



DEPUTY SECRETARY OF DEFENSE  
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WASHINGTON, DC 20301-1010

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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT

SUBJECT: Advancing Small Business Contracting Goals in FY 2012

Small businesses are essential to our nation's economic recovery. They produce more jobs and contribute more to gross domestic output than any other part of the industrial base. More importantly, small businesses represent a major source of innovative solutions to warfighting needs that help maintain our status as the world's finest military. Because the Department of Defense (DoD) comprises the largest segment of the federal budget, DoD's support of small businesses has the greatest potential impact across the federal government.

Over the past year, the Department has taken significant steps to help the federal government meet its 23-percent statutory small business prime contracting goal. Some of these steps include the reduction of barriers to entry for small businesses and raising awareness within the Department about small business capabilities and their contributions to our national security.

As I have said before, it is not the sole responsibility of contracting officers to achieve this goal but the collective responsibility of every leader who manages a budget and allocates funds that will go to contract. Therefore, to improve DoD's small business contracting performance, Senior Executives will be rigorously evaluated and held accountable for meeting DoD small business contracting goals. Beginning in FY2012, a mandatory performance requirement will be included in the Contribution to Mission Accomplishment Performance Element for Executives that acquire services or supplies, direct other DoD organizations to acquire services or supplies, or oversee acquisition officials, including program managers, contracting officers, and other acquisition workforce personnel responsible for formulating and approving acquisition strategies and plans.

The mandatory performance requirement shall read: "Support the attainment of established DoD small business goals by considering potential small business contracting opportunities during the acquisition process and by establishing a command or program climate that is responsive to small business concerns. Ensure that small business awareness, outreach and support is incorporated as part of the command's overall mission and establish performance measures that reflect that commitment. Establish, for acquisitions under the executive's purview, annual goals for awards to small business concerns in each category that has a statutory goal. The goal should not be less than the performance achieved during the preceding fiscal year. Develop a corresponding spend plan that establishes the forecasted performance baseline,

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based on known procurement actions in the budget that can be used to track and report progress to the USD(AT&L).”

By working together, we can achieve our goals and ensure that small businesses continue to play a dynamic role in strengthening our defense industrial base and improving our acquisition outcomes.

A handwritten signature in cursive script, reading "Carlisle A. Carter". The signature is written in black ink and is centered on the page.