

Inside Defense

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NDIA opposes Section 809 panel recommendation on small business set-asides

The National Defense Industrial Association is opposing a recommendation in the Section 809 panel's report to end mandatory small-business set-asides.

The panel's report states the "current system of small business set-asides would be changed in favor of a small business price preference for evaluation purposes."

"The Military Services and Defense Agencies, through their contracting activities, would be required to use small-businesses strategically," the report reads.

Included in the report is a proposal to provide a 5 percent price preference for small businesses.

In a white paper, NDIA backs set-asides, contending they "create opportunity for new entrants into the federal marketplace, fulfilling a stated goal of the Department of Defense."

Additionally, the association argues a 5 percent price preference is not equivalent to existing set-asides.

In an interview with *Inside Defense*, Wes Hallman, senior vice president for policy at the organization, said NDIA is in favor of the "vast majority" of the Section 809 panel's recommendations.

"At the end of the day, this would require a legislative fix," he said of the set-aside proposal. "I don't know if this one is going to have legs on [Capitol] Hill or not."

Corbin Evans, director of regulatory policy at NDIA, said during the same interview the price preference would have to far exceed 5 percent to truly be equivalent.

"A price preference -- while it may be helpful to encourage them to win awards -- would have to be pretty significant," he said. "Essentially, 5 percent is not the number it would have to be."