

Directive 212.4
6/13/89

CONTRACTING WITH SMALL BUSINESSES AND SMALL DISADVANTAGED
BUSINESSES

- I. PURPOSE This Directive states Agency policy relating to contracting with small businesses and small disadvantaged businesses.
- II. AUTHORITY The regulations establishing, governing, and providing guidelines for contracting with small businesses and small disadvantaged businesses are contained in the Federal Acquisition Regulations (FAR), Subpart 19.
- III. POLICY It is Agency policy to place a fair proportion Of its acquisitions with small businesses and small disadvantaged business concerns. Such concerns shall also have the maximum opportunity to participate as subcontractors.
- IV. DEFINITIONS
- A. Small Disadvantaged Business - A small business at least 51 percent owned and controlled by socially and economically disadvantaged persons. The Small Business Administration (SBA) requires that management and daily business be controlled by one or more such individuals.
 - B. Socially Disadvantaged - Individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as members of a group without regard to their individual qualities.
 - C. Economically Disadvantaged - Individuals who are socially disadvantaged and whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities, as compared to others in the same or similar line of business that are not socially disadvantaged.
 - D. Socially and Economically Disadvantaged Individuals - Includes Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian-Indian Americans, and other individuals found to be qualified by the SBA under 13 CFR 124.
 - E. Small Business Concerns - A concern, including its affiliates, that is independently owned and operated, 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 13 CFR 121.
- V. RESPONSIBILITIES
- A. The Head of the Contracting Activity shall:
 - 1. Effectively implement the small business and small disadvantaged business utilization programs within their activity, including achieving program goals.
 - 2. Ensure that contracting and technical personnel maintain knowledge of small business and small disadvantaged business program requirements.
 - 3. Take action to increase small business participation in their activity's contracting

processes.

B. The Contracting Officer shall:

1. Determine the feasibility of using small businesses and small disadvantaged businesses.
2. Include in solicitations and contracts (when contracting by negotiation), Clause 52.219-10, Incentive Subcontracting Program for Small Businesses and Small Disadvantaged Businesses. When a subcontracting plan is required, synopsise the opportunity for prime contractors to receive incentives for subcontracting with small businesses and small disadvantaged businesses. Determine the type of incentive to be afforded the contractor; i.e., extra points during evaluation or monetary incentive. If an incentive is warranted, use discretion on a contract-by-contract basis.
3. Review acquisitions to determine if they can be set-aside for small businesses and small disadvantaged businesses, having cognizance of the Agency's small business and small disadvantaged business utilization program and documenting why a set-aside is inappropriate if not used.
4. Include on bidders' mailing list all established and potential small business sources which have submitted acceptable applications or appear to be qualified. Allow the maximum amount of time practicable for the submission of offers.
5. Review each FAR clause in full text relating to small businesses and small disadvantaged businesses and include the applicable clauses in the solicitation.
6. Make awards to small business concerns, in the event of equal low bids.

Page 2

C. The Program Managers shall:

1. Identify opportunities to contract with small businesses and small disadvantaged businesses.
2. Define work requirements in a manner which encourages small businesses and small disadvantaged businesses to bid on the solicitation.

VI. Direct inquiries to the Property and Safety Management Branch,
INQUIRIES Administrative Services Division, Animal and Plant Health
Inspection Service.

Administrator

