

U.S. DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY
ADMINISTRATION

ORDER	420-1
Date of Issuance May 12, 1972	OPI: 48-30

SUBJECT: SMALL BUSINESS AND MINORITY BUSINESS PROCUREMENT PROGRAMS

- Paragraph
1. Purpose
 2. References
 3. Scope
 4. Policy
 5. Definitions
 6. Responsibilities
 7. Procedure

1. **PURPOSE.** This Order establishes policy and prescribes procedures for utilizing small business and minority business concerns in the procurement of supplies and services for the National Highway Traffic Safety Administration.
2. **REFERENCES.** Federal Procurement Regulation 1-1.7, Small Business Concerns, Section 8(A) of the Small Business Act (Federal Register, Volume 37, No. 15, January 22, 1972).
3. **SCOPE.** The provisions of this Order apply to all procurement actions effected by the NHTSA.
4. **POLICY.** It is the policy of NHTSA to aid, counsel, assist, and protect, insofar as possible, the interests of small business and minority business concerns in order to preserve free competitive enterprise and award to small business and minority business concerns a fair proportion of the total NHTSA purchases and contracts for supplies and services.
5. **DEFINITIONS.**
 - a. **Small Business Concern.** A small business concern is one meeting the criteria set forth in FPR 1-1.701.1. In general, a small business concern is one, including its affiliates, which is independently owned and operated, is not dominant in the field of operation, and has less than 500 employees.
 - b. **Minority Business Concern.** A minority business concern is one which is at least 50% owned by minority group members or, in case of publicly-owned businesses, at least 51% of the stock is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Spanish-speaking Americans, American-Orientals, American-Indians, American-Eskimos, and American Aleuts.

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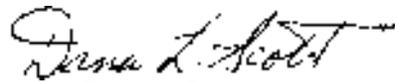
6. RESPONSIBILITIES.

- a. Director, Office of Contracts and Procurement shall appoint a Small Business/Minority Business Assistance Officer. The Specialist shall be responsible to the Director, Office of Contracts and Procurement for the implementation of the above stated NHTSA Small Business/Minority Business Policy.
- b. The Director, Office of Contracts and Procurement, with the assistance of the Small Business/Minority Business Assistance Officer, Director, Office of Civil Rights, and cognizant program personnel, shall establish a yearly goal in the Small Business/Minority Business areas.
- c. The Program Activity Coordinator shall encourage the attainment of the objectives of this Order and shall participate periodically in an interface with the Administration's Small Business/Minority Business Assistance Officer and Small Business and Minority/ Business concerns to explain the procurement-oriented aspects of their respective programs. He shall exert every effort to encourage the inclusion of Small Business/Minority Business concerns in as many procurement actions as possible.
- d. The Small Business/Minority Business Assistance Officer shall proceed in accordance with the following guidelines to insure reaching the aforesaid goals:
 - (1) He shall maintain a program designed to locate capable Small Business/Minority Business sources for current and future procurement actions, through the Small Business Administration or other methods.
 - (2) He shall coordinate inquiries and requests for advice from Small Business/Minority Business concerns on procurement matters.
 - (3) For requirements in excess of \$2,500, he shall determine that Small Business/Minority Business concerns have received adequate consideration including initiation of set-asides (FPR 1-1.706). This determination may be made jointly with the Contracting Officer or may be in the form of a recommendation to him. Disagreements between the Small Business/Minority Business Assistance Officer and the Contracting Officer will be resolved by the line official immediately superior to the Contracting Officer.

- (4) He will take appropriate action, in writing to Technical and Contracting personnel, to insure the availability of adequate work statements, specifications and drawings in order to obtain Small Business/Minority Business participation in procurement actions, unless there are sufficient and valid reasons to the contrary.
- (5) He shall review procurement actions for possible breakout of items suitable for procurement from Small Business/ Minority Business concerns.
- (6) He shall advise Small Business/Minority Business concerns with respect to the financial assistance available under existing laws and regulations and assist such concerns in applying for financial assistance.
- (7) He shall participate in the determinations concerning responsibility of a prospective Small Business/ Minority Business contractor. (FPR 1-1.310.4).

