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## Small Business Program Policy

<b>Section 1.0 - Overview</b>	<b>2</b>
Overview	
Purpose of Policy	
Procurement Practices	
Scope of Policy	
Responsibilities	
Definitions	
<b>Section 2.0 – Subcontracting Goals</b>	<b>8</b>
<b>Section 3.0 – Reporting</b>	<b>9</b>
<b>Section 4.0 – Outreach</b>	<b>10</b>
<b>Section 5.0 – Training</b>	<b>11</b>
<b>Section 6.0 – Record Keeping</b>	<b>12</b>
<b>Section 7.0 – Resources</b>	<b>13</b>
Contacts	
Caltech Web Pages	
Helpful Links	

## Section 1.0: Overview

*As a major recipient of research funding from the Federal Government, Caltech is obligated to develop and maintain a program to promote the use of small and disadvantaged businesses when procuring goods and services. It is Caltech's goal to reach out to such businesses in the community and to find responsive and responsible suppliers who can meet the purchasing needs of Caltech.*

### 1.1 Overview

The California Institute of Technology (Caltech or CIT) is committed to supporting small business concerns, including those of socially and economically disadvantaged businesses, in its purchasing programs. Accordingly, Caltech maintains a Small Business Program that is designed to reach out to the small business community and to give qualified suppliers a fair and equal opportunity to compete for Institute business.

Throughout this policy, the term “small business concern” is used to describe the following:

- ✓ SB (Small Business)
- ✓ HBCU/MI (Historically Black Colleges and Universities/Minority Institutions)
- ✓ HUBZone SB (Historically Underutilized Business Zone)
- ✓ SDB (Small Disadvantaged Business)
- ✓ VOSB (Veteran Owned Small Business)
- ✓ SDVOSB (Service Disabled Veteran Owned Small Business)
- ✓ WOSB (Women Owned Small Business)

### 1.2 Purpose

The purpose of the policy is to ensure that small business concerns have the maximum practical opportunity to participate in supplying goods and services to meet the purchasing needs of Caltech in a manner consistent with the efficient performance of contracts and in accordance with applicable federal laws.

## 1.3 Procurement Practices

Good procurement practices will prevail in our efforts to give small business concerns a fair opportunity to compete. Caltech's Administration, Procurement Services Department and Caltech community are committed to the support of the Small Business Program.

Caltech will take all affirmative steps to assure the use of the small business concerns when possible. These steps include:

- ✓ Placing qualified small business concerns on solicitation lists through the eDirectory at [www.caltechsmallbiz.com](http://www.caltechsmallbiz.com)
- ✓ Assuring that small business concerns are solicited whenever they are potential sources.
- ✓ Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small business concerns.
- ✓ Establishing delivery schedules, where the requirement permits, which encourage participation by small business concerns.
- ✓ Using the services and assistance, as appropriate, of such organizations as Small Business Administration and Minority Business Development Agency of the Department of Commerce
- ✓ Requiring the prime contractor, if subcontracts are to be let, to take these same affirmative steps

## 1.4 Scope

This policy applies to anyone who incurs expenses on behalf of Caltech that are subject to the Small Business Program requirements for federal contract funds.

## 1.5 Responsibilities

### *1.5.1 Institute*

It is the responsibility of Caltech to provide a Small Business Program policy that has been reviewed and approved by Academic and Administrative executive leadership and supported by legal review of the Office of General Counsel (OGC). Caltech also has the responsibility to develop and maintain a program to promote the use of small and disadvantaged businesses.

## *1.5.2 Principal Investigator*

The Principal Investigator (PI) has primary responsibility for the fiscal management of a contract. The PI can designate individual(s) to administer the subcontracting under the research project in accordance with all applicable Institute financial and procurement policies.

The PI must work with the Small Business Liaison Officer (SBLO) to develop specific spending goals for each category of small business for that proposal. Additionally, it is the PI's responsibility to help ensure the subcontract goals are met by giving a maximum practical opportunity to small businesses to participate in Caltech's procurement system.

## *1.5.3 Purchaser*

Purchasers should spend Institute funds prudently. Personnel that incur costs on behalf of Caltech are responsible for being aware of the regulations that apply to the source of funds.

The Purchaser is responsible for the preparation of the appropriate Procurement Services forms that apply to the procurement.

