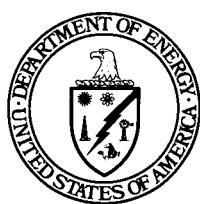


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**U.S. Department of Energy**

**Report to Congress**

**on the**

**Small Business Program**

Office of the Secretary  
Office of Small & Disadvantaged Business Utilization  
Washington, DC 20585  
Fiscal Year 1988

**MASTER**

*sb*  
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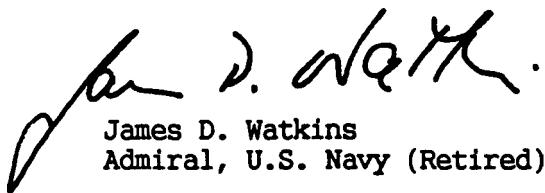
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**Message from the Secretary**

The Department of Energy (DOE) is pleased to submit to the Congress its fiscal year 1988 Small Business Program Report as required by section 204 of Public Law 95-238, the Department of Energy Act of 1978 - Civilian Applications. This Report covers twenty-eight 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 assure continued participation in the future. The Office of Defense Programs is 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 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 assuring that small businesses have an 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 for and activities of a network of over 100 Small Business Specialists/Coordinators at DOE Headquarters, field locations and at the various DOE contractor-operated plants and laboratories.

In 1988 we achieved new highs in small business contracting, section 8(a) procurement, women-owned business and small and disadvantaged business subcontracting.



Leonel V. Miranda  
Director

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## Departmental Overview

The 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 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 programmatic activities of DOE Headquarters are supported through an extensive network of field organizations including Operations Offices, support offices, National Laboratories and other facilities. Significant numbers of these Departmental programs are carried out in DOE-owned laboratories, plants and other facilities. Contractors which operate these facilities are referred to as Management and Operating (M&O) contractors. The use of small firms by these M&Os in subcontracting activities is an important element of the Department's Small Business Program.

From a business standpoint, substantial contracting opportunities are present at DOE offices and contractor-operated facilities. Copies of current DOE competitive solicitations are posted and available in each procurement office and synopsized in the Commerce Business Daily or other appropriate publications.

## Small Business Profiles

The Small and Disadvantaged Business Utilization program actively involves all sectors of the Department's procurement activities and extends to all geographic areas. A few examples highlight how small and disadvantaged business firms are assisting the Department of Energy in the fulfillment of its mission.

Danville Research Associates (Danville, California) currently provides for the management of nuclear materials security controls and the control of classified information under a five-year contract with the Security and Safeguards Division of the San Francisco Operations Office (SAN). SAN also assisted Richard Heath and Associates, of Fresno, in securing its 8(a) certification and provided the firm with its first contract. Today, the firm is a highly respected contractor supporting DOE's National Weatherization Assistance Program.

Kanakanui Associates, an Architect/Engineering firm, has provided feasibility studies, conceptual designs, and definitive designs for DOE's Morgantown Energy Technology Center (METC) for the last four years. Projects have included building design, surveying, dust

collection systems, piping and distribution systems, heating and cooling systems, structural steel designs, and utility systems modifications and additions. Kanakanui is an excellent example of a successful minority contractor fulfilling much needed DOE services.

At Albuquerque Operations Office (AL) the professional and management capabilities of three particular contractors have brought a fresh outlook on the capacities of 8(a) firms to the technical users of their services. ASI, Inc. performs technical and environmental services for AL. ADC, Inc. provides auditing services for the AL Inspector General and security processing support services. Environmental Services for AL. ADC, Inc. provides auditing services for the AL Inspector General and security processing support services. Cortez III has provided base maintenance facilities services since 1987. The current value of their AL contracts exceeds \$24 million.

Trinity Technology (Renton, Washington) manufactures high-quality advanced technology computer systems. As a contractor to Westinghouse Hanford Company, an M&O contractor at Richland Operations Office (RL), Trinity has far exceeded its performance expectations; most notable was the delivery of 159 systems in 16 workdays.

Another 8(a) firm, Scientech Inc. (Idaho Falls, Idaho), provides services in such areas as low-level radioactive waste management, risk assessment, environmental protection, and regulatory analysis. One DOE Idaho Operations Office (ID) official stated: "Scientech's proficiency ... has demonstrated that there is something to be gained by small business participation." Another firm, Eaton Operating Company, Inc. (Houston, Texas), won a research and development contract totaling \$16 million. Their work program, a five-year effort, consists of tests and studies on geothermal-geopressure reservoirs and their potential as a future energy source.

Walcoff and Associates is an 8(a) woman-owned firm nominated by The Office of Energy Research (ER) for the Small Business Administration (SBA) Region III Small Business Contractor of the Year award. They were presented the SBA Administrator's Award for Excellence in May 1988.

L'Garde, Inc., under sponsorship from the Office of Conservation and Renewable Energy (CE), developed a high-temperature elastomer which can be considered a technological breakthrough. Used for seals in well logging tools, packers, valves, and other equipment exposed to high-temperature hostile environments, the Y-267 EPDM elastomer has been impressive in tests performed for applications in the oil, gas, nuclear, and coal industries. No better geothermal elastomer is known.

W/L Associates provides a multidisciplinary team of scientists in support of the Electric Energy Systems program of CE investigating potential health effects of electric and magnetic fields from electric

power systems. They also organize and manage the DOE Annual Review of bioeffects research involving scientists from North America, Japan, and Western Europe.

A contract with Astropower, Inc. has developed a process for making low-cost, high efficiency solar cells using thin film polycrystalline technology. The achievement of an efficiency of 15.7% on a one square centimeter cell represented an 87% achievement over the first device made in 1987.

As a result of research initiatives by EIC Laboratories since 1980, the United States has taken a world lead in switched glazings, thus leading to windows that adjust continuously to obtain a maximum balance between solar gain and daylighting in buildings. Their work on structures is considered by the scientific community to be basic to the technology.

These and the many other contributions by small businesses in support of the DOE mission display the ingenuity and responsiveness characteristic of small high technology companies.

### **Special Programs**

In addition to the preference programs undertaken by the Department, DOE administers and supports the Small Business Innovation Research Program (SBIR) mandated by the Small Business Innovation Development Act of 1982 (Public Law 97-219). DOE's program is currently administered by the Office of Energy Research.

This program has had numerous notable successes. Among these are National Recovery Technologies (NRT); Manufacturing Technology Conversion International (MTCI); and AeroVironment, Inc. (AVI). NRT has developed a simple system to separate magnetic metal, glass, grit, and aluminum from municipal solid waste, thus increasing efficiency of waste combustion plants and decreasing air and ash pollution. MTCI developed a unique pulsed combustor for converting biomass to medium Btu gas. AVI developed a user friendly software package which provides for the computation of wind flow over complex terrains, the analysis of wind wake effects, and the optimization of wind farm arrays for either power or energy output.

The Energy-Related Inventions Program (ERIP) is another special Departmental program that assists small business. The goals of ERIP include evaluation of ideas and inventions and selection for financial support those inventions submitted by individual inventors and small businesses that show promise of increasing energy efficiency and successfully entering the marketplace.

One of the most outstanding successes of the ERIP program is

Mr. Ronald Brandon's development of a steam turbine packing ring supported by a DOE grant for \$51,900. His first year sales totaled over \$3,000,000. Since damaged packing rings can cause energy losses of 1-3%, this invention can save the industry \$200 million per year due to reduced wear and a tighter seal.

Under an interagency agreement, the National Institute of Standards and Technology has responsibility for evaluating energy-related inventions and recommends promising inventions to ERIP for support. DOE is responsible for providing direct support to the recommended inventors in the form of technical, managerial, business and/or financial assistance.

#### **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 small businesses, and small and small disadvantaged business subcontracting.

#### **Statistical Overview**

In Fiscal Year (FY) 1988, the Department exceeded its percentage and dollar contracting goals for small business prime, disadvantaged business, 8(a), and women-owned business and labor surplus area set-asides. In the areas of small business and disadvantaged business subcontracting by M&Os and other large DOE prime contractors, DOE exceeded the dollar goals by \$199 million and \$19 million respectively.

|                               | GOAL<br>(dollars in thousands) | ACTUAL       |
|-------------------------------|--------------------------------|--------------|
| Total prime contracts         | \$12,925,451                   | \$13,743,604 |
| Small Business Prime*         | 387,764                        | 501,980      |
| 8(a)                          | 129,255                        | 193,214      |
| Other Disadvantaged           | 6,181                          | 10,427       |
| Labor Surplus Area Set-Asides | 175,000                        | 202,070      |
| Women-Owned Business          | 150,000                        | 241,883      |
| Total Subcontracts            | 4,693,800                      | 5,336,728    |
| Small Business Subcontracts   | 2,342,000                      | 2,544,362    |
| Disadvantaged Subcontracts    | 280,000                        | 300,175      |

The total DOE FY 1988 small business achievement was \$3.046 billion in prime and subcontracts to small businesses. This figure includes awards to small disadvantaged and women-owned businesses.

During this period, the Department increased FY 1988 achievements over FY 1987 in small business prime contracting from \$420.6 million to \$502 million; 8(a) contracting from \$171.9 million to \$193.2 million; women-owned business contracting from \$199.5 million to \$241.9 million; and in small business subcontracting from \$2.436 billion to \$2.544 billion.

The largest dollar contributors to FY 1988 8(a) contracting were the Oak Ridge Operations Office (\$97,373,825), Headquarters Procurement Operations (\$40,951,328) and the Western Area Power Administration (\$22,700,676). Program offices with the largest dollars in 8(a) contracting for FY 1988 were the Office of Fossil Energy (\$9,822,000), the Energy Information Administration (\$8,692,384) and Management and Administration (\$7,985,365).

