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Report on the Implementation of the FY 1987 National Defense Authorization Act Section 1207, Contract Goal for Minorities

Fiscal Year 1991

Prepared by: Office of the Under Secretary of Defense (Acquisition)
Office of Small and Disadvantaged Business Utilization

Date: 1 APR 1992

#427

EXECUTIVE SUMMARY

This report covers the progress of the Department of Defense (DoD) during FY 1991, towards the achievement of the five percent goal for awards to small disadvantaged businesses (SDB), historically Black colleges and universities (HBCU) and other minority institutions (MI) mandated by section 1207 of P.L. 99-661, as amended. According to the law, the five percent goal applies to the combined total of the amounts obligated for prime contracts and subcontracts in the areas of procurement, research and development, test and evaluation, military construction and operations and maintenance. This program was extended by P.L. 101-189 through Fiscal Year 1993.

Pursuant to P.L. 95-507, DoD captures SDB awards using two data bases, one for prime contract awards and one for subcontract awards. Using this method, FY 1991, of the $126 billion in prime contract awards to U.S. business concerns, DoD awarded $4.4 billion or 3.5% to SDBs. Under the subcontracting program, for FY 1991, SDBs received $1.5 billion or 2.7% of the $57 billion in subcontracts awarded by large business concerns.

Prime contract awards to HBCUs and MIs totalled $35.7 million or 4.96% of the $720 million in prime contract awards to higher education institutions (this base is comprised of awards made to higher education institutions in research and development and does not include awards made to Federally Funded Research and Development Centers and other entities that are primarily engaged in advanced testing and evaluation.) HBCUs received $12.5 million in prime contract awards and another $29 million in non-contract areas such as: training, fellowships and recruitment, facilities and equipment and student tuition assistance and other aid. These dollars are reported by

category to the White House Initiative on HBCUs MIs received $23.2 million in prime contract awards.

Regulatory and Policy Changes:

The Defense Federal Acquisition Regulations were amended to establish a policy of paying SDB concerns as quickly as possible after their invoices are received and before normal payment due dates established in the contract. Also the restrictions in the FAR prohibiting early payment do not apply to invoice payments made to SDBs. This policy on expediting payments to SDBs was proposed in the former Under Secretary of Defense's plan to make progress toward the five percent goal that was submitted to the Congress.

Public Law 101-510, Section 831, established a pilot mentor-protege program. The purpose of this program is to provide incentives to major DoD contractors to assist small disadvantaged businesses in enhancing their capabilities to perform as subcontractors and suppliers. On May 2, 1991, DoD published a proposed regulation and policy in the Federal Register for public comment (Exhibit 1.) Approximately 65 comments were received in response to this publication. Upon review of the comments, substantial changes were made to the regulations and on August 9, 1991 a partial final implementation of the program was published in the Federal Register (Exhibit 2.) The implementing policy and regulations were labelled "partial" because they set forth the procedures for prime contractors to participate in the program for credit only or for reimbursement through an existing DoD contract. Due to a lack of program funds available at the time of publication, mentors interested in reimbursement of technical assistance costs could only be reimbursed if funds could be made available through a DoD program manager.

HBCU/MI Program

DoD awarded $35.7 million in contract awards to HBCU/MIs. This represents 4.96% of all awards to Higher Education Institutions which totalled $720 million. Of the $35.7 million, $12.5 million was awarded in contracts to HBCUs. Awards to HBCUs has increased from $9 million in FY 1990 to $12.5 million in FY 1991. Although the 5% goal legislation speaks only to increasing contract awards to SDBs, it is important to note that HBCUs in particular as well as other minority institutions, receive DoD funding in other non-contract areas that DoD is required to reported to the White House Initiative on HBCUs. For FY 1991, DoD reported to the White House Initiative Office an additional $29 million in non contract areas to HBCUs. There is no similar reporting of non-contract support for MIs.

Military Departments and Defense Agencies are continuing to to utilize the HBCU/MI set-aside procedure to increase awards to HBCUs/MIs. Under this procedure contracts may be set-aside for exclusive competition among HBCUs/MIs if the contracting officer has a reasonable expectation that two or more offers will be received from the HBCU/MI community. Also, continuing emphasis has been placed on increasing the participation of HBCUs/MIs in educational and training requirements for both military and civilian personnel. As reported in the FY 1990 report, we are still experiencing a low response rate by HBCUs/MIs to sources sought notices soliciting their interest in bidding on particular DoD procurements and to some total HBCU/MI set-asides. We are closely analyzing the reasons for such low response rates.

The National Association for Equal Opportunity in Higher Education (NAFEO) continued to provide technical assistance to HBCUs/MIs during FY 1991. In addition to conducting conferences to provide information to HBCUs/MIs in identifying DoD opportunities, site visits were conducted by Tractell, a subcontractor to NAFEO, to engage in direct discussion and interactions on the establishment of a Grants and Contracts Tracking Systems to assist the administrative infrastructure to manage DoD contracts.

The DoD surplus equipment program for HBCUs continues to provide much needed personal property to HBCUs. This program has provided over $12 million of property to HBCUs during FY 1991.

We continue to have problems securing an accurate list of minority institutions for purposes of the five percent goal program. Since the legislation refers to Title III of the Higher Education Act for the definition of eligible institutions, we are dependent on the Department of Education to provide a list of schools that meet the eligibility criteria. As reported in the FY 1988 report and the six month report for FY 1989, the Education Department does not consider the schools covered under the Title III Program as "minority institutions". The list is provided to DoD under the title "eligible institutions", meaning that these institutions are eligible for the Title III Program. Also, there are two other major concerns. One, if a school does not apply for eligibility under the Title III Program, notwithstanding the fact that they meet the minority enrollment percentages, they are not eligible for the DoD five percent goal program. Second, if a school has a majority enrollment of Black students and it is not a HBCU, then according to the ethnic percentages set forth in the Title III Program, they would not be eligible for either the Title III Program (unless provided a waiver) or the DoD five percent goal program.

In order to resolve this issue, we recommend that the statute specifically describe the criteria for a minority institution, so that institutions may self certify to this criteria. A suggested definition is as follows: "Minority Institution means an accredited college or university whose enrollment of a single minority group or a combination of minority groups exceeds fifty one percent of the total enrollment. Minority means American Indian, Alaskan Native, Black, Hispanic (including persons of Mexican, Puerto Rican, Cuban and Central or South American origin) and Pacific Islander." The percentage of minority enrollment that qualifies a school as a minority institution should be consistent with the percentage of ownership that a SDB must have in order to qualify under the five percent goal program. Also, since the Department is awarding more grants in the research and development areas, we recommend that the five percent goal cover grants and contracts in the research and development areas.

Impact on Non-Disadvantaged Small Business

DoD has always contended that the opportunity market for SDBs in DoD contracting arenas is the same as the opportunity market for non-disadvantaged small businesses. We have received complaints that specific contracts have been identified for award under the SDB program to the detriment of a non-disadvantaged small business concern. These complaints are more prevalent in the area of construction.

DoD is quite concerned about the impact of the SDB program on non-disadvantaged small businesses. We are in compliance with Section 831 of P.L. 101-189 which requires the DoD to assess the impact of the ten percent evaluation preference on non-disadvantaged businesses in certain industry categories. According to the law, the

premium percentage may be adjusted if available information clearly indicates that non-disadvantaged small businesses are generally being denied a reasonable opportunity to compete for contracts because of the use of the premium. With regard to construction contracts, DoD does not apply the ten percent evaluation preference to these awards. We do however, utilize the SDB set-aside procedure for construction awards.

DoD data indicate that during FY 1991, all U.S. businesses received $8.5 billion in construction contracts. Of this amount, small businesses received $4.6 billion or 54% of the total awards. SDBs received a total of $900 million in construction awards. Of the $900 million total, $339 million was awarded through the SDB set-aside program, $262 million was awarded through the 8(a) program and $296 million was awarded through full and open competition. The data indicates that the total construction awards to all businesses increased from $5.7 billion in FY 1990 to $8.5 billion in FY 1991. Specifically, the large business share increased by $1.3 billion, the non-disadvantaged small business share increased by $1.2 billion and the SDB share increased by $357 million. An analysis of this data concludes that non-disadvantaged small businesses are not generally being denied a reasonable opportunity to compete for construction contracts because of the use of SDB premiums. DoD has not received complaints from non-disadvantaged small businesses concerning any other industry category.

SUMMARY OF DATA

A summary report on the progress towards the five percent goal during the FY 1991 (hereinafter referred to as the period) is as follows:

- Prime contracts valued at $126 billion were awarded to U.S. business firms during the period. Of this amount $4.4 billion was awarded to SDBs in prime contracts. These awards represent 3.5% of the total prime contract awards to U.S. business firms. This percent exceeds the 3.4% accomplishment during FY 1990 (Exhibit 3). While 8(a) contract awards increased only $45 million from FY 1990 to FY 1991, the direct awards to SDBs for which they competed successfully in open competition increased from $1.35 billion in FY 1990 to $1.45 billion in FY 1991 (an increase of $100 million.) In addition, SDB set-asides increased from $407 million in FY 1990 to $651 million in FY 1991 (an increase of $244 million.)

- SDB awards over $25,000 by Major Commands is at Exhibit 4.

- During the period, SDBs were awarded $1.5 billion in subcontract awards or 2.7% of the $57 billion in total subcontract awards made by DoD prime contractors (Exhibit 5).

- The DoD awards over $25,000 by ethnic group are provided in Exhibit 6.

- Prime contracts valued at $720 million were awarded to Higher Educational Institutions (HEI). Of this total $35.7 million in prime contracts was awarded to HBCUs and MIs. HBCUs were awarded $12.5 million in prime contract awards. The HBCU/MI awards represent 4.96% of the total awards to HEIs (Exhibit 7).

- During the period, DoD awarded 453 contracts to SDBs using the ten percent evaluation preference. A total of $9 million in premiums was paid to SDBs which represents a 5.4% difference between the low offer and the SDB award price. The total dollar value of all low offers was $171 million. The total SDB award price was $181 million (Exhibit 8). The dollar value of premiums paid to SDBs under the ten percent evaluation preference decreased from $13 million in FY 1990 to $9 million in FY 1991. The number of contracts on which DoD paid premium also decreased from 880 in FY 1990 to 453 in FY 1991.

- Pursuant to P.L. 100-456, Section 843(d), a report of the DoD portion of procurement of printing, binding and related services acquired by the Government Printing Office and awarded to SDBs in FY 1991 is at Exhibit 9.

Table of Exhibits

federal register

Thursday
May 2, 1991

Part V

Department of Defense

Mentor-Protege Pilot Program; Notice

48 CFR Parts 219 and 252
Small Business and Small Disadvantaged Business Concerns; Proposed Rule

Exhibit 1

DEPARTMENT OF DEFENSE

Mentor-Protege Pilot Program;

AGENCY: Department of Defense (DoD).

ACTION: Notice of Pilot Program.

SUMMARY: The Department of Defense (DoD) is inviting public comments on its proposed implementation of the Mentor-Protege Pilot Program. The Pilot program will permit selected contractors to provide developmental assistance to small disadvantaged businesses (SDBs) for which DoD may provide cost reimbursement, credit against SDB subcontracting goals or both. The DoD policy sets forth the comprehensive implementation plan for the program and the proposed DFARs coverage provides guidance on contracting officer's responsibilities under the program. The public is invited to comment on both the policy and the proposed DFARS coverage. Comments must be submitted separately for the policy and the DFARS language.

DATES: Comments concerning the policy and the DFARs coverage must be received on or before June 3, 1991, to be considered in finalizing the program. Please cite DAR Case 90-314 in all correspondence related to this issue.

ADDRESSES: Interested parties should submit written comments on the policy to OUSD(A), OSDBU, room 2A340, The Pentagon, Washington, DC 20301-3061, attn: Ms. Tracey Pinson.

FOR FURTHER INFORMATION CONTACT: Tracey Pinson, telephone (703) 697-1688.

SUPPLEMENTARY INFORMATION:

Background

Section 831 of Public Law 101-510 as amended establishes the Mentor-Protege Pilot Program. The purpose of the Program is to provide incentives for major DoD contractors to furnish SDBs with assistance designed to enhance their capabilities to perform as subcontractors and suppliers under DoD contracts and other contracts, in order to increase the participation of the concerns as subcontractors and suppliers under DoD contracts, other Federal Government contracts, and commercial contracts. Incentives for major DoD contractors to provide developmental assistance to SDBs consist of cost reimbursement, credit against SDB subcontracting goals established under DoD contracts or both.

The Mentor-Protege Pilot Program is a test program that will be limited in number of participants so that the concept can be properly tested. Implementation of the program will involve detailed administrative requirements for both DoD and prospective mentor firms. Once funds are available for the Program, DoD will solicit participation in the Program. Companies that are interested in becoming mentors will have 60 days to submit their mentor-protege documents to the Office of Small and Disadvantaged Business, Office of the Under Secretary of Defense (Acquisition). The mentor-protege documents must include: A request to become a mentor, a signed mentor-protege agreement, the proposed costs of the developmental assistance to be provided the protege firm, and an advance agreement proposal on the treatment of developmental assistance costs. The package must be complete and in accordance with the DoD policy. Documents will not be received or considered after the designated closing period. Once all requests for program participation have been received, OSDBU will review all submitted documents except the advance agreement. Subsequent to approval of these documents, OSDBU will send them to the cognizant contracting officer to negotiate the advance agreement with the mentor firm. The mentor firm will be notified by OSDBU that the documents have been approved with the exception of the advance agreement and to proceed to negotiate the advance agreement with the contracting officer. The decision of participation under the program is not final until the advance agreement has been negotiated and approved by the contracting officer. Once the contracting officer has approved the advance agreement, the mentor firm may implement the developmental assistance program in accordance with the approved mentor-protege agreement and advance agreement.

The DoD policy sets forth the information that must be submitted in order for companies to participate in the Program as mentor firms. Companies that are interested in becoming mentor firms will be responsible for the selection of SDBs proteges. DoD will not be involved in the selection of proteges, however, SDBs chosen as proteges by the prospective mentor firm must meet the eligibility criteria set forth in the DoD policy.

The proposed DoD policy on the Mentor-Protege Pilot Program is as follows:

DOD Policy for Implementation of the Mentor Protege Pilot Program

I. Purpose

This policy implements the Mentor-Protege Pilot Program (hereinafter referred to as the "Program") established under section 831 of Public Law 101-510 as amended, The National Defense Authorization Act for Fiscal Year 1991. The purpose of the Program is to:

(1) Provide incentives to major DoD contractors performing under subcontracting plans negotiated under DoD contracts to voluntarily assist small disadvantaged businesses (SDBs) in enhancing their capabilities to satisfy DoD contract and subcontract requirements;

(2) Foster the establishment of long term business relationships between SDBs and major defense contractors and;

(3) Increase the overall participation of SDBs as subcontractors and suppliers under DoD contracts, other Federal government contracts and commercial contracts.

Under the Program, eligible defense contractors will enter into mentor-protege agreements with eligible SDBs as protege firms to provide appropriate developmental assistance to enhance the capabilities of SDBs to perform as subcontractors and suppliers. The Department of Defense will, subsequent to an application and approval process, provide the mentor firm with either cost reimbursement, credit against SDB subcontracting goals established under DoD contracts or both.

II. Procedures

The application process generally consists of the submission of mentor-protege documents that include: A request to become a mentor firm, a signed mentor-protege agreement(s), the proposed costs of the developmental assistance to be provided to the protege firm(s) under the Program and an advance agreement proposal on the treatment of developmental assistance costs. The Office of Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense for Acquisition OUSD(A) (hereinafter referred to as OSADBU) will have the responsibility for approving: Requests to become a mentor firm, the mentor-protege agreement(s) and the funding level if appropriate. Upon receipt of the approved documents from OSADBU, the appropriate contracting officer will have the responsibility for negotiating and approving the advance agreement and modifying contracts accordingly.

Mentor-protege documents submitted to OSADBU will generally be evaluated on the extent to which the mentor's Program addresses the following:

(1) Intent to increase the number and dollar value of subcontracts awarded by the mentor firm to protege firms under DoD contracts, contracts awarded by other Federal Agencies and commercial contracts;

(2) Intent to concentrate on the development of the protege firm(s) on a single major system(s), a service or supply program, research and development programs, initial production or mature systems or in the total contract base;

(3) The extent to which emerging SDBs are identified as protege firms;

(4) Extent to which the mentor's developmental assistance program for the protege firm will result in an increase in subcontracting to the protege firm in industry categories where SDBs have not traditionally participated;

(5) Ideas that will be explored to ensure that the protege firm(s) remain or become competitive and not unduly reliant on the mentor firm in the long term.

III. Program Duration

Activities under the Program will occur during the following periods:

(1) Approval of companies to participate in the Program until September 30, 1994;

(2) Performance under a mentor-protege agreement, only if such agreement was approved and executed by the mentor firm and its protege firm prior to October 1, 1994;

(3) Reimbursement of mentor firms for costs of providing developmental assistance to its protege firms, only if such costs are incurred after the approval of the advance agreement and prior to October 1, 1996;

(4) Accord credit to a mentor firm toward the attainment of such firm's goals for subcontract awards to SDBs for costs of providing developmental assistance to its protege firms, only if such costs are incurred after approval of the advance agreement and prior to October 1, 1993.

IV. Eligibility Requirements for a Protege Firm

A. A company may qualify as a protege firm if it is:

(1) A business concern as defined by section 8(d)(3)(C) of the Small Business Act.

(2) Not suspended, debarred or otherwise ineligible for the award of a government contract.

(3) A small business according to the SBA size standard in the Standard Industrial Code (SIC) which represents the contemplated supplies or services to be provided by the protege firm to the mentor firm.

B. A protege firm may self-certify to a mentor firm that meets the eligibility requirements in A (1), (2) and (3) above. Mentor firms may rely in good faith on this representation.

C. Protege firms may only have one active mentor-protege agreement.

V. Selection of Protege Firms

A. Mentor firms will be responsible for selecting protege firms. If the mentor firm intends to submit to OSADBU more than one mentor-protege agreement, mentor firms shall select a number of protege firms that are defined as emerging equal to those that are in more advanced phases of business development.

B. The selection of protege firms by mentor firms may not be protested by interested SDBs. SDBs may only protest the size and disadvantaged status of selected protege firms in accordance with (C) below.

C. In the event of a protest by an interested SDB regarding the size or disadvantaged eligibility of another SDB to be a protege firm, the mentor firm shall refer the protest to the SBA to resolve in accordance with 13 CFR 124.601.

VI. Approval Process for Mentor Firms, Mentor-Protege Agreements, Funding and Advance Agreements

A. Prospective mentor firms are required to submit to OSADBU the following mentor-protege documents:

(1) A request for approval as a mentor firm;

(2) A signed mentor-protege agreement(s);

(3) The proposed costs of the developmental assistance to be provided to the protege firm(s) under the Program (costs must be broken out per year by mentor-protege agreement) Prior to submitting a proposed cost proposal the prospective mentor firm shall coordinate with the cognizant PCO to ascertain whether funding is available to support their mentor-protege agreement. Indicate the maximum amount that will be funded by the PCO.

(4) An advance agreement proposal on the treatment of developmental costs.

B. Companies shall submit four copies of the mentor-protege documents specified in A (1), (2), (3), and (4) above to: OUSD(A) OSADBU, room ZA340, The Pentagon, Washington, DC 20301-3061, Attn: Mentor-Protege Program. OSADBU will review items (1), (2), and (3) and if approved, will notify the company to proceed with the negotiation of the advance agreement with the appropriate contracting officer. Authorization for firms to negotiate an advance agreement is a preliminary process and in no way obligates the government to provide reimbursement or credit to the approved mentor firm under the Program.

C. The decision on companies participating in the Program is final and is not reviewable by any other executive agency or other branch of government.

VII. Requests for Approval as a Mentor Firm

A. A request for approval as a mentor firm must contain the following:

(1) A statement that the company is an other than small business concern performing under DoD contracts with subcontracting plans negotiated by DoD.

(2) The total dollar amount of DoD contracts and subcontracts received during the two preceding fiscal years (broken out separately.)

(3) The total dollar value of all subcontracts awarded and the number and percentage of awards made to SDBs under DoD contracts during two previous fiscal years.

(4) Number of dollar value of subcontract awards made to protege firms during the two preceding fiscal years (if any).

(5) Information on the ability to provide developmental assistance to enhance the capabilities of the identified protege firm(s), and an indication as to how such assistance will result in increased subcontract awards to such protege.

(6) The company's concept for participating in the Program.

(7) A statement that the company is eligible for the award of government contracts and subcontracts.

B. A company may not be approved for participation in the program as a mentor firm if it has been debarred or suspended from contracting with the Federal Government pursuant to FAR part 9.4. Should debarment or suspension occur while the mentor firm is performing under an approved mentor-protege agreement the mentor firm:

(1) may continue to provide assistance to its protege firms pursuant to approved mentor-protege agreements entered into prior to the imposition of such suspension or debarment;

(2) May not be reimbursed for any costs of providing developmental assistance to its protege firm, incurred more than 30 days after the imposition of such suspension or debarment; and

(3) Shall give notice of its suspension or debarment to its protege firm, its ACO or PCO, and OSADBU.

VIII. Mentor-Protege Agreements

A. Signed mentor-protege agreements submitted for approval under the Program shall include:

(1) The name, address and telephone number of the mentor firm and protege firm and a point of contact within the mentor firm who will administer the developmental assistance program;

(2) The SIC code which represents the contemplated supplies or services to be provided by the protege firm to the mentor firm and a statement that the size of the protege firm does not exceed the appropriate SIC code.

(3) A developmental program for the protege firm specifying the type of assistance that will be provided, identified in (C) below. The developmental program shall include the following:

(a) Factors to assess the protege firm's developmental progress under the Program and;

(b) The anticipated number and type of subcontracts to be awarded the protege firm; and

(4) A program participation term for the protege firm which shall not exceed five years and may be renewed for four years. Mentor firms seeking cost reimbursement shall not submit for approval mentor-protege agreements exceeding the term of the contracts under which developmental costs will be allocated.

(5) Procedures for the mentor firm to notify the protege firm of its intent to withdraw from the Program voluntarily which provide for 60 days advance written notice to the protege firm.

(6) Procedures for a protege firm to terminate the mentor-protege agreement voluntarily which provide for 30 days advance written notice to its mentor firm.

(7) Procedures for the termination of the mentor-protege agreement for cause by the mentor firm, which provide:

(a) The protege firm shall be furnished a written notice of the proposed termination, stating the specific reasons for such action, not later than 90 days in advance of the effective date of such proposed termination.

(b) The protege firm shall have 30 days to respond to such notice of proposed termination, and may rebut any findings believed to be erroneous and offer a remedial program.

(c) Upon prompt consideration of the protege firm's response, the mentor firm shall either withdraw the notice of proposed termination and continue the protege firm's participation, or issue the notice of termination.

(d) The decision of the mentor firm regarding termination for cause, conforming with the requirements of this section, shall be final.

(8) Procedures for the termination of individual elements of developmental assistance.

(9) Additional terms and conditions as maybe agreed upon by both parties.

B. A copy of the voluntary withdrawal from the Program and any termination notices shall be sent to OSD OSDBU, and the ACO or PCO.

C. Termination of a mentor-protege agreement shall not impair the contractual obligations of the mentor firm and the protege firm, to be performed in accordance with the terms and conditions of the applicable contractual agreements.

D. The mentor-protege agreement may provide for the mentor firm to furnish any or all of the types of developmental assistance as follows:

(1) Assistance by mentor firm personnel in:

(a) General business management including organizational management, financial management and personnel management, marketing, business development and overall business planning;

(b) Engineering and technical matters such as production inventory control, quality assurance and

(c) Any other assistance designed to develop the capabilities of the protege firm under the developmental program.

(2) Award of subcontracts under DoD contracts or other contracts on a non-competitive basis.

(3) Payment of progress payments for the performance of subcontracts by a protege firm in amounts as provided for in the subcontract; but in no event may any such progress payment exceed 100% of the costs incurred by the protege firm for the performance of the subcontract.

(4) Advance Payments under such subcontracts.

(5) Loans.

(6) Cash in exchange for an ownership interest in the protege firm, not to exceed 10% of the total ownership interest.

(7) Assistance obtained by the mentor firm for the protege firm from one or more of the following:

(a) Small Business Development Centers established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).

(b) Entities providing procurement technical assistance pursuant to chapter 142 of title 10 U.S.C. (PTAP)

(c) Historically Black Colleges and Universities as defined by 34 CFR 608.2

(d) Minority Institutions of Higher Education.

E. Mentor firms are encouraged to authorize advance payments under mentor-protege agreements as a method to finance the performance of subcontracts by protege firms. Such advance payments under subcontracts between the mentor firm and its protege firm may be made upon such terms and conditions as may be specified in the subcontract agreement.

F. A mentor firm may not require a SDB concern to enter into a mentor-protege agreement as a condition for being awarded a contract by the mentor firm including a subcontract under a DoD contract awarded to the mentor firm.

IX. Advance Agreements on the Treatment of Developmental Assistance Costs

A. Companies that have been approved by DoD OSADBU in accordance with III above must negotiate proposed Advance Agreements. Proposed advance agreements are negotiated between the contracting officer and the mentor firm in accordance with FAR 31.109(e). Proposed advance agreements must state the name and telephone number of the appropriate PCO or ACO, and state whether the company is seeking reimbursement of costs for developmental assistance, credit against SDB subcontracting goals established under DoD contracts or a combination of reimbursement and credit. The advance agreement must meet the requirements in 219.7105.

B. upon receipt of the mentor protege documents from OSADBU, the contracting officer will have the responsibility to negotiate the advance agreement or delegate this authority to the ACO, modify applicable contracts in accordance with 219.7104-2 (b) and provide a copy of the negotiated advance agreement to DoD OSADBU.

X. Reimbursement Procedures

A. A mentor firm shall be reimbursed for the total amount of any progress payment or advance payment made to protege firms in connection with a DoD contract under an approved advance agreement and mentor-protege agreement, through the cost reimbursement procedures otherwise applicable to the contract.

B. A mentor firm shall be reimbursed for developmental assistance costs in accordance with an approved advance agreement through a separately priced contract line item.

C. Costs Eligible for Reimbursement are:

(1) Costs incurred by a mentor firm for developmental assistance to a protege firm under VII (B) (1) and (7), pursuant to an approved mentor-protege agreement to the maximum extent provided under the terms of an approved advance agreement.

(2) The full amount of any progress payment or advanced payment made to a protege firm in connection with a DoD contract under an approved mentor-protege agreement.

