

SBA

SOP 60 06 3

**Property Sales
Assistance Program**

Office of Government Contracting

U.S. Small Business Administration



SMALL BUSINESS ADMINISTRATION
STANDARD OPERATING PROCEDURE
National

| | | | |
|---|---------|-----|-----|
| SUBJECT: Property Sales Assistance Program | S.O.P. | | REV |
| | SECTION | NO. | |
| | 60 | 06 | 3 |

INTRODUCTION

1. Purpose. To outline the policies and procedures for the SBA Property Sales Assistance Program.
2. Personnel Concerned. All SBA employees involved in administering the Property Sales Assistance Program.
3. Directives Canceled. SOP 60 06 2.
4. Originator. Office of Natural Resources Sales Assistance
Office of Government Contracting.

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| AUTHORIZED BY: Judith A. Roussel Associate Administrator for Government Contracting | | EFFECTIVE DATE 2-27-98 |
| | | PAGE 1 |

SBA Form 989 (5-90) Ref: SOP 00 23

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Chapter 1

Overview of This Standard Operating Procedure (SOP)

1. What Is the Purpose of This SOP?

- a. This SOP:
 - (1) Gives the Industrial Specialist (Forestry) an understanding of the various programs under the Property Sales Assistance Program;
 - (2) Gives the procedures to use in overseeing the selling of Government property by other agencies; and
 - (3) Outlines the responsibilities of the Industrial Specialist (Forestry) and Headquarters staff.
- b. You will find most of the rules and regulations of the various programs of the Property Sales Assistance Program in the statutes, regulations, handbooks, and SOPs of the participating agencies. You must become very familiar with all of these.

2. Who Will Use This SOP?

The main users of this SOP will be the Industrial Specialist (Forestry) and the Assistant Administrator of the Office of Natural Resources Sales Assistance (ONRSA). Additional users will include the support staff for the ONRSA.

3. How Will I Use This SOP?

- a. You will use this SOP as a training tool for the Industrial Specialist (Forestry) position.
- b. You and other ONRSA staff personnel will use this SOP as a reference manual for the various activities of the ONRSA.

Chapter 2

Overview of the Property Sales Assistance Program

1. What Is the Purpose of the Property Sales Assistance Program?

- a. The purpose of the Property Sales Assistance Program is to ensure that small business obtains its fair share of all Federal real and personal property authorized for sale or other competitive disposal action. The Property Sales Assistance Program consists of the following programs:
 - (1) Timber Sales Assistance Program;
 - (2) Royalty Oil Sales Assistance Program;
 - (3) Mineral, Coal, Oil and Gas Leasing Assistance Program;
 - (4) Strategic and Critical Stockpile Materials Disposal Assistance Program; and
 - (5) Real and Personal Property Sales Assistance Program.
- b. In addition, the Property Sales Assistance Program tries to make sure that the selling practices of the various agencies invite, rather than restrict, small business participation.

2. Who Is Responsible for Administering the Program?

- a. The Office of Natural Resources Sales Assistance (ONRSA) is responsible for the administration of the Property Sales Assistance Program. The ONRSA personnel include the Assistant Administrator and staff at Headquarters, and the post-of-duty Industrial Specialists and support staff assigned to offices at key geographic locations throughout the United States. The ONRSA is part of the Office of Government Contracting which is under the Office of Government Contracting and Minority Enterprise Development.
- b. The Property Sales Assistance Program includes the following categories of Government property:
 - (1) Sales of timber and related forest products;

- (2) Sales of royalty oil under the jurisdiction of the U.S. Department of Interior, Minerals Management Service;
- (3) Leases involving rights to minerals, coal, oil, and vegetation;
- (4) Sales of strategic material from the national stockpile; and
- (5) Sales of surplus real and personal property.

3. What Is the General Operation of the Program?

The SBA is responsible to make sure that small businesses have the opportunity to bid competitively on Government property authorized for sale and not subject to specialized disposal. Specialized disposal can include barter and negotiated sales. SBA property sales assistance to small business must comprise two activities:

- a. Establish set-asides when necessary to ensure that the small business community is receiving a fair share of Government property sales; and
- b. Aid, counsel, and assist small business on all matters pertaining to disposal and/or leases of Government property.

4. What Is a Certificate of Competency (COC)?

A Certificate of Competency (see "Definitions and Terms," Appendix 1) is a written document issued by SBA to a Government contracting officer. It certifies that a designated small business has the capability to perform on a specific Government procurement or sale contract (13 CFR 125).

5. What Should I Do If a COC Is Requested?

- a. When the contracting officer doubts the ability of a small business high bidder to operate the lease or sale, SBA must be contacted before the contracting officer denies the award. The contracting officer is responsible for formally referring the proposed bid rejection to the correct SBA Government contracting area office.
- b. You should keep the addresses of the SBA Government contracting area offices and the names and telephone numbers of the individuals responsible for issuing Certificates of Competency. Also, you should remain in contact with the SBA COC office and the contracting officer to provide assistance as needed.

6. What Other Assistance Can Be Provided by the SBA?

a. Business Loans

For small businesses that need money and cannot borrow it on reasonable terms from conventional lenders, the SBA offers a broad range of loan programs. SBA can participate with a bank or other lender in a loan with a guarantee of no more than 80 percent for loans of \$100,000 or less, and a guarantee of no more than 75 percent for loans that are more than \$100,000. Other loan limitations are specified in 13 CFR 120 - Business Loans. You should refer requests for specific loan information to the nearest SBA district office.

b. Surety Bonds

The SBA is committed to making the bonding process accessible to small and emerging businesses who, for whatever reason, find bonding unavailable to them. The SBA can guarantee up to 80 percent of losses to a qualified surety company for losses incurring under bid payments or performance bonds issued on contracts of more than \$100,000. SBA guarantees 90 percent of losses for bonds of \$100,000 or less, or when the bond is issued to a small business owned and controlled by socially and economically disadvantaged individuals. You should refer all requests for surety bond information to the nearest SBA Surety Bond Guarantee area office located at the SBA district offices in Atlanta, Georgia; Denver, Colorado; Philadelphia, Pennsylvania; and Seattle, Washington. Also, you can review the SBA Surety Bond SOP, Surety Bond Guarantees Accounting and Collection Procedures (SOP 20 26).

c. Procurement Marketing and Access Network (Pro-Net)

You can assist all small businesses, including disadvantaged individuals and women-owned businesses, by advising them on Government property sales matters. You can encourage small businesses to participate in the SBA Pro-Net. You should encourage all Government agencies to use the registered businesses in the Pro-Net system as part of their source for finding contractors. You should refer requests for information on the Pro-Net system to the nearest SBA Area Government contracting office. You can also review the SBA Pro-Net by accessing web site at <http://pro-net@sba.gov>.

d. Counseling and Training

The SBA has business development programs which provide counseling and training to small businesses in all areas of business management. You should refer requests for counseling to the nearest SBA district office, Service Corps of Retired Executives (SCORE), or Small Business Development Center (SBDC).

Chapter 3

Overview of the Various Programs in the Property Sales Assistance Program

1. What Is the Timber Sales Assistance Program?

- a. The Timber Sale Assistance Program is the main program administered by the ONRSA.
- b. The U.S. Department of Agriculture, U.S. Forest Service; the U.S. Department of Interior, Bureau of Land Management, and the Fish and Wildlife Service; the U.S. Department of Defense, the Corps of Engineers, and various military reservations are the agencies that manage forest lands and sell most of the Government timber. The SBA has a Memorandum of Understanding or an interagency agreement with these various agencies and copies are in the Property Sales Assistance Source Book.
- c. The ONRSA reviews the timber sale plans and programs of these various agencies, evaluates the effect of the sale programs on small businesses in the area, and recommends changes which will ensure that the small business community is given an opportunity to compete for a fair share of Government timber sales offered.
- d. In addition, the ONRSA provides aid, counseling, and assistance to small business concerns on all matters pertaining to the timber sale program.

2. What Is the Royalty Oil Sales Assistance Program?

- a. The Federal Government receives crude oil and gas royalties, instead of cash, as payment for the leasing of public lands for the exploration and mining of oil and gas. These payments are Royalty-In-Kind (RIK). The Government sells the RIK oil at fair market value to eligible refineries. The Government ordinarily makes these contracts with the refiners for 3 years.
- b. The ONRSA administers the sale of all offshore RIK oil as this oil is set aside exclusively for small business refineries. Definitions are in 13 CFR 121. Onshore RIK oil is available to small and independent refineries. Definitions are in the Mineral Lands Leasing Act of 1920.
- c. The SBA has a Memorandum of Understanding (MOU) with the U.S. Department of Interior (USDI). The MOU explains the services the SBA will perform in

assisting small refineries in purchasing royalty oil as allowed in Section 36 of the Mineral Leasing Act of 1920, as revised. A copy of the Memorandum of Understanding is located in the Property Sales Assistance Source Book.

