(A) An indefinite quantity contract awarded to two or more sources under a single solicitation for the same or similar supplies and services; and

(B) An order placed against an indefinite quantity contract under a Federal Supply Schedule contract or a