D. No profit may be associated with the reimbursement of developmental assistance costs under the Program.

E. Absent the existence of an advance agreement between the mentor firm and DoD as specified in IX above, DoD will in no way be liable for reimbursement of costs under the Program.

XI. Credit for Unreimbursed Developmental Assistance Costs

A. Except as provided in E below, developmental costs incurred by a mentor firm in providing assistance to a protege firm pursuant to an approved mentor protege agreement, for which cost reimbursement has not been provided, may be recognized as credit in lieu of subcontract awards for determining the performance of such mentor firm in attaining a SDB subcontracting goal(s) established under:

(1) A DOD contract; or

(2) Any division wide or company wide subcontracting plan which the mentor firm has negotiated with DOD.

B. The amount of credit a mentor firm may receive for any such unreimbursed developmental assistance costs shall be equal to:

(1) Four times the total amount of such costs attributable to assistance provided by SDBs, HBCUs, MIs, and PTAPs.

(2) Three times the total amount of such costs attributable to assistance furnished by the mentor's employees.

(3) Two times the total amount of other such costs.

C. A mentor firm shall receive credit toward the attainment of a SDB subcontracting goal(s) for each subcontract awarded for a product or a service by the mentor firm to a business concern that, except for its size would be a small business concern owned and controlled by socially and economically disadvantaged individuals, but only if:

(1) The size of such business concern is not more than two times the appropriate size standard; and

(2) The business concern formerly had a mentor-protege agreement with such mentor firm that was not terminated for cause.

D. Amounts credited toward the SDB goal(s) for unreimbursed costs under the program shall be separately identified from the amounts credited toward the goal for the award of actual subcontracts to protege firms and reported in accordance with § 252.219.7007. The combination of the two shall equal the mentor firm's overall accomplishment toward the SDB goal(s).

E. Adjustments may be made to the amount of credit recognized:

(1) If a mentor firm's performance in the attainment of its SDB subcontracting goals through actual subcontract awards declined from the prior fiscal year without justifiable cause. OSADBU may limit the total amount of credit which such firm may claim under A and B above.

(2) If OSADBU determines that imposition of such a limitation on credit appears to be warranted to prevent abuse of this incentive for mentor firm's participation in the Program, the mentor firm shall be afforded the opportunity to explain the decline in SDB participation before imposition of any such limitation on credit. In making the final decision to impose limitation on future credit, the following shall be considered:

(a) The mentor firm's overall SDB participation rates (in terms of percentages of subcontract awards and dollars awarded) as compared to the participation rates existing during the two fiscal years prior to the firm's admission to the Program;

(b) The mentor firm's aggregate prime contract awards during the prior two fiscal years and the total amount of subcontract awards under such contracts; and

(c) Such other information the mentor firm may wish to submit.

(3) The decision regarding the imposition of a limitation on credit shall be final.

(4) Any prospective limitation on credit imposed by the Director shall be expressed as a percentage of otherwise eligible credit and shall apply beginning on a specific date in the future and continue until a date certain during the current fiscal year.

(5) Any retroactive limitation on credit imposed by the Director shall reflect the actual costs incurred for developmental assistance (not exceeding the maximum amount reimbursed.)

F. For purposes of calculating any incentives to be paid for exceeding a SDB subcontracting goal pursuant to a DOD contract, incentives shall only be paid if a SDB subcontracting goal has been exceeded as a result of actual subcontract awards to SDBs.

XII. Definitions

(1) *Emerging SDB Concern* means a small disadvantaged business whose size is no greater than 50% of the numerical size standard applicable to the standard industrial classification code assigned to a contracting opportunity.

(2) *Minority Institution of Higher Education* means an institution of higher education with a student body that reflects the composition specified in section 312(b) (3), (4) and (5) of the Higher Education Act of 1965 (20 U.S.C. 1058 (b) (3), (4) and (5).

Horace J. Crouch,

Director, Small and Disadvantaged Business Utilization.

[FR Doc. 91-10322 Filed 5-1-91; 8:45 am]

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DEPARTMENT OF DEFENSE

48 CFR Parts 219 and 252

Department of Defense, Federal Acquisition Regulation Supplement, Small Business and Small Disadvantaged Business Concerns

AGENCY: Department of Defense (DoD).

ACTION: Proposed rule and request for comments.

SUMMARY: The Defense Acquisition Regulations (DAR) Council is proposing changes to implement section 831 of Public Law 101-510 as amended, The National Defense Authorization Act for Fiscal Year 1991. Section 831 establishes a pilot Mentor-Protege Program. Under this program DoD will establish incentives for selected contractors to provide developmental assistance to small disadvantaged businesses.

DATES: Comments on this proposed rule should be submitted in writing to the address shown below on or before June 3, 1991, for consideration in formulation of the final rule. Please cite DAR Case 90-314 in all correspondence related to this proposed rule.

ADDRESSES: Interested parties should submit written comments to: Defense Acquisition Regulations System, ATTN: Mrs. Alyce Sullivan, OUSD(A), c/o room 3D139, the Pentagon, Washington DC 20301-3062.

FOR FURTHER INFORMATION CONTACT: Mrs. Alyce Sullivan, 703/697-7266.

SUPPLEMENTARY INFORMATION:

A. Background

Section 831, Public Law 101-510, enacted November 5, 1990 provides for the establishment of a pilot "Mentor-Protege Program". The purpose of this program is to provide incentives for major DoD contractors to furnish disadvantaged small business concerns with assistance to enhance capabilities. Participation in the Pilot program is voluntary. Under the pilot program, selected contractors may receive cost reimbursement, credit against Small Disadvantaged Business goals, or a combination of both for developmental assistance to small disadvantaged businesses. Section 831 directs the Secretary of Defense to publish proposed regulation not later than 180 days of enactment (May 5) and final regulations not later than 270 days after enactment (August 5).

DoD implementation of section 831 is addressed in a DoD policy statement, titled: "DoD Policy for Implementation of the Mentor Protege Pilot Program". The policy statement addresses the program's purpose, procedures, duration, eligibility requirements, the approval process, Mentor-Protege Agreements, and reimbursement procedures.

The Defense Federal Acquisition Regulation Supplement (DFARS) proposed rule is based on the DoD policy statement. It is directed to contracting officers and contractors selected for participation. The DFARS provides limited general information on the program, making reference to the DoD policy statement for more details. It addresses contracting officer responsibilities and advance agreements on the treatment of developmental assistance costs. The DFARS also provides a clause pertaining to reporting of progress under the program.

B. Regulatory Flexibility Act

An Initial Regulatory Flexibility Analysis has been prepared and forwarded to the Chief Counsel for Advocacy of the Small Business Administration. Comments are invited from small entities concerning the proposed DFARS revisions, such comments should be submitted separately. Please cite DAR Case 90-610 in correspondence.

C. Paperwork Reduction Act

The information collection requirements in this rule do not require the approval of OMB under 44 U.S.C. 3501 because they are based on a voluntary pilot program, which will affect a limited number of contractors. The pilot program is based on section 831 of Public Law 101-510. In accordance with section 831 of Public Law 101-510, the results of the pilot program will be evaluated by the General Accounting Office and furnished to the Committees on Armed Services and Small Business of the Senate and House of Representatives.

List of Subjects in 48 CFR Parts 219 and 252

Government procurement.

Nancy L. Ladd,

Colonel, USAF, Director, Defense Acquisition Regulation System.

Therefore, it is proposed that 48 CFR parts 219 and 252 be amended as follows:

1. The authority citation for 48 CFR parts 219 and 252 continues to read as follows:

Authority: 5 U.S.C. 301, 10 U.S.C. 2202, DoD Directive 5000.35 and FAR subpart 1.3.

PART 219—SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS

2. A new subpart 219.71 is added to read as follows:

Subpart 219.71—Mentor-Protege Pilot Program

Sec.

Subpart 219.71—Mentor-Protege Pilot Program

219.71—Mentor-Protege Pilot Program.

219.7100 Scope.

This subpart implements the Mentor-Protege Pilot Program (the program), established under section 831 of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101-510, as amended.

219.7101 Policy.

DoD policy for implementation of the program is contained in a policy statement entitled, "DoD Mentor-Protege Pilot Program". This statement addresses the program purpose, duration, eligibility requirements, the approval process, the mentor-protege agreement and advance agreements on the treatment of developmental assistance costs. A copy of the statement may be obtained from the Office of Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense for Acquisition, OUSD(A) SADBU, (202) 697-1688.

219.7102 Definitions.

Emerging SDB concern means a small disadvantage business whose size is not greater than 50 percent of the numerical size standard applicable to the standard industrial classification code assigned to a contracting opportunity.

Minority institution of higher education means, for the purpose of this subpart, an institution of higher education with a student body that

reflects the composition specified 20 U.S.C. 1058(b) (3), (4) and (5).

219.7103 General.

The Program in general consists of:

(a) Mentor firms, which are large businesses, performing under DoD contracts with subcontracting plans, that voluntarily apply and are approved by the DoD.

(b) Protege firms, which are small disadvantaged business (SDB) firms, eligible for receipt of Federal contracts and selected by the mentor firm.

(c) Mentor-protege agreements which establish a developmental assistance program for a protege (See DoD Policy).

(d) Incentives, which are provided to mentors by the DoD including:

(1) Reimbursement for developmental assistance costs;

(2) Credit against SDB subcontracting goals established under DoD contracts; or

(3) A combination of reimbursement and credit.

(e) Advance agreements, which outline the treatment of costs and/or credit associated with performance under the mentor-protege agreement.

219.7104 Procedures.

219.7104-1 General.

(a) In accordance with the DoD policy statement, a prospective mentor shall submit to the OUSD(A) SADBU:

(1) A request for approval as a mentor and a signed mentor-protege agreement;

(2) The proposed costs of the developmental assistance to be provided to the protege(s) under the program; and

(3) An advance agreement proposal.

(b) OUSD(A) SADBU shall have responsibility for:

(1) Approving contractors as mentor firms, in consultation with contracting officers;

(2) Approving mentor-protege agreements and funding levels;

(3) Forwarding to contracting officer(s) the approved mentor-protege agreement, the approved funding level, and the advance agreement proposal.

219.7104-2 Contracting officer responsibilities.

Upon receipt of approved mentor-protege documents from the OUSD (A) SADBU, the contracting officer shall:

(a) Negotiate the advance agreement or delegate this authority to the Administrative Contracting Officer (ACO).

(b) Modify applicable contract(s) to incorporate the advance agreement and establish a contract line item to incorporate the mentor-protege agreement and provide for reimbursement of cost and/or credit towards SDB subcontracting goals under DoD contracts. The line item must be separately priced or indicate zero costs. It may not indicate "Not Separately Priced". This authority may be delegated to the ACO.

(c) Provide a copy of the negotiated advance agreement on treatment of developmental assistance costs to the OUSD(A) SADBU.

219.7105 Advance agreements on the treatment of developmental assistance costs.

219.7105-1 General policy.

(a) Advance agreements are negotiated between the contracting officer and the mentor firm, but see FAR 31.109(e). These agreements must address: Reimbursement of costs for developmental assistance, credit against SDB subcontracting goals established under DoD contracts, or a combination of reimbursement and credit.

(b) Credit only (toward small disadvantaged business subcontracting goals) for developmental assistance may be provided under any type of DoD contract. Reimbursement for developmental assistance costs is limited to cost type DoD contracts, excluding time and material contracts.

(c) All advance agreements under the program must be in accordance with FAR 31.109 and include:

(1) A statement that all developmental assistance costs under the program must be separate contract line item charges. Charges that are not reimbursed may be eligible for credit.

(2) A statement that assistance costs relative to loans and equity ownership shall not be reimbursed or credited and that only the following costs incurred by mentor firms are eligible for reimbursement or credit:

(i) Assistance to the protege by mentor firm personnel in—

(A) General business management including organizational management;

(B) Financial management;

(C) Personnel management;

(D) Marketing;

(E) Business development and overall business planning;

(F) Engineering and technical matters such as production, inventory control, and quality assurance;

(G) Any other assistance designed to develop the capabilities of the protege firm.

(ii) Assistance to the protege firm provided by—

(A) Small business development centers established pursuant to section 21 of the Small Business Act (15 U.S.C. 648);

(B) Entities providing technical assistance pursuant to chapter 142 of title 10 U.S.C.;

(C) Historically Black colleges and universities (HBCUs) as defined by 34 CFR 608.2; and

(D) Minority institutions of higher education.

(3) A statement indicating that subcontracts with the protege firm(s) may contain provisions for progress payments up to 100 percent or advance payments, and an identification of subcontracts including such provisions (if available).

(4) A base line to measure whether the mentor firm's overall dollar and number of awards to SDBs have increased or decreased.

219.7105-2 Advance agreements addressing reimbursement.

Advance agreements addressing reimbursement, in addition to the information in 219.7105-1, require:

(a) An identification of prime contract(s) that will include funding for developmental assistance costs. These costs must be related directly to the specific forms of assistance identified in the mentor-protege agreement and must not be a duplication of normal costs associated with the administration of subcontracts.

(b) A statement that no profit will be paid on developmental assistance costs under the program.

219.7105-3 Advance agreements addressing credit.

Advance agreements addressing only credit against SDB subcontracting goals established under DoD contracts, in addition to the information in 219.7105-1, require:

(a) An identification of prime contract(s) that will be credited for developmental assistance costs, in lieu of reimbursement. These costs must be related directly to the specific forms of assistance identified in the mentor-protege agreement.

(b) An explanation of how costs not reimbursed would be credited against SDB goals, and how such credit will be apportioned among contracts. Contractors participating in the Comprehensive Small Business Subcontracting Plan Test Program should state how costs not reimbursed will be credited toward the negotiated corporate wide goal.

(c) Identification of the amount of credit a mentor firm may receive for such developmental assistance costs not reimbursed which is—

(1) Four times the total amount of such costs attributable to assistance provided

by small business development centers, HBCUs, MIs and entities providing technical assistance.

(2) Three times the total amount of such costs attributable to assistance furnished by the mentor's employees.

(3) Two times the total amount of other such costs.

(d) A statement that the mentor firm may receive credit toward SDB subcontract goals for awards to former protege firms (except those with mentor-protege agreements terminated for cause), even if the former protege exceeds small business size standards, provided the size of such a concern is not more than two times the appropriate size standard.

(e) A statement that costs for which reimbursement has not been provided may be recognized as credit only under DoD subcontracting plans or any division-wide or company-wide DoD subcontracting plan, with no expectation of future reimbursement by the Government.

(f) A statement that the OUSD(A) SADBU may adjust the amount of allowable credit in accordance with the DoD policy statement.

(g) A statement that incentives for exceeding an SDB subcontracting goal shall be paid only if an SDB subcontracting goal was exceeded as a result of actual subcontract awards to SDBs, and not as a result of developmental assistance credit.

219.7105-4 Advance agreements addressing both reimbursement and credit.

Advance agreements seeking both reimbursement and credit against SDB subcontracting goals shall address the requirements of 219.7105-1 through 219.7105-3.

219.7106 Contract clause.

Use the clause at 252.219-XXXX, DoD Mentor Protege Pilot Program, in contracts with mentor firms when an advance agreement has been incorporated under 219.7104-2(b).

PART 252—[AMENDED]

3. Section at 252.219-XXXX is added to read as follows:

252.219-XXXX DoD Mentor Protege Pilot Program.

As prescribed in 219.7106, use the following clause:

DoD Mentor Protege Pilot Program

Mentor firms shall report on the progress made under active mentor-protege agreements, by semi-annually including with their SF 295, Summary Subcontract Report—

(a) An attachment which—

(1) Identifies the number of advance agreements and mentor-protege agreements in effect; and

(2) Summarizes the progress in achieving the developmental objectives under each mentor-protege agreement, including whether the objective of the program set forth in the DoD policy statement were met, any problem areas encountered, and any other information, as appropriate.

(b) A copy of the SF 294, Subcontracting Report for Individual Contracts, for each contract under the Mentor Protege Pilot Program, with a statement in block 18 identifying—

(1) The amount of dollars credited to the SDB subcontract goal, established under DoD contracts, as a result of developmental assistance provided to protege firms; and

(2) The number/dollar value of subcontracts awarded to protege firms.

(End of clause)

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Friday
August 9, 1991

Federal Register

Part III

Department of Defense

48 CFR Parts 219, 232, and 252
Pilot Mentor-Protege Program; Notice of Partial Implementation and Final Rule

DEPARTMENT OF DEFENSE

Pilot Mentor-Protege Program

AGENCY: Department of Defense (DoD).

ACTION: Notice of partial implementation of the Pilot Mentor-Protege Program, final policy.

SUMMARY: The Department of Defense (DoD) is issuing a final policy which represents a partial implementation of the Pilot Mentor-Protege Program established under section 831 of Public Law 101-510. Under this implementation phase of the program, companies may request approval as mentor firms to provide developmental assistance to identified small disadvantaged businesses (SDBs) as protege firms. If approved as a mentor firm, DoD may provide the company with credit against SDB subcontracting goals, reimbursement or a combination of credit and reimbursement. Reimbursement under this phase of the program may only be requested by companies that are able to identify funding from a DoD contract program manager. Companies interested in becoming mentor firms will be solely responsible for the selection of SDBs as protege firms.

The DoD policy sets forth the implementation plan for the program with respect to companies that are interested in becoming mentor firms and want to receive credit against SDB subcontracting goals, reimbursement through funds identified by a DoD contract program manager or a combination of credit and reimbursement. The proposed DFARs coverage provides guidance on contracting officer's responsibilities regarding these aspects of the program.

EFFECTIVE DATE: October 1, 1991.

FOR FURTHER INFORMATION CONTACT: Tracey Pinson Dennis, OUSD(A)SADBU, The Pentagon, room 2A340, Washington, DC 20301-3061.

SUPPLEMENTARY INFORMATION:

Background

Section 831 of Public Law 101-510 as amended, establishes the Pilot Mentor-Protege Program. The purpose of the program is to provide incentives to major DoD contractors to furnish SDBs with assistance designed to enhance their capabilities to perform as subcontractors and suppliers under DoD contracts and other contracts, in order to increase the participation of these concerns as subcontractors and suppliers under DoD contracts, other Federal Government contracts, and commercial contracts. Incentives for major DoD contractors to provide developmental assistance to SDBs consist of cost reimbursement, credit against SDB subcontracting goals established under DoD contracts or both.

A notice of the proposed policy was published for public comment on May 2, 1991, 56 FR 20318. In response to the proposed policy, DoD received approximately 65 comments. These comments were thoroughly analyzed and many of the recommendations have been adopted in the partial implementation of the final policy.

Pursuant to this implementation phase of the program, effective October 1, 1991, companies that are interested in being approved as mentor firms and are interested in either: (1) Receiving credit against SDB subcontracting goals or, (2) reimbursement as a result of the identification of funding by a DoD contract program manager, may apply to DoD to participate in the program. In order to be approved as a mentor firm, a company must be performing under at least one active subcontracting plan negotiated pursuant to FAR 19.7. A company must also submit: Their concept for participation in the program, information regarding their overall SDB program; data on awards to SDBs over the two preceding fiscal years and a letter of intent between the company and the selected protege firm indicating that, once approved as a mentor firm, they will negotiate a mentor-protege agreement. Upon review of this information, DoD will notify the requestor of approval or disapproval as a mentor firm (within 30 days). If a request is not approved the company may submit additional information for reconsideration. Once the mentor-protege agreement is negotiated and signed by both parties, it must be submitted to DoD. The review of the mentor-protege agreement will be to ensure that the agreement contains the elements required by the statute. The developmental assistance program may be implemented by the mentor firm after the mentor-protege agreement is approved (within 5 business days).

Companies that are interested in becoming mentor firms will be responsible for the selection of SDBs as protege firms. DoD will not be involved in the selection of protege firms, however, SDBs chosen as protege firms by the prospective mentor firm must meet the eligibility criteria with respect to size and disadvantage status set forth in the DoD policy.

The proposed DoD policy on the Pilot Mentor-Protege Program is as follows:

DoD Policy For The Pilot Mentor-Protege Program (Partial Implementation)

I. Purpose

A. This policy implements the Pilot Mentor-Protege Program (hereinafter referred to as the "Program") established under section 831 of Pub. L. 101-510, The National Defense Authorization Act for Fiscal Year 1991 as amended. The purpose of the Program is to:

(1) Provide incentives to major DoD contractors performing under at least one active approved subcontracting plan (may include a plan negotiated on a company-wide or division wide basis) negotiated with DoD or other Federal agencies, to assist small disadvantaged businesses (SDBs) in enhancing their capabilities to satisfy DoD and other contract and subcontract requirements;

(2) Increase the overall participation of SDBs as subcontractors and suppliers under DoD contracts, other Federal agency contracts and commercial contracts and;

(3) Foster the establishment of long term business relationships between SDBs and such contractors.

B. Under the Program, eligible contractors approved as mentor firms will enter into mentor-protege agreements with eligible SDBs as protege firms to provide appropriate developmental assistance to enhance the capabilities of SDBs to perform as subcontractors and suppliers. According to the law, the Department of Defense may provide the mentor firm with either cost reimbursement, credit against SDB subcontracting goals established under contracts with DoD or other Federal agencies, or a combination of credit and reimbursement.

C. DoD will measure the overall success of the Program by the extent to which the Program results in:

(1) An increase in the dollar value and percentage of subcontracts awarded to SDBs by mentor firms under DoD contracts;

(2) An increase in the dollar value of contract and subcontract awards to protege firms (under DoD contracts, contracts awarded by other Federal agencies and under commercial contracts) since the date of their entry into the Program;

(3) An increase in the number and dollar value of subcontracts awarded to a protege firm (or former protege firm) by its mentor firm (or former mentor firm);

(4) An improvement in the participation of SDBs in DoD, other Federal agencies, and commercial

contracting opportunities that can be attributed to the development of SDBs as protege firms under the Program;

(5) An increase in subcontracting with SDB concerns in industry categories where SDBs have not traditionally participated within the mentor firm's vendor base;

(6) The involvement of emerging SDBs in the Program;

(7) An expanded relationship between mentor firms and protege firms to include non-DoD programs; and

(8) The development of protege firms that are competitive as subcontractors and suppliers to DoD or in other federal agencies or commercial markets.

D. This policy sets forth the procedures for participation in the Program applicable to companies that are interested in either receiving credit against SDB subcontracting goals or receiving reimbursement as a result of funding identified by a DoD contract program manager.

II. General Procedures

A. At any time between October 1, 1991 and September 30, 1994, companies interested in becoming mentor firms that want to take credit only for providing developmental assistance to one or more protege firms may apply to the Department of Defense for participation in the Program pursuant to the application process in VI (A) below.

B. At any time between October 1, 1991 and September 30, 1994, companies interested in becoming mentor firms that are able to identify funding from a DoD contract program manager(s) to provide developmental assistance to one or more protege firms apply to the Department of Defense for participation in the Program, pursuant to the application process in VI (E) below.

III. Program Duration

Activities under the program may only occur during the following periods:

(a) Approval of companies to participate in the Program as mentor firms, as described under section II, will be provided by DoD from October 1, 1991 until September 30, 1994;

(b) Performance under a mentor-protege agreement, only if such agreement was executed by the mentor firm and its protege firm and approved by DoD prior to October 1, 1994;

(c) Reimbursement of mentor firm's costs of providing developmental assistance to a protege firm(s), but only if the funding for such costs have been identified by a DoD contract program manager and such costs are incurred pursuant to the execution of a modification to a DoD contract(s) prior to October 1, 1996;

(d) Accord credit to a mentor firm toward the attainment of such firm's goals for subcontract awards to SDBs for costs of providing developmental assistance to its protege firms, only if such costs are incurred after the approval of a mentor-protege agreement and prior to October 1, 1999.

IV. Eligibility Requirements for a Protege Firm

A. A company may qualify as a protege firm if it is:

(1) A business concern as defined by section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(D)(3)(C)).

(2) Eligible for the award of Federal contracts.

(3) A small business according to the SBA size standard in the Standard Industrial Code (SIC) which represents the contemplated supplies or services to be provided by the protege firm to the mentor firm.

B. A protege firm may self-certify to a mentor firm that it meets each of the eligibility requirements in A (1), (2) and (3) above. Mentor firms may rely in good faith on a written representation of a business concern that such business concern meets the requirements in A (1), (2) and (3) above.

C. A protege firm may only have one active mentor-protege agreement.

V. Selection of Protege Firms

A. Mentor firms will be solely responsible for selecting protege firms. Mentor firms are encouraged to identify and select protege firms that are defined as emerging SDB concerns.

B. The selection of protege firms by mentor firms may not be protested, except as in C below.

C. In the event of a protest regarding the size or disadvantaged status of a business concern to be a protege firm, the mentor firm shall refer the protest to the SBA to resolve in accordance with 13 CFR part 121 (with respect to size) or 13 CFR part 124 (with respect to disadvantaged status).

D. If at any time the protege firm is determined by the Small Business Administration not to be a small disadvantaged business concern, assistance furnished such business concern by the mentor firm after the date of the determination, may not be considered assistance furnished under the program.

VI. Approval Process for Companies to Participate in the Program as Mentor Firms

A. On or after October 1, 1991, a company interested in becoming a mentor firm and is seeking credit against SDB subcontracting goals for costs incurred under the Program, must submit a request to the DoD, USD(A) OSADBU to be approved as a mentor firm under the Program. The request will be evaluated on the extent to which the company's proposal addresses the items listed in B and C below. To the maximum extent possible, the request should be limited to not more than 20 pages, single spaced. A company may identify more than one protege in its request for approval under the Program. The information required in B and C below must be submitted to be considered for approval as a mentor firm, and may cover one or more proposed mentor-protege relationships.

B. A company must submit the following information:

(1) A statement that the company is currently performing under at least one active approved subcontracting plan (may include a plan negotiated on a company wide or division wide basis) negotiated with DoD or another federal agency pursuant to FAR 19.702, and that the company is currently eligible for the award of federal contracts.

(2) The number of proposed mentor-protege relationships covered by the request for approval as a mentor firm.

(3) A summary of the company's historical and recent activities and accomplishments under their SDB program. The company is encouraged to include any initiatives or outreach information believed to be pertinent to being approved as a mentor firm.

(4) The total dollar amount of DoD contracts and subcontracts received by the company during the two preceding fiscal years (show prime contracts and subcontracts separately per year.)

(5) The total dollar amount of all other federal agency contracts and subcontracts received by the company during the two preceding fiscal years (show prime contracts and subcontracts separately per year.)

(6) The total dollar amount of subcontracts awarded by the company under DoD contracts during the two preceding fiscal years.

(7) The total dollar amount of subcontracts awarded by the company under all other federal agency contracts during the two preceding fiscal years.

