

**BY ORDER OF THE  
SECRETARY OF THE AIR FORCE**

**DEPARTMENT OF THE AIR FORCE  
POLICY DIRECTIVE 90-18**



**9 FEBRUARY 2023**

***Special Management***

***SMALL BUSINESS PROGRAMS***

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**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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This Directive implements the Small Business Act, Title 15, United States Code (USC) §631, *et seq.*; 10 USC §9024, *Director of Small Business Programs*; 10 USC § 4901, *Department of Defense Small Business Strategy*; Public Law 107-198, *Small Business Paperwork Relief Act (SBPRA)*; Public Law 104-121 as amended by Public Law 110-28, *Small Business Regulatory Enforcement Fairness Act (SBREFA)*; Department of Defense Instruction (DoDI) 4205.01, *DoD Small Business Programs*; DoDI 5134.04, *Director of Small Business Programs*; and the Headquarters Air Force Mission Directive (HAFMD) 1-30, *Director, Small Business Programs*. This publication applies to the Regular Air Force, U.S. Space Force (USSF), Department of the Air Force government civilian employees, and members of the Air Force Reserve. It applies to those elements of the Air National Guard in Federal service, except where noted otherwise in the Defense Federal Acquisition Regulation Supplement (DFARS) Procedures, Guidance, and Information, Section 202.101, *Definitions*. It also applies to those who are contractually bound to follow DAF issuances. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the Department of the Air Force (DAF) Form 847, *Recommendation for Change of Publication*; route DAF Forms 847 from the field through the appropriate functional chain of command. Ensure all records generated as a result of processes prescribed in this publication adhere to AFI 33-322, *Records Management and Information Governance Program*, and are disposed in accordance with the USAF Records Disposition Schedule, which is located in the USAF Records Information Management System.

## ***SUMMARY OF CHANGES***

This document has been revised and should be completely reviewed. Changes include updating to (1) align with HAFMD 1-30 and (2) updating Department of the Air Force (DAF) Small Business objectives and policy to include USSF.

**1. Background.** The primary mission of the DAF Office of Small Business Programs (SAF/SB) is to lead the DAF by directing, managing, measuring, and overseeing execution of the DAF Small Business Programs directly in support of the DAF missions and priorities. Consistent with DoDI 4205.01 and the DoD Small Business Strategy, DAF Small Business Programs include programs for small business categories such as the Small Disadvantaged Business Program, the Section 8(a) Business Development Program for Small Disadvantage Business, the Historically Underutilized Business Zone (HUBZone) Small Business Program, the Service-Disabled Veteran-Owned Small Business Program, the Veteran-Owned Small Business Program, the Women-Owned Small Business Program, as well as the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs, the DoD Mentor-Protégé Program, and all other small business programs, activities, and efforts in the DAF. Small businesses can provide commanders agile, innovative, and efficient means to meet warfighter needs and maintain a strong industrial base. DAF commanders/directors must continually plan, execute, and measure contract awards to maximize opportunities for small businesses.

**2. Objective.** The objective of DAF Small Business Programs is to utilize small businesses to ensure timely, reliable, and cost-effective delivery of products and services in support of the Airmen and Guardian warfighters. The President, Congress, and DoD leadership have recognized the contributions of small businesses to the industrial base, and America's ability to successfully overcome threats ranging from non-state actors to near-peer competitors. Both branches of Government have directed Federal agencies to allocate a fair share of their contracts, subcontracts, agreements, and sub-agreements for small business. DAF promotes maximum practicable opportunities for small businesses to participate in Research, Development, Testing, and Evaluations (RDT&E), technology transfer and transition, as well as in all other aspects of the acquisition process.