“It is the policy that contracts shall be awarded only to responsible prospective contractors. A ‘responsible prospective contractor’ is one which is found by the contracting officer to meet the minimum standards set forth in FPR 1-1.310-5 and such additional standards as may be prescribed for specific procurements by the agency concerned” e.g., (financial resources, technical qualifications, compliance with performance schedule, satisfactory integrity, judgment, and past performance).
- (8) He shall participate in the evaluation of a prime contractor’s Small Business/Minority Business subcontracting program.
- (9) He shall assure that adequate records, as to the participation of Small Business/Minority Business, are accurately maintained and reported.
- (10) He shall make available to the Small Business Administration copies of solicitations, when so requested.

- (11) He shall act as liaison between the Contracting Officer and SBA in connection with Set-Asides, Certificates of Competency, size classifications, and any other matters in which the small business program may be involved.
 - (12) He shall, in cooperation with the Contracting Officer and technical personnel, seek and develop information on the technical competence of Small Business/Minority Business concerns for requirements of the NHTSA.
 - (13) He shall assist and counsel small business firms that have been rejected for nonresponsiveness or nonresponsibility, upon their request, in order that they may be able to qualify for future awards.
7. PROCEDURE. The Associate Administrators for Research and Development, Motor Vehicle Programs, and Traffic Safety Programs shall appoint a Coordinator for Small Business/Minority Business and notify the Director, Office of Contracts and Procurement of the name of this individual by memorandum.



Dana L. Scott
Associate Administrator
for Administration

**U.S. DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY
ADMINISTRATION**

PAGE CHANGE

ORDER	420-1, Chg. 1
Date of Issuance August 2, 1973	OPI: N48-30

SUBJECT: SMALL BUSINESS AND MINORITY BUSINESS PROCUREMENT PROGRAMS – CHANGE

1. PURPOSE. This page change transmits a revised page 3 to subject Order, dated May 12, 1972.
2. EXPLANATION OF CHANGE. Item (7) on page 3 has been revised to reflect the new Federal Procurement Regulations (FPR) citation for the definition of a “responsible prospective contractor.”
3. FILING INSTRUCTIONS.

<u>Remove Page</u>	<u>Dated</u>	<u>Insert Page</u>	<u>Dated</u>
3 & 4	5/12/72	3 & 4	8/2/73



Everett L. McBride
Acting Associate Administrator
for Administration

AFTER MAKING THIS CHANGE, THIS PAGE-CHANGE MAY BE DISCARDED.

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- (4) He will take appropriate action, in writing to Technical and Contracting personnel, to insure the availability of adequate work statements, specifications and drawings in order to obtain Small Business/Minority Business participation in procurement actions, unless there are sufficient and valid reasons to the contrary.
- (5) He shall review procurement actions for possible breakout of items suitable for procurement from Small Business/Minority Business concerns.
- (6) He shall advise Small Business/Minority Business concerns with respect to the financial assistance available under existing laws and regulations and assist such concerns in applying for financial assistance.
- (7) He shall participate in the determinations concerning responsibility of a prospective Small Business/Minority Business contractor. (FPR 1-1.1202).

General Policy. Purchases shall be made only from, and contracts shall be awarded only to, responsible prospective contractors. A responsible prospective contractor is one who meets the standards set forth in FPR 1-1.1203-1 and 1-1.1203-2 and such special standards as may be prescribed in accordance with FPR 1-1.1203 (e.g., financial resources, technical qualifications, compliance with performance schedule, satisfactory integrity, judgement, past performance, and special technical standards applicable to a particular procurement or class of procurements).

- (8) He shall participate in the evaluation of a prime contractor's Small Business/Minority Business subcontracting program.
- (9) He shall assure that adequate records, as to the participation of Small Business/Minority Business, are accurately maintained and reported.
- (10) He shall make available to the Small Business Administration copies of solicitations, when so requested.
- (11) He shall act as liaison between the Contracting Officer and SBA in connection with Set-Asides, Certificates of Competency, size classifications, and any other matters in which the small business program may be involved.
- (12) He shall, in cooperation with the Contracting Officer and technical personnel, seek and develop information on the technical competence of Small Business/Minority Business concerns for requirements of the NHTSA.

- (13) He shall assist and counsel small business firms that have been rejected for nonresponsiveness or nonresponsibility, upon their request, in order that they may be able to qualify for future awards.
7. PROCEDURE. The Associate Administrators for Research and Development, Motor Vehicle Programs, and Traffic Safety Programs shall appoint a Coordinator for Small Business/Minority Business and notify the Director, Office of Contracts and Procurement of the name of this individual by memorandum.

A handwritten signature in black ink, appearing to read "Everett L. McBride". The signature is stylized and somewhat cursive.

Everett L. McBride
Acting Associate Administrator
for Administration