Please note: 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 Statistical Summary, no achievement was reported by the Headquarters or field organizational unit.

Aggregate prime and subcontracting dollars for labor surplus area (LSA) set-asides and M&O contractors' LSA awards were \$188.9 million.

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\* Includes both DOE prime and M&O subcontracts.

### **OSDBU Goaling**

As required by law, OSDBU conducts the Department's goal setting program. OSDBU negotiates with the Department's program and procuring offices on goaling proposals and then negotiates with the Small Business Administration (SBA) on aggregate goals for the Department. The difference, if any, between what is finally negotiated with SBA and what is agreed to between the goaled offices must then be reconciled. OSDBU tracks accomplishments against goals throughout the year and, where necessary, takes remedial action.

### **Subcontracting**

In 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 qualified entities available to assure effective competition, and provided that 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 contracts to set aside subcontracts for exclusive small disadvantaged business participation. As best we can determine, this subcontracting program is unique to the DOE.

### **Screening and Advance Procurement Planning**

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. The internal procedures define the rules of the Small Business Specialist, Coordinator, and Contracting Officer in reviewing procurements. In addition, the OSDBU will coordinate the release of advance procurement planning forecasts for small business concerns required by section 501 of Public Law 100-656.

## **Outreach and Technical Assistance**

### **Secretarial Awards**

In February 1988, the Secretary recognized the outstanding achievements of DOE organizational elements and 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 third consecutive year.

Other HCAs receiving awards for outstanding achievements in the Small Business Program were: Headquarters Procurement Operations, Oak Ridge Operations Office, Western Area Power Administration, Southwestern Power Administration, and Bonneville Power Administration. DOE Program Offices recognized were Conservation and Renewable Energy, Civilian Radioactive Waste Management, International Affairs and Energy Emergencies, the Energy Information Administration and the Economic Regulatory Administration. M&O contractors recognized and their cognizant officers were Lawrence-Allison (Headquarters Procurement Operations), Associated Universities (Chicago Operations Office), Rockwell International (San Francisco Operations Office), Mason & Hanger (Albuquerque Operations Office), Martin Marietta Energy Systems (Oak Ridge Operations Office), Oak Ridge Associated Universities (Oak Ridge Operations Office) and M-K Ferguson of Idaho (Idaho Operations Office).

Special Emphasis Awards for contributions to small business were presented to the Office of Energy Research for the Small Business Innovation Research Program and the Office of Conservation and Renewable Energy for the Energy-Related Inventions Program. Martin Marietta Energy Systems, Oak Ridge, also received a Special Emphasis Award for making the greatest contribution to the Department's small disadvantaged business effort by an M&O contractor.

### **OSDBU National Conference**

In October 1988, OSDBU held a national conference of DOE and contractor Small Business Specialists and Coordinators in Pasco, Washington. The conference focused on new provisions in Public Law 100-656, the Business Opportunity Development Reform Act of 1988.

### **Congressionally Sponsored Procurement Conferences**

Headquarters and field Small Business Specialists and Coordinators participated in Congressionally sponsored procurement conferences, bringing together representatives of Federal, State, and local governments and prime contractors with local firms to support small business contracting. Conference sites included: Omaha, Winston-Salem, Phoenix, Long Beach, Utica, Minneapolis, Cedar Rapids, Chicago,

Scranton, and 18 other cities throughout the United States.

#### **Site Visits**

In keeping with OSDBU's oversight responsibilities for the entire Department's small business effort, OSDBU performed site visits to review the status of the Small Business Program, provide technical assistance and/or support DOE field or M&O Small Business Program activities.

#### **Associations and National Groups**

The OSDBU Director and staff addressed or made presentations to a number of national groups, the sponsored conference, and small business groups during 1988. Some of these were: Partnerships in Trade Conference, Coalition for Minority Business, DOE Procurement Directors Meeting, National Business League, U. S. Hispanic Chamber of Commerce, National Hispanic Association of Construction Enterprises, Asian-Pacific Chamber of Commerce, Hispanic American Construction Industry Association, and the National Association of Minority Contractors.

#### **Recent Legislation Affecting OSDBU Programs**

The Business Opportunity Reform Act of 1988 (P.L. 100-656) will have a profound effect on the Department's utilization of small businesses. Small business set-asides have been suspended in four industries, i.e., construction, architect-engineering services, refuse collection services, and nonnuclear ship repair. Under the law, DOE has also been tasked to identify 10 industrial categories where under-utilization of small businesses may be occurring. A plan has been developed for the enhanced utilization of businesses in these 10 categories and training of field staff took place on March 1-2, 1989. The anticipated result is, nevertheless, a decrease in contracting with small businesses due to the loss of set-aside authority.

#### **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 (NWPA) 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 in the NWPAA, the siting, construction and operations of a facility for monitored retrievable storage.

### **Statistical Summary**

An analysis of RW's small business contracting activities for FY 1988 shows that RW obligated \$3,163,545 to small and disadvantaged businesses. RW's prime Headquarters support contractor subcontracted \$1,118,349 to small and disadvantaged businesses. In addition, a small business contractor that provides support to RW in environmental compliance planning and integration has awarded \$163,104 in small and disadvantaged business subcontracts.

#### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

|                        | PRIME    |       | SUBCONTRACTS |      |
|------------------------|----------|-------|--------------|------|
| Total Procurements     | \$18,966 | 100%  | \$7,384      | 100% |
| Small Business         | 3,163    | 16.70 | 1,281        | 17.4 |
| Disadvantaged Business | 3,163    | 16.70 |              |      |
| Women-Owned Business   | 1,500    | 7.90  |              |      |

### **Narrative**

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

RW's Acting Director has encouraged top management officials to work with the Small Business Coordinator to match technically qualified small and disadvantaged businesses with their procurement needs. RW will also continue to meet with the small and disadvantaged business community to discuss their capabilities and to keep abreast of the services and products they provide. This contract is expected to result in significant subcontracts for small and disadvantaged businesses through implementation of the M&O contractor's subcontracting plan. RW has developed a multi-year procurement plan and has submitted the plan to OSDBU for assistance in identifying procurements suitable for small and disadvantaged businesses.

### **International Affairs and Energy Emergencies**

The Office of 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 emergency preparedness planning and emergency operations.

#### **Statistical Summary**

##### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

###### **PRIME**

|                        |       |      |
|------------------------|-------|------|
| Total Procurements     | \$643 | 100% |
| Small Business         | 559   | 86.9 |
| Disadvantaged Business | 80    | 12.4 |

#### **Narrative**

IE has acted to increase contracting with small and disadvantaged businesses by having the Small Business Coordinator participate in all procurement-related conferences and meetings. IE's procurement plans are developed annually in accordance with the budget cycle and viewed 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 awards to small and disadvantaged businesses. After development and approval of contract plans, detailed information is made available to OSDBU to assist in identifying appropriate sources.

Although contract funds remain limited, IE will continue to pursue opportunities for small and disadvantaged businesses. IE is committed to supporting the goals and objectives of the small, small disadvantaged, and women-owned small business programs.

### **Energy Research**

The Office of Energy Research (ER) is the principal DOE organizational unit for administering and managing the basic and applied research programs in the areas of health and environmental research, magnetic fusion, basic energy sciences, and high-energy and nuclear physics. The objective of these programs is to sponsor research and development in areas that will advance and augment scientific and technological data in energy related areas. Additionally, ER administers the Department's Small Business Innovation Research (SBIR) program which

stimulates and increases the use of small business for technological innovation.

#### **Statistical Summary**

##### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

###### **PRIMES**

|                        |           |      |
|------------------------|-----------|------|
| Total Procurements     | \$294,484 | 100% |
| Small Business         | 1,768     | 1.00 |
| Disadvantaged Business | 1,327     | 1.00 |
| Women-Owned Business   | 500       | .40  |

#### **Narrative**

During FY 1988, the Office of Energy Research staff continued to energetically promote the award of contracts to small and disadvantaged businesses. Through participation of ER staff at numerous small business conferences sponsored by Federal, State, and local governments, and private organizations, information regarding funding opportunities within ER was disseminated. In particular, special emphasis was placed on the opportunities available for subcontracting under the prime contract awarded for the design, construction, and administration of the planned Superconducting Super Collider.

In addition to outreach and counseling opportunities provided through attendance at conferences, ER's Small Business Coordinator arranged for three separate capability presentations, involving seven small disadvantaged 8(a) firms, to ER program staff. As a result of these presentations, three contracts for support services were awarded to small disadvantaged firms.

ER's commitment to enhancing the utilization of small and disadvantaged businesses was further indicated through the nomination of a woman-owned 8(a) firm for the Small Business Administration (SBA) Prime Contractor of the Year Award. Although ER's nomination of Walcoff and Associates of Alexandria, Virginia, did not prevail, the firm received the SBA Administrator's Award for Excellence at the 21st Annual SBA Procurement Conference in May 1988. This firm was nominated because they acquired significantly more understanding and demonstrated greater abilities than required under its support service contract. By putting forth this extra effort, they were able to produce better quality technical reports during the period of the contract. This extra effort also reduced the turnaround time on documents and, therefore, the overall cost. As a result of their outstanding work quality and cost containment, Walcoff and Associates won three additional ER contracts.

### **Conservation and Renewable Energy**

The role of Conservation and Renewable Energy (CE) 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 Programs, financial and technical assistance is provided to improve energy efficiency in industry, transportation, commercial business, and public buildings and residences.

Renewable Energy concentrates Federal resources on scientific and engineering research to achieve a better understanding of the characteristics of renewable energy sources, of the technologies for collecting and converting these sources to useful forms, and of the generic materials sciences to support industrial development of reliable and efficient systems. Renewable energy research programs focus on the most promising options in active solar heating and cooling; passive and hybrid solar energy; solar thermal energy; photovoltaic energy; wind, ocean, geothermal, and hydropower energy; biofuels energy; energy from municipal waste; and energy storage and distribution.