**3. Policy.** It is DAF policy that small businesses have a maximum practicable opportunity to participate in DAF total purchases, contracts, subcontracts, and other agreements and sub-agreements for property and services, and that small businesses receive a fair proportion of such awards and sub-awards. Additionally, it is DAF policy that small businesses receive effective assistance with regulatory, contractual, or policy compliance. All DAF programs and activities related to small businesses shall be carried out so as to further national defense programs, priorities, and purposes for the Department of Defense acquisition system, including: (1) use of federal investments in technologies, programs, and product support to achieve the National Security Strategy and the National Defense Strategy; (2) support for current and future Armed Forces; and (3) acquisition of quality products that satisfy user needs with measurable improvements to mission capability and operational support, in a timely manner, and at a fair and reasonable price. Further, DAF Small Business Programs shall support the policy objectives of Executive Order (EO) 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* (20 January 2021), EO 14005, *Ensuring the Future Is Made in All of America by All of America's Workers* (25 January 2021), EO 14017, *America's Supply Chains* (24 February 2021), EO 14058, *Transforming Federal Customer Experience and Service Delivery to Rebuild*

*Trust in Government* (13 December 2021), and EO 14036, *Promoting Competition in the American Economy* (09 July 2021), as may be further prescribed in Office of Management and Budget (OMB) or DoD implementation plans or guidance, and to the extent relevant and applicable to small businesses under pertinent laws and regulations. The DAF Office of Small Business Programs establishes policy, guidance, and procedures to plan, execute, and measure the effectiveness of the DAF Small Business Programs.

#### **4. Roles and Responsibilities:**

##### **4.1. The Director, SAF/SB, is responsible for:**

4.1.1. Developing and managing the DAF's Small Business Programs, including developing policies for approval by the Secretary of the Air Force, and issuing policies, goals, guidance, and procedures necessary to implement and execute small business programs in DAF acquisitions and assistance transactions.

4.1.2. Ensuring that DAF Small Business Programs are aligned with the DoD Small Business Strategy, applicable Executive Orders and OMB guidance, and the DAF strategic priorities, as well as assessing the impact of small business programs on small business development.

4.1.3. Providing oversight of SBIR and STTR programs to ensure program consistency with Small Business Administration's (SBA's) SBIR/STTR Policy Directive as well as with other SBA and DoD guidance.

4.1.4. Appointing and designating individual Small Business Professionals (SBPs) in accordance with the Small Business Act, DoDI 4205.01 and SecAF Memorandum, *Roles, Responsibilities, and Resourcing for AFWERX*, dated 19 January 2021.

4.1.5. Assessing the effectiveness and efficiency of DAF Small Business outreach initiatives, consistent with law and guidance from OMB, SBA, and DoD.

##### **4.2. The Offices of the Assistant Secretary of the Air Force for Acquisition, Technology and Logistics (SAF/AQ) and the Assistant Secretary of the Air Force for Space Acquisition and Integration (SAF/SQ) are responsible for:**

4.2.1. Effectively implementing small business programs within their activities, to include achieving program goals and aligning small business programs with DAF requirements as part of acquisition strategies.

4.2.2. Through AFWERX and SpaceWERX, managing the execution of SBIR/STTR programs, including by programmatic execution oversight, policy, and implementing guidance and procedures, consistent with SecAF Memorandum, *Roles, Responsibilities, and Resourcing for AFWERX*, dated 19 January 2021.

4.2.3. Ensuring maximum practicable opportunities for small business participation in DAF procurement and non-procurement transactions, and establishing small business-friendly climate throughout the DAF acquisition workforce.

##### **4.3. All DAF senior leaders, commanders, and personnel responsible for planning, supporting, directing, funding, managing, overseeing, setting policy or program requirements for, or executing acquisitions and assistance transactions will:**