## *1.5.4 Authorizer*

An Authorizer is the individual responsible for department or project expenditures, and this person in turn authorizes individuals to purchase on behalf of the department or project.

An Authorizer reviews and approves department or project Purchase Requisitions, Payment Requests, P-Card Purchases confirming the expenditure:

- ✓ Is in support of approved department or project activity.
- ✓ Meets applicable sponsor guidelines.
- ✓ Is charged to the proper account(s).

By approving the Purchase Requisition, Payment Request, P-Card Transaction Approval Report, the authorizer is indicating that he/she has read Caltech's Purchasing Policy and Procedures and is familiar with its requirements and the responsibilities of Authorizer.

## *1.5.5 Purchasing Agents*

Purchasing Agents are responsible for giving full consideration to the capabilities of all potential small business suppliers and for planning and executing proper procurement procedures in a manner that will enhance small business participation in all procurements.

## *1.5.6 Small Business Liaison Officer*

The SBLO is responsible for ensuring compliance with this policy by:

- ✓ Identification of small business suppliers that have the capability to meet the requirements of Caltech
- ✓ Approving supplier portal applications
- ✓ Administering the Small Biz eDirectory
- ✓ Ensuring that the Small Business Program policy is widely distributed and publicized
- ✓ Providing Purchasers access to the Small Biz eDirectory
- ✓ Encouraging Purchasing Agents to consider small business suppliers when making source selections
- ✓ Collection of Purchasing Agent's records of solicitations and awards made to small business suppliers
- ✓ Preparation and submission of Subcontracting Plans for specific government contracts that exceed \$700,000 and require a plan
- ✓ Preparation and submission of Individual Subcontracting Report (ISR), Summary Subcontracting Report (SSR) to funding agencies
- ✓ Monitoring projects that require Individual Subcontracting Report (ISR), Summary Subcontracting Report (SSR)
- ✓ Communicating requirements and status to campus individuals responsible for the funds
- ✓ Liaison between PIs, Office of Sponsored Research, and funding agencies
- ✓ The SBLO will be available to work with the PI on proposal submission to ensure maximum use of small business suppliers
- ✓ Cooperating with Purchasing personnel during the conduct of compliance reviews by Federal agencies

## *1.5.7 Director of Procurement Services*

The Director of Procurement Services is responsible for managing the Small Business Program, including supervision of the SBLO. The Director of Procurement Services oversees the development of policies, procedures, guidelines, and strategy of the Small Business Program.

## *1.5.8 Office of Sponsored Research*

The Office of Sponsored Research is responsible for providing the SBLO with information regarding federal awards that are subject to this policy at the time of proposal.

## **1.6 Definitions**

### *1.6.1 Small Business*

A **small business (SB)** is defined in the U.S. Small Business Administration (SBA) regulations as one that is:

- Independently owned and operated.
- Not dominant in the field of operations in which it is bidding for Government Contracts.
- Meeting detailed industry size standards (these standards are primarily based on the number of employees or annual sales receipts).

Definitions are relative to the products and services being purchased. Size standards are determined by the SBA using NAICS codes. See FAR Part 19.102 Size Standards.

### *1.6.2 HUBZone Small Business*

A **HUBZone small business (HUBZone SB)** is a qualified small business located in a historically underutilized business zone, which needs assistance in obtaining employment opportunities, investment and economic development.

A HUBZone SB must be certified by the SBA and listed in the System for Award Management database ([www.SAM.gov](http://www.SAM.gov)) or the SBA HUBZone Search site.

### *1.6.3 Small Disadvantaged Business*

A **small disadvantaged business (SDB)** is defined as a small business concern which is at least 51% owned by one or more socially and economically disadvantaged individuals (or if a publicly owned business, at least 51% of the stock is owned by one or more socially and economically disadvantaged individuals) and whose management and daily business operations are controlled by one or more such individuals.

- **Socially disadvantaged individuals** are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group, without regard to their individual qualities.

- Economically disadvantaged individuals are those socially disadvantaged individuals 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 business area who are not socially disadvantaged.

A SDB must be certified by the SBA by the correct NAICS code and listed in the System for Award Management database ([www.SAM.gov](http://www.SAM.gov)) or the SBA HUBZone Search site.

