



**US Army Corps
of Engineers®**

SMALL BUSINESS PROGRAM GUIDE

FOR GOVERNMENT AND INDUSTRY



“It is the declared policy of Congress that the government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise, to ensure that a fair proportion of the total purchases and contracts for property and services for the government be placed with small business enterprises, to ensure that a fair proportion of the total sales of government property be made to such enterprises, and to maintain and strengthen the overall economy of the nation.”

USACE Small Business Office Vision Statement:

Establish the USACE as the government's premier organization in assisting small businesses. We endeavor to provide procurement opportunities, train and counsel businesses for success, and establish a broad base of capable suppliers to support the Army's mission

USACE Small Business Organizational Values (in addition to Army Values)

- Integrity** - Honest and ethical. Doing the right thing, always.
- Fair and objective decision making and problem solving.
- Service** - Committed to counseling and training small businesses in growth and development
- Providing accurate and responsive answers (internally and externally) in a cooperative team building manner.
- Advocacy** - Fostering an environment in the COE that promotes the maximum number of participation opportunities for small businesses.
- Developing and implementing the policy, guidance, and command oversight for the COE Small Business Program.

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SMALL BUSINESS PROGRAM GUIDE FOR GOVERNMENT AND INDUSTRY

PURPOSE: This handout is intended to be used by Small Business Specialists to introduce technical, procurement, and industry personnel to the Small Business Program.

SMALL BUSINESSES IN THE UNITED STATES

- Employ more than 50% of the private workforce
- Generate more than half of the Nation's Gross Domestic Product
- Are the principal source of new jobs

CONGRESSIONAL PHILOSOPHY

- Utilize the annual federal budget to promote Small Business Programs
- Promote economic stability through the use of Small Businesses to enhance the nation's defense
- Preserve and promote free enterprise
- Maintain a viable industrial base
- Ensure competitive economic climate
- Provide opportunities for entrepreneurship and inventiveness

SMALL BUSINESSES PLAY IN THE ARMY'S SUSTAINING BASE IN VITAL AREAS

- Military Readiness
- Economic Security
- Advanced Technology

BACKGROUND

Congress has been fostering fair treatment of small business since 1941 with the establishment of the Select Committee on Small Business. The basis of the Small Business Program is to foster free competition which is basic to the economic well-being and security of the Nation. This status cannot be achieved without the potential of small businesses being encouraged and developed. Contracting with these firms strengthens the economy, generates competition, lowers overall costs, creates innovations, provides more jobs than any other sector, and enhances good business practices.

The Small Business Program: came into being in 1942 with the Small Business Mobilization Act. With that Act, Congress recognized that business concerns operating small plants did not have the economies of scale necessary to compete with large plants and a price differential might be required to keep such plants mobilized for the war efforts. In the Armed Services Procurement Act of 1947 Congress declared: “a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small business concerns.” In 1953 the Small Business Act was passed to stimulate the growth of small business firms and has been periodically amended by executive orders and related provisions of public law (PL). The Small Business Act specifically states “the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive contracts or subcontracts for property and services for the Government be placed with small business enterprises...”

The Minority Business Enterprise Program: came into being as a result of exclusion of individuals on the basis of their gender or race. This program is viewed as an effort to open the doors of education, employment and business development opportunities to qualified individuals who happen to be a member of groups experiencing longstanding discrimination. Executive Order 11625 signed in 1971 outlined essential Government actions for developing a national program to assist minority contractors in becoming self-sufficient and competitive. A significant amount of Department of Defense (DOD), and Department of Army (DA), involvement was directed at the awarding of contracts to the Small Business Administration (SBA) under the Section 8(a) Program using both sole source and competitive 8(a) set-asides. In 1978 changes (PL 95-507) to the Small Business Act effectively changed the program terminology from “minority business” to “disadvantaged business,” and also directed emphasis at subcontracting opportunities for Small and Small Disadvantaged Businesses. PL 99-661 established a 5% goal for contract awards to Small Disadvantaged Businesses throughout DOD and a provided for a 10% evaluation preference to these firms competing in full and open solicitations. <http://www.sba.gov/8abd>

