



OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-3000

OCT 27 2006

ACQUISITION,
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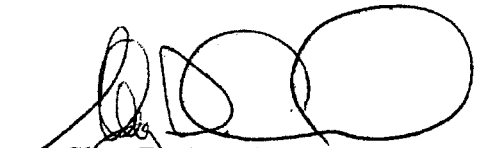
MEMORANDUM FOR: SEE DISTRIBUTION

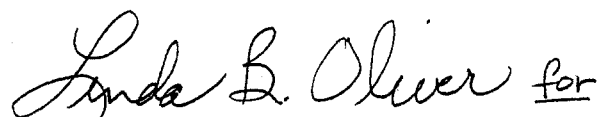
SUBJECT: Correcting Business Size Errors in Fiscal Year 2005 Contract Action Reports in FPDS-NG

As a result of Congressional inquiries, the Administrators of the Office of Federal Procurement Policy and the U.S. Small Business Administration (SBA) have asked Federal agencies to correct or reconcile reporting discrepancies in the FY 2005 FPDS-NG database on contracts that were reported as small business contracts that were actually awarded to contractors that may not have been small business concerns.

Attached are the instructions for correcting business size errors in fiscal year 2005 contract action reports in FPDS-NG and a spreadsheet that lists all of the contract action reports questioned by Congress. Please follow the instructions for correcting the data in FPDS-NG or reconciling the reported discrepancy on the spreadsheet, and submit your organization's consolidated, completed spreadsheet not later than November 17, 2006, to Ms. Kathryn Ekberg at kathryn.ekberg@osd.mil. The Department will submit a complete report to the SBA who will then provide the information to Congress by November 22, 2006.

The Defense Procurement and Acquisition Policy point of contact is Ms. Susan Pollack, susan.pollack@osd.mil, 703-697-8336. The Office of Small Business Programs point of contact is Ms. Kathryn Ekberg, kathryn.ekberg@osd.mil.


Shay D. Assad
Director, Defense Procurement
and Acquisition Policy


Frank M. Ramos
Director, Small
Business Programs

Attachments:
As stated



DISTRIBUTION:

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CC:

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DIRECTOR, OFFICE OF SMALL BUSINESS PROGRAMS, NAVY

DIRECTOR, OFFICE OF SMALL BUSINESS PROGRAMS, AIR FORCE

DIRECTOR, OFFICE OF SMALL BUSINESS PROGRAMS, DLA

DIRECTOR, SMALL BUSINESS PROGRAMS, MDA

Attachment

Instructions for correcting business size errors in FY2005 Contract Action Reports in FPDS-NG:

The attached Excel spreadsheet lists all the contract action reports questioned by Congresswoman Velazquez. The data was separated initially by types of entities.

As this data was input as DD350s but has been migrated to FPDS-NG, the data must be corrected in FPDS-NG. This must be accomplished with a manual log-on by the system administrator or other individual in each contracting office with the “correct” capability (a particular authorization within FPDS-NG). This cannot be accomplished by changing the data in the contract writing system. As there are no edits applied to the contract action reports while in the “correct” mode, we recommend the system administrator correct the records in order to limit the potential of inadvertently changing other data fields by others not familiar with the “correct” function in FPDS-NG.

All the contract action reports recording awards to government entities, universities, hospitals, foreign entities, and non-profit entities must be changed to “other than small business” in the FPDS-NG field titled, “Contracting Officer’s Business Size Determination” on the contract action report for the basic contract which will cause all the subsequent reports for orders or modifications to be corrected at the same time. Input the date this was corrected in column N of the worksheet. If a contract action report has been inadvertently placed in the wrong worksheet for type of entity, highlight the row in yellow, correct the type business in column M, and identify what action(s) was taken on the contract action report, plus include the date the action was taken.

From the information gathered in CCR and the GSA eLibrary, it appears that all the contract action reports for awards identified in the “Small Business” worksheet were correctly coded. Nevertheless, please review all the listed “Small Business” contract action reports for your agency and type “Correct” in column N if the contractor is currently a small business. If the business size at time of award was other than small, correct the size in column M, input the date changed in FPDS-NG in column N, and highlight the row in yellow.

From the data available on CCR or the GSA eLibrary, it could not be determined if the contract action reports in the worksheets as LB were actually large businesses miscoded as small businesses; companies which were small at time of award, but now large; small for the specific NAICS in the contract; or small businesses bought by large businesses.

Please review all the contract action reports for your organization and identify in column N, “Miscoded”, and the date corrected. However, if the business was a small business at time of award, but is now a large business, in column N type “now LB” and the date the contractor became a large business and change L to S in column M. In column N type “SB for this NAICS” if the business entity is a small business for the primary NAICS in the contract and change L to S in column N. If a small business has been bought out by a large business, type “buyout by LB” and the date of the buyout in column N and change L to S in column M.

DO NOT change contract action reports from one worksheet to another. If a contract action report is on the incorrect worksheet, correct the data and highlight the row in yellow. With potentially every contracting office in DOD making changes it will be impossible to ensure actions have not been lost or double counted if individual offices move awards from one worksheet to another.