

# SURGING

## AHEAD

**T**he Department of Energy (DoE) has established several guidelines in its effort to unbundle contracts and increase federal contracting opportunities for small businesses. In response to President Bush's directive, Theresa Alvillar-Speake, Director of the Office of Economic Impact and Diversity, who also heads the DoE's Office of Small & Disadvantaged Business Utilization (OSDBU), says, "We at the DoE recognize that we must examine how we can ensure that contracts are open. We review contracts by identifying significant portions of large contracts that can be pulled out safely, without disrupting the operations."

DoE has defined how it will satisfy each of its unbundling guidelines in accordance with the directive, and how it intends to increase opportunities for small businesses, either as prime or subcontractors to the agency. In early October 2002, Secretary of Energy



*The Department of Energy  
unbundles contracts,  
assuring that small and  
small disadvantaged  
businesses have a chance  
to compete.*

Spencer Abraham issued a *Policy Statement on Supporting Small Businesses in Implementing DoE Missions* supporting President Bush's Small Business Agenda, which includes ensuring that government contracts are open to all small businesses that can supply the government's needs, and avoiding unnecessary bundling of government contracts.

### Senior Management Accountability

DoE has taken a number of steps to ensure that the agency's senior management is held accountable for improving contract opportunities for small businesses. The performance plans for all executives with significant managerial and/or technical contracting responsibility must include the organization's small business goals as criteria for performance assessment.

Additionally, the individual program assistant secretaries, who control the expenditure of the DoE's budget and who



developed their own goals, will be held responsible and accountable to the Secretary of Energy for goal achievement.

### Agency Review

DoE has policies and procedures in place that implement federal procurement regulations. The guidelines include documents that require the review of bundled task orders and delivery orders placed under multiple award contracts, review of government-wide acquisition contracts, and review of federal supply schedules.

### Agency Review of Proposed Acquisitions/Contract Bundling

DoE has procedures in place for reviewing proposed acquisitions that are above specified thresholds, to address unnecessary and unjustified contract bundling. When a bundled procurement is proposed, but not targeted to a small business, such as through set-aside mechanisms, the initiating program office must consult the OSDBU. The Deputy Secretary must approve contract bundling after concurrence by the OSDBU.

### Strengthen Compliance with Subcontracting Plans

DoE intends to mitigate the effects of contract bundling by strengthening compliance with subcontracting plans. The Department contracts out approximately \$18 billion in prime contracts annually; requiring that its prime contractors submit small business subcontracting plans for all contracts over \$500,000 (\$1 million for construction).

DoE has an outstanding record in the area of subcontracting with small businesses by its prime contractors. Of the subcontracting awards made in FY 2001, 47.3 percent were made with small businesses (approximately \$3 billion), far exceeding the 40 percent goal established by the Small Business Administration. Of the total spent, close to \$634 million was spent with small disadvantaged businesses, and more than \$501 million was spent with woman-owned businesses.

Janet Gualtieri Torres, president and CEO of Contemporary Technologies, inc. (CTi), a small, woman-owned business, dedicated to helping organizations maximize their IT investments, feels her business has benefited from the work it has done for DoE. According to Torres, "Our subcontract work with the DoE has helped position our company to gain better insight and



Spencer Abraham and Theresa Alvililar-Speake

understanding of governmental needs and requirements. This, combined with the guidance of DoE's OSDBU personnel, is significantly enhancing CTi's potential to work for the DoE as a prime contractor."

In order to further promote subcontracting with small disadvantaged businesses, the DoE has, for more than a decade, been conducting an 8(a) pilot program in which prime contractors that manage and operate DoE facilities

are allowed to mirror the federal 8(a) program, make noncompetitive awards with an award value of under \$3 million to 8(a) firms, and compete procurements over that amount among 8(a) firms. In addition, the DoE has established a mentor-protégé program under which prime contractors are encouraged to award contracts to their protégés.

The DoE has taken a number of additional steps in promoting small business subcontracting. Stipulations for small business inclusion have been added to its major solicitation instructions to prospective contractors, and additional evaluation criteria require prospective contractors to describe their teaming arrangements with small businesses.

In addition, a positive evaluation is given to prospective contractors that have an active mentor-protégé program and that identify the protégé in their proposal.

As part of an effort to create opportunities for small businesses, the Secretary of Energy will host the *4<sup>th</sup> Annual Small Business Conference*, May 12-15, 2003, in Albuquerque, New Mexico. The conference brings together DoE prime contractors and federal agencies with the small business community. For more information, or to register, please visit [www.smallbusiness-outreach.doe.gov](http://www.smallbusiness-outreach.doe.gov). ♦



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