The Indian Incentive Program: was established by Section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544) and Section 8024 of both the DoD Appropriations Act for FY 99 and FY00 (PLs 105-262 and PL 106-79). The purpose of the program is to give Indian organizations and Indian-owned economic enterprises the maximum practicable opportunity to participate in performing contracts awarded by Federal agencies. In fulfilling this requirement, an incentive payment is available to prime contractors, both small and large, who subcontract with Indian organizations and Indian-owned economic enterprises (for contracts over the simplified threshold).

Background Continued:

The Small Business Subcontracting Program: came into being as a result of a 1978 amendment to the Small Business Act (PL 95-507). The purpose of the subcontracting program is to give the various small business categories the maximum practicable opportunity to participate in the subcontracts awarded by Government prime contractors. The Act requires other-than-small firms awarded contracts that offer subcontracting possibilities by the Federal Government in excess of \$500,000, or \$1M for construction services, to submit a subcontracting plan to the contracting agency.

The Women-Owned Small Business (WOSB) Program: came into being as a result of Executive Order 12138 signed in May 1979 which prescribed a national initiative to assist WOSB entrepreneurs. Within DA, emphasis has been placed in identifying such firms to ensure they are included on appropriate source lists and afforded the opportunity of competing for contract and subcontract awards. The Federal Acquisition Streamlining Act (P.L. 103-355) of 1994 established a 5% government-wide goal for contract and subcontract awards to WOSB for each fiscal year. The SB Reauthorization Act of 2000 (PL 106-554) allows federal agencies to "restrict competition" when soliciting for supplies or services in industries where WOSB are underrepresented. The SBA is drafting regulations and conducting research for a December 2001 launch of the program.
<http://www.sba.gov/womeninbusiness>

The Small Business Innovation Research (SBIR) Program: was established under the Small Business Innovation Development Act of 1982 and reauthorized by the Small Business Research and Development Enhancement Act of 1992. The objectives of the program are to stimulate technological innovation by small business, increase small business participation in meeting federal research and development needs, and increase commercialization of technology developed through federal research and development. Under DoD's SBIR Program up to \$850,000.00 in early-stage research and development funding is available to small technology companies (or individuals who form a company). <http://www.acq.osd.mil/sadbu/sbir/>

The Historically Black Colleges and Universities, and Minority Institutions (HBCU/MIs) Program: came into being as a result of the National Defense Authorization Act of 1987 and DOD Authorization Act of 1988. These laws were enacted to provide grants, contracts and/or cooperative agreements with HBCU/MIs, Tribal Colleges and Hispanic Institutions. Procurement opportunities for receiving research, studies, supplies or services of the type normally acquired from higher educational institutions are available for HBCU/MIs. A 5 % goal for award of its educational contract dollars to HBCU/MI's is in place.
http://www2.BRTRC.COM/AMC/HBCU_MI

The DoD Mentor Protégé Program: was established under Section 831 of the National Defense Authorization Act of FY 91 (PL 101-510). The purpose of the program is to provide monetary incentives and/or credit on subcontracting plans to major DoD prime contractors (mentors) who assist small disadvantaged businesses and qualified organizations that employ the severely disabled (protégés) who assist in enhancing the technical and business capabilities of protégés. http://www.osd.mil/sadbu/mentor_protege

Background Continued

The Small Business Technology Transfer (STTR) Program: was authorized in 1992 by Congress as a pilot program to fund cooperative research and development projects. It is designated to join two powerful forces for technological progress: (1) the entrepreneurial talent of the high-tech small business and (2) the innovative ideas, science and engineering expertise, and facility resources of the nation's universities and research institutes. Up to \$600,000.00 in early-stage research and development funding is available to small companies working cooperatively with researchers at universities and other research institutions under this program.
<http://www.acq.osd.mil/sadbu/sbir/>

