Department of Housing and Urban Development

Small Business Policy

It is the policy of the Department of Housing and Urban Development to ensure nondiscrimination in federal procurement opportunities for small businesses and especially those small businesses owned by the disadvantaged (SDB), women (WOSB), service disabled veterans (SDVOSB), and those located in Historically Underutilized Business Zones (HUBZone), or part of the 8(a) Business Development Program (8(a)). It is HUD policy to take affirmative steps to ensure inclusion of these businesses in HUD contracting. The Department recognizes that these businesses are of vital importance to job growth and economic strength of the country and that they have faced historic exclusion and under utilization in federal procurement. A successful and strong business community is an integral component of the Department's overall mission of job creation, community empowerment, and economic revitalization.

Since implementation of this policy requires the close cooperation of all facets of the Department, I have designated the Deputy Secretary as the senior individual responsible for ensuring the policy's overall implementation. Otherwise, the Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) remains responsible for small business programs and the Office of the Chief Procurement Officer (OCPO) continues responsibility for maintaining the integrity of the Department's procurement programs. Individual Assistant Secretaries and the Chief Information Officer (CIO) have direct responsibility for taking affirmative steps to include small businesses, in all the preference categories specified, in procurement actions within their purview, so that the Department can meet its overall goals of awarding a reasonable percentage of HUD contracts to small businesses.

To fully implement the Small Business Policy, I am directing that the following actions be taken:

1. The OSDBU, with the direct support of the Assistant Secretaries and CIO, shall set high goals for contracting with small businesses in all preference categories. It is the ultimate goal of the Department that at least 50 percent of contract dollars be awarded to small businesses. The Chief Procurement Officer (CPO) shall countersign the Department's small business goal submission to the Small Business Administration (SBA). On a quarterly basis, the OSDBU shall report to the Deputy Secretary, CIO, CPO, and Assistant Secretaries on progress in the Department and individual program offices in achieving their small business contracting goals.

2. Within the first quarter of each fiscal year, the OSDBU, with the active participation of the OCPO, CIO, and program offices, shall publish and post on the HUD website an Annual Procurement Forecast (Forecast). The Forecast is a major vehicle for ensuring inclusion of the small business community in the HUD procurement process. The OCPO, CIO, and staff designated by the Assistant Secretaries shall share responsibility for informing the OSDBU on changes in anticipated contract actions so that the Forecast can be updated and remain accurate and current. The OSDBU shall distribute copies of the Forecast to the HUD field organization, small business interest groups, trade

associations, and chambers of commerce as well as maintain copies for small business outreach events.

3. The OSDBU shall use the Central Contractor Registration (CCR) system to electronically mail SDBs, 8(a)s, HUBZones, and Service-Disabled Veteran-Owned Small Businesses to keep them informed of small business activities at HUD. Small business set-asides shall also be advertised as Set-Aside Alerts on the Federal Business Opportunities website. The Department shall make available funds to advertise notices of set-asides, and full and open competitions of potential interest to small business in publications targeting minority and women-owned businesses, and service-disabled veteran-owned small businesses.

4. The OSDBU shall review all requests for contract services to ensure maximum small business participation. These reviews are to be completed within 72 hours of receipt in the OSDBU.

5. The OSDBU shall serve as a non-voting member of the Contract Management Review Board (CMRB) to review program office procurement plans and ensure that the Department's interests are met.

6. The OSDBU shall conduct an aggressive outreach to the small business community by actively participating in national conferences and trade fairs to disseminate information on conducting business with HUD and HUD grantees. Specific areas where minority, women-owned, and service-disabled veteran-owned business contracting is underrepresented shall be targeted.

7. To increase outreach to small businesses, Assistant Secretaries and the CIO, either individually or in concert, shall sponsor an annual Contracting Preview to inform small businesses of program initiatives and upcoming procurement opportunities. Assistant Secretaries also shall sponsor at least one annual Business to Business (B2B) Networking event at which small businesses have an opportunity to learn more about program initiatives, discuss sub-contracting opportunities, and network with the OSDBU's prime contractors. The OSDBU and OCPO will provide support for these endeavors. The OSDBU shall sponsor an annual Small Business Marketing Fair at which small businesses will have an opportunity to meet with and discuss their qualifications with the Department's prime contractors.

8. Assistant Secretaries, for their respective organizations, shall designate one or more marketing Contacts. The Marketing Contacts will meet with small business representatives referred to HUD by the OSDBU or OCPO, to discuss procurement opportunities and participate in HUD-sponsored small business events.

