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**U.S. Department of Energy**

**Report to Congress**  
**on the**  
**Small Business Program**

Office of the Secretary  
Office of Small & Disadvantaged Business Utilization  
Washington, DC 20585  
Fiscal Year 1989

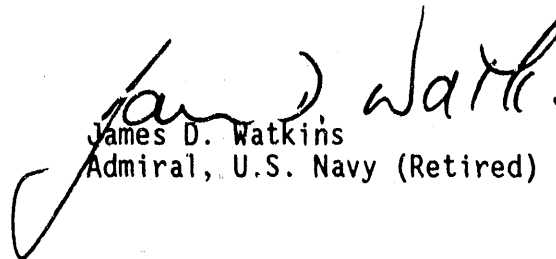
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## Message from the Secretary

The Department of Energy (DOE) is pleased to submit its "Report to Congress on the Small Business Program-Fiscal Year 1989" as required by section 204 of Public Law 95-238, the Department of Energy Act of 1978-Civilian Applications. This report covers 27 organizational components of the Department and details the extent to which small business concerns are participating in the DOE procurement process, as well as efforts taken throughout the agency to ensure continued participation in the future. The Assistant Secretary for Defense Programs and the Office of New Production Reactors are not included in this report inasmuch as section 204 of Public Law 95-238 excludes military applications of nuclear energy.

The Department believes that a strong, vigorous small business and small disadvantaged business program is important to the accomplishment of our mission. Accordingly, we actively seek the participation of small businesses, small disadvantaged businesses, labor surplus area concerns, and women-owned businesses in Departmental acquisition opportunities.



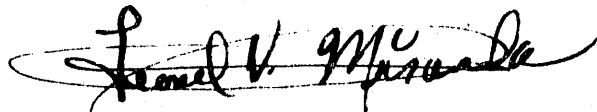
James D. Watkins  
Admiral, U.S. Navy (Retired)

## Message from the Director

The Department of Energy's (DOE's) Office of Small and Disadvantaged Business Utilization (OSDBU) is responsible for ensuring that small businesses have an equitable opportunity to do business with the Department.

As a central point of contact within the Department for small businesses, OSDBU provides guidance to and oversight of DOE's small business effort, as well as the procurement preference programs. OSDBU also coordinates small business policy and activities within a network of over 100 Small Business/Small Disadvantaged Business Specialists/Coordinators at DOE Headquarters, field locations, and various DOE contractor-operated plants and laboratories.

The Department exceeded its fiscal year (FY) 1989 percentage and dollar goals for prime contracting to small businesses, 8(a) concerns, other small disadvantaged businesses, women-owned businesses and subcontracting to small disadvantaged businesses. In FY 1989 the DOE achieved new dollar highs in section 8(a) procurements and women-owned business contracting.

A handwritten signature in black ink, reading "Leonel V. Miranda". The signature is stylized with a large, sweeping initial "L" and a long, horizontal flourish extending to the right.

Leonel V. Miranda  
Director

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\*Effective February 28, 1990, an organizational realignment dissolved the Assistant Secretary for Management and Administration organization.

## **Departmental Overview**

### **Mission Statement**

The U.S. Department of Energy (DOE) provides the framework for a comprehensive and balanced national energy plan through the coordination and administration of the Federal Government's energy functions. The Department is responsible for long-term, high-risk research and development (R&D) of energy technology; the marketing of Federal power; energy conservation; the nuclear weapons program; energy regulatory programs; and a central energy data collection and analysis program.

The various programmatic activities of DOE Headquarters are supported through an extensive network of field organizations located throughout the United States. These field organizations include operations offices, represented at diversified levels by area, support, and project offices; energy technology centers; power marketing administrations; national laboratories; other Government-owned laboratories; and Government-owned manufacturing facilities. Field organizations carry out important administrative, management, procurement, and financial functions and take into account the diversity and geographic dispersion of the field programs. These programs include regulatory functions, basic and applied energy R&D, demonstration, production, maintenance of energy reserves, and defense R&D. A significant portion of the DOE's programs is carried out at these laboratories and industrial facilities. Private industry contractors which operate these facilities are referred to as "management and operating contractors" or "M&Os." The participation of small business firms in subcontracting activities implemented by these M&Os is an important element of the Department's Small Business Program. From a practical business standpoint, substantial prime contracting and subcontracting opportunities are present at DOE offices and contractor-operated facilities.

### **Small Business Program**

The Department's Small Business Program is characterized by its diligent involvement in the procurement process to enhance participation by small businesses, small disadvantaged businesses, labor surplus area firms, and women-owned businesses. The DOE's primary means of securing an equitable proportion of transactions for these businesses are total set-asides, partial set-asides, 8(a) sole source procurements, and 8(a) competitive procurements. Throughout the DOE's infrastructure, all DOE organizational elements are committed to successfully implement the Small Business Program. The Department's commitment includes developing substantial opportunities in both prime contracting and subcontracting and encompasses special preference programs to enhance awards to such businesses.

## **Special Preference Programs and Initiatives**

In addition to the Department's Small Business Program, there are special Departmental preference programs and initiatives to augment economic opportunities for small businesses and small disadvantaged businesses. As described in the following paragraphs, the special preference programs and initiatives are: the Small Business Innovation Research Program, the Energy-Related Inventions Program; the Innovative Concepts Program; the Superconducting Super Collider minority participation initiative; the Small Business Competitiveness Demonstration Program; and the small disadvantaged business subcontract set-aside initiative.

### **Small Business Innovation Research Program**

The DOE administers and supports the Small Business Innovation Research (SBIR) Program mandated by the Small Business Innovation Development Act of 1982, Public Law 97-219. The principal purposes of the SBIR Program are to stimulate technical innovation; to use small business to meet Federal R&D needs; to foster and encourage participation by minority and disadvantaged persons in technical innovation; and to increase private sector commercialization of innovations derived from Federal R&D. The SBIR Program is administered by the Office of Energy Research (ER). In FY 1989 ER administered 276 active contracts for a total of \$33,128,101, which included 155 new awards valued at \$7,667,960.

### **Energy-Related Inventions Program**

The Energy-Related Inventions Program (ERIP) is another special program that assists small businesses and individual inventors. The Federal Nonnuclear Energy Research and Development Act of 1974, Public Law 93-577, established a comprehensive national program for research and development of all potentially beneficial energy sources and utilization technologies. The Act directs the National Institute of Standards and Technology (NIST) to evaluate all promising nonnuclear energy-related inventions, particularly those submitted by independent inventors and small companies for the purpose of obtaining direct grants for their development from the DOE. The purpose of the program is to provide an opportunity for independent inventors and small businesses with promising energy-related inventions to obtain Federal assistance in developing and commercializing their inventions. NIST evaluates the inventions and recommends those considered sufficiently promising to the DOE for support. The Department determines whether and how the recommended inventions should be supported and takes the necessary support action. The ERIP is administered within the Department by the Assistant Secretary, Conservation and Renewable Energy (CE). In FY 1989 CE administered 77 active grants for an approximate total of \$6.2 million, which included 46 new grants for an approximate total of \$3.2 million.

### **Innovative Concepts Program**

CE also administers the DOE's Innovative Concepts Program (ICP) which seeks out revolutionary and advanced energy-efficient techniques. While the program is open to the entire private sector, its \$15,000 per grant ceiling inherently attracts only small business concerns. Accordingly, the entire FY 1989 activity for the ICP was the award of eight new grants totaling \$120,000.

### **Superconducting Super Collider**

The Energy and Water Development Appropriations Act for FY 1990, Public Law 101-101, mandated a 10 percent goal of Federal funding for minority participation in the development, construction, and operation of the Superconducting Super Collider (SSC) Project. However, prior to this law's enactment, the DOE had independently fostered efforts to secure significant opportunities for business concerns or other organizations owned or controlled by socially and economically disadvantaged individuals, including women and 8(a) business people. In concert with the Department's Office of Small and Disadvantaged Business Utilization (OSDBU), the DOE's contracting and technical staffs with responsibility for the SSC began meaningful activities to fully achieve the legislated goal. These activities were also initiated to allow significant participation by small businesses and labor surplus area firms in this project, thereby supporting the Department's total Small Business Program. These FY 1989 efforts focused upon source identification to the DOE for prime contracting potential and to the M&O contractor, Universities Research Association, Inc. (URA), Dallas, Texas, for subcontracting opportunities. DOE and URA personnel communicated directly with these sources in FY 1989. Strategic to the Department's Small Business Program, these socioeconomic efforts are planned to continue throughout the life cycle of the SSC.

### **Small Business Competitiveness Demonstration Program**

The Small Business Competitiveness Demonstration Program was established by title VII of the Business Opportunity Development Reform Act of 1988, Public Law 100-656. The program consists of three major components. These components are a test of unrestricted competition in four designated industry groups, covering construction, refuse systems and related services, architect and engineer (A&E) services, and nonnuclear ship repair; a measurement of awards to emerging small businesses (ESBs), including acquisitions reserved for ESB participation only; and a test of enhanced small business participation in 10 agency targeted industry categories. The program will be conducted over a period of four years, from January 1, 1989, through December 31, 1992. The procedures for implementing the test have been set forth by an Office of Federal Procurement Policy (OFPP) directive and test plan.

In FY 1989 the DOE fully implemented the sections of Public Law 100-656 applicable to the Department, including the Small Business Competitiveness Demonstration Program. Based upon FY 1989 statistics, only one Standard Industrial Classification (SIC) code for construction and three Federal Procurement Data System (FPDS) service codes for A&E services fell below the targeted 40 percent thresholds. As required, the Department's OSDDBU issued a directive in December 1989 to reinstitute total small business set-asides for these four codes. No other remedial action was necessitated by the Department's FY 1989 procurement activities. However, it is too early in the program to evaluate its overall effectiveness at the DOE based solely on FY 1989 data.

### **Small Disadvantaged Business Subcontract Set-Asides**

In the last two months of FY 1988 the Department undertook a new initiative in subcontracting by amending the Department of Energy Acquisition Regulation (DEAR) as follows:

Management and operating contractors may provide in their purchasing systems and methods for the setting aside of requirements for small disadvantaged businesses, provided that there are sufficient such qualified entities available to assure effective competition, and provided that the cost or price of the successful offeror is found by the M&O contractor to be fair and reasonable. (DEAR 970.7104-12(e))

This new authority in the DEAR permits M&O contractors to set aside subcontracts for exclusive small disadvantaged business participation. This Departmental initiative had its first full fiscal year impact in FY 1989, during which set-asides to small disadvantaged businesses amounted to \$60.3 million or 20.2 percent of total small disadvantaged business subcontracting.

### **Statistical Overview**

In FY 1989 the Department exceeded its percentage and dollar goals for prime contracting to small businesses, 8(a) concerns, other small disadvantaged businesses, and women-owned businesses. In the area of small disadvantaged business subcontracting by M&Os and other large DOE prime contractors, DOE exceeded the dollar goal by \$48.6 million.



GOAL                      ACTUAL  
(dollars in thousands)

PRIME PROCUREMENTS

Total	\$13,500,000	100.00%	\$14,779,889	100.00%
Small Business (1)	438,750	3.25	494,204	3.34
8(a) Concerns	175,500	1.30	206,574	1.40
Other Small Disadvantaged Business	6,750	0.05	9,588	0.06
Women-Owned Business (2)	189,000	1.40	251,059	1.70
Labor Surplus Area Set-Asides	150,000	1.11	149,423	1.01

SUBCONTRACTS

Total	\$ 5,000,000	37.04%	\$ 4,967,907	33.61%
Small Business (3)	2,400,000	48.00	2,307,475	46.45
Small Disadvantaged Business	250,000	5.00	298,564	6.01

- Notes: (1) The nature of the data is such that some totals in this report include figures which are applicable to more than one category. In addition to small business, this category contains the figures from 8(a) concerns, other small disadvantaged business, and women-owned small business.
- (2) By agreement with the Women-Owned Business Office of the U.S. Small Business Administration (SBA), these figures include both DOE's prime contractors and subcontractors to the M&O contractors. The \$251,059,000 figure is composed of \$37,671,000 in DOE prime contracts and \$213,388,000 in M&O subcontracts.
- (3) In addition to small business, this category contains the figures from small disadvantaged business.