(8) The total dollar amount and percentage of subcontract awards made to all SDB firms under DoD contracts and other Federal Agency contracts during the two preceding fiscal years (show DoD subcontract awards and other Federal agency subcontract awards separately.) If presently required to submit a SF 295, provide copies of the two preceding year's end report.

(9) The number and total dollar amount of subcontract awards made to the identified protege firm(s) during the two preceding fiscal years (if any). Show DoD subcontract awards and other Federal agency subcontract awards separately.

c. In addition to the information required by B above companies must submit the following information for each proposed mentor-protege relationship:

(1) Information on the company's ability to provide developmental assistance to the identified protege firm and how that assistance will potentially increase subcontracting opportunities for the protege firm, including subcontracting opportunities in industry categories where SDBs are not dominant in the company's vendor base.

(2) A letter of intent indicating that both the mentor firm and the protege firm will negotiate a mentor-protege agreement. The letter of intent must be signed by both parties and contain the following information:

(a) The name, address and phone number of both parties.

(b) The protege firm's business classification, based upon the SIC code(s) which represents the contemplated supplies or services to be provided by the protege firm to the mentor firm.

(c) A statement that the protege firm meets the eligibility criteria in IV.A.(1)-(3).

(d) A preliminary assessment of the developmental needs of the protege firm and the proposed developmental assistance the mentor firm envisions providing the protege firm to address those needs and enhance the protege firm's ability to perform successfully under contracts or subcontracts with DoD, other federal agencies and commercial contracts.

(e) An estimate of the dollar amount of subcontracts that will be awarded by the mentor firm to the protege firm.

(f) Information as to whether the protege firm's development will be concentrated on a single major system(s), a service or supply program, research and development programs, initial production, mature systems, or in the mentor firm's overall contract base.

(3) An estimate of the cost of the developmental assistance program.

D. A company that has identified developmental assistance funds to be made available through a DoD contract program manager(s), must provide: (1) The information in B and C above to both the USD(A) OSADBU and the appropriate program manager(s) and (2) the USD(A) OSADBU with a letter signed by the appropriate program manager indicating the amount of funding that has been identified for the developmental assistance program.

E. Companies seeking credit only, or reimbursement through a DoD contract only, shall submit four copies of the information specified in B and C above to: DoD, USD(A)/OSADBU, room 2A340, The Pentagon, Washington, DC 20301-3061, Attn: Pilot Mentor-Protege Program Application. Upon receipt of this information, OSADBU will review and evaluate each request and, to the maximum extent possible, within 30 days advise each applicant of approval or rejection of its request to become a mentor firm.

F. A company approved as a mentor firm for credit only or reimbursement through a DoD contract, shall proceed with the negotiation of the mentor-protege agreement with the identified protege firm(s).

G. Companies that are not approved for participation under the Program will be provided the reasons therefor and will also be provided an opportunity to submit additional information for reconsideration.

H. A company may not be approved for participation in the Program as a mentor firm if at the time of requesting participation in the Program it is currently debarred or suspended from contracting with the Federal Government pursuant to FAR part 9.4.

I. If the mentor firm is suspended or debarred while performing under an approved mentor-protege agreement, the mentor firm:

(1) May continue to provide assistance to its protege firms pursuant to approved mentor-protege agreements entered into prior to the imposition of such suspension or debarment;

(2) May not be reimbursed to take credit for any costs of providing developmental assistance to its protege firm, incurred more than 30 days after the imposition of such suspension or debarment; and

(3) Shall promptly give notice of its suspension or debarment to its protege firm and OSADBU.

VII. Mentor-Protege Agreements

A. Subsequent to approval as a mentor firm, a signed mentor-protege agreement for each mentor-protege relationship identified under VIII(2), must be submitted to USD(A) OSADBU for approval before developmental assistance costs may be reimbursed through a DoD contract or credited against SDB subcontracting goals. To the maximum extent possible, such mentor-protege agreements will be approved within 5 business days of receipt.

B. Each signed mentor-protege agreement submitted for approval under the Program shall include:

(1) The name, address and telephone number of the mentor firm and the protege firm and a point of contact within the mentor firm who will administer the developmental assistance program;

(2) The SIC code which represents the contemplated supplies or services to be provided by the protege firm to the mentor firm and a statement that at the time the agreement is submitted for approval, the protege firm does not exceed the size standard for the appropriate SIC code.

(3) A developmental program for the protege firm specifying the type of assistance identified in (F) below that will be provided. The developmental program shall also include the following:

(a) Factors to assess the protege firm's developmental progress under the Program including milestones for providing the identified assistance and;

(b) The anticipated number and type of subcontracts to be awarded the protege firm consistent with the nature of mentor firm's business.

(4) A program participation term for the protege firm which shall not exceed five years and may be renewed for four years.

(5) Procedures for the mentor firm to notify the protege firm in writing at least 30 days in advance of the mentor firm's intent to voluntarily withdraw from the Program.

(6) Procedures for a protege firm to notify the mentor firm in writing at least 30 days in advance of the protege firm's intent to voluntarily terminate the mentor-protege agreement.

(7) Procedures for the mentor firm to terminate the mentor-protege agreement for cause which provide:

(a) The protege firm shall be furnished a written notice of the proposed termination, stating the specific reasons for such action, at least 30 days in advance of the effective date of such proposed termination.

(b) The protege firm shall have 30 days to respond to such notice of proposed termination, and may rebut any findings believed to be erroneous and offer a remedial program.

(c) Upon prompt consideration of the protege firm's response, the mentor firm shall either withdraw the notice of proposed termination and continue the protege firm's participation, or issue the notice of termination.

(d) The decision of the mentor firm regarding termination for cause, conforming with the requirements of this

section, shall be final and is not reviewable by DoD.

(8) Procedures for the termination of individual elements of developmental assistance.

(9) Additional terms and conditions as may be agreed upon by both parties.

C. A copy of any termination notices shall be sent by the mentor firm to the DoD, USD(A) OSADBU, and where funding is made available through a DoD contract, also to the appropriate PCO or ACO.

D. Termination of a mentor-protege agreement shall not impair the obligations of the mentor firm to perform pursuant to the contractual obligations under government contracts and subcontracts. Termination of all or part of the mentor-protege agreement shall not impair the obligations of the protege firm to perform pursuant to the contractual obligations under any contract awarded to the protege firm by the mentor firm.

E. Only developmental assistance provided after the DoD approval of the mentor-protege agreement may be reimbursed through a DoD contract(s) or credited against SDB subcontracting goals.

F. The mentor-protege agreement may provide for the mentor firm to furnish any or all of the types of developmental assistance as follows:

(1) Assistance by mentor firm personnel in:

(a) General business management including organizational management, financial management and personnel management, marketing, business development and overall business planning;

(b) Engineering and technical matters such as production inventory control, quality assurance and

(c) Any other assistance designed to develop the capabilities of the protege firm under the developmental program.

(2) Award of subcontracts under DoD contracts or other contracts on a non-competitive basis.

(3) Payment of progress payments for the performance of subcontracts by a protege firm in amounts as provided for in the subcontract; but in no event may any such progress payment exceed 100% of the costs incurred by the protege firm for the performance of the subcontract. Provision of progress payments by a mentor firm to a protege firm at a rate other than the customary rate for small disadvantaged businesses shall be implemented in accordance with FAR 32.504(c).

(4) Advance Payments under such subcontracts. Advance payments must be administered by the mentor firm in accordance with FAR 32.4.

(5) Loans.

(6) Investment(s) in the protege firm in exchange for an ownership interest in the protege firm, not to exceed 10% of the total ownership interest. Investments may include but not be limited to cash, stock, contributions in kind, etc.

(7) Assistance obtained by the mentor firm for the protege firm from one or more of the following:

(a) Small Business Development Centers (SBDC) established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).

(b) Entities providing procurement technical assistance pursuant to chapter 142 of Title 10 U.S.C. (Procurement Technical Assistance Centers).

(c) Historically Black Colleges and Universities as defined 34 CFR part 608.2.

(d) Minority Institutions of Higher Education.

G. A mentor firm may not require a SDB concern to enter into a mentor-protege agreement as a condition for being awarded a contract by the mentor firm including a subcontract under a DoD contract awarded to the mentor firm.

VIII. Reimbursement Procedures

A. A mentor firm may only be reimbursed for the cost of developmental assistance incurred by the mentor firm and provided to a protege firm under VII (F) (1) and (7), and pursuant to an approved mentor-protege agreement. Reimbursement shall only be made through a separately priced cost reimbursement contract line item added to a DoD cost reimbursement contract. No other means for the reimbursement of the costs of developmental assistance provided under VII (F)(1) and (7) are authorized under the Program.

B. Assistance provided in the form of progress payments in excess of the customary progress payment rate for SDBs, shall only be reimbursed if implemented in accordance with FAR 32.504(c).

C. Assistance provided in the form of advance payments shall only be reimbursed if they have been provided to a protege firm under subcontract terms and conditions similar to FAR 52.232-12. Reimbursement of any advance payments shall be made pursuant to the inclusion of DFAR 252.232-7008, "Reimbursement of Advance Payments—DoD Pilot Mentor-Protege Program (October, 1991)" in appropriate contracts. In requesting reimbursement, the mentor firm agrees that the risk of any financial loss due to the failure or inability of a protege firm to repay any unliquidated advance payments shall be the sole responsibility of the mentor firm.

D. No other forms of developmental assistance are authorized for reimbursement under the Program.

E. No profit may be associated with the reimbursement of developmental assistance costs under the Program.

IX. Credit for Unreimbursed Developmental Assistance Costs

A. Developmental assistance costs incurred by a mentor firm for providing such assistance to a protege firm pursuant to an approved mentor protege agreement, which would otherwise be reimbursed under VIII (A), in the absence of available funding may not be reimbursed under any other DoD contract. However, except as provided in E below, such costs shall be recognized for credit in lieu of subcontract awards for determining the performance of such mentor firm in attaining a SDB subcontracting goal(s) established under:

(1) a DoD contract; or

(2) Any division wide or company wide subcontracting plan which the mentor firm has negotiated with DoD or another Executive agency.

B. The amount of credit a mentor firm may receive for any such unreimbursed developmental assistance costs shall be equal to:

(1) Four times the total amount of such cost attributable to assistance provided by SBDCs, HBCUs, MIs, and PTACs.

(2) Three times the total amount of such costs attributable to assistance furnished by the mentor's employees.

(3) Two times the total amount of other such costs incurred by the mentor in carrying out the developmental assistance program.

C. A mentor firm shall receive credit toward the attainment of a SDB subcontracting goal(s) for each subcontract awarded for a product or a service by the mentor firm to a business concern that, except for its size would be a small business concern owned and controlled by socially and economically disadvantaged individuals, but only if:

(1) The size of such business concern is not more than two times the appropriate size standard;

(2) The business concern formerly had a mentor-protege agreement with such mentor firm that was not terminated for cause; and

(3) The credit is taken not later than October 1, 1999.

D. Amounts credited toward the SDB goal(s) for unreimbursed costs under the program shall be separately identified from the amounts credited toward the

goal resulting from the award of actual subcontracts to protege firms. The combination of the two shall equal the mentor firm's overall accomplishment toward the SDB goal(s).

E. Adjustments may be made to the amount of credit claimed under A and B above if the Director, DoD, USD(A)/OSDBU determines that:

(1) A mentor firm's performance in the attainment of its SDB subcontracting goals through actual subcontract awards declined from the prior fiscal year without justifiable cause.

(2) Imposition of such a limitation on credit appears to be warranted to prevent abuse of this incentive for mentor firm's participation in the Program.

F. The mentor firm shall be afforded the opportunity to explain the decline in SDB participation before imposition of any such limitation on credit. In making the final decision to impose a limitation on credit, the following shall be considered:

(1) the mentor firm's overall SDB participation rates (in terms of percentages of subcontract awards and dollars awarded) as compared to the participation rates existing during the two fiscal years prior to the firm's admission to the Program;

(2) the mentor firm's aggregate prime contract awards during the prior two fiscal years and the total amount of subcontract awards under such contracts; and

(3) such other information the mentor firm may wish to submit.

G. The decision of the Director regarding the imposition of a limitation on credit shall be final.

H. Any prospective limitation on credit imposed by the Director shall be expressed as a percentage of otherwise eligible credit and shall apply beginning on a specific date in the future and continue until a date certain during the current fiscal year.

I. Any retroactive limitation on credit imposed by the Director shall reflect the actual costs incurred for developmental assistance (not exceeding the maximum amount reimbursed.)

J. For purposes of calculating any incentives to be paid to a mentor firm for exceeding a SDB subcontracting goal pursuant to 252.219-7003, incentives shall only be paid of a SDB subcontracting goal has been exceeded as a result of actual subcontract awards to SDBs.

K. Unreimbursed developmental assistance costs that are incurred pursuant to an approved mentor-protege agreement shall not be charged to, or otherwise reimbursed under any other DoD contract, irrespective of whether they have been recognized for credit against SDB subcontracting goals.

L. Developmental assistance provided under an approved mentor-protege agreement is distinct from, and shall not duplicate, any effort that is the normal and expected product of the award and administration of the mentor firm's subcontracts. Costs associated with the latter shall be accumulated and charged in accordance with the contractor's approved accounting practices.

X. Advance Agreements on the Treatment of Development Assistance Costs

Pursuant to FAR 31.109, approved mentor firms seeking reimbursement, credit, or a combination thereof, are encouraged to enter into an advance agreement with the contracting officer responsible for determining final indirect cost rates under FAR 42.705. The purpose of the advance agreement is to establish the accounting treatment of the costs of the development assistance pursuant to the mentor-protege agreement prior to the incurring of any costs by the mentor firm. While not mandatory, an advance agreement is an attempt by both the Government and the mentor firm to avoid possible subsequent dispute based on questions related to reasonableness, allocability, or allowability of the costs of developmental assistance under the Program. Absent an advance agreement, mentor firms are advised to establish the accounting treatment of such costs and address the need for any changes to their cost accounting practices that may result from the implementation of a mentor-protege agreement, prior to incurring any costs, and irrespective of whether costs will be reimbursed, credited or a combination thereof.

XI. Reporting Requirements and Program Reviews

A. Mentor firms shall report on the progress made under active mentor-protege agreements semi-annually, including an attachment to their SF 295 providing:

(1) The number of active mentor-protege agreements in effect; and

(2) The progress in achieving the developmental assistance objectives under each mentor-protege agreement, including whether the objectives of the Program set forth in the DoD policy statement were met, any problem areas encountered, and any other appropriate information.

(3) A copy of the SF 294 for each contract where developmental assistance was credited, with a statement in Block 16 identifying:

(a) The amount of dollars credited to the SDB subcontract goal as a result of developmental assistance provided to protege firms under the Program; and

(b) An explanation as to the relationship between the developmental assistance provided the protege firm(s) under the Program and the activities under the contract covered by the SF 294(s).

(c) The number and dollar value of subcontracts awarded to the protege firm(s).

B. For companies participating in the DoD "Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans", indicate in Block 16 of the SF 295:

(1) The total dollars credited to the SDB goal as a result of developmental assistance provided to a protege firm(s) under the Program.

(2) The total dollar amount of subcontracts awarded to the protege firm(s).

C. OSADBU will conduct an annual performance review of the progress and accomplishments realized under approved mentor-protege agreements.

XII. Definitions

A. *Emerging SDB Concern* means a small disadvantaged business whose size is no greater than 50% of the numerical size standard applicable to the industrial code for the supplies or services which the protege firm provides or would provide to the mentor firm.

B. *Minority Institution of Higher Education* means an institution of higher education with a student body that reflects the composition specified in 312(b) (3), (4) and (5) of the Higher Education Act of 1965 (20 U.S.C. 1058(b)(3), (4) and (5).

Horace J. Crouch,

Director, Small and Disadvantaged Business Utilization.

[FR Doc. 91-18705 Filed 8-8-91; 8:45 am]

BILLING CODE 3001-01-M

DEPARTMENT OF DEFENSE

48 CFR Parts 219, 232, and 252

Acquisition Regulations; Pilot Mentor-Protege Program

AGENCY: Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: The Defense Acquisition Regulations (DAR) Council has revised the Defense Federal Acquisition Regulation Supplement (DFARS) to implement a pilot Mentor-Protege Program, as provided by the National Defense Authorization Act for Fiscal Year 1991. This Program authorizes incentives for DoD contractors which provide developmental assistance to small disadvantaged businesses (SDBs).

EFFECTIVE DATE: October 1, 1991.

FOR FURTHER INFORMATION CONTACT: Mrs. Alyce Sullivan, Defense Acquisition Regulations System, OUSD (A) DP, Pentagon, Washington, DC 20301-3000.

SUPPLEMENTARY INFORMATION:

A. Background

Section 831, Public Law 101-510, enacted November 5, 1990 provides for the establishment of a pilot "Mentor-Protege Program." This Program authorizes incentives for DoD contractors which provide developmental assistance to small disadvantaged businesses (SDBs).

Participation in the Program is voluntary. Prospective mentor firms must apply to and be approved by the Department of Defense's Office of Small and Disadvantaged Business Utilization, OUSD (A) SADBU. Prospective protege firms are selected by mentor firms.

DoD implementation of section 831 is addressed in a DoD policy statement, entitled: "DoD Policy for the Pilot Mentor-Protege Program." The policy statement addresses the Program's purpose, procedures, duration, eligibility requirements, approval process, and Mentor-Protege Agreements. The DFARS revisions in this final rule are based on the DoD policy statement.

B. Regulatory Flexibility Act

This rule was published for public comment on May 2, 1991 (56 FR 20322). The comments that were received were considered in development of the final rule. A Final Regulatory Flexibility Analysis has been prepared and forwarded to the Chief Counsel for Advocacy of the Small Business Administration. Copies of the Regulatory Flexibility Analysis are available upon written request. Please cite DAR Case 90-314 and submit the request to: Defense Acquisition Regulations System, OUSD (A) DP, ATTN: Mrs. Alyce Sullivan, Pentagon, Washington, DC 20301-3000.

C. Paperwork Reduction Act

This rule contains information collection requirements which increase the estimates for the Standard Form 295, Summary Subcontract Report, which is currently approved under OMB Clearance Number 9000-0007. Accordingly, a revised burden estimate has been prepared and forwarded to the Office of Management and Budget (OMB) for clearance.

List of Subjects in 48 CFR Parts 219, 232, and 252

Government procurement.

Claudia L. Naugle,

Executive Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 219, 232, and 252 are amended as follows:

1. The authority citation for 48 CFR parts 219, 232, and 252 continues to read as follows:

Authority: 5 U.S.C. 301, 10 U.S.C. 2202, DoD Directive 5000.35, and FAR subpart 1.3.

PART 219—SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS

219.708 [Amended]

2. Section 219.708 is amended by adding a third sentence to paragraph (c)(1) (S-70) to read as follows: "Incentives for exceeding SDB subcontracting goals shall be paid only if an SDB subcontracting goal was exceeded as a result of actual subcontract awards to SDBs, and not as a result of developmental assistance credit under the Pilot Mentor-Protege Program (see subpart 219.71)."

3. Subpart 219.71 is added to read as follows:

Subpart 219.71—Pilot Mentor-Protege Program

Sec.

219.7100 Scope.

This subpart implements the Pilot Mentor-Protege Program (the Program), established under section 831 of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101-510, as amended. The purpose of the Program is to provide incentives for DoD contractors to assist small disadvantaged businesses in enhancing their capabilities and to increase participation of such firms in Government and commercial contracts.

219.7101 Policy.

DoD policy for implementation of the Program is contained in a policy statement entitled, "DoD Policy for the Pilot Mentor-Protege Program." This statement addresses the program purpose, general procedures, duration, eligibility requirements, the selection/approval process, the mentor-protege agreement, advance agreements on the treatment of developmental assistance costs, and reporting requirements. A copy of the statement may be obtained from the Office of Small and Disadvantaged Business Utilization, Office of the Under Secretary of Defense for Acquisition, OUSD (A) SADBU, room 2A340, The Pentagon, Washington, DC 20301-3061, (703) 697-1688.

219.7102 General.

The Program consists of:

(a) Mentor firms, which are prime contractors with at least one active subcontracting plan negotiated under FAR subpart 19.7

(b) Protege firms, which are small disadvantaged business (SDB) concerns, eligible for receipt of Federal contracts and selected by the mentor firm.

(c) Mentor-protege agreements which establish a developmental assistance program for a protege firm.

(d) Incentives, which may be provided to mentor firms by the DoD including:

(1) Reimbursement for developmental assistance costs through a modification to an existing cost reimbursement contract to establish a separately priced contract line item;

(2) Credit toward SDB subcontracting goals, established under a subcontracting plan negotiated under FAR subpart 19.7, for developmental assistance costs not reimbursed; or

(3) A combination of reimbursement and credit.

219.7103 Procedures.

219.7103-1 General.

(a) In accordance with the DoD policy statement, a prospective mentor firm shall:

(1) Apply to OUSD(A) SADBU when seeking credit only or when funding is made available from a DoD program manager to implement a mentor-protege agreement; and

(2) Subsequent to approval as a mentor firm, submit a signed mentor-protege agreement to OUSD(A) SADBU for approval before developmental assistance costs may be reimbursed through an existing DoD contract or credited against SDB subcontracting goals.

(b) OUSD(A) SADBU shall have responsibility for:

(1) Approving contractors as mentor firms;

(2) Approving mentor-protege agreements; and

(3) Forwarding the approved mentor-protege agreement to contracting officer(s) when program funding is available through a DoD program manager.

219.7103-2 Contracting officer responsibilities.

Contracting officers shall:

(a) Negotiate an advance agreement on the treatment of developmental assistance costs for credit, reimbursement, or both, if the mentor firm proposes such an agreement, or delegate this authority to the administrative contracting officer (See FAR 31.109).

(b) Modify (without consideration) applicable contract(s) to incorporate the clause at 252.232-7008, Reimbursement of Subcontractor Advance Payments-DoD Pilot Mentor-Protege Program, when advance payments are provided by a mentor firm to a protege firm under the Program and the mentor firm requests reimbursement of advance payments.

(c) Modify (without consideration) applicable contract(s) to incorporate other than customary progress payments for small disadvantaged businesses in accordance with FAR 32.504(c), if such payments are provided by a mentor firm to a protege firm and the mentor firm requests reimbursement.

(d) Modify applicable contract(s) to establish a contract line item for reimbursement of developmental assistance costs when—

(1) Funds have been made available for that purpose by a DoD program manager; and

(2) The contractor has an approved Mentor-Protege Agreement.

(e) Advise contractors of reporting requirements (see 219.7106).

219.7104 Developmental assistance costs eligible for reimbursement or credit under the program

(a) Developmental assistance provided under an approved mentor-protege agreement is distinct from, and shall not duplicate, any effort that is the normal and expected product of the award and administration of the mentor firm's subcontracts. Costs associated with the latter shall be accumulated and charged in accordance with the contractor's approved accounting practices. The following costs incurred by mentor firms are eligible for reimbursement or credit:

(1) Assistance to the protege firm by mentor firm personnel in—

(i) General business management including organizational management;

(ii) Financial management;

(iii) Personnel management;

(iv) Marketing;

(v) Business development and overall business planning;

(vi) Engineering and technical matters such as production, inventory control, and quality assurance;

(vii) Any other assistance designed to develop the capabilities of the protege firm under the developmental program.

(2) Assistance to the protege firm provided by—

(i) Small Business Development Centers established pursuant to section 21 of the Small business Act (15 U.S.C. 648);

(ii) Entities providing technical assistance pursuant to chapter 142 of Title 10 U.S.C.;

(iii) Historically Black Colleges and Universities (HBCUs) as defined by 34 CFR part 608.2; and

(iv) Minority Institutions of Higher Education with a student body as specified in 20 U.S.C. 1058(b) (3), (4), and (5).

(b) No profit may be associated with the reimbursement of developmental assistance costs.

(c) Before incurring any costs under the Program, mentor firms need to establish the accounting treatment of developmental assistance costs eligible for reimbursement or credit. Advance agreements are encouraged. To be eligible for reimbursement under the Program, costs must be incurred before October 1, 1998.

(d) If a mentor firm is suspended or debarred while performing under an approved mentor-protege agreement, the mentor firm may not be reimbursed or credited for developmental assistance costs incurred more than 30 days after the imposition of the suspension or debarment.

(e) Developmental assistance costs incurred before October 1, 1999 by a mentor firm pursuant to an approved mentor-protege agreement, that are not funded either directly or indirectly under any other DoD contract, may be credited towards subcontracting plan goals as follows:

(1) Four times the total amount of developmental assistance costs provided to protege firms by small business development centers, HBCUs, MIs, and entities providing technical assistance (see paragraph (a)(2) of this section);

(2) Three times the total amount of developmental assistance costs incurred by mentor firm personnel (see paragraph (a)(1) (i) through (vi) of this section); or

(3) Two times the total amount of other developmental assistance costs (see paragraph (a)(1)(vii) of this section).

219.7105 Other forms of assistance.

(a) Mentor firm subcontracts with protege firms may contain provisions for progress payments up to 100 percent (see FAR 32.504(c)) or advance payments (see 232.412(S-72)). However, DoD will reimburse the mentor firm for advance payments only when such payments have been provided under subcontract terms and conditions similar to FAR 52.232-12, Advance Payments.

(b) In accordance with paragraph (f) of section 831 of Public Law 101-510, mentor firms may award subcontracts to protege firms on a non-competitive basis under DoD or other contracts.

219.7106 Reporting.

(a) Mentor firms shall report on the progress made under active mentor-protege agreements semi-annually by including with their SF 295, Summary Subcontract Report:

(1) An attachment which identifies—

(i) The number of active mentor-protege agreements in effect; and

(ii) The progress in achieving the developmental assistance objectives under each mentor-protege agreement, including whether the objectives of the Program set forth in the DoD policy statement were met, and problem areas encountered, and any other appropriate information; and

(2) A copy of the SF 294, Subcontracting Report for Individual Contracts, for each contract where developmental assistance was credited, with a statement in Block 18 of the SF 294 identifying:

(i) The amount of dollars credited to the SDB subcontract goal as a result of developmental assistance provided to protege firms under the Program;

(ii) An explanation as to the relationship between the developmental assistance provided the protege firm(s) under the Program and the activities under the contract covered by the SF 294(s); and

(iii) The number and dollar value of subcontracts awarded to the protege firm(s).

(b) Mentor firms, which are also participants in DoD's comprehensive subcontracting plan test program (see 219.702(a)), shall indicate in Block 16 of the SF 295, Summary Subcontract Report:

(1) The total dollars credited to the SDB goal as a result of developmental assistance provided a protege firm(s) under the Program; and

(2) The total dollar amount of subcontracts awarded to the protege firm(s).

(c) OUSD(A) SADBU will conduct an annual performance review of the progress and accomplishments realized under approved mentor-protege agreements.