4.3.1. Aid, counsel, and assist small businesses in doing business with the DAF.

- 4.3.2. Promote effective outreach efforts to interest, encourage, and assist small businesses to provide innovative, efficient, and agile capabilities to support the DAF mission.
- 4.3.3. Advocate and facilitate for the maximum practicable placement of DAF purchases, contracts, subcontracts, and agreements and sub-agreements of any kind, with small businesses.
- 4.3.4. Ensure small business programs are implemented to be aligned with the DoD Small Business Strategy as well as DAF, USAF, and USSF strategic priorities.
- 4.3.5. Recognize and incentivize DAF organizations and personnel for outstanding contributions to small business programs, to include transition of SBIR/STTR technologies to the warfighter.
- 4.3.6. Ensure that all applicable congressional, executive branch, and DoD policies, preferences, special considerations, and other tools for support of small businesses are fully implemented in DAF activities.
- 4.3.7. Ensure that small businesses receive effective regulatory, contractual, or policy compliance assistance, and that there is no retaliation against small businesses or their personnel for exercising SBREFA rights to raise concerns about DAF's regulatory enforcement actions, requirements, or policies.
- 4.3.8. Ensure that opportunities for small businesses to do business with the DAF are clearly identified.
- 4.3.9. Ensure that small businesses have access to program managers, contracting officers, and other DAF personnel that could be using small business products or services, to the extent necessary to inform such personnel of emerging and existing capabilities of small businesses.
- 4.3.10. Ensure that category management activities are carried out with early SAF/SB involvement, and are subject to meeting small business goals, diversifying the small business industrial base, and providing maximum practicable opportunity to small businesses, consistent with OMB Memorandum M-22-03, *Advancing Equity in Procurement* (02 December 2021).

Frank Kendall  
Secretary of the Air Force

## Attachment 1

## GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

*References*

The Small Business Act, 15 USC §631, *et seq.*

10 USC §9024, *Director of Small Business Programs*

Federal Grants and Cooperative Agreements Act, 31 USC §6301, *et seq.*

DoD Grants and Agreements Regulations, Title 32, Code of Federal Regulations (CFR), Section 21.605, *Acquisition*, 14 November 2022

DoD Grants and Agreements Regulations, 32 CFR Part 22, Subpart B, *Selecting the Appropriate Instrument*, 14 November 2022

SBA Regulations, 13 CFR Part 121, *Small Business Size Regulations*, 17 November 2022

SBA Regulations, 13 CFR Part 124, 8(a) *Business Development/Small Disadvantaged Business Status Determinations*, 17 November 2022

SBA Regulations, 13 CFR Part 125, *Government Contracting Programs*, 17 November 2022

SBA Regulations, 13 CFR Part 126, *HUBZone Program*, 17 November 2022

SBA Regulations, 13 CFR Part 127, *Woman-Owned Small Business Federal Contract Program*, 17 November 2022

DoDI 4205.01, *DoD Small Business Programs*, 8 June 2016

DoDI 5134.04, *Director of Small Business Programs*, 4 December 2017

HAF Mission Directive 1-30, *Director, Small Business Programs*, June 30, 2021

AFI 33-322, *Records Management and Information Governance Program*, 23 March 2020

DAFMAN 90-161, *Publishing Processes and Procedures*, 15 April 2022

Federal Acquisition Regulation (FAR) Part 19, *Small Business Programs*, 28 October 2022

FAR Section 2.101, *Definitions*, 28 October 2022

Defense Federal Acquisition Regulation Supplement (DFARS) Part 219, *Small Business Programs*, current edition

DFARS Part 227, *Patents, Data, and Copyright*, current edition

DFARS Appendix I, *Policy and Procedures for the DoD Pilot Mentor-Protégé Program*, current edition

DFARS Procedures, Guidance, and Information, Section 202.101, *Definitions*, 28 October 2022

Air Force Federal Acquisition Regulation Supplement (AFFARS) Part 5319, *Small Business Programs*, 2 May 2022

