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Contracting

SMALL BUSINESS PROGRAMS



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Air Force commanders must continually encourage, plan, execute, and measure the volume of contract and grant awards to small businesses, small disadvantaged businesses, and women-owned businesses. Furthermore, commanders must also encourage, plan, execute, and measure the participation of historically black colleges and universities and minority institutions (HBCU/MI) in Air Force programs. The Air Force Small Business Programs provide commanders with a reputable system, in the acquisition process, to produce measurable services.

SUMMARY OF REVISIONS

This revision updates and restructures the small business (SB) policy and clarifies terms. It adds emphasis to the policy on allocating contracts, grants, and cooperative agreements at HBCU/MI; identifies the joint efforts of the Director, Small and Disadvantaged Business Utilization (SAF/SB) and the Deputy Chief of Staff for Personnel (HQ USAF/DP) to encourage and measure the participation of HBCU/MI in Air Force programs; clarifies the level of HBCU/MI interest which emanates from the White House; extends the organized system of planning, executing, and measuring the effectiveness of Air Force awards to HBCU/MI; and adds emphasis to promoting outreach, encouragement, and assistance to small, small disadvantaged, and women-owned businesses and HBCU/MI.

1. The President and Congress have recognized the contributions of SB and HBCU/MI to the United States' industrial base. Both branches of government have directed federal agencies to allocate a fair share of their contracts, grants, and cooperative agreements for SB and HBCU/MI. The Air Force SB Programs (Small, Small Disadvantaged, and Women-Owned Businesses and HBCU/MI), in compliance with the Department of Defense (DoD) directives and White House Initiative guidance, implements an organized system for planning, executing, and measuring the effectiveness of Air Force awards to cited businesses and institutions.

1.1. The execution of the Air Force's SB Programs are directed at all facets of the acquisition and personnel processes.

1.2. These Air Force programs plan and carry out a coordinated system for promoting an outreach effort to interest, encourage, and assist SB and HBCU/MI in all aspects of the Air Force's mission.

2. The Air Force will promote policies, procedures, and practices that provide maximum opportunities for small, small disadvantaged, and women-owned businesses and HBCU/MI to participate in the acquisition and, where appropriate, personnel processes.
 - 2.1. The Air Force will promote effective outreach efforts to interest, encourage, and assist small, small disadvantaged, and women-owned businesses and HBCU/MI.
 - 2.2. The Air Force will place a fair proportion of its purchases, contracts, and subcontracts with small, small disadvantaged, and women-owned businesses and HBCU/MI. The Air Force will aid, counsel, and assist small businesses and institutions in cited processes.
 - 2.3. The Air Force will maintain its outreach effort to interest, encourage, and assist HBCU/MI who choose to participate in the Air Force's education, training, and research and development missions.
 - 2.4. The Air Force will convey a fair proportion of its awards (education, training, research and development, etc.) to institutions of higher education (IHE) at HBCU/MI.
3. The Director of Small and Disadvantaged Business Utilization is responsible for:
 - 3.1. Developing and managing the Air Force's SB Programs.
 - 3.2. Complying with DoD Directive 4205.1, *Department of Defense Small Business and Small Disadvantaged Business Utilization Programs*; DoD Directive 5134.4, *Director of Small and Disadvantaged Business Utilization*; and AFI 64-201, *Small Business Programs*.
 - 3.3. Coordinating with the Deputy Chief of Staff for Personnel (HQ USAF/DP) to establish plans and/or directives to encourage the participation of HBCU/MI in Air Force personnel (civilian and military) programs.
4. The Deputy Chief of Staff for Personnel (HQ USAF/DP) is responsible for:
 - 4.1. Developing, managing, and reporting HBCU/MI participation in all personnel programs.
5. Commanders are responsible for managing and executing the SB programs at their activities.
6. The Commander, Air Force Materiel Command, is responsible for:
 - 6.1. Developing, managing, and reporting HBCU/MI participation in all research and development programs.