PART 232—CONTRACT FINANCING

4. Section 232.412 is amended by adding paragraph (S-72) to read as follows:

232.412 Contract Clause.

* * * * *

(S-72) In the event that advance payments are provided by a prime contractor to a subcontractor pursuant to an approved Mentor-Protege Agreement (see subpart 219.71) and the prime contractor requests reimbursement of advance payments, use the clause at 252.232-7008, Reimbursement of Subcontractor Advance Payments—DoD Pilot Mentor-Protege Program.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

5. Section 252.232-7008 is added to read as follows:

252.232-7008 Reimbursement of Subcontractor Advance Payments—DoD Pilot Mentor-Protege Program.

As prescribed in 232.412(S-72), use the following clause:

Reimbursement of Subcontractor Advance Payments—DOD Pilot Mentor-Protege Program (Oct 1991)

(a) The Government will reimburse the Contractor for any advance payments made by the Contractor, as a mentor firm, to a small disadvantaged business, as a protege firm, pursuant to an approved mentor-protege agreement, provided that:

(1) The Contractor's subcontract with the protege firm includes a provision substantially the same as FAR 52.232-12, Advance Payments;

(2) The Contractor has administered the advance payments in accordance with the policies of FAR Subpart 32.4; and

(3) The Contractor agrees that any financial loss resulting from the failure or inability of the protege firm to repay any unliquidated advance payments is the sole financial responsibility of the Contractor.

(b) For a fixed price type contract, advance payments made to a protege firm shall be paid and administered as if they were 100 percent progress payments. The Contractor shall include as a separate attachment with each Standard Form (SF) 1195, Request for Progress Payments, a request for reimbursement of advance payments made to a protege firm. The attachment shall provide a separate calculation of lines 14a through 14e of SF 1195 for each protege, reflecting the status of advance payments made to that protege.

(c) For cost reimbursable contracts, reimbursement of advance payments shall be made via public voucher. The Contractor shall show the amounts of advance payments made to each protege on the public voucher, in the form and detail directed by the cognizant contracting officer or contract auditor.

[End of clause]

[FR Doc. 91-18706 Filed 8-8-91; 8:45 am]

BILLING CODE 3810-01-M

Small Disadvantaged Business Awards
October 1, 1990 – September 30, 1991

Dept/ Agency	Fiscal Year	Total Awards	8A	Direct	Pref.	Set-Aside	Total	%
ARMY	1990	$ 30,146	$ 621.9	$ 381.4	$ 13.9	$140.7	$1,157.9	3.8
	1991	$ 31,845	$ 658.8	$ 420.2	$ 4.8	$255.5	$1,339.3	4.2
NAVY	1990	$ 41,717	$ 786.1	$ 404.2	$ 5.5	$ 86.0	$1,281.9	3.1
	1991	$ 39,610	$ 750.6	$ 428.2	$ 9.1	$121.5	$1,309.4	3.3
AF	1990	$ 39,039	$ 503.7	$ 325.7	$ 10.0	$176.6	$1,016.0	2.6
	1991	$ 40,349	$ 565.8	$ 325.9	$ 2.9	$266.7	$1,161.4	2.9
DLA	1990	$ 9,303	$ 68.2	$ 214.6	$273.8	$ 2.0	$ 558.7	6.0
	1991	$ 10,606	$ 43.9	$ 228.4	$164.4	$ 2.4	$ 439.2	4.1
ODA	1990	$ 3,616	$ 100.6	$ 30.6	$ 0.4	$ 2.6	$ 134.3	3.7
	1991	$ 3,469	$ 116.1	$ 51.7	$ 0.0	$ 5.7	$ 173.5	5.0
DoD	1990	$123,821	$2,080.6	$1,356.5	$303.6	$407.9	$4,148.7	3.4
	1991	$125,878	$2,135.2	$1,454.5	$181.3	$651.8	$4,422.7	3.5

$ = Millions

2-0174

Exhibit 3

DEPARTMENT OF DEFENSE

SMALL DISADVANTAGED BUSINESS (SDB)

AWARDS OVER $25,000 BY MAJOR COMMANDS

FISCAL YEAR 1991

Exhibit 4

Department of Defense DD Form 350 Awards by Selected Commands within Components
Oct - Sep 1991

(Dollars in Thousands)

DOD COMPONENT/COMMAND	Total U.S. Business	Small Bus. Awards	%Small	SMDIS Bus. Awards	%SMDIS
***** ARMY *****					
ARMAMENT MUNITIONS & CHEM CMD	$4,374,128	$580,314	13.3	$91,068	2.1
COMM & ELECTRONICS CMD	$2,748,385	$311,713	11.3	$60,918	2.2
TANK AUTOMOTIVE CMD	$4,161,578	$548,366	13.2	$55,771	1.3
MISSILE CMD	$3,581,956	$259,224	7.2	$65,507	1.8
AVIATION SYSTEMS CMD	$3,114,994	$227,113	7.3	$17,916	.6
USA CORPS OF ENGINEERS	$2,935,637	$1,225,549	41.7	$264,625	9.0

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DIRECTORATE FOR INFORMATION
OPERATIONS AND REPORTS

Department of Defense DD Form 350 Awards by Selected Commands within Components
Oct - Sep 1991

(Dollars in Thousands)

DOD COMPONENT/COMMAND	Total U.S. Business	Small Bus. Awards	%Small	SMDIS Bus. Awards	%SMDIS
***** NAVY *****					
NAVAIR	$8,289,193	$283,912	3.4	$75,009	.9
NAVSEA	$12,061,523	$1,006,778	8.3	$76,714	.6
NAVFAC	$3,173,017	$1,863,528	58.7	$343,418	10.8
SPAWAR	$1,330,884	$150,929	11.3	$31,665	2.4
MILITARY SEALIFT COMMAND	$1,415,846	$199,423	14.1	$7,898	.6
STRATEGIC SYSTEMS PROGRAMS	$2,232,894	$3,916	.2	$3,230	.1
NAVSUP & OTHER	$5,140,646	$1,598,730	31.1	$461,005	9.0

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Department of Defense DD Form 350 Awards by Selected Commands within Components
Oct - Sep 1991

(Dollars in Thousands)

DOD COMPONENT/COMMAND	Total U.S. Business	Small Bus. Awards	%Small	SMDIS Bus. Awards	%SMDIS
***** AIR FORCE *****					
OKLAHOMA ALC	$1,636,050	$153,612	9.4	$42,893	2.6
OGDON ALC	$985,834	$164,172	16.7	$33,976	3.4
SAN ANTONIO ALC	$1,517,688	$252,618	16.6	$41,799	2.8
SACRAMENTO ALC	$645,733	$85,818	13.3	$24,254	3.8
WARNER ROBINS ALC	$1,737,697	$207,975	12.0	$20,771	1.2
AERONAUTICAL SYSTEM DIVISION	$13,233,124	$265,100	2.0	$75,883	.6
ELECTRONICS SYSTEMS DIVISION	$1,990,649	$236,168	11.9	$149,538	7.5

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Department of Defense DD Form 350 Awards by Selected Commands within Components
Oct - Sep 1991

(Dollars in Thousands)

DOD COMPONENT/COMMAND	Total U.S. Business	Small Bus. Awards	%Small	SMDIS Bus. Awards	%SMDIS
***** DLA *****					
DEF PERS SPT CTR (CLOTH & TEXT)	$1,125,442	$604,416	53.7	$13,229	1.2
DEFENSE PERS SPT CTR (MEDICAL)	$554,148	$106,341	19.2	$15,282	2.8
DEF PERS SPT CTR (SUBSISTENCE)	$2,182,810	$1,015,381	46.5	$83,995	3.8
DEF GENERAL SUPPLY CTR RICHMOND	$487,813	$266,757	54.7	$37,350	7.7
DEF INDUSTRIAL SUPPLY CTR PHIL	$148,219	$52,491	35.4	$4,222	2.8
DEF FUEL SUPPLY CTR ALEXANDRIA	$3,671,146	$892,107	24.3	$208,817	5.7
DEF ELECTRONIC SUPPLY CTR DAYTON	$164,587	$68,813	41.8	$6,598	4.0

PREPARED BY: WASHINGTON HEADQUARTERS SERVICES
DIRECTORATE FOR INFORMATION
OPERATIONS AND REPORTS

Small Disadvantaged Business Subcontract Awards
October 1, 1990 – September 30, 1991

Dept/ Agency	Fiscal Year	Total Awards	SDB Awards	%	% Goal
ARMY	1990	$ 1,224	$ 75.4	6.2	5.0
	1991	$ 1,457	$ 118.8	8.2	5.0
NAVY	1990	$ 3,590	$ 137.7	3.8	5.0
	1991	$ 3,603	$ 111.1	3.1	5.0
AF	1990	$ 378	$ 10.9	2.9	5.0
	1991	$ 352	$ 15.6	4.4	5.0
DLA	1990	$49,516	$1,350.8	2.7	5.0
	1991	$51,642	$1,303.5	2.5	5.0
DoD	1990	$54,708	$1,574.8	2.9	5.0
	1991	$57,053	$1,549.0	2.7	5.0

$ = Millions

2-0174

Exhibit 5

DoD CONTRACT AWARDS TO SDBs BY ETHNIC GROUP
FISCAL YEAR 1991 (AWARDS OVER $25,000)
(Dollars in Millions)

	Asian Indian Americans	Asian Pacific Americans	Black Americans	Hispanic Americans	Native Americans	Not Coded	No Rep.	Other Cert.	TOTAL
ARMY	$96.3	$148.7	$399.4	$306.7	$127.3	$0.1	$75.0	$84.8	$1,238.2
NAVY	$80.4	$175.4	$366.3	$275.1	$105.8	$0.0	$116.7	$102.7	$1,222.3
AF	$95.6	$126.2	$301.9	$360.8	$77.1	$0.0	$69.9	$39.5	$1,071.0
DLA	$20.2	($20.8)	$133.3	$95.2	$191.7	$0.0	($3.9)	$0.2	$416.0
ODA	$22.4	$14.6	$81.5	$25.0	$0.9	$0.7	$19.3	$7.9	$172.1
DoD	$314.8	$444.0	$1,282.4	$1,062.8	$502.8	$0.8	$277.0	$235.0	$4,119.6

PERCENTAGE OF DOD DOLLAR AWARDS TO SDB's BY ETHNIC GROUP
FISCAL YEAR 1991 (AWARDS OVER $25,000)

	Asian Indian Americans	Asian Pacific Americans	Black Americans	Hispanic Americans	Native Americans	Not Coded	No Rep.	Other Cert.	TOTAL
ARMY	2.3%	3.6%	9.7%	7.4%	3.1%	0.0%	1.8%	2.1%	30.1%
NAVY	2.0%	4.3%	8.9%	6.7%	2.6%	0.0%	2.8%	2.5%	29.7%
AF	2.3%	3.1%	7.3%	8.8%	1.9%	0.0%	1.7%	1.0%	26.0%
DLA	0.5%	-0.5%	3.2%	2.3%	4.7%	0.0%	-0.1%	0.0%	10.1%
ODA	0.5%	0.4%	2.0%	0.6%	0.0%	0.0%	0.5%	0.2%	4.2%
TOTAL	7.6%	10.8%	31.1%	25.8%	12.2%	0.0%	6.7%	5.7%	100.0%

Exhibit 6

AWARDS TO HBCU/MI's AS COMPARED TO AWARDS TO HIGHER EDUCATION INSTITUTIONS FISCAL YEAR COMPARISON
(Dollars in Thousands)

DEPT/ AGENCY		HEI AWARDS	HBCU/MI AWARDS	%
ARMY	FY 1990	$252,978	$22,241	8.79
	FY 1991	$235,007	$22,605	9.62
NAVY	FY 1990	$264,762	$14,988	5.66
	FY 1991	$226,407	$3,687	1.63
AF	FY 1990	$649,618	$11,138	1.71
	FY 1991	$168,087	$6,127	3.65
DLA	FY 1990	$11,013	$0	0.00
	FY 1991	$5,063	$0	0.00
ODA	FY 1990	$72,244	$2,165	3.00
	FY 1991	$85,863	$3,338	3.89
DoD	FY 1990	$1,250,615	$50,532	4.04
	FY 1991	$720,427	$35,757	4.96

Exhibit 7

HISTORICALLY BLACK COLLEGES & UNIVERSITIES
FISCAL YEAR 1991
(Dollars in Thousands)

INSTITUTION	TOTAL AWARDS
ALABAMA A & M	$1,362
TUSKEGEE	$935
HOWARD	$1,440
UNIV. DISTRICT OF COLUMBIA	$44
FLORIDA A & M	$1,191
CLARK ATLANTA	$1,063
FORT VALLEY STATE	$202
MOREHOUSE	$269
MORRIS BROWN	$129
SPELLMAN	$27
SOUTHERN A & M	$260
BOWIE STATE	$79
MORGAN STATE	$201
ALCORN STATE	$191
JACKSON STATE	$258
RUST COLLEGE	$50
N.C. A & T STATE	$1,115
N.C. CENTRAL	$258
ST. AUGUSTINE	$253
CENTRAL STATE	$678
S.C. STATE	$53
MEHARRY	$388
TENNESSEE STATE	$148
JARVIS CHRISTIAN	$75
PRAIRIE VIEW A & M	$174
HAMPTON	$1,008
NORFOLK STATE	$332
VIRGINIA STATE	$246
WEST VIRGINIA STATE	$151
TOTAL HBCU AWARDS	$12,580

MINORITY INSTITUTION AWARDS
FISCAL YEAR 1991
(Dollars in Thousands)

INSTITUTION	TOTAL AWARDS
COCHISE COLLEGE	$65
SAN DIEGO STATE	$1,301
FLORIDA INTERNATIONAL	$162
HAWAII PACIFIC	$665
WENTWORTH INST. OF TECHNOLOGY	$919
NEW MEXICO STATE	$18,315
CITY UNIVERSITY OF NEW YORK	$1,070
UNIVERSITY OF PUERTO RICO	$325
CORPUS CHRISTI STATE	$38
ST. MARY'S UNIVERSITY	$103
UNIVERSITY OF HOUSTON	$214
UNIVERSITY OF TEXAS @ EL PASO	$132
TOTAL MI AWARDS	$23,309

DOD 10% Evaluation Preference
Fiscal Year Comparative Performance
(Dollars in Thousands)

	FISCAL YEAR	CONTRACT ACTIONS	SDB AWARD PRICE	LOW OFFER	PREFERENCE PAID	AVG PREF
ARMY	1990	38	$13,860	$13,817	$43	0.3%
	1991	39	$4,847	$4,847	$0	0.0%
NAVY	1990	53	$5,512	$5,376	$136	2.5%
	1991	34	$9,093	$9,082	$11	0.1%
AF	1990	25	$9,992	$9,883	$109	1.1%
	1991	15	$2,921	$2,809	$112	4.0%
DLA	1990	769	$273,785	$260,368	$13,417	5.2%
	1991	365	$164,428	$155,182	$9,246	6.0%
ODA	1990	3	$419	$419	$0	0.0%
	1991	0	$0	$0	$0	0.0%
DoD	1990	888	$303,568	$289,863	$13,705	4.7%
	1991	453	$181,289	$171,920	$9,369	5.4%

2-1196-01

Exhibit 8

U.S. GOVERNMENT PRINTING OFFICE
SMALL DISADVANTAGED BUSINESS (SDB) REPORT
October 1, 1990, to September 30, 1991

Set-Asides for SDBs

Covered Entities	Actions	Dollar Value
Black American	582	$4,071,326.12
Hispanic American	622	2,797,098.19
Asian-Indian American	151	264,804.21
Native American	432	525,051.32
Asian-Pacific American	286	714,288.68
Other Individuals Certified by SBA	24	7,596.10
Total	2,097	$8,380,164.62

Total GPO Activity with SDBs (Includes Set-Asides)

Covered Entities	Actions	Dollar Value
Black American	3,973	$6,543,045.90
Hispanic American	3,589	7,151,011.29
Asian-Indian American	730	642,361.44
Native American	2,304	1,135,136.34
Asian-Pacific American	1,972	1,174,280.51
Other Individuals Certified by SBA	401	207,836.72
SDB, but entity category undetermined	938	568,570.81
Total	13,907	$17,622,243.01

The total value of printing, binding, and related services procured by the Government Printing Office from all sources for the Department of Defense for the same period is $206,269,424.44

ARMY INITIATIVES TO ATTAIN THE
FIVE-PERCENT GOAL MANDATED BY CONGRESS
IN PUBLIC LAW 99-661

1. By letter of 3 September 1987, a policy memorandum was issued establishing for the first time in the Department of Defense (DOD) a priority for awarding contracts to small disadvantaged business (SDB) to attain the 5% goal. The policy clarified that the 8(a) Program was the first priority for considering various methods of awards. This policy was later adopted as the DOD policy in Defense Federal Acquisition Regulation Supplement (DFARS).

2. By letter of 16 February 1989, the Under Secretary of the Army (now Secretary of the Army) issued a policy memorandum encouraging the use of SDB and historically Black colleges and universities and minority institutions (HBCU/MI) participation as an evaluation factor for award in formal source selection procedures. This policy was eventually adopted as DOD policy in the DFARS. Emphasizing evaluation of SDB participation particularly for weapons systems early in the acquisition life cycle offers a high potential for long term success since these systems will be less susceptible to obsolescence and allows the major prime contractors to qualify SDB firms as part of the original development and manufacturing team. As production proceeds and system support begins, the SDBs should be in a good position for prime contracting as breakout occurs.

3. To enhance program visibility and provide a mechanism for in-house sharing of information on changes to, and successful initiatives achieved under, the small business program, a Small and Disadvantaged Business Utilization (SADBU) Newsletter was established in March 1989.

4. To increase motivation and re-energize the SADBU program, two awards were established. One is for the small business specialist of the year and is awarded by the Army's Director, SADBU. The other is awarded by the Secretary of the Army to an Associate Director, MACOM Commanders, or contracting and program personnel for their efforts in supporting the small business program.

5. Initially after implementation of Section 1207, a mechanism was established to share information among major buying offices on known SDB manufacturers based on data provided by individual buying activities regarding SDBs currently producing high quality products, on time, at reasonable prices. This information was disseminated to other buying activities for use not only in soliciting for prime contracts, but also in negotiating subcontracting plans.

6. The Assistant Secretary of the Army for Research, Development and Acquisition instructed the Army Research Office to allow for a minimum HBCU/MI funding of 3.0%, 4.0% and 5.0% progressively for Fiscal Years 1989 through 1991 respectively. This requirement was subsequently expanded by the Secretary of the Army to all organizations which fund programs with higher educational institutions. As a result of these policies, research awards to HBCUs/MIs has increased from 4.5% in FY 1989 to 10.6% in FY 1990 to 12.8% in FY 1991.

7. In implementing the policy in 2 above, a competitive acquisition for a high performance computing (Supercomputer) center included a requirement for evaluation of HBCU/MI participation as a factor for source selection and award. The contract for the U. S. Army High Performance Computing Center was awarded to the University of Minnesota. Other team members include the University of Purdue, Howard University, and Jackson State University, the latter of which are both HBCUs. The HBCUs/MIs will receive over $4 million over a five year period. More importantly, they have the potential to develop significant infrastructure for research and development. Both HBCUs have recently had official openings of computer centers on their campuses as a result of the team relationship.

8. As a result of emphasis on increasing awards to SDBs in non-traditional areas, one major subordinate command established a leader-follower program within the 8(a) Program. Under this concept an 8(a) firm was selected and a teaming agreement was negotiated between the 8(a) firm and the Original Equipment Manufacturer (OEM). The agreement, approved by the Small Business Administration (SBA), provided a variety of systems manufacturing and test engineering as well as test facilities support services to facilitate clarification and validation/correction of the technical data package. Subsequently, a multi-million dollar manufacturing prime contract 8(a) award was made with a requirement for subcontracting to the OEM for technical support services. It is noted, however, that the implementation of competitive procedures under the 8(a) Program may complicate the use of this technique in high dollar value procurements.

9. Another example of implementation of the policy in paragraph 2 in the SDB Program was in the Army Palletized Loading System. SDB participation was an evaluation factor in the competitive award process and was evaluated along with cost, technical, management and other factors. Other features associated with the requirement included the overall maximization of participation by SDBs in subcontracting, identification of at least one SDB for a specific component targeted for breakout, and technical assistance. The contract was awarded to OshKosh Trucking in OshKosh, Wisconsin. A multi-million dollar subcontract was awarded to Steeltech, Inc., an SDB concern, for flat-racks (a major component of the system).

10. Other major programs where SDB/HBCU/MI participation was evaluated as a factor in awarding the contracts are as follows. LHX/Comanche engine and helicopter contracts, the Family of Medium Tactical Vehicles, Army's Regionalized Travel Services contracts.

11. Army has established a strategy to increase the quality of the subcontracting plans. The strategy includes random review of subcontracting plans by the HQDA, detailed review of programs where performance appears to lack progress, and involvement by the Army leadership including the Secretary of the Army, where appropriate. This strategy has resulted in substantive improvement in the SDB subcontracting performance of several major prime contractors. For example, Raytheon Missile Systems Division-Andover, increased SDB performance from .5% in FY 1987 to 2.0% in FY 1991; Bell Helicopter from less than .5% in FY 1987 to 3.2 in FY 1991. It is noted that these major prime contractors report through the Defense Logistics Agency; accordingly, while the improved performance contributes to the overall performance of the DOD, the results are not reflected in Army performance.

12. The Army Acquisition Executive has established support to small and SDB as a major area of interest and issued guidance to Program Executive Officers/ Program Managers stressing the importance of considering the SADBU programs in development of acquisition strategies and planning.

13. The Office of the Assistant Secretary of the Army for Installations Logistics and Environment has re-enforced the importance of the small and SDB programs and has emphasized the importance of maximizing the participation of these entities in all areas, specifically focusing on the growing environmental programs. This emphasis has resulted in the Corps of Engineers' first award under the 8(a) Program in support of the Superfund program and the offering of two contracts to SBA for the 8(a) program under the Army's Total Environmental Program Support (TEPS) Services Program.

14. The Secretary of the Army recently issued a policy memorandum to the staff principles and Commanders re-enforcing the need for inclusion of the SADBU Program as an integral part of the Army's overall mission. Emphasis was placed on increasing FY 1992 SDB prime contract awards from the 4.2% performance realized in FY 1991 to 5% thereby attaining the remaining portion of the three 5% goal areas. Note that as indicated in DOD reports, the Army has for two consecutive years exceeded the 5% goal for subcontracting with SDBs and awards to HBCUs/MIs.

15. The Army is redirecting outreach efforts to a more focused approach. The initial approach was to provide maximum participation in all conferences. While this was reasonable at the outset of the Section 1207 initiative, Army is now directing its resources to a more selective approach, applying these resources to on-site capability reviews of SDBs and establishment of methods to improve the ability of these sources to participate in the acquisition system.

16. Many management tools have been instituted to closely monitor progress towards the goal and to identify systemic impediments regarding small business participation in non-traditional areas. These include mid-year review at HQDA, program review of SADBU programs at the major buying activities, regular meetings between the Director, OSA SADBU and general officers expressing Army policy related to the 5% goal.

Report on the Implementation of the FY 1987 National Defense Authorization Act Section 1207, Contract Goal for Minorities

October 1, 1989 - September 30, 1990
Fiscal Year 1990

Prepared by: Office of the Under Secretary of Defense (Acquisition), Office of Small and Disadvantaged Business Utilization

Date: 17 APR 1991

EXECUTIVE SUMMARY

This report covers the progress of the Department of Defense (DoD) during FY 1990, towards the achievement of the five percent goal for awards to small disadvantaged businesses (SDB), historically Black colleges and universities (HBCU) and other minority institutions (MI) mandated by section 1207 of P.L. 99-661. According to the law, the five percent goal applies to the combined total of the amounts obligated for prime contracts and subcontracts in the areas of procurement, research and development, test and evaluation, military construction and operations and maintenance. This program was extended by P.L. 101-189 through Fiscal Year 1993.

Pursuant to P.L. 95-507, DoD captures SDB awards using two data bases, one for prime contract awards and one for subcontract awards. Using this method, during FY 1990, of the $124 billion in prime contract awards to U.S. business concerns, DoD awarded $4.1 billion or 3.4% to SDBs. Under the subcontracting program, for FY 1990, SDBs received $1.5 billion or 2.9% of the $54 billion in subcontracts awarded by large business concerns.

Prime contract awards to HBCUs and MIs totalled $50.5 million or 4% of the $1.2 billion in prime contract awards to higher education institutions. HBCUs received $9 million in contracts and another $41 million in non-contract areas such as: research and development grants, training, fellowships and recruitment, facilities and equipment and student tuition. These dollars are reported by category to the White House Initiative on HBCUs.

Regulatory and Policy Changes:

This report updates the status of the initiatives contained in a plan submitted by DoD to the House Armed Services Acquisition Policy Panel by DoD in September, 1988. This plan detailed specific

policy and regulatory changes that were to be made to make substantial progress toward the 5% goal. Since the submission of that plan, the Department has made significant progress toward implementing those initiatives.

Under the 1988 plan, 23 action areas were identified. Of those 23 areas, 16 areas have been implemented, 3 areas were determined not feasible to implement and 4 areas are pending. The following is a summary of the 16 areas that have been implemented fully either through policy or regulation:

1) Progress payments for SDBs have been increased from 85% to 90%. The contract dollar threshold for the payment of progress payments to SDBs has been lowered from $100,000 to $50,000. Effective: April 16, 1990.

2) Prime contractors are provided monetary incentives (either award fees or incentive fees) to increase subcontract awards to SDBs and HBCUs/MIs. Effective: January 1, 1989.

3) A repetitive SDB set-aside procedure has been established. Effective: April 16, 1990.

4) The $85,000 cap on architectural and engineering contracts for SDB set-asides has been removed. Effective: January 1, 1989.

5) Prime contractors may restrict competition to SDBs/HBCUs/MIs for subcontract awards. Effective: April 16, 1990.

6) Additional emphasis has been placed on the utilization of remedies for noncompliance with subcontracting plans. Effective: April 16, 1990.

7) Under leader company contracting procedures, prime contractors are encouraged to utilize SDBs as followers. Effective: April 16, 1990.

8) Each Military Department will conduct six SDB program reviews per year. Effective: January 1, 1989.

9) To the greatest extent practicable, buying activities will conduct quarterly briefings and other outreach activities for SDBs/HBCUs/MIs. Effective: January 1, 1989.

10) Contracting officer's performance evaluations will take into account efforts toward the accomplishment of SDB goals. Effective: February, 1988.