The Very Small Business Pilot Program: was established under Section 304 of the Small Business Administration Reauthorization and Amendments Act of 1994 (PL 103-403). The purpose of the program is to improve access to Government contract opportunities for concerns that are substantially below certain size standards by reserving certain acquisitions for competition among such concerns. This program is applicable for buys between \$2,500.00 and \$50,000.00 when the contracting office is located within a geographical area serviced by a designated SBA District Office. <http://www.sba.gov/GC/indexprograms-vsbs.html#>

The HUBZone Empowerment Contracting Program: was included in the Small Business Reauthorization Act of 1997 (PL 104-135). This program provides for Federal contracting opportunities for certain qualified small business concerns located in distressed communities and promotes private sector investment and employment opportunities in these communities. Fostering the growth of Federal contractors in these areas and ensuring these contractors become viable businesses for the long term assists in empowering HUBZone areas while not adversely affecting efforts to streamline and improve the Federal procurement process. HUBZone contract goals are set as follows: 2001= 2%; 2002=2 ½ %; 2003; and each year thereafter = 3% and a 3% goal of prime and subcontracts for service-disabled veteran small businesses.
<https://eweb1.sba.gov/hubzone/internet/>

The Small Business Competitiveness Demonstration Program: was established by the Small Business Competitiveness Demonstration Act of 1998, (PL 100-656 (15 USC 644)). This program measures awards to Emerging Small Businesses, tests unrestricted competition in certain designated industry groups, and enhances small business participation in targeted industry categories.

The Veteran Owned Small Business Program: was established by the Veterans Entrepreneurship and Small Business Development Act of 1999. The purpose of the program is to provide technical, financial, and procurement assistance by expanding existing and establishing new assistance programs for veterans and service-disabled veterans who own or operate small businesses. The statutory service-disabled veteran small business goal is 3% of prime and subcontract awards. <http://www.sba.gov/VETS/>

WHAT ARE THE SMALL BUSINESS CATEGORY DEFINITIONS?

Concern: is any business entity organized for profit with a place of business located in the U.S. and which makes a significant contribution to the U.S. economy through payment of taxes and/or use of American products, material and/or labor.

Emerging Small Business: is a small business concern whose size is no greater than 50% of the numerical size applicable to the North American Industry Classification System Code assigned to a contracting effort.

Fair Market Price: is a price based on reasonable costs under normal competitive conditions and not on lowest possible cost.

Historically Black Colleges and Universities and Minority Institutions (HBCU/MI): the HBCU is an institution determined by the Secretary of Education to meet the requirements of 34 CFR Section 608.2. The term also means any nonprofit research institution that was an integral part of such a college or university before November 14, 1986. A MI is an institution meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 USC 1135d-5(3)). The term also includes Hispanic-serving institutions as defined in the Act.

HUBZone Concern: is a concern who is a small business, is owned and controlled by one or more U.S. citizen or by a Community Development Corporation or Indian tribe, who has its principal office located within a HUBZone (which includes lands on federally recognized Indian reservations) and who has at least 35% of its employees residing in a HUBZone. A certification is required from the SBA.

North American Industry Classification System (NAICS) Code: is a North American industry classification system. SBA's size standards define whether a business entity is small and eligible for Government programs and preferences reserved for "small business" concerns. Size standards are established for types of economic activity, or industry, under NAICS.

Small Business Concern: is a domestic firm which is independently owned and operated, not dominant in its field of operation, and can qualify under the size standards of the North American Industry Classification System Codes.

Small Disadvantaged Business Concern: is a business which is at least 51% owned by one or more socially and economically disadvantaged individual(s). A certification is required from the SBA. **Socially Disadvantaged:** is an individual who has been subjected to racial or ethnic prejudice or cultural bias (Black, Hispanic, Native, Asian Pacific or Subcontinent Asian Americans). **Economic Disadvantaged:** is an individual denied access to capital and credit opportunities because of their identification as a member of a specific group.

