POLICIES OF COLORADO STATE UNIVERSITY
UNIVERSITY POLICY

Policy Title: Small Business Program
Policy ID # 5-6010-005

Effective Date: Category: 5. Administration

Policy Owner: Contact(s):
Vice President for University Operations Linda Meserve, Director Procurement Services
Policy
970-491-6611

PURPOSE OF THIS POLICY

Federal law requires that recipients of certain federal contracts that are subject to the FAR (Federal Acquisition Regulations) provide maximum practicable opportunities to small business concerns in their acquisitions when expending funds under a federal contract. (FAR 19.702). In addition, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“uniform guidance”), at 2 C.F.R. § 200.321, requires that the University take all necessary affirmative steps to assure that certain small business concerns be used whenever possible when expending federal grant funds.

This policy reflects CSU’s commitment to complying with these federal requirements, and supporting diversity by engaging small and disadvantaged businesses in University activities. The policy requires that Procurement Services, working with CSU departments receiving federal funds, utilize best efforts to subcontract with, and make acquisitions from, qualifying small business concerns.

APPLICATION OF THIS POLICY

This policy applies to all CSU business units and employees involved in administering sponsored awards.
DEFINITIONS USED IN THIS POLICY

“Small business concerns” means small business (SB), veteran-owned small business (VOSB), service-disabled veteran-owned small business (SDVOSB), HUBZone (HZ) small business, small disadvantaged business (SDB), and woman-owned small business (WOSB) concerns, as well as historically black colleges or universities or minority institutions (HBCU/MIs).

“Small Business Subcontracting Plan” means a formal plan established for each contract funded by a Federal agency that exceeds the regulatory threshold (currently $700,000, or $1.5 million for construction of a public facility), outlining the institution’s goals and actions for providing small business concerns with the maximum practicable opportunity to participate in the performance of a contract or subcontract.

POLICY STATEMENT

CSU is committed to complying with federal requirements regarding small business contracting, and values the diversity achieved by engaging small and disadvantaged businesses in University activities. It is the policy of the University to provide maximum practicable opportunities to small business concerns in its acquisitions. CSU will affirmatively seek out small and disadvantaged businesses when contracting for goods and services under sponsored awards and use all reasonable measures to meet the goals established for small business subcontracting.

Accordingly, the University maintains a Small Business Program to support the University's mission of outreach and public service, enhance the University's ability to compete for federal and state-sponsored programs and research funds, and ensure compliance with applicable law. Departments are encouraged to purchase from small businesses and businesses owned by members of traditionally underrepresented groups.

POLICY PROVISIONS

1. Responsibilities of CSU Procurement Services

Procurement Services is designated as the Small Business Liaison Office for the Small Business Program with the following responsibilities:

   a. Appoint a Small Business Liaison Officer (SBLO) to oversee the program and interact with the Small Business Administration on small business compliance and reporting.

   b. Identify small business concerns and maintain a database.
c. Establish and implement procedures to be followed when a small business subcontracting plan is required, following regulatory requirements and guidance (including the Small Business Administration’s Handbook for Small Business Liaison Officers).

d. Coordinate activities between Procurement Services, the Principle Investigator (PI), department/laboratory administrator, and research administrator to ensure timely submission of meaningful and appropriate Plans.

e. Offer training to campus constituents regarding contracting with small business concerns.

f. Maintain records and reports of compliance with and accomplishments under sponsor-approved plans as of March 31st and September 30th each year or as required by the SBA.

g. Submit reports of compliance and accomplishments under approved subcontracting plans to PIs, Subcontracting Plan Administrators and cognizant Institute personnel.

h. Prepare and submit required reports of accomplishments under approved subcontracting plans to the contracting agencies.

i. Maintain relationships with and explain CSU’s procedures to small business suppliers.

j. When small business concerns are identified as potential suppliers, suggest them to major contractors to develop new contractual arrangements for second-tier suppliers.

k. Establish goals for utilization of small business concerns, and monitor progress towards those goals.

2. Responsibilities of Other Individuals and Offices

a. Principle Investigator (PI): Prepares budget estimates for the sponsored project, and ensures compliance with award terms and conditions as well as applicable federal regulations including the development of Subcontracting Plans based on the sponsored project budget. Award compliance includes ensuring goods and/or services are procured through small business vendors as required by the SBSP and as directed by Procurement.
b. Department: Supports PIs in preparing budget estimates and submitting budget estimates to Procurement Services; ensures compliance when expending funds by initiating procurement actions with small business concerns in accordance with executed Subcontracting Plans.

c. Office of Sponsored Programs: Supports the PI and department by reviewing proposals and authorizing submission to the sponsor; ensures that a sponsor’s terms and conditions comply with federal regulatory compliance requirements and University policies and procedures. The Office of Sponsored Programs has the following responsibilities under this policy:

i. Notify SBLO as soon as an RFP is received that includes the requirement for a Small Business Subcontracting Plan;

ii. Coordinate with SBLO and the campus department (e.g., Principal Investigator) in the development of the Subcontracting Plan and any modifications thereto;

iii. Provide SBLO with Small Business Subcontracting Plans upon their approval by the contracting officer;

iv. Endorse official proposal, thereby endorsing the Small Business Subcontracting Plan; and,

v. Notify SBLO of any changes to University expenditure accounts assigned to these projects.

vi. Maintain an up to date report on all sponsored research accounts.

vii. SBLO along with the responsible senior research administrator and sub-award administrator will ensure that applicable regulation clauses are included in subcontracts and sub-awards issued under federal contracts. This includes the flow down of small business subcontracting plan requirements in lower tier subcontracts, as applicable.

3. Reports

The SBLO is responsible for submitting reports to the SBA and sponsor agencies, as required. These include the Individual Subcontract Reports (ISRs) and Summary Subcontract Reports (SSRs) that are submitted through the Electronic Subcontracting Reporting System (eSRS).

COMPLIANCE WITH THIS POLICY

Failure to make a good faith effort to comply with the small business subcontracting plan can result in the contractor being required to pay the government liquidated damages in the amount equal to the actual dollar amount by which the contract failed to achieve each sub-
contracting goal. Liquidated damages shall be in addition to any other remedies that the government may have per FAR 52.219-16. The Principle Investigator is ultimately responsible for compliance with the subcontracting plan, with assistance from departmental support personnel, OSP, and the Small Business Liaison Officer. For compliance assistance, contact the Small Business Liaison Officer in Procurement Services.

The Small Business Program is subject to audit by the Small Business Administration and awarding federal agencies.

REFERENCES

Federal Acquisition Regulation, Subpart 19.7, The Small Business Subcontracting Program

Federal Acquisition Regulation, the contract clause for Subpart 19.7 at Subpart 52.219-9, Small Business Subcontracting Plan


Current threshold requirements can be viewed at:


PROCEDURES, FORMS AND TOOLS

Small Business Subcontracting Plan Process Map

Small Business Subcontracting Plan Checklist

Small Business Subcontracting Plan FAQ

Supplier Diversity Database
APPROVALS

Lynn Johnson  
Vice President for University Operations

Jason L. Johnson, General Counsel

Date: ____________________________

Date: ____________________________

FINAL APPROVAL:
COLORADO STATE UNIVERSITY

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Anthony A. Frank, President

Date: ____________________________