11) Increase outreach activities to SDBs, HBCUs/MIs. Effective: Ongoing since 1988 (see the Technical Assistance section of this report).

12) Provide SDB sources to prime contractors. Effective: This is an ongoing effort.

13) The utilization of SDBs/HBCUs/MIs identified in prime contractor's proposals shall be an evaluation factor in source selection for major systems.

14) Increase support for the 8(a) program. Effective: January, 1989.

15) Establish a test program within Navy for the use of advanced payments. Effective: August 1989.

16) Secure additional funding for SDB/HBCU/MI technical assistance programs. Effective: Ongoing since 1988.

Three areas proposed for action were determined not feasible to implement. The first area concerns adjusting prime contractor's progress payments as a "carrot" for achieving increased subcontracting to SDBs or a "stick" for noncompliance with subcontracting plans. This was proposed before the enactment of the statute requiring liquidated damages clauses in contracts requiring subcontracting plans. The use of liquidated damages is intended to be the so called "stick", and the use of monetary incentive clauses in DoD contracts are believed to be appropriate incentives or the so called "carrot". Second, DoD proposed the establishment of a separate contract line item for prime contractors to provide technical assistance to SDBs. At the time, there was a question as to DoD's legal authority to authorize prime contractors to develop SDBs in the highly technical areas of subcontract performance. Therefore, this initiative was not adopted. However, DoD has recently been given the authority to conduct a mentor-protege pilot program which is designed to allow prime contractors to develop SDBs as suppliers. This new authority serves the exact same purpose as the DoD proposal and will most likely entail, among other things, the inclusion of a line item in certain prime contracts for SDB technical assistance. The third proposal involved testing a concept to promote joint ventures and teaming arrangements between SDBs and large disadvantaged businesses. Implementation of this initiative would involve a legislative waiver to allow DoD to count towards the 5% prime contract goal, awards to joint ventures or teaming arrangements, between SDB and large disadvantaged business. In essence, the award would be made to a large business entity. This is currently contrary to the requirement that awards under the 5% goal program be made to disadvantaged business that meet the SBA small business size standards. At this time, DoD does not intend to initiate a legislative change to implement this proposal. DoD is however, in the process of developing a policy to allow joint ventures between SDBs and other small businesses to participate in the 5% goal program.

The four action areas that are pending involve development of expedited payment procedures for SDBs, development of a centralized small business training program, emphasis on fewer consolidated contracts and breaking out requirements for small businesses and SDBs. Adoption of a favorable policy within DoD for small businesses in the areas of consolidated contracting must be balanced against the diminishing administrative resources available to the Department. The Small Business Authorization Act for FY 1991 does however, interject SBA personnel in the review of consolidated contracts that may be appealed to a higher level. The purpose of this review is to present to contracting officers other alternatives to reduce the potential negative impact of consolidations on small businesses. DoD is progressing toward the objectives of developing an expedited payment procedure for SDBs and developing a centralized training program.

HBCU/MI Program

DoD has awarded $50 million in contract awards to HBCU/MIs. This represents 4% of all awards to Higher Education Institutions which totalled $1.2 billion. Of the $50 million, $9 million was awarded in contracts to HBCUs. The awards to HBCUs has increased from $6 million in FY 1989 to $9 million in FY 1990. Although the 5% goal legislation speaks only to increasing contract awards to SDBs/HBCUs/MIs, it is important to note that HBCUs receive DoD funding in other non-contract areas that are reported to the White House Initiative on HBCUs. For FY 1990, we reported to the White House Initiative Office an additional $41 million to HBCUs. There is no similar reporting of non-contract support for MIs.

Regarding the issue of criteria used to define a MI, DoD has engaged in a considerable effort to secure from the Department of Education a listing of the schools that meet the eligibility criteria in Section 806(d) of P.L. 100-180. As reported in the FY

1988 Section 1207 report, as a result of a DoD request for a list of schools that meet this statutory criteria, the Education Department provided a list containing over 800 institutions. The Department of Education indicated however, that the schools they provided were not identified based upon the enrollment of minority students. In fact, many of the schools on the list of 800 had relatively little or no minority enrollment. Notwithstanding, DoD considered all 800 institutions as eligible to participate in the 5% goal program until further clarification was sought.

Recently, DoD extracted from the provision referenced in Section 806(d) the minority enrollment percentages. We will use these percentages to determine if institutions are MIs and therefore eligible to participate in the DoD 5% goal program. These percentages are: 20% Hispanic, 5% Alaskan, American Asian, Native Hawaiian, American Samoan, Micronesian, Guamian or Northern Marianian or 60% Native American. Henceforth, DoD will require an institution to have an enrollment of students that meet these percentages in order to participate in the DoD HBCU/MI program. Utilizing these percentages as MI criteria reduces the list of 800 institutions to 159 institutions. We believe that this number is a more accurate composite of schools that are educating significant levels of minority students and that these institutions were intended as beneficiaries of the 5% goal program. This interpretation is appropriate since the 5% goal provision in P.L. 99-661 Section 1207 is entitled "Contract Goal for Minorities." Clearly the law intends the 5% goal program to benefit minority serving institutions. A list of those institutions that are considered by DoD as minority institutions for eligibility under the 5% goal program is at Exhibit 1.

Military Departments and Defense Agencies have been encouraged to utilize the HBCU/MI set-aside procedure to increase awards to HBCUs/MIs. Under this procedure contracts may be set-aside for exclusive competition among HBCUs/MIs if the contracting officer has

a reasonable expectation that two or more offers will be received from the HBCU/MI community. Special emphasis has also been placed on increasing the participation of HBCUs/MIs in educational and training requirements for both military and civilian personnel. We are, however, experiencing some difficulty in getting HBCUs/MIs to respond to sources sought notices soliciting their interest in bidding on particular DoD procurements.

One reason that has been cited is that some schools lack an infrastructure to manage DoD requirements and to meet the response deadline which is normally 15 days for a sources sought notice or generally 45 days for the submission of proposals in the R&D area. We will be closely analyzing the reasons for such low response rates.

Technical Assistance for SDBs/HBCUs/MIs

During FY 1990, Boone, Young and Associates conducted a total of thirteen conferences for SDBs. Seven conferences dealt specifically with SDB subcontracting opportunities with DoD major prime contractors. One conference was on direct contracting with DoD. Five smaller seminars were held for SDB manufacturers and addressed the development and implementation of targeted marketing plans. Approximately 2,000 SDBs participated in the conferences sponsored by DoD in FY 1990. A detailed breakdown of the conference sites and the number of attendees is at Exhibit 2.

Mesa Services International provided technical assistance services to 16 firms in FY 1990. Since the inception of this program Mesa has provided assistance to a total of 278 SDB manufacturing firms. Under this contract with DoD, Mesa provides hands on technical advice to SDB manufacturers in areas such as: contract administration, quality assurance, pricing and proposal preparation. Once the SDB firms have been identified and assisted,

the names of the firms are forwarded to DoD buying activities and major prime contractors for inclusion on bidders lists.

DoD has received the final report prepared by Tractell, Inc. entitled "An Analysis of the DoD Procurement Management Information System (PMIS) to Identify Impediments to SDBs in the DoD Procurement and Contracting Environment." This report detailed a number of areas where potential policy changes could be made to eliminate perceived or actual impediments to increasing contract awards to SDBs. The major recommendations concerned areas such as: outreach, data collection, training, incentives and compliance procedures. DoD is currently reviewing and analyzing this report to determine the feasibility of adopting some of the contractor's recommendations.

The National Association for Equal Opportunity in Higher Education (NAFEO) continued to provided technical assistance to HBCUs/MIs during FY 1990. A summary of the activities for FY 1990 is at Exhibit 3. In addition to conducting four conferences to provide information to HBCUs/MIs in identifying DoD opportunities, nine site visits were conducted by Tractell, a subcontractor to NAFEO, to engage in direct discussion and interactions on the establishment of an administrative infrastructure to acquire and manage DoD contracts. As discussed previously, the lack of an appropriate infrastructure within many of the HBCUs to respond to DoD requirements has been identified as an impediment to the full participation of HBCUs in DoD contracting programs. During site visits to HBCU campuses, problem areas are discussed and identified by Tractell with the input from the HBCU and recommendations are made by Tractell on how to overcome the identified problem area. A site report was prepared for each institution containing specific recommendations. This one on one interaction has been perceived by the HBCUs as a very positive step to provide much needed hands on technical assistance. DoD contemplates that more direct infrastructure assistance will be provided pursuant to Section 832

of P.L. 101-510. This Section authorizes DoD to provide infrastructure assistance to HBCUs/MIs in several areas. DoD is hopeful that direct assistance authorized under Section 832 coupled with the assistance provided by Tractell under the NAFEO effort will enhance the capability of HBCUs to participate at a greater level in DoD contracting programs.

The DoD surplus equipment program for HBCUs continues to provide much needed personal property to HBCUs. This program has produced over $19 million of property to 63 institutions. A summary of the institutions that received the property are at Exhibit 4.

Impact on Non-Disadvantaged Small Business

DoD has always contended that the opportunity market for SDBs in DoD contracting arenas is the same as the opportunity market for non-disadvantaged small businesses. We have received complaints that specific contracts have been identified for award under the SDB program to the detriment of a non-disadvantaged small business concern. These complaints are more prevalent in the area of construction.

DoD is quite concerned about the impact of the SDB program on non-disadvantaged small businesses. We are in compliance with Section 831 of P.L. 101-189 which requires the DoD to assess the impact of the ten percent evaluation preference on non-disadvantaged businesses in certain industry categories. According to the law, the premium percentage may be adjusted if available information clearly indicates that non-disadvantaged small businesses are generally being denied a reasonable opportunity to compete for contracts because of the use of the premium. With regard to

construction contracts, DoD does not apply the ten percent evaluation preference to these awards. We do however, utilize the SDB set-aside procedure for construction awards.

DoD data indicate that during FY 1990, all small businesses received $3.1 billion in construction contracts. Of this amount, SDBs received $543 million. Of the $543 million, $134 million was awarded through the SDB set-aside program, $169 million was awarded through the 8(a) program and $238 million was awarded through full and open competition. The available data indicates that the total construction awards to all businesses, including SDBs, made during FY 1990 have decreased due primarily to the DoD moratorium on military construction contracts. Our analysis of this data has concluded that non-disadvantaged small businesses are not generally being denied a reasonable opportunity to compete for construction contracts because of the use of SDB premiums. Rather, the decease in the small business share of construction contracts is consistent with the decrease in total construction awards. This decrease is directly attributable to the moratorium on military construction and the Small Business Competitiveness Demonstration Program, under which small business set-asides in construction are suspended. In fact, the share of construction awards to SDBs also decreased substantially from FY 1989. DoD has not received complaints from non-disadvantaged small businesses concerning any other industry category.

SUMMARY OF DATA

A summary report on the progress towards the five percent goal during FY 1990 (here after referred to as the period) is as follows:

- Prime contracts valued at $124 billion were awarded to U.S. business firms during the period. Of this amount $4.1 billion was awarded to SDBs in prime contracts. These awards represent 3.4% of the total prime contract awards to U.S. business firms. This percent exceeds the 3.3% accomplishment during FY 1989 (Exhibit 5).

- During the period, SDBs were awarded $1.5 billion in subcontract awards or 2.9% of the $54 billion in total subcontract awards made by DoD prime contractors (Exhibit 6). This percent exceeds the 2.3% accomplishment during FY 1989.

- The DoD awards over $25,000 by ethnic group are provided in Exhibit 7.

- Prime contracts valued at $1.2 billion were awarded to Higher Educational Institutions (HEI). Of this total $50.5 million in prime contracts was awarded to HBCUs and MIs. These awards represent 4% of the total awards to HEIs (Exhibit 8).

- During the period, DoD awarded 888 contracts to SDBs using the ten percent evaluation preference. A total of $13 million in premiums was paid to SDBs which represents a 4.7% difference between the low offer and the SDB award price. The total dollar value of the low offer was $290 million. The total SDB award price was $303 million (Exhibit 9).

- Pursuant to P.L. 100-456, Section 843(d), a report of the DoD portion of procurement of printing, binding and related services acquired by the Government Printing Office and awarded to SDBs in FY 1990 is at Exhibit 10.

Table of Exhibits

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LASKA PACIFIC UNIVERSITY 101 UNIVERSITY DR NCHORAGE 920023588A1 P031H11008	AK 99508	4 V	639	41 6.41	20 3.12	0 0.00	17 2.66	0 0.00	0.00	68 10.64	22.84
OCHISE COLLEGE ** OUGLAS 86018315 1A1 P031H10412	AZ 85607	2 P	4755	233 4.90	989 20.79	182 3.82	0.00	0.00	1.11	0.00	30.64
AVAJO COMMUNITY COLLEGE SAILE 860215931A1 P031H10310	AZ 86556	2 V	2264	0.00	0.00	0.00	0.00	0.00	93.99	0.00	93.99
AKERSFIELD COLLEGE 801 PANORAMA DR AKERSFIELD 956006644A1 P031H10417	CA 93305	2 P	11544	556 4.81	1820 15.76	274 2.37	359 3.10	0.00	2.07	0.00	28.13
ALIFORNIA STATE UNIVERSITY OMINGUEZ HILLS 000 EAST VICTORIA STRE ARSON 946001347B5 P031H10567	CA 90747	4 P	8106	2429 29.96	929 11.46	660 8.14	239 2.94	0 0.00	0.75	0 0.00	53.26
ALIFORNIA STATE UNIVERSITY, RESNO HAW & MAPLE AVE RESNO 946001347C4 P031H10148	CA 93740	4 P	19124	657 3.43	2863 14.97	1251 6.54	0.00	0.00	1.23	0.00	26.18
ALIFORNIA STATE UNIVERSITY, LOS NGELES 151 STATE UNIVERSITY D OS ANGELES 946001347C1 P031H10318	CA 90032	4 P	20927	1923 9.18	4764 22.76	4843 23.14	56 0.26	0.00	0.53	0.00	55.89
ABOT COLLEGE 555 HESPERIAN BLVD AYWARD 941670563A1 P031H10579	CA 94545	2 P	15468	1476 9.54	2099 13.57	1846 11.93	1125 7.27	10 0.06	1.64	0 0.00	44.02

Exhibit 1

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CITRUS COLLEGE 1000 W FOOTHILL BLVD GLENDORA 195600667OA1 P031H10425	CA 91740	2 P	9205	506 5.49	1814 19.70	576 6.25	213 2.31	0.00	0.84	231 2.50	37.1
COASTLINE COMMUNITY COLLEGE 11460 WARNER AVE FOUNTAIN VALLEY 195600227245 P031H10162	CA 92708	2 P	15221	159 1.04	748 4.91	1008 6.62	92 0.60	0 0.00	0.90	0.00	14.(
COGSWELL POLYTECHNICAL COLLEGE 10420 BUBB RD CUPERTINO 194115650SA1 P031H10649	CA 95014	4 V	244	9 3.68	16 6.55	76 31.14	0 0.00	1 0.40	0.00	0 0.00	41.9
COLLEGE OF ALAMEDA 555 ATLANTIC AVE ALAMEDA 194159079948 P031H10350	CA 94501	2 P	5525	1655 29.95	429 7.76	870 15.74	22 0.39	0.00	1.91	0.00	55.7
COLLEGE OF THE DESERT COACHELLA VALLEY 43-500 MONTEREY AVE PALM DESERT 1956000929A1 P031H10584	CA 92260	2 P	7040	296 4.20	2181 30.98	103 1.46	134 1.90	0.00	2.30	0.00	40.1
COLLEGE OF THE SEQUOIAS 915 SOUTH MOONEY BOULEV VISALIA 194600300441 P031H10403	CA 93277	2 P	8449	206 2.43	2140 25.32	221 2.61	0.00	0.00	2.37	0.00	32.7
CUYAMACA COLLEGE 2950 JAMACHA RD EL CAJON 195600665242 P031H10136	CA 92020	2 P	3623	68 1.87	348 9.60	120 3.31	68 1.87	0 0.00	1.93	0 0.00	18.(
DE ANZA COLLEGE, FOOTHILL DE ANZA COMMUNITY COLLEGE DIST 21250 STEVENS CREEK BLV CUPERTINO 194159771841 P031H10184	CA 95014	2 P	25546	852 3.33	1775 6.94	4035 15.79	659 2.57	0 0.00	0.92	0 0.00	29.
OEGANAWIDAH-QUETZALCOATL UNIVERSITY POST OFFICE BOX 409 DAVIS 194174646441 P031H10088	CA 95616	2 V	179	0 0.00	15 8.37	2 1.11	0 0.00	0 0.00	81.00	1 0.55	91.

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EL CAMINO COLLEGE 16007 CRENSHAW BOULEVAR TORRANCE 195600106OA1 P031H10235	CA 90506	2 P	26784	5097 19.03	3877 14.47	4347 16.22	4 0.01	0 0.00	0.93	0 0.00	50.68
GLENDALE COMMUNITY COLLEGE 1500 N VERDUGO RD GLENDALE 195266874 4A1 P031H10701	CA 91208	2 P	13141	227 1.72	2892 22.00	1652 12.57	0 0.00	0 0.00	1.11	0 0.00	37.41
GOLDEN WEST COLLEGE 15744 GOLDEN WEST ST HUNTINGTON BEACH 195600227 2A3 P031H10570	CA 92647	2 P	14189	165 1.16	990 6.97	1957 13.79	0.00	159 1.12	0.93	169 1.19	25.19
HARTNELL COMMUNITY COLLEGE 156 HOMESTEAD AVE SALINAS 194600254 4A4 P031H10394	CA 93901	2 P	7147	282 3.94	1994 27.89	360 5.03	327 4.57	0.00	1.93	0.00	43.38
IRVINE VALLEY COLLEGE 5500 IRVINE CTR DR SANTA ANA 195247987 2A3 P031H10326	CA 92720	2 P	5859	107 1.82	400 6.82	697 11.89	60 1.02	0.00	0.81	0.00	22.39
KELSEY-JENNEY BUSINESS COLLEGE 201 "A" ST SAN DIEGO 195416446 0A1 P031H10572	CA 92101	2 V	223	45 20.17	78 34.97	27 12.10	0 0.00	0 0.00	0.44	1 0.44	68.16
KINGS RIVER COMMUNITY COLLEGE 995 NORTH REED AVENUE REEDLEY 194157480 2A2 P031H10882	CA 93654	2 P	3747	86 2.29	1140 30.42	105 2.80	38 1.01	0.00	2.50	0.00	39.04
LOS ANGELES CITY COLLEGE 1855 NORTH VERMONT AVENU LOS ANGELES 195258735 3A2 P031H10392	CA 90029	2 P	14546	2516 17.29	4844 33.30	3811 26.19	626 4.30	0.00	0.00	0.00	81.10
LOS ANGELES HARBOR COLLEGE 1111 FIGUEROA PL WILMINGTON 952587353A8 P031H10160	CA 90744	2 P	8773	1315 14.98	2105 23.99	1228 13.99	0 0.00	0 0.00	0.00	0 0.00	52.95

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LOS ANGELES MISSION COLLEGE 1212 SAN FERNANDO RD SAN FERNANDO 195258735 3A3 P031H10319	CA 91340	2 P	4878	439 8.99	2097 42.98	244 5.00	98 2.00	0.00	0.00	0.00	58.
LOS ANGELES PIERCE COLLEGE 6201 WINNETKA AVE WOODLAND HILLS 195258735 3A5 P031H11026	CA 91371	2 P	17671	696 3.93	1602 9.06	1853 10.48	0 0.00	0 0.00	0.72	0 0.00	24.
LOS ANGELES TRADE TECHNICAL COLLEGE 400 WEST WASHINGTON BOU LOS ANGELES 195258735 3A7 P031H10170	CA 90015	2 P	12973	3847 29.65	4851 37.39	1818 14.01	0 0.00	0 0.00	1.39	0 0.00	82.
MERCED COLLEGE 3600 M STREET MERCED 194600237 9A1 P031H10603	CA 95340	2 P	6970	441 6.32	1165 16.71	480 6.88	0 0.00	0 0.00	1.23	0 0.00	31.
MERRITT COLLEGE 12500 CAMPUS DR OAKLAND 194159079 9A6 P031H10568	CA 94606	2 P	6256	1815 29.01	622 9.94	834 13.33	18 0.28	0 0.00	1.32	0 0.00	53.
MODESTO JUNIOR COLLEGE 435 COLLEGE AVE MODESTO 194600238 8A3 P031H10419	CA 95350	2 P	16159	306 1.89	2505 15.50	1331 8.23	0 0.00	0 0.00	0.99	0 0.00	26.
MOUNT SAN ANTONIO COLLEGE 1100 N GRAND AVE WALNUT 195600213 1A1 P031H10724	CA 91789	2 P	21157	1610 7.60	5502 26.00	1700 8.03	0 0.00	0 0.00	1.01	0 0.00	42.
MOUNT ST MARY'S COLLEGE 12001 CHALON RD LOS ANGELES 195164145 5A1 P031H10159	CA 90049	4 V	1203	108 8.97	388 32.25	116 9.64	8 0.66	15 1.24	0.08	0.00	52.
PASADENA CITY COLLEGE 1570 E COLORADO BLVD PASADENA 195250500 0A1 P031H10069	CA 91106	2 P	20270	1722 8.49	4073 20.09	0.00	3929 19.38	0.00	0.85	0.00	48.

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RANCHO SANTIAGO COLLEGE 17TH AT BRISTOL SANTA ANA CA 92706 195269679 9A1 P031H10476	2 P	21501	702 3.26	3867 17.98	3087 14.35	203 0.94	0 0.00	1.19	0 0.00	37.7
SAN DIEGO STATE UNIVERSITY, IMPERIAL VALLEY CAMPUS 720 HEBER AVENUE CALEXICO CA 92231 195604272 1A2 P031H10867	4 P	375	6 1.60	204 54.40	3 0.80	0 0.00	0 0.00	0.00	0 0.00	56.8
SAN FRANCISCO ART INSTITUTE 800 CHESTNUT ST SAN FRANCISCO CA 94133 194119621 1A1 P031H10302	4 V	735	21 2.85	24 3.26	36 4.89	3 0.40	3 0.40	0.13	3 0.40	12.1
SAN JOAQUIN DELTA COLLEGE 5151 PACIFIC AVE STOCKTON CA 95207 194600053 1A4 P031H10178	2 P	12750	612 4.80	1976 15.49	1224 9.60	459 3.60	0 0.00	1.70	0 0.00	35.2
SAN JOSE CITY COLLEGE, SAN JOSE COMMUNITY COLL DISTRICT 2100 MOORPARK AVE SAN JOSE CA 95128 194602092 9A2 P031H11004	2 P	11711	782 6.67	2072 17.69	2194 18.73	369 3.15	0 0.00	3.14	0 0.00	49.3
SKYLINE COLLEGE 3300 COLLEGE DR SAN BRUNO CA 94066 194600246 8A8 P031H10364	2 P	7833	460 5.87	1305 16.66	1010 12.89	829 10.58	0 0.00	0.74	0 0.00	46.7
SOUTHWESTERN COLLEGE 900 OTAY LAKES RD CHULA VISTA CA 92010 195600665 9A1 P031H10352	2 P	14066	791 5.62	4840 34.40	2366 16.82	0 0.00	0 0.00	0.00	0 0.00	56.8
WEST COAST CHRISTIAN COLLEGE 6901 N MAPLE AVE FRESNO CA 93710 194150516 0A1 P031H10621	4 V	157	5 3.18	44 28.02	11 7.00	2 1.27	0 0.00	1.91	1 0.63	42.0
WEST HILLS COMMUNITY COLLEGE 300 CHERRY LANE COALINGA CA 93210 194600221 0A2 P031H10186	2 P	2731	116 4.24	766 28.04	48 1.75	36 1.31	18 0.65	0.91	13 0.47	37.4

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WEST LOS ANGELES COLLEGE 617 WEST 7TH STREET LOS ANGELES 195258735381 P031H10455	CA 90017	2 P	9003	4295 47.70	839 9.31	838 9.30	325 3.60	0.00	0.00	0.00	69.9
YUBA COLLEGE 2088 NORTH BEALE ROAD MARYSVILLE 196600237SA1 P031H10374	CA 95901	2 P	8608	266 3.09	934 10.85	563 6.54	33 0.38	0.00	1.92	0.00	22.7
ADAMS STATE COLLEGE ** ALAMOSA 1846000542A1 P031H10172	CO 81102	4 P	2500	50 2.00	536 21.44	24 0.96	0 0.00	0 0.00	1.24	0 0.00	25.6
PUEBLO COMMUNITY COLLEGE 900 W ORMAN AVE PUEBLO 184064473988 P031H10564	CO 81004	2 P	2534	31 1.22	749 29.55	0.00	13 0.51	0.00	1.42	0.00	32.7
TRINIDAD STATE JUNIOR COLLEGE 600 PROSPECT ST TRINIDAD 1846002425A1 P031H10056	CO 81082	2 P	1581	21 1.32	657 41.55	3 0.18	0.00	0.00	0.31	0.00	43.3
UNIVERSITY OF SOUTHERN COLORADO 2200 BONFORTE BLVD PUEBLO 1840517947A1 P031H10890	CO 81001	G P	3971	114 2.87	812 20.44	31 0.78	6 0.15	0.00	0.70	0.00	24.9
FLORIDA INTERNATIONAL UNIVERSITY UNIVERSITY PARK MIAMI 159600187487 P031H10291	FL 33199	4 P	18128	1592 8.78	7268 40.09	456 2.51	0.00	0.00	0.09	0.00	51.4
MIAMI-DADE COMMUNITY COLLEGE 11011 104TH ST, SW MIAMI 159121048SA1 P031H10647	FL 33176	2 P	41581	6330 15.22	22672 54.52	0.00	729 1.75	0.00	0.16	0.00	71.6
HAWAII PACIFIC COLLEGE 1164 BISHOP ST STE 200 HONOLULU 199011393OA1 P031H10196	HI 96813	4 V	4560	388 8.50	182 3.99	1080 23.68	0 0.00	0 0.00	0.98	0 0.00	37.1

