



Office of Government Contracting Training for JPL Procurement Staff

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WHY DOES A SUPPLIER DIVERSITY PROGRAM EXIST?

- Public Law 95-507
 - Signed in 1978 by President Carter
 - Amended the Small Business Act to make federal procurement more readily accessible to all small businesses
 - Stipulates that it is the policy of the Government to provide maximum practicable opportunities in its acquisitions to small businesses, small disadvantaged businesses and women-owned businesses.

WHY DOES A SUPPLIER DIVERSITY PROGRAM EXIST?

- Extends to having the maximum practicable opportunity to participate as subcontractors in contracts awarded by any executive agency
- Head of each agency is responsible for implementing the small business programs within his/her agency including setting and achieving annual goals for small and small and disadvantaged business contracting

WHY DOES A SUPPLIER DIVERSITY PROGRAM EXIST?

- Requires OSDBU to review all subcontractor plans submitted by prime contractors to ensure compliance.
- Directs that the successful offeror or bidder on contracts of \$500 K (\$1M for construction) or more must submit, before award, a subcontracting plan setting percentage and dollar goals for the award of subcontracts to small and disadvantaged businesses.

WHY DOES A SUPPLIER DIVERSITY PROGRAM EXIST?

- Historical Background
 - Before PL 95-507 - very little diversity in government contracting
 - Did away with the “old boy” contracting network
 - Established a supplier base representative of the American population
 - Diversity and inclusion drives a competitive advantage that drives business results

WHAT IS A SUPPLIER DIVERSITY PROGRAM?

- Clearly documented commitment from the company CEO or Head of Agency,
- Specific annual goals for purchasing from minority, women-owned, SDVOBs, and Tribally-owned businesses,
- Head of the Supplier Diversity Program is at the senior management level, or above and has control over corporate purchasing,

WHAT IS A SUPPLIER DIVERSITY PROGRAM?

- Consideration of minority owned businesses included as a formal part of the contracting procurement process,
- Second-tier subcontracting to minority owned businesses also included as part of that process and written into the prime supplier's contract,
- A comprehensive database of minority owned businesses that is actively maintained and integrated into the purchasing process

WHAT IS A SUPPLIER DIVERSITY PROGRAM?

- Purchasing system that tracks supplier diversity performance and can target specific contracts for additional focus, outreach, or consideration,
- Visibility on the company's Internet website, including program details, contacts, and list of products and services purchased, and
- Strategic partnerships with ethnic chambers, publishers, and other organizations that can assist in outreach

MARKET RESEARCH

- Effective market research methods for locating small businesses –
 - Dynamic Small Business Search (DSBS)
http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm
 - Quick Market Search button
 - Search by NAICS code, keywords and location
 - DSBS
 - More thorough search

MARKET RESEARCH

The screenshot shows a Microsoft Internet Explorer browser window displaying the SBA Quick Market Search page. The browser's address bar shows the URL: http://dsbs.sba.gov/dsbs/search/dsp_quicksearch.cfm. The page header includes the SBA logo and navigation buttons for Print, Exit, Help, DSBS, and Quick Market Search. The main content area features a welcome message and a detailed explanation of the search results: "Based on the search criteria selected, the Quick Market Search will return an aggregate number of profiles in the following socio-economic categories: HUBZone, 8(a), Small Disadvantaged Business (SDB), Woman-owned, Veteran owned and Service Disabled Veteran-owned in a randomized order. It is also possible to drill down to the specific profiles identified in the search results. (Note: To find small businesses NOT in these socio-economic categories, go to DSBS using the button above.)" Below this, there are two search input sections. The first is for "Nature of Business" with a text box for NAICS Code(s) and radio buttons for "Any" (selected) and "All (slower)", accompanied by a "Help" link. The second is for "Keywords" with a text box and radio buttons for "Any" (selected) and "All (slower)", also with a "Help" link. The "Location of Firm" section includes a "State(s)" dropdown menu with a list of states and territories (AL - Alabama, AK - Alaska, AA - American Atlantic (APO/FPO), AE - American Europe (APO/FPO), AP - American Pacific (APO/FPO)), a "Metropolitan Statistical Area" text box, and a "Zip Code or Zip Code Initial Fragment" text box. At the bottom of the page, there is a footer with navigation links for First Gov, E-Gov, Regulations.gov, and White House, along with processing time and version information. The Windows taskbar at the bottom shows the Start button, several open applications (Inbox - Microsoft Outlook, Microsoft PowerPoint, Microsoft Word), and the SBA Quick Market Search window, with the system clock showing 11:46 AM.