### **Statistical Summary**

In FY 1988, CE awarded a total of \$22.6 million in prime awards to small and disadvantaged businesses. The commitment of CE through the various offices under Buildings and Community Systems, Industrial Programs, and Energy Utilization Research Program totaled approximately \$7.3 million. The Office of State and Local Assistance Programs provided approximately \$2.6 million. Renewable Energy Technologies contributed approximately \$11.7 million and the Office of Management and Review totaled approximately \$1.0 million.

ACTUAL ACHIEVEMENTS  
(dollars in thousands)

PRIME

|                        |          |      |
|------------------------|----------|------|
| Total Procurements     | \$55,056 | 100% |
| Small Business         | 10,950   | 19.9 |
| Disadvantaged Business | 3,703    | 6.7  |
| Women-Owned Business   | 225      | 0.4  |
| Labor Surplus Area     | 7,726    | 14.0 |

**Narrative**

Small businesses carried out a large variety of projects for CE programs which included contracts with approximately two dozen small business firms. One of the more interesting projects was the technical analysis and assessment of spinoffs from the automotive rankine cycle. Through FY 1988, the Energy Related Inventions Program has assisted individuals and small businesses to develop a total of 292 inventions. To date, 73 of these inventions have entered the marketplace, generating product sales in excess of \$350 million. The Office of State and Local Assistance Programs supported small business firms to stimulate innovative use of advanced conservation and renewable energy technologies. Two small business firms provide Renewable Energy's technical and management support as well as operation of the Conservation Renewable Energy Inquiry and Referral Service which serves to provide a variety of information to individuals and small businesses.

**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 and fuel technology; the evaluation of alternative reactor fuel cycle concepts, including nonproliferation considerations; development of space nuclear generator systems; remedial actions and nuclear waste technology; development of naval nuclear propulsion plants and reactor cores; and uranium enrichment activities.

These programs are directed towards: assuring public health and safety with all aspects of nuclear energy; completion of 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; development and application of nuclear energy power sources supporting military and

civilian space and terrestrial applications; treatment or stabilization of radioactive waste and decontamination of affected facilities and sites of DOE and other legislatively directed nongovernmental contaminated facilities and sites; research and development of technology for treatment and immobilization of all types of nuclear waste; development of naval nuclear propulsion plants and reactor cores and development and application of fuel enrichment processes.

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 the major industrial contractors. As a result, the majority of contracted activities were executed through field offices and national laboratories. Of the \$2.1 billion appropriated for NE programs and projects in FY 1988, only \$29.9 million was obligated directly by Headquarters offices.

#### **Statistical Summary**

##### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

###### **PRIMES**

|                         |          |      |
|-------------------------|----------|------|
| Total Procurements(HQS) | \$29,903 | 100% |
| Small Business          | 256      | 1.0  |
| Women-Owned Business    | 256      | 1.0  |

#### **Narrative**

The above data reflect the problem, particularly in advanced military and civilian space and terrestrial applications, of obtaining qualified small businesses for the execution of nuclear research, technology and engineering development programs and projects. Almost twenty-seven million dollars of the \$29.9 million obligated by Headquarters, was for advanced nuclear system development.

Since most of the funding for NE activities is obligated through field offices, Headquarters program and project offices have continued to stress the use of small and disadvantaged businesses at the field level.

Current procurement activities indicate that FY 1989 will reflect at least a four-fold improvement in the percentage of small business awards as compared to FY 1988. Due to the nature of Nuclear Energy activities at Headquarters, the availability of small and disadvantaged businesses qualified for advanced nuclear reactor research development and engineering development continues to be extremely limited. NE will continue to seek qualified sources to support the goals and objectives of the small and disadvantaged

business and women-owned business programs, and 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 Office of Fossil Energy (FE) is responsible for conducting the Department's Fossil Fuels Research and Development (R&D) Programs (i.e., coal, oil, and natural gas); the divestiture of the Great Plains Gasification Plant; the Liquified Gaseous Fuels Spills Test Facility program; promoting the national security through development of the Strategic Petroleum Reserve (SPR) and maintaining emergency use capability; analyzing the resources, environmental factors and technological aspects of the Naval Petroleum and Oil Shale Reserves (NPOSR); managing the joint Government-Industry Clean Coal Technology Program; developing and administering strategic plans to ensure that the hydrocarbon geoscience research needs of the energy industry and the Fossil Energy programs are identified and appropriately supported; and the management of the fuels conversion program, the natural gas import/export program, electricity import and export activities, and residual activities related to Public Utility Regulatory Policies Act grants.

The mission of FE is to develop technologies that will increase domestic production of oil and gas and will permit the Nation to shift from less abundant fuels to more abundant coal. In addition, 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 field offices:

- Morgantown Energy Technology Center, Morgantown, West Virginia
- Pittsburgh Energy Technology Center, Pittsburgh, Pennsylvania
- Bartlesville Project Office, Bartlesville, Oklahoma
- Laramie Project Office, Laramie, Wyoming
- Metairie Site Office, Metairie, Louisiana

## Statistical Summary

### ACTUAL ACHIEVEMENTS (dollars in thousands)

#### HEADQUARTERS

##### PRIMES

|                        |          |      |
|------------------------|----------|------|
| Total Procurements     | \$10,498 | 100% |
| Small Business         | 7,956    | 75.8 |
| Disadvantaged Business | 4,078    | 38.8 |
| Women-Owned Business   | 62       | 0.6  |
| Labor Surplus Area     | 3,389    | 32.3 |

#### MORGANTOWN ENERGY TECHNOLOGY CENTER

##### PRIMES

##### SUBCONTRACTS

|                        |           |      |          |      |
|------------------------|-----------|------|----------|------|
| Total Procurements     | \$127,808 | 100% | \$25,119 | 100% |
| Small Business         | 11,991    | 9.4  | 10,693   | 42.6 |
| Disadvantaged Business | 2,013     | 1.6  | 901      | 3.6  |
| Women-Owned Business   | 1,316     | 1.0  |          |      |
| Labor Surplus Area     | 10,774    | 8.4  |          |      |

#### PITTSBURGH ENERGY TECHNOLOGY CENTER

##### PRIMES

##### SUBCONTRACTS

|                        |          |      |          |      |
|------------------------|----------|------|----------|------|
| Total Procurements     | \$82,832 | 100% | \$22,766 | 100% |
| Small Business         | 17,062   | 20.6 | 8,992    | 39.5 |
| Disadvantaged Business | 3,731    | 4.5  | 716      | 3.1  |
| Women-Owned Business   | 486      | 0.6  |          |      |
| Labor Surplus Area     | 10,719   | 12.9 |          |      |

#### Narrative

For the past eleven years, FE has targeted small and disadvantaged firms for its Headquarters and Energy Technology Centers (ETCs) support service requirements. The use of such firms has served to expand the base of firms knowledgeable in FE technologies. As reflected in the above statistics, FE has successfully utilized a large proportion of small and disadvantaged firms year after year. FE expects to continue the utilization of small and disadvantaged firms in the support service area.

FE involved all levels of its management and obtained their cooperation in setting and meeting socioeconomic goals. Goals were

established in coordination with OSDBU and FE program offices. The program offices were required to identify small or disadvantaged business contract awards and target them in the FE Business Management and Information System data base. Planned procurements are tracked monthly by using this data base.

The FE Small Business Coordinator reviewed and evaluated the actual award results from the prior fiscal year and promulgated the socioeconomic goals for FY 1988. During FY 1988, as new procurement support service requirements were made known, the Small Business Coordinator contacted the program managers involved and sought to have them use small business firms. Small business firms were also regularly counseled by the Small Business Coordinator. Capability statements were received and reviewed as the counseled firms were furnished advice on their capability statements as well as whom to see in FE to market their services. FE referred qualified firms to ETCs for potential contracts to be awarded in the field. As a result of our efforts, FE earned a Secretarial Small Business Achievement award.

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

#### **Defense Programs**

The Office of Defense Programs is excluded from this Report pursuant to section 204 of Public Law 95-238.

#### **Staff Offices**

##### **Management and Administration**

The Assistant Secretary for 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<br>(dollars in thousands) |              |         |      |
|------------------------|---|--------------|---------|------|
|                        | PRIMES  | SUBCONTRACTS |         |      |
| Total Procurements     | \$58,997                                      | 100%         | \$7,979 | 100% |
| Small Business         | 12,454  | 21.1         | 6,340   | 79.5 |
| Disadvantaged Business | 7,985   | 13.5         | 2,191   | 27.5 |
| Women-Owned Business   | 250   | 0.4          |         |      |
| Labor Surplus Area     | 1,441   | 2.4          |         |      |

### Narrative

MA utilizes small and disadvantaged businesses in nearly all major areas for which it is responsible. The MA Small Business Coordinator is the primary liaison between all MA organizational elements and those 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, 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 management systems studies; and logistics and supply services. MA encourages its program managers to give special consideration to small businesses, including women and minority-owned firms, when preparing procurement requests.

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

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

An improved procurement planning system is being developed for tracking FY 1989 procurements; the system will be automated in FY

1990. More comprehensive procurement planning will provide enhanced capabilities for advance identification of awards eligible to be set aside for such businesses.

### **Procurement Operations**

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

The Headquarters Procurement Operations (HPO) 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 sales contracts, small business/small disadvantaged business/labor surplus area acquisitions, and other business activities needed in support of Headquarters programmatic and institutional requirements, and provides advice and assistance to the departmental Procurement Executive regarding such matters.