Service-Disabled Veteran-Owned Small Business Concern: is a small business concern that is at least 51% owned and operated by one or more service-disabled veterans whose management

Small Business Program Definitions Continued

and daily business operations are controlled by service-disabled veterans. **Service-Disabled Veterans** are veterans with a disability that is service connected. A certification is not required from the SBA.

Veteran-Owned Small Business Concern: is a small business concern that is at least 51% owned and operated by one or more veterans and whose management and daily business operations are controlled by veterans. **Veterans** are a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable. A certification is not required from the SBA.

Very Small Business Concern: is a concern whose headquarters is (must be) located within a designated pilot area, maintains 15 or fewer employees, and who has an average annual receipts not exceeding \$1M. A certification is not required from the SBA.

Women-Owned Small Business Concern: is a small business concern that is at least 51% owned, controlled, and operated by one or more women and whose management and daily operations are controlled by one or more women. A certification is not required from the SBA.

PROGRAM SPECIFICS

Small Business Set-Aside Program: consists of a procurement action in which only small business firms can compete for the buy. Acquisitions between \$25K and \$100K are automatically reserved exclusively for small business participation. In order to consider a small business set-aside buy, there should be a reasonable expectation that two or more responsible small businesses will compete for the proposed buy and an award will be made at a fair market price. This set-aside method can require the entire buy to be set-aside for total small business participation or may require part of the buy to be reserved for small business (partial set-aside). FAR 19.5

Small Business Administration 8(a) Set-Aside Program: should be considered as the method of procurement after excluding Mandatory Sources. Under this Program, the Procuring Contracting Officer should have a reasonable expectation of receiving a proposal from a certified 8(a) firm who can perform the work at a Fair Market Price. The procurement method is very flexible and allows recommendation of a specific 8(a) contractor for procurements of up to \$3M for services and \$5M for manufacturing requirements (considered sole source 8(a) awards). This contracting method requires competitive 8(a) awards exceeding the \$3M (for supplies) and \$5M (for manufacturing) dollar thresholds. No dollar threshold exists for tribally owned firms or an Alaska Native Corporation. FAR 19.8

Small Disadvantaged Business (SDB) Program: allows a price evaluation preference for SDB firms competing on full and open acquisitions (suspended until mid-Feb 02). The program

Program Specifics Continued

also requires large business contractors to address their SDB efforts in their Small Business Subcontracting Plan. FAR 19.11 and 19.7

Indian Incentive Program: requires an incentive payment to small or large prime contractors who subcontract with Indian organizations and Indian-owned economic enterprises for contracts over the simplified threshold. The Small and Disadvantaged Business Utilization Office at DoD maintains the incentive funding. FAR 26.1

Subcontracting Program: requires any contractor receiving a contract for more than the simplified acquisition threshold to agree that the various small business categories will have the maximum practicable opportunity to participate in the contract performance. In negotiated buys of \$500K or more (\$1M for construction contracts) a large business firm must submit and obtain approval of their Small Business Subcontracting Plan from the Contracting Officer prior to receiving the award. That plan must contain various small business subcontracting goals and a plan for meeting those goals. FAR 19.7

Woman-Owned Small Business (WOSB) Program: requires Government personnel to encourage opportunities for WOSB concerns in prime Government contracts and subcontracts. Currently there is no “set-aside” preference for this category; however, the SBA is drafting regulations for a Dec 01 implementation of PL 106-554 which will allow federal agencies to “restrict competition” where WOSB are underrepresented in Federal acquisitions. Large business contractors must address their WOSB subcontracting efforts in their Small Business Subcontracting Plan.