The total DOE FY 1989 small business achievement was \$2.802 billion in prime contracts and subcontracts to small businesses. This figure includes awards to small disadvantaged businesses and women-owned businesses. Awards to small disadvantaged businesses include procurements with 8(a) concerns and transactions with other small disadvantaged businesses.

During this period the Department increased FY 1989 achievements over FY 1988 in 8(a) contracting from \$193.2 million to \$206.6 million and women-owned business contracting from \$241.9 million to \$251.1 million.

The largest dollar contributors to FY 1989 8(a) contracting were the Oak Ridge Operations Office (\$96,088,477), Headquarters Procurement Operations (\$45,887,105) and the Western Area Power Administration (\$19,611,455). The staff offices with the largest dollars in 8(a) contracting for FY 1989 were the Assistant Secretary, Management and Administration (\$12,044,097), the Energy Information Administration (\$11,701,850), and the Assistant Secretary for Environment, Safety and Health (\$4,661,992).

#### **Office of Small and Disadvantaged Business Utilization**

The Office of Small and Disadvantaged Business Utilization (OSDBU) manages the Department-wide Small Business Program and directs activities for the Department that facilitate and encourage small business and labor surplus area set-asides, 8(a) procurements, utilization of women-owned businesses, and subcontracting to small business and small disadvantaged business concerns. Fundamental to the achievement of the Department's socioeconomic activities, the OSDBU's efforts include:

- o Fulfillment of the functions and duties in sections 8 and 15 of the Small Business Act, Public Law 95-507 as amended.
- o Negotiation of Departmental goals with the U.S. Small Business Administration (SBA) and effective implementation of these goals in cooperation with the DOE's organizational elements.
- o Assistance to small business concerns on any matters relating to contractual payment terms.
- o Supervisory authority over Departmental personnel to the extent that their functions and duties relate to sections 8 and 15 of the Small Business Act.
- o Cooperation and consultation on a regular basis with the SBA in carrying out the DOE's functions and duties in sections 8 and 15 of the Small Business Act.
- o Advocacy of new issues for consideration and critiquing pending cases to amend the Federal Acquisition Regulation (FAR) and the Department of Energy Acquisition Regulation (DEAR).

- o Authorship of reports to the Congress, SBA, Office of Federal Procurement Policy (OFPP), and other Federal entities, as required.
- o Facilitating communication and cooperation between all levels of the Department and the small business community.

As required by law, OSDBU conducts the Department's program to establish goals. OSDBU negotiates with the Department's program and procuring offices on goal proposals and then negotiates with the SBA on aggregate goals for the DOE. The difference, if any, between what is finally negotiated with the SBA and the goal proposals from the Department's offices must then be reconciled. OSDBU tracks accomplishments against goals throughout the year and, when necessary, takes remedial action.

OSDBU's outreach efforts have not been confined to the DOE's infrastructure. In FY 1989 the OSDBU Director addressed the Minority Enterprise Development (MED) Week Conference, the National Contractors Management Association, the Small Business Week Conference, the OSDBU's Semi-Annual Conference, and the DOE's Competition Advocate Conference. OSDBU staff, as well as DOE Small Business/Small Disadvantaged Business Specialists and Coordinators, participated in congressionally sponsored procurement conferences. Held throughout the United States, these conferences brought together representatives of Federal, State and local governments and prime contractors with local firms to support small business contracting. In keeping with OSDBU's oversight responsibilities for the entire Department's small business effort, its Director and staff performed site visits to review the status of the Small Business Program, to provide technical assistance, and to support both DOE field office and M&O contractor Small Business Program activities. To sustain communication and cooperation with the small business community, the OSDBU Director and staff meet, telephone, and correspond with representatives from such firms on a daily basis.

In FY 1988 OSDBU revised DOE's internal directive regulations to strengthen the review process of planned procurements for small business, labor surplus area set-asides, and the 8(a) Program. These internal procedures identified the roles of the Small Business/Small Disadvantaged Business Specialist, Small Business/Small Disadvantaged Business Coordinator, and Contracting Officer in reviewing procurements. In FY 1989 OSDBU further refined the screening process by establishing a format for advanced acquisition plans to expedite timely forecasts of procurements in FY 1990 and subsequent fiscal years. These forecasts will consist of DOE prime contracting opportunities throughout the Department supplemented by subcontracting opportunities for the Superconducting Super Collider. These OSDBU actions will facilitate full compliance with section 501 of Public Law 100-656, the Business Opportunity Development Reform Act of 1988.

## **Secretarial Awards**

In February 1990 the Secretary recognized the outstanding achievements for FY 1989 of DOE organizational elements and management and operating (M&O) contractors in the Small Business Program. The Oak Ridge Operations Office received the "Head of Contracting Activity (HCA) of the Year Award" for the fifth consecutive year. The Albuquerque Operations Office and the Richland Operations Office each earned a "Special Performance Award." Bechtel Petroleum Operations, Inc., was the recipient of the "M&O Contractor of the Year Award."

Various DOE elements and M&O contractors were recognized for their contributions to the Department's Small Business Program with a "Small Business Award." For the DOE, the recipients were: Energy Information Administration, Office of Energy Research, and the San Francisco Operations Office. The M&O recipients were: Allied-Signal Aerospace Company; Ames Laboratory; Battelle, Pacific Northwest Laboratories; Brookhaven National Laboratory; EG&G Idaho, Inc.; Kaiser Engineers Hanford Company; Los Alamos National Laboratory; Martin Marietta Energy Systems, Inc., Piketon, Ohio; M-K Ferguson of Idaho Company; Rockwell-Idaho National Engineering Laboratory; Rust Engineering Company; Stanford Linear Accelerator Center; Westinghouse Hanford Company; and Westinghouse Idaho Nuclear Company, Inc.

## **Special Note on Statistical Summary Sections**

The nature of the data is such that some totals in the report or under the Statistical Summary sections include figures which are applicable to more than one category. For example, awards to a woman-owned business will also be credited to small business achievement. When categories such as women-owned business or labor surplus area set-asides are omitted under any "Statistical Summary," no achievement was reported by the Headquarters or field organizational unit.

## **Program Offices**

### **Civilian Radioactive Waste Management**

The Office of Civilian Radioactive Waste Management (RW) was established to implement the Nuclear Waste Policy Act of 1982. The Act has since been amended by the Nuclear Waste Policy Amendments Act (NWPAA) of 1987. Among RW's major responsibilities are the safe, permanent geologic disposal of spent nuclear fuel and high-level radioactive waste; the transportation of such nuclear waste; and, subject to certain conditions set forth in the NWPAA, the siting, construction, and operation of a facility for monitored retrievable storage.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

	PRIMES		SUBCONTRACTS	
Total Prime Procurements, No M&O Activity	\$25,361	100.0%		
Total Subcontracts			\$8,542	100.0%
Small Business	2,682	10.5	1,184	13.9
Small Disadvantaged Business	1,682	6.6	76	0.9
Women-Owned Business	1,000	3.9		

### Narrative

The RW Small Business/Small Disadvantaged Business Coordinator has continued to make RW managers and staff aware of small, small disadvantaged, and women-owned businesses that provide services in their areas of responsibility. RW has maintained a central file of capability statements from small businesses and 8(a) firms. The RW Small Business/Small Disadvantaged Business Coordinator has met with representatives of small, small disadvantaged, 8(a), and women-owned businesses and has distributed numerous capability statements to appropriate RW officials. RW has also referred small and small disadvantaged businesses to its prime Headquarters support contractor and field elements for consideration in subcontracting opportunities.

RW's Acting Director has encouraged RW's managers to work with the Small Business/Small Disadvantaged Business Coordinator to match technically qualified small and small disadvantaged businesses with their procurement needs. RW will also continue to meet with the small business and small disadvantaged business community to discuss their capabilities and to keep abreast of the services and products they provide.

RW has developed a multi-year procurement plan and has submitted the plan to OSDDBU for assistance in identifying procurements suitable for small and small disadvantaged businesses.

### International Affairs and Energy Emergencies

The Assistant Secretary for International Affairs and Energy Emergencies (IE) is responsible for developing and directing international energy policy and for coordinating the Department's energy preparedness planning and emergency operations.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

#### PRIMES

Total Prime Procurements, Including M&Os	\$1,465	
Total Prime Procurements, Excluding M&Os	\$ 555	100.0%
Small Business	243	43.8
Small Disadvantaged Business	75	13.5

#### Narrative

IE is highly supportive of the small business, small disadvantaged business, and the 8(a) programs. The Small Business/Small Disadvantaged Business Coordinator is constantly seeking ways to increase opportunities for small businesses and small disadvantaged businesses and to keep IE officials abreast of those firms that may provide services in their areas. In July 1989 IE's Small Business/Small Disadvantaged Business Coordinator attended the Exchange '89 Program in Washington, DC, sponsored by the Small Business Product Review Center of the U.S. Small Business Administration. At this conference the Small Business/Small Disadvantaged Business Coordinator assisted several small businesses and small disadvantaged businesses. Additionally, procurement plans are developed annually in accordance with the budget cycle and reviewed and approved by the Assistant Secretary before or at the beginning of each fiscal year. One of the primary review elements is the percentage of contracts suitable for award to small businesses and small disadvantaged businesses. After development and approval of contract plans, detailed information is made available to OSDDBU to assist IE in identifying appropriate sources.

Although IE's FY 1990 contract budget has not significantly increased, IE expects to expand its FY 1990 level of funding for small businesses and small disadvantaged businesses.

#### Energy Research

The Office of Energy Research is the DOE's organizational component that supports and sponsors energy research and energy-related activities in the technical and scientific areas of basic energy sciences, magnetic fusion, health and environmental research, high energy and nuclear physics, and the Superconducting Super Collider. In addition, ER has the administrative

and management responsibility for the Department's SBIR Program that assists small businesses in developing research and production capabilities in energy areas of interest to the DOE.

### Statistical Summary

#### ACTUAL ACHIEVEMENTS (dollars in thousands)

##### PRIMES

Total Prime Procurements, No M&O Activity	\$238,000	100.0%
Small Business	1,100	0.5
Small Disadvantaged Business	946	0.4
Women-Owned Business	600	0.3

### Narrative

In FY 1989 ER worked to increase its participation with small businesses and small disadvantaged businesses in the design, construction, and management of the SSC. In order to achieve this initiative, ER worked aggressively with the SSC management and operating contractor to establish meaningful small business and small disadvantaged business subcontracting goals and, to the fullest extent possible, encouraged the contractor to utilize small and small disadvantaged businesses for the purchase of certain services and products. These two subcontracting priorities are included in the current M&O contract for the SSC. In addition, ER was instrumental in the establishment of subcontractor selection criteria containing socioeconomic evaluation factors for the selection of major subcontractors, such as the pending subcontractor selection for the SSC architect-engineer and construction effort. Furthermore, shortly after the selection of Universities Research Association (URA) Inc., Dallas, Texas, as the SSC M&O contractor, ER encouraged URA to hire a highly qualified person to undertake its equal employment opportunity and socioeconomic programs as soon as possible.

The progress of small business and small disadvantaged business participation in each of ER's program offices is monitored by the ER Director's office at least three times each year. This review includes the original goal, a mid-year review and a fourth quarter review. The levels of small business and small disadvantaged business participation are discussed at the Director's senior management meetings, and progress towards meeting these goals is assessed. Working level project managers are kept aware of senior management's concern by flow-down information in response to these reviews during Associate Director's staff meetings; through status memoranda from the Director indicating levels of small business and small disadvantaged business contracting achievement; and by memoranda and meetings initiated by the ER Small Business/Small Disadvantaged Business Coordinator.

ER's Small Business/Small Disadvantaged Business Coordinator provides counseling services to a number of small business and small disadvantaged business firms' representatives at several small business conferences and at ER's offices. These counseling sessions include oral presentations by firms regarding their capabilities, thus providing ER program staff with the greatest knowledge about these businesses' abilities to provide support service activities.

