

A8.295     Small Business and Small Disadvantaged Business  
Utilization Programs

1.     Purpose

The University of Hawaii endeavors to assist small business and small disadvantaged business concerns in competing for direct contractual awards and for subcontractual awards under Federal contracts and grants. This effort is in direct support of the University's Small Business and Small Disadvantaged Business Utilization Programs and the Federal Government's programs involving the Small Business Act and Public Law 95-507.

2.     Definitions

a.     Small Business Concern

A business concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operations in which it is selling goods and services to the University, and can qualify under the size criteria concerning number of employees, average annual receipts, or other factors, as prescribed by the Small Business Administration Rules and Regulations.

b.     Small Disadvantaged Business Concern

A small business concern which is owned and controlled by socially and economically disadvantaged individuals. Further defined, it means a small business concern:

- 1)     that is at least 51 percent owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 percent of the stock

of which is owned by one or more socially or economically disadvantaged individuals; and

- 2) whose management and daily business operations are controlled by one or more such individuals.

Socially and economically disadvantaged individuals include African Americans, Hispanic Americans, Native Americans (i.e., American Indians, Eskimos, Aleuts, and Native Hawaiians), Asian-Pacific Americans (i.e., U.S. citizens whose origins are from Japan, China, Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands, Northern Marianas, Laos, Cambodia, or Taiwan), Asian-Indian Americans (i.e., U.S. citizens whose origins are in India, Pakistan, or Bangladesh) and other minorities or any other individual found to be disadvantaged by the Small Business Administration.

Status as a qualified small disadvantaged business concern is determined by certification by the Small Business Administration and inclusion on its PRO-Net database (<http://pro-net.sba.gov>).

c. Woman-Owned Small Business Concern

A small business concern which is at least 51 percent owned by women who are U.S. citizens and who also control and operate the business. "Control" in these contexts means exercising power to make policy decisions. "Operate" in these contexts means being actively involved in the day-to-day management of the business.

d. HUBZone Small Business Concern

A small business concern which is located in a historically underutilized business zone (HUBZone) (i.e., areas within one or more qualified census tracts, qualified non-metropolitan counties, or lands within the external boundaries of an Indian reservation), has its principal place of business within the HUBZone and has at least 35 percent of its employees living in the HUBZone.

Status as a qualified HUBZone small business concern is determined by certification by the Small Business

Administration and inclusion on its PRO-Net database (<http://pro-net.sba.gov>).

e. Veteran-Owned Small Business Concern

A small business concern which is owned and controlled by veteran(s). Further defined, it means a small business concern:

- 1) that is at least 51 percent owned by one or more veterans; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more veterans; and
- 2) whose management and daily business operations are controlled by one or more such individuals.

f. Service-Disabled Veteran-Owned Small Business Concern

A small business concern which is owned and controlled by service-disabled veteran(s). Further defined, it means a small business concern:

- 1) that is at least 51 percent owned by one or more service-disabled veterans; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more service-disabled veterans; and
- 2) whose management and daily business operations are controlled by one or more service-disabled veterans; or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

Service-disabled veteran means a veteran with a disability that is service-connected.

g. Public Law 95-507

This law requires Federal contractors to submit, before award of contract, a subcontracting plan that addresses both small and small disadvantaged business subcontracting (See "Subcontracting Plan"). This law applies to Federal awards over \$1,000,000 for construction contracts and over \$500,000 for all other contracts.

h. Subcontracting Plan

A plan submitted by the University for the award of a Federal contract which includes separate percentage goals (% of total planned subcontracting dollars) for use of small and small disadvantaged business subcontractors, names and duties of University personnel who will administer the subcontracting program, a description of the University's efforts to assure that small and small disadvantaged concerns have an equitable opportunity to compete for subcontracts, and other requirements related to reporting and records. The subcontracting plan, as negotiated with the Federal Contracting Officer, will be incorporated into the Federal contract as awarded to the University. Failure by the University or its subcontractor to comply in good faith with the plan will constitute a material breach of the prime contract with the University or for its subcontract. The format for the subcontracting plan can be found at <http://www.onr.navy.mil/02/024>.

i. Procurement Marketing and Access Network (PRO-Net)

PRO-Net is an internet-based database of information on small businesses, including disadvantaged, HUBZone, and women-owned businesses, maintained by the Small Business Administration which serves as a primary basis for recommending the businesses as sources for both prime contracts and subcontracting by the University. PRO-Net database can be found at <http://pro-net.sba.gov>.

