



# Los Alamos National Laboratory Small Business Program Summary Supply Chain Management Division Fiscal Year 2005



### Small Business Program Team

The Laboratory recognizes the vital role small businesses have on the nation's economy. It also recognizes the significant impact small businesses have on the state and local economies of New Mexico and northern New Mexico (NNM). The Laboratory is committed to strengthening its relationship with the small business community because the Laboratory strongly believes that procuring from small business makes good business sense. This report is an overview of the number of Laboratory dollars placed with small business and its socioeconomic subcategories and the impact those dollars had on the economy of New Mexico and NNM in the 2005 fiscal year (FY05). In addition, the report lists initiatives the Small Business Program Team (SBPT) performed in an effort to increase subcontracting opportunities to small businesses.

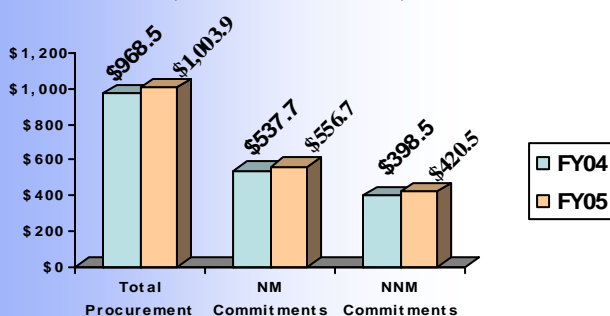
### Economic Impact in New Mexico and Northern New Mexico

- ◆ The Laboratory purchased approximately \$556.7M (up \$19M over FY04) in goods and services with both large and small businesses in New Mexico. This total reflects 55.4% of the Laboratory's total procurement budget of \$1.004B.

New Mexico (NM) & Northern New Mexico (NNM) Business Distribution	
	<b>FY05</b>
Large Business NNM	\$ 302,885,269
Large Business Other NM	\$ 52,001,160
<b>Total NM Large</b>	<b>\$ 354,886,430</b>
Small Business NNM	\$ 117,596,237
Small Business Other NM	\$ 84,199,908
<b>Total NM Small</b>	<b>\$ 201,796,145</b>
<b>TOTAL NM</b>	<b>\$556,682,575*</b>
<b>TOTAL LANL PROCUREMENTS</b>	<b>\$ 1.004B</b>
* 55.4 percent of total LANL procurements.	

- ◆ Procurements placed with both large and small businesses in NNM totaled \$420.5M (up \$22M over FY04), which is 74% of total in-state expenditures.
- ◆ Of the \$420.5M, \$117.6M was spent with small NNM businesses.

Contract Commitments by Fiscal Year  
(In Millions of Dollars)



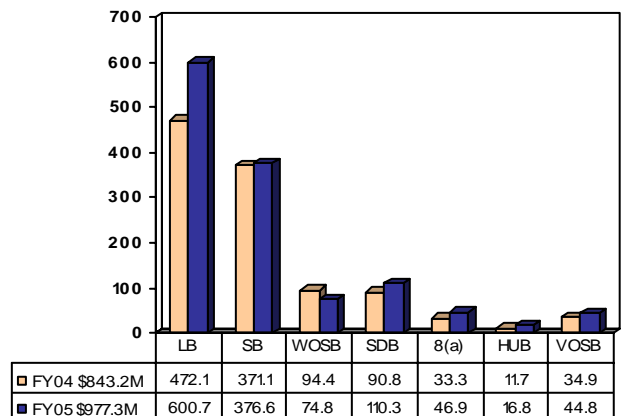
### Socioeconomic Accomplishments Nationwide

- ◆ The Laboratory's commercial base for FY05 was \$977.3M. Of the \$977.3M in contract commitments, 38.5%, or \$376.6M (up \$5.5M over FY04), was placed with small businesses in New Mexico and across the country.
- ◆ Of the \$376.6M, \$154.5M was set aside for small business (up \$91M over FY04).