During FY 1990 ER staff will continue to review and expand opportunities for small businesses and small disadvantaged businesses through participation in conferences and meetings that pertain to small business activities. Counseling services for small business activities associated with the SSC will be highlighted by appropriate ER program managers.

### **Conservation and Renewable Energy**

The role of the Assistant Secretary, Conservation and Renewable Energy is to improve energy efficiency in the economy; to enhance the diversity of available energy end-use technologies, emphasizing alternatives to those that are based exclusively on petroleum or other depletable forms of energy; and to expand the technology base of fundamental scientific and engineering knowledge from which commercial conservation technology is derived. Through the State and Local Assistance Program, financial and technical assistance is provided to improve energy efficiency in industry, transportation, commercial business, public buildings, and private residences.

The challenge to the renewable energy program is to apply advanced material science, biological science, engineering, analytical skills, and manufacturing technology to supporting industries as they develop environmentally attractive renewable energy systems that are competitive with conventional sources. The renewable energy programs include photovoltaic (direct conversion of sunlight to electricity (solar cells)); biofuels (production of energy crops and conversion of those feedstocks to liquid fuels); solar thermal (highly concentrated solar radiation to provide heat and electricity); solar buildings (use of solar radiation for heating, cooling, hot water, and daylighting); wind (extraction of energy from wind to produce electricity); geothermal (extraction of the earth's subsurface thermal energy to produce electricity and heat); ocean thermal electric systems (utilizing the thermal gradient between surface and lower layers of the ocean to produce electricity); electric energy systems (research to improve electric network efficiency, reliability, and safety, and to facilitate integration of renewable technologies); high temperature superconductivity research on enabling technologies to accelerate the "research to product" cycle; and energy storage (research on advanced electrochemical and thermal storage systems).



## Statistical Summary

In FY 1989 CE awarded a total of \$24.5 million in prime awards to small businesses and small disadvantaged businesses. CE will maintain its commitment to support the goals of the Department for the Small Business Program.

### ACTUAL ACHIEVEMENTS (dollars in thousands)

#### PRIMES

Total Prime Procurements, Including M&Os	\$108,841	
Total Prime Procurements, Excluding M&Os	\$ 24,463	100.0%
Small Business	12,843	52.5
Small Disadvantaged Business	2,812	11.5
Women-Owned Business	216	0.9

#### Narrative

Small Businesses carried out a large variety of projects for CE programs which included contracts with approximately two dozen small business firms. Through FY 1989 the Energy Related Inventions Program has assisted individuals and small businesses to develop a total of 325 inventions. Approximately 100 of these inventions have entered the marketplace, generating product sales in excess of \$380 million. The Office of State and Local Assistance Programs supported small business firms to stimulate innovative use of advanced conservation and renewable energy technologies. During FY 1989 and continuing to the present, two small business firms provided CE with technical and management support as well as operation of the Conservation Renewable Energy Inquiry and Referral Service which still serves to provide a variety of information to individuals and small businesses. CE managed the National Appropriate Technology Assistance Service which provided commercialization assistance to approximately 250 small businesses which were trying to develop an energy related business or product. In FY 1989 CE conducted its fifth National Awards Program for Energy Innovation. A total of 74 award winning projects in conservation and renewable energy were selected which are indicative of the innovative energy activities now being undertaken by schools, small businesses, communities, individuals, and others to achieve our national goal of energy independence. Some of these projects are particularly well suited for broad technology transfer.

The future outlook for participation by small business and small disadvantaged business in CE's programs continues to be excellent in technical and management support service areas.

## Nuclear Energy

The Assistant Secretary for Nuclear Energy (NE) is responsible for the administration of advanced technology programs and projects for nuclear fission power generation including nonproliferation considerations; development of space nuclear generator systems; development of naval nuclear propulsion plants and reactor cores; uranium enrichment activities; and isotope production.

These programs are directed toward ensuring public health and safety with all aspects of nuclear energy; completing advancements in nuclear energy technology leading to licensed, advanced, standardized reactor designs; encouraging changes, including regulatory reform, that ameliorate institutional impediments to private sector investment in nuclear energy; developing and applying nuclear energy power sources supporting military and civilian space and terrestrial applications; developing naval nuclear propulsion plants and reactor cores; developing and applying fuel enrichment processes; and producing isotopes.

Much of the effort of NE is directed toward technology and engineering development programs and projects which are performed by the Department's laboratories and other major industrial contractors. As a result, the majority of contracted activities was executed through field offices and national laboratories. Of the \$2.2 billion appropriated for NE programs and projects in FY 1989, only \$16.3 million were obligated directly by Headquarters offices.

## Statistical Summary

	ACTUAL ACHIEVEMENTS (dollars in thousands)	
	PRIMES	
Total Prime Procurements, No M&O Activity	\$16,260	100.0%
Small Business	601	3.6

## Narrative

The above data reflect the problem, particularly in advanced military and civilian space and terrestrial applications, of obtaining qualified small businesses for execution of nuclear research, technology and engineering development programs and projects. It should be noted that the above data do not include Small Business Innovation Research Program participants. Because the majority of funds appropriated for NE's activities are obligated through field offices, Headquarters program and project offices have continued to stress use of small businesses and small disadvantaged businesses at the field level.

Due to the nature of NE's activities at Headquarters, the availability of small businesses and small disadvantaged businesses qualified for advanced nuclear reactor research, development, and engineering development is extremely limited. NE will continue to seek qualified sources to support the goals and objectives of the small business, small disadvantaged business, and women-owned business programs. Particular emphasis will continue to be given to their importance with respect to the execution of programs and projects through field offices.

## **Fossil Energy**

The Assistant Secretary for Fossil Energy (FE) is responsible for managing the Department's Fossil Fuels Research and Development (R&D) Programs (i.e., coal, oil, and natural gas); the Great Plains Gasification Plant; the Clean Coal Technology Program; the Strategic Petroleum Reserve (SPR); the Naval Petroleum and Oil Shale Reserves (NPOSr); and the Liquified Gaseous Fuels Spill Test Facility.

The mission of FE is to develop technologies that will increase domestic production of oil and gas, as well as technologies that will permit the Nation to shift from less abundant fuels to more abundant coal. As conventional supplies of domestic oil and gas are depleted, the Nation will look increasingly to coal as a primary source of energy. Additionally, FE operates SPR and NPOSr to reduce the Nation's vulnerability to severe petroleum supply disruptions.

FE's research and development is primarily performed through the following Energy Technology Centers (ETCs), project office, and site office:

- o Morgantown Energy Technology Center, Morgantown, West Virginia
- o Pittsburgh Energy Technology Center, Pittsburgh, Pennsylvania
- o Bartlesville Project Office, Bartlesville, Oklahoma (Small business and small disadvantaged business goals and utilization are reported through the Pittsburgh ETC.)
- o Metairie Site Office, New Orleans, Louisiana (This location had no contract responsibility during FY 1989.)

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

#### HEADQUARTERS

##### PRIMES

Total Prime Procurements, No M&O Activity	\$8,324	100.0%
Small Business	4,374	52.5
Small Disadvantaged Business	1,274	15.3
Women-Owned Business	2	0.02

#### MORGANTOWN ENERGY TECHNOLOGY CENTER

##### PRIMES

##### SUBCONTRACTS

Total Prime Procurements, No M&O Activity	\$101,944	100.0%		
Total Subcontracts			\$17,897	100.0%
Small Business	13,661	13.4	11,341	63.4
Small Disadvantaged Business	2,990	2.9	690	3.9
Women-Owned Business	2,026	2.0	636	3.6

#### PITTSBURGH ENERGY TECHNOLOGY CENTER

##### PRIMES

##### SUBCONTRACTS

Total Prime Procurements, No M&O Activity	\$103,278	100.0%		
Total Subcontracts			\$25,400	100.0%
Small Business	18,751	18.2	9,723	38.3
Small Disadvantaged Business	6,894	6.7	577	2.3
Women-Owned Business	1,243	1.2		

## Narrative

For the past 12 years, FE has targeted small business and small disadvantaged business firms for its Headquarters and ETC support services requirements.

The use of such firms has served to expand the base of firms knowledgeable in FE technologies. As reflected in the preceding statistics, FE has successfully utilized small business and small disadvantaged business firms each year to execute its programs. In FY 1989 all of the FE Headquarters administrative support services, approximately \$2,619,246, were supplied by small business and small disadvantaged business firms. FE expects to continue the utilization of small business and small disadvantaged business firms in the support services area.

All levels of management were involved in setting and meeting FE's socioeconomic goals with emphasis on use of qualified small business firms. Goals were mutually established by coordinated efforts between FE program offices and OSDDBU staff. The program offices were required to identify small business or small disadvantaged business procurements and target them in the FE Business Management and Information System (BMIS) data base.

In concert with OSDDBU, the FE Small Business/Small Disadvantaged Business Coordinator reviewed and evaluated the actual award results from the prior fiscal year and promulgated socioeconomic goals for FY 1989. As new procurement support services requirements were made known, the Small Business/Small Disadvantaged Business Coordinator contacted the program managers involved and sought to have them use qualified small business firms. Capability statements were received and reviewed by the FE Small Business/Small Disadvantaged Business Coordinator. Counseled firms were furnished advice on their capability statements and directed to the appropriate FE program office for advantageous marketing of their services.

During FY 1989 FE counseled approximately 12 small business firms. Representatives from qualified small business firms were regularly interviewed by the FE Small Business/Small Disadvantaged Business Coordinator and referred to the cognizant program office for further consideration of their capabilities. FE referred qualified firms to ETCs for potential contracts to be awarded in the field.

The future outlook for participation of small businesses and small disadvantaged businesses in the FE program continues to be excellent in the technical and management support services areas.

#### **Program Offices Exempted from Reporting Requirements**

The Assistant Secretary for Defense Programs and the Office of New Production Reactors are excluded from this report pursuant to section 204 of Public Law 95-238.

## Staff Offices

### Management and Administration

The Assistant Secretary, Management and Administration (MA) provides essential management and administrative services to support the Department's programs and missions. This office is the principal advisor to the Secretary on the overall control and support functions for the Department's Headquarters and field components. MA also provides management, guidance, and direction over the policies and systems governing the operation of the Department's support contractors and the M&O contractors as well as their workforces.

### Statistical Summary

ACTUAL ACHIEVEMENTS (dollars in thousands)				
	PRIMES		SUBCONTRACTS	
Total Prime Procurements, No M&O Activity (1)	\$80,803	100.0%		
Total Subcontracts			\$11,198	100.0%
Small Business	18,497	22.9	7,360	65.7
Small Disadvantaged Business	12,393	15.3	2,991	26.7
Women-Owned Business	735	0.9		
Labor Surplus Area Set-Asides	362	0.5		

(1) This category's prime contracting base amount contains funds from other program offices that were influenced by MA.

### Narrative

MA utilizes small businesses and small disadvantaged businesses in nearly all major areas for which it is responsible. The MA Small Business/Small Disadvantaged Business Coordinator is the primary liaison between all MA organizational elements and those small, small disadvantaged, women-owned, and labor surplus area businesses that provide services relevant to the various programmatic functions that comprise MA. In addition to conducting interviews with company representatives, MA also maintains an inventory of all incoming capability statements.

MA is dedicated to making a conscientious effort to seek the services of small, small disadvantaged, women-owned, and labor surplus area businesses.

These initiatives are ongoing in such areas as data entry, document research, and vendor assistance support services; training and conferencing; building maintenance and alterations; ADP and telecommunications; printing, graphics, and photographic services; moving and transportation services; cost-benefit analyses; engineering, technical, and analytical studies; and logistics and supply services. MA encourages its program managers to give special consideration to small businesses, including women- or minority-owned firms, when preparing procurement requests.

Most of MA's large contractual agreements include provisions for subcontracting with small businesses and small disadvantaged businesses. As a result, MA frequently refers small businesses and small disadvantaged businesses to its prime contractors for consideration in subcontracting opportunities.

In January 1989 a Contract and Financial Services Specialist was added to the MA staff to provide full-time centralized oversight and management of all MA acquisitions with special attention directed toward the awarding of procurements to small, small disadvantaged, women-owned, and labor surplus area businesses.