Small Business Innovation Research (SBIR) Program, Small Business Technology Transfer (STTR) Program and Fast Track Programs: SBIR has three phases: (I) solicit R&D proposals from small firms on specific needs, (II) funding to further develop proposed ideas that are selected, and (III) commercialize the ideas developed in Phases I and II. SBIR and STTR solicitations list all the research topics under which DoD is seeking Phase I solicitations proposals, contains detailed information on the parameters of the SBIR and STTR Programs, and addresses how to submit a proposal. DoD issues two SBIR and one STTR solicitations each year, which can be obtained through the web site following. Since Oct 95 these programs have featured a “Fast Track” process for SBIR/STTR projects that attract outside investors who will match phase II funding, in cash, contingent on the project’s selection for phase II award.

<http://www.acq.osd.mil/sadbu/sbir/solicitations/solicit.htm>

Historically Black Colleges and Universities/Minority Institutions Set-Aside Program: consists of an acquisition for research, studies, or services of the type normally acquired from higher educational institutions, where two responsible HBCU/MIs will compete, and where award will be made at not more than 10% above the fair market price. FAR 26.3

Mentor Protégé Program: provides incentives for DoD prime contractors to assist SDBs in enhancing their capabilities to increase participation of such firms in government and commercial

Program Specifics Continued

contracts. The DoD Small and Disadvantaged Business Utilization Office approves contractors as mentor firms, approves mentor-protégé agreements, and provides funding. DFARS APPENDIX I

Very Small Business Set-Aside Pilot Program: has limited implementation to ten geographic areas serviced by SBA District Offices. Under this program method the Procuring Contracting Officer should have a reasonable expectation that two or more offers will be received from very small business firms and where the buy is estimated to exceed \$2,500.00 but not be greater than \$50,000.00. For services, the contract must be performed within the geographical areas serviced by a designated SBA District. FAR 19.9

HUBZone Small Business Set-Aside Program: should be considered as the method of procurement after excluding Mandatory Sources and the 8(a) Program. Under this set-aside method, the Procuring Contracting Officer should have a reasonable expectation of receiving two or more offers/bids from certified HUBZone firms and that an award will be made at a fair market price. A sole source HUBZone acquisition is considered when only one HUBZone small business firm is capable of providing the product/service and when the anticipated price of the contract, including options will not exceed \$5M for manufacturing efforts or \$3M for all other requirements. A price evaluation preference is available for HUBZone firms competing on full and open acquisitions. Also, large businesses must address their HUBZone subcontracting efforts in their Small Business Subcontracting Plan. FAR 19.13

Small Business Competitiveness Demonstration Program: consists of two major components: unrestricted competition in four designated industry groups (DIGs) and an enhanced small business participation in 10 agency target industry categories (TICs). Solicitations in the DIG groups having an anticipated dollar value greater than \$25K cannot be considered for small business set-aside; however, Agencies may reinstate the use of small business set-asides as necessary to meet their assigned goals (but only within an organizational unit that failed to meet the small business participation goal). Acquisitions in the DIG groups may allow the use of 8(a), HUBZone or an Emerging Small Business Set-Aside. Awards made in the TIC groups are reported and monitored. FAR 19.10

Veteran-Owned Small Business and Service-Disabled Veteran-Owned Small Business (SD/VOSB) Program: requires Government personnel to encourage participation of VOSB and SD/VOSB in prime Government contracts and subcontracts. There is no set-aside preference for these categories. Large business contractors must address their VOSB subcontracting efforts in their Small Business Subcontracting Plan (to be changed to SD/VOSB in FAR).

Certificate of Competency (CoC) Program: allows an apparent low bidder/offeree who is small in size and found to be non-responsible to obtain another opportunity at their responsibility issue. The Procuring Contracting Officer's non-responsibility determination is sent to SBA where a further investigation of the firm's responsibility is made. The SBA will make their review and may issue a CoC stating the small business firm is responsible with respect to all elements of

Program Specifics Continued

responsibility, including, but not limited to capability, competency, capacity, credit, integrity, perseverance, tenacity and limitations on subcontracting for the purpose of receiving and performing a specific Government contract. FAR 19.6

WHAT IS THE SET-ASIDE PROGRAM ORDER OF PRECEDENCE?

