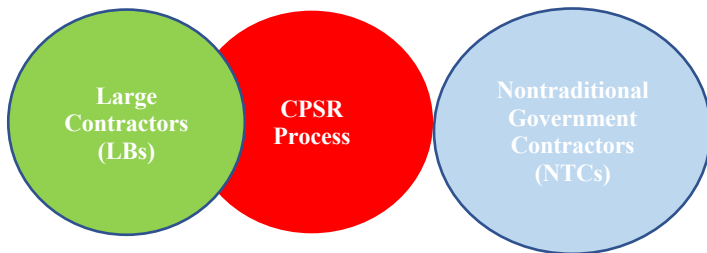


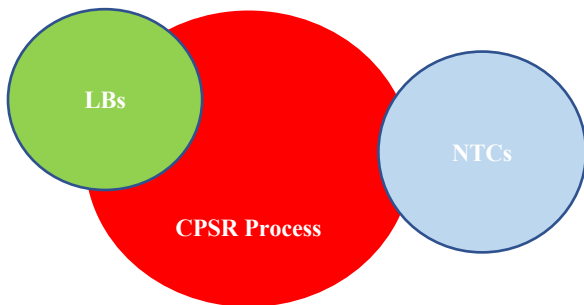
## Expansion of the Contractor Purchasing System Review (CPSR) Process Across the Industry 1986 - Present

### 1. CPSR Reach: 1986 - 2010



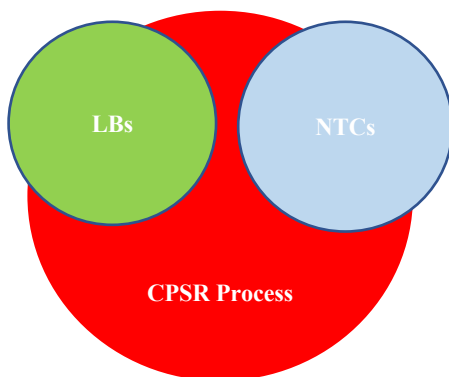
- Large Manufacturers targeted
- Small businesses were primarily subcontractors (not subject to review on any level)
- CPSR used primarily as performance and delivery surveillance mechanism over critical military and weapons systems.

### 2. CPSR Reach: 2010 – 2017



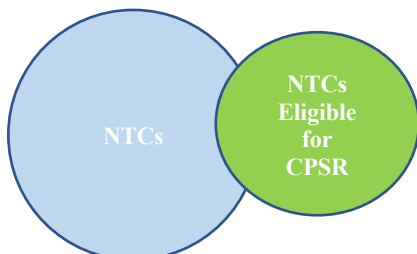
- CPSR revised to focus on cost controls in 2012 (DFARS 252.244-7001)
- Large IT contractors included in target group for CPSR
- SBs working on critical military systems also included.
- DOD/GSA begin experimenting with approved purchasing system requirement for access to prime vehicles (e.g. ALLIANT)

### 3. Current CPSR Reach (2018 – present)



- Pentagon study finds \$125B in avoidable waste over 5-year period
- CPSR Threshold doubled (\$25M-\$50M)
- Pentagon and GSA move forward with acquisition strategy that requires approved purchasing system to bid as prime on contracts for both critical military systems AND DoD IT support.
- KOs begin ad hoc allowances for “acceptable purchasing systems” for proposal purposes with no standards and no process for evaluation of SB purchasing systems during proposal process.

### 4. Practical Impact of Current Pentagon Acquisition Approach



- Drastic reduction in the number of NTCs qualified to directly contract with the Department of Defense on a range of issues including Artificial Intelligence specifically and Information Technology generally.
- Creation of SB tier that cannot prime significantly frustrates SBA’s primary mission of building and growing small businesses.