3. What Is the Mineral, Coal, Oil, and Gas Leasing Assistance Program?

- a. The Federal Government is the owner of extensive mineral and oil leasing rights and sells leases to recover this material. The U.S. Department of the Interior, Bureau of Land Management and the Minerals Management Service are the agencies offering these mineral leases.
- b. The ONRSA makes sure that small businesses receive a fair share of the sale/lease contracts for these materials in accordance with Section 15 of the Small Business Act (see appendix 2). Inquiries for small business set-asides of mineral and/or oil leases, except coal leases, must be referred to the Assistant Administrator, ONRSA. Headquarters will arrange for set-asides when possible and as appropriate.
- c. Coal deposits are of particular importance to the ONRSA and definitions of small business are found in 13 CFR 121. A copy of the MOU with the U.S. Department of Interior is in the Property Sales Assistance Source Book.

4. What Is the Strategic and Critical Stockpile Materials Disposal Assistance Program?

- a. The Secretary of Defense is responsible for determining stockpile policy used for selecting the types, quality, and quantities of materials for the Nation's strategic stockpile goals. By determining stockpile goals, the U.S. Department of Defense (DOD) identifies materials excess to national security requirements. The Federal Property Resources Service (FPRS) of the General Services Administration (GSA) is assigned the acquisition, disposal, storage, maintenance, security, refining, processing, and rotation activities of the stockpile program.
- b. Whenever the stockpile requirement for a material is lowered, the GSA may sell any oversupply of the material. At that time, the DOD may authorize the Office of Stockpile Disposal to develop a plan for orderly disposal of excess strategic or critical materials. Sales plans are based upon market activity. Disposal plans for materials purchased under the Defense Production Act require the approval of DOD. All other disposal requires Congressional authorization. The President may authorize the release of materials in the interest of the common defense. The DOD will make the disposal plan, avoiding disruption of normal free world market activity, and may limit disposal to domestic consumption. Most sales are

for large quantities of raw materials in prime or good condition.

- c. In instances where small businesses may find it difficult to purchase their fair proportion, the ONRSA and the GSA may jointly make designated sales to small businesses. The SBA Headquarters receives the invitations to bid on stockpile material sales. Inquiries from small businesses for lotted materials will be referred to the Assistant Administrator of the ONRSA. The ONRSA will arrange for designated small business sale lotted stockpile materials.
- d. The Memorandum of Understanding between the General Services Administration and the SBA can be found in the Property Sales Assistance Source Book.

5. What Is the Real and Personal Property Sales Assistance Program?

a. Personal Property

- (1) The Federal Government sells large quantities of personal property declared surplus. Surplus property serves no current or foreseeable need for the Government and may include equipment, supplies, and other materials. Equipment is generally in used condition and may be usable in its original form or valuable for recovery of parts. Some items are sold as scrap. Some items are of interest to small business because of the quality of equipment and machinery for the price, and use of the surplus items for parts recovery.
- (2) The SBA does not sell surplus personal property, except property held as collateral for SBA loans that have been foreclosed because of default. The General Services Administration, which disposes of personal property declared surplus by all civilian agencies, and the Department of Defense, which through its Defense Logistics Agency, disposes of personal property declared surplus by the military services are the two agencies primarily concerned with property sales. The SBA is responsible for helping small business find and obtain its fair proportion of this type of Government property.

b. Real Property

- (1) Federal agencies report any real property no longer needed to the General Services Administration for possible use of the property by other Federal agencies or for disposal of the property as surplus.

- (2) Regulations governing the disposal of Federal real property provide that local governments and institutions may acquire it for health, educational, recreational, or certain other uses at a discount or price preference. Surplus property not sold to public agencies or institutions is advertised for sale by GSA on a competitive bid basis.

Chapter 4

Overview of the Office of Natural Resources Sales Assistance

1. What Is the Office of Natural Resources Sales Assistance (ONRSA)?

The ONRSA is the office assigned the responsibility of administering the various programs of the Property Sales Assistance Program. The ONRSA is part of the Office of Government Contracting which is under the Office of Government Contracting and Minority Enterprise Development. The ONRSA personnel includes the Assistant Administrator, staff at Headquarters, the post-of-duty Industrial Specialists, and support staff assigned to offices at key geographic locations throughout the United States.

2. What Are the Responsibilities of the Assistant Administrator, Office of Natural Resources Sales Assistance (AA/ONRSA)?

- a. Review and evaluate ONRSA personnel performance, make sure personnel follow SBA instructions and regulations, and recommend necessary corrective action when needed.
- b. Prepare job descriptions and knowledge, skills and ability requirements for ONRSA personnel, and screen and select applicants for vacancies.
- c. Develop and issue instructions and procedures to carry out the various programs of the ONRSA.
- d. Prepare and monitor the ONRSA budget.
- e. Coordinate the activities of the ONRSA with all other SBA programs.
- f. Coordinate the Property Sales Assistance program with the participating agencies.
- g. Use available public relations to further the SBA Property Sales Assistance Program for small business.
- h. Establish training programs.
- i. Establish reporting requirements.
- j. Assign the geographical areas that the Industrial Specialist Forestry (ISF) will represent.

- k. Notify cooperating agencies of the area assignment of each ISF.
- l. Prepare legislative proposals, when believed necessary, to assure maximum protection and assistance to small businesses engaged in Government contracting activities.
- m. Conduct studies and submit recommendations to appropriate Government agencies to make sure a fair proportion of contracts for the sale and lease of Government property are placed with small businesses.
- n. Participate in the development and preparation of interagency agreements and related policies and regulations.
- o. Resolve any conflicts that may arise from a request from an SBA office for assistance that the ISF and the requesting office cannot resolve.
- p. Represent the SBA on the Multi-Agency Command (MAC). The MAC provides leadership and coordination to the economic adjustment component of the President's Forest Plan for the Pacific Northwest.
- q. Update the Property Sales Assistance Program SOP and distribute updates to the ONRSA field offices.
- r. Represent the SBA in resolving questions that the ISF and local office of the agency selling Government timber cannot resolve.
- s. Provide administrative direction and guidance to all ONRSA personnel for specific problems, including:
 - (1) Procedures;
 - (2) Technical instructions; and
 - (3) Recommendations, as necessary.

3. Where Are ONRSA Personnel Located?

- a. The AA for GC/ONRSA and other Headquarters staff are at the SBA Headquarters in Washington, D.C.
- b. The ISF's and other field support staff are Headquarters personnel but have

Central Office Duty Station assignments at SBA regional and district offices in their areas of responsibility. Current assignments are:

- (1) One ISF and one permanent part-time clerk at the SBA District Office in Atlanta, Georgia;
- (2) One ISF and one permanent part-time clerk at the SBA District Office in Denver, Colorado;
- (3) Two ISFs and one permanent part-time clerk at the SBA District Office in Portland, Oregon; and
- (4) One ISF and one permanent part-time clerk at the SBA Regional Office in Seattle, Washington.

4. What Are the Geographic Areas of Responsibility for the Industrial Specialists (Forestry)?

| Field Office | Area of Responsibility |
|----------------------|---|
| ISF, Atlanta | Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia (USFS Region 8). All states east of the 100th meridian for Other Agencies selling timber. |
| ISF, Denver | Arizona, Colorado, Southern Idaho, Kansas, Nebraska, Nevada, New Mexico, South Dakota, Utah, and Wyoming (USFS Regions 2, 3, & 4). |
| ISF, Portland | California, East Side of Oregon (USFS Region 5 and part of USFS Region 6) |
| ISF, Portland | West Side of Oregon (part of USFS Region 6) |
| ISF, Seattle | Alaska, Northern Idaho, Montana, North Dakota, and Washington (USFS Regions 1, 10, part of 6). All states west of the 100th meridian for Other Agencies selling timber. |

5. What Forms and Reports Am I Required to Submit?

You are required to submit the following forms and reports:

a. Monthly Narrative Activities Report

You must submit a narrative activities report monthly to the AA/ONRSA. The report should summarize your principal activities for the previous month, noting special program accomplishments, significant program issues, and comments and recommendations pertaining to the program in your assigned area. This report is not a substitute for operational issues that you need to review periodically. You must submit the Monthly Narrative Activities Report within 10 days of the end of the month.

b. SBA Form 491, "Report of Timber Activity"

- (1) This statistical report provides summary information by forest of the timber sale activities of Government timber sales. The report gives sale information by the SBA size class of the purchaser, and by sale status (designated or unrestricted). You obtain the information for this report from the USFS 2400-17, "Report of Timber Sale." See USFS 2400-31 Report below. You can find a copy of this report form, with instructions for preparation and submission, in the Property Sales Assistance Program Source Book.
- (2) A computer generated form of this report is available in the computer at each ISF field office. You can submit the computerized form instead of the printed form to satisfy the reporting requirements. You should submit the following reports within 60 days of the end of the report period:
 - (a) **Semi-Annual SBA Form 491:** You must prepare and submit a report semiannually, for each USFS Region and the BLM, for the period of October 1 through March 31, and for the period of April 1 through September 30 of each fiscal year; and
 - (b) **Annual SBA Form 491:** In addition to the semi-annual summary, you must prepare and submit an annual summary of the report (October 1 through September 30) for each USFS region, the BLM, and for "other" agencies.

c. Small Business Share Calculations

You must retain, in your permanent file, a copy of all the past small business share calculations for the property sales programs. You will need this data for the analysis of current programs and review of share re-computations.