An improved procurement planning system was developed for tracking FY 1989 procurements. The system was automated for implementation in FY 1990. More comprehensive procurement planning will provide enhanced capabilities for advance identification of awards eligible to be set aside for small, small disadvantaged, and labor surplus area businesses.

MA continues to maintain its strong commitment to support the goals of the Department in the areas of small, small disadvantaged, women-owned, and labor surplus area businesses. (However, effective February 28, 1990, the organizational placement and management structure of the functions and components of MA were approved for realignment within the Department. Therefore, this realignment will have an impact upon the subsequent distribution of information within the FY 1990 report.)

## **Procurement Operations**

### **Directorate of Procurement and Assistance Management**

The Office of Procurement Operations directs, negotiates, administers, and otherwise performs all operational and functional management responsibilities for acquisitions; grants; cooperative agreements; loan guarantees and other financial assistance instruments; management and operating contracts; personal property management; sales contracts; small business, small disadvantaged business, and labor surplus area acquisitions; and other business activities needed in support of Headquarters programmatic and institutional requirements. Procurement Operations also provides advice and assistance to the Departmental Procurement Executive regarding such matters.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

	PRIMES		SUBCONTRACTS	
Total Prime Procurements, Including M&Os	\$430,369			
Total Prime Procurements, Excluding M&Os	\$263,939	100.0%		
Total Subcontracts			\$63,228	100.0%
Small Business	100,527	38.1	38,639	61.1
Small Disadvantaged Business	51,640	19.6	12,790	20.2
Women-Owned Business	8,626	3.3	2,474	3.9
Labor Surplus Area Set-Asides	5,609	2.1		

### Narrative

The FY 1989 socioeconomic goals were exceedingly challenging for Procurement Operations. The senior staff professionals continued aggressive small business, small disadvantaged business, labor surplus area set-aside reviews of all proposed acquisitions in excess of \$25,000. Every acquisition was meticulously screened for the possibility of set-asides for small business, small disadvantaged business, and labor surplus area firms. Small disadvantaged businesses were invited to present capabilities against statements of work. Bidders' lists were supplemented with the names of small businesses, small disadvantaged businesses, labor surplus area firms, and women-owned businesses. A history file was created for every acquisition reviewed to facilitate future acquisition reviews.

Procurement Operations continued its outreach program for small disadvantaged businesses to encourage their participation in acquisitions. In FY 1989 Procurement Operations participated in marketplace activities as part of the Minority Enterprise Development (MED) Week for minority-owned businesses. Every firm that was interviewed by Procurement Operations participants was placed in the Headquarters bidders' list system. To ensure participation in Headquarters acquisitions, the Procurement Operations Small Business/Small Disadvantaged Business Coordinator extracted women-owned businesses (as well as other small businesses and small disadvantaged businesses) from the Headquarters bidders' list system and added these names to individual solicitation mailing lists. The success of this program is borne out by the fact that Procurement Operations exceeded its goal for awards to small business firms and women-owned businesses during FY 1989.



Procurement Operations updated its "Directory of Potential Subcontracting Opportunities at DOE" during FY 1989. The directory provides the most current potential subcontracting business opportunities for small business, small disadvantaged business, and women-owned business firms. The booklet was provided during counseling sessions with small business, small disadvantaged business, and women-owned business firms.

Procurement Operations will continue to aggressively promote the utilization of small business, small disadvantaged business, labor surplus area, and women-owned business firms whenever possible. This includes continuing screening of acquisitions and an active outreach program for small disadvantaged businesses, small businesses and women-owned businesses. It is estimated that approximately 2,400 small purchases totaling about \$12 million will be available to small business during FY 1990. In FY 1990 Procurement Operations plans to award approximately 10 contracts, each in excess of \$10 million, which will include subcontracting possibilities. During FY 1990 Procurement Operations will continue to actively support the goals and objectives of the small business, small disadvantaged business, and labor surplus area set-aside programs, as well as initiatives underway to support the participation of women-owned small businesses in the acquisition process.

#### **Environment, Safety and Health**

The Assistant Secretary for Environment, Safety and Health (EH) is responsible for programs to:

- o Provide clear guidance on environment, safety, and health; and provide quality assurance policy, standards, and compliance requirements.
- o Ensure and demonstrate, through strengthened oversight, conformance of the DOE environment, health and safety related activities with applicable policies, standards, laws, and regulations; and foster a commitment to excellence in all facets of DOE operations.
- o Provide liaison with other Federal agencies, such as the Environmental Protection Agency and the Nuclear Regulatory Commission, concerning regulatory efforts and specific actions of those agencies that may have an impact on DOE facilities and operations.
- o Ensure that national environmental protection goals are incorporated into the formulation and implementation of energy programs and policy.
- o Develop policy options for the DOE on the effects of national environmental policy and regulations on U.S. energy industries and energy supply and demand.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

#### PRIMES

Total Prime Procurements, Including M&Os	\$80,900	
Total Prime Procurements, Excluding M&Os	\$14,500	100.0%
Small Business	4,800	33.1
Small Disadvantaged Business	4,200	29.0

## Narrative

EH continually seeks the use of qualified small business contractors to support its mission goals and objectives. EH's base of available funds for small business is relatively small in comparison to the total EH budget. The majority of EH's budget, approximately 88 percent, is used for the funding of field M&O contractors. The remaining 12 percent is potentially available for small business contractors. Of this amount, 33 percent was used for small business contracting in FY 1989.

EH supports the Small Business Program by interviewing representatives of small business firms; reviewing the capabilities of small businesses and determining their applicability to the Environment, Safety and Health Program; routing small business capability statements to appropriate program office officials; maintaining a file of small business brochures and capability statements; and participating in all aspects of the Department's Small Business Program.

EH will continue to use small businesses whenever possible. The EH budget has been increased in FY 1990 from its FY 1989 level. This increase will broaden the base from which potential small businesses are funded, thereby creating increased opportunities for their participation in the Environment, Safety and Health Program.

## Inspector General

As of October 18, 1988, the Office of Inspector General (IG) receives its legal authority from the Inspector General Act of 1978, Public Law 95-452 as

amended, (5 U.S.C. appendix 3). Prior to October 18, 1988, the IG received its legal authority from section 208 of Public Law 95-51, the Department of Energy Organization Act. The primary objectives of the IG are to promote economy and efficiency in the administration of DOE programs and operations and to detect any waste, fraud, or mismanagement that might exist.

### Statistical Summary

ACTUAL ACHIEVEMENTS (dollars in thousands)			
	PRIMES		SUBCONTRACTS
Total Prime Procurements, No M&O Activity (1)	\$7,410	100.0%	
Total Subcontracts			\$130 100.0%
Small Business	4,961	67.0	
Small Disadvantaged Business	3,816	51.5	

- (1) This category's prime contracting amount includes funds from the Albuquerque Operations Office and the Oak Ridge Operations Office.

### Narrative

The use of small businesses and small disadvantaged businesses by the IG in the past has been a positive experience. The IG plans to continue to use such firms to perform audit, investigation, and inspection services. With the funds that are available, the IG will continue its efforts to contract with small business and small disadvantaged business firms. The IG has always encouraged the use of small businesses and small disadvantaged businesses and will continue to do so. The IG Small Business/Small Disadvantaged Business Coordinator will ensure that such firms have been considered for each new procurement.

### Minority Economic Impact

The Office of Minority Economic Impact (MI) advises the Secretary of Energy on the impact of energy policies, programs, regulations, and other DOE actions on minorities. MI also recommends policies to assist minorities, minority educational institutions, and minority-owned business enterprises affected by the Department's actions. MI provides management and technical assistance through its National Minority Energy Information Clearinghouse, the Business and Community Economic Development Program, the Business Loan Program, and the Bank Deposit Financial Assistance Program.

The National Minority Energy Information Clearinghouse develops and disseminates information to the Congress and general public on energy programs and activities. It maintains and disseminates information on the concerns and problems of its users participating in the Department's research and development efforts and contract activities. The Business and Community Economic Development Program provides focused technical assistance to minority-owned business enterprises and minority communities to enable them to fully participate in high technology R&D programs and other contracting opportunities within the Department. The Business Loan Program provides loans to minority-owned businesses to assist in financing bid or proposal preparation costs, thereby enhancing their contract opportunities. The Bank Deposit Financial Assistance Program assists minority-owned financial institutions (banks, savings banks, and savings and loan associations) by providing a source of operating funds in order to enable them to make short-term loans or investments in minority communities.

In FY 1989 these business-related activities were maintained at their general levels of operation. However, as a result of intra-office decisions concerning all MI programs, no procurement funds were obligated directly to the private sector in FY 1989. MI anticipates contract awards totaling approximately \$300,000 to small business and small disadvantaged business firms in FY 1990.

### **Energy Information Administration**

The Energy Information Administration (EI) is the Nation's primary source of comprehensive energy information. EI provides relevant and timely energy statistics and analysis reports to the Executive Branch, Congress, State governments, industry, and the public so that necessary energy information is available to decision makers. EI also provides, on a reimbursable basis, energy data, analyses, and data processing support to the Federal Energy Regulatory Commission and to other DOE offices.

In accordance with its legislative mandate, EI collects, evaluates, assembles, analyzes, and disseminates energy information. Focal points for data collection and analysis are energy reserves, production, consumption, distribution, technology, related economic information, and resource adequacy to meet the Nation's demands in the near future and in the longer term.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

#### PRIMES

Total Prime Procurements, Including M&Os	\$34,007	
Total Prime Procurements, Excluding M&Os	\$32,073	100.0%
Small Business	22,680	70.7
Small Disadvantaged Business	11,702	36.5
Women-Owned Business	549	1.7

#### Narrative

EI maintains an active inventory of capability statements for small businesses and small disadvantaged businesses. As opportunities arise, the Small Business/Small Disadvantaged Business Coordinator circulates a listing of companies for review by program officials. The Small Business/Small Disadvantaged Business Coordinator advises companies on upcoming opportunities for socially and economically disadvantaged businesses. The Small Business/Small Disadvantaged Business Coordinator actively participates in training and conferences sponsored by the OSDDBU to keep abreast of programmatic changes and methods for increasing participation by firms in the preference programs.

The number of EI contracts remains fairly stable over time, with most procurement opportunities arising as contracts expire. Because of the large number of contracts awarded to 8(a) firms in FY 1989 for periods of five years, opportunities with EI for FY 1990 are limited. However, during FY 1990 EI plans to continue its efforts to identify work appropriate for the socially and economically disadvantaged business community. EI expects to award in FY 1990 a small business set-aside contract for accounting and auditing services for the Financial Reporting System. This procurement action was initiated in FY 1989.

#### Congressional and Intergovernmental Affairs

The Assistant Secretary for Congressional and Intergovernmental Affairs (CP) develops, manages, and ensures coordination of Departmental relations with the Congress and other levels of government as well as with consumer groups, business, and industry. CP also works closely with the Congress and other groups to advocate and present the Administration's position on energy programs and national energy strategies.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

#### PRIMES

Total Prime Procurements, No M&O Activity	\$413	100.0%
Small Business	89	21.5
Women-Owned Business	2	0.5
Labor Surplus Area Set-Asides	159	38.5

#### Narrative

Based on the nature of its responsibilities, CP has very limited procurement activity. However, in FY 1989 CP provided incremental funding to an existing contract with the Council of Energy Resource Tribes for \$159,000. CP's staff also administered an additional \$79,000 of reimbursable contractual efforts for the U.S. Environmental Protection Agency.

CP will continue to look for opportunities to make maximum use of small, small disadvantaged, labor surplus area and women-owned businesses in the future.

## DOE Field Organizations

### Operations Offices

#### Oak Ridge Operations Office

The mission of the Oak Ridge Operations Office (OR) encompasses a broad spectrum of energy research, development, and production, including support for national defense. Specifically, its mission is to:

- o Provide adequate, reliable, and competitively priced enriched uranium for commercial and defense uses.
- o Research and develop energy technology.
- o Supply nuclear materials, weapons components, and weapons subassemblies in support of defense programs.
- o Provide petroleum resources for use during short-term interruption of petroleum supplies.

