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Small Business Program Description and Purpose

Commission for Blacks

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SMALL BUSINESS PROGRAM**DESCRIPTION AND PURPOSE**

1. The University Small Business Program is designed to give small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals full access and opportunity to participate in the University's procurement activities. The University has established the goal of purchasing at least 10% (excluding utilities) of its total annual requirements from small business concerns and small business concerns owned and controlled by socially disadvantaged individuals.
2. Federal regulations specifically require recipient institutions of grant and contract funds to have a small business program which will enable small business enterprises to be considered fairly as sub-contractors and suppliers.
3. As used in this contract, the term "small business concern" shall mean a small business as defined pursuant to section 3 of Small Business Act (15 U.S.C. 632) and relevant regulations promulgated pursuant thereto, including Subpart 1-1.701 of the Federal Procurement Regulations. The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern.
 - (1) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or in the case of any publicly-owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and
 - (2) whose management and daily business operations are controlled by one or more of such individuals. The contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans and other specified minorities, or any other individual found to be disadvantaged by the Small Business Administration pursuant to section 8 (a) of the Small Business Act.
4. The implementation and coordination of the Small Business Program will devolve upon the Department of Business Services principal investigators and departmental administrators.

PURCHASING DEPARTMENT RESPONSIBILITIES

1. The Assistant Director of Business Services (Morris Wilson) will act as the University's Small Business Coordinator.
2. The Small Business Coordinator is responsible for day-to-day implementation of the relevant Small Business purchasing procedures by the Purchasing Department buying staff.
3. The Small Business Coordinator also works with Small Business representatives and their organizations to describe and explain the University's Small Business Program purchasing procedures. He or she will also work to identify Small Businesses and to initiate contact with them to insure awareness of the Small Business Program.
4. All bidder applications for registration require written representation as to their status as Small Business firms.
5. Bidders List vendor identification codes indicate the status of Small Business; for computerized selection of bidders, reporting, etc. This program involves re-registration of existing bidders to determine Small Business Status, and complete implementation will require at least one year of effort. Source List of Small Business Firms have been developed and are utilized by Buying personnel until computerization is completed.
6. All Request for Quotations (\$500.00 and over) require a check for Small Business bidders, with a reason if none is shown.
7. Purchases less than \$500.00, where competitive bidding is not required, are made from Small Business firms whenever possible, in accordance with the University of Tennessee's Small Business Program.
8. Purchases (subcontracts) of construction projects amounting to \$1,000,000 or more, and other purchases \$500,000.00 or more from one contractor will require that firm to maintain a similar Small Business Plan.
9. Monthly Procurement Summary Reports are issued by the UTK Purchasing Department, and reflect Small Business purchases. These summaries and/or other records are available to authorized agencies upon request. Purchasing also submits reports and cooperates in special studies or surveys as requested by Governmental agencies or the Small Business Administration.

10. The Small Business Coordinator works with individuals at the division and department level to make them aware of the program and of the Purchasing Department's role in bringing small business vendors into the University's purchasing activities. He or she will recommend small business firms to departments for their consideration in selecting a supplier.

11. The Small Business Coordinator is responsible for maintaining, updating and distributing the Small Business Supplier Reference List to the buying staff and University departments.

SMALL BUSINESS REFERENCE LIST

1. The Small Business Supplier Reference List contains the name, address, commodity code type, discount terms, person to be contacted, and other pertinent information for all known small businesses.

2. When processing a purchase request, a buyer should check the Reference List to determine if a small business supplies the commodity/service requested.

If a department has already specified a vendor, the buyer should contact the department to obtain approval to consider a small business vendor(s) which offer the commodity/service requested.

If no vendor is specified, a buyer should exercise his or her discretion in bringing a small business into the purchasing process (either through bid or in directing the purchase request to the small business if no bids are required).

DEPARTMENTAL RESPONSIBILITIES, GENERAL

1. Each department has the responsibility for supporting and cooperating with Purchasing in implementing the University Small Business Program.

2. Each department will receive a small business reference list which categorizes small business by commodity and service type. The list covers all known small business vendors. If a department knows of a small business which is not on the list, it should contact the Small Business Coordinator in the Purchasing Department so that the firm may be added to the reference list.

3. In submitting a purchase request, a department should consult the reference list. If there appears to be a small business which offers the desired product(s) or service(s), the name of the vendor should be indicated in

the "Suggested Vendor" box on the purchase request. A department may also indicate other small businesses and/or majority firms which could provide the desired product or service.

4. A buyer will research the firm(s) suggested and will contact the originator to determine which vendor should be used. This determination will be made on the basis of quoted price(s), past performance, procurement requirements, products or service specifications, and other pertinent considerations.

5. In a required bidding situation, relevant, qualified small businesses will be invited to submit bids. Upon receipt of the bids, a buyer will contact the originator to determine which vendor should be used.

6. If a department wishes more extensive information about a small business or would be interested in meeting with representatives of small business firms or related organizations, the Small Business Coordinator should be contacted.

THE UNIVERSITY OF TENNESSEE
KNOXVILLE

August 8, 1989



TO Purchasing Directors

FROM Morris Wilson *Morris Wilson*

SUBJECT Definition of Small Business

Office of
Business Services

Purchasing

A "small business" is defined as a business which is independently owned and operated and is not dominant in its field of operation and which meets the following criteria.

Type of Business	Business	
	Has Gross Dollar Volume of Not More Than	Business has Fewer Employees Than
Construction	\$1,500,000	19
Wholesale	1,000,000	19
Retail	500,000	9
Service	500,000	9
Manufacturing	1,000,000	99
Agriculture, Fishing, & Forestry	500,000	9
Mining	1,000,000	49

This definition of a small business corresponds to that adopted by the State of Tennessee.

If you have any questions or comments, please do not hesitate to call.

mmj

Morris - this memo sent to:

D. B. Crawley - Martin
Wilma Kane - UTSI
Robert Mayes - UTC
James Mays - UT Memphis