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KAPIOLANI COMMUNITY COLLEGE 620 PENSACOLA STREET HONOLULU HI 96814 199600354A7 P031H11009	2 P	5467	43 0.78	78 1.42	3098 56.66	121 2.21	483 8.83	0.29	439 8.03	78.25
LEEWARD COMMUNITY COLLEGE 96-045 ALA IKE PEARL CITY HI 96782 199600354A4 P031H10891	2 P	5439	121 2.22	121 2.22	3368 61.92	232 4.26	517 9.50	0.25	0.00	80.40
MAUI COMMUNITY COLLEGE 310 KAAHAMANU AVENUE KAHULUI HI 96732 199600354A9 P031H10571	2 P	1995	138 6.91	35 1.75	764 38.29	40 2.00	348 17.44	0.20	4 0.20	66.81
AMERICAN CONSERVATORY OF MUSIC 17 N STATE ST CHICAGO IL 60602 136072446OA1 P031H10098	G V	112	12 10.71	4 3.57	6 5.35	0.00	0.00	0.00	0.00	19.64
CITY COLLEGES OF CHICAGO, CHICAGO CITY WIDE COLLEGE 185 NORTH WABASH AVENUE CHICAGO IL 60601 136260623681 P031H10332	2 P	16223	7262 44.76	3613 22.27	848 5.22	0 0.00	0 0.00	0.55	0 0.00	72.81
CITY COLLEGES OF CHICAGO, HAROLD WASHINGTON COLLEGE 30 E LAKE ST CHICAGO IL 60601 136260623682 P031H10434	2 P	7184	4165 57.97	1261 17.55	495 6.89	0.00	0.00	0.00	0.00	82.41
CITY COLLEGES OF CHICAGO, HARRY S TRUMAN COLLEGE 145 W WILSON AVE CHICAGO IL 60640 136260623A7 P031H10628	2 P	4099	1062 25.90	706 17.22	969 23.63	7 0.17	0.00	1.36	0.00	68.30
DEPAUL UNIVERSITY 25 EAST JACKSON BOULEVA CHICAGO IL 60604 136216704BA1 P031H10894	4 V	14699	1441 9.80	720 4.89	779 5.29	0.00	0.00	0.19	0.00	20.19

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KNOWLEDGE SYSTEMS INSTITUTE 3420 MAIN ST SKOKIE IL 60076 136308568 2A1 P031H10166	G V	19	2 10.52	0 0.00	6 31.57	0 0.00	0 0.00	0.00	0 0.00	42.1
MACCORMAC COLLEGE 327 S LASALLE ST CHICAGO IL 60604 136258109 8A1 P031H10831	2 V	504	37 7.34	245 48.61	4 0.79	0 0.00	0 0.00	0.00	0 0.00	56.7
NATIONAL-LOUIS UNIVERSITY 2840 SHERIDAN RD EVANSTON IL 60201 136216780 4A1 P031H10443	4 V	4573	575 12.57	267 5.83	252 5.51	0.00	0.00	0.50	0.00	24.4
NORTHEASTERN ILLINOIS UNIVERSITY 5500 NORTH ST LOUIS AVE CHICAGO IL 60625 136600951 5A1 P031H11075	4 P	9846	1050 10.66	1175 11.93	807 8.19	0.00	0.00	0.28	0.00	31.0
OAKTON COMMUNITY COLLEGE 1600 E GOLF ROAD DES PLAINES IL 60016 136268199 9A1 P031H10406	2 P	17405	411 2.36	940 5.40	1470 8.44	0.00	0 0.00	0.17	0 0.00	16.3
ROBERT MORRIS COLLEGE 180 N LASALLE ST CHICAGO IL 60601 137086402 0A1 P031H11095	2 V	2313	975 42.15	489 21.14	0.00	21 0.90	0.00	0.30	0.00	64.5
WILBUR WRIGHT COLLEGE 3400 N AUSTIN AVE CHICAGO IL 60634 136260623683 P031H10747	2 P	5594	804 14.37	1009 18.03	535 9.56	0.00	0.00	0.41	0.00	42.3
HASKELL INDIAN JUNIOR COLLEGE HASKELL BOARD OF REGENTS PO BOX H-1305 LAWRENCE KS 66044 148618435 8A1 P031H11086	2 P	842	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	91.09	75 8.90	100.0
BUNKER HILL COMMUNITY COLLEGE AUSTIN & RUTHERFORD AVE BOSTON MA 02129 104600228 4I1 P031H10114	2 P	3417	594 17.38	276 8.07	452 13.22	0 0.00	0 0.00	0.29	0 0.00	38.9

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WENTWORTH INSTITUTE OF TECHNOLOGY 550 HUNTINGTON AVE BOSTON MA 02115 1041958460A1 P031H10687	4 V	3861	276 7.14	96 2.48	217 5.62	0.00	0.00	0.18	0.00	15.4
ANDREWS UNIVERSITY ANDREWS RURAL STATION BERRIEN SPRINGS MI 49103 1381627600A1 P031H10113	4 V	2858	549 19.20	211 7.38	279 9.76	0.00	0.00	0.62	0.00	36.9
DULL KNIFE MEMORIAL COLLEGE ** LAME DEER MT 59043 1810351900A1 P031H10363	2 P	179	2 1.11	0.00	0.00	0.00	0.00	83.79	0.00	84.9
FORT BELKNAP COLLEGE PO BOX 159 HARLEM MT 59526 1810420980A1 P031H10657	2 P	137	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	94.16	0 0.00	94.1
LITTLE HOOP COMMUNITY COLLEGE PO BOX 269 FORT TOTTEN ND 58335 1450350756A1 P031H10884	2 P	120	0.00	0.00	0.00	0.00	0.00	100.00	0.00	100.0
NEBRASKA INDIAN COMMUNITY COLLEGE PO BOX 752 WINNEBAGO NE 68071 1470623553A1 P031H10893	2 P	150	0.00	0.00	0.00	0.00	0.00	86.00	0.00	86.0
HUDSON COUNTY COMMUNITY COLLEGE 168 SIP AVE JERSEY CITY NJ 07306 1222045990A1 P031H10043	2 P	2726	425 15.59	1262 46.29	271 9.94	0.00	0.00	0.00	17 0.62	72.4
MIDDLESEX COUNTY COLLEGE WOODBRIDGE AVENUE EDISON NJ 08818 1221769370A1 P031H10011	2 P	11218	830 7.39	847 7.55	896 7.98	0.00	0.00	0.86	0.00	23.8
PASSAIC COUNTY COMMUNITY COLLEGE COLLEGE BLVD PATERSON NJ 07505 1221907901A2 P031H10488	2 P	2839	597 21.02	1343 47.30	150 5.28	0.00	0.00	0.10	0.00	73.7

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COLLEGE OF SANTA FE ST MICHAEL'S DR SANTA FE 185012071 8A1 P031H10288	NM 87501	4 V	1289	50 3.87	363 28.16	11 0.85	0 0.00	0 0.00	10.08	0 0.00	42.97
INSTITUTE OF AMERICAN IND & ALASKA NAT CUL & ARTS DEVEL PO BOX 2007, CSF CAMPUS SANTA FE 185036596 4A1 P031H10993	NM 87504	2 V	119	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	85.71	10 8.40	94.11
NEW MEXICO STATE UNIVERSITY BOX 3AA LAS CRUCES 185600040 1A1 P031H10760	NM 88003	4 P	14284	199 1.39	3433 24.03	71 0.49	0.00	0.00	2.08	0.00	28.01
NORTHERN NEW MEXICO COMMUNITY COLLEGE *** EL RITO 185600056581 P031H10734	NM 87530	2 P	1436	6 0.41	1055 73.46	8 0.55	0.00	0.00	10.02	0.00	84.47
WESTERN NEW MEXICO STATE UNIVERSITY POST OFFICE BOX 680 SILVER CITY 185600054 3A1 P031H10467	NM 88061	4 P	1709	36 2.10	654 38.26	8 0.46	0 0.00	0 0.00	1.87	0 0.00	42.71
BORICUA COLLEGE 2875 BROADWAY NEW YORK 151017597 5A1 P031H10292	NY 10025	4 V	1127	4 0.35	1023 90.77	0 0.00	0 0.00	0 0.00	0.00	0 0.00	91.1?
COOPER UNION SCHOOL DISTRICT 4TH AVE, & 7TH ST NEW YORK 113556298 5A1 P031H10129	NY 10003	4 V	1009	41 4.06	35 3.46	0 0.00	239 23.68	0 0.00	0.00	0 0.00	31.21
CUNY-HUNTER COLLEGE 695 PARK AVE NEW YORK CITY 113600102 7A1 P031H10526	NY	4 P	20760	4401 21.19	3944 18.99	2118 10.20	83 0.39	0.00	0.00	0.00	50.7?

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CUNY, BERNARD M BARUCH COLLEGE 17 LEXINGTON AVENUE NEW YORK NY 10010 113263803 3A1 P031H10602	4 P	16475	3904 23.69	2672 16.21	4061 24.64	0.00	0.00	0.12	0.00	64.68
CUNY, BOROUGH OF MANHATTAN COMMUNITY COLLEGE 199 CHAMBERS ST NEW YORK NY 10007 113640043489 P031H10060	2 P	12642	6978 55.19	3691 29.19	0.00	885 7.00	0.00	0.10	0.00	91.49
CUNY, BRONX COMMUNITY COLLEGE UNIVERSITY AVE & W 181 BRONX NY 10453 113601786 5A1 P031H10253	2 P	5730	2979 51.98	2235 39.00	277 4.83	0 0.00	0 0.00	0.17	0 0.00	96.00
CUNY, CITY COLLEGE CONVENT AVE AT 138TH ST NEW YORK NY 10031 113600056 5A1 P031H11098	4 P	12780	4243 33.20	3527 27.59	2530 19.79	0.00	0.00	3.59	0.00	84.19
CUNY, HERBERT H LEHMAN COLLEGE BEDFORD PARK BLVD, W BRONX NY 10468 113260847 0A1 P031H10936	4 P	9498	2534 26.67	2830 29.79	166 1.74	0 0.00	0 0.00	0.76	0 0.00	58.99
CUNY, HOSTOS CMTY COLLEGE & CUNY RESEARCH FOUNDATION 475 GRAND CONCOURSE BRONX NY 10451 113198190 88 P031H10433	2 P	4149	551 13.28	3414 82.28	50 1.20	0.00	0.00	0.09	0.00	96.86
CUNY, JOHN JAY COLLEGE OF CRIMINAL JUSTICE 644 WEST 56TH STREET NEW YORK NY 10019 113255381 5A1 P031H10080	4 P	7312	2594 35.47	2004 27.40	178 2.43	0.00	0.00	0.39	0.00	65.71
CUNY, LA GUARDIA COMMUNITY COLLEGE 31-10 THOMSON AVENUE LONG ISLAND CITY NY 11101 113640043401 P031H10642	2 P	8963	2778 30.99	3227 36.00	717 7.99	0.00	0.00	1.00	0.00	76.00

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CUNY, NEW YORK CITY TECHNICAL COLLEGE 300 JAY STREET BROOKLYN 113640043 4A9 P031H10851	NY 11201	4 P	10323	5845 56.62	2118 20.51	842 8.15	0 0.00	0 0.00	0.18	0 0.00	85.47
CUNY, QUEENS COLLEGE 65-30 KISSENA BOULEVARD FLUSHING 111600134 4A1 P031H10837	NY 11367	4 P	16948	1656 9.77	1803 10.63	1677 9.89	0.00	0.00	0.16	0.00	30.46
IONA COLLEGE 715 NORTH AVE NEW ROCHELLE 113350809 3A1 P031H10728	NY 10801	4 V	6882	866 12.58	538 7.81	149 2.16	0.00	0.00	0.39	384 5.57	28.53
LONG ISLAND UNIVERSITY, BROOKLYN UNIVERSITY PLAZA BROOKLYN 111633516 A1 P031H10664	NY 11201	4 V	5168	2435 47.11	695 13.44	356 6.88	0.00	0.00	0.27	0.00	67.72
NYACK COLLEGE * NYACK 131740285A1 P031H10398	NY 10960	4 V	544	36 6.61	31 5.69	60 11.02	0.00	0.00	0.00	0.00	23.34
PORTLAND STATE UNIVERSITY * PORTLAND 936001786A6 P031H10807	OR 97207	4 P	16021	302 1.88	249 1.55	971 6.06	0.00	0.00	0.91	0.00	10.41
ATLANTIC COLLEGE PO BOX 1774 GUAYNABO 660404491A1 P031H10846	PR 00657	2 V	286	0 0.00	286 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
BAYAMON CENTRAL UNIVERSITY PO BOX 1725 BAYAMON 660259904A1 P031H10133	PR 00619	4 V	2796	0 0.00	2796 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
BAYAMON TECHNOLOGICAL UNIVERSITY COLLEGE * BAYAMON 100000146A1 P031H10513	PR 00620	4 P	4302	0.00	4302 100.00	0.00	0.00	0.00	0.00	0.00	100.00

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:ARIBBEAN UNIVERSITY 3OX 493 3AYAMON PR 00621 !36027700 4A1 P031H10446	4 V	3135	0 0.00	3135 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
:ARLOS F DANIELS AREA VOCATIONAL SCHOOL 'O BOX 759 IATO REY PR 00919 !660243000A1 P031H11114	2 P	552	0.00	552 100.00	0.00	0.00	0.00	0.00	0.00	100.00
:ATHOLIC UNIVERSITY OF PUERTO RICO (* 'ONCE PR 00731 !660191965A2 P031H10228	4 V	11551	0 0.00	11538 99.88	0 0.00	0 0.00	0 0.00	0.00	0 0.00	99.88
:ONSERVATORY OF MUSIC OF PUERTO RICO 'O BOX 41227, MINILLAS SAN JUAN PR 00940 !9000000164A1 P031H10576	4 P	264	0 0.00	264 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
GUAYAMA AREA VOCATIONAL TECHNICAL SCHOOL IRB VIVES PO BOX 150 GUAYAMA PR 00654 !6602430 00A6 P031H11112	2 P	317	0.00	317 100.00	0.00	0.00	0.00	0.00	0.00	100.00
:NTER AMERICAN UNIVERSITY OF 'UERTO RICO, BAYOMON !8 SANTA CRUZ !AYAMON PR 00619 !660177776B3 P031H10910	4 V	4427	0.00	4427 100.00	0.00	0.00	0.00	0.00	0.00	100.00
:NTER AMERICAN UNIVERSITY OF 'UERTO RICO)OX 3255, SAN JUAN PR 00936 !660177776A1 P031H10928	4 V	5711	0.00	5711 100.00	0.00	0.00	0.00	0.00	0.00	100.00
:NTER AMERICAN UNIVERSITY OF 'UERTO RICO, AGUADALLA 'O BOX 925 AGUADILLA PR 00603 !660177776B1 P031H10909	4 V	3426	0.00	3426 100.00	0.00	0.00	0.00	0.00	0.00	100.00

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INTER AMERICAN UNIVERSITY OF PUERTO RICO, ARECIBO GPO BOX UI ARECIBO PR 00613 166017776A8 P031H10907	4 V	3483	0.00	3483 100.00	0.00	0.00	0.00	0.00	0.00	100.00
INTER AMERICAN UNIVERSITY OF PUERTO RICO, FAJARDO PO BOX 1029 FAJARDO PR 00648 166017776A7 P031H10906	4 V	1860	0.00	1860 100.00	0.00	0.00	0.00	0.00	0.00	100.00
INTER AMERICAN UNIVERSITY OF PUERTO RICO, GUAYAMA PO BOX 1136 GUAYAMA PR 00654 166017776A3 P031H10940	2 V	1444	0 0.00	1444 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
INTER AMERICAN UNIVERSITY OF PUERTO RICO, METROPOLITAN 405 PONCE DE LEON, PO B SAN JUAN PR 00904 166017777682 P031H10908	4 V	12670	0.00	12670 100.00	0.00	0.00	0.00	0.00	0.00	100.00
INTER AMERICAN UNIVERSITY OF PUERTO RICO, PONCE BARRIO SABANETAS, CARRE PONCE PR 00731 166017777684 P031H10573	4 V	3379	0 0.00	3379 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
TECHNOLOGICAL INSTITUTE OF PUERTO RICO - MANATI CAMPUS CORRETERA NUM 2 KM 47.3 MANATI PR 00707 166024300A9 P031H10990	2 P	558	0.00	558 100.00	0.00	0.00	0.00	0.00	0.00	100.00
TECHNOLOGICAL INSTITUTION OF PONCE PO BOX 7284 PONCE PR 00731 166024300A7 P031H11113	2 P	356	0.00	356 100.00	0.00	0.00	0.00	0.00	0.00	100.00
UNIVERSIDAD DEL TURABO BOX 3030 UNIVERSITY STA GURABO PR 00658 166020120GA3 P031H10860	4 V	5489	0 0.00	4589 83.60	0 0.00	0 0.00	0 0.00	0.00	0 0.00	83.60

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UNIVERSIDAD METROPOLITANA CALL BOX 21150 RIO PIEDRAS PR 00928 166020120 6A4 P031H10861	4 V	5710	0 0.00	5710 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
UNIVERSITY OF PUERTO RICO, MAYAGUEZ CAMPUS POST STATION MAYAGUEZ PR 00709 1900002459A1 P031H10504	4 P	9432	0 0.00	9350 99.13	2 0.02	2 0.02	0 0.00	0.00	0 0.00	99.17
UNIVERSITY OF PUERTO RICO, CAYEY UNIVERSITY COLLEGE ANTONIO R BARCELO AVE CAYEY PR 00633 1900000069A1 P031H10973	4 P	3358	0.00	3358 100.00	0.00	0.00	0.00	0.00	0.00	100.00
UNIVERSITY OF PUERTO RICO, MEDICAL SCIENCE CAMPUS GPO BOX 5067 SAN JUAN PR 00936 1900210013A1 P031H10275	M P	2810	0.00	2810 100.00	0.00	0.00	0.00	0.00	0.00	100.00
UNIVERSITY OF PUERTO RICO, ARECIBO TECH UNIV COL PO BOX 1806 ARECIBO PR 00612 166028617 8A1 P031H10681	4 P	3742	0 0.00	3742 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
UNIVERSITY OF PUERTO RICO, CAROLINA REGIONAL COLLEGE PO BOX CR CAROLINA PR 00630 166028617 8A2 P031H10609	2 P	1923	0 0.00	1923 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
UNIVERSITY OF PUERTO RICO, AGUADILLA REGIONAL COLLEGE PO BOX 160 RAMEY BR AGUADILLA PR 00603 1900000441A1 P031H10610	2 P	1712	0 0.00	1712 100.00	0 0.00	0 0.00	0 0.00	0.00	0 0.00	100.00
UNIVERSITY OF PUERTO RICO, PONCE TECH UNIV COLLEGE PO BOX 7186 PONCE PR 00731 1900000440A1 P031H10185	4 P	2348	0.00	2348 100.00	0.00	0.00	0.00	0.00	0.00	100.00

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UNIVERSITY OF THE SACRED HEART BOX 12383 LOIZA STATION SAN JUAN PR 00914 166020715 6A1 P031H10117	4 V	7480	0.00	7480 100.00	0.00	0.00	0.00	0.00	0.00	100.00
SISSETON WAHPETON COMMUNITY COLLEGE PO BOX 689 SISSETON SD 57262 146035725 4A1 P031H10685	2 V	141	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	87.23	0 0.00	87.23
BROOKHAVEN COLLEGE 3939 VALLEY VIEW LANE FARMERS BRANCH TX 75234 175121314 9A8 P031H10981	2 P	7905	588 7.43	553 6.99	460 5.81	0 0.00	0 0.00	0.39	0 0.00	20.64
CORPUS CHRISTI STATE UNIVERSITY 6300 OCEAN DRIVE CORPUS CHRISTI TX 78412 174176066 3A1 P031H10858	4 P	4041	85 2.10	1240 30.68	36 0.89	0 0.00	0 0.00	0.39	0 0.00	34.07
DEL MAR COLLEGE BALDWIN & AYERS CORPUS CHRISTI TX 78404 174600310 2A1 P031H10283	2 P	9973	305 3.05	4732 47.44	92 0.92	0 0.00	0 0.00	0.35	0 0.00	51.77
HOUSTON COMMUNITY COLLEGE PO BOX 7849 HOUSTON TX 77270 174170915 2A1 P031H10180	2 P	30236	6122 20.24	3933 13.00	2276 7.52	0.00	0.00	0.19	0.00	40.97
INCARNATE WORD COLLEGE 4301 BROADWAY SAN ANTONIO TX 78209 174110966 1A1 P031H10705	4 V	2240	263 11.74	882 39.37	24 1.07	0 0.00	0 0.00	0.44	64 2.85	55.49
LAREDO JUNIOR COLLEGE WEST END WASHINGTON STR LAREDO TX 78040 174600158 2A1 P031H10555	2 P	4891	8 0.16	4381 89.57	19 0.38	0 0.00	0 0.00	0.04	0 0.00	90.16
LAREDO STATE UNIVERSITY WEST END WASHINGTON ST LAREDO TX 78040 174176139 8A1 P031H10518	4 P	1077	12 1.11	869 80.68	2 0.18	0 0.00	0 0.00	0.09	0 0.00	82.07

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OUR LADY OF THE LAKE UNIVERSITY OF SAN ANTONIO 411 SW 24TH ST SAN ANTONIO 1741109631A1 P031H10019	TX 78207	4 V	2245	173 7.70	1011 45.03	13 0.57	0.00	0.00	0.40	0.00	53.7
PALO ALTO COLLEGE PALO ALTO & LOOP 410 SAN ANTONIO 1746002173A4 P031H10282	TX 78284	2 P	3711	204 5.49	2118 57.07	31 0.83	0 0.00	0 0.00	0.67	0 0.00	64.0
PAN AMERICAN UNIVERSITY 1201 W UNIVERSITY DR EDINBURG 1746002942A1 P031H10111	TX 78539	4 P	11204	101 0.90	9136 81.54	51 0.45	0.00	0.00	0.19	0.00	83.0
RICHLAND COLLEGE 12800 ABRAM ROAD DALLAS 1751213149A4 P031H10983	TX 75231	2 P	12996	935 7.19	703 5.40	783 6.02	0 0.00	0 0.00	0.43	0 0.00	19.0
SAN ANTONIO COLLEGE 1300 SAN PEDRO AVE SAN ANTONIO 1746002173A1 P031H10414	TX 78212	2 P	22309	1248 5.59	9665 43.32	362 1.62	0.00	0.00	0.39	0.00	50.9
ST EDWARDS UNIVERSITY 3001 S CONGRESS AVE AUSTIN 1741109641A1 P031H10105	TX 78704	4 V	2823	155 5.49	579 20.51	0.00	37 1.31	0.00	0.00	6 0.21	27.5
ST MARYS UNIVERSITY OF SAN ANTONIO ONE CAMINO SANTA MARIA SAN ANTONIO 1741143128A1 P031H10150	TX 78284	4 V	3654	182 4.98	1405 38.45	76 2.07	0 0.00	0 0.00	0.30	0 0.00	45.9
SUL ROSS STATE UNIVERSITY PO BOX C-113 ALPINE 1746000027A1 P031H10296	TX 79832	4 P	2236	92 4.11	820 36.67	2 0.09	0 0.00	0 0.00	0.09	0 0.00	40.9
TEXAS A & I UNIVERSITY BOX 104 KINGSVILLE 1746001530A1 P031H10012	TX 78363	4 P	5600	195 3.48	3096 55.28	59 1.05	0 0.00	0 0.00	0.19	0 0.00	60.1

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NORTHWEST INDIAN COLLEGE 2522 KWINA RD BELLINGHAM 1910905644A1 P031H10182	WA 98226	2 P	179	0.00	0.00	0.00	0.00	0.00	99.44	0.00	99.44
PIERCE COLLEGE 9401 FARWEST DR SW TACOMA 1910821742A1 P031H10385	WA 98498	2 P	9293	770 8.28	290 3.12	590 6.34	0.00	0.00	1.25	0.00	19.01
SEATTLE COMMUNITY COLLEGE, SOUTH CAMPUS 6000 16TH AVENUE SEATTLE 1910826872A2 P031H10873	WA 98106	2 P	6635	310 4.67	205 3.08	1095 16.50	0 0.00	0 0.00	1.56	0 0.00	25.83
TACOMA COMMUNITY COLLEGE 5900 S 12TH ST TACOMA 1910824677A1 P031H10239	WA 98465	2 P	4680	343 7.32	97 2.07	297 6.34	0 0.00	0 0.00	1.64	0 0.00	17.39
LAC COURTE OREILLES OJIBWA COMMUNITY COLLEGE RT 2 BOX 2357 HAYWARD 1391165322A3 P031H10881	WI 54843	2 V	249	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	86.34	0 0.00	86.34

NUMBER OF 2-YEAR PUBLIC:	82	NUMBER OF 4-YEAR PUBLIC:	30
NUMBER OF 2-YEAR PRIVATE:	10	NUMBER OF 4-YEAR PRIVATE:	33
NUMBER OF GRADUATE PUBLIC:	1	NUMBER OF MEDICAL PUBLIC:	1
NUMBER OF GRADUATE PRIVATE:	2	NUMBER OF MEDICAL PRIVATE:	0

INSTITUTIONS MEETING BASIC ELIGIBILITY REQUIREMENTS: 159
INSTITUTIONS MEETING SPECIFIC ELIGIBILITY REQUIREMENTS: 159

TOTAL 2-YEAR:	92	TOTAL 4-YEAR:	63
TOTAL PUBLIC:	114	TOTAL PRIVATE:	45
TOTAL GRADUATE:	3	TOTAL MEDICAL:	1

TOTAL NUMBER OF INSTITUTIONS : 159

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(IN STATE ORDER)
FISCAL YEAR 91

SCHOOL NAME/ADDRESS EIN PR. NUMBER		TYP/ CTL	TOTAL ENRL	BLACK PCT	HISPAN PCT	ASIAN PCT	PACIFIC PCT	HAWAII PCT	AMER ID PCT	ALASKAN PCT	MIN PCT
TEXAS STATE TECHNICAL INSTITUTE, RIO GRANDE CAMPUS PO BOX 2628 HARLINGEN	TX 78551	2 P	2623	16 0.61	2169 82.69	6 0.22	0 0.00	0 0.00	0.07	0 0.00	83.6
1741646989A1 P031H10130											
UNIVERSITY OF HOUSTON DOWNTOWN COLLEGE 1 MAIN ST HOUSTON	TX 77002	4 P	7409	1807 24.38	1384 18.68	835 11.27	0.00	0.00	0.17	0.00	54.5
1746001399A5 P031H10441											
UNIVERSITY OF TEXAS, EL PASO 202 WEST UNION BUILDING EL PASO	TX 79968	4 P	14971	434 2.89	8181 54.64	183 1.22	0 0.00	0 0.00	0.25	0 0.00	59.0
1746000813A1 P031H10237											
NORTHERN VIRGINIA COMMUNITY COLLEGE 4001 WAKEFIELD CHAPEL R ANNANDALE	VA 22003	2 P	33466	2798 8.36	1388 4.14	2729 8.15	0 0.00	0 0.00	0.00	473 1.41	22.0
1541268263A1 P031H11037											
TIDEWATER COMMUNITY COLLEGE STATE ROUTE 135 PORTSMOUTH	VA 23703	2 P	16557	2051 12.38	218 1.31	839 5.06	0.00	0.00	0.31	121 0.73	19.8
1541268286A1 P031H10808											
BELLEVUE COMMUNITY COLLEGE 3000 145TH PLACE, SE BELLEVUE	WA 98007	2 P	13597	110 0.80	1107 8.14	821 6.03	0.00	37 0.27	0.00	0.00	15.2
1910819265A1 P031H10070											
EDMONDS COMMUNITY COLLEGE 20000 68TH AVENUE WEST LYNNWOOD	WA 98036	2 P	7062	219 3.10	190 2.69	582 8.24	0.00	0.00	1.52	0.00	15.5
1910825212A1 P031H10465											
NORTH SEATTLE COMMUNITY COLLEGE 9600 COLLEGE WAY, NORTH SEATTLE	WA 98103	2 P	8310	180 2.16	197 2.37	948 11.40	0.00	0.00	0.74	0.00	16.4
1910826872A3 P031H10402											

The dates and locations of conferences held in 1990 are as follows:

SITE	DATE	TYPE OF CONFERENCE
1) Boston region	April 27th	Subcontracting
2) Chicago region	June 19th	Subcontracting
3&4) Washington, DC region (Arlington, VA)	July 18th & 19th	Direct Contracting (July 18th) Subcontracting (July 19th)
5) Philadelphia, PA	August 9th	Targeted Marketing Seminar
6) New York region (Newark, NJ)	August 16th	Subcontracting
7) Kansas City, MO*	August 28th	Mini-Conference
8) St. Louis region	September 14th	Subcontracting
9) San Antonio	September 18th	Targeted Marketing Seminar
10) Charlotte, NC**	September 21st	Mini-Conference
11) Huntsville, AL	October 2nd	Targeted Marketing Seminar
12) Columbus, OH	October 11th	Targeted Marketing Seminar
13) Oakland/San Francisco region	October 25th	Subcontracting
14) Los Angeles	November 8th	Targeted Marketing Seminar
15) Dallas region	November 29th	Subcontracting

*At the request of Congressman Alan Wheat
**At the request of the Charlotte MBDA/SBA MED Week Committee

Exhibit 2

The first five subcontracting conferences (through St. Louis) had a total registration of 1377 . This number was distributed as follows:

SDBs	770
HBCUs	7
DoD Primes	339
DoD-other Government	123
Economic Development & Minority Advocacy Organizations	51
Other (Press, VIPs, etc)	87

(Registration figures for this year are smaller than last year because the catchment areas were smaller and many SDBs and primes in each area attended last year's conferences.)