6. What Forms and Reports Are Other Agencies Required to Submit to Me?

There are several forms and reports that other agencies should submit to you.

a. USFS 2400-31 Report, “Cumulative Set-Aside Program Analysis” and “Volume Distribution Worksheet for 2400-31 (Timber)”

- (1) The calculation worksheet is used to record, chronologically by bid date, timber awards made in a market area for the 6-month analysis period. The Analysis sheet is used to decide if the Small Business Timber Program will “trigger” on a market area, and how much volume to designate for small business bidders. You can find complete instructions on how to fill out these reports in the FSH 2409.18 - Timber Sale Preparation Handbook, Chapter 90, in your Property Sales Assistance Program Source Book.
- (2) The contracting officers for the various USFS market areas are required to send you a USFS 2400-17, Report of Timber Sale, for every timber sale offered. You must audit each USFS 2400-17 for completeness and correctness. You will use the information on the USFS 2400-17 to check the USFS 2400-31 and compile the SBA Form 491.
- (3) Every 6 months, the USFS regulations require that the contracting officer send you a USFS 2400-31 Report. You must check the information on the calculation worksheet against the corresponding USFS 2400-17's for accuracy. You then check the worksheet for correctness and verify the totals. Normally, the timber sale volumes recorded are those used to decide the small business fair share. These are “included” sales and you can find the definitions for included sales in the FSH 2409.18 - Timber Sale Preparation Handbook, Chapter 90, in your Property Sales Assistance Program Source Book and paragraph 5-16 in this SOP.
- (4) The contracting officer will compile the Analysis sheet from data summarized from the calculation worksheet. You must verify that the data on the Analysis sheet is correct and consistent with agency sale

policy. The contracting officer must agree with any changes or corrections you make. Talking with the contracting officer is very important.

- (5) A computer generated form of the calculation worksheet is available in the computer at each ISF field office. You can use this computerized report to help you in verifying the USFS information. You should have all your checks and corrections completed within 60 days of the end of the report period.

b. USFS 2400-30 Report, “Regional Summary of Purchases Credited to Small Business and Set-Aside Programs”

- (1) This is a regional summary of all USFS Form 2400-31 Reports for the 6-month period. This report is no longer required by the USFS Washington, D.C. office, but you and the USFS Regional Representative can agree to fill it out for your own records.
- (2) At the close of each 6-month period, after all USFS 2400-31 Reports are completed and checked, you should meet with the responsible agency officer in the USFS regional office and verify the data from the USFS 2400-31 Reports for that region. If you and the regional representative agree, you can fill out the USFS 2400-31 Report and maintain a copy in your permanent file. You can find a copy of the form and instructions in the Property Sales Assistance Program Source Book.

c. SBA Form 441, “Joint Set-Aside for Small Business (Sale of Federal Timber)”

All agencies use this form when initiating one or more designated Government timber sales. The agency contracting officer should prepare one copy for the contracting agency, and an additional copy for your file. You and the contracting officer must sign and date both copies. The agencies can reproduce the form, or they can requisition copies from SBA inventory. You can find a copy of the form and instructions in the Property Sales Assistance Program Source Book.

d. SBA Form 441A, “Joint Set-Aside for Small Business (Sale of Federal Property)”

This form is used for set-aside sales or leases of Government property (other than timber). The agency contracting officer should prepare one copy for the contracting agency, and an additional copy for your file. This is an operating form and the appropriate contracting officer should use it for all non-timber set aside Government property sales or leases. The agencies can reproduce the form, or they can requisition copies from SBA inventory. You can find a copy of the

form and instructions in the Property Sales Assistance Program Source Book.

e. SBA Form 723, “Small Business Certification Required on All Preferential Sales of Set-Aside Timber”

The SBA Form 723 is a self-certification by the small business high bidder of a designated Government timber sale. The small business agrees to perform the requirements of the sale contract following applicable SBA rules and regulations. The contracting officer executes the agreement with the timber sale contract, and attaches a copy to the contract. The contracting office must give a copy to the purchaser and send a copy to you. You should keep the SBA Form 723 with the USFS 2400-17 Report for the sale. All designated Government timber sales awarded to self-certifying small businesses require this contract form. An exception to this is in USFS Region 8 on USFS designated timber sales where the USFS requires the processing of 100 percent of the Southern Yellow Pine sawtimber and 30 percent of hardwood sawtimber by small business facilities. A copy of the form can be found in the Property Sales Assistance Program Source Book. Contracting officers can requisition copies from SBA inventory.

7. **How Long Should I Retain Documents?**

You should retain most correspondence and general records for 2 years (see SBA SOP 00 41). You will need to maintain some records for a longer period as follows.

a. Timber Sale Information

- (1) You receive the disposal information of every timber sale in your area of responsibility. As most timber sale programs are in 5-year cycles, you must maintain the sale documents for the past two 5-year periods, and the current 5-year period. You should receive an SBA Form 723 with each sale designated for small business. You should attach the Form 723 to the disposal information and maintain it along with the disposal information.
- (2) An exception to the above would be a structural change in the first 5-year period. You should maintain the information for the structural change for one additional 5-year period. Also, some agencies do not have 5-year programs. You should maintain the records for these agencies for 5 years.
- (3) You enter all timber sale disposal information into the ONRSA computerized databases at the ISF field office. You then should maintain the computer database information until the AA/ONRSA informs you that

you can dispose of it.

b. SBA Form 491 Reports, USFS 2400-31 Reports, and USFS 2400-30 Reports

Like the timber sale disposal documentation, you must maintain the report information for the past two 5-year sale periods, and the current 5-year period.

c. 30/70 Rule (50 percent in Alaska & 100 percent in USFS Region 8) Violations and Size Determinations

You must maintain the findings of contract disposal investigations and size determinations, in perpetuity. You will need to provide copies of these findings to the contracting officer should there be a question of the business' size or past contract violations.

d. Small Business Share Calculations

You must retain, in your permanent file, a copy of all the past small business share calculations for the property sales programs. You need the data for the analysis of current programs and review of share re-computations.

8. What Assistance Can I Give to Other SBA Offices?

- a. You do not have any operational responsibilities to other SBA offices, but you should provide assistance where your specialized expertise can be of aid. This can include, but is not limited to, size determinations, certificates of competency, feasibility studies, or management assistance for the forest products industry.
- b. Arrangements for your assistance can be made directly with you for your assigned geographic area. The requesting office should fund any travel required that is not part of your regular responsibilities. The AA/ONRSA will resolve any conflict arising from the requested assistance that you and the requesting office cannot resolve.

Chapter 5

Timber Sales Assistance Program

1. What Are My Responsibilities as an Industrial Specialist (Forestry)?

You must:

- a. Accumulate information for small business share percentage recalculations and/or for special recalculations.
- b. Arrange meetings with the appropriate agency personnel when controversial issues are involved, and provide solutions for localized problems affecting designated sale plans and procedures.
- c. Assist in obtaining information for specific cases when requested by Headquarters.
- d. Conduct meetings, as necessary, with the appropriate officers of agencies selling timber to maximize the opportunity for small business participation in the timber sale program on each individual market area.
- e. Determine the need for designated sales for small business bidders, and verify conformity of the sale program with the policies and procedures of the selling agency and the SBA.
- f. Develop and maintain optimum working relations with the forest officials and technical personnel of Federal agencies selling Government timber. You should emphasize that the Timber Sale Assistance Program for small business is a cooperative undertaking and a responsibility of both the SBA and the selling agency.
- g. Engage in feasibility research activities designed to attract new businesses and industries to areas where natural resources are underdeveloped and/or community unemployment problems exist.
- h. Evaluate the progress of the timber sale schedule and competition for timber sales. Verify that sales designated for small business bidders are offered as planned.
- i. Exchange information, as appropriate, with other SBA field representatives that may improve the SBA Property Sales Assistance Program.

- j. Designate sales for small business bidders offered for sale promptly.
- k. Investigate the disposal of timber from specific designated small business timber sales when violations of SBA regulations appear imminent or are evident.
- l. Maintain appropriate sale information for all timber sales in your area of responsibility. You should maintain this information in the computer database provided for this purpose.
- m. Maintain a working knowledge of the regulations, policies, and operating procedures of the various Federal agencies selling Government timber.
- n. Maintain close contact with forestry associations and Federal and State authorities involved in the forest products industry. This will allow you to provide assistance for the small business forest products industry and help promote small business opportunities.
- o. Maintain liaison with the appropriate SBA offices in your assigned area of responsibility to provide information concerning ONRSA Program developments.
- p. Maintain the Property Sales Assistance Program SOP and Source Book.
- q. Represent the SBA in discussions with the representatives of Federal agencies selling Government timber.
- r. Represent the SBA in negotiations for designated sales for small business bidders. You should use your best judgment and evaluation of pertinent conditions for those agencies that do not have a formula established for deciding if designated sales are needed.
- s. Represent the SBA on the State Community Economic Revitalization Team (SCERT). The SCERT coordinates the economic adjustment component of the President's Forest Plan for the Pacific Northwest.
- t. Review each proposed timber market area to make sure it represents a significant forest industry community. Both the SBA and the selling agency must approve any market area changes.
- u. Review small business share percentage calculations for each market area for accuracy and compliance with regulations and instructions. Confirm the share percentage and/or volume with the appropriate agency.