#### *1.6.4 Veteran Owned Small Business*

A **veteran owned small business (VOSB)** is defined as a small business that is not less than 51% of which is owned by one or more veterans (or, in the case of any publicly owned business, not less than 51% of the stock of which is owned by one or more veterans) and the daily business operations of which are controlled by one or more veterans.

#### *1.6.5 Service Disabled Veteran Owned Small Business*

A **service disabled veteran owned small business (SD-VOSB)** is defined as a small business not less than 51% of which is owned by one or more service disabled veterans (or, in the case of any publicly owned business, not less than 51% of the stock which is owned by one or more service disabled veterans) and the management and daily business operations of which 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 Veterans are veterans with a disability that is service connected.

#### *1.6.6 Women Owned Small Business*

A **women owned small business (WOSB)** is defined as a business that is at least 51% owned by a woman, or women, who also control and operate it and do not exceed the size standards established by 13 CFR 121. “Control,” means exercising the power to make policy decisions; “operate,” means being actively involved in the day-to-day management; “woman” means all women business owners.

## **Section 2.0: Subcontracting Goals**

### **2.1 Subcontracting Goals**

#### *2.1.1 Master Subcontracting Plan*

The California Institute of Technology's Master Subcontracting Plan has been approved by the Office of Naval Research on behalf of the federal government in accordance with Public Law 95-507. Procurement Services administers the Plan. The plan is updated every 3 years.

#### *2.1.2 Individual Subcontracting Goals*

Individual subcontracting goals will be established for each federal contract requiring the submission of a Small Business Subcontracting Plan. Public Law 95-507 requires federal contracts in excess of \$700,000 to have a subcontracting plan to establish goals for purchases from small businesses. The subcontracting plan is submitted with the response to a Federal Request for Proposals (RFP) or in response to a request from the funding agency. While Caltech has an approved Master Subcontracting Plan, each PI must work with the Small Business Program representative to develop specific spending goals for each category of small business for that proposal.

The method used by Caltech to project subcontracting possibilities is based upon the analysis of the requirements from the statement of work and identifying the products and/or services that will be needed to successfully perform the required services using available sources.

It is the intent of the Small Business Program to give small business concerns a fair and equitable opportunity to compete for business, consistent with the efficient performance of Caltech's contractual obligations. Caltech will make a concerted effort to locate such business concerns to ensure equitable opportunity in competing for subcontracting requirements.

## Section 3.0: Reporting

### 3.1 Reporting

If a contract requires a Small Business Subcontracting Plan, then Caltech has additional reporting duties once the contract is awarded. Federal ISR and SSR reports of actual dollars spent in each small business category must be submitted to the federal agency twice a year using eSRS (Electronic Subcontracting Reporting System). This system replaces the paper standard forms SF294 and SF295.

Caltech will submit the ISR, in accordance with the instructions on the report as referenced in Public Law 95-507, Section 211.

Caltech will submit the SSR, in accordance with the instructions on the report as referenced in Public Law 95-507, Section 211. The Summary Report of the Department of Defense (DoD), Department of Energy (DoE), and National Aeronautics and Space Administration (NASA) awards shall be submitted annually within thirty (30) days after the close of the fiscal year in September. The SSR report must include all expenditures of Federal contract dollars, whether a subcontracting plan was required or not. A separate SSR will be issued for NASA, DoD and DoE.

Caltech will submit the SDB Participation Report in accordance with the instructions on the report only if prime contract contains FAR clause 52.219-25.

Activities will be monitored to evaluate compliance with subcontracting plans. Caltech's SBLO will review reports of purchasing activity, analyze the data and prepare reports for each contract. The SBLO will provide periodic reports to the PIs and when possible, visit the PIs to make them aware of the status of meeting their subcontracting goals.

## Section 4.0: Outreach

### 4.1 Outreach

The following efforts will be made to assure that small business concerns will have an equitable opportunity to compete for subcontracts.

