

PM NGEN Responses to Industry Comments & Questions - Updated Small Business Questions

Item #	Document Name and Version	Issue/Comment	Question	Response
660	General Comment	Ref: K-15 52.219-1 Small Business Program Representations (DRFP pg 399) This section states that "... the NAICS for this acquisition is 541512". We believe this is overly restrictive and there are other qualified SB NAICS which can provide beneficial technical support to NGEN requirements. We request clarification.		The Government believes it has selected the correct NAICS code for this solicitation. The PMO and SPAWAR Director the Office of Small Business Programs agree that this is the correct code. In accordance with FAR 19.102, for size standard purposes, a product or service shall be classified in only one industry, whose definition best describes the principal nature of the product or service being acquired even though for other purposes it could be classified in more than one. In addition, when acquiring a product or service that could be classified in two or more industries with different size standards, contracting officers shall apply the size standard for the industry accounting for the greatest percentage of the contract price. The Government team reviewed and compared the PWS task requirements against the recommended NAICS Codes and determined that NAICS 541512 is the most appropriate for the planned tasking.
733	Sec L_Instructions, Conditions and Notices to Offerors or Respondents	The Total Small Business requirement is 35% of the total amount of subcontracted dollars. If two large businesses, A&B, prime the ES and TXS proposals, but team up for the combined proposal, this objective may be very difficult to achieve. For example, suppose A primes ES, and awards 35% of the subcontracted dollars to small businesses. If A then primes the combined proposal, with B as a subcontractor, the small business dollars will be much less than 35% of the total.	Please clarify the small business requirements for the combined proposal.	Small business requirements will be provided in section L-15 of the RFP and have been updated to include 2nd and 3rd tier subcontractors. The total amount of Subcontracted dollars will be 35% of the contract price.
736	Sec L_Instructions, Conditions and Notices to Offerors or Respondents	The solicitation clauses require two plans but the instructions on p. 420 refer to one plan.	Please confirm both a Small Disadvantaged Participation Plan and a Small Business Plan are required as part of this proposal submission.	Only one Small Business Subcontracting Plan is required per FAR Part 19.7.
661	General Comment		CFR 121.410 (Small Business Subcontracting Program) states that "... a concern is small for subcontracts which relate to Government procurements if it does not exceed the size standard for the NAICS code that the Prime contractor believes best describes the product or service being acquired by the subcontract." So, as an example, will a Prime receive SB credit for assigning work to a SB NAICS 517110 "... primarily engaged in operating and/or providing access to transmission facilities and infrastructure ... for the transmission of voice, data, text, sound, and video using wired telecommunications networks"? The variety of different kinds of work required on a large procurement such as NGEN, requires access to a number of different NAICS. No one NAICS could possibly be able to meet the 35% SB requirement for this procurement.	The Government's position on the designated NAICS will be reflected in the Final RFP. Additionally, in accordance with the information provided in the briefing slides at Industry Day the Government will distribute the 35% small business goal consistent with DoD objectives. The primary NAICS code is applicable to the prime contract. The small business is not required to have the NAICS code of the prime contract. For purposes of determining size status for Subcontractors, a company is considered "small" if the company is certified as small as determined by the SBA size standard for the appropriate NAICS for the specific work being subcontracted and which is the principal service/supply being provided by the Subcontractor.

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857	General Comment		<p>It is questionable that enough companies under the NAICS 541512 size standard will have the financial backing as well as the technical breadth and depth necessary to competitively address NGEN's wide ranging IT requirements. There are a lot of functions 541512 companies cannot perform under NGEN, making it nearly impossible for a Prime to meet the 35% SB goal. By NAICS definition, the 541512 industry is "primarily engaged in planning and designing computer systems that integrate computer hardware, software, and communication technologies" whereas the 517110 industry is "primarily engaged in operating and/or providing access to transmission facilities and infrastructure ... for the transmission of voice, data, text, sound, and video using wired telecommunications networks." NAICS code 517110 is the best choice for SB participation in the NGEN acquisition and the operations and maintenance of the DON network.</p>	<p>As discussed at the October 2011 Industry day, the Government believes this is the correct NAICS code. Any changes to this position will be reflected in the RFP</p>
858	General Comment		<p>On NMCI and the current CoSC contract the prime contractor is able to claim small business credit if the small business subcontractor is a tier 1 sub or a tier 2 sub. The offeror requests this methodology be continued for NGEN as it allows more small business participation without adding increased costs to the contract. Currently, we can leverage an established, scaled, turn-key small business network that will provide significant cost efficiencies to the NGEN program. Discontinuing the NMCI/CoSC small business credit methodology will actually force a decrease in revenue flow via existing Tier 2 small business subcontractor networks.</p>	<p>The contractor will be able to claim small business credit down to the tier 3 level.</p>
859	General Comment		<p>For a prime to receive Small Business credit for efforts of a subcontractor, does that subcontractor have to be a "small" under only 541512? Or if a company is subcontracted to perform certain work under NGEN by the prime, and the company is qualified as a small business under the appropriate NAICS code for that particular work (not 541512), will the prime receive small business credit?</p>	<p>Credit will be given for eligible small businesses. The primary NAICS code is applicable to the prime contractor.</p>
860	General Comment	<p>Currently, the NGEN Draft RFP, pg 399, K-15,(a),(1) sets the NAICS code for Small Business (SB) representation as 541512 (<\$25M). We believe this NAICS code fails to significantly satisfy the specified requirements in NGEN and that the "best fit" for the level of effort required to support the preponderance of DON IT requirements is NAICS 517110 (<1500 employees)</p>		<p>As discussed at the October 2011 Industry day, the Government believes this is the correct NAICS code. Any changes to this position will be reflected in the RFP.</p>