- v. Refer Certificate of Competence inquiries to the appropriate SBA office.
- w. Refer loan inquiries to the appropriate SBA office.
- x. Refer protests of small business size status to the contracting officer and/or the appropriate SBA office. If you believe there is a need for size determination on a particular business, you should coordinate this request with the AA/ONRSA. You should furnish relevant comments on size determinations to the AA/ONRSA and the appropriate SBA office, as needed.
- y. Refer any problems that you cannot satisfactorily resolve at the field level to the AA/ONRSA. Provide documentation needed to support your view.
- z. Request the USFS Regional Forester to review questions concerning small business and the Forest Service that you and the National Forest Supervisor cannot resolve. You must refer any questions that you and the Regional Forester cannot resolve to the AA/ONRSA.
- aa. Request the BLM State Director to review questions concerning small business decisions and the BLM that you and the BLM District Manager cannot resolve. You must refer any questions that you and the BLM State Director cannot resolve to the AA/ONRSA.
- ab. Prepare supporting files for timber sale questions needing resolution by the appropriate office of the selling agency to the AA/ONRSA.
- ac. Visit small business forest industry processing facilities and logging operations to stay knowledgeable of activities and issues in the industry.
- ad. Maintain, prepare, and submit reports as outlined in this SOP.

2. For Government Timber Sales, What Is the Small Business Size Standard?

- a. To be small for the purposes of purchasing Government timber, a bidder must:
 - (1) Be primarily engaged in the logging or forest products industry;
 - (2) Not exceed 500 employees, taking into account its affiliates; and
 - (3) Agree that, if the business is not a manufacturer, it will not sell more than 30 percent of the sawtimber volume of a designated timber sale to other businesses that do not meet the SBA size requirements.

- b. You should review and become very familiar with the SBA Size Standards as outlined in the 13 CFR Part 121.

3. Why Is the Size of a Purchaser Important?

- a. Each market area has a small business market share percentage determined from the past 5 years of purchase history or purchase/harvest history. Correct allocation of sawtimber harvest is an absolute must in those areas that use harvest history to determine the new small business share percentage, the purchase history for share recalculation, and if a market area is triggered for the next 6-month period.
- b. Every 5 years new market shares are determined based on small business purchase and/or harvest history. Requesting a size determination for some businesses when you are recalculating the new small business share may be necessary.
- c. For purchase history, the U.S. Forest Service and the BLM credits the sawtimber volume of a sale at the time of bid.
- d. An open sale is available for bid by all classes of purchasers (small, large, and non-manufacturers). The award to the successful high bidder does not depend on a positive declaration of size, and the selling agency will award the sale to the highest bidder. The volume is credited to the proper size category, small or large.
- e. The crediting of non-manufacturers' (loggers) open sale purchases to large or small is based on the non-manufacturers delivery history or as instructed by the purchaser at the time of bid. The process for crediting volume does vary between the U.S. Forest Service and the BLM, so you should refer to the Property Sales Assistance Program Source Book for details.
- f. A sale designated for small business can receive bids by all classes of purchasers (small, large, and non-manufacturers). The award of the sale must go to the qualified self-certifying small business with the highest bid. If no qualified self-certifying small business bids, the award of the sale is to the highest bidder, regardless of size. The volume is credited to small business for the purpose of determining if a trigger is warranted, but credited to large business for determining the new share percentage at the next recalculation.
- g. Non-manufacturers can resell only 30 percent of the advertised sawtimber volume from a designated sale to a large business or have the sawtimber processed by large business facilities. You may find it necessary to formally determine the size

of the purchaser of the sawtimber when administering this rule. The volume that non-manufacturers can sell to large business from designated sales differs in U.S. Forest Service Region 10 (50 percent) and Region 8 (0 percent of Southern Yellow Pine).

- h. How you credit volume forms the basis for determining if small business has purchased its market share in that market area for that 6-month period. If small business has not purchased 90 percent of their share volume, the SBA and the contracting officer will trigger the program for that market area. For the next 6-month period, the market area can have small business designated sales equal to the deficit plus the small business share. In USFS Regions 1-6, the designated sale volume can be only one-half of the deficit plus the share, if the period is in an initial trigger situation.
- i. If you or the contracting officer of the selling agency has a reason to question the size of the successful high bidder or any sale when allocating the sawtimber volume, you must use the size determination process.

4. What Should I Do If a Size Determination Is Requested, or Required?

- a. Usually, another bidder or interested party will file a request for a size determination for the apparent high bidder of a designated sale just after the bids are opened. Additional information can be found in the Property Sales Assistance Source Book and in 13 CFR Part 121. Also, you can review the procedures in the Size Determination Program SOP (90 01).
 - (1) The bidder or interested party will file a protest of the size of the apparent high bidder with the contracting officer. Some agencies have a 5 day delay between the opening of the bids and the award of the contract specifically for this purpose.
 - (2) The contracting officer should forward the protest to the appropriate Government Contracting (GC) area office with a request for a size determination.
 - (3) If the protest is forwarded to you, you must forward it to the proper GC area office along with any additional information you can provide. Also, you must inform the AA/ONRSA of the size protest.
 - (4) You should maintain contact with the SBA GC area office to provide any additional assistance required and to stay informed of the progress.

- b. If you, or the contracting officer, are uncertain of the size of a purchaser, you can request the initiation of a formal size determination. This is true for any program under the Property Sales Assistance Program.
 - (1) You should inform the AA/ONRSA that you or the contracting officer requires a size determination of a business; and
 - (2) The AA/ONRSA, or designee, will contact the proper SBA GC area office and request the initiation of a formal size determination. You will supply any additional information requested by the AA/ONRSA or the area office.
- c. A size determination “stands” unless an appeal overturns the decision, the SBA recertifies the business, or someone files another protest on the business using different allegations.
- d. When there is a size protest of a business on a particular sale, the size determination affects that sale and all future sales. The size classification of the business does not change on sales purchased in the past.

5. Can the Size Determination Be Appealed?

There is no right of appeal of a size determination. The Office of Hearings and Appeals (OHA), however, may decide to review a formal size determination. Unless OHA accepts a petition for review, the size determination is the final decision of SBA (13 CFR 121.1101).

6. How Can a Business Apply for Recertification?

- a. A business declared “other than small” can apply for recertification anytime. The business must apply to the SBA office that made the original size determination. A current completed SBA Form 355, “Application for Size Determination,” must accompany the application, with any other information sufficient to show a significant change in the ownership, management, contractual relations, or other factors to show that the business is small for the purpose of bidding on Government timber sales.
- b. If the SBA office denies the application for recertification, the SBA views the denial as a formal size determination. The outcome of the recertification affects only future sales. The size classification of the business does not change on sales purchased in the past.

7. Where Do I Find Specific Regulations for the SBA Timber Sales Assistance Program with the U.S. Forest Service?

- a. Your main source of regulations for the SBA Timber Sale Assistance Program with the U.S. Forest Service will be found in the FSH 2409.18 - Timber Sale Preparation Handbook. Chapter 90, Programs With Small Business Administration, will be the specific area and you should become familiar with the contents of this chapter. A copy of the Forest Service Handbook is in the Property Sales Assistance Program Source Book. You must make sure that it remains up-to-date. Contact your nearest USFS regional office and request they mail you updates.
- b. In addition to the USFS Handbook, you can find information in the Code of Federal Regulations (CFR) for Business Credit and Assistance (13 CFR) and Parks, Forests, and Public Property (36 CFR). You will want to review 13 CFR 121 & 125 and 36 CFR 223.
- c. The Forest Service uses a variety of timber sale contracts in the selling of Government timber. As some provisions in these contracts pertain to sales designated for small businesses, you should be familiar with these provisions. You should maintain a copy of the "A" and "B" clause sections of the various contracts used in your areas of responsibility and make sure the Forest Service regional offices send you Washington and regional office updates of the "C" clause section provisions.
- d. Also, in the Property Sales Assistance Program Source Book, you will find the Memorandum of Understanding between the U.S. Department of Agriculture and the Small Business Administration. You should review and be familiar with this document.

8. Where Do I Find Specific Regulations for the SBA Timber Sales Assistance Program with the Bureau of Land Management (BLM)?

- a. As the ISF in Portland, Oregon or Seattle, Washington, you will find your main source of regulations for the SBA Timber Sale Assistance Program with the Bureau of Land Management as the Operating Procedures in the Property Sales Assistance Program Source Book. You should make sure that your Handbook has the most recent copy and you update the procedures as required.
- b. In addition to the BLM Procedures you can find information in the Code of Federal Regulations (CFR) for Business Credit and Assistance (13 CFR) and

Public Lands: Interior (43 CFR). You will want to review 13 CFR 121 & 125 and 43 CFR 5400 in particular. You should make sure that you have the latest copy of these two CFRs.

- c. Also, in the Property Sales Assistance Program Source Book, you will find the Memorandum of Understanding between the U.S. Department of Interior and the Small Business Administration. You should review and be familiar with this document.

9. Where Do I Find Specific Regulations for the SBA Timber Sales Assistance Program with the Other Government Agencies?

As the ISF in Atlanta, GA or Seattle, WA, you can review the Memorandums of Understanding with the other Government agencies that have agreements with the SBA concerning the selling of Government timber. These agreements and the 13 CFR 121 regulations comprise most of the formal regulations. You can formulate additional general understandings with the contracting officer of an individual facility if you decide that small business needs designated sales to obtain their share of the timber offered.