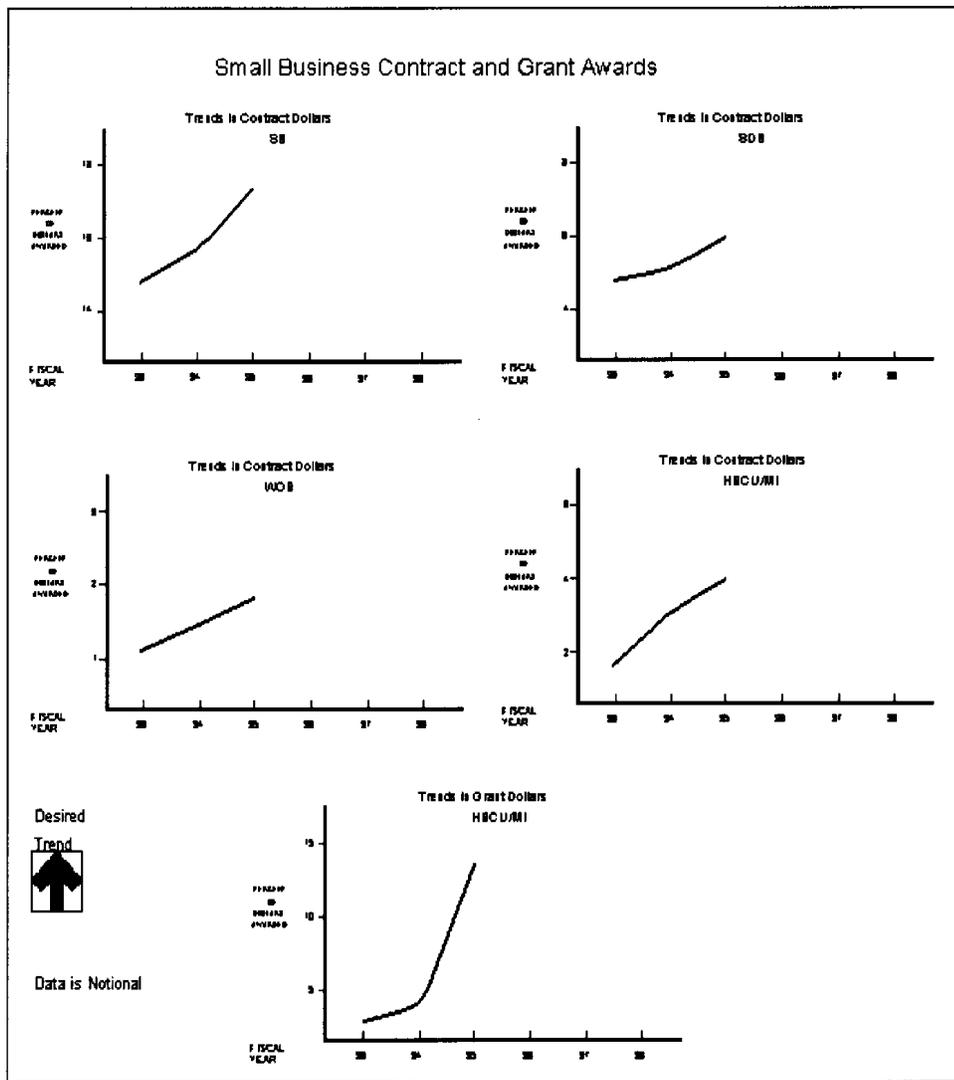
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Attachment 1

MEASURING COMPLIANCE WITH POLICY

A1.1. Compliance with the Small Business policy will be assessed by taking measurements in two categories. Those two categories are contract and grant awards. The contract category four classifications: small businesses (SB), small disadvantaged businesses (SDB), women-owned will assess businesses (WOB), and historically black colleges/universities and minority institutions (HBCU/MI). The grant awards category will only assess HBCU/MI. Measurements of performance will be obtained, tracked, and forecast (e.g. trends, goals, etc.) in accordance with AFI 64-201.

Figure A1.1. Sample Metric of Percent of Dollars Awarded.



Attachment 2

GLOSSARY OF TERMS AND REFERENCES

Terms

Terms and Directives—The purpose of this section is to help the reader understand the terms and directives used in this publication. Standardized terms and definitions for Department of Defense and Air Force use are contained in Joint Pub 1-02, *Department of Defense Dictionary of Military and Associated Terms*.