After determining that a mandatory Government supply source will not be utilized (i.e. FPI, JWOD, etc.), the requirement should then be reviewed for a potential small business award. The small business set-aside should be considered in the following order:

- **8(a) Set-Aside with preference for HUBZone firms** (Before deciding to set aside an acquisition in accordance with FAR/DFARS/AFARS subpart 19.5 or 19.13, the contracting officer should review the acquisition for offering under the 8(a) Program. If the acquisition is offered to the SBA, SBA regulations (13 CFR 126.607(b) give first priority to HUBZone 8(a) concerns). (FAR 19.800(e))

- **Competitive HUBZone Set-Aside** (FAR 19.1305(a))

- **Sole Source HUBZone Set-Aside** (FAR 19.1305.(a))

- **Total Small Business Set-Aside** (FAR 19.502-2)

- **Partial Small Business Set-Aside** (FAR 19.502-3(a))

- **Full and Open Competition** (FAR 6.003)

FAR 19.501(d) requires the Contracting Officer to document why a small business set-aside is not appropriate unless a HUBZone set-aside or HUBZone sole source award is anticipated.

It is recommended the procurement strategy be worked closely with the Small Business Specialist and the SBA Representative for your Activity.

ROLE OF THE PLAYERS?

Office of Small and Disadvantaged Business Utilization (DOD/DA)

- Responsible for implementation and execution of Small Business Programs
- Established by Section 221(k) of Public Law 95-507

Role of the Players Continued

- Authority provided by statute
- Directed by DOD Directive 4205.1 "DOD Small Business and Small Disadvantaged Business Utilization Program," dated Sep 96

Commanding General or Director of Major Subordinate Command

- Responsible for effective implementation of Small Business Program
- Responsible for Small Business Program goal(s) achievement
- Responsible for ensuring contracting and technical personnel take proactive actions to increase small business participation at their command
- SB Program goal attainment part of their performance appraisals
- Appoint small business specialist(s) for their activity and provide optimum staff and resources

Small Business Specialist

- Principal Advisor to the Commander regarding small business issues
- Assists all businesses on Government contracting matters, including changes to the procurement system
- Advise and assist contracting, technical and program managers to increase use of Small Business Program participants
- Provide input to PCO and IPT concerning Small Business Program matters
- Monitor small business performance (goals)
- Maintain outreach program to locate and develop competent small business firms
- Liaison with the Small Business Administration (SBA)

Program Manager /Technical Personnel

- Actively support Small Business Program
- Promote opportunities to increase Small Business Program awards
- Provide for nonrestrictive specifications and standards whenever possible
- Provide a point of contact to the small business specialist to assist in identifying Small Business Program opportunities

Small Business Advocates

- Ensure that the Small Business Program is considered in all contracting processes.
- Enables more effective promotion and participation of Small Businesses as prime contractors
- Advocates are appointed in each area or commodity business unit involved in the acquisition planning process

Role of the Players Continued

Contracting Officer

- Publicize opportunities to increase Small Business Program awards
- Coordinate small business opportunities with technical and IPT personnel and small business specialist during acquisition planning stage
- Establish reasonable and clearly understandable solicitation terms and conditions
- Select contract types and terms/conditions which reasonably allocate technical, cost or schedule risks to the contractor
- Provide responses to inquiries from small businesses to encourage competition
- Assist small business firms in understanding contractual terms and conditions
- Promote awards to small businesses and HBCU/MIs
- Provide appropriate acquisition requirements to the Small Business Administration (SBA) Procurement Center Representative
- Small Business Program promotion part of their performance appraisals

Small Business Administration (SBA) Procurement Center Representative *

- Review proposed acquisitions for possible set-aside
- Recommend small business sources to the Contracting Officer
- Possesses appeal authority

SBA Breakout Procurement Center Representative *

- Breakout items in assemblies for competition
- Possesses appeal authority
-
- **The SBA is an independent Federal agency not affiliated with DOD**

WHAT ARE THE SMALL BUSINESS GOALS ?