10. How Is the Small Business Share Percentage Determined for U.S. Forest Service Market Areas?

The general guidelines for calculating the Small Business share percentage for USFS market areas can be found in the FSH 2509.19 - Timber Sale Preparation Handbook, Chapter 90, Section 91 - Recomputation of Shares. You can find a copy of the Forest Service Handbook in the Property Sales Assistance Program Source Book.

11. How Is the Small Business Share Percentage Determined for BLM Market Areas?

The general guidelines for calculating the small business share percentage for BLM market areas can be found in the BLM Operating Procedures, Section 3, Determination of Small Business Base Average Percentage. A copy of the Operating Procedures can be found in the Property Sales Assistance Program Source Book.

12. How Is the Small Business Share Percentage Determined for Other Government Agencies?

- a. The U.S. Forest Service and the BLM do have specific regulations for calculating a small business share percentage. Most other Federal agencies selling

Government timber do not have specific procedures for determining a small business share percentage. Government timber sales for these agencies are designated for small business bidders when either the ISF or the contracting officer for the selling agency substantiates a need. Once the ISF and the contracting officer agree that small business purchasers need designated sales, the contracting officer must generate an SBA Form 441, "Joint Set-Asides for Small Business." The form will list the sales designated for small business bidders and both the ISF and the contracting office will sign the agreement.

- b. Copies of the Memorandums of Understanding for the other Government agencies and a copy of the SBA Form 441 can be found in the Property Sales Assistance Program Source Book.

13. How Do I Determine If There Is a "Need" for Designated Timber Sales?

- a. The essence of the SBA Timber Sale Assistance Program is a demonstrated small business "need" for timber being sold by the Government. Determination of need is a disciplined, structured process. Both the U.S. Forest Service and the BLM have very specific procedures for calculating the small business need for the sale of Government timber.
 - (1) To calculate the small business needs for U.S. Forest Service timber sales, review the procedures in the FSH 2409.18, Chapter 90, Section 92 - Operation of The Regular Set-aside Program in the Property Sales Assistance Program Source Book.
 - (2) To calculate the small business needs for BLM timber sales review the Operating Procedures for the BLM - SBA Timber Sale Set-Aside Program, in the Property Sales Assistance Program Source Book.
- b. Other agencies do not have specific regulations for calculating need. It is your responsibility to maintain a constant review of the purchasing patterns on the various other agencies market areas to assess if small business is purchasing its historical fair share. If you believe that small business is not able to purchase its fair share in a particular market area, contact the contracting officer and discuss how best to provide designated timber sales for small business bidders. You should provide data to the contracting office to support your assessment.

14. How Do I Determine If a Sale Should Be “Included” in the SBA Timber Sales Assistance Program?

- a. You must include sales that are sales sold competitively and are in the regular sale program. Also, you should consider only the sawtimber volumes in the sale. You do not include pulpwood volumes or the volume of other products such as post or optional material. Sales that you should not include are:
- (1) Administrative use sales, sales that are for the convenience of the contracting agency;
 - (2) Timber settlement sales, sales for the settlement of disputes or theft;
 - (3) Direct, noncompetitive, unadvertised sales or sales advertised for 7 days or less;
 - (4) Sales less than \$2,000.00 in advertised value (some exceptions may apply);
 - (5) Sales in some Federal sustained-yield units;
 - (6) Sales in urgent need of harvesting because of natural or manmade disaster; and
 - (7) Sales with unique requirements or very large sales that would exclude the small businesses in the area.
- b. There are historical agreements in some areas concerning what sales should or should not be included in the Program. You must learn these various agreements. For example, in USFS Regions 8 and 9, most salvage sales are “in urgent need of harvesting because of natural or manmade disasters.” Therefore, we do not include most salvage sales in the SBA/USFS Program, unless the sale is part of the regular sales program. The contracting officer should give you this information. You will need to establish and maintain good communication with the contracting officers in your area of responsibility.

15. How is the Sawtimber from a Designated Small Business Sale Processed?

- a. To ensure that sawtimber from a designated small business sale is processed by small business, the provisions of 13 CFR 121.507, require that the purchasers of preferential Government timber sales agree to the following:

- (1) If the purchaser of the designated sale plans to resell the sawtimber, the purchaser will not sell more than 30 percent (50 percent in Alaska) of the preferential timber to businesses that do not meet SBA's small business size standard; and
 - (2) If the purchaser of the designated sale plans to process the sawtimber, the purchaser will do so with its own facilities or with facilities that qualify as small business.
- b. At the time a contracting officer executes a contract for a designated sale, the contracting officer must execute an SBA Form 723, "Small Business Certification Required on all Preferential Sales of Set-Aside Timber," which becomes a part of the sale contract. The U. S. Forest Service also has provisions concerning this rule in the Special Provisions section ("C" Clause section) of their timber sale contract. You should become very familiar with these provisions.
 - c. The SBA regulations at 13 CFR Part 121 do not have any provisions for a waiver of the 30 percent (50 percent in Alaska) restriction. In the 30 percent restriction, the term "sell" includes the exchange of timber or sawlogs.
 - d. The USFS has adopted a 100 percent rule relating to the sale of Southern Pine sawtimber from designated small business sales in USFS Region 8. If the Southern Pine sawtimber on a designated small business sale is sold, it must be sold to another small business or must be processed in a small business facility. All other species of sawtimber are subject to the 30 percent restriction.
 - e. For additional information on USFS timber sales see FSH 2409.18 - Timber Sale Preparation Handbook, Chapter 90, Section 92.5 in the Property Sales Assistance Program Source Book.
 - f. For additional information on BLM timber sales see the Operating Procedures for the BLM-SBA Set-Aside Timber Sale Program, Section 1 in the Property Sales Assistance Program Source Book.

16. What Must I Do If a Business Does Not Comply with the Regulations for Processing the Sawtimber from a Designated Small Business Sale?

- a. When you find out or have reason to believe that a purchaser of a designated timber sale has violated the 30 percent (50 percent in Alaska, or 0 percent in USFS Region 8) restriction in the contract agreement for the disposal of timber or sawlogs, you must investigate the circumstances immediately. The investigation

is to determine if the purchaser disposed of designated sale timber and/or logs to a business that is other than small in excess of the volume allowable. The investigation, with appropriate documentation, must include, but is not limited to, the items below:

- (1) Review pertinent timber sale or log delivery records of the purchaser concerning the designated timber sale.
- (2) Verify that the purchaser of the designated sale signed the SBA Form 723. This is to make sure the purchaser is aware of the requirements when reselling the designated timber or logs. In USFS Region 8, you should verify that the contracting agency included the "C" clause requiring the purchaser to sell designated Southern Yellow Pine sawtimber and/or logs to small business processors in the signed timber sale contract.
- (3) Determine if the purchaser of the designated sale required the buyer of the resold timber or logs to sign a similar certificate at the time of the sale. This is to make sure that compliance of SBA regulations of any subsequent resale of the same timber or logs will conform to the 30 percent (50 percent in Alaska, 0 percent in USFS Region 8) restriction.
- (4) Determine if the purchaser of the designated sale required logs, timber, or other materials in exchange for designated timber or logs, thus reducing the timber available to small business manufacturers.
- (5) Interview the original purchaser of the designated sale, the buyer of the resold logs, and others having knowledge of the sale to decide to what extent the original purchaser may have violated SBA regulations.
 - (a) The SBA Office of the Inspector General (OIG) has authority to conduct audits and investigations to prevent and detect violations of SBA regulations or other Federal laws, both civil and criminal. Should you develop evidence during the investigation that could establish a violation of SBA regulations or any other Federal law, you must notify the AA/ONRSA and the SBA OIG.
 - (b) The OIG may initiate a follow-up investigation, or you may request the OIG to initiate a follow-up investigation. Any action taken by the OIG will be in addition to, not a substitute for, your inquiries. The OIG involvement in any property sales assistance cases may be through its own initiatives or through notification and request for assistance by you or the AA\ONRSA. In either case, if you are aware of any OIG involvement in an investigation,

you will not take action without prior consultation with the OIG.

- (c) If you find that the business under investigation did violate its small business certification and/or SBA regulations, or that such a violation is imminent, you must notify the contracting officer for the timber sale, and recommend action. Possible action can include to:
 - (I) jointly discuss contract compliance with the contracting officer and the purchaser;
 - (ii) Stop contract operations pending clarification of compliance; or
 - (iii) Stop contract operations if a breach of the contract has occurred.
- (d) The objective is to act promptly to ensure compliance with the small business certification and/or SBA regulations. You must notify the AA/ONRSA of the alleged violation and specific actions proposed or taken.
- (e) A purchaser that violates the provisions of a contract for a designated sale may be subject to:
 - (i) A letter of warning;
 - (ii) The cancellation of the timber sale contract or contracts breached;
 - (iii) Debarment from participating in future Federal timber sales;
 - (iv) Disqualification from participating in future Federal designated sales for small business; or
 - (v) Criminal proceedings.