- o Manage Oak Ridge National Laboratory, Portsmouth Gaseous Diffusion Plant (GDP), Paducah GDP, Oak Ridge GDP (currently in standby status), Y-12 Plant, Feed Materials Production Center, Strategic Petroleum Reserve (SPR) Project, and other facilities assigned to OR.
- o Manage the Formerly Utilized Sites Remedial Action Program and defense low-level radioactive and hazardous waste programs.
- o Administer over 1,000 contracts with colleges, universities, and private organizations for conducting research, development, and educational programs.
- o Manage site offices: SPR Project Management Office, New Orleans, Louisiana; Portsmouth Enrichment Office (PEO), Piketon, Ohio; Feed Materials Production Center, Fernald, Ohio; Weldon Spring Site Remedial Action Project, St. Charles, Missouri; and Continuous Electron Beam Accelerator Facility, Newport News, Virginia.

### Statistical Summary

	ACTUAL ACHIEVEMENTS (dollars in thousands)			
	PRIMES		SUBCONTRACTS	
Total Prime Procurements, Including M&Os (1)	\$2,167,865			
Total Prime Procurements, Excluding M&Os (1)	\$ 209,012	100.0%		
Total Subcontracts (1)			\$666,891	100.0%
Small Business	129,274	61.9	328,089	49.2
Small Disadvantaged Business	97,588	46.7	50,139	7.5
Women-Owned Business	19,029	9.1	43,019	6.5
Labor Surplus Area Set-Asides	7,861	3.8	90,529	13.6

(1) These categories reflect the procurement activities of OR, SPR Project Management Office, and PEO. The other offices do not have contracting authority; their procurements originate from OR.

### Narrative

OR places a high priority on increasing opportunities for small, small disadvantaged, labor surplus area, and women-owned business concerns. Each OR

program manager is assigned responsibility for ensuring that firms covered under the socioeconomic program have maximum opportunity to do business with OR. The Small Business/Small Disadvantaged Business Specialist, as well as contracting personnel, take an active role in working with small businesses and helping managers and contractors locate and be cognizant of the capabilities that exist in the small business, small disadvantaged business and women-owned business market. The head of each M&O facility reports quarterly, by letter, to the OR manager stating whether goals are being met and, if not, what actions will be taken to ensure those goals are achieved.

OR has continued to support the 8(a) Program of the U.S. Small Business Administration (SBA), obtaining a wide range of goods and services including A&E services, auditing, coal, computer and technical services, construction, consulting, R&D, and security guard services. During FY 1989 these contracts resulted in \$96 million in awards to 8(a) firms.

The SPR Project Management Office encourages small business and small disadvantaged business subcontracting by including guidance on subcontracting plans in all non-set-aside solicitations susceptible to small business and small disadvantaged business subcontracting. This office also makes available to prime contractors its Computerized Bidders Mailing List, which includes small, small disadvantaged, and women-owned businesses, and their products or services. Any company seeking to do business with the SPR Project Management Office is provided Standard Form 129 (SF-129, Solicitation Mailing List Application) and a list of SPR Project Management Office prime contractors.

Other efforts initiated by the SPR Project Management Office include attendance at small business conferences and publication by the M&O contractors of synopses of any proposed actions of \$100,000 or more in the Commerce Business Daily.

PEO seeks to continuously increase its small business and small disadvantaged business participation. The PEO staff works closely with the SBA and continues to actively participate in minority conferences, meetings, and trade fairs throughout Ohio promoting small business, minority-owned business, and women-owned business participation at the Uranium Enrichment Project in Piketon, Ohio.

Although the PEO procurement-related activity continues to phase down, efforts continue to encourage participation by small business and small disadvantaged business firms. Over 95 percent of all PEO procurements are small business or small disadvantaged business set-asides.

The statistical summary indicates the positive impact OR's guidance has had on M&O contractors' socioeconomic procurements. All contractors with award fee contracts have evaluation criteria related to socioeconomic program performance. The program's success with M&O contractors is attributable to these contractors' commitment to the program and their innovative methods to facilitate utilization of qualified firms.



As part of a DOE-wide effort, OR is emphasizing its safety, health, and environmental programs as well as increasing its attention to management of both toxic and radioactive wastes. OR will continue to aggressively pursue socioeconomic opportunities in these emphasis areas and others for small business, small disadvantaged business, labor surplus area, and women-owned business firms. Program managers and contractor management will be asked to identify procurements for set-asides.

Increasing numbers of eligible firms vying for Government contracts and ever-changing legislation are seen as the biggest challenges to small businesses and small disadvantaged businesses today. In addition, the technical nature of Government projects has become more and more complicated. OR will continue to ensure equitable opportunities to qualified small business firms.

### **Albuquerque Operations Office**

The Albuquerque Operations Office (AL) was formed in April 1956 to manage an extensive scientific and technological complex. AL has been tasked with the research, development, production, and surveillance of nuclear weapons; the operations of the transportation safeguards system to ensure safe and secure movement of weapons and strategic quantities of nuclear materials within the continental United States; non-weapons projects and energy programs; and the nuclear weapons accident response both within the continental United States and worldwide.

AL carries out its mission requirements by the use of 10 M&O contractors at the following locations: University of California, Los Alamos National Laboratory, Los Alamos, New Mexico; AT&T Technologies, Inc., Sandia National Laboratories, Albuquerque, New Mexico; Ross Aviation, Inc., Albuquerque, New Mexico; Inhalation Toxicology Research Institute, Albuquerque, New Mexico; Rockwell International Corporation, Golden, Colorado; EG&G Mound Applied Technologies, Inc., Miamisburg, Ohio; General Electric Company, Largo, Florida; Mason and Hanger-Silas Mason Company, Amarillo, Texas; Allied-Signal Aerospace Company, Kansas City, Missouri; and Westinghouse Electric Corporation, Carlsbad, New Mexico.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

	PRIMES		SUBCONTRACTS	
Total Prime Procurements, Including M&Os	\$3,850,538			
Total Prime Procurements, Excluding M&Os	\$ 165,000	100.0%		
Total Subcontracts			\$1,581,469	100.0%
Small Business	32,671	19.8	701,795	44.4
Small Disadvantaged Business	16,001	9.7	101,140	6.4
Women-Owned Business	1,346	0.8	69,685	4.4
Labor Surplus Area Set-Asides			44,000	2.8

### Narrative

AL experienced significant accomplishments in FY 1990. AL and its M&O contractors increased the number and quality of their organizational activities which directly supported the DOE's Small Business Program.

Rockwell International Corporation provided assistance to a small disadvantaged business supplier that was experiencing quality problems. Instead of terminating the company, Rockwell International Corporation initiated a program to enhance the company's capability to perform. The results of this effort increased the acceptance rate of products from 25 percent to a running 12 month total of 93 percent.

General Electric Company, Westinghouse Electric Corporation, and Allied-Signal Aerospace Company helped to develop several small business and small disadvantaged business sources into qualified firms for weapons components and high technology services that were previously obtained from large businesses. These small businesses and small disadvantaged businesses were provided the necessary assistance in problem solving, quality control, manufacturing techniques, and methodologies to reduce scrap and improve yields.

Sandia National Laboratories and Los Alamos National Laboratory have developed classes to enhance the skills of small, small disadvantaged, labor surplus area, and women-owned businesses for bidding on complex procurements. Classes such as "Geometric Dimensioning and Tolerancing," "Cost And Price Analysts," "Proposal Preparation," and "Machine/Fabrication Shop Quality Seminar" were presented at no cost to such businesses and presented by in-house experts.

Sandia National Laboratories was instrumental in establishing the Minority Business Consortium Fund in New Mexico. This has resulted in several New Mexico minority-owned businesses receiving financial help. Additionally, the Los Alamos National Laboratory and Allied-Signal Aerospace Company deposited payroll taxes in five different minority-owned banks. These deposits provided nearly \$50 million annually in cash activities to these banks.

Three of AL's M&O contractors, Sandia National Laboratories, Los Alamos National Laboratory, and Allied-Signal Aerospace Company, were the recipients of the U.S. Small Business Administration's highest award for "superior program performance and for demonstrating verifiable accomplishments beyond the call of duty."

AL co-sponsored the Minority Enterprise Development (MED) Week Regional Minority Business Development Agency Conference. This regional conference attracted over 500 businesses from an 11 state area.

During FY 1989 over 125 outreach activities were attended by AL and its M&O contractors. Their participation included co-sponsorship, serving on steering committees, workshop speaking, and corporate exhibition at the various events.

EG&G Mound Applied Technologies, Inc., developed a Supplier Recognition Program which will honor quality suppliers that have superior performance. One of the four categories will be reserved for the outstanding small disadvantaged business contractor making the greatest improvements as a supplier.

Mason and Hanger-Silas Mason Company and Westinghouse Electric Corporation are located 30 to 45 miles outside the metropolitan areas, generating an unintentional geographic barrier to the local business community. These two M&O contractors have in concert with their respective business communities created plan rooms to display contract opportunities.

The following organizations are active members of their local Minority Supplier Development Councils: AL, Rockwell International Corporation, General Electric Company, Sandia National Laboratories, Los Alamos National Laboratory, EG&G Mound Applied Technologies, Inc., Westinghouse Electric Corporation, and the Inhalation Toxicology Research Institute.

Opportunities in several areas are expected. For instance, hazardous waste management and environmental restoration work will provide new challenges to small business, small disadvantaged business, labor surplus area, and women-owned business firms. One of the barriers that exists is that many of AL's M&O contractors will require state-of-the-art equipment or companies which possess unique capabilities, facilities, and experienced personnel for related programs. Due to the enormous capital investment required for the manufacturing of one-of-a-kind systems and to provide the diverse specialties of personnel required to perform these high technology services, these contractors are usually, by necessity, large businesses.

To overcome these barriers, Allied-Signal Aerospace Company has developed a Supplier Quality Partnership Program. Under this program small business firms are encouraged to work with Allied Purchasing Product Teams, comprised of representatives from purchasing, quality, engineering, and the design laboratory. The program involves the utilization of product characterization, the determination of process capability, and the introduction of statistical process controls to prevent the occurrence of defects rather than reliance on detection of defects.

Within the current legislative and regulatory environment for socioeconomic programs, AL, in concert with its M&O contractors, will continue to offer in FY 1990 the maximum practicable opportunities to small business, small disadvantaged business, labor surplus area, and women-owned business firms.

### **Chicago Operations Office**

The Chicago Operations Office (CH), an offspring of the Manhattan Engineer District, was initially established in 1946 as one of the Atomic Energy Commission's first field offices.

Today CH's primary missions are integrated management of major Government-owned, contractor-operated laboratories and facilities as well as two Government-owned, Government-operated laboratories; and management of programs and projects, including assignments in energy research, nuclear waste management, nuclear fission and conservation.

Current CH assignments include key elements of high energy and nuclear physics programs; magnetic confinement fusion R&D and related test facilities; the SSC Program; basic energy sciences; high temperature superconductor research; the advanced reactor base technology programs; projects under the Civilian Radioactive Waste Management Program; decontamination and decommissioning efforts; magnetohydrodynamics (MHD) projects and test facilities; conservation, renewable energy, and cogeneration technology projects; State and local assistance programs; and university construction grant programs.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

	PRIMES		SUBCONTRACTS	
Total Prime Procurements, Including M&Os	\$1,568,623			
Total Prime Procurements, Excluding M&Os	\$ 180,426	100.0%		
Total Subcontracts			\$364,280	100.0%
Small Business	20,691	11.5	184,607	50.7
Small Disadvantaged Business	5,421	3.0	14,982	4.1
Women-Owned Business	547	0.3	6,712	1.8
Labor Surplus Area Set-Asides			3,484	1.0

### Narrative

CH places a high priority on aggressively pursuing maximum opportunities for concerns covered under the Department's socioeconomic preference programs for small business, small disadvantaged business, labor surplus area, and women-owned business concerns at both the prime and subcontracting levels.

CH is active in advising small businesses and small disadvantaged businesses on how to participate in the Federal, State, and local procurement process. This effort includes arranging meetings for such firms with State and local purchasing officials, prime contractors, procurement managers, senior buyers, engineers, program directors, construction managers, and others who use the various products or services offered by these firms.