#### **Statistical Summary**

| ACTUAL ACHIEVEMENTS<br>(dollars in thousands) |           |              |          |       |
|---|-----------|--------------|----------|-------|
|   | PRIME     | SUBCONTRACTS |          |       |
| Total Procurements                            | \$414,714 | 100%         | \$99,476 | 100%  |
| Small Business                                | 94,510    | 22.79        | 58,461   | 58.77 |
| Disadvantaged Business                        | 46,361    | 11.18        | 7,436    | 7.48  |
| Women-Owned Business                          | 8,339     | 2.03         |          |       |
| Labor Surplus Area                            | 6,769     | 1.63         |          |       |

#### **Narrative**

The FY 1988 socioeconomic goals were exceedingly challenging for the HPO. The senior staff professionals continued aggressive small disadvantaged business/other small business/labor surplus area set aside reviews of all proposed acquisitions in excess of \$10,000. Every acquisition was meticulously screened for the possibility of set-aside for small business, small disadvantaged business, and labor surplus area set-aside. Small disadvantaged businesses were invited to present capabilities against statements of work, and bidders' lists were supplemented with the names of small businesses (including women-owned businesses). A history file was created for every acquisition reviewed to facilitate future acquisition reviews. As in previous years, every acquisition that could be set-aside for small/disadvantaged business, and labor surplus area business firms was accomplished. As a result of this aggressive program, a Secretarial Award was earned for accomplishments in the area of small business.

HPO continued their outreach program for women-owned businesses to encourage their participation in acquisitions. In FY 1988, HPO participated in the Mega Marketplace East Conference for women-owned businesses. Every women-owned business firm that was interviewed by HPO's participants was placed in the Headquarters bidders' list system. To ensure participation in Headquarters acquisitions, the HPO Small Business Specialist extracted women-owned business firms (as well as other small business firms) 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 HPO exceeded its goal for awards to women-owned business firms during FY 1988.

The HPO updated its Directory of Potential Subcontracting Opportunities during FY 1988, which 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 (including women-owned business) firms that had communicated a desire to do business with the HPO.

It is estimated that 2,500 small purchases totaling \$5 million will be available to small business during FY 1989, and approximately 33 awards will be made under the Small Business Innovation Research (SBIR) program during FY 1989. In FY 1989, HPO plans to award approximately ten contracts, each in excess of \$10 million, which will include subcontracting possibilities. During FY 1989, HPO 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 goals of the Environment, Safety and Health (EH) program are to:

- Provide clear guidance on environment, safety, health and quality assurance policy, standards and compliance requirements.
- Assure 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.
- 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 Assure 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 Procurements     | \$11,851 | 100% |
| Small Business         | 2,691    | 23   |
| Disadvantaged Business | 2,500    | 21   |

#### Narrative

EH continually seeks the use of qualified small business contractors to support its mission. EH's base of available funds for small business is relatively small in comparison to the total EH budget. The majority of the EH budget, approximately 85%, is used for the funding of field M&O contractors. The remaining 15% is potentially available for small business contractors. Of this amount, 23% was used for small business contracting in FY 1988.

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

The EH budget has been increased in FY 1989 and future increases are anticipated for FY 1990. These increases will broaden the base from which potential small business firms are funded, thereby creating increased opportunities for small businesses in the EH 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. App.3). Prior to October 18, 1988, IG received its legal authority from section 208 of Public Law 95-91, the DOE Organization Act. The primary objectives of 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

|                        |          |      |
|------------------------|----------|------|
| Total Procurements*    | \$10,814 | 100% |
| Small Business         | 6,188    | 57   |
| Disadvantaged Business | 4,438    | 41   |

### Narrative

The use of small and disadvantaged businesses by the IG has been a very positive experience. The IG plans to continue to use such firms to perform audit, investigation and inspection services with the limited funds that are available. Efforts to contract with small and disadvantaged businesses will be increased and the Small Business Coordinator will ensure that such firms are considered for each new procurement.

### Minority Economic Impact

The Office of Minority Economic Impact (MI) advises the Secretary of Energy on the impact of national energy policies, programs and regulations on minorities and minority business enterprises. MI was created by Public Law 95-619, Part 3, Section 641, amending the Department of Energy Organization Act (42 USC 7131-7139). To carry out its responsibilities, MI conducts an ongoing research program to determine the effects of national energy programs, policies, and regulations on minorities, minority educational institutions, and

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\* Includes Albuquerque and Oak Ridge Field Offices.

minority business enterprises. Programs are developed to increase the level of participation by minorities in energy activities. MI provides loans to minority business for development of bids and/or proposals to facilities their participation in the procurement activities of the Department. Also, MI administers the Department's Minority Financial Institutions Deposit Program.

#### **Statistical Summary**

##### **ACTUAL ACHIEVEMENTS (Dollars in Thousands)**

###### **PRIMES**

|                        |      |      |
|------------------------|------|------|
| Total Procurements     | \$15 | 100% |
| Small Business         | 15   | 100  |
| Disadvantaged Business | 10   | 67   |

#### **Narrative**

The majority of the FY 1988 MI funding was earmarked for minority institutions not considered business, specifically educational institutions. In FY 1988 MI awarded 64% of its program dollars to disadvantaged businesses or in support of minority education. Also, during FY 1988, Minority Financial Institution Deposit Program, a program dealing directly with minority financial institutions, continued to operate. This program provides for the purchase of Certificates of Deposits from minority institutions in \$100,000 denominations. During FY 1988 this program was placed on the Federal Reserve Automated Clearinghouse System. The automated clearinghouse uses electronic funds transfer to collect the interest earned on the deposits. In Fiscal Year 1988 there were 75 banks and 39 thrifts in the program. The approved level of deposits was approximately 35 million dollars. The Minority Energy Information Clearinghouse continued to respond to inquiries from minority businesses and educational institutions. Approximately 200 new publications were added to the data base. The Clearinghouse is a centralized respository and dissemination point for energy-related data of interest to minorities, minority businesses and minority educational institutions.

#### **Energy Information Administration**

The Energy Information Administration (EI) was established in 1977 to collect, assemble, evaluate, and disseminate energy information. It functions as an independent agency within the Department of Energy (DOE). EI is the nation's primary source of comprehensive energy statistics and objective energy analyses.

EI frequently provides information requested specifically by members, committees and staff of the U. S. Congress. In addition to various segments of DOE, such as the Federal Energy Regulatory Commission and the Strategic Petroleum Reserve Office, EI's Executive Branch clients in 1988 included the Office of Management and Budget, the Department of Interior, and the Federal Trade Commission. EI also provided various services to State and local governments, industry and trade associations, the media, academia, foreign governments and international organizations, and the general public.

#### **Statistical Summary**

##### **ACTUAL ACHIEVEMENT (dollars in thousands)**

###### **PRIME**

|                        |          |        |
|------------------------|----------|--------|
| Total Procurements     | \$33,709 | 100.0% |
| Small Business         | 21,334   | 65.2   |
| Disadvantaged Business | 8,692    | 26.6   |
| Women-Owned Business   | 3,069    | 9.4    |
| Labor Surplus Area     | 4,411    | 13.5   |

#### **Narrative**

The EI Small Business Coordinator actively participates in departmentally sponsored seminars and conferences in order to more effectively serve the needs of the socially and economically disadvantaged business community.

EI maintains a source list of 8(a) firms. The list contains the names of firms interviewed by EI and referrals from OSDBU and SBA. As procurement requests are developed, EI reviews the source list and related capability statements of 8(a) firms.

In 1988, EI awarded two multi-million dollar 8(a) contracts and two small business set-aside contracts. The 8(a) contracts provide data collection and processing support for the EI Office of Oil and Gas and support for the operation and maintenance of an energy data collection system for the Office of Coal, Nuclear, Electric, and Alternative Fuels. One of the small business set-aside contracts provides editorial and publication services for the National Energy Information Center; the other provides support services for EI energy consumption studies.

For its contributions and achievements in promoting contracting with small and disadvantaged business in 1988, EI received a Small Business Achievement Award.

Because of the significant number of small business and 8(a) awards

made in 1988 and the long-term nature of these contracts, prospects for awarding contracts in the socioeconomic program are limited for the near term. However, EI does anticipate the award of an 8(a) contract early in 1989 for computer-related statistical design services, as well as the issuance of a small business set-aside solicitation in early January for accounting and auditing services.

#### **Congressional, Intergovernmental and Public Affairs**

The Office of the Assistant Secretary for Congressional, Intergovernmental and Public Affairs (CP) develops, manages and ensures coordination of relations with Congress; news media; State, territorial, tribal and local government officials; other Federal agencies; consumer, citizen, labor and business organizations; nonprofit educational organizations; and the general public.

#### **Statistical Summary**

##### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

##### **PRIME**

|                        |       |      |
|------------------------|-------|------|
| Total Procurements     | \$609 | 100% |
| Small Business         | 110   | 18   |
| Disadvantaged Business | 84    | 14   |
| Women-owned Business   | 15    | 2    |
| Labor Surplus Area     | 400   | 66   |

#### **Narrative**

Based on the nature of CP's responsibilities, the Office has very limited procurement activity. However, in FY 1988, CP funded the Council of Energy Resource Tribes (CERT) contract for \$400,000 and administered an additional \$760,000 of reimbursable contractual efforts for other agencies with CERT.

#### **Economic Regulatory Administration**

The Economic Regulatory Administration (RG) is responsible for the resolution of the remaining enforcement cases against oil companies for violation of the pricing and allocation provisions of the Emergency Petroleum Allocation Act of 1973, the authorization of natural gas imports and exports, the authorization of electricity exports, the construction and operation of electric facilities at international borders, and the issuance of prohibition orders for the

conversion of oil and gas-fired power plants to coal burning facilities.