17. What Is the Special Salvage Timber Sale (SSTS) Program?

- a. The Special Salvage Timber Sale Program (SSTS) is a joint program administered by the U.S. Forest Service and the SBA, under the provisions of the USDA-SBA Interagency Agreement of 1971. The program provides for preferential awards of

certain additional salvage sales, funded as salvage sales under Section 14(h) of the National Forest Management Act of 1976, to loggers and forest products concerns qualified as SSTS small businesses. You can find the size standards for SSTS small businesses under SBA size regulations, at 13 CFR Part 121.

- b. The SSTS Set-Aside Program is separate and distinct from the regular small business designated sale program of Forest Service timber. The USFS and SBA have jointly agreed on SSTS program guidelines as set forth in the FSH 2409.18, Chapter 90, Section 93 - Special Salvage Timber Sale Program. You can find a copy in the Property Sales Assistance Program Source Book.

18. What Is the Timber Sale Road Construction Option (Section 14i)?

Section 14(i) of the National Forest Management Act of 1976 provides small businesses, as defined by SBA, the opportunity to elect to have the Forest Service construct the permanent roads on U.S. Forest Service timber sales. The estimated cost of the construction must be in excess of \$20,000. The election does not apply to Forest Service timber sales in Alaska. Forest Service regulations provide for the solicitation of bids for contract road construction, when small business timber sale purchasers request Government construction of such roads. As benefits of Forest Service road construction under Section 14(i) vary from sale-to-sale, the timber sale purchaser must consider the road option election on a sale-by-sale basis.

Chapter 6

Royalty Oil Sales Assistance Program

1. What Legislation Allows Mining on Public Lands?

The Mineral Lands Leasing Act of 1920 and the Outer Continental Shelf Lands Act of 1953 allow the Government to lease Public Lands for mining.

2. For the Royalty Oil Program, What Is the Small Business Size Standard?

A business that submits an offer as a small business for the purchase of Government-owned petroleum qualifies as small when it (13 CFR 121):

- a. Together with its affiliates, does not have more than 1,500 employees;
- b. Is primarily engaged in petroleum refining; and
- c. Does not have more than 75,000 barrels per day crude oil or bonafide feed stock capacity from owned and/or leased facilities.

3. How Is the Government Paid for Leasing Public Lands to Businesses Mining for Oil and Gas?

The Federal Government receives royalties, or Royalty-In-Kind (RIK), of oil and gas from the businesses leasing Government lands for mining those resources from public lands as payment of the lease.

4. What Does the Government Do with the Oil and Gas Received for Lease Payments?

The Government sells RIK to oil refiners. The refiners will refine the crude oil and sell it on the open market.

5. Which Government Agencies Offer the Leasing of Public Lands for Oil and Gas Exploration and Mining?

The U.S. Department of Interior offers mineral leases through the Bureau of Land Management and the Minerals Management Service. A copy of the Memorandum of Understanding can be found in the Property Sales Assistance Source Book.

Chapter 7

Mineral, Coal, Oil, and Gas Leasing Assistance Program

1. What Legislation Allows the Leasing of Minerals, Coal, Oil, and Gas on Public Lands?

The Mineral Lands Leasing Act of 1920 allows the Government to lease Public Lands for the mining of these materials. You can find a copy of the Memorandum of Understanding between the SBA and the Department of Interior in the Property Sales Assistance Program Source Book.

2. Who Has the Responsibility for the Mineral, Coal, Oil, and Gas Leasing Assistance Program?

- a. The AA/ONRSA will arrange set-asides as possible and appropriate for all Program leases, except coal. You should refer all inquiries for mineral leases to the AA/ONRSA.
- b. The Industrial Specialist Forestry (ISF) in Denver is responsible for the coal leasing program.

3. As the ISF in Denver, What Are My Duties Pertaining to the Coal Leasing Program?

Your duties are to:

- a. Perform program and staff functions for the AA/ONRSA, concerning the coal leasing program;
- b. Administer all terms of the Memorandum of Understanding concerning coal lease set-asides, between the Department of Interior and the Small Business Administration;
- c. Assist small business in all technical matters concerning the sale of coal leases and make sure small businesses obtain a fair share of these leases;
- d. Represent SBA at meetings with management and program officials of the selling agencies regarding matters pertaining to coal leases;

- e. Represent SBA in all discussions concerning coal leases with the coal industry;
- f. Analyze procurement and lease sales data to develop and recommend changes or modification to agency policy; and
- g. Attend all Regional Coal Team meetings.

4. For the Mineral, Coal, Oil, and Gas Program, What Is the Small Business Size Standard?

The size standard changes for the type of lease-mining contracts sold. You can find the specifics of the size standard in the 13 CFR 121.

Chapter 8

Strategic and Critical Stockpile Materials Disposal Assistance Program

1. What Agencies Are Responsible for the Selling of Strategic and Critical Stockpile Materials?

- a. The Secretary of Defense is responsible for determining stockpile policy used for selecting the types, quality, and quantities of materials for the Nation's strategic stockpile goals. By determining stockpile goals, the U.S. Department of Defense (DOD) identifies materials excess to national security requirements. The Federal Property Resources Service (FPRS) of the General Services Administration (GSA) assigns the acquisition, disposal, storage, maintenance, security, refining, processing, and rotation activities of the stockpile program.
- b. Whenever the stockpile requirement for a material is lowered, the GSA/FPRS may sell any oversupply of the material. The DOD may then authorize the Office of Stockpile Disposal to develop a plan for orderly disposal of excess strategic or critical materials. Sales plans are based upon market activity. Disposal plans for materials purchased under the Defense Production Act require the approval of DOD. All other disposal requires Congressional authorization. The President may authorize the release of materials in the interest of the common defense. The DOD will make the disposal plan, avoiding disruption of normal free world market activity, and may or may not limit the disposal to domestic consumption. Most sales are for large quantities of raw materials in prime or good condition.

2. What Are the ONRSA Responsibilities for This Program?

- a. In those instances where small businesses may find it difficult to purchase their fair proportion, the ONRSA and the GSA/FPRS may jointly make set-aside sales to small businesses. The SBA Headquarters receives the invitations to bid on stockpile material sales. You should refer any inquiries for set-asides or lotting of materials to the AA/ONRSA. The AA/ONRSA will arrange for set-aside sales and the lotting of stockpile materials.
- b. The GSA-SBA Memorandum of Understanding agreement provides for joint set-asides when it is mutually agreed upon that such action is required. You can find the GSA-SBA MOU in the Property Sales Assistance Source Book.

**3. For the Strategic and Critical Stockpile Materials Disposal Assistance Program,
What Is the Small Business Size Standard?**

Any business primarily engaged in the purchase of these materials is considered small for purchasing stockpile materials if its annual receipts did not exceed \$42 million for its preceding 3 fiscal years (13 CFR 121).

Chapter 9

Real and Personal Property Sales Assistance Program

1. What Agencies Are Responsible for the Selling of Surplus Personal Property?

The SBA does not sell surplus personal property, except property held as collateral for SBA loans that has been foreclosed because of default. The General Services Administration disposes of personal property declared surplus by all civilian agencies. The Department of Defense, through its Defense Logistics Agency, disposes of personal property declared surplus by the military services. The SBA is responsible for helping small business find and obtain its fair proportion of this type of Government property.

2. What Personal Property Does the Government Sell?

The Federal Government sells large quantities of personal property declared surplus. Surplus property has no current or foreseeable use for the Government and may include equipment, supplies, and other materials. Equipment is generally in used condition and may be usable in its original form or valuable for the recovery of parts. Some items are sold as scrap.

3. What Are My Responsibilities for This Program?

You are responsible for helping small business find and obtain its fair proportion of this type of Federal Property. You should:

- a. Assist small businesses with bidder's mailing list placement for brochures covering sale announcements.
- b. Assist small businesses in finding potential sources of Government surplus plant and production equipment.
- c. Compile and maintain a current listing of Federal agencies, located in your area of responsibility, which either act as disposal agencies, or have knowledge of availability of disposal property. The file should contain specific information such as the name and location of each agency, names of disposal officers and their telephone numbers, and a list of the types of disposal property handled.
- e. Develop and maintain working relations with military and civilian disposal officers responsible for selling Government surplus property. You must be

familiar with the selling agencies' regulations.

- f. Assist and counsel small businesses involved in problems with the selling agency. You should make representations to disposal officials for small business and make sure lotting, descriptions, and sales methods are not discriminatory against small business.
- g. Initiate set-asides, where necessary, using SBA Form 441A, "Joint Set-Aside for Small Business (Sale of Federal Property)."
- h. Maintain a supply of current pamphlets and brochures on the various Government selling programs to give to prospective small business bidders.
- i. Refer small businesses interested in property being liquidated by SBA, to the appropriate SBA district office.
- j. Perform special duties and prepare reports as requested by the AA/ONRSA.

4. **How Is Government Personal Property Sold?**

Surplus Government property normally is sold on a competitive bid basis to the highest acceptable bidder. Sales usually are sold by sealed bid, auction method, or spot bid.

a. Sealed Bid Sale

This method of selling is used extensively. The selling agency or installation provides prospective buyers with a bidding invitation that describes the property to be sold; indicates where it may be inspected; specifies the location, the conditions and the date of the sale(s); and names the officials to contact for further information. The sealed bids are opened publicly at a stated time and place, and the award is subsequently made on the basis of the highest acceptable bid.

b. Auction Sale

This method is used when a substantial quantity and wide variety of materials having extensive commercial application are offered for sale. Catalogs are distributed well in advance of the sale to those on the bidders' list. The catalogs describe the property, give inspection and sales dates, and specify the conditions of sale.

c. Local Spot Bid Sale

This sales method generally is used by the Department of Defense when small quantities of property, consisting mainly of consumer-type items, are offered. Prospective buyers may inspect the property and submit bids on forms provided by the selling agency.