CH has also actively participated in debriefing (identifying potential weaknesses) small disadvantaged concerns and has encouraged them to seek technical assistance from the U.S. Department of Commerce's Minority Business Development Centers (MBDCs) in marketing research, contract proposal development, loan packaging, preparation of business plans, general business counseling, and preparation of section 8(a) documentation. Through CH's efforts numerous small disadvantaged firms have received the benefits of MBDCs' technical assistance, and five small disadvantaged concerns have entered the section 8(a) certification process.

During FY 1989 CH participated in 12 small business conferences. CH also co-sponsored two regional conferences: the Midwest Business Women's Link, an initiative tailored to the needs of women business owners, and the Chicago Business Opportunity Fair-22, an outreach activity directed primarily at

minority-owned businesses. Participation at the 14 conferences was on the Federal, State, local, and private sector levels. The contacts developed during these activities have enabled CH to significantly expand its outreach efforts, thereby leading to better communication among CH, its management and operating (M&O) contractors, and State and local program officials. CH's expanded outreach efforts have also resulted in a sharing of small business resource lists and an interagency and private sector referral system for small business vendors.

In April 1990 CH will also co-sponsor the Chicago Business Opportunity Fair-23, a major private sector initiative sponsored by the Chicago Regional Purchasing Council. This trade show is the largest of its kind in the country, attracting more than 5,000 corporations, minority-owned businesses, and governmental organizations annually. The show is designed to serve as a catalyst for moving minority-owned businesses and majority-owned buying organizations into mutually productive, lasting business relationships. The theme will be "New Decade...New Opportunities," which emphasizes that the minority business community is able to participate in the more technical procurements and not only in the traditional service and crafts trades.

CH will continue to aggressively pursue subcontract procurement opportunities with its M&O contractors in accordance with socioeconomic preference programs for small business, small disadvantaged business, labor surplus area, and women-owned business concerns. For FY 1990 CH will require each of its M&O contractors to set-aside 40 percent of their base awards to small businesses and small disadvantaged businesses.

In an effort to stimulate R&D outreach efforts, CH will distribute a FY 1989 summary of Phase I Small Business Innovation Research (SBIR) Program awards, which specifies awardee names, addresses, phone numbers, and synopses of work being performed, to M&O contractors and the university community. If properly utilized, the summary should greatly enhance their outreach efforts in locating technically qualified small and small disadvantaged R&D firms.

### **Idaho Operations Office**

The Idaho Operations Office (ID) administers the DOE's Idaho National Engineering Laboratory (INEL). ID also has responsibility for the Denver Support Office, Grand Junction Projects Office, Magnetohydrodynamic (MHD) Project at Butte, Montana, and the West Valley Demonstration Project at West Valley, New York. Some of the program activities at ID include geothermal, industrial conservation, low-head hydropower, reactor safety testing, reactor fuels and material testing, reprocessing of Government-owned nuclear fuels, radioactive waste management, and a MHD coal-fired facility capable of generating electrical power.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

	PRIMES		SUBCONTRACTS	
Total Prime Procurements, Including M&Os	\$773,523			
Total Prime Procurements, Excluding M&Os	\$128,364	100.0%		
Total Subcontracts			\$274,121	100.0%
Small Business	24,234	18.9	154,765	56.5
Small Disadvantaged Business	1,051	0.8	19,704	7.2
Women-Owned Business	308	0.02	11,400	4.2
Labor Surplus Area Set-Asides			256	0.1

## Narrative

ID continues to endorse an outreach program that will increase contracting opportunities for small, small disadvantaged, and women-owned businesses. As evidenced by the "Statistical Summary," ID and its prime contractors have a concentrated and consistent small business and small disadvantaged business program. Support to the program originates from the ID Manager. Each year the Manager addresses all ID personnel in a "State of the INEL" meeting. The Manager discusses ID's mission and highlights topics he expects ID office personnel to support. The Manager invariably encourages ID's support to the DOE's Small Business Program and to ID's local initiatives.

ID invites small businesses to obtain information and advice as well as to acquaint themselves with program personnel, incumbent prime contractors, and contracting opportunities available at the INEL. This effort is enhanced by the participation of the ID Small Business/Small Disadvantaged Business Specialist and the prime contractors' procurement personnel in outreach activities. During FY 1989 prime contractors have conducted workshops and seminars throughout Idaho at Boise, Burley, Twin Falls, Coeur d'Alene, Pocatello, Fort Hall, and Idaho Falls. The workshops and seminars are focused on how to do business with the DOE and INEL prime contractors.

ID has an excellent working relationship with the U.S. Small Business Administration (SBA) Regions VIII and X regarding contracts to 8(a) contractors. ID technical and program personnel support small business and small disadvantaged business by initiating procurement actions for 8(a) procurements and small business set-asides. ID's prime contractors also turn back projects for ID to negotiate and award under the 8(a) Program. Some of the work being performed by small business and small disadvantaged business firms at the INEL include construction projects; manufacturing vessels, tanks, and engineered hardware; and providing janitorial, architect-engineer (A&E), and research and development (R&D) services.

Many of the ID prime contractors continue to break out design work to specifically match the talents of local small A&E firms to design work. As a result of this "matching" technique utilized by the prime contractors, subcontracting awards to small businesses are consistently increasing. This outreach effort resulted in \$435,343 being awarded for subcontracts to local small A&E firms in FY 1989.

The future outlook for small business in the operations of the INEL and ID's other project sites remains excellent. The construction program should continue to yield a high percentage of available construction funding to small and small disadvantaged construction firms. With the emergence of more stringent controls placed on environmental issues and requirements, utilization of small and small disadvantaged companies will be highlighted in years to come. As a result ID will continue to aggressively pursue subcontract procurements for small and small disadvantaged businesses.

### Nevada Operations Office

The Nevada Operations Office (NV) is responsible for programs at the Nevada Test Site (NTS). The primary mission of the NTS is to provide a remote, secure facility for the safe conduct of underground nuclear testing in support of national defense programs. NV contractors have developed unique expertise in such fields as drilling, mining, and down-hole diagnostics in support of the weapons development laboratories and the U.S. Department of Defense. NV is responsible for site characterization activities being conducted at Yucca Mountain for the development of a nuclear waste and spent fuel repository. Other programs and projects include detection of nuclear explosions; geologic, hydraulic, and seismic investigations; and development of applications of nuclear explosives in science and industry.

### Statistical Summary

	ACTUAL ACHIEVEMENTS (dollars in thousands)			
	PRIMES		SUBCONTRACTS	
Total Prime Procurements, Including M&Os	\$711,294			
Total Prime Procurements, Excluding M&Os	\$ 88,329	100.0%		
Total Subcontracts			\$228,266	100.0%
Small Business	13,919	15.8	146,077	64.0
Small Disadvantaged Business	7,573	8.6	17,030	7.5
Women-Owned Business	1,318	1.5	11,160	4.9
Labor Surplus Area Set-Asides			188	0.1



## Narrative

NV continues to aggressively promote the utilization of small and small disadvantaged businesses in its own contracting activity and the contracting activities of its prime contractors. NV's top management make themselves available during the year for one-on-one meetings with small businesses and small disadvantaged businesses and encourage the use of such firms in meetings held with senior officials of the management and operating (M&O) contractors. NV's Manager also actively participates in the Las Vegas Chamber of Commerce, the Latin Chamber of Commerce, and the Black Chamber of Commerce. The Small Business/Small Disadvantaged Business Specialist works closely with the major on-site prime contractors in the development and administration of their small business and small disadvantaged business programs. Socioeconomic goals are negotiated with these contractors, and their achievements are monitored throughout the year. The Small Business/Small Disadvantaged Business Specialist also counsels small, small disadvantaged, and women-owned businesses to assist them in contacting the M&O contractors for subcontracting opportunities.

NV and its M&O contractors actively sought additional small, small disadvantaged, and women-owned businesses by participating in several business conferences, trade fairs, and procurement conferences in FY 1989. NV was active in planning and participating in the Minority Enterprise Development (MED) Week activities held in Nevada. In addition to participation in local and regional trade fairs and conferences, the Small Business/Small Disadvantaged Business Specialist conducted workshops to inform small businesses and small disadvantaged businesses on how the Federal procurement process works and arranged program office meetings with small businesses and small disadvantaged businesses.

NV has always actively supported the 8(a) Program of the U.S. Small Business Administration (SBA) as demonstrated by its consistency in the number of 8(a) contracts awarded. NV has searched for 8(a) firms capable of performing its current requirements as well as new projects to be identified in the future. Eleven SBA 8(a) certified companies held 16 DOE contracts in FY 1989. Awards to these companies totalled \$7,572,779.

In FY 1990 there will be more opportunities for small businesses and small disadvantaged businesses to participate in NV procurement activities. NV's management will continue to support efforts to compete more requirements. Increases in defense-related programs and their complexity have generated more subcontracting opportunities through NV's M&O contractors. The results of the M&O contractors' authority to officially set-aside requirements for procurements with small disadvantaged businesses have been encouraging. Small disadvantaged business set-asides have increased subcontract participation by these firms and should continue to do so.

The future outlook for 8(a) contractors is very good for FY 1990. The first option year for the environment, safety, and health technical support services contract is being exercised. A major contribution by NV to the Department's Small Business Program is the 8(a) competitive procurement in FY 1990 for the management and operation of the Materials Testing Laboratory at the NTS. Additional requirements are anticipated to be set aside for the 8(a) Program for alteration and repair of existing facilities. It is possible that one new construction project could be set aside for the 8(a) Program. Current 8(a) contracts for annual requirements are expected to be continued in FY 1990. These include requirements for courier services, administrative services, and other support services.

### Richland Operations Office

The Richland Operations Office (RL) is responsible for managing the 560 square mile Hanford Site, an approximately \$7 billion plant with 12,700 Government and management and operating (M&O) contractor employees.

The major programs at Hanford include energy research and development (R&D), nuclear chemical processing, management of nuclear waste, and construction management.

The DOE staff is responsible for overall management and administration of the Hanford programs and site. Plant operations and services are performed by four M&O contractors. Three of the four contractors have procurement functions and active small business and small disadvantaged business programs.

### Statistical Summary

	ACTUAL ACHIEVEMENTS (dollars in thousands)			
	PRIMES		SUBCONTRACTS	
Total Prime Procurements, Including M&Os	\$921,597			
Total Prime Procurements, Excluding M&Os	\$ 37,872	100.0%		
Total Subcontracts			\$178,522	100.0%
Small Business	3,543	9.4	122,119	68.4
Small Disadvantaged Business	3,265	8.6	20,795	11.6
Women-Owned Business	284	0.7	14,562	8.2
Labor Surplus Area Set-Asides	148	0.4	40,263	22.6

## Narrative

RL continues to have a very active role in the DOE's Small Business Program and strives to increase contracting opportunities for small businesses and small disadvantaged businesses under this program.

RL instituted a "Million Dollar Club Award" in FY 1986. The award is to recognize buyers who placed orders of a million dollars or more with small disadvantaged businesses during a fiscal year. Two Hanford buyers, who placed procurements in the areas of coal and automated data processing in FY 1989, were presented with this award and joined the previously honored nine awardees.

RL works closely with the U.S. Small Business Administration (SBA) to identify barriers and work out solutions to increase procurements under the Small Business Program. Through coordination with SBA, RL awarded over \$3 million in 8(a) contracts in FY 1989.

Each M&O contractor gave special recognition for staff achievements and publicized information regarding its socioeconomic program. During FY 1989 the M&O construction contractor revised its incentive program to encourage buyers and contract placement personnel to place procurements with small business firms with which they have not previously done business.

An 8(a) Task Team, consisting of representatives from RL and its M&O contractors, was formed to identify and evaluate improvements to the 8(a) process and document the results. The team's efforts will result in a guidance document which will provide a step-by-step description of the 8(a) process, including the steps that the M&O contractors are to follow in providing contract support to the 8(a) Program.