SBA Small Business Innovation Research (SBIR) Policy Directive, 2 May 2019

SBA Small Business Technology Transfer (STTR) Policy Directive, 2 May 2019

***Prescribed Forms***

None

***Adopted Forms***

DAF Form 847, *Recommendation for Change of Publication*

***Abbreviations and Acronyms***

**AFFARS**—Air Force Federal Acquisition Regulation Supplement

**CFR**—Code of Federal Regulations

**DAF**—Department of the Air Force

**DFARS**—Defense Federal Acquisition Regulation Supplement

**DoD**—Department of Defense

**DoDI**—Department of Defense Instruction

**EO**—Executive Order

**FAR**—Federal Acquisition Regulation

**HAF**—Headquarters Air Force

**HAFMD**—Headquarters Air Force Mission Directive

**HUBZone**—Historically Underutilized Business Zone

**OMB**—Office of Management and Budget

**OPR**—Office of Primary Responsibility

**RDT&E**—Research, Development, Testing and Evaluations

**SBA**—Small Business Administration

**SBIR**—Small Business Innovation Research

**SBPRA**—Small Business Paperwork Relief Act

**SBREFA**—Small Business Regulatory Enforcement Fairness Act

**STTR**—Small Business Technology Transfer

**U.S.**—United States

**USAF**—United States Air Force

**USC**—United States Code

**USSF**—United States Space Force

***Office Symbols***

**SAF/AQ**—Assistant Secretary of the Air Force for Acquisition, Technology, and Logistics

**SAF/SB**—Department of the Air Force Office of Small Business Programs

**SAF/SQ**—Assistant Secretary of the Air Force for Space Acquisition and Integration

## *Terms*

**Acquisition**—The acquiring by contract with appropriated funds of supplies or services (including construction) by and for direct use of the United States Government. It is defined more fully in the FAR Section 2.101, *Definitions*, and the DoD Grant and Agreement Regulations, 32 CFR Section 21.605, *Acquisition*.

**Agreement**—Includes a grant agreement or a cooperative agreement made to carry out public purposes and involving transfer of things of value. Such terms are defined more fully in the Federal Grants and Cooperative Agreements Act, 31 USC §6301, *et seq.* It also includes any other type of agreement, transaction, vehicle, or instrument for supplies, services, or property where the Department of the Air Force is authorized or required to include, solicit, incentivize, give special consideration, or maximize, participation by small businesses in any solicitations or terms at the agreement or sub-agreement level.

**Contract**—A mutually binding legal relationship, generally for procuring supplies, services, or property for direct use and benefit of the United States with appropriated funds. It is defined more fully in the Federal Grants and Cooperative Agreements Act, 31 USC §6301, *et seq.*; the Small Business Act, 15 USC §631, *et seq.*; the DoD Grant and Agreement Regulations, 32 CFR Part 22, Subpart B, *Selecting the Appropriate Instrument*; and FAR Section 2.101, *Definitions*.

**DoD Mentor-Protégé Program**—A DoD program that provides incentives to DoD contractors to assist protégé small businesses in enhancing their capabilities and increasing participation of such firms in government and commercial contracts. Program terms and definitions are found in DFARS Part 219, *Small Business Programs*, and Appendix I, *Policy and Procedures for the DoD Pilot Mentor-Protégé Program*.

**HUBZone**—A historically underutilized business zone that is an area that meets the location criteria specified in the Small Business Act, 15 USC §631, *et seq.*; the SBA Regulations, 13 CFR Part 126, *HUBZone Program*; and FAR Section 2.101, *Definitions*.

**HUBZone Small Business**—A small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the SBA and meets applicable ownership, location, and workforce criteria under the SBA Regulations, 13 CFR Part 126, *HUBZone Program*, and FAR Section 2.101, *Definitions*.

**Section 8(a) Small Disadvantaged Business**—A small disadvantaged business participating in the business development program established by the SBA under the authority of Section 8(a) of the Small Business Act, codified in 15 USC §637(a), *Additional Powers*. It is defined more fully in the SBA Regulations, 13 CFR Part 124, 8(a) *Business Development/Small Disadvantaged Business Status Determinations*, and FAR Section 2.101, *Definitions*.

**Service-Disabled Veteran-Owned Small Business**—A small business concern majority-owned, controlled, and managed by one or more service-disabled veterans, or, under certain circumstances, by the service-disabled veterans' spouse or permanent caregiver. It is defined more fully in the SBA Regulations, 13 CFR Part 125, *Government Contracting Programs*, and FAR Section 2.101, *Definitions*.