5. What Are the Principal Conditions of Sale?

These are the principal conditions governing the sale of surplus Government personal property:

a. Inspection

Surplus property of the Department of Defense is normally sold with a descriptive guarantee. The DOD will deliver the property to the purchaser according to terms in the Invitation for Bid (IFB). Property sold by the General Services Administration is generally sold on an “as it, where is” basis. In either instance, the material is described as accurately as possible in the IFB or sale catalog. Surplus property is not sold by sample. Bidders are invited, urged, and cautioned to inspect the property prior to submitting a bid.

b. Deposits and Payments of Balances

If a deposit is required with a bid, the IFB will specify the amount. Usually it will be 20 percent or more of the total bid price. The IFB will state the time limit for payment of the balance of the purchase price. The successful bidder usually must pay the full amount before property is removed from the Government premises. If a sales catalog is used, it also will specify the amount of the required deposit, the specifications for full settlement, and when the property must be removed.

c. Awards

The award will normally be made to the highest responsible and responsive bidder. However, a confidential “current market appraisal” will be developed by the selling agency. It is the minimum which will be accepted by the contracting officer. If the highest bid is less than the appraisal, the contracting officer may decide not to make an award.

d. Withdrawal Policy

The Government reserves the right to withdraw property for its use any time prior to actual removal of property from Government control.

e. Removal of Property

The successful bidder must remove the property from Government premises within the time limit prescribed in the IFB or sale catalog.

6. Where Can I Find Sources of Government Personal Property?

The DOD pamphlet, How to Buy Surplus Personal Property from the Department of Defense, outlines current procedures to get on the bidders' lists for the DOD and GSA sales offices. Bidding procedures on property sales are also described in the pamphlet. There is a section containing notices of surplus Government property sales in the Commerce Business Daily.

a. Department of Defense

The DOD has a single contact point for any business interested in purchasing surplus DOD personal property within the United States--the Defense Surplus Bidders Control Office, Federal Center, Battle Creek, Michigan 49016. This contact point maintains a single national bidders list and is arranged to record each party's interest both geographically and with respect to classes of surplus property. When the classes of property designated on the application are placed on sale in the geographical areas designated, DOD will send the applicant an invitation to bid.

- (1) Surplus personal property and foreign excess of the Department of Defense are sold by the Defense Logistics Agency's Defense Utilization and Marketing Center.
- (2) Surplus property is usually offered in a lot size and with sale conditions to encourage bidding. Your request to set aside personal property must be made to the contracting officer on SBA Form 441A, "Joint Set-Aside for Small Business (Sale of Federal Property)."

b. General Services Administration

You can find information on GSA sales and request to be placed on GSA bidders

lists at the appropriate GSA Property Management and Disposal Service Offices listed in the Property Sales Assistance Program Source Book. GSA sales offices offer most items in lot size and with sale conditions to encourage bidding.

c. SBA Loan Liquidation Sales

SBA loan liquidation sales are conducted periodically. Information on these sales and requests to be placed on SBA bidders' lists may be obtained from the SBA district office responsible for the sale area, or from the SBA Headquarters office.

d. U.S. Maritime Administration

The U.S. Maritime Administration disposes of ships out of the reserve fleet located in the Eastern, Gulf, and West Coast areas. Generally, these ships are sold for scrap purposes only. Information on sale of reserve fleet ships may be obtained from the Maritime Administration, Division of Reserve Fleet, U.S. Department of Commerce, Washington, D.C. 20230.

7. **How Is Government Surplus Real Property Sold?**

- a. Federal agencies report any real property no longer needed to the General Services Administration for:
 - (1) Possible use of the property by other Federal agencies; or
 - (2) Disposal of the property as surplus.
- b. Local governments and institutions may acquire Government surplus real property for health, educational, recreational, or certain other uses at a discount or price preference. Surplus property not sold to public agencies or institutions is advertised for sale by GSA on a competitive bid basis.
- c. Surplus structures and other improvements on land to be retained by the Government are normally offered for sale by the agency responsible for its care and custody. Land improvements which are held by the Departments of Defense, Agriculture, and Interior and which have a fair market value of less than \$1,000 are offered for sale by these departments.
- d. Scheduled sales are publicized through newspapers, trade journals, and the Commerce Business Daily. Each GSA regional office maintains mailing lists of prospective bidders for particular property or types of property which might become available in the area.

- e. The SBA and GSA Memorandum of Understanding provides that set-asides will be made whenever the agencies jointly agree that such action is required. You can find the Memorandum of Understanding in the Property Sales Assistance Program Source Book.

Chapter 10

Property Sales Assistance Program Source Book

1. What Materials and Information Can I Find in the Property Sales Assistance Program Source Book?

- a. The Source Book primarily contains materials produced by other agencies for your use. Additionally, you can find the Memorandums of Understanding that the SBA has with the various agencies for the programs under the Property Sales Assistance Program. You can find copies of all the forms used by the ONRSA, some filled out as examples. A map of the U.S. Forest Service regions is included, as is a map of the U.S. Coal Producing Regions.
- b. Most important, you will find the rules and regulations for the Timber Sale Assistance Programs for the selling of timber from National Forest and BLM lands. The agencies provide up-to-date information to SBA which reflects changes in their programs.
- c. The Source Book contains:
 - (1) Introduction.
 - (2) Memorandum of Understanding agreement between the U.S. Department of Agriculture and the Small Business Administration for the development and operation of a small business program in the sale of National Forest timber and related forest products.
 - (3) Memorandum of Understanding between the U.S. Department of Interior and the Small Business Administration with respect to sales to small concerns of timber and related forest products on Federal lands under the jurisdiction of the Bureau of Land Management.
 - (4) Memorandum of Understanding between the U.S. Department of Defense and the Small Business Administration for the development of a program of assistance for small business concerns in the sale of timber and related forest products from forest on Federal land under the jurisdiction of the U.S. Department of Defense.
 - (5) Memorandum of Understanding between the General Services Administration, the U.S. Department of Defense, and the Small Business

Administration covering the development of a program of assistance to small business concerns in the sale of Government property.

- (6) Memorandum of Understanding between the U.S. Department of Interior and the Small Business Administration regarding the sale of Royalty Oil.
- (7) Memorandum of Understanding with respect to offerings to small concerns of coal leases on Federal land between the U.S. Department of Interior and the Small Business Administration.
- (8) U.S. Forest Service Handbook (FSH) 2409.18 - Timber Sale Preparation Handbook, Chapter 90 - Programs with Small Business Administration.
- (9) Operating procedures for the Bureau of Land Management - Small Business Administration Timber Sale Assistance Program & Small Business Share Percentages for BLM Market Areas (includes original base share percentages).
- (10) Map of the U.S. Forest Service regions.
- (11) Map of the Coal Producing Regions in the United States.
- (12) Summary of Small Business Share Percentages for USFS Market Areas (includes original base share percentages).
- (13) USFS Form 2400-17, "Report of Timber Sale," example.
- (14) USFS Form 2400-31, "Cumulative Set-Aside Program Analysis" - (part one of 2 parts), blank.
- (15) USFS Form 2400-31, "Volume Distribution Worksheet for 2400-31" - (part two of 2 parts), blank.
- (16) USFS Form 2400-31, "Cumulative Set-Aside Program Analysis" - (part one of 2 parts), example.
- (17) USFS Form 2400-31, "Volume Distribution Worksheet for 2400-31" - (part two of 2 parts), example.
- (18) USFS Form 2400-30, "Regional Summary of Purchases Credited to Small Business and Set-Aside Programs," blank.
- (19) USFS Form 2400-30, "Regional Summary of Purchases Credited to Small

Business and Set-Aside Programs,” example.

- (20) SBA Form 441, “Small Business Administration Joint Set-Aside for Small Business (Sale of Federal Timber),” blank.
- (21) SBA Form 441A, “Small Business Administration Joint Set-Aside for Small Business (Sale of Federal Property),” blank.
- (22) SBA Form 491, “Report of Timber Program Activity,” blank. and
- (23) SBA Form 723, “Small Business Certification Required on All Preferential Sales of Set-Aside Timber,” blank.

Appendix 1
(paragraph 2-4)
Definitions and Terms

Note: You can find additional definitions in the regulations and other information for the various Property Sales Assistance Programs in the Property Sales Assistance Program Source Book. Also, you can find definitions and regulations in the Code of Federal Regulations (CFR). You should keep the current CFR for Business Credit and Assistance (13 CFR) and Parks, Forests, and Public Property (36 CFR) in your office for reference. You can request other CFRs if needed.

Base Share Percentage - For the Timber Sales Assistance Program, the Base Share Percentage (or Base Average Share) is the percentage of a Government agency timber sale volume from a defined market area purchased by small business during the 5-year historic period preceding the implementation of an agency timber sale program. For the U.S. Forest Service, the base period is 1966 through 1970, inclusive. For the BLM, the base period is 1968 through 1972, inclusive.

