Department of Energy
Washington, DC 20585

April 11, 2008

MEMORANDUM FOR INGRID KOLB
DIRECTOR, OFFICE OF MANAGEMENT

THRU: KEVIN T. HAGERTY
DIRECTOR, OFFICE OF INFORMATION RESOURCES

FROM: THERESA SPEAKE, DIRECTOR
OFFICE OF SMALL & DISADVANTAGED
BUSINESS UTILIZATION

SUBJECT: Notice of Intent to Develop Order covering the Office of Small & Disadvantaged Business Utilization (OSDBU)

PURPOSE: To institutionalize the "best practices" and strategies developed by the OSDBU in response to small business requirements specified in statute, Executive Orders or directives by the Small Business Administration (SBA) and the Office of Federal Procurement Policy (OFPP).

JUSTIFICATION: The law (*15 U.S.C. Section 644*) requires that every Federal agency with procurement powers shall have an office known as the Office of Small and Disadvantaged Business Utilization. The office shall be responsible for the implementation of a small business program to include strategies to increase the probability of participation by small businesses as prime contractors or to facilitate small business participation as subcontractors and suppliers. In addition to the law, there have been several Executive Orders issued requiring that specific actions be taken in support of small businesses. The SBA and OFPP have also issued directives that mandate certain efforts and/or reports on small business.

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The OSDBU has developed "best practices" and strategies that have been very effective in increasing the participation of small businesses at both the prime and subcontract levels. The proposed Order will institutionalize the strategies outlined in the attached document.

The proposed Order does not duplicate existing laws, regulations or national standards and it does not create undue burden on the department.

IMPACT: The strategies to be institutionalized in this Order have clarified the overall purpose and direction of the small business office, provided clear and concise guidance to program offices, developed effective outreach and training both internally and externally, and engaged the programs and procurement staff in the development of the program all of which has resulted in an increase the prime contracting achievements for small business from approximately $540 million in FY 2001 (or less than 3% of the total obligations that year), to approximately $1.4 billion. During the same period of time, the level of subcontract awards went from $3 billion to $3.5 billion.

CONTACT: Brenda Degraffenreid, Program Analyst
Office of Small & Disadvantaged Business Utilization

CTA CONCURRENCE: Energy Undersecretary:

Science Undersecretary:

NNSA Undersecretary:

Topics for Proposed DOE OSDBU Order

SB Annual Strategic Plan

The OSDBU will prepare/issue an annual Small Business Strategic Plan that will address how the Department of Energy will operate its small business programs to include the below listed activities as well as requirements required by the U.S. Small Business Administration for development of a small business program and response to the SBA Scorecard.

SB Annual Policy Statement

There shall be prepared/issued annually an updated Secretarial SB Policy Statement.

Annual Goaling Process - Prime and Subcontracting

There shall be a goaling process conducted annually both for prime and subcontract goals.

Prime Contract goals: The OSDBU will conduct an annual "goaling session" at which time the program offices will be provided guidance on how to establish their goals. All program offices and the power administrations will be required to prepare/submit program goals to the OSBDU.

Subcontract goals: The OSDBU, in cooperation with the Office of Procurement Assistance and Management (OPAM) and Acquisition & Supply Management (AMS) offices, will survey the Facility Management Contractors (FMCs) to obtain their individual goals. The FMCs will prepare/submit subcontracting goals to the OSDBU.

The OSDBU will develop the department-wide prime and subcontract goals for approval by the Deputy Secretary prior to submittal to the SBA for their review/approval.

SB Reporting Requirements

The OSDBU will prepare a quarterly "scorecard" for each program office and power administration that will be provided directly to these offices and also submitted for inclusion in the DOE Consolidated Quarterly Performance Reports (CQPR). Additionally, the OSDBU will prepare an Annual SB Report to the Secretary no later than December 31st of each year that will summarize the accomplishments for the year including the goal accomplishments for both prime and subcontract goals.

SB Annual Conference

The OSDBU will conduct an annual small business conference which will be held on or about the end June each year at various locations across the country as recommended by the DOE Small Business Program Managers. The OSDBU will be responsible for selecting the final location and date for the conference and for developing the content and selecting the presenters. The conference will be co-sponsored under a Memorandum of Understanding with a non-profit organization.

SB Annual Secretarial Awards

The Secretary will issue annual SB recognition awards at the annual conference to recognize the contributions of small businesses, small business managers and others achieved in the prior fiscal year.

SB Business Opportunities Sessions (BOS)

The OSDBU will conduct monthly sessions for small businesses in order to provide "training and technical assistance" on the requirements for doing business with DOE and how to locate contracting opportunities. The BOS will provide the various DOE program offices the ability to promote their specific contracting opportunities.

Advanced Planning Acquisition Team (APAT)

The OSDBU will host the Advanced Planning Acquisition Team (APAT) on a monthly, or as needed basis, to review and make recommendations for the participation of small businesses on proposed acquisitions over $3 million, or complex acquisitions under $3 million prior to release of that acquisition. The team will consist of the OSDBU, the OPAM, the AMS, the Chief Acquisition Officer (CAO), the program office issuing the acquisition, and the SBA's Procurement Center Representative (PCR).

OSDBU Procurement Reviews – DOE F 4220.2

The OSDBU will conduct required reviews for acquisitions over $3 million. The review will require the signing of form DOE F 4220.2 by the program office, the SBA/PCR and the OSDBU.

Subcontracting Plan Reviews

All prime contractors with contracts over $550,000 –or $1.5 million if construction - must submit subcontracting plans. Plans must contain small business subcontracting goals that comply with the department wide goals or

must be submitted to the OSDBU for review and concurrence. All SBPMs will review subcontracting plans within their jurisdiction.

The OSDBU will conduct up to three subcontracting plan reviews on an annual basis to validate the information provided by the prime contractor to include, compliance with the FAR in the preparation of the plan, goal achievement and validation of the firms listed as small.

Mentor-Protégé Program

DOE will maintain a mentor-protégé program that allows a prime contractor with DOE to mentor a small business.

Small Business Database

The OSDBU will maintain a customized small business database that will be accessible to all program offices and DOE prime contractors to assist in market research. The database will be housed and maintained by the OSDBU.

Procurement Opportunities Forecast

The OSDBU will maintain a procurement opportunities forecast that will be populated with both prime and subcontract opportunities. This forecast will list all contracts proposed as far out as three years. The forecast data will be input by the small business program managers, contracting activities, and prime contractors.

Outreach Activities Calendar

The OSBU will develop and maintain an annual "outreach activities calendar" that identifies small business events throughout the country that the OSDBU or representatives of the program offices contracting activities, or prime contractors will support and the type/level of support to be provided.

Small Business Program Managers

All program offices, contracting activities and facility management contractors will designate a "small business program manager" (SBPM) who will serve as the advocate for small business. These SBPMs will respond to requests from small business for information on process and contract opportunities, will participate in DOE small business outreach activities, will populate the forecast, and will support the SB database.

The OSDBU will communicate periodically with all the SBPMs to update them on policy and procedures, will provide a desk manual on small business to each SBPM, and will host semi- annual meetings at which time/place there will be formal training provided for the SBPMs.

DOE Program account management

The OSDBU staff will be designated as "program account" managers to the various DOE program offices by the Associate Director for the OSDBU. These "program account managers" will serve as a liaison between the program office and the OSDBU. They will assist the program office in developing their goals, reporting their achievements, using the various small business databases, and market research.

Training programs

The OSDBU will conduct formal training for program offices once a year with regard to "goaling" and semi-annually to all SBPMs on policy and procedures.