

Carnegie Mellon

(Revised 02/28/2011)

Procurement Procedures

Procurement Services (PS)

3.4 Policy Statement

On Using Small

Businesses

Carnegie Mellon is committed to supporting small business enterprises, including socially and economically Small Disadvantaged Businesses, Small Women-owned Businesses, Small Veteran-owned Businesses, Small Disabled Veteran-owned Businesses and HUBZone Businesses in its purchasing programs. A Small Business Enterprise is defined as an independently owned and operated concern, including its affiliates, that is not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13CFR Part 121 (see FAR 19.102) A Small Disadvantaged Business is defined as a small business concern, owned and controlled by individuals who are both socially and economically disadvantaged, as defined by the Small Business Administration at 13CFR Part 124, the majority of earnings of which must directly accrue to such individuals. This term also means a small business concern owned and controlled by an economically disadvantaged Indian tribe or Native Hawaiian organization which meets the requirements of 13CFR 124.112 or 13CFR 124.113, respectively. In general, 13CFR Part 124 describes a small, disadvantaged business concern as a small business concern. A Small Women-owned Business is defined as a small business concern in which at least 51% of the concern is owned and day-to-day managed and controlled by women, or in the case of a publicly owned business, at least 51% of the stock is owned by women, with one or more women managing and controlling the daily operation of the business. A Small Veteran-owned Business is defined as a small business concern in which at least 51% of the concern is owned and day-to-day managed and controlled by veterans (as defined at 38 U.S.C. 101[2]), or in the case of a publicly owned business, at least 51% of the stock is owned by veterans, with one or more veterans managing and controlling the daily operation of the business. A Small Disabled Veteran-owned Business is defined as a small business concern in which at least 51% of the concern is owned and day-to-day managed and controlled by disabled veterans (as defined at 38 U.S.C. 101[2]), or in the case of a publicly owned business, at least 51% of the stock is owned by disabled veterans, with one or more disabled veterans managing and controlling the daily operation of the business. A HUBZone is defined as a historically underutilized business zone, which is an area located within one or more qualified census tracts, qualified non-metropolitan counties, or lands within the external boundaries of an Indian reservation. A HUBZone Business is defined as a small business concern that

appears on the List of Qualified HUBZone Small Business Concerns maintained by the SBA. On foreign campuses, these definitions will remain applicable, but references to US government regulations may not apply.

Small Business Participation

The University has established an overall goal for small business enterprise participation of fifteen percent (15%) of the dollar volume of University purchasing, excluding purchasing from sole source providers where there is no discretion in supplier selection (e.g., utilities). Within this overall goal, the University has also established goals for socially and economically disadvantaged business enterprises, women-owned, veteran-owned, disabled veteran-owned and HUBZone business enterprise participation of five percent (5%) of the dollar volume of University purchasing. Goal establishment on awards from federal government agencies may differ per award. Sponsored Project Accounting (SPA) and the University Small Business Liaison Officer (SBLO) are responsible for tracking and reporting to the appropriate agencies individual award goal attainment and overall University goal attainment.

Although individual purchases or projects may not reach the goals, the University's intent is to work for the achievement of these goals over a fiscal year. Success depends on the active commitment of all authorized buyers. University procurement activities for goods and services should be as inclusive as possible to allow small, disadvantaged, women-owned, veteran-owned, disabled veteran-owned and HUBZone business enterprises the maximum practicable opportunity to participate in Carnegie Mellon acquisitions.

The University's goals for procurement from small, disadvantaged, women-owned, veteran and HUBZone business enterprises should be given consideration along with other selection factors, such as cost, ability to meet required schedules and ability to perform the required work satisfactorily. University procurement activities for goods and services should be as inclusive as possible to allow small, disadvantaged, woman-owned, veteran-owned, disabled veteran-owned and HUBZone business enterprises a reasonable opportunity to provide goods and services to the University.

It is expected that all contractors and suppliers doing business with Carnegie Mellon will share these goals and participate in their achievement.

Major Project Oversight

A team (Diversity Business Council), led by the Equal Opportunity Services Officer and consisting of the Director of Procurement Services (PS), the Assistant vice President of Campus Services, the Director of Telecommunications, the Director of Sponsored Programs, and the Assistant Vice President for Campus Design and Facilities Development (CD&FD), reviews all major housing, telecommunications, renovation and new construction projects for subcontracting opportunities with disadvantaged, women-owned, veteran-owned, disabled veteran-owned and HUBZone business suppliers. Subcontractors bidding on or acquiring federally funded University business in excess of \$650,000, or for federally funded University construction or renovation projects in excess of \$1,000,000, will be required to file a Small Business Subcontracting Plan.

Tracking & Measurement

PS, Sponsored Projects Accounting, and the Office of Sponsored Programs are responsible for classifying, tracking and compiling all statistical data and submitting all management, administrative and governmental filings and reports.

PS and Sponsored Projects Accounting work with the Office of Sponsored Programs, the University's Diversity Business Council, and representatives of foreign branch campuses to develop, implement and monitor the effectiveness of appropriate strategies to achieve University purchasing goals.

To ensure that the University's total procurement dollars are accurately represented, and to ensure that subcontracting dollars to small, disadvantaged, women-owned, veteran-owned, service disabled veteran-owned and HUBZone business suppliers are included in all management and government audits or reports, FMS and PS will provide Sponsored Projects Accounting with a semi-annual report on subcontracted small business awards.

Also, to ensure that the University's total procurement dollars are accurately represented, and to ensure that subcontracting dollars to certified disadvantaged and HUBZone business suppliers are included in all management and government audits or reports, PS and Buyers should access the Small Business Administration's database – Central Contractor Registration (CCR – www.ccr.gov) for verification.

Providing Equal

Opportunity

To be sure that the University does not overlook such suppliers who might be able to supply the item(s) or service(s) needed, the following guidelines are established:

1. Contact a PS Commodity Manager to assist in identifying small, disadvantaged, women-owned, veteran-owned, disabled veteran-owned and HUBZone businesses.
2. Consider breaking large orders into separate groupings to give small businesses a greater opportunity to supply items (competition requirements are still applicable).
3. Contact a Commodity Manager within PS when developing specifications for what is needed.
4. When using competitive bidding, give small, disadvantaged, women-owned, veteran-owned, disabled veteran-owned and HUBZone business suppliers the opportunity to submit bids.

Contact

Questions concerning the interpretation or implementation of this policy should be directed to the Director of Procurement Services.