The DOE National Small Business Conference was hosted by RL at Pasco, Washington. The conference provided a means to exchange information among the 100 DOE and contractor small business officials and procurement managers. RL sponsored its Eighth Annual Small Business Conference to acquaint firms with contracting opportunities and Hanford Site buyers. Over 60 buyers, representing RL and its M&O contractors, gathered in one location to talk with small business representatives. Invitations were sent to 6,000 small business firms. Over 760 firms from many western states attended the conference. This activity helped firms learn how to do business with the Government. A "Small Business Directory" of all attendees was published and given to each buyer at the Hanford Site to increase opportunities for contract awards under RL's socioeconomic program. In an effort to increase local vendors' knowledge and encourage competition in procurements being purchased out-of-state, RL sponsored a Local Vendors' Day Conference to discuss products, specifications, bidding requirements, quality assurance, financing arrangements, and other procurement related topics. Lists of items being procured out-of-state for \$100,000 or more were provided to the vendors, and many of the items were displayed during the conference.

RL also participated in numerous outreach activities throughout the State of Washington. Presentations regarding RL's socioeconomic program were made to the Washington State Senate Hearings Committee. In addition, responses have been provided to a vast number of inquiries, both written and verbal, on various subjects.

At the suggestion of RL, Westinghouse Hanford Company sponsored an open house for the public to view its new warehouse which holds over \$40 million of goods. Westinghouse Hanford Company's buyers and the visiting public discussed quantities purchased and prices in an effort to encourage small business participation in these procurements.

The Hanford mission is changing from reactor production to environmental restoration and waste management. Maximum efforts will continue to be exerted in the future to utilize small businesses and small disadvantaged businesses in all areas of contract opportunities. The outreach program's main emphasis will be increased small business knowledge of RL's requirements in conjunction with enhanced small business marketing expertise in obtaining business at the Hanford Site.

#### **San Francisco Operations Office**

The mission of the San Francisco Operations Office (SAN) is to support the accomplishment of the DOE's defense and energy missions through the oversight and management of assigned laboratories, university, and industrial contractors. SAN is responsible for the management, coordination, and support of programs and projects involving weapons research and development (R&D), basic energy research, and R&D in all of the major energy areas ranging from geothermal and solar to nuclear fusion and reactor design development.

SAN oversees the administration of four major DOE management and operating (M&O) contracts. These contracts are with the University of California for the operation of the Lawrence Berkeley Laboratory, Berkeley, California (basic energy research) and the Lawrence Livermore National Laboratory, Livermore, California (R&D in nuclear weapons development and other energy related programs); Stanford University for the operation of the Stanford Linear Accelerator Center, Palo Alto, California (high energy physics); and Rockwell International Corporation, Rocketdyne Division, for the operation of the Energy Technology Engineering Center, Canoga Park, California (a nuclear reactor component testing facility).

SAN also administers major contracts at Sunnyvale, San Diego, and San Jose, California, and Valley Forge, Pennsylvania, for R&D in nuclear fusion and nuclear reactor development technologies.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

	PRIMES		SUBCONTRACTS	
Total Prime Procurements, Including M&Os	\$1,611,647			
Total Prime Procurements, Excluding M&Os	\$ 218,878	100.0%		
Total Subcontracts			\$692,914	100.0%
Small Business	29,679	13.6	274,476	39.6
Small Disadvantaged Business	3,815	1.7	28,302	4.1
Women-Owned Business	749	0.3	24,407	3.5
Labor Surplus Area Set-Asides	377	0.2	7,996	1.2

## Narrative

SAN maintains an active Small Business Program profile. Its goal is to ensure that all contract actions are awarded in an environment of maximum practicable opportunity. Memoranda are regularly transmitted to senior staff outlining utilization goals and recognizing management's commitment to ensure equitable procurement opportunities. Dissemination of information to senior management and staff is a key activity by which SAN can emphasize the importance of small business participation and thus provide small businesses with increased opportunities.

Utilizing small business set-asides and 8(a) Program procurements, 57 percent of all new contracts awarded by SAN in FY 1989 were awarded to small businesses. Awards to small women-owned businesses increased 58 percent. SAN's management allotted 20 training slots and sent both contracting and program management personnel to Small Business Program implementation training. SAN's management oversees goal achievement, problem areas, and planned resolution using quarterly reports generated by the Small Business/Small Disadvantaged Business Specialist. Annual appraisals of M&O contractors include written analysis of these contractors' implementation of Public Law 95-507 requirements. New or revised appraisal criteria are established as needed to ensure adequate program implementation.

In FY 1988 SAN established a three-year "Plan of Action" which identifies specific tasks and initiatives to be undertaken during FY 1988 through FY 1990. The purpose of the plan is to increase visibility of SAN's small business initiatives and to increase opportunities for small businesses at SAN and at its M&O contractor-operated facilities.

An office-wide prime acquisition planning document is generated by program personnel and others. The document is initiated early in the fiscal year and identifies all planned acquisitions. It also requires program personnel to coordinate and evaluate each item listed with the SAN Small Business/Small Disadvantaged Business Specialist to determine the suitability for a small business set-aside. Through the use of this planning and screening document, SAN is able to increase opportunities for small or 8(a) businesses. The SAN Small Business/Small Disadvantaged Business Specialist receives advance copies of all procurement requests initiated by program officers to enable advance planning and counseling for determination of suitability for small business participation. Weekly procurement status reports are generated and reviewed by the SAN Small Business/Small Disadvantaged Business Specialist. This enables implementation in accordance with Public Law 95-507 requirements.

The Small Business/Small Disadvantaged Business Specialist provides to management weekly information bulletins which detail new initiatives and policy issues affecting office operations. In addition, contracting personnel share information about new awards, opportunities, and goal achievements. These items are then discussed in top level management meetings. Such activities contribute to improved results and increased contracting opportunities.

SAN is an active member and co-sponsor of the Northern California Area Small Business Council, a consortium of Federal agency contracting and small business personnel. SAN's participation on the council lends to improved outreach and enhanced visibility. This enables SAN to meet many qualified small businesses that may not be aware of SAN's procurement opportunities.

SAN publicizes its procurements in local and national publications. Local mediums include the Minority Business Opportunity Council's Marketing Guide and the San Francisco/Bay Area Small Business Exchange, a California-wide version of the Commerce Business Daily. Copies of solicitations are forwarded to the Hispanic, Black, Asian, and Native-American Chambers of Commerce and to local U.S. Department of Commerce Minority Business Development Centers.

With increasing SAN participation in space power programs, SAN has established a collaborative effort with the Jet Propulsion Laboratory (JPL) Office of Small Business which will enable SAN to access JPL's data base of small high technology contractors. SAN is also participating as a coordinating committee member for JPL's Annual Small Business Conference to be held in FY 1990.

Finally, in order to assist in minimizing the cash flow problems frequently experienced by small business and small disadvantaged business firms, SAN allows 15 day payment cycles for its 8(a) contractors and selected small business contractors.

In FY 1990 emphasis will be placed on maintaining prime procurement opportunities for small businesses in light of stabilized, and in certain programs, reduced budgets. It is projected that a revision in the way Small Business Innovation Research Program awards are made as well as the on-going implementation of Public Law 100-656 will impact statistical achievements of future DOE prime contracts. Requirements and initiatives targeted in SAN's three-year "Plan of Action" will continue to be forged. Specific emphasis will be given to M&O contractors' establishment of small disadvantaged business subcontract set-asides; inspiring M&O contractors in the development of their own action plans to increase subcontracting opportunities; and conducting contractor procurement system reviews which will include the review of Small Business Program implementation by M&O contractors.

### **Savannah River Operations Office**

The Savannah River Operations Office (SR) maintains management oversight for the Department's Savannah River Site (SRS) located near Aiken, South Carolina. Through its M&O contractors, SR carries out assigned responsibilities including production of nuclear materials for national defense and related environmental, safety, and health protection programs. The SRS is a key installation in the Department's nuclear weapons complex. Among the most important of SRS's operating facilities are three production reactors, two chemical separation plants, material fabrication facilities, and a process development laboratory, all of which are operated by Westinghouse Savannah River Company (WSRC). Also on site is an ecology laboratory operated by the University of Georgia Research Foundation (UGRF). Physical security services for SRS are provided by Wackenhut Services, Inc., also an M&O contractor. Two major facilities are currently under construction; namely, the Defense Waste Processing Facility and the Replacement Tritium Facility. SRS has also been named by the Department as a potential site for a New Production Reactor for which construction is expected to begin in approximately three years. The entire 300 square mile site was designated as the Nation's first National Environmental Research Park in 1972.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

	PRIMES		SUBCONTRACTS	
Total Prime Procurements, Including M&Os	\$1,616,422			
Total Prime Procurements, Excluding M&Os	\$ 71,758	100.0%		
Total Subcontracts			\$569,820	100.0%
Small Business	9,615	13.4	253,109	44.4
Small Disadvantaged Business	1,448	2.0	23,045	4.0
Women-Owned Business	1,356	1.9	33,720	5.9
Labor Surplus Area Set-Asides			2,188	0.4

### Narrative

SR made significant increases in the amount of prime contract dollars awarded to small, small disadvantaged, and women-owned businesses during FY 1989. The following is a comparison of SR's performance for FY 1988 versus FY 1989:

	FY 1988	FY 1989
Small Business	\$4,554,116	\$9,615,001
Small Disadvantaged Business	283,334	1,447,536
Women-Owned Business	283,334	1,335,574

The increases were achieved through expanded use of small business set-asides and 8(a) procurements.

Significant achievements were also made by SR's M&O contractors in their awarding of subcontracts to small, small disadvantaged and women-owned businesses. The principal M&O contractor, WSRC, accounts for the majority of small business, small disadvantaged business, and women-owned business subcontract awards. WSRC became the primary SRS M&O contractor on April 1, 1989, replacing E.I. du Pont de Nemours and Company. During the eight months WSRC has been on site they have established and filled two Small Disadvantaged Business Specialist positions to assist small disadvantaged businesses; established a Vendor Development Office to ensure small and small disadvantaged businesses are added to established master bid lists; exceeded all small business goals; and organized and hosted a small business conference for local area firms which was titled, "Doing Business with Savannah River Site." WSRC's small business conference was attended by over 800 local businesses, primarily small business and small disadvantaged business firms seeking subcontracting opportunities. WSRC's efforts along with those of SR's



other M&O contractors contributed to significant increases in dollars awarded to small, small disadvantaged, and women-owned businesses during FY 1989 at SRS.

SR's involvement in defense nuclear programs, particularly in the areas of environmental restoration and hazardous waste management, should continue to provide opportunities for participation by small and small disadvantaged businesses. Establishment of higher percentage goals for small and small disadvantaged business awards continues to be hampered by large captive expenditures for utilities, the rural location of SRS, and the highly technical capabilities necessary to provide many SR requirements. SR will continue to use set-asides and encourage its M&O contractors to expand the use of set-asides to meet established socioeconomic goals. WSRC has demonstrated its willingness to establish and maintain an aggressive socioeconomic program. SR will continue to emphasize to WSRC and the other M&O contractors the importance of maintaining aggressive socioeconomic programs, including broadening the base of potential opportunities for small and small disadvantaged businesses to include the unique and highly technical requirements at SRS.

## **Power Administrations**

### **Bonneville Power Administration**

Congress enacted the Bonneville Project Act in 1937, creating the Bonneville Power Administration (BP) to market and transmit the power produced by Bonneville Dam on the Columbia River. Congress has since directed BP to wholesale the power produced at 30 dams along the Columbia River basin in the Pacific Northwest. The dams and the electrical delivery network comprise the Federal Columbia River Power System. BP also acquires conservation and non-Federal generating resources to meet the needs of its customer utilities.

BP wholesales power to Northwest public and private utilities, rural cooperatives, large industries, and several Federal agencies. BP also sells or exchanges power with utilities in California.

BP uses revenues from the sale of power and transmission services to recover its own expenses, to repay the Federal investment in the power system, and to repay the non-Federal investment in generating capacity it has acquired. BP pays for operation and maintenance expenses at the Federal dams and at non-Federal power plants. It also provides funds for irrigation works and for fish and wildlife projects.