*Outreach efforts will include, but not be limited to:*

- ✓ Contacts with minority and small business trade associations
- ✓ Contacts with business development organizations
- ✓ Attendance at small and minority business procurement conferences and trade fairs
- ✓ Sources will be identified from the Small Business Administration's "Dynamic Small Business Search"
- ✓ Access to Caltech's online "Small Biz eDirectory"
- ✓ Feature a small business supplier online on a quarterly basis

*Potential subcontractors and outreach resources will be sought from such sources:*

- Association for Service Disabled Veterans
- Black Business Association of Los Angeles
- DOD Western Regional Council for Small Business Education and Advocacy
- Jet Propulsion Laboratory, Business Opportunities Office
- Latino Business Association
- National Association of Educational Buyers
- National Center for American Indian Enterprise Development Pacific Region
- National Contract Management Association
- National Minority Business Council Inc
- Office of Naval Research, San Diego Regional Office Administrative Contracting Office
- Pasadena Chamber of Commerce
- Southern California Regional Purchasing Council
- Veterans Corporation, The

## Section 5.0: Training

### 5.1 Training

When awarded federal contract funds, Caltech has the opportunity to develop and encourage relationships with businesses that have not always had access to government contracts. It is to everyone's benefit when we encourage small business of all types to fully participate in the process of spending Caltech and federal dollars.

Small business requirements, practices, and even terminology change frequently. To ensure that Caltech's program is successful, both internal and external training will be given a high priority.

#### *5.1.1 External Training*

The Small Business Program staff will attend training sessions to keep up with current requirements and regulations regarding small business purchasing for federal contracts. The Department of Defense Western Regional Council for Small Business Education and Advocacy frequently offers training opportunities and will be used as a resource.

#### *5.1.2 Internal Training*

Caltech has an established practice of supporting and promoting professional development of its purchasing staff and affords multiple opportunities for the staff to attend and participate in various programs offered by professional associations, such as the National Association of Educational Buyers.

In addition, the Small Business Program staff will provide information and materials to the Purchasing Agents regarding current practices and regulations.

#### *5.1.3 Customer Training*

Caltech has a delegated purchasing authority program, the Speedy Ordering System (SOS). The Small Business Program staff regularly attends the SOS meetings and is available for questions.

Workshops, seminars, and training programs for Purchasers, Authorizers, and PIs will be scheduled throughout the calendar year.

The Small Business Program has a web page that is maintained on the Procurement Services page.

<http://procurement.caltech.edu/departments/smallbiz>

## Section 6.0: Record Keeping

### 6.1 Record Keeping

Caltech agrees that it will maintain at least the following types of records to document compliance with each subcontracting plan:

- ✓ Small Biz eDirectory identifying small business concerns
- ✓ Organizations contacted to locate small business concerns
- ✓ On a contract-by-contract basis
  - Worksheets for development of subcontracting goals
  - Solicitations over \$100,000
  - Status reports to PIs regarding goals
  - ISRs
  - SSRs
  - SDB Participation Report
- ✓ Documentation of outreach activities
- ✓ Documentation of training activities

## Section 7.0: Resources

### 7.1 Contacts

#### 7.1.1 Small Business Liaison Officer

Joseph Janssen  
Procurement Services  
1200 E. California Blvd., MC 103-6  
Pasadena, CA 91125  
(626) 395-2674  
(626) 628-3222FAX  
Email: [joseph.janssen@caltech.edu](mailto:joseph.janssen@caltech.edu)

#### 7.1.2 Director, Procurement Services

Tina Lowenthal  
Procurement Services  
1200 E. California Blvd., MC 103-6  
Pasadena, CA 91125  
(626) 395-2758  
(626) 628-2138 FAX  
Email: [tina.lowenthal@caltech.edu](mailto:tina.lowenthal@caltech.edu)

### 7.2 Caltech Web Pages

Procurement Services home page  
<http://procurement.caltech.edu>

Caltech Small Business Program page  
<http://procurement.caltech.edu/departments/smallbiz>

### 7.3 Helpful Links

U.S. Small Business Administration  
<http://www.sba.gov/>

Small Business Administration's "Dynamic Small Business Search"  
[http://dsbs.sba.gov/dsbs/search/dsp\\_dsbs.cfm](http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm)



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Small Business Subcontracting Opportunities Directory

<https://www.sba.gov/contracting/finding-government-customers/subcontracting/sub-net>

Department of Defense

<http://www.acq.osd.mil/osbp>

Office of Veterans Affairs

<http://www.va.gov/osdbu/>

Minority Business Development Agency

<http://www.mbda.gov/>