FY05 Nationwide Socioeconomic Performance	
	FY05 LANL Contract Commitments
<b>Total Procurement</b>	<b>\$1.004B</b>
<b>Commercial Base</b>	<b>\$977.3M</b>
<b>Large Business (LB)</b>	<b>\$600.7M</b>
<b>Small Business (SB)</b>	<b>\$376.6M</b>
<b>Woman-Owned Small Business (WOSB)</b>	<b>\$ 74.8M</b>
<b>Small Disadvantaged (SDB)</b>	<b>\$110.3M</b>
<b>8(a)</b>	<b>\$ 46.9M</b>
<b>HUBZone (HUB)</b>	<b>\$ 16.8M</b>
<b>Veteran-Owned Small Business (VOSB)</b>	<b>\$ 44.8M</b>
<b>Service-Disabled Veteran-Owned Small Business (SDVOSB)</b>	<b>\$ 7.4M</b>

- ◆ FY05 "Contract Commitments" and "Total Procurement" represent the Laboratory's commitments to purchase goods and services from private and non-profit companies worldwide.
- ◆ FY05 "Commercial Base" excludes commitments with foreign and University of California affiliates.

FY04 & FY05 Nationwide Performance Comparison



Note: Woman-Owned Small Business, Small Disadvantaged Business, 8(a), HUBZone, Veteran-Owned, and Service-Disabled Veteran-Owned Small Business are subsets of Small Business. Service-Disabled Veteran-Owned Small Business was not measured in FY04; therefore, we do not have a comparison.

*Other FY05 Procurements*

- ◆ Purchase Card (P-Card) purchases for FY05 were \$19M. Roughly 61% was spent with small businesses in New Mexico and across the nation.
- ◆ The Laboratory had 29 Just-In-Time (JIT) contracts and spent \$62M through the program in FY05. Twenty-three of the contracts were with small, HUBZone, and 8(a) firms in New Mexico and NNM, totaling \$52M in spending.
- ◆ Local Vendor Agreements are used to purchase safety/nonsafety shoes, protective clothing, and safety/computer glasses, etc. All but one agreement are with small NNM businesses. The total spent in FY05 through the program was \$.7M.

*Small Business Subcontracting Program*

- ◆ The Laboratory’s Small Business Subcontracting Program also impacts the economy locally and nationwide by requiring holders of applicable subcontracts exceeding \$500K (\$1M for construction) to propose plans for subcontracting with small business concerns locally, throughout the state, and across the country.
- ◆ In FY05, there were 27 major subcontractors with small business subcontracting plans.
  - ◇ In those 27 plans, \$309.4M was subcontracted to lower-tier subcontractors.
  - ◇ Of the \$309.4M, 58%, or \$180.3M, went to small businesses in New Mexico, NNM, and across the country.



FY05 Large Subcontractor Procurements (27)	Cumulative Subcontractor Procurements	Cumulative Percentage
Total Subcontracting Dollars	\$309.4M	100%
Large Business (LB)	\$129.1M	41.7%
Small Business (SB)	\$180.3M	58.3%
Woman-Owned Small Business (WOSB)	\$27.0M	8.7%
Small Disadvantaged (SDB)	\$58.7M	19%
8(a)	—	—
HUBZone (HUB)	\$38.0M	12.3%
Veteran-Owned Small Business (VOSB)	\$29.9M	9.7%

*Laboratory Northern New Mexico Economic Impact Program*

- ◆ Subcontracts exceeding or expected to exceed \$1M are reviewed to determine the feasibility of incorporating an Economic Impact and Community Development Plan (EICDP).
- ◆ Major subcontractors to the Laboratory are encouraged to subcontract or contribute to economic development in a manner, to the maximum extent practicable, that promotes regional economic diversification.
- ◆ In FY05, there were 17 major subcontractors with

active contracts, and below is a partial list of some of their contributions and in-kind services made in FY05 to the economy of NNM.

- ◇ Refurbished the Española Youth and Development Center with electrical services, tile work, and new carpet. Donated materials and over 2,000 hours of labor.
- ◇ Contributed \$200,000 to the NNM Math and Science Academy.
- ◇ Served as Board of Directors and members in leadership positions with Chambers of Commerce, Association of Commerce and Industry, LANL Foundation, NNM Supplier Alliance, and Greater Espanola Valley Community Development Corporation.
- ◇ Donated \$22,000 to NNMCC El Rito Campus for construction of the Adobe Plan Fund Foundation.
- ◇ Donated seven personal computers, monitors and one LaserJet Printer to the NNMCC El Rito Campus (Value - \$4,230).
- ◇ Contributed over \$50,000 contributions to educational, cultural, and civic organizations.

*Small Business Program Initiatives*

- ◆ On April 22, 2005, an internal memo was sent to all Laboratory employees describing the importance of procuring products and services from small businesses, specifically in the region.
- ◆ On August 17, 2005, the Laboratory launched a “Forecasted Opportunities” website <http://supply.lanl.gov/forecasts>. The website provides a listing of opportunities that have been identified by the Laboratory’s SBPT.
- ◆ During FY05, the Laboratory continued to partner with the Business Advisory Council (BAC), the Consortium of Major Subcontractors, and the Senior Management Procurement Council (SMPC).