#### **Statistical Summary**

##### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

###### **PRIMES**

|                        |         |      |
|------------------------|---------|------|
| Total Procurements     | \$1,949 | 100% |
| Small Business         | 1,949   | 100  |
| Disadvantaged Business | 1,949   | 100  |
| Women-Owned Business   | 1,949   | 100  |

#### **Narrative**

In FY 1988 RG continued to utilize 8(a) firms as its prime source for contracted services which are used for support of RG litigation efforts. This marks the eleventh consecutive year in which RG has met or exceeded its socioeconomic goals. This accomplishment earned RG a Secretarial Small Business Achievement Award.

Although it's budget is constantly decreasing as its caseload declines, RG expects to maintain its FY 1987 level of funding for small and disadvantaged businesses over the next several years.

#### **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 new and existing energy technologies and related materials and their efficiencies and impacts.
- o Supply nuclear materials and weapons components and 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 (ORNL), 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) and other facilities assigned to OR.
- o Manage the Formerly Utilized Site Remedial Action Program (FUSRAP) 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: Strategic Petroleum Reserve Project Management Office (SPR), New Orleans, Louisiana; Portsmouth Enrichment Office (PEO), Piketon, Ohio; Feed Materials Production Center (FMP), Fernald, Ohio; Weldon Spring Site Remedial Action Project (WSSRAP), St. Charles, Missouri; and Continuous Electron Beam Accelerator Facility (CEBAF), Newport News, Virginia.

#### **Statistical Summary**

| ACTUAL ACHIEVEMENTS<br>(dollars in thousands) |             |      |              |      |
|---|-------------|------|--------------|------|
|   | PRIMES*     |      | SUBCONTRACTS |      |
| Total Procurements                            | \$1,825,797 | 100% | \$711,268    | 100% |
| Small Business                                | 150,009     | 8.2  | 349,681      | 49.2 |
| Disadvantaged Business                        | 97,883      | 5.4  | 53,826       | 7.6  |
| Women Owned Business                          | 17,958      | 1.0  | 37,218       | 5.2  |
| Labor Surplus Area                            | 5,818       | 0.3  | 39,070       | 5.5  |

#### **Narrative**

OR places a high priority on increasing opportunities for small, disadvantaged, labor surplus areas, and women-owned business concerns. Each OR program manager is assigned responsibility for assuring that firms covered under the socioeconomic program have maximum opportunity to do business with OR. The Small 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

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\* Includes SPR and PEO.

disadvantaged business and women-owned business market. The head of each management and operating (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 assure that goals are achieved.

OR has continued to support the SBA's 8(a) program, obtaining a wide range of goods and services including A&E, auditing, coal, computer and technical services, construction, consulting, research and development, and security guard services. During FY 1988 these contracts resulted in \$97 million in awards to 60 8(a) firms.

Martin Marietta Energy Systems, Inc., an M&O contractor, received a Special Emphasis Award from the Secretary for its disadvantaged program participation.

In addition to activities in Oak Ridge, the SPR in New Orleans, Louisiana, encourages small and disadvantaged business subcontracting by including guidance on subcontracting plans in all non-set-aside solicitations susceptible to small and disadvantaged business subcontracting. The SPR also makes available to prime contractors its Computerized Bidders Mailing List (CBML), which includes small disadvantaged and women-owned businesses and their products or services. Any company seeking to do business with SPR is provided Standard Form 129 (SF-129, Solicitation Mailing List Application) and a list of SPR prime contractors. Once the completed SF-129 is received by SPR, the information is included in an updated CBML.

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

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

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

The statistical summary indicates the positive impact OR 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&Os is attributable to contractor management's commitment to the program and innovative methods to facilitate utilization of qualified firms.

As a result of these activities and initiatives, OR's progress in the

small business program has resulted in receipt of the top Secretarial award for the Department's most successful program for three consecutive years.

#### **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 management of four basic missions: (1) the research, development, production, and surveillance of nuclear weapons; (2) operations of the transportation safeguards systems to assure safe and secure movement of weapons and strategic quantities of nuclear materials within the continental United States; (3) non-weapons projects and energy programs; and (4) the nuclear weapons accident response both within the continental United States and worldwide.

These missions are carried out for AL by ten Management and Operating (M&O) contractors at the following locations:

|                     |                                |                 |
|---------------------|--------------------------------|-----------------|
| Univ. of California | Los Alamos National Laboratory | Los Alamos, NM  |
| AT&T Technologies   | Sandia National Laboratories   | Albuquerque, NM |
| Rockwell Internl.   | Rocky Flats Plant              | Golden, CO      |
| EG&G M.A.T.         | Mound Plant                    | Miamisburg, OH  |
| General Electric    | Pinellas Plant                 | Largo, FL       |
| Mason and Hanger-   |                                |                 |
| Silas Mason         | Pantex Plant                   | Amarillo, TX    |
| Allied Corporation  | Kansas City Plant              | Kansas City, MO |
| Westinghse Electric | Waste Isolation Pilot Plant    | Carlsbad, NM    |
| Ross Aviation       |                                | Albuquerque, NM |
| Lovelace Biomedical | Inhalation Toxicology Inst.    | Albuquerque, NM |

AL also has the responsibility for the coordination and direction of the weapons production work at DOE's Oak Ridge and Savannah River Operations Offices, the activities at the Tonopah Test Range in Nevada, the Uranium Mill Tailings Remedial Actions Project and the Transuranic Waste Technology Development Program.

About 700 square miles of Government-owned real estate are controlled by AL. Its plants, real estate and equipment have a replacement value of more than \$11 billion. The annual operating and construction costs are in excess of \$4 billion. Operating under a decentralized concept of management, AL receives policy and program direction from DOE Headquarters in Washington, DC, and has responsibility for and authority over program execution in the field.

## Statistical Summary

| ACTUAL ACHIEVEMENTS<br>(dollars in thousands) |              |      |              |      |
|---|--------------|------|--------------|------|
|   | PRIMES       |      | SUBCONTRACTS |      |
| Total Procurements                            | \$ 3,909,394 | 100% | \$1,808,011  | 100% |
| Small Business                                | 29,456       | 0.7  | 826,426      | 45.7 |
| Disadvantaged Business                        | 10,962       | 0.3  | 114,087      | 6.7  |
| Women-Owned Business                          | 1,671        | .04  | 76,053       | 4.2  |
| Labor Surplus Area                            | 20           | .00  | 56,255       | 3.1  |

### Narrative

AL has made a sincere commitment toward offering the maximum practicable opportunity to the socioeconomic community. During FY 1988, AL and its 10 M&O contractors increased the number and quality of their organizational activities which directly supported the small business program. More specifically, the Los Alamos National Laboratory (LANL) implemented a set-aside for SDB's that resulted in an increase of over \$5 million in LANL's SDB program. Based on LANL's success with the SDB set-aside program, Allied Signal, EG&G, Mason & Hanger-Silas Mason Co., Rockwell International and General Electric have also established SDB set-aside programs.

Both LANL and Sandia National Laboratories (Sandia) worked closely with several large manufacturers to establish SDB distributors. As a result, two SDB distributors were established in New Mexico for Hewlett Packard and Digital Equipment. Allied Signal received computer support to develop a SDB data base which identifies SDBs by commodity and by company name. This data base allows buyers to easily identify SDBs for their source lists. Westinghouse Electric established plan centers in 11 of their regional locations. These plan centers contain the current bids, plans, and specifications on WIPP projects which allow contractors to review them in their own community without having to travel to the WIPP site. Sandia increased its utilization of 8(a) contractors by adding qualified 8(a) firms to their competitive acquisition process. As a result of this unique activity, Sandia awarded \$4,100,000 to 8(a) contractors during FY 1988.

During FY 1988 over 137 outreach activities were attended by AL's M&O contractors. Their participation included being a co-sponsor, serving on steering committees, being workshop speakers, and manning corporate booths. M&O personnel provided one-on-one counseling to SB and SDB business representatives on how to do business with their companies. A SDB Opportunities Symposium sponsored by EG&G was an outstanding outreach activity. This symposium provided high-tech vendors the opportunity to become familiar with the production of weapons

components at Mound. In another noteworthy activity General Electric hosted its first "Supplies Matchmaker" for small disadvantaged companies.

Recent legislative changes have made a very definite impact on the SB, SDB, and the 8(a) program. Amidst these changes, the socioeconomic programs at the National Laboratories, the protection agencies and the service contractors will continue to offer the maximum practicable opportunities to the socioeconomic community in FY 1989. Many of our M&O contractors have plans for increasing these opportunities even further. More specifically, the expanded use of SDB subcontract set-asides will further increase SDBs' opportunities for competitive acquisitions.

#### **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: (1) integrated management of major government-owned and operated laboratories; and (2) management of programs and projects, including assignments in nuclear waste management, nuclear fission, conservation, and coal gasification.

Current assignments include key elements of: high-energy and nuclear physics programs, magnetic confinement fusion R&D and related test facilities; R&D for the Superconducting Super Collider; basic energy sciences; high-temperature superconducting research; the advanced reactor base technology programs; projects under the civilian radioactive waste management decontamination and decommissioning programs efforts; magnetohydrodynamics projects and test facilities; conservation and renewable energy and cogeneration technology projects; State and local assistance programs; and university construction grant programs.

## Statistical Summary

| ACTUAL ACHIEVEMENTS<br>(dollars in thousands) |             |      |              |       |
|---|-------------|------|--------------|-------|
|   | PRIMES      |      | SUBCONTRACTS |       |
| Total Procurements                            | \$1,150,254 | 100% | \$393,139    | 100%  |
| Small Business                                | 18,510      | 1.61 | 187,398      | 47.67 |
| Disadvantaged Business                        | 5,505       | .48  | 16,655       | 4.24  |
| Women-Owned Business                          | 1,279       | .11  | 5,803        | 1.48  |
| Labor Surplus Area                            | 0           | 0    | 2,627        | .68   |

### Narrative

CH places a high priority on aggressively pursuing opportunities for concerns covered under the Department's socioeconomic preference programs at both the prime and subcontracting levels.

