



News Release

U.S. ARMY FIELD SUPPORT COMMAND

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AFSC Awards Largest Small Business Set-aside in U.S. Army History

Rock Island, Ill. – Army Field Support Command (AFSC) awarded the largest total value small business set-aside contract in the history of the U.S. Army. For the first time in recent history, 40mm grenades were purchased as a complete system instead of component parts as in years past. Now, instead of buying each part of the grenade and sending the parts to a facility to be assembled into the end item, the government purchases the grenade and it is up to the contractor to provide each individual part and assemble them into a finished grenade. The contracts include the M918, M430A1, and M385A1 cartridges for the MK19 grenade launcher and M781, M583, and M433 cartridges for the M203 grenade launcher.

Two contractors, AMTEC Corporation of Janesville, Wisconsin, and DSE, Inc., also known as Balimoy, of Tampa, Florida were each awarded firm fixed price contracts, which include evaluated options which can last up to five years according to Procuring Contracting Officer Jim Prather. The six proposals submitted were evaluated in accordance with best value procedures, rather than evaluating based on low price. AMTEC, a small business, was awarded 55% of the items and 100% of the M385A1. Balimoy, a small disadvantaged business, was awarded 45% of the items, excluding the M385A1. More than \$80 million was initially placed on these contracts and could have an estimated value of \$1.3 billion if the options are exercised, according to Mr. Prather.

Steve Sullivan of the Army Field Support Command Small Business Office said that an award of this magnitude is not often awarded as a small business set-aside. Under the relaxed rules of the Small Business Administration in US Code, small businesses are able to use joint ventures as a way to compete against large businesses on high dollar procurements. Under joint ventures, several small businesses form an agreement to bid on the procurement as one small business entity. With their combined resources, a more competitive price can be proposed according to Mr. Sullivan.

According to Mr. Sanville, the Deputy Project Manager for Maneuver Ammunition Systems (PM MAS), this award is the culmination of a cutting edge acquisition strategy developed by PM MAS and approved by the Program Executive Officer for Ammunition. Army Field Support Command (AFSC), PM MAS, and the Small Business Administration, all made this cutting edge strategy a success.

“The up-front coordination between program, contracting and small business representatives, and the many information exchanges with industry that enabled extensive teaming was extraordinary. The 40mm systems acquisition will serve as a model for others,” stated Scott Crosson, Associate Director for Small Business at the U.S. Army Materiel Command (AMC). AMC is the higher headquarters for the Army Field Support Command. For Fiscal Year 2004, Army Field Support Command awarded 929 small business set-aside actions, which is 25.8 percent of total command contracts, for a dollar amount of \$195,829,695.

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