



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH, DEVELOPMENT AND ACQUISITION  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000

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MEMORANDUM FOR DISTRIBUTION

Subj: SMALL BUSINESS SIZE STANDARDS; ENGINEERING SERVICES,  
ARCHITECTURAL SERVICES, SURVEYING, AND MAPPING SERVICES

Ref: (a) Federal Register, Vol. 64, No. 93, Friday, May 14,  
1999, Pages 26275-26281

By reference (a), the Small Business Administration (SBA) issued a final rule, effective June 14, 1999, that establishes a small business size standard of \$4.0 million in average annual receipts for general Engineering Services (part of Standard Industrial Classification (SIC) 8711), Architectural Services (SIC 8712), Surveying (SIC 8713) and Mapping Services (part of SIC 7389). In addition, please note that the other size standards applicable to Engineering Services under SIC 8711 (Military and Aerospace Equipment and Military Weapons - \$20 million; Marine Engineering and Naval Architecture - \$13.5 million; and Contracts and Subcontracts for Engineering Services Awarded Under the National Energy Policy Act of 1992 - \$20 million) were not reviewed as part of SBA's proposed rule and are not changed by the final rule.

All solicitations issued on or after June 14, 1999, should reflect the new size standard. In addition, care should be taken to ensure that notices published, or about to be published, in the Commerce Business Daily reflect the proper small business size standard. Solicitations pending as of June 14, 1999 should be amended to reflect the revised small business size standard unless the Chief of the Contracting Office determines that it is not in the best interests of the Government to do so.

We anticipate that the revised small business size standard will enhance the participation rate of small business concerns in our Small and Disadvantaged Business Utilization prime contracting and subcontracting programs. Accordingly, contracting officers, working in concert with the activity's small business specialist, should assess what impact the revised small business size standard may have on the contracting activity's application(s) of the regulatory criteria for

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effecting SBA Section 8(a) program reservations, as well as small business set-asides. In addition, the revised small business size standard should be considered when developing source selection evaluation factors, negotiating subcontracting plans, and monitoring prime contractor contract performance.

*Elliott B Branch*

Elliott B. Branch  
Executive Director  
Acquisition and Business  
Management

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