



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

PROCUREMENT MEMORANDUM 2022-03

ACTION

MEMORANDUM FOR: Senior Bureau Procurement Officials

FROM: Olivia J. Bradley
Acting Senior Procurement Executive
and Director for Acquisition Management

SUBJECT: Category Management and Small Business and Socio-Economic Program Goals

Background

The Office of Management and Budget (OMB) is committed to promoting a stronger and clearer alignment between the acquisition stewardship practices promoted by category management and the goal of advancing equity in procurement. The category management infrastructure built to help the Government become a more organized and informed buyer can be effective in supporting agencies as they promote more equitable buying practices. OMB Memorandum [M-22-03](#), *Advancing Equity in Procurement*, specifically implements a number of category management reforms to advance the participation of socio-economic small businesses in the Federal marketplace, including small disadvantaged businesses as well as women-owned small businesses, service-disabled veteran-owned small businesses, and HUBZone small business. Additionally, M-22-03 revises several key areas implemented by [M-19-13](#), *Category Management: Making Smarter Use of Common Contract Solutions and Practices*, including the Tier 2-Spend Under Management (SUM) credit that agencies will receive automatically for all awards made to socio-economic small businesses, irrespective of the contract vehicle used to make the award.

Purpose

The purpose of this memorandum is to outline the Department's plans for achieving SUM while managing small business and socio-economic program goals within Category Management.

Actions

The achievement of socio-economic and other small business goals shall be prioritized over achievement of category management and Best-in-Class (BIC) goals if the achievement of all goals is not possible. Bureaus and operating units will remain fully responsible for meeting and exceeding their small business and socio-economic small

business contracting goals. The process for receiving SUM credit for contracts¹ awarded to small businesses and socioeconomic small businesses is as follows:

- a. The Department will automatically receive Tier 2 SUM credit towards agency category management goals for all awards made to certified and self-certified socio-economic small businesses. For purposes of this guidance, “socio-economic small business” refers to 8(a) and other small, disadvantaged businesses, women-owned small businesses, service-disabled veteran-owned small businesses, and small businesses working in HUBZones.
- b. The Department will receive Tier 1 SUM credit for spending awarded to a small business contractor other than a socio-economic small business, including under smaller decentralized set-aside contracts, if that award is designed to achieve small business goals and is conducted pursuant to a comprehensive, organized, agency-level strategy. Quarterly, the Office of Acquisition Management will utilize FPDS-NG to generate a list of awards to small business concerns that were not awarded utilizing a Tier 1, 2, or 3 contract vehicle and send it to the Senior Bureau Procurement Official. The Senior Bureau Procurement Official shall validate or revise the list in accordance with the instructions and due dates provided. Those offices not utilizing FPDS-NG shall submit a full listing of applicable awards to the OAM mailbox (oam_mailbox@doc.gov) within 10 business days of the end of each fiscal year quarter.

Effective Date

This Procurement Memorandum is effective immediately and shall be applicable to all awards made in fiscal year 2022. It remains in effect until rescinded or modified.

Questions

Please direct any questions regarding this Procurement Memorandum [OAM Mailbox@doc.gov](mailto:OAM_Mailbox@doc.gov).

¹ For purposes of this Procurement Memorandum the term “contract” has the meaning as defined in section 2.101 of the FAR and includes orders under indefinite delivery, indefinite quantity contracts and blanket purchase agreements.