- ◇ The BAC is composed of New Mexico business leaders who advise the Laboratory on the effectiveness of its business practices. During FY05, the BAC met quarterly to develop and provide key element recommendations on implementing a Laboratory Mentor/Protégé Program. Additionally, a complete business resource guide was developed and is planned for distribution in FY06.
- ◇ The SMPC provides a venue for integrated planning and resource management activities that promote and leverage regional economic development and increase small business procurements. The consortium met monthly during the fiscal year and developed strategies to strengthen the Laboratory’s economic development program. Several members donated numerous hours and technical services, including the technical design documents of a machine shop for the Cumbres and Toltec Scenic Railroad.
- ◇ The SMPC is composed of senior Laboratory managers who provide corporate leadership and best management practices in the acquisition of goods and services. The SMPC met monthly throughout FY05 and developed an Overarching Quality Assurance

System to modernize procurement processes and procedures, including enhancing the procurement acquisition planning process to produce better forecasting tools to identify upcoming subcontracting opportunities.

- ◆ Implemented a New Mexico version of the Central Contractor Registration (CCR) database for Laboratory requesters, buyers, and P-Card holders to search for New Mexico small businesses.
- ◆ Revamped the SBPT website <http://business.lanl.gov> and distributed quarterly newsletters.
- ◆ Conducted 352 one-on-one business consultations on how to do business with the Laboratory.
- ◆ Completed 105 on-site visits to New Mexico businesses to learn about their products and services.
- ◆ Continued to partner with the Department of Energy (DOE), the National Nuclear Security Administration (NNSA), the U.S. Small Business Administration (SBA), New Mexico's Eight Northern Pueblos, the local chambers of commerce, the NNM Supplier Alliance, the New Mexico 8(a) & Minority Business Association, and other business organizations and committees to maximize business and economic development opportunities for small businesses.



#### *Small Business Program Honors*

- ◆ A Laboratory senior contract administrator was named “Minority Business Buyer” by the U.S. Department of Commerce.
- ◆ The Small Business Program Manager, Dennis Roybal, was nominated by the New Mexico 8(a) & Minority Business Association for the 2006 Minority Small Business Champion of the Year. The award is a SBA competition that recognizes individuals for their outstanding small business efforts in 2005.
- ◆ Dennis Roybal also received the “Spirit of the Business Advisory Council” award, for his efforts in advocating on behalf of small businesses and strongly supporting BAC initiatives.



#### *FY06 Small Business Program Planned Initiatives*

- ◆ Sustain NNM business and community development.

- ◆ Enhance the credibility of the Laboratory's socio-economic statistical data.
- ◆ Improve the acquisition forecasting process and increase the listing of forecasted procurement opportunities.
- ◆ Continue to support and expand the initiatives of the three business committees.
- ◆ Develop a mentor/protégé program.
- ◆ Enhance the Supplier Evaluation Program to track supplier/contractor performance.
  - ◆ Review purchase requests over \$100K to target opportunity for NNM firms.
  - ◆ Implement individual socioeconomic goals for each procurement group to increase awareness and support for small businesses.

#### *FY06 - Things to Expect*

Currently, the Laboratory is operated by the University of California; however, beginning June 1, 2006, the Laboratory will be operated by the Los Alamos National Security LLC (LANS). The announcement for LANS to operate the Laboratory was made by DOE on December 21, 2005. Four organizations renowned for accomplishments throughout DOE—Bechtel; the University of California; BWX Technologies; and Washington Group International—formed LANS to manage and operate the Laboratory. Bechtel is the largest project management contractor in the United States. The University of California is the world's largest academic research institution. BWX Technologies, Inc., and Washington Group International are the top two DOE nuclear facilities contractors and between them manage and operate four of DOE's five safest sites. LANS has begun implementing a transition plan so that it can assume contractor responsibilities at the Laboratory.

#### *Conclusion*

The SBPT is looking forward to the transition to LANS and any new business ideas or challenges in FY06. We will continue to support and advocate on behalf of small business and strive to increase business opportunities in NNM. If you have comments regarding this report, please e-mail [business@lanl.gov](mailto:business@lanl.gov). If you are interested in pursuing business with the Laboratory, please visit <http://business.lanl.gov>.

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