The President is required to annually establish Government-wide goals for procurement contracts awarded to small businesses (Section 644(g) of 15 U.S.C.). The Small and Disadvantaged Business Utilization Office, Office of Secretary of Defense, negotiates DOD goals with the Small Business Administration and then develops and disseminates the annual small business goals for the fiscal year. Goal utilization assists to assure small business receives a fair proportion of DOD awards. Each major buying activity within the U.S. Army Materiel Command is assigned Small Business Goals to achieve during the given fiscal year. Achievement of these goals are part of the Commander/Director performance rating. The goals relate to the net obligations of the individual contracting office.

What are the Small Business Goals Continued

At the end of each fiscal year, the Small Business Administration requests a report from the Federal Procurement Data Center and calculates the prime and subcontract statistical achievements for each agency and the Government-wide accomplishments. Each agency that fails to achieve any proposed prime or subcontract goal is required to submit a justification on why they failed to achieve a proposed or negotiated goal with a proposed plan of corrective action.

Small Business Goal: The goal is assigned as a percentage of a base comprised of the total business dollars awarded to all domestic business firms, excluding awards for Foreign Military Sales; for work outside the Continental United States; awards to Higher Educational Institutions and Non-Profit Organizations; and Intergovernmental Awards. The Small Business Reauthorization Act of 1997 increased the overall Government-wide procurement goal for small business from 20% to 23%.

Small Business Set-Aside Goal: Using the same base, this category includes only those actions that were awarded as a result of Small Business Set-Aside procurements.

Small Disadvantaged Business Goal: The SDB Goal encompasses awards made under the 8(a) Program and direct awards to small disadvantaged business firms, and is a percentage against the total U.S. business base. Congress has mandated a 5% goal. (Public Law 99-661)

HUBZone Goal: The HUBZone Goal encompasses awards made under a HUBZone competitive or sole source award to a small business. The HUBZone Act sets the government contracting goal for HUBZone small business concerns initially at 1% of all federal prime contracts with a gradual increase to 3% by the year 2003. (SB Reauthorization Act of 1997)

Woman-Owned, Small Business Goal: This is a compilation of awards to woman-owned small business against the total U.S. business base. For this category, there is no preference program. A 5% goal has been mandated by Congress for this category. (FASA of 1994)

Historically Black Colleges and Universities/Minority Institutions Goal: The HBCU/MI goal is a percentage of awards to Higher Educational Institutions (HEIs). A 5% goal is established for DoD under this category. (PL 99-661, National Defense Authorization Act of 1987 and DOD Authorization Act of 1988)

Research and Development Awards to Small Business: The base used to set this goal is a percentage of those awards in the total U.S. business base that are only for research and development projects.

Service-Disabled Veteran-Owned Small Business Goal: The Small Business Administration is working with the Federal Acquisition Regulation Council to develop FAR guidance in order to implement a 3% goal.

What are the Small Business Goals continued

Note: Small Business Subcontracting goals are assigned to those activities that retain contract administration functions for awards to large business firms that require subcontracting plans. For the subcontracting goals, the base used is a percentage of total subcontracted dollars. The following goals are assigned:

Small Business Subcontracting Goal: The total subcontracted dollars awarded to small business firms. The Government-wide target goal for this category is 23%.

Small Disadvantaged Business Subcontracting Goal: The total subcontracted dollars awarded to small disadvantaged business firms. A 5% goal has been mandated by Congress. (PL 99-661)

Woman-Owned, Small Business Subcontracting Goal: The total subcontracted dollars awarded to woman-owned, small business firms. Congress has also mandated a 5% goal for this category. (FASA of 1994)

HUBZone Subcontract Goal: The total subcontracted dollars awarded to HUBZone, small business firms. This goal will increase yearly until 2003 when a 3% goal will be required. (SB Reauthorization Act of 1997)

Service-Disabled Veteran-Owned Small Business Goal: The SBA is working with the Federal Acquisition Regulation Council to develop FAR guidance in order to implement a 3% goal.