The Washington Regional conference on direct contracting with DoD had the largest registration -- 426:

SDBs	317
HBCUs	5
DoD Primes	33
DoD/Other Government	44
Economic Development & Minority Advocacy Organizations	18
Other (Press, VIPs, etc)	9

The breakdown of SDBs by industry area for the one direct contracting conference and the first five subcontracting conferences is as follows:

Manufacturing	112
Supplies	156
Construction	117
Professional Services/ Research & Development	592
Non-Personal Services	103
Other/Not Classifiable	7

As in previous years, professional services firms were most numerous. It appears, however, that the participation of manufacturing firms has increased.

Because of DoD's interest in increasing the number of manufacturing SDBs with which it does business, 5 seminars for SDBs on how to develop and implement sophisticated targeted marketing plans were held. Because of the need to work on an intensive basis during the course of the seminar, no more than 30-40 SDBs were sought for participation in each seminar. The numbers of prime contractors and DoD representatives for the afternoon Trade Fair were similarly scaled down.

Over five seminars, the total registration figures for each of these groups was as follows:

SDBs	152
Prime Contractors	72
DoD Representatives	37

At the two mini-conferences, there were over 100 SDBs in attendance - approximately 50 in Kansas City and 60 in Charlotte.

SUMMARY OF KEY PROJECT DELIVERABLES

A. TECHNICAL ASSISTANCE CONFERENCES AND SITE VISITS

Conferences

* *NAFEO/DoD Multifaceted National Conference, Washington, DC, March/April 1990.*
* *NAFEO/DoD/Prime Contractors Conference, Dallas/Fort Worth, TX, June 1990.*
* *NAFEO/DoD Partnership Conferences, Washington, DC, July 1990 and September 1990.*
* *NAFEO/DoD Policy Makers Conference, Hilton Head, SC, August 1990.*

Site Visits on Nine(9) Campuses

* *Morehouse School of Medicine*
* *Southern University (2)*
* *Hampton University*
* *Howard University*
* *Winston Salem State University*
* *North Carolina A&T State University*
* *Norfolk State University*
* *Virginia State University (2)*
* *Tuskegee University*

B. *PROPOSAL ENHANCEMENT*

* *Provided Solicitation Specific Technical Assistance*
* *Designed Proposal Development Boilerplate and Spreadsheet Budget Template*
* *Provided Sample Response for Drug-Free Workplace Confirmation*

C. *INFRASTRUCTURE ENHANCEMENT*

* *The enhancement of R&D capabilities at seven HBCUs in reference to capability marketing, R&D administration, institutional planning, proposal routing, etc.*

D. *CLEARINGHOUSE INFORMATION*

* *Development and update of database on HBCU/MI capabilities. In process of refining database for distribution to DoD, primes, and HBCUs. The refined database will also include faculty resumes.*
* *Distribution of 115 CBD announcements to HBCUs/MIs.*
* *Development of Surplus Equipment Database (In process).*

E. *PARTNERSHIP AGREEMENTS/COLLABORATIONS*

* *The signing of seven HBCU/MI partnership agreements.*
* *The promotion of at least ten (10) collaborative relationships between HBCUs and prime contractors.*

F. *SURPLUS EQUIPMENT PROGRAM*

* *Acquisition of over $14 million in furniture and equipment for 55 HBCUs.*

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G. PUBLICATIONS

* *A Compendium of Intervention Programs on HBCU/MI Campuses, June 1990.*
* *Six issues of the NAFEO Inroads Newsletter*
* *HBCU/MI Researcher's Resume Book (In draft format)*
* *A Compendium of Questions and Answers Concerning R&D Acquisition and Management at Historically Black Colleges and Universities and Minority Institutions in the Department of Defense Arena, September 1990.*

MAJOR ACCOMPLISHMENTS OF THE NAFEO/DoD PROJECT

In the accomplishment of project goals and objectives, NAFEO, along with its subcontractors, is pleased to report the following:

Objective 1: Increase the Quality and Quantity of Proposals From HBCUs/MIs For Participation in DoD-Funded Activities.

Many efforts have been undertaken to promote and encourage the HBCUs/MIs to respond to DoD solicitations, especially in R&D and in education and training. In addition to keeping the HBCUs/MIs informed of DoD procurement activities listed in the Commerce Business Daily, the NAFEO Team performed the following tasks to promote proposal writing:

* *Routinely called selected institutions to encourage them to respond to specific solicitations and followed up by phone to determine the institution's intent in regard to the solicitation. Those institutions that expressed an intent to respond were encouraged to call TRACTELL for technical assistance.*

* *Provided technical assistance to eleven (11) HBCUs in the preparation of proposal for solicitation-specific activities.*

* *Assisted the HBCUs/MIs in the automation of proposals. Five (5) HBCUs (Norfolk State, Southern University (BR), Virginia State, Howard University and Central State acknowledged significant benefits from this assistance.*

NAFEO MEMBER INSTITUTIONS WHICH HAVE RECEIVED ASSISTANCE

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Exhibit 4

NAFEO MEMBER INSTITUTIONS WHICH HAVE RECEIVED ASSISTANCE

Alabama

Miles College, Birmingham, AL (private) = office and dormitory furniture
Oakwood College, Huntsville, AL (private) = computer workstations and office furniture
Stillman College, Tuscaloosa, AL (private) = computer workstations and office furniture
Talladega College, Talladega, AL (private) = computer, vehicles (vans)
Trenholm State Technical College, AL (public) = computers, vehicles (vans)

District of Columbia

University of the District of Columbia, Washington, DC (public) = computers
Howard University, Washington, DC (private) = office furniture

Florida

Bethune-Cookman College, Daytona Beach, FL (private) = dormitory furniture
Edward Waters College, Jacksonville, FL (private) = dormitory furniture and office furniture and dining hall furniture
Florida A&M University, Tallahassee, FL (public) = computers

Georgia

Albany State College, Albany, GA (public) = dormitory and office furniture
Morehouse College, Atlanta, GA (private) = dormitory furniture
Morris Brown College, Atlanta, GA (private) = dormitory and office furniture, dining hall furniture, computers, laboratory instruments, instruments, paint, and washer and dryer

Kentucky

Kentucky State College, Frankfort, KY (public) = lounge and dormitory furniture

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Louisiana

Grambling State University, Grambling, LA (public) = office and dormitory furniture, vehicles, and laboratory instruments
Southern University of Baton Rouge, Baton Rouge, LA (public) = office and dormitory furniture
Southern University of New Orleans, New Orleans, LA (public) = office furniture
Southern University of Shreveport, Shreveport, LA (public) = office furniture
Xavier University, New Orleans, LA (private) = office and dormitory furniture

Maryland

Bowie State University, Bowie, MD (public) = office furniture and band instruments
Coppin State College, Baltimore, MD (public) = dormitory furniture
Morgan State University, Baltimore, MD (public) = dormitory and office furniture and vehicle (van)
University of Maryland-Eastern Shore, Princess Anne, MD (public) = dormitory furniture
Sojourner-Douglass College, Baltimore, MD (private) = office furniture

Mississippi

Coahoma Community College, Clarksdale, MS (public) = dormitory furniture
Jackson State University, Jackson, MS (public) = computers, band instruments, lounge, office and dormitory furniture and laboratory instruments
Mary Holmes College, West Point, MS (private) = office and dormitory furniture
Mississippi Valley State University, Itta Bena, MS (public) = street sweeper, office and dormitory furniture
Rust College, Holly Springs, MS (private) = computers, dormitory furniture
Tougaloo College, Tougaloo, MS (private) = dormitory furniture, vehicle
Hinds Jr. College, Jackson, MS (public) = dormitory and office furniture

Missouri

Lincoln University, Jefferson City, MO (public) = dormitory furniture

North Carolina

Barber Scotia College, Concord, NC (private) = dormitory furniture
Bennett College, Greensboro, BC (private) = washer and dryer, office and dormitory furniture and theater seats
Johnson C. Smith University, Charlotte, NC (private) = office furniture
Livingstone College, Salisbury, NC (private) = computers, office and dormitory furniture
North Carolina A&T State University, Greensboro, NC (public) = laboratory instruments, dormitory and office furniture
Saint Augustine's College, Raleigh, NC (private) = dormitory furniture
Shaw University, Raleigh, NC (private) = dormitory furniture
Winston-Salem State University, Winston-Salem, NC (public) = computers, washers and dryers, office and dormitory furniture

Ohio

Central State University, Wilberforce, OH (public) = office and dormitory furniture
Wilberforce University, Wilberforce, OH (private) = dormitory furniture

Oklahoma

Langston University, Langston, OK (public) = computers, vehicles (van and bus), office and dormitory furniture

Pennsylvania

Lincoln University, Lincoln University, PA (public) = office and dormitory furniture

South Carolina

Claflin College, Rock Hill, SC (private) = dormitory furniture
Denmark Technical College, Denmark, SC (public) = dormitory and office furniture
South Carolina State College, Orangeburg, SC (public) = dormitory furniture
Voorhees College, Denmark, SC (private) = dormitory furniture

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Tennessee

Fisk University, Nashville, TN (private) = theater seats, washers and dryers, office and dormitory furniture
Lane College, Jackson, TN (private) = office and dormitory furniture, computers, laboratory instruments
Meharry Medical College, Nashville, TN (private) = dental chairs, X-Ray machine

Texas

Huston-Tillotson College, Austin, TX (private) = dormitory and lounge furniture
Jarvis Christian College, Hawkins, TX (private) = office and dormitory furniture, computers
Paul Quinn College, Waco, TX (private) = office and dormitory furniture, kitchen galley equipment, computers
Prairie View A&M University, Prairie View, TX (public) = computers, gym equipment, TVs, office and dormitory furniture, lounge furniture, lab equipment
Wiley College, Marshall, TX (private) = office and dormitory furniture

Virginia

Hampton University, Hampton, VA (private) = office furniture, photographic laboratory
Norfolk State University, Norfolk, VA (public) = office and dormitory furniture, band instruments
Saint paul's College, Lawrenceville, VA (private) = computers, office and dormitory furniture
Virginia State University, Petersburg, VA (public) = office furniture
Virginia Union University, Richmond, VA (private) = dormitory furniture

California

Compton Community College, Compton, CA (public) = office furniture

New Mexico

New Mexico Highland University, Las Vegas, NM (public) = office furniture

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SMALL DISADVANTAGED BUSINESS AWARDS
TWELVE MONTHS COMPARATIVE PERFORMANCE
October 1, 1989 -- September 30, 1990

DEPT/ AGENCY	FISCAL YEAR	TOTAL AWARDS	8A	DIRECT	PREF.	SET-ASIDE	TOTAL	%
ARMY	1989	$28,871	$539.0	$339.7	$13.4	$157.7	$1,049.8	3.6
	1990	$30,146	$621.9	$381.4	$13.9	$140.7	$1,157.9	3.8
NAVY	1989	$42,175	$759.4	$392.8	$3.2	$50.5	$1,206.0	2.9
	1990	$41,717	$786.1	$404.2	$5.5	$86.0	$1,281.9	3.1
AF	1989	$36,948	$526.3	$260.1	$9.8	$86.1	$882.4	2.4
	1990	$39,039	$503.7	$325.7	$10.0	$176.6	$1,016.0	2.6
DLA	1989	$9,177	$109.6	$125.5	$547.8	$1.2	$784.1	8.5
	1990	$9,303	$68.2	$214.6	$273.8	$2.0	$558.7	6.0
ODA	1989	$2,831	$52.5	$18.5	$1.9	$2.6	$75.4	2.7
	1990	$3,616	$100.6	$30.6	$0.4	$2.6	$134.3	3.7
DOD	1989	$120,003	$1,986.7	$1,136.6	$576.1	$298.2	$3,997.6	3.3
	1990	$123,821	$2,080.6	$1,356.5	$303.6	$407.9	$4,148.7	3.4

$ = Millions

Exhibit 5

SMALL DISADVANTAGED BUSINESS SUBCONTRACT AWARDS
COMPARATIVE PERFORMANCE
October 1, 1989 -- September 30, 1990

DEPT/ AGENCY	FISCAL YEAR	TOTAL AWARDS	SDB AWARDS	%	% GOAL
ARMY	1989	$1,979	$77.0	3.9	5.0
	1990	$1,224	$75.4	6.2	5.0
NAVY	1989	$10,689	$175.0	1.6	5.0
	1990	$3,590	$137.7	3.8	5.0
AF	1989	$14,695	$308.7	2.1	5.0
	1990	$378	$10.9	2.9	5.0
DLA	1989	$28,673	$741.2	2.6	5.0
	1990	$49,516	$1,350.8	2.7	5.0
DOD	1989	$56,037	$1,301.8	2.3	5.0
	1990	$54,708	$1,574.8	2.9	5.0

$ = Millions

Exhibit 6

DoD CONTRACT AWARDS TO SDBs BY ETHNIC GROUP
FISCAL YEAR 1990 (AWARDS OVER $25,000)
(Dollars in Millions)

	Asian Indian Americans	Asian Pacific Americans	Black Americans	Hispanic Americans	Native Americans	Not Coded	No Rep.	Other Cert.	TOTAL
ARMY	$102.5	$116.8	$334.8	$249.5	$99.9	$0.1	$92.4	$69.8	$1,065.9
NAVY	$70.3	$143.2	$403.7	$278.7	$81.1	$0.0	$166.4	$61.4	$1,204.8
AF	$85.9	$116.6	$271.7	$311.0	$65.1	$0.0	$54.3	$23.6	$928.3
DLA	$5.5	$107.8	$196.1	$133.9	$94.2	$0.0	$3.4	$1.4	$542.3
ODA	$15.7	$13.6	$51.9	$25.5	$0.0	$0.2	$19.6	$4.1	$130.6
DoD	$279.9	$498.0	$1,258.2	$998.6	$340.3	$0.3	$336.1	$160.4	$3,871.9

PERCENTAGE OF DOD DOLLAR AWARDS TO SDB's BY ETHNIC GROUP
FISCAL YEAR 1990 (AWARDS OVER $25,000)

	Asian Indian Americans	Asian Pacific Americans	Black Americans	Hispanic Americans	Native Americans	Not Coded	No Rep.	Other Cert.	TOTAL
ARMY	2.6%	3.0%	8.6%	6.4%	2.6%	0.0%	2.4%	1.8%	27.5%
NAVY	1.8%	3.7%	10.4%	7.2%	2.1%	0.0%	4.3%	1.6%	31.1%
AF	2.2%	3.0%	7.0%	8.0%	1.7%	0.0%	1.4%	0.6%	24.0%
DLA	0.1%	2.8%	5.1%	3.5%	2.4%	0.0%	0.1%	0.0%	14.0%
ODA	0.4%	0.4%	1.3%	0.7%	0.0%	0.0%	0.5%	0.1%	3.4%
TOTAL	7.2%	12.9%	32.5%	25.8%	8.8%	0.0%	8.7%	4.1%	100.0%

Exhibit 7

AWARDS TO HBCU/MI's AS COMPARED TO AWARDS TO HIGHER EDUCATION INSTITUTIONS FISCAL YEAR COMPARISON (Dollars in Thousands)

DEPT/ AGENCY		HEI AWARDS	HBCU/MI AWARDS	%
ARMY	FY 1989	$249,402	$6,011	2.41
	FY 1990	$252,978	$22,241	8.79
NAVY	FY 1989	$344,919	$27,891	8.09
	FY 1990	$264,762	$14,988	5.66
AF	FY 1989	$602,202	$16,453	2.73
	FY 1990	$649,618	$11,138	1.71
DLA	FY 1989	$6,787	$0	0.00
	FY 1990	$11,013	$0	0.00
ODA	FY 1989	$46,851	$163	0.35
	FY 1990	$72,244	$2,165	3.00
DoD	FY 1989	$1,250,161	$50,518	4.04
	FY 1990	$1,250,615	$50,532	4.04

Army & ODA data developed from part D1 of DD350.
Navy, Air Force & DLA data developed from HBCU Dun's numbers.

Exhibit 8

DOD 10% EVALUATION PREFERENCE
FISCAL YEAR COMPARATIVE PERFORMANCE

	FISCAL YEAR	CONTRACT ACTIONS	SDB AWARD PRICE	LOW OFFER	PREFERENCE PAID	AVG PREF
ARMY	1989	19	$13,382,000	$13,154,716	$227,284	1.7%
	1990	38	$13,860,000	$13,817,147	$42,853	0.3%
NAVY	1989	23	$3,233,000	$3,116,753	$116,247	3.7%
	1990	53	$5,512,000	$5,375,871	$136,129	2.5%
AF	1989	35	$9,807,000	$9,644,669	$162,331	1.7%
	1990	25	$9,992,000	$9,883,435	$108,565	1.1%
DLA	1989	1,015	$547,790,000	$517,159,025	$30,630,975	5.9%
	1990	769	$273,785,000	$260,367,530	$13,417,470	5.2%
ODA	1989	3	$1,858,000	$1,858,000	$0	0.0%
	1990	3	$419,000	$419,000	$0	0.0%
DOD	1989	1,095	$576,070,000	$544,933,163	$31,136,837	5.7%
	1990	888	$303,568,000	$289,862,983	$13,705,017	4.7%

Exhibit 9

Report on the Implementation of the FY 1987 National Defense Authorization Act Section 1207, Contract Goal for Minorities

Fiscal Year 1989

Prepared by: Office of the Under Secretary of Defense (Acquisition)
Office of Small and Disadvantaged Business Utilization

Date:
15 FEB 1990

EXECUTIVE SUMMARY

This report covers the fiscal year 1989 progress of the Department of Defense (DoD) towards the achievement of the five percent goal for awards to small disadvantaged businesses (SDB), historically Black colleges and universities (HBCU) and other minority institutions (MI) mandated by section 1207 of P.L. 99-661. According to the law, the five percent goal applies to the combined total of the amounts obligated for prime contracts and subcontracts in the areas of procurement, research and development, test and evaluation, military construction; and operations and maintenance.

Pursuant to P.L. 95-507, DoD captures SDB awards using two data bases, one for prime contract awards and one for subcontract awards. Using this method, during FY 1989, of the $120 billion in prime contract awards to U.S. business concerns, DoD awarded $4.0 billion or 3.3% to SDBs. Under the subcontracting program, for FY 1989, SDBs received $1.3 billion or 2.3% of the $56 billion in subcontracts awarded by large business concerns.

The statute establishes a goal for DoD to place five percent of the total combined amount obligated for contracts and subcontracts entered into with SDBs, HBCUs and MIs. This amounts to $6 billion (5% of $120 billion). When the $4.0 billion in prime contract awards is added to the $1.3 billion in subcontract awards, the resulting $5.3 billion is an accomplishment of 4.4% toward the 5% SDB goal. However, DoD will continue to establish the 5% goal on both prime and subcontract programs.

Prime contract awards to HBCUs and MIs totalled $50.5 million or 4.04% of the $1.2 billion in prime contract awards to higher education institutions.

Regulatory Changes

As indicated in the six month report for FY 1989, DoD initiated a number of proposed changes to the Defense Federal Acquisition Regulation to improve upon the existing procedures under the five percent goal program. The proposed changes were published in the Federal Register on May 23, 1989.

In response to the Federal Register notice, approximately 44 comments were received and analyzed by DoD. The majority of the comments were generally supportive of the changes and many provided further recommendations for improvements thereto. The review process has been completed and a final rule incorporating many of the proposals into the Defense Federal Acquisition Regulation Supplement (DFARS) is expected to be issued in April, 1990. The final rule will address the following areas:

1. Consideration of SDB and HBCU participation as an evaluation factor on major system acquisitions.

2. Leader-follower contracting methods utilizing small disadvantaged businesses.

3. Repetitive set aside procedure under the SDB set-aside program.

4. Restricted competition in the award of SDB subcontracts by prime contractors.

5. The use of incentive fees to prime contractors for exceeding established SDB/HBCU/MI subcontracting goals.

6. Increased progress payments for SDBs.

7. Re-emphasis of the remedies available for non-compliance with subcontracting plans.

The following areas were incorporated in the DFARS during FY 1989:

1. Periodic program reviews of DoD contracting activities by Departmental Directors of Small and Disadvantaged Business Utilization.

2. Quarterly briefings by DoD contracting activities for SDBs, HBCUs/MIs and other outreach activities.

3. Expeditious consideration of SBA requests for 8(a) contract support.

4. Broadening the types of requirements available under the HBCU/MI set-aside program.

A most recent regulatory change to the requirements under the SDB 10% evaluation preference program concerns the so-called "non-manufacturer rule." Under this rule, in order for an eligible regular dealer concern to participate in any small business or SDB preference program, i.e., the small business set-aside program, the 8(a) program or the SDB set-aside program, the end item furnished under the contract must be manufactured by a domestic small business. Previously, the non-manufacturer rule did not apply to the evaluation preference program and a SDB regular dealer could furnish an end item manufactured by either a small or large business manufacturer. Effective September 28, 1989, under the evaluation preference program, a SDB regular dealer must furnish the product of a SDB manufacturer, or if none are available, a small business manufacturer. In many instances, non-disadvantaged small businesses submitting the lowest bid on a particular procurement, subject to the evaluation preference, were displaced by SDBs offering the product of a large business manufacturer. This change was made to ameliorate the impact of the 5% goal program on other small businesses, consistent with the objectives of section 806 of P.L. 100-180 and the conference report language accompanying the DoD Authorization Act for FY 1989.

HBCU/MI Program

DoD has increased its interest and support for HBCUs and MIs pursuant to the 5% goal program and the Presidents Executive Order on HBCUs, E.O. 12677. This is evidenced in part by the initiation of an increasing number of HBCU/MI set-asides by components within the Military Departments. A number of HBCUs/MIs are becoming quite visible in DoD sponsored research and other activities. There are, however, a large number of HBCUs/MIs that simply do not yet have the capacity or adequate resources for developing a competitive edge in the DoD procurement system.

The progress that has been achieved under the HBCU/MI program is a result of a commitment to this program at the highest level within DoD, the support of the Military Departments as well as the efforts made by the National Association for Equal Opportunity in Higher Education (NAFEO) under a grant with DoD. The following is a summary of accomplishments made under the NAFEO/DoD grant in 1989:

1. Compilation and update of An Inventory of the Capabilities of the HBCUs/MIs which features 94 institutions. This document is designed for use by DoD personnel and prime contractors in identifying HBCUs/MIs for prime contracting and subcontracting opportunities.

2. The development of A Guide to the Management of Research and Development (R&D) Contracts for HBCUs. This was developed to assist HBCUs/MIs in the establishment of a grants/contracts management system on their campuses.

3. The compilation of a document for HBCUs/MIs detailing basic research grants/contracts opportunities within the DoD.

4. The identification of potential HBCU/MI subcontracting opportunities with DoD prime contractors and the development of A Catalogue of Subcontracting Opportunities for HBCUs/MI.

5. The design and implementation of three technical assistance workshops to educate HBCUs/MIs about the DoD procurement process, the various types of DoD sponsored programs, and subcontracting opportunities with DoD prime contractors.

6. The identification of 20 DoD prime contractors and 49 major research institutions interested in exploring subcontracting arrangements and collaborative efforts with HBCUs/MIs.

7. The identification of at least 12 HBCUs/MIs to receive specialized technical assistance in the establishment of a campus based R&D management system. To date, some 50 schools have benefited from this specialized technical assistance.

8. An increasing number of proposals prepared by HBCUs in response to HBCU/MI set-asides initiated by the components of DoD military departments.

For some time, the DoD has actively encouraged the principal defense contractors to devise ways to subcontract with HBCUs/MIs. Hughes Aircraft was the first to devise a positive long range program with a HBCU, South Carolina State College (SCSC) in Orangeburg, South Carolina. Essentially, Hughes Aircraft has established an educational partnership under which SCSC and Hughes Aircraft mutually benefit. Under the partnership, mutual needs of the future will be reached: Hughes will acquire engineering talent to staff the workforce of the coming decades; SCSC will be invited to perform as a defense subcontractor, participating in research projects, including the development of components and subassemblies for military systems. Other reciprocal benefits include: lectures and seminar by Hughes personnel and joint development of a degree program in electrical engineering.