## Statistical Summary

ACTUAL ACHIEVEMENTS (dollars in thousands)				
	PRIMES		SUBCONTRACTS	
Total Prime Procurements, No M&O Activity	\$117,593	100.0%		
Total Subcontracts			\$10,405	100.0%
Small Business	51,474	43.8	1,558	15.0
Small Disadvantaged Business	12,740	10.8	529	5.1
Women-Owned Business	1,291	1.1		
Labor Surplus Area Set-Asides	43	0.04		

## Narrative

BP continued its outreach activities for small and small disadvantaged businesses for its socioeconomic programs. Contract awards to 8(a) firms totalled \$9.9 million, thereby exceeding the planned procurements to such firms by \$7.4 million.

BP utilizes ongoing computer access to the Procurement Automated Source System (PASS), a Government-wide source list which profiles small businesses eligible to bid on Government contracts. BP's outreach program is enhanced by distribution of "A Guide to Doing Business with BPA," a major marketing tool for small and small disadvantaged businesses, now in its second printing. BP's attendance at business conferences and trade fairs continues to attract small businesses. In FY 1989 BP was represented at 31 such conferences.

BP's planned outreach efforts for FY 1990 include:

- o Attendance at procurement conferences and trade fairs throughout BP's service territory.
- o Offering special counseling and informational activities to small businesses, with a new focus on those small businesses in rural areas.
- o BP membership in small business and small disadvantaged business advisory councils in Washington and Oregon.
- o Participation in special projects and functions, such as local nominations for the "Federal Contractor of the Year Award" and placement of procurement-related advertisements in periodicals published for minority communities.

- o Further distribution of "A Guide to Doing Business with BPA" with updated and reprinted information on personal contacts.
- o Nomination of a small business contractor for the "Baldrige Award," sponsored by the National Institute of Standards and Technology, U.S. Department of Commerce.
- o Special efforts to create a close, cooperative working relationship with the newly appointed Procurement Center Representative for the State of Oregon in the Portland office of the U.S. Small Business Administration.

A summary of prospective awards for FY 1990 to small disadvantaged businesses follows:

8(a) Program Awards	\$4,120,000
Small Disadvantaged Business Set-Aside Awards	3,477,000
Small Purchase, Small Disadvantaged Business Awards	208,000

In addition, BP contracts with Northwest Indian tribes to do projects that mitigate the effects of dam operations on fish and wildlife in the Columbia River basin. These tribes in turn subcontract with Native American providers. BP anticipates \$5,000,000 in prime contract awards to Northwest Indian tribes in FY 1990.

#### Western Area Power Administration

During FY 1989 the Western Area Power Administration (WA) was responsible for the Federal electric power marketing and transmission functions in 15 Central and Western states. WA plans, designs, constructs, operates, and maintains transmission facilities. It markets and distributes power to cooperatives, municipalities, public utility districts, Federal and State agencies, and private utilities. WA currently operates and maintains 16,300 miles of transmission lines, 258 substations, and various other power facilities which comprise the largest federally operated power marketing and transmission system in the United States.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

	PRIMES		SUBCONTRACTS	
Total Prime Procurements, No M&O Activity	\$128,963	100.0%		
Total Subcontracts			\$536	100.0%
Small Business	98,907	76.7	105	19.6
Small Disadvantaged Business	19,668	15.3	8	1.5
Women-Owned Business	739	0.6		

### Narrative

As part of the goal-setting process, a review of the annual operating budget is conducted by the Small Business/Small Disadvantaged Business Specialist and members of the procurement staff for the purpose of identifying individual projects to be funded in the coming year that are susceptible to socioeconomic set-asides. In order to increase awards to small businesses, particular attention is given to projects historically performed by large businesses and projects not affected by small purchase procedures for set-asides to small businesses. The Small Business/Small Disadvantaged Business Specialist negotiates with the appropriate program managers to obtain their concurrence in reserving selected projects for a particular socioeconomic category set-aside. Senior management and members of the Procurement Branch are made aware of WA's socioeconomic goals when they are established and are continually updated on progress toward goal attainment.

During FY 1989 the Small Business/Small Disadvantaged Business Specialist attended three small business and small disadvantaged business seminars in an effort to locate new sources and counsel small firms on how to do business with WA. Additionally, the Small Business/Small Disadvantaged Business Specialist is an active participant in the Rocky Mountain Minority Business Opportunity Council.

Future requirements for maintenance and expansion of existing facilities, design and construction of new facilities, and the development of alternate sources of electric power will continue to provide numerous opportunities for small business and small disadvantaged business participation. A more vigorous effort is underway to increase subcontract awards to small businesses and small disadvantaged businesses and prime contract awards to women-owned businesses.

Where contractors are required to submit subcontracting plans, WA will ensure that the prime contractors are fully aware of their responsibilities. WA will communicate these responsibilities via post-award orientation sessions or other appropriate means. WA will continue to assist prime contractors in establishing realistic subcontracting goals and to identify sources capable of providing the required services. In addition, WA is continuing to exert additional efforts to identify and award contracts to women-owned businesses.

### **Southwestern Power Administration**

It is the responsibility of Southwestern Power Administration (SW) to market and manage the allocation, sale, and transmission of electric power and energy produced by 24 hydroelectric power plants at Federal dams. SW's Headquarters is located in Tulsa, Oklahoma; its operations personnel are in Springfield, Missouri; and its maintenance crews are based in Jonesboro, Arkansas, in Gore and Tupelo, Oklahoma, and in Springfield, Missouri. SW personnel are responsible for the design, construction, operation, and maintenance of a system of approximately 1,380 circuit miles of 161-KV, 138-KV, and 69-KV transmission lines, 25 substations and switching stations, and 47 microwave and VHF radio stations. These SW facilities, plus the U.S. Army Corps of Engineers' generating facilities, comprise the Southwestern Federal Power System.

### **Statistical Summary**

	ACTUAL ACHIEVEMENTS (dollars in thousands)	
	PRIMES	
Total Prime Procurements, No M&O Activity	\$5,027	100.0%
Small Business	3,646	72.5
Small Disadvantaged Business	964	19.2
Women-Owned Business	5	0.1

### **Narrative**

SW's socioeconomic program is established and managed by the SW Procurement Advisor for small business and small disadvantaged business matters. The Procurement Advisor has the support and cooperation of senior management and procurement personnel.

The highly technical hydroelectric power business makes opportunities for awards to contractors in the 8(a) Program quite limited. However, during FY 1989 the SW was successful in searching out and locating an eligible socially and economically disadvantaged concern capable of providing on-site automatic data processing (ADP) support services. This accomplishment was considered a major achievement and took months of coordinated effort with the U.S. Small Business Administration (SBA) in Denver and within SW. The Director of Procurement and Contracts and the Procurement Advisor visited SBA's Denver Regional Office and three 8(a) contractors. One of the 8(a) contractors was awarded a contract for up to five years to perform the ADP support services. The groundwork was laid for the other two 8(a) contractors to furnish supplies and services for FY 1990.

The outlook for FY 1990 with regard to small business participation is good. Opportunities for awards to 8(a) contractors appear to be even better. SW will continue to promote and emphasize the importance of socioeconomic programs and will attempt with the assistance of the SBA to identify small business and small disadvantaged business sources for all procurements.

#### **Southeastern Power Administration**

The basic mission of Southeastern Power Administration (SE) is to market Federal hydroelectric power from Corps of Engineers' projects in the Southeastern United States. Its basic program objectives are:

- o Make Federal power available over a widespread area at the lowest possible rates to consumers consistent with sound business principles.
- o Formulate power rates to recover all costs of producing and transmitting power, including amortization of capital investments allocated to power, over a 50-year period.
- o Give preference in the sale of power to public bodies and cooperatives.
- o Utilize existing area transmission facilities to accomplish transmission of power to customers.
- o Integrate projects to the maximum extent and coordinate project operations to provide maximum power contribution in meeting area power requirements.
- o Encourage development of additional hydroelectric power projects that are economically and environmentally feasible.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

#### PRIMES

Total Prime Procurements, No M&O Activity	\$264	100.0%
Small Business	97	36.7
Small Disadvantaged Business	1	0.4
Women-Owned Business	10	3.8

#### Narrative

Although SE's limited procurements make it extremely difficult to be innovative, its top management fully supports the Small Business Program and continually encourages awards to small business, small disadvantaged business, and women-owned business firms. All proposed procurements are carefully screened by the Small Business/Small Disadvantaged Business Specialist for awards to such firms, and results are monitored by management. Although there are few small disadvantaged business and women-owned business firms in the local area, all local purchases are from small business firms.

SE's future expansion in the area of awards to small business, small disadvantaged business, and women-owned business firms will, of necessity, be restricted to its limited procurements. However, SE will continue to make use of every possible outreach channel to make awards to small business firms as well as to small disadvantaged business and women-owned business firms.

#### Alaska Power Administration

The Alaska Power Administration (AP) is responsible for operation, maintenance, and power marketing for Alaska's two hydroelectric projects; namely, the 30,000 kilowatt Eklutna Project near Anchorage and the 78,160 kilowatt Snettisham Project near Juneau. In FY 1989 AP had a budget of \$3,279,000 and 35 full-time employees.

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

#### PRIMES

Total Prime Procurements, No M&O Activity	\$580	100.0%
Small Business	338	58.3
Small Disadvantaged Business	5	0.9
Women-Owned Business	10	1.7

In FY 1989 AP continued to place emphasis on increasing opportunities for small, small disadvantaged, women-owned, and labor surplus area businesses. AP's procurement plan is reviewed by management, procurement personnel, the Small Business/Small Disadvantaged Business Specialist, and the U.S. Small Business Administration (SBA) to identify potential awards to small businesses and small disadvantaged businesses. AP's growing solicitation mailing list data base is an effective tool for identifying small business sources.

The outlook for FY 1990 small business participation is less favorable. AP's small business participation goal for FY 1990 is 40 percent of available procurement dollars. The barriers to small business participation are replacements and additions to existing unique items typically supplied by large businesses. AP will need to increase efforts to identify alternate small business sources. Ongoing coordination with the SBA has not revealed any 8(a) opportunities.



**Legend: DOE Codes and Acronyms for Offices and Field Organizations**

**Program Offices**

Civilian Radioactive Waste Management RW  
Conservation and Renewable Energy CE  
Energy Research ER  
Fossil Energy FE  
International Affairs and Energy Emergencies IE  
Nuclear Energy NE

**Naval Reactor Offices**

Pittsburgh PN  
Schenectady SN

**Power Marketing Administrations**

Alaska AP  
Bonneville BP  
Southeastern SE  
Southwestern SW  
Western Area WA

**Staff Offices**

Congressional, Intergovernmental and Public Affairs CP  
Energy Information Administration EI  
Environment, Safety and Health Inspector General EH  
Management and Administration IG  
Minority Economic Impact MA  
Small and Disadvantaged Business Utilization MI

**Other**

Ames Laboratory AMES  
Argonne National Laboratories ANL  
Bartlesville Project Office BV  
Brookhaven National Laboratory BNL  
Energy Technology Engineering Center ETEC  
Federal Energy Regulatory Commission FERC  
Hanford Engineering Development Laboratory HEDL  
Idaho National Engineering Laboratory INEL  
Lawrence Berkeley Laboratory LBL  
Lawrence Livermore National Laboratory LLNL  
Los Alamos National Laboratory LANL  
Naval Oil Shale Reserves NOSR  
Naval Petroleum Reserve NPR  
Nuclear Regulatory Commission NRC  
Oak Ridge National Laboratory ORNL  
Pacific Northwest Laboratory PNL  
Princeton Plasma Physics Laboratory PPPL  
Sandia National Laboratories SNL  
Savannah River Laboratory SRL  
Solar Energy Research Institute SERI  
Stanford Linear Accelerator Center SLAC  
Strategic Petroleum Reserve SPR

**Operations Offices**

Albuquerque AL  
Chicago CH  
Idaho ID  
Nevada NV  
Oak Ridge OR  
Richland RL  
San Francisco SAN  
Savannah River SR

**Energy Technology Centers**

Morgantown MT  
Pittsburgh PT

**Naval Petroleum Reserves**

Casper CA  
Tupman TU

**END**

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