SBA - Quick Market Search - Microsoft Internet Explorer provided by SBA

File Edit View Favorites Tools Help

Back Forward Stop Refresh Home Search Favorites History Mail Print Edit Discuss Research Messenger

Address http://dsbs.sba.gov/dsbs/search/dsp_quicksearch.cfm Go Links Customize Links Free Hotmail Free HotMail(1)

U.S. Small Business Administration
SBA
Your Small Business Resource

Print Exit Help
DSBS Quick Market Search

Quick Market Search Welcome to Quick Market Search All search form hotlinks open a new browser window.

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Nature of Business (comma separated, up to 5 entries or 40 characters) for:

NAICS Code(s): Any All (slower) [Help](#)

Or keywords (comma separated, up to 25 entries or 125 characters) for:

Keywords: Any All (slower) [Help](#)

Location of Firm:

State(s):
[\(How to make multiple selections.\)](#)

(any state)
AL - Alabama
AK - Alaska
AA - American Atlantic (APO/FPO)
AE - American Europe (APO/FPO)
AP - American Pacific (APO/FPO)

[Metropolitan Statistical Area](#) (4-digit numeric, leading 0's if fewer digits)

Zip Code or Zip Code Initial Fragment (1 to 5 numeric digits)

> First Gov > E-Gov > Regulations.gov > White House SBA Processing: 0.142 seconds Version: Small Business Source System 7.0.1
* Privacy & Security * Information Quality * FOIA * No Fear Act * ADA

Done

Start Inbox - Microsoft Out... Microsoft PowerPoint ... Microsoft Word SBA - Quick Mark... Local intranet 11:46 AM

MARKET RESEARCH

- Search supplier data bases of minority and women-owned business organizations -
 - National Minority Supplier Development Council (NMSDC)
 - National Association of Women Business Owners (NAWBO)

NAICS CODES AND SIZE STANDARDS

- Size standards –
 - SBA established a Table of Small Business Size Standards matched to the North American Industry Classification System (NAICS),
 - http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_sstd_tablepdf.pdf
 - Usually stated in number of employees or average annual receipts,
 - Represents the largest size that a business (including its subsidiaries and affiliates) may be to remain classified as a small business for SBA and Federal contracting programs.

NAICS CODES AND SIZE STANDARDS

- **Use of Size Standards for Federal Procurement**
 - The contracting officer designates the size standard of the procurement by selecting the size standard for the NAICS industry that best describes the goods or services being procured.
 - When more than one NAICS is involved in a contract, consideration is given to the function of the goods and services being purchased and the relative value and importance of each.

NAICS CODES AND SIZE STANDARDS

- To bid on a Federal contract, a concern must self-certify that it is a small business under the appropriate size standard in the solicitation.
- The size of the concern at the time of self-certification prevails for that contract.

NAICS CODES AND SIZE STANDARDS

- Size Standard Based on Annual Revenue (average annual revenue over three years)
 - NAICS Code 523110 – Investment Banking and Securities Dealing - \$7.0 million
 - Subsector 523 – Financial Investments and Related Activities

NAICS CODES AND SIZE STANDARDS

- Size Standard Based on Number of Employees (average number of employees for the 12 months prior to self-certification, including part-time and contract employees)
 - NAICS Code 326111 – Plastic Bag and Pouch Manufacturing – 500 employees
 - Subsector 326 – Plastics and Rubber Products Manufacturing

Contact Information

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