CH is active in advising small and disadvantaged businesses on how to participate in Federal, State, and local procurement processes. 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 weaknesses) small disadvantaged concerns and has encouraged them to seek assistance from the Department of Commerce's Minority Business Development Centers (MBDCs). MBDCs service small disadvantaged concerns in the following areas: (1) market research; (2) contract proposal development; (3) loan packaging; (4) preparation of business plans; and (5) preparation of their section 8(a) documentation. Through CH efforts in FY 1988 alone, numerous disadvantaged firms have received the benefits of MBDCs technical assistance and five disadvantaged concerns have entered the 8(a) certification process.

During FY 1988 CH participated in eleven small business conferences and related activities. Such participation was on the Federal, State, and local levels. The contacts developed during these activities have enabled CH to significantly increase its outreach efforts, leading to better communication between CH and State and local program officials, a sharing of small business resource lists, and an interagency referral system for small business vendors.

In March 1989 CH co-sponsored the Midwest Business Women's Link Conference, a major public/private sector initiative tailored to meet the needs of women business owners. More than 400 companies attended this regional conference to seek government and corporate contracts.

The program was designed to address those barriers that impede the buy/sell process through computer matching of buyers/sellers and one-to-one meetings with prime contractors. Seminars will be provided on international trade, finance, marketing, certificates (State and local level), and other technical assistance.

In April 1989, CH co-sponsored the Chicago Business Opportunity Fair (CBOF), a major private sector initiative sponsored by the Chicago Business Opportunity Fair-22 (CBOF-22). This trade show is the largest of its kind in the country, attracting more than 3,600 corporate/minority vendors annually. The theme for CBOF-22 was "Strategies for the 90's". CBOF-22 was designed to serve as a fulcrum for moving minority businesses and majority buying organizations into mutually productive, lasting business relationships that will help to insure the future of minority business during the next decade and beyond.

In an effort to stimulate R&D outreach efforts, CH will distribute the 1988 Abstract of Phase I SBIR awards (name, address, phone number and synopsis of work being performed) to M&O contractors and to the University community. If properly utilized, the abstract should greatly enhance their outreach efforts in locating technically qualified small and disadvantaged R&D firms.

#### **Idaho Operations Office**

The Idaho Operations Office (ID) administers the DOE Idaho National Engineering Laboratory (INEL). Currently 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, New York. Some of the program activities at ID include geothermal, industrial conservation, low-head hydro, reactor safety testing, reactor fuels and materials 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<br>(dollars in thousands) |           |      |              |       |
|---|-----------|------|--------------|-------|
|   | PRIMES    |      | SUBCONTRACTS |       |
| Total Procurements                            | \$622,990 | 100% | \$207,118    | 100%  |
| Small Business                                | 19,409    | 3.12 | 145,989      | 70.49 |
| Disadvantaged Business                        | 2,110     | 0.34 | 14,998       | 7.24  |
| Women-Owned Business                          | 326       | 0.05 | 11,409       | 5.51  |
| Labor Surplus Area                            |           |      | 25,435       | 12.28 |

### Narrative

As evidenced by the statistical summary, ID and its prime contractors continue to have a strong and consistent small and disadvantaged business program. The awards to small businesses have increased every year. Each year the ID Manager addresses all ID personnel in a "State of the Site" meeting. The Manager discusses ID's mission and highlights topics he expects ID office personnel to support. The subjects of small, disadvantaged, women-owned business, and labor surplus areas are highlighted at this meeting.

Prime contractors with cost-plus-award type contracts continue to have small and disadvantaged business programs made a part of their award fee criteria. Each month, as required, the contractor and ID's program progress is evaluated. Where necessary, the appropriate managers are contacted about problems or apparent shortfalls.

ID continues to have an excellent working relationship with SBA Regions VIII and X regarding contracts to 8(a) contractors. ID technical/program personnel continue to support the small and disadvantaged business programs by offering procurement actions for 8(a) 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 and disadvantaged firms at the INEL include construction projects, manufacturing vessels and back projects for ID to negotiate and award under the 8(a) program. Some of the work being performed by small and disadvantaged firms at the INEL include construction projects, manufacturing vessels and engineering hardware, janitorial, architectural-engineering and research and development services.

Many of the ID prime contractors continue to break out design work to specifically match the talents of local small (2-10 employees) architect-engineering (A&E) firms. This outreach effort resulted in \$197,539 being awarded to local small A&E firms in FY 1988. Some of these same prime contractors are helping small/disadvantaged

manufacturers compete by providing assistance with engineering and quality assurance support (i.e. vendor data requirements, quality assurance requirements, plant visits, etc.) The follow-up program established at ID and with its prime contractors continues to help small and disadvantaged firms become competitive. Prime contractors with significant procuring activities have initiated buyer/subcontract administrator procurement tracking systems which follow the status of their fiscal year procurements monthly with small, disadvantaged, women-owned, and labor surplus area businesses. By employing these methods, ID feels that it has produced more consistent awards to firms in the SB program.

The ID Small Business Specialist and many of the ID prime contractors' procurement personnel participated in outreach activities during FY 1988 in cooperation with the Idaho Council of Economics Education. Prime contractors have conducted workshops and seminars in various cities in Idaho, including Rexburg, Boise, Burley, Coeur d'Alene, and Idaho Falls. The workshops and seminars were devoted to how to do business with DOE and INEL contractors.

The future outlook for small business in the operating of the INEL and ID's other project sites is excellent. The overall construction program should continue to yield a high percentage of available construction funding to small and disadvantaged construction firms.

#### **Nevada Operations Office**

The Nevada Operations Office (NV) is responsible for programs at the Nevada Test Site (NTS). The primary mission of 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 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. In addition, NV is involved in the planning and execution of the US/USSR treaties activities. Other programs and projects include: detection of nuclear explosion; geologic, hydraulic, and seismic investigation; and development of applications of nuclear explosives in science and industry.

## Statistical Summary

|                        |           | ACTUAL ACHIEVEMENTS<br>(dollars in thousands) |              |      |
|------------------------|-----------|---|--------------|------|
|                        |           | PRIMES  | SUBCONTRACTS |      |
| Total Procurements     | \$714,448 | 100%  | \$238,853    | 100% |
| Small Business         | 12,642    | 1.8   | 157,316      | 65.9 |
| Disadvantaged Business | 5,173     | 0.7   | 12,669       | 6.3  |
| Women-Owned Business   |           |   | 9,400        | 3.9  |
| Labor Surplus Area     |           |   | 210          | .1   |

### Narrative

NV continues to aggressively promote the utilization of small and disadvantaged business in its own contracting activity and the contracting activities of its prime contractors. NV's top management made themselves available during the year for one-to-one meetings with the SB/SDBs and encouraged the use of these firms in meetings held with senior officials of their management and operating contractors. A requirement for Environment, Safety and Health (EH) technical support services was set aside for the 8(a) program. NV's Manager also actively participated in the Las Vegas Chamber of Commerce, the Latin Chamber of Commerce, and the Black Chamber of Commerce. The SB/SDB Specialist works closely with the major on-site prime contractors in the development of their SB/SDB programs. Socioeconomic goals are negotiated with these contractors and their achievements are monitored throughout the year.

NV and its M&O contractors actively sought additional small, disadvantaged, and women-owned vendors by participating in several business conferences, trade fairs, and Congressionally sponsored procurement conferences in FY 1988. In addition to participating in trade fairs and conferences, the NV Small Business Specialist conducted workshops to inform SB/SDBs on how the federal procurement process works and arranged meetings between SB/SDBs and program offices.

NV has always actively supported the SBA 8(a) program as demonstrated by its consistency in the number of 8(a) contracts awarded. This is in spite of the graduation in recent years of several 8(a) contractors who performed work for NV. NV has searched nationwide for 8(a) firms capable of performing NV requirements. Eleven SBA 8(a) certified companies held 14 DOE/NV contracts in FY 1988. Awards to these companies totaled \$5,173,409.

In FY 1989 there will be more opportunities for SB/SDB participation in NV procurement activities than in prior years. This is a result of management efforts to compete more NV requirements. In addition,

increases in defense related programs and their complexity have generated more subcontracting opportunities through the NV's M&O contractors. Under revised regulations, M&O contractors were given authority to set aside requirements for procurements from SDBs, which should markedly increase subcontract participation by SDBs.

The Business Opportunity Development Reform Act of 1988 (Public Law 100-656) will cause some changes in procurement opportunities at NV. Requirements for architect-engineering (A&E) services which were previously set-aside for small business will no longer be set-aside. It remains to be seen what the impact of this change will be on small A-E firms.

The future outlook for 8(a) contractors is very good for FY 1989. Requirements for EH technical support services and computer equipment have been set aside for the 8(a) program and awards are anticipated in FY 1989. Additional requirements are anticipated to be set aside for the 8(a) program for construction and support services. Current 8(a) contracts for annual requirements are expected to be renewed in FY 1989.

#### **Richland Operations Office**

The Richland Operations Office (RL) is responsible for managing the 560 square mile Hanford Site, a \$6.8 billion plant with 12,400 government and management and operating (M&O) contractor employees.

The major programs at Hanford include energy research and development, nuclear chemical processing, management of nuclear wastes, and construction management.

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

## Statistical Summary

| ACTUAL ACHIEVEMENTS<br>(dollars in thousands) |           |              |           |      |
|---|-----------|--------------|-----------|------|
|   | PRIME     | SUBCONTRACTS |           |      |
| Total Procurements                            | \$937,726 | 100%         | \$182,688 | 100% |
| Small Business                                | 3,526     | 0.4          | 112,508   | 61.9 |
| Disadvantaged Business                        | 3,161     | 0.3          | 18,209    | 10.0 |
| Women-Owned Business                          | 266       | .03          | 12,141    | 6.7  |
| Labor Surplus Area                            | 156       | .02          | 35,125    | 19.3 |

### Narrative

RL has an aggressive outreach program to increase opportunities for small, small disadvantaged, and women-owned businesses.