Acquisition—The acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. (FAR, Part 2)

Contract Award—Any instrument signed by a contracting officer, providing government funds or other resources to an offeror, that permits expenditure of such government funds, or use of such government resources. (Section 8(C), Small Business Act)

Contract—A mutually binding legal relationship obligating the seller to furnish supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds, and that, except as otherwise authorized, are in writing. (**NOTE:** Contracts do not include grants and cooperative agreements which are addressed by 31st United States Code (USC) Section 6301 or 31 USC 6301. (FAR, Part 2)

Contractor—An entity which enters into contracts with an agency of the Government to provide supplies and/or services. (FAR, Part 2)

Cooperative Agreement—An agreement to be used in a relationship between the federal government and a recipient whenever (1) the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the state or local government or other recipient in order to accomplish a public purpose of support or stimulation authorized by federal statute, rather than acquisition, by purchaser, lease, or barter, of property or services for the direct benefit or use of the federal government; and (2) substantial involvement is anticipated between the executive agency, acting for the federal government, and the state or local government or other recipient during performance of the contemplated activity. (PL 95-224)

Contractors, 8(A)—Those companies that meet the criteria for Small Disadvantaged Businesses who have been determined to be eligible for awards as subcontractors to contracts awarded and have been certified by the Small Business Administration under Section 8(a) of the Small Business Act.

Grant—An agreement to be used in a relationship between the federal government and a recipient whenever (1) the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the state or local government or other recipient in order to accomplish a public purpose of support or stimulation authorized by federal statute rather than acquisition, by purchase, lease, or barter of property or services for the direct benefit or use of the federal government; and (2) no substantial involvement is anticipated between the executive agency, acting for the federal government, and the state or local government or other recipient during the activity. (PL 95-224)

Historically Black Colleges and Universities (HBCU)—Institutions of higher education that are

accredited, which were established before 1964, and have had the principal mission of educating African Americans. An HBCU must be legally authorized by the State in which it is located and must be a two or four year college or university.

(20 USC 1221 et seq.)

Intergovernmental Personnel Act (IPA)—A law which authorizes Federal agencies to administer cooperative education, student and faculty internships, visiting professorships, and personnel and student recruitment at institutions of higher education.

Institution of Higher Education (IHE)—The term means a post-secondary, non-profit, nationally (recognized) accredited, two or four year educational institution (also institutions which provide not less than one-year program of training to prepare students for gainful employment in a recognized occupation) in any State or territory. (20 USC 1141)

Minority Institutions (MI)—These institutions are accredited IHE whose enrollment of a single minority, or a combination of minorities (African Americans (not of Hispanic heritage); Alaskan Natives; Native Americans; Hispanics (persons of Mexican, Puerto Rican, Cuban, and Central or South American heritage); and/or other ethnic groups that are under represented in science and engineering. The combination of minorities must be 50 percent of the total enrollment in two or four year colleges/universities; or 25 percent of the enrollment must be of Hispanic heritage. (20 USC 1135d-5(3) and 20 USC 1059c(b)(1))

Research Institution—Any organization that is either (a) a college or university; (b) a nonprofit institution as defined in Section 4(5) of the Stevenson-Wydler Technology Innovation Act of 1980; (c) a contractor-operated Federally funded research and development center, as identified by the National Science Foundation in accordance with the government-wide Federal Acquisition Regulation (FAR), per Section 35(c)(1) of the Office of Federal Procurement Policy Act.

Small Business Concern—An independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and is qualified as a small business under the criteria and size standards as specified in 13th Code of Federal Regulation (CFR) Part 121 or 13 CFR 121.

Small Disadvantaged Business—A small business that is at the time of an award is at least 51 percent owned by one or more individuals who are socially or economically disadvantaged individual(s), such as Native American tribes/organizations or Native Hawaiian Organization, whose management and daily business operations are controlled by one or more disadvantaged individuals (i.e., meets the requirements of 13 CFR 124).

Women-Owned Business—A small business concern that is at least 51 percent owned by a woman, or women, who also control and operate it. “Control” in this context means exercising the power to make policy decisions. “Operate” in this context means being actively involved in the day-to-day management. (PL 100-533 and PL 103-355)