9. For OCPO staff and program staff involved in procurement activities, the OSDBU shall provide annual training on HUD's small business preference programs.

   The OSDBU shall also conduct monthly training classes for representatives of small business to assist them in understanding HUD programs and procurement opportunities.

10. The OSDBU shall develop, and the Department will enter into, memoranda of understanding (MOU's) with major national and regional women, veterans, and minority organizations in order to establish better avenues of communication and support.

11. In order to increase contracting opportunities for small business procurement preference groups, the OCPO will make maximum use of set-asides and non-competitive procurements as authorized by the Federal Acquisition Regulations (FAR), include all Federal Acquisition regulation language in its solicitations, and ensure that the authorized price evaluation programs are used to the maximum extent permitted by law.

12. When using the Federal Supply Schedule, the Department has adopted a "Rule of One" policy, in which OCPO and the staff of the cognizant Assistant Secretary shall solicit at least one of the following: SDB or 8(a) business, HUBZone, WOSB, and one SDVOSB, if such businesses are on the Federal Supply Schedule.

13. The OCPO shall ensure that solicitation documents contain all required Federal Acquisition language for subcontracting and specify that the Subcontracting Plan meet, at a minimum, the Federal Preference Program Subcontracting Goals. The OCPO, OSDBU, and staff of the cognizant Assistant Secretary or CIO shall review upcoming procurements to determine which solicitations should specify higher small business subcontracting goals.

14. The OSDBU shall ensure compliance to Executive Order 13360 of October 20, 2004 — Providing Opportunities for Service-Disabled Veteran Businesses To Increase Their Federal Contracting and Subcontracting. This Executive Order requires that each agency establish a 3 percent contracting goal for SDVOSB concerns; develop a formal strategy for implementing this contracting goal and make it publicly available; report annually to SBA on its strategy for implementation efforts; designate a senior-level official responsible for developing and implementing this strategy; and include the development and implementation of this strategy as a significant performance element for the designated senior-level official, the Chief Procurement Officer, and the Director of Small and Disadvantaged Business Utilization.

15. To ensure that the maximum use of SDBs as subcontractors is promoted, OCPO shall, to the maximum extent practicable, include a source selection evaluation factor related to SDB participation in HUD solicitations. Proposals shall be evaluated in terms of the total value of the proposed subcontracting effort as it relates to the total value of the prospective contract, and the meaningfulness and substantiveness of the work to be performed. The specificity of the Subcontracting Plan will be evaluated relative to the identification of the small businesses to be utilized and the extent of the contractual commitment between the prime and the subcontractor.

16. The Department shall take an aggressive role in ensuring substantial small and disadvantaged minority, woman, and service-disabled, veterans-entity participation in its advertising program. In addition to ensuring that a reasonable amount of advertising funds are awarded to minority contractors, Assistant Secretaries engaged in advertising activities shall use all available

demographic data in conjunction with media circulation data to ensure optimum access to target populations.

17. As part of the Department's Information Technology Investment Process, the Chief Information Officer shall take all steps practicable to ensure that there are appropriate opportunities for small businesses in the IT procurement process.

18. The Department understands the negative impact that contract bundling can have on small businesses. The OCPO shall use procurement strategies such as modular contracting and the "cascading" approach, as in the Management and Marketing and the Closing Agent Services Contracts, as a means to avoid bundling of contracts.

19. The Assistant Secretaries for Housing, Community Planning and Development and Public and Indian Housing shall monitor and report on the extent to which their grantees comply with the requirement stated in 24 CFR, Part 85, Section 36(e), that grantees are to take all affirmative steps to ensure that small, and minority and women-owned businesses are included in contracting. The Assistant Secretaries will identify procurements for the SDVOSB program (sole source or competitive) in accordance with FAR 19.14 and 13 CFR 125.18 and 125.19. The OSDBU will consolidate grantee data on contracting with minority, women-owned, and service-disabled veteran-owned businesses and prepare an annual Minority Business Enterprise (MBE) Report for transmission to the Minority Business Development Administration. The Assistant Secretaries shall direct field program staff to sponsor individual, or office-wide, at least one MBE/WOB/SDVOSB fair annually, depending on the number of grantees and the extent to which specific MBE/WOBs are underrepresented. The OSDBU shall provide support as appropriate.

Alphonso Jackson

MAR 21 2005

Alphonso Jackson

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