RL's seventh annual Small Business Conference was held to acquaint small businesses with buyers and the types of commodities/services procured at RL. Over 1,000 firms attended the conference and a directory was published which listed each firm's name, phone number, commodity/services, and classification (women-owned, disadvantaged, etc.) The directories are used by RL and M&O buyers and made available to attendees.

During FY 1988 major programs were cancelled at RL, which have and will continue to impact the local economy. In an effort to identify ways to offset this impact and address community concerns, a meeting was held with community leaders and contractor personnel. One of the activities that will result from this meeting is a local Vendors' Day Conference to be held in 1989.

Further seminars were held to acquaint local businesses with RL and M&O procurement activities and procedures. The seminars focused on: "How To Find Out What is Being Procured"; "Procurement Forms, Rules, Inspection, and Payments"; and "Systems Contracting." RL and its M&O contractors have also participated in a number of procurement conferences outside of the local area. SBIR participation has been encouraged by writing letters to small businesses and advertising in the local newspaper.

Westinghouse Hanford and Kaiser Engineers Hanford Company were two of the three RL prime contractors with procurement functions that were recognized by the Secretary of Energy for contributions to small businesses. Two employees (one RL and one M&O) received the Million Dollar Club Award. This award is given to buyers who place a million dollars worth in contracts during a fiscal year with small disadvantaged businesses. RL also exceeded its 8(a) goals.

### **San Francisco Operations Office**

The mission of the San Francisco Operations Office (SAN) is to support the accomplishment of the Department of Energy defense and energy programs and to provide input to program development and policy formulation. SAN is responsible for the management, coordination, and support of programs and projects involving weapons research and development, basic energy research and development in all of the major energy areas ranging from geothermal and solar to nuclear fusion and fission energy.

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

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

### **Statistical Summary**

#### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

|                        | PRIMES      |      | SUBCONTRACTS |       |
|------------------------|-------------|------|--------------|-------|
| Total Procurements     | \$1,553,334 | 100% | \$645,092    | 100%  |
| Small Business         | 25,677      | 1.65 | 262,880      | 40.75 |
| Disadvantaged Business | 3,082       | .20  | 31,066       | 4.82  |
| Women-Owned Business   | 474         | .03  | 19,933       | 3.09  |
| Labor Surplus Area     | 255         | .02  | 15,184       | 2.35  |

### **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. 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. Memoranda are regularly transmitted to senior staff outlining utilization goals and

recognizing management's commitment to the small business program.

Both prime and subcontracting receive high visibility and monitoring by SAN management. Quarterly follow-up letters are provided to M&O contractors, emphasizing increased subcontracting with small and small disadvantaged firms. Regular correspondence identifying qualified small business sources for subcontracting opportunities are transmitted to M&O contractors. These letters also detail new sources for publicizing subcontract opportunities or highlight procurement conferences and trade fairs where M&O contractors may obtain new small business sources. Contractor Procurement Systems Reviews include representation by the DOE small business specialist and contain small business program review criteria.

An office-wide prime acquisition planning document has been established for utilization 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 Specialist to determine the suitability for small business set-aside. Through the use of this planning and screening document, SAN was successful in identifying a \$6 million competitive small business set-aside procurement. The work involves control of classified data and information and the management of nuclear material security controls for DOE contractors.

In the area of acquisition planning, the Small Business Specialist receives advance copies of all procurement requests in order to enable planning and counseling to determine suitability for small business participation.

Weekly information bulletins are provided to management by the Small Business Specialist detailing new initiatives and management policy issues that will affect office operations. Contractor personnel take part by sharing information about new awards, opportunities, or goal achievement. These items are then discussed in top management briefings. Such activities result in improved and effective procedures for increasing contracting opportunities.

In FY 1988, SAN held its "First Annual Open House". The Open House was a forum for small business vendors to become familiar with DOE programs and government contracting procedures. Both contracting and program personnel took part in this exchange. Many qualified vendors have been identified through this outreach activity.

Program personnel have become increasingly involved in outreach by sitting in on marketing presentations, providing referrals to DOE-HQ for consideration in new programs and for participation in DOE's Small Business Innovative Research (SBIR) program. Through effective program/contract management of prime contracts, SAN achieved 40% utilization of small business subcontractors by prime contractors.

During FY 1988 the Director and Deputy Director of the SAN Contracting Division personally developed briefings for contracting staff on Public Law 95-507 requirements. These important and regular staff briefings assure an adequate and effective subcontracting program.

SAN publicizes its procurement in local as well as 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, Native-American Chambers of Commerce and to local Department of Commerce Minority Business Development Centers.

In FY 1989 SAN anticipates the solicitation of small business set-asides in environmental studies and support, patent law legal support, mail room and records management support, guard services, and solar and renewable energy coordination and engineering support. Other major office support functions will be analyzed closely for potential small business participation. Subcontracting programs will also continue to be reviewed for expansion of opportunities.

#### Savannah River Operations Office

The Savannah River Operations Office (SR) maintains management oversight for the Department's Savannah River Plant (SRP) in Aiken, South Carolina. Through its management and operating contractors, SR carries out assigned responsibilities, including production of nuclear materials for national defense and related environmental research. The SRP is a key installation in the Department's nuclear weapons complex. Among the most important of SRP's operating facilities are: four production reactors, two chemical separation plants, material fabrication facilities, and a process development laboratory, all of which were previously operated by E.I. du Pont de Nemours and Company, Inc. (Du Pont). On April 1, 1989, operations of these facilities was taken over by the 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 SRP are provided by Wackenhut Services, Inc., also a M&O contractor. Two major facilities are currently under construction: the Defense Waste Processing and the Replacement Tritium facilities. SRP has also been designated as the preferred site for a heavy water new production reactor for which construction is expected to begin in approximately 3 years. The entire 300 square mile site was designated as the nation's first National Environmental Research Park in 1972.

## Statistical Summary

| ACTUAL ACHIEVEMENTS<br>(dollars in thousands) |             |      |              |       |
|---|-------------|------|--------------|-------|
|   | PRIMES      |      | SUBCONTRACTS |       |
| Total Procurements                            | \$1,287,201 | 100% | \$706,762    | 100%  |
| Small Business                                | 4,554       | .35  | 294,696      | 41.70 |
| Disadvantaged Business                        | 283         | .02  | 26,653       | 3.77  |
| Women-Owned Business                          | 283         | .02  | 28,953       | 4.11  |
| Labor Surplus Area                            | 63          | .00  | 3,308        | .47   |

### Narrative

SR's former principal operating contractor (Du Pont) accounted for the majority of small and disadvantaged business subcontract awards. Our M&O Small Business Coordinator has access to senior managers who expanded business opportunities for small and disadvantaged business. Monthly reports on small and disadvantaged business awards are distributed to SR and the M&O contractor management so that programs can be monitored against established goals. The overall goals are broken down into separate goals for each purchasing office of the M&O contractor in order to detect adverse trends at the earliest possible time.

Efforts made by Du Pont to promote opportunities for small and disadvantaged business participation included engineering and metallurgical assistance when needed; progress payments or expedited payment; referrals to SBA for assistance; and maintenance of a computerized vendor data/bidder's list system. Du Pont intensified its efforts to locate small and disadvantaged business contractors by attending local and national small business workshops and outreach conferences. SR's Small Business and Small Disadvantaged Business Specialists also attended these workshops and conferences. Interested firms were directed to SR contractors that may need their supplies or services, and introductory meetings were frequently conducted with SR and M&O contractor representatives.

SR's involvement in defense nuclear programs, particularly in the areas of radioactive 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 disadvantaged business awards continue to be hampered by large captive expenditures for utilities, the rural location of SRP, and the highly technical capabilities necessary to provide many SR requirements.

As the new M&O contractor, WSRC has submitted a Master Subcontracting

Plan and appointed a Small Business Liaison Officer. The WSRC contract is a cost-plus-award-fee type, which will permit SR to use incentive features of the contract to stimulate WSRC's support for socioeconomic programs. A new contract has also been awarded to Wackenhut Services, Inc., for paramilitary security services. This contract is also a cost-plus-award-fee type.

#### **Power Marketing Administration**

##### **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 the Bonneville Dam on the Columbia River. Since then they have directed BP to sell at wholesale the power produced at a total of 30 additional Federal dams in the Pacific Northwest and to acquire conservation and non-Federal generating resources sufficient to meet the needs of BP's customer utilities.

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

BP uses revenue from the sale of power and transmission services to recover its own expenses and to repay non-Federal investment in generating capability 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.

#### **Statistical Summary**

##### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

|                        | PRIMES   |      | SUBCONTRACTS |      |
|------------------------|----------|------|--------------|------|
| Total Procurements     | \$85,307 | 100% | \$4,726      | 100% |
| Small Business         | 41,727   | 49   | 1,976        | 42   |
| Disadvantaged Business | 10,357   | 12   | 1,250        | 26   |
| Women-Owned Business   | 916      | 1    |              |      |
| Labor Surplus Area     | 214      | 0.3  |              |      |

#### **Narrative**

BP continues the development of an active outreach program to identify firms for its socioeconomic preference procurements. In FY 1988 BP was awarded the Department of Energy's Small and

**Disadvantaged Business Achievement Award for FY 1988.**

Under BP's research program for Historical Black Colleges and Universities, a BP Contractor's nominee, Dr. James Momah of Howard University, was awarded the National Science Foundation's Presidential Young Investigator Award.