**Small Business**—Any entity or combination of entities which is generally organized as a for-profit business concern, is independently owned and operated, is not dominant in its field of operation, and meets the SBA size standards and SBA requirements regarding U.S. presence or

economic contribution. The definition of a small business concern, including exceptions and special cases, is provided more fully in the Small Business Act, 15 USC §631, *et seq.*; FAR Section 2.101, *Definitions*; and the SBA Regulations, 13 CFR Part 121, *Small Business Size Regulations*. Also includes any other entities to the extent the Department of the Air Force is required to designate or treat these entities as small business concerns in procurement or non-procurement matters by any applicable law, regulation, policy, procedure, or guidance.

**Small Business Innovation Research Program**—A program under which a percentage of the DAF’s research, development, testing, and evaluations appropriations is assessed and reserved for award to eligible small business concerns through a uniform process having three phases similar to the STTR Program. Only SBIR Phases I and II are funded under the SBIR Program assessment; Phase III is funded with non-SBIR funds. Relevant criteria and definitions are found in Sections 9 and 9b of the Small Business Act, codified in 15 USC §638, *Research and Development*, and Section 638b, *Reducing Vulnerability of SBIR and STTR Programs to Fraud, Waste, and Abuse*; the SBA Small Business Innovation Research (SBIR) Policy Directive; and DFARS Part 227, *Patents, Data, and Copyright*.

**Small Business Programs**—Includes programs for Small Businesses, Small Disadvantaged Businesses, Small Disadvantaged Businesses in the Section 8(a) Business Development Program, HUBZone Small Businesses, Service-Disabled Veteran-Owned Small Businesses, Veteran-Owned Small Businesses, and Women-Owned Small Businesses; the SBIR and STTR Programs, and the DoD Mentor-Protégé Program. Criteria and terms for these programs are provided in DoDI 4205.01, *DoD Small Business Programs*; the SBA Regulations; 13 CFR Part 124, 8(a) *Business Development/Small Disadvantaged Business Status Determinations*, Part 125, *Government Contracting Programs*, Part 126, *HUBZone Program*, and Part 127, *Woman-Owned Small Business Federal Contract Program*; FAR Section 2.101, *Definitions*, and Part 19, *Small Business Programs*; DFARS Part 219, *Small Business Programs*, and Appendix I, *Policy and Procedures for the DoD Pilot Mentor-Protégé Program*; AFFARS Part 5319, *Small Business Programs*; and the SBA Small Business Innovation Research (SBIR) Policy Directive, and Small Business Technology Transfer (STTR) Policy Directive. SBA Regulations and Policy Directives provide guidance to the extent they are applicable to the Department of Defense.

**Small Business Technology Transfer Program**—A program under which a percentage of the DAF’s research, development, testing, and evaluations appropriations is assessed and reserved for award to small business concerns partnering with eligible research institutions for eligible cooperative research and development through a uniform process having three phases similar to the SBIR Program. Only STTR Phases I and II are funded under the STTR Program assessment; Phase III is funded with non-STTR funds. Relevant criteria and definitions are found in Sections 9 and 9b of the Small Business Act, codified in 15 USC §638, *Research and Development*, and §638b, *Reducing Vulnerability of SBIR and STTR Programs to Fraud, Waste, and Abuse*; the SBA Small Business Technology Transfer (STTR) Policy Directive; and DFARS Part 227, *Patents, Data, and Copyright*.

**Small Disadvantaged Business**—A small business concern majority-owned, controlled, and managed by one or more socially and economically disadvantaged individuals or by eligible entities such as Native American tribes, Alaska Native Corporations, or Native Hawaiian Organizations. It is defined more fully in the SBA Regulations, 13 CFR Part 124, 8(a) *Business Development/Small Disadvantaged Business Status Determinations*, and FAR Section 2.101, *Definitions*.



**Veteran-Owned Small Business**—A small business concern majority-owned, controlled, and managed by one or more veterans. It is defined more fully in the Small Business Act, 15 USC §631, *et seq.*, and FAR Section 2.101, *Definitions*.

**Women-Owned Small Business**—A small business concern majority-owned, controlled, and managed by one or more women. It is defined more fully in the FAR Section 2.101, *Definitions*, and the SBA Regulations, 13 CFR Part 127, *Woman-Owned Small Business Federal Contract Program*.