As a result of establishing the educational partnership of SCSC and Hughes Aircraft, the Under Secretary of Defense (Acquisition), (USD(A)), wrote a letter to Roger B. Smith, Chairman of the Board, General Motors Corporation commending the Hughes' effort. Subsequently, the USD(A) sent letters to the Chief Executive Officer or President of the 51 member firms of the AIA, challenging each to develop a similar relationship with an HBCU. In response to the USD(A) letter, Thomas V. Jones, President, Northrop corporation, announced the organization of "... a joint college relations/socioeconomic business committee in an endeavor to focus available resources on a few select HBCUs where we as a corporation can really make a difference." The letters sent by USD(A) reflect the positive approach that can be pursued by defense prime contractors. Current indications reveal that these approaches will benefit HBCUs significantly.

In addition to the technical assistance being provided to HBCUs to increase their participation in DoD sponsored programs, DoD has initiated a surplus property program for HBCUs. Under this program, HBCUs are eligible to receive DoD surplus property at a nominal cost to the institution. To facilitate this objective, DoD granted NAFEO the status of a Service Educational Activity. In essence, this designation affords NAFEO a priority and an opportunity to screen and select DoD surplus property on behalf of its member institutions. This program has been tremendously successful in accessing much needed personal property for HBCUs. Exhibit 1 contains a fact sheet on the DoD Surplus Property program along with a detailed report on the value and types of property donated to HBCUs under the program.

SDB Technical Assistance Program

During fiscal year 1989 Boone, Young and Associates (BYA) conducted conferences targeted specifically for SDBs with the objective of providing information on how to participate fully in DoD contracting programs. In addition to the specialized workshops conducted by BYA consultants, attendant at these conferences to provide one on one counselling were representatives from DoD, the Military Departments and other Defense Agencies and representatives from major prime contractors. A total of 14 conferences were held during FY 1989 with over 800 SDBs in attendance.

Another aspect to the conference approach was the development of three conferences focused specifically on subcontracting opportunities for SDBs. These three conferences were held in Detroit, Atlanta and Los Angeles. The workshops participants included representatives from major prime contractors, DoD and SDBs. This balanced approach afforded SDBs an opportunity to benefit from each perspective in their attempts to identify and secure subcontracts with major prime contractors. Approximately 200 prime contractors and over 200 SDBs participated in each conference. All the comments received indicated that these conferences were an overwhelming success especially in the area of educating both the SDB community and the prime contracting community about the DoD subcontracting program.

The status of the contract awarded to MESA Services International to provide technical assistance to SDBs is at Exhibit 2. A listing of the SDB firms that have received technical assistance under the MESA contract has been disseminated to the Military Departments for inclusion on the bidders lists maintained by their buying activities. Also, the Aerospace Industries Association (AIA) was provided this list for inclusion in the data based currently being established for use by AIA member companies.

Tractell Inc., is currently in the process of preparing a final report to the DoD on the identification of impediments within the DoD procurement system impacting on the utilization of SDBs. Some of the areas that have been identified in a preliminary report concern the following areas: 1) outreach programs for SDBs, 2) automation of SDB outreach, 3) training on SDB policies, 4) incentives for the utilization of SDBs and 5) tracking subcontracting program compliance. The final results under this effort will be reported during the next reporting period.

Impact on Other Small Non-disadvantaged Businesses.

Since the inception of the 5% goal program there has been an increased awareness and sensitivity by the Congress and DoD about the impact of this program on other non-disadvantaged small businesses. At the outset of the implementation process, DoD conceded that the 5% goal program would impact these businesses primarily because the opportunity market for SDBs and other small businesses is the same. Notwithstanding the recognition that some impact on non-disadvantaged small businesses is inevitable if progress is to be made toward the goal, each regulatory iteration implementing the 5% goal program has reflected a genuine concern by DoD to ameliorate this impact. A recent example of the concern for non-disadvantaged small businesses is the imposition of the "non manufacturer" rule under the 10% evaluation preference described above. DoD is making every attempt to balance the objectives of each program so that the non-disadvantaged small business community is not impacted disproportionately by the 5% goal program.

SUMMARY OF DATA

A summary report on the progress towards the five percent goal during FY 89 is as follows:

- Prime contracts valued at $120 billion were awarded to U.S. business firms during FY 1989. Of this amount $3.9 billion was awarded to SDBs in prime contracts. These awards represent 3.3% of the total prime contract awards to U.S. business firms. This percent exceeds the 2.8% accomplishment for FY 1988 (Exhibit 3).

- During FY 1989, SDBs were awarded $1.3 billion in subcontract awards or 2.3% of the $56 billion in total subcontract awards made by DoD prime contractors (Exhibit 4). This percent exceeds the 1.9% accomplishment for FY 1988.

- The DoD awards over $25,000 by ethnic group are provided in Exhibit 5.

- Prime contracts valued at $1.2 billion were awarded to Higher Educational Institutions (HEI). Of this total $50.3 million in prime contracts was awarded to HBCUs and MIs. These awards represent 4.04% of the total awards to HEIs (Exhibit 6). Of the $50.3 million awarded to HBCUs/MIs $6.3 million in prime contracts was awarded to HBCUs.

- During FY 1989, DoD awarded 1,095 contracts to SDBs using the ten percent evaluation preference. A total of $31 million in premiums were paid to SDBs which represents a 5.7% difference between the low offer and the SDB award price. The total dollar value of the low offer was $544.9 million. The total SDB award price was $576 million (Exhibit 7).

- Pursuant to P.L. 100-456, Section 843(d), a report of the DoD portion of procurement of printing, binding and related services acquired by the Government Printing Office and awarded to SDBs in FY 1989 is at Exhibit 8.

- There were no reported instances where SDBs, HBCUs, and MIs failed to perform a contract.

DOD/NAFEO
HISTORICALLY BLACK COLLEGES AND UNIVERSITIES'
SURPLUS PROPERTY PROGRAM

BACKGROUND:

* 12 Dec 88 - Defense Logistics Agency signed an agreement with the National Association for Equal Opportunity in Higher Education (NAFEO) to provide surplus property to HBCUs. NAFEO, on behalf of its 117 member institutions, was granted the status of Service Educational Activity (SEA).

* 28 Apr 89 - President Bush signed Executive Order 12677 reaffirming the Administration's commitment to assist HBCUs.

* 19 Jun 89 - Colonel Ben Waller assigned as DoD Liaison Officer for the HBCU Initiative with duty station at NAFEO Headquarters. Colonel Waller is assigned to the DoD SADBU office with administrative support provided by the Army SADBU office.

* 26 Jun 89 - Colonel Waller met with Mr. Stan Duda, GSA/FSS Director of Property Management, for advice and guidance. Upon coordination with the below-listed persons, the NAFEO Surplus Property Program Approach was developed and approved by:

Mr. John Shannon, then the Assistant Secretary of the Army for Installations and Logistics
Mr. Daniel Gill, the Director of the Secretary of the Army's Small and Disadvantaged Business Utilization Office
Ms. Tracey Pinson, of the Office of the Director of the Secretary of Defense's Small and Disadvantaged Business Utilization Office
Dr. Samuel L. Myers, President of NAFEO

* 30 Jun 89 - The NAFEO/DoD Approach approved. The Approach entailed closer coordination and a spirit of cooperation between the HBCUs and the State Agencies for Surplus Property (SASPs).

* In essence, although NAFEO was granted SEA status, it would seek, at every opportunity, to receive property through the SASPs, as opposed to using its SEA status. The purpose for using the SASP is two fold. First, if NAFEO were to use its SEA status to receive surplus DoD property, the property would never beleng to the institution, but would instead always belong to DoD. By going though the SASP, after a period of one year, or one and a half years, depending on the acquisition cost of the property, ownership will revert to the institutions. Second, the NAFEO/DoD agreement is only for DoD surplus property. The SASP may receive property from throughout the federal sector and could donate the other than DoD property to the institutions.

* 10 Jul 89 - Colonel Waller addressed the Annual Meeting of

the National Association of State Agencies for Surplus Property (NASASP) in New Orleans, Louisiana and presented the idea of the partnership arrangement between DoD, GSA, NAFEO and the State Agencies to expedite property assistance to HBCUs. The partnership arrangement was endorsed by Mr. Stan Duda, and was well received by the SASP representatives. Subsequent to that address, an agreement was reached between NAFEO and the NASASP whereby the SASPs would assess a service charge of only 3% of the acquisition cost of the property received by the institution, up to $100,000 after which, there would be no service charge. This $100,000 ceiling is per transaction.

* **THE COMMON THREAD WHICH PULLS ALL THE HBCUs ALONG IS THEIR All-ENCOMPASSING NEED FOR EVERYTHING!**

* <u>The Most Common Needs Are</u>:

  - Dormitory Furniture
  - Office Furniture and Equipment
  - Cafeteria Furnishings
  - Automatic Data Processing Equipment
  - Laboratory Instrumentation
  - Air Conditioners

ASSISTANCE RECEIVED
(11 JULY 89 TO 30 OCT 89)

INSTITUTION SERVED	VALUE of PROPERTY (000)	IMPACT ON INSTITUTIONS
Coppin State Univ. (Public) Baltimore, Maryland	60	New dormitory being built -500K allocated to furnish dormitory - will only need 50K to finish furnishing after receipt of surplus property -450K can be devoted to something else.
Morris Brown College (Public) Atlanta, Georgia	578	President had 200K to either repair 2 elevators in 10 story dormitories or provide furniture for 18 dormitory lounges - received enough lounge furniture to outfit all 18 lounges, thus could spend 200K to repair elevators. Also received ADP equipment, laboratory instruments, office furniture and equipment, and enough chairs to replace all of the chairs in the auditorium.
Langston University (Public) Langston, Oklahoma	73	Received enough dormitory furniture to equip 130 rooms in 2 recently activated dormitories.
Saint Paul's College (Private) Lawrenceville, Virginia	154	Allocated 100K for ADP equipment -received over 150K in ADP equipment- monies saved can be devoted to other needy areas.

Bennett College (Private) Greensboro, North Carolina	000*	In need of everything, received 2 trucks of dormitory furniture, 1 truck of ADP equipment worth 156K -office, dormitory, cafeteria and lounge furniture and equipment.
Grambling State University (Public) Grambling, Louisiana	000*	In dire need of dormitory furniture, specifically beds - Received 300 beds with other dormitory furniture. Other property from Barksdale AFB, DRMO to include a pick-up truck and a van. Arrangements have been made to receive BOQ property and appliances from Wherry Housing.
Southern University (Public) Baton Rouge, Louisiana	000*	Received 40 wood L-shaped desks and over 60K worth of Property from Ft. Polk DRMO. Also received office and dormitory furniture.
Jackson State University (Public) Jackson, Mississippi	000*	Received dormitory furniture from Columbus AFB DRMO in Mississippi. School had increase in enrollment and had some students housed in leased apartments with little furniture.
Norfolk State University (Public) Norfolk, Virginia	97	Received 97K worth of dormitory furnishing.
Virginia Union University (Private) Richmond, Virginia	106	Received dormitory and office furnishings.

Bowie State College (Public) Bowie, Maryland	000*	Received office and dormitory furnishings.
Stillman College (Private) Tuscaloosa, Alabama	000*	Computer work stations.
Oakwood College (Private) Huntsville, Alabama	10	Computer work stations.
Sojourner-Douglas College (Private) Baltimore, Maryland	10	Received office furniture.
Howard University (Private) Washington, DC	40	Received office furniture.

NOTE:

*Actual acquisition costs of property received by the institution was not available at the time of this report. However, unofficially, over 30 institutions have received property valued at over $2 million in the four months the program has been in existence.

ASSISTANCE PENDING
(November 1989 to January 1990)

Property Location & Type	Receiving Institution
Norfolk, VA DRMO (Chairs, Couches, Tables)	Xavier University (Private)
Aberdeen, MD DRMO (Chairs, Cafeteria, and Office Furniture)	Morris Brown College (Private)
Franconia, VA DRMO (Office Furniture)	Bennett College (Private) Southern University of New Orleans (Public) Bethume-Cookman College (Private) Florida A&M University (Public) Houston-Tillotson College (Private) Livingstone College (Private) Xavier University (Private)
Wurtsmith AFB, MI DRMO (Dormitory and Lounge Furniture)	Bennett College (Private)
Fort Monroe, VA (ADP Equipment)	To Be Determined
Fort Monroe, VA (Office Equipment)	Florida A&M Univ. (Public) Bethume-Cookman College (Private) Livingstone College (Private) Virginia Schools (6) (3 each) South Carolina Schools (8) (6 Public)
San Diego, Calif. DRMO (Dormitory Furniture)	Grambling University (Public) Xavier University (Private)

VA Hospital in Hampton, VA	Hampton Univ. (Private)
Lima, PA GSA Office	Southern University (Public)
Fort Polk, LA DRMO	Grambling University (Public)
Barksdale AFB, LA DRMO	Southern University, Baton Rouge (Public)
Maryland SASP - (Jessup, MD) (Desks)	Southern University (Public)
GSA Office -(Philadelphia, PA) (Office Furniture)	Virginia Union University (Private)
Fort Sam Houston, TX DRMO (Dormitory Furniture)	Texas Schools 8 (6 Private)
Attorney General's Office (Baltimore, MD) (Office Furniture)	Maryland Schools (5) (1 Private)
National Institute of Health (Bethesda, MD)	University of Maryland - Eastern Shore (Public)
GSA ADPE - Jan 90 (National Capital Region)	To Be Determined
Norfolk, VA DRMO (BOQ Furniture)	To Be Determined
Naval Air Station at El Centro, CA	To Be Determined
Cherry Point, NC DRMO (Paint, Dormitory & Office Furniture)	Morris Brown College (Private)
Sullair Corp (Industry) Equipment)	Lewis College, (Detroit, MI) (Private) (ADPE

EEOC Building
(Washington, DC)
(Office Furniture)

-Howard University (Private)
-Bennett College (Private)
-Oakdale College (Private)
-Hampton University (Private)
-Southern University of New Orleans (Private)
-Bowie State University (Public)
-University of Maryland, Eastern Shore (Public)
-Winston-Salem State University (Private)
-Jackson State University (Public)

CONTRIBUTING INSTALLATIONS AND FEDERAL AGENCIES

- Corps of Engineers -Atlanta, GA
- Arlington Hall Station, VA
- Norfolk, Virginia DRMO
- Chanute AFB, IL
- Fort Polk, Louisiana DRMO
- Naval Supply Center -Norfolk, Va
- Scott AFB, IL DRMO
- Fort Monroe, Virginia
- Barksdale AFB, Louisiana DRMO
- Cheatem Naval Annex -Williamsburg, VA
- Columbus AFB, MS DRMO
- Albany, GA DRMO
- Centers for Disease Control -Atlanta, GA
- IRS, Philadelphia, PA
- National Institute of Health -Bethesda, MD
- Public Health Service -Washington, DC
- Bureau of Mines -Washington, DC
- Export-Import Bank -Washington, DC
- Nuclear Regulatory Commission -Washington, DC

SASPs With Whom NAFEO Has Done Business

- Georgia
- Mississippi
- North Carolina
- Missouri
- Virginia
- Alabama
- Maryland
- Oklahoma
- Louisiana

Speaking Engagements by DoD/NAFEO LNO on Behalf of NAFEO's Surplus Property Program:

- NASASP Annual Meeting - New Orleans, Louisiana
- NAFEO Presidential Peer Meeting - Hilton Head, South Carolina
- Navy TRIAD Conference - Washington, DC
- NAFEO (Prime Contractors Conference - Los Angeles, California
- GSA Zone II Conference - Tampa, Florida
- HBCUs in Louisiana - Baton Rouge, Louisiana
- GSA Zone I Conference - Philadelphia, Pennsylvania

CURRENT ACTIVITIES

- Negotiating with GSA and DARIC Re: Cut DoD screen of ADPE from 60 to 39 days.
- Negotiating with PMS to devise lateral transfer of DoD property to their ROTC Detachment for further transfer to their host institution.
- Negotiating with directors of SASP to have meeting with the HBCUs in their States.

Marry-up Institutions with SASP and DRMOs in their states:

Alabama (13)	Virginia (6)	Ohio (3)
Tennessee (7)	North Carolina (11)	Michigan (3)
South Carolina (8)	Florida (4)	Illinois (2)
Mississippi (10)	Georgia (11)	Pennsylvania (2)
Texas (8)	Maryland (5)	California (2)
Arkansas (4)	Missouri (2)	Kentucky (2)

- Letter from DoD LNO for HBCU Initiative to be mailed during 2nd week of November to:
  GSA AUOs
  DLA DRMO Chiefs and Property Utilizations Specialists
  SASP Directors.

Benjamin F. Waller, Jr.
Colonel, Infantry
DoD Liaison Officer
For the HBCU Initiative

cf: Honorable John Shannon
Under Secretary of the Army

MESA SERVICES INTERNATIONAL, INC.
DEPARTMENT OF DEFENSE TECHNICAL ASSISTANCE CONTRACT
MDA 903-88-C-0116

STATUS REPORT

On March 27, 1989, MESA Services International, Inc. (MESA) started the first option year of the DoD Technical Assistance Contract # MDA 903-88-C-0116. The following information is a year to date report on the progress of the contract.

The first option year included 11 targeted cities selected by the DoD. These cities were:

1. Norfolk
2. St. Louis
3. Cleveland
4. Indianapolis
5. Houston
6. El Paso
7. Buffalo
8. Seattle
9. Orlando
10. Honolulu
11. Tucson

There have been a total of 80 Small & Disadvantaged Businesses that have received technical assistance year-to-date. Of these firms the following minority firms were visited:

Black Owned SDBs	21 firms
Hispanic Owned SDBs	24 firms
Asian Indian Owned SDBs	11 firms
Asian Pacific Owned SDBs	15 firms
Native American Owned SDBs	8 firms
Other (Middle Eastern)	1 firm
Total	80 firms

These 80 firms were concentrated in the manufacturing and machine shop area. The breakout of these firms were:

Machine Shop	46 firms
Metal/Plastic/Wood Fab.	16 firms
Electronics	6 firms
Sewing	3 firms
Ship/Marine Repair	2 firms
Packaging/Container	3 firms
Medical Equipment Mfgr.	1 firm
Distributor/fastners etc.	1 firm
Food	1 firm
Optics Mfgr.	1 firm
Systems Integration	
Total	80 firms

Exhibit 2

MESA serves as a resource center to provide continued technical assistance. Usually questions and information requests result after the MESA technical team has visited. MESA's staff has been able to respond to a wide range of technical assistance concerns such as:

1. Mil-I-45208 Quality Standard
2. Contract Administration
3. Marketing the DoD
4. Progress Payments
5. Property Control
6. Integrated Logistics Support
7. Logistics Support Analysis Records
8. DIPEC
9. First Article Production
10. Freedom of Information Act
11. Affirmative Action Policy
12. Military Specifications
13. Subcontracting Agreements
14. Production Layout

In addition, MESA has sent out over 1,000 items on solicitation information either from the CBD, Bid Board, or Prime Contractors.

Results from the contract are starting to be seen. Many of the SDBs are responding to the solicitation information and MESA is getting reports of contract awards. For example, a SDB which has been assisted by MESA was just recently awarded a $222,000 DoD contract.

There are many good SDBs firms that are located throughout the United States. The exposure to potential work and proper technical assistance is resulting in increased contracting opportunities in prime and subcontracting areas.

SMALL DISADVANTAGED BUSINESS AWARDS
FISCAL YEAR COMPARATIVE PERFORMANCE

		TOTAL AWARDS	8a	DIRECT	PREF.	SET-ASIDE	TOTAL	%
ARMY	FY 1988	$29,569	$819.0	$465.5	$1.3	$57.0	$1,342.8	4.5
	FY 1989	$28,871	$539.0	$339.7	$13.4	$157.7	$1,049.8	3.6
NAVY	FY 1988	$50,054	$676.0	$340.8	$2.0	$66.3	$1,085.0	2.2
	FY 1989	$42,175	$759.4	$392.8	$3.2	$50.5	$1,206.0	2.9
AF	FY 1988	$39,601	$552.2	$270.5	$1.4	$21.5	$845.7	2.1
	FY 1989	$36,948	$526.3	$260.1	$9.8	$86.1	$882.4	2.4
DLA	FY 1988	$9,244	$58.7	$93.0	$129.5	$0.5	$281.7	3.0
	FY 1989	$9,177	$109.6	$125.5	$547.8	$1.2	$784.1	8.5
ODA	FY 1988	$2,347	$56.8	$19.2	$0.0	$0.0	$75.9	3.2
	FY 1989	$2,831	$52.5	$18.5	$1.9	$2.6	$75.4	2.7
DoD	FY 1988	$130,815	$2,162.8	$1,188.9	$134.1	$145.3	$3,631.1	2.8
	FY 1989	$120,003	$1,986.7	$1,136.6	$576.1	$298.2	$3,997.6	3.3

$ = Millions

Exhibit 3

SMALL DISADVANTAGED BUSINESS SUBCONTRACT AWARDS
FISCAL YEAR COMPARATIVE PERFORMANCE
October 1, 1988 -- September 30, 1989

		TOTAL AWARDS	SDB AWARDS	%	% GOAL
ARMY	FY 1988	$1,725	$73.2	4.2	5.0
	FY 1989	$1,979	$77.0	3.9	5.0
NAVY	FY 1988	$10,518	$157.7	1.5	5.0
	FY 1989	$10,689	$175.0	1.6	5.0
AF	FY 1988	$15,033	$255.2	1.7	5.0
	FY 1989	$14,695	$308.7	2.1	5.0
DLA	FY 1988	$31,524	$648.2	2.1	5.0
	FY 1989	$28,673	$741.2	2.6	5.0
DOD	FY 1988	$58,799	$1,134.3	1.9	5.0
	FY 1989	$56,037	$1,301.8	2.3	5.0

$ = Millions

Exhibit 4

DoD CONTRACT AWARDS TO SDBs BY ETHNIC GROUP
FISCAL YEAR 1989
AWARDS OVER $25,000
(Dollars in Millions)

	Asian Indian Americans	Asian Pacific Americans	Black Americans	Hispanic Americans	Native Americans	Not Coded	No Represent.	Other Certified	TOTAL
ARMY	$58.6	$116.1	$333.6	$241.4	$87.1	$0.0	$117.1	$57.1	$1,011.0
NAVY	$63.9	$153.7	$417.7	$225.5	$62.3	$0.0	$172.2	$41.3	$1,136.6
AF	$83.8	$84.9	$253.3	$243.0	$64.4	$0.0	$56.6	$42.8	$828.8
DLA	$34.6	$107.0	$235.9	$162.9	$195.0	$0.1	$4.5	$7.1	$747.0
ODA	$11.6	$4.4	$35.2	$3.7	$0.7	$0.0	$13.3	$6.3	$75.2
DoD	$252.5	$466.2	$1,275.7	$876.4	$409.4	$0.1	$363.6	$154.7	$3,798.5

Exhibit 5

PERCENTAGE OF DOD DOLLARS AWARDS TO SDB's BY ETHNIC GROUP
FISCAL YEAR 1989
AWARDS OVER $25,000

	Asian Indian Americans	Asian Pacific Americans	Black Americans	Hispanic Americans	Native Americans	Not Coded	No Represent.	Other Certified	TOTAL
ARMY	1.5%	3.1%	8.8%	6.4%	2.3%	0.0%	3.1%	1.5%	26.6%
NAVY	1.7%	4.0%	11.0%	5.9%	1.6%	0.0%	4.5%	1.1%	29.9%
AIR FORCE	2.2%	2.2%	6.7%	6.4%	1.7%	0.0%	1.5%	1.1%	21.8%
DLA	0.9%	2.8%	6.2%	4.3%	5.1%	0.0%	0.1%	0.2%	19.7%
ODA	0.3%	0.1%	0.9%	0.1%	0.0%	0.0%	0.4%	0.2%	2.0%
TOTAL	6.6%	12.3%	33.6%	23.1%	10.8%	0.0%	9.6%	4.1%	100.0%

AWARDS TO HBCU/MI's AS COMPARED TO AWARDS TO HIGHER EDUCATION INSTITUTIONS
October 1, 1988 -- September 30, 1989
(Dollars in Thousands)

DEPT/ AGENCY	HEI AWARDS	HBCU/MI AWARDS	%
ARMY*	$249,402	$6,011	2.41
NAVY	$344,919	$27,891	8.09
AF	$602,202	$16,453	2.73
DLA	$6,787	$0	0.00
ODA	$46,851	$163	0.35
DoD	$1,250,161	$50,518	4.04

* Army data includes Corps of Engineers awards.

Exhibit 6

DOD 10% EVALUATION PREFERENCE
FISCAL YEAR COMPARATIVE PERFORMANCE

	FISCAL YEAR	CONTRACT ACTIONS	SDB AWARD PRICE	LOW OFFER	PREFERENCE PAID	AVG PREF
ARMY	1988	3	$1,294,484	$1,232,300	$62,184	5.0%
	1989	19	13,382,000	13,154,716	$227,284	1.7%
NAVY	1988	9	1,958,243	1,904,795	$53,448	2.8%
	1989	23	3,233,000	3,116,753	$116,247	3.7%
AF	1988	9	1,378,866	1,310,958	$67,908	5.2
	1989	35	9,807,000	9,644,669	$162,331	1.7%
DLA	1988	293	129,485,342	122,207,437	$7,277,905	6.0%
	1989	1,015	547,790,000	517,159,025	$30,630,975	5.9%
ODA	1988	----	----	----	----	----
	1989	3	1,858,000	1,858,000	$0	0.0%
DOD	1988	314	$134,116,935	$126,655,490	$7,461,445	5.9%
	1989	1,095	$576,070,000	$544,933,163	$31,136,837	5.7%

Exhibit 7

U.S. Government Printing Office
Small Disadvantaged Business (SDB) Report
October 1, 1988- September 30, 1989

Total value of printing services procured by GPO for DOD $233,850,779.20

Set-Aside for SDBs

Covered Entities	Actions	Dollar Value
Black American	149	$ 191,377.03
Hispanic American	353	3,437,918.31
Asian-Indian American	11	30,142.95
Native American	75	136,906.84
Asian-Pacific American	51	502,267.71
Other Individuals Certified by SDB	6	12,690.00
TOTAL	645	$4,311,302.84

Total Activity with SDBs (Includes Set-Asides)

Black American	246	$ 240,853.25
Hispanic American	1295	10,240,298.87
Asian-Indian American	54	231,739.95
Native American	1009	549,343.51
Asian-Pacific American	291	814,316.65
Other Individuals Certified by SDB	7	14,834.00
Awards to SDBs (Entity Designation Not Available*)	6282	$7,793,573.52
TOTAL	9174	$19,884,961.75

Exhibit 8