3. Determination of Small Business Status

The determination of whether a vendor doing business with the University is a small business concern is dependent on the number of employees and its annual dollar revenues. Status as a small business concern may generally be established by self-certification by the vendor through completion of the Business Classification Certification Statement (OPRPM Form 115)(**Attachment 295.1**). However small disadvantaged business concerns and HUBZone business concerns are required to be certified by the Small Business Administration in order to be eligible for evaluation credits when preparing subcontract plan reports.

4. Responsibilities with Respect to Small Business Programs

a. The Office of Procurement and Real Property Management is responsible for:

- 1) Managing, directing and administering the University's Small Business and Small Disadvantaged Business Utilization Programs.
- 2) Establishing and maintaining source lists of potential small and small disadvantaged business concerns.
- 3) Advising representatives of small business concerns on doing business with the University and participating in the competitive bidding process.
- 4) Maintaining liaison with the Small Business Administration (SBA), other Federal agencies, and State organizations in order to obtain assistance in locating competent small and small disadvantaged business concerns.
- 5) Advising and increasing awareness of University personnel concerning the Small Business Programs, including the PRO-Net computerized listing of small business concerns.
- 6) Preparing subcontract plan reports using Standard Form 295, which can be found at (<http://www.onr.navy.mil/02/024>), as required by the Federal contracting agency and submitting such reports to the appropriate Federal agencies in a timely manner.

b. Principal Investigators are responsible for:

- 1) With the assistance of the fiscal officer, negotiating, preparing, and submitting subcontracting plans for small and small disadvantaged business concerns using the Subcontracting Plan form (<http://www.onr.navy.mil/02/024>).

- 2) Assisting the fiscal officer in preparing subcontract plan reports using Standard Form 294 (<http://www.onr.navy.mil/02/024>) as required by the Federal contracting agency.

c. Fiscal Officers are responsible for:

- 1) Assisting the principal investigators in the preparation of subcontracting plans and in the area of purchasing support to meet their responsibilities as outlined above.
- 2) Administering the subcontracting plan and maintaining records to document the University's performance with regard to the goals established under the plan.
- 3) Seeking out small business concerns to meet the University's requirements for goods and services, including the attainment of subcontract plan goals.
- 4) Preparing subcontract plan reports using Standard Form 294, which can be found at (<http://www.onr.navy.mil/02/024>), as required by the Federal contracting agency, and submitting such reports to the appropriate Federal agencies in a timely manner.
- 5) Providing copies of above reports to the Office of Procurement and Real Property Management.

5. Procedures

All purchases by the University, regardless of the type of funds used, should give consideration to the support of small business concerns.

All purchases shall be as prescribed elsewhere in these administrative procedures or pursuant to each Federal contract or grant awarded to the University. State and University Price Lists and statutory requirements shall not be disregarded in order to make an award to a small business concern.

Individuals directly responsible for the acquisition of goods and services shall use the Business Classification

Certification Statement (OPRPM Form 115) (**Attachment 295.1**), in conjunction with the University's Request for Quotation form, and the PRO-Net and University small vendor listings to the maximum extent practicable in placing contractual awards with qualified small business concerns. Small business and small disadvantaged business subcontractors should be directed to contact the Small Business Administration's Office of Certification and Eligibility to obtain certification of their business classification. Evidence of such certification should be attached to the Business Classification Certification Statement (OPRPM Form 115) (**Attachment 295.1**).

Efforts should be made, for each procurement under a formal contract or purchase order, to identify those vendors which are either small or small disadvantaged business concerns. Such information is needed for purposes of establishing and updating small and small disadvantaged vendor listings. The information should be gathered as follows:

- a. For Formal Contracts: Vendors should be required to execute the Business Classification Certification Statement (OPRPM Form 115) (**Attachment 295.1**) at the time of contract execution.
- b. For Purchase Orders: Vendors should be required to execute the Business Classification Certification Statement (OPRPM Form 115) (**Attachment 295.1**) in conjunction with the submission of their completed offer in response to a Request for Quotation.

If a purchase falls within a fiscal officer's purchasing authority, the original certification statement should be forwarded to the Office of Procurement and Real Property Management and a copy of the statement should be attached to the Request for Quotation. If the total amount of the purchase exceeds the fiscal officer's purchasing authority, the Request for Quotation and original certification statement together with other purchasing documents should be forwarded to the Office of Procurement and Real Property Management for further processing.