BP's "Outreach" plan for FY 1989 includes the following:

- Procurement conference and trade fair participation in all of BP's service areas.
- BP membership in Small and Disadvantaged Business Advisory Councils in the states of Oregon and Washington.
- Updating a major marketing aid for small/disadvantaged enterprises titled "A Guide to Doing Business With B.P.A."
- 101 Terminals in the Division of Materials and Procurement will have access to the Small Business Administration's Procurement Automated Source System (PASS).

A summary of prospective awards for FY 1989, identified for disadvantaged firms, is as follows:

|                                       |             |
|---------------------------------------|-------------|
| 8(a) Awards                           | \$2,928,000 |
| Small Disadvantaged Set-Aside Awards  | 1,722,000   |
| Small Purchase - Disadvantaged Awards | 1,377,000   |

In addition, fish and wildlife projects with Northwest Indian Tribes, will have subcontracts which may total \$4 million.

**Western Area Power Administration**

During FY 1988, Western Area Power Administration (WP) was responsible for the Federal electric power marketing and transmission functions in 15 Central and Western states. WP plans, designs, constructs, operates, and maintains transmission facilities. It markets and distributes electric power to approximately 500 wholesale power customers, including cooperatives, municipalities, public utility districts, Federal and State agencies, and private utilities. WP currently operates and maintains 16,400 miles of transmission lines, 254 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<br>(dollars in thousands) |           |      |              |      |
|---|-----------|------|--------------|------|
|   | PRIMES    |      | SUBCONTRACTS |      |
| Total Procurements                            | \$132,470 | 100% | \$2,284      | 100% |
| Small Business                                | 92,827    | 70.1 | 1,023        | 44.8 |
| Disadvantaged Business                        | 22,421    | 16.9 | 448          | 19.6 |
| Women-Owned Business                          | 501       | .4   |              |      |

## Narrative

As part of the goal setting process, a review of the annual operating budget is conducted by the Small 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. Approximately 50 percent of WP's available procurement dollars is automatically set aside for small business. All construction projects under \$3,000,000 have been set-aside for small businesses. In order to increase awards to small business, particular attention is given to projects historically performed by large business and projects not affected by mandatory set-asides. The Small 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 WP's socioeconomic goals when they are established and are continually updated on progress toward goal attainment.

During FY 1988, the Small Business Specialist attended two small and disadvantaged business seminars in an effort to locate new sources and counsel small firms on how to do business with WP. Additionally, the Small Business Specialist is an active participant in the Rocky Mountain Minority Business Opportunity Council.

When contractors are required to submit subcontracting plans, WP ensures that the contractor is fully aware of its responsibilities and communicates them via post-award orientation sessions or other appropriate means. WP will continue to assist contractors in establishing realistic subcontracting goals and, where necessary, identify sources capable of providing the required services.

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 and disadvantaged business participation. A more vigorous effort is underway to increase subcontract awards to small and disadvantaged business and prime

contract awards to women-owned businesses.

### **Southwestern Power Administration**

The Southwestern Power Administration (SW), headquartered in Tulsa, Oklahoma, sells and distributes power produced at 23 hydroelectric projects constructed by the U.S. Army Corps of Engineers. SW power marketing functions include operation of approximately 1,380 miles of high-voltage transmission lines, with 24 related substations and switching stations. Its customers are 93 municipalities, rural electrical cooperatives, investor-owned utilities, and Government installations in Arkansas, Kansas, Louisiana, Missouri, Oklahoma and Texas.

### **Statistical Summary**

#### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

##### **PRIMES**

|                        |         |      |
|------------------------|---------|------|
| Total Procurements     | \$7,316 | 100% |
| Small Business         | 4,835   | 66   |
| Disadvantaged Business | 470     | 6    |
| Women-Owned Business   | 348     | 5    |

### **Narrative**

The Small Business Specialist coordinates the socioeconomic activity program with the support and cooperation of senior management requirements personnel and procurement personnel. Despite limited contracting opportunities, SW was successful in awarding a multi-million dollar automatic data processing services contract to SBA/Denver under the 8(a) program in FY 1988.

In January 1989 the Secretary presented the FY 1988 Small Business Award to SW in recognition of outstanding contracting performance and program support.

The recent passage of the Small Business Opportunity Reform Act of 1988 (Public Law 100-656) has eliminated small business set-asides in four industries. This will have a significant impact since SW, in the near future, anticipates awarding a significant amount of construction that can be awarded under the 8(a) program or through full and open competition.

## **Southeastern Power Administration**

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

- Make Federal power available over a widespread area at the lowest possible rates to customers consistent with sound business principles.
- 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.
- Give preference in the sale of power to public bodies and cooperatives.
- Utilize existing area transmission facilities to accomplish transmission of power to customers.
- Integrate projects to the maximum extent and coordinate project operation to provide maximum power contribution in meeting area power requirements.
- Encourage development of additional hydroelectric power projects that are economically and environmentally feasible.

## **Statistical Summary**

### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

#### **PRIMES**

|                        |       |      |
|------------------------|-------|------|
| Total Procurements     | \$266 | 100% |
| Small Business         | 79    | 30   |
| Disadvantaged Business | 9     | 3    |
| Women-Owned Business   | 8     | 3    |

## **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, disadvantaged, and women-owned firms. All proposed procurements are carefully screened by the Small Business Specialist for awards to such firms, and results are monitored by management. Although there are few disadvantaged and women-owned firms in the local area, all local purchases are from small business firms.

## **Alaska Power Administration**

The Alaska Power Administration (AP) is responsible for operation, maintenance and power marketing for Alaska's two hydroelectric projects -- the 30,000 kilowatt Eklutna Project near Anchorage and the 47,160 kilowatt Snettisham Project near Juneau. In FY 1988 AP had a budget of \$3,191,000 and thirty-five full time employees.

### **Statistical Summary**

#### **ACTUAL ACHIEVEMENTS (dollars in thousands)**

##### **PRIMES**

|                        |       |      |
|------------------------|-------|------|
| Total Procurements     | \$840 | 100% |
| Small Business         | 510   | 60.8 |
| Disadvantaged Business | 46    | 5.5  |
| Women-Owned Business   | 3     | .4   |

### **Narrative**

In FY 1988 AP continued to place emphasis on increasing opportunities for small, disadvantaged, women-owned, and labor surplus area businesses. AP's Procurement Plan, updated quarterly, is reviewed by management, procurement, the Small Business Specialist and SBA to identify potential small and disadvantaged business awards. As a result, AP awarded its first 8(a) contract this year. AP's growing source data base has become an effective tool for identifying small business.

The outlook for FY 1989 small business participation is less favorable. AP's small business participation goal for FY 1989 is 43% of available procurement dollars.

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

| <b>Program Offices</b>             |       | <b>Naval Reactor Offices</b>           |  |      |
|------------------------------------|-------|--|--|------|
| Nuclear Energy                     | NE    | Pittsburgh                             |  | PN   |
| Fossil Energy                      | FE    | Schenectady                            |  | SN   |
| Conservation & Renewable Energy    | CE    |  |  |      |
| Energy Research                    | ER    | <b>Power Marketing Administrations</b> |  | PMA  |
| International Affairs &            | IE    | Alaska                                 |  | AP   |
| Energy Emergencies                 |       | Bonneville                             |  | BP   |
| Civilian Radioactive               | RW    | Southeastern                           |  | SE   |
| Waste Management                   |       | Southwestern                           |  | SW   |
|                                    |       | Western Area                           |  | WA   |
| <b>Staff Offices</b>               |       | <b>Other</b>                           |  |      |
| Management & Administration        | MA    | Ames Laboratory                        |  | AMES |
| Small & Disadvantaged              | OSDBU | Argonne National Laboratories          |  | ANL  |
| Business Utilization               |       | Bartlesville Project Office            |  | BV   |
| Environment, Safety & Health       | EH    | Brookhaven National Laboratory         |  | BNL  |
| Congressional, Intergovernmental   | CP    | Energy Technology Engineering          |  | ETEC |
| & Public Affairs                   |       | Center                                 |  |      |
| Minority Economic Impact           | MI    | Federal Energy Regulatory              |  | RC   |
| Inspector General                  | IG    | Commission                             |  |      |
| Energy Information Administration  | EI    | Hanford Engineering Development        |  | HEDL |
| Economic Regulatory Administration | RG    | Laboratory                             |  |      |
|                                    |       | Idaho National Engineering             |  | INEL |
| <b>Operations Offices</b>          |       | Laboratory                             |  |      |
| Albuquerque                        | AL    | Lawrence Berkeley Laboratory           |  | LBL  |
| Chicago                            | CH    | Lawrence Livermore National            |  | LLNL |
| Idaho                              | ID    | Laboratory                             |  |      |
| Nevada                             | NV    | Los Alamos National Laboratory         |  | LANL |
| Oak Ridge                          | OR    | Naval Oil Shale Reserves               |  | NOSR |
| Richland                           | RL    | Naval Petroleum Reserve                |  | NPR  |
| San Francisco                      | SAN   | Nuclear Regulatory Commission          |  | NRC  |
| Savannah River                     | SR    | Oak Ridge National Laboratory          |  | ORNL |
|                                    |       | Pacific Northwest Laboratory           |  | PNL  |
| <b>Energy Technology Centers</b>   |       | Princeton Plasma Physics               |  | PPPL |
| Morgantown                         | MT    | Laboratory                             |  |      |
| Pittsburgh                         | PT    | Sandia National Laboratories           |  | SNL  |
| <b>Naval Petroleum Reserves</b>    |       | Savannah River Laboratory              |  | SRL  |
| Casper                             | CA    | Solar Energy Research Institute        |  | SERI |
| Tupman                             | TU    | Stanford Linear Accelerator            |  | SLAC |
|                                    |       | Accelerator Center                     |  |      |
|                                    |       | Strategic Petroleum Reserve            |  | SPR  |