Certificate of Competency (COC) - A Certificate of Competency is a written affidavit, issued by the SBA to a Government contracting officer, certifying that a named small business can perform a specific Government contract (13 CFR 125).

Contracting Officer - The person executing a particular contract on behalf of the Government and any other Government employee who is properly designated as a contracting officer. The term includes the authorized representative of a contracting officer acting within the limits of the contracting officer's authority.

Designated Sale - A sale that is specifically for small business bidders. Large business may bid, but award of the sale must be to the self-certifying small business with the highest qualifying bid. The award of the sale can be made to the highest bidder, regardless of size, if there are no self-certifying small business bidders.

Forest Products Industry - A business primarily engaged in logging, wood preserving, and the manufacture of lumber and wood-related products. Wood-related products can be veneer, plywood, hardboard, particle board, or wood pulp, and products of which lumber or wood related products are the principal raw material.

Industrial Specialist Forestry (ISF) - An SBA Government contracting specialist in the Office of Natural Resources Sales Assistance.

Initial Trigger - An initial trigger situation is any triggered period following a period when no volume was designated for small business.

Manufacturer - A manufacturer is a business with an existing sawmill, a specialty mill (such as a cedar mill, a shingle or shake plant, a pole plant, or a deadwood stud mill), or veneer manufacturing facility. The facility (or firm commitments and permits for construction of a facility) should be within the economic or logical haul distance of the market area offering Government timber for sale.

Market Area - The basic unit for administration of the Small Business Timber Sale Assistance Program. Generally the market area will coincide with the logical and feasible forest management unit of the selling agency. Market areas seldom change, and the selling agency and the SBA must agree before any changes are made. Procedures for changing market areas for the U.S. Forest Service and the Bureau of Land Management can be found in the Property Sales Assistance Program Source Book.

Memorandum of Understanding - An agreement between another agency and the SBA. A copy of the various Memorandums of Understanding will be found in the ONRSA Source Book.

Non-manufacturer - Any business which cannot or does not manufacture (with its own or leased facility, or contracts for manufacture) at least 50 percent of its annual sawlog production within an economic or logical haul distance of the Market Area selling the Government timber. Generally, a non-manufacturer is a logger. A non-manufacturer can be a business that purchases Government timber and resells the sawlog material to manufacturing facilities. A non-manufacturer can be a business having one or more facilities capable of processing sawlog material, but a facility is not in the area (an economic or logical haul distance) where the Government timber was purchased.

Office of Natural Resources Sales Assistance (ONRSA) The Office of Natural Resources Sales Assistance (ONRSA) is responsible for the administration of the Property Sales Assistance Program.

Royalty-In-Kind (RIK) - Royalties paid (in crude oil) to the Government for leasing the mineral rights on public lands. The Government sells this Royalty oil to small business oil refineries.

Sawlogs - For the purpose of the Timber Sales Assistance Program, sawlogs are segments of a tree suitable for manufacture into lumber (dimension, boards, & timbers), and/or veneer, and are normally appraised as such.

Timber - Wood suitable for manufacture into lumber or veneer, whether in a cut form or still in the form of trees or logs. For the purpose of the Timber Sales Assistance Program, timber may be in the form of standing trees, logs, poles, pilings, or bolts.

30/70 Rule (50 percent in Alaska & 100 percent in USFS Region 8) - As part of the Timber Sales Assistance Program, SBA size standard, small businesses purchasing a designated timber sale will not sell more than 30 percent of such sawtimber (50 percent in Alaska) to a business

which is not small (13 CFR 121). In U.S. Forest Service Region 8, the USFS has a 100 percent rule. This rule requires the purchaser of a designated sale to agree not to sell any Southern Yellow Pine (SYP) sawtimber to a business that does not qualify as small. For sawtimber other than SYP, the purchaser agrees not to sell more than 30 percent of the total advertised volume of the sale to businesses that do not qualify as small (FSH 2409.18).

Appendix 2
(paragraph 3-3b)
Statutory and Regulatory Authorities for the Program

The Property Sales Assistance Programs are conducted under the authority of:

- a. Section 2(a) of the Small Business Act, “. . . It is the declared policy of the Congress that the Government should aid, counsel, assist and protect, insofar as is possible, the interest of small-business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the Government (including but not limited to contracts or subcontracts for maintenance, repair, and construction) be placed with small-business enterprises, to insure that a fair proportion of the total sales of Government property be made to such enterprises, and to maintain and strengthen the overall economy of the Nation.”
- b. Section 8(b)(4) of the Small Business Act authorizes the SBA “to consult and cooperate with officers of the Government having procurement or property disposal powers, in order to utilize the potential productive capacity of plants operated by small-business concerns.”
- c. Section 8(b)(6) of the Small Business Act authorizes the Administration “to determine within any industry the concerns, firms, persons, corporations, partnerships, cooperatives, or other business enterprises which are to be designated ‘small business concerns’ for the purpose of effectuating the provisions of this Act . . .”
- d. Section 8(b)(7) of the Small Business Act authorizes the Administration “to certify to Government procurement officers, and officers engaged in the sale and disposal of Federal property, with respect to all elements of responsibility, including, but not limited to, capability, competency, capacity, credit, integrity, perseverance, and tenacity, of any small business concern or group of such concerns to receive and perform a specific Government contract.” You can find more information in the SBA SOP Certificate of Competency Program (60 04).
- e. Section 8(b)(9) of the Small Business Act authorizes the Administration “to obtain from any Federal department, establishment, or agency engaged in the disposal of Federal property such reports concerning the solicitation of bids, time of sale, or otherwise as it may deem pertinent in carrying out its functions under this Act.”
- f. Section 8(b)(11) of the Small Business Act authorizes the study of disposal programs in the Government “. . . to ensure that a fair proportion of the total sales of Government property be made to small-business concerns, and to insure a fair and equitable share of materials, supplies, and equipment to small-business concerns.”

- g. Section 10(f) of the Small Business Act states “To the extent deemed necessary by the Administrator to protect and preserve small-business interests, the Administration shall consult and cooperate with other departments and agencies of the Federal Government in the formulation by the Administration of policies affecting small-business concerns. When requested by the Administrator, each department and agency of the Federal Government shall consult and cooperate with the Administration in the formulation by such department or agency of policies affecting small-business concerns, in order to insure that small-business interests will be recognized, protected, and preserved...”
- h. Section 15 of the Small Business Act provides authority for making joint small business set-aside sale determinations. It states, “...small business concerns within the meaning of this Act shall . . . be awarded any contract for the sale of Government property, as to which it is determined by the Administration and the . . . disposal agency (1) to be in the interest of maintaining or mobilizing the Nation's full productive capacity, (2) to be in the interest of war or national defense programs, (3) to be in the interest of assuring that a fair proportion of the total purchases and contracts for property and services for the Government in each industry category are placed with small-business concerns, or (4) to be in the interest of assuring that a fair proportion of the total sales of Government property be made to small-business concerns; but nothing contained in this Act shall be construed to change any preferences or priorities established by law with respect to the sale of electrical power or other property by the Government or any agency thereof . . . Whenever the Administration and the contracting procurement agency fail to agree, the matter shall be submitted for determination to the Secretary or the head of the appropriate department or agency by the Administrator.”
- i. Section 36 of the Mineral Leasing Act of 1920, as amended, provides for granting preference to those refineries not having their own source of crude oil supply.
- j. Under the authority of the Small Business Act (15 U.S.C. 631 et seq.) and the Federal Coal Leasing Amendments Act of 1975 (Mineral Leasing Act of 1920, as amended), permits a wider opportunity for competition for leasing of Federal lands for coal extraction.

Appendix 3
(paragraph 4-5c)
SBA Form 441,
“Joint Set Aside for Small Business (Sale of Federal Timber)”

| | |
|---|--|
| Small Business Administration JOINT SET ASIDE FOR SMALL BUSINESS (Sale of Federal Timber) | Agency |
| | Market Area |
| | Location |
| | Case No. |
| Volume set aside for Period | Date Screened |
| Trigger Volume (Share & deficit) | For Sales Period |
| Set-aside Volume Deferred to Future Periods | Small Business Base Share Percent |
| 1. In accordance with Section 15g the Small Business Act of 1958, as amended, it is hereby jointly determined that the following timber sales will be limited to small business concerns: | |
| <u>SALE NAME or TRACT</u> | <u>APPROXIMATE VOLUME</u> |
| | |
| _____ SBA Representative - Date | _____ Agency Contracting Officer - Date |
| 2. The other side of this form shall be filled out, if the contracting office rejects | |

SBA FORM 441(7-74) PREVIOUS EDITIONS ARE OBSOLETE

2. Statement by contracting officer if rejecting:

SBA FORM 441 (7-74)

**Appendix 4
(paragraph 4-5d)
SBA Form 441A, "Joint Set Aside for Small Business
(Sale of Federal Property)"**

**NOT FOR PUBLIC INFORMATION
until issuance of IFB or Announcement of Sale**

| | | | | | |
|---|---|--------------------------------------|-------------------------|------------------------------|-------------------------|
| <p><small>SBA Form 441A (1-62)</small></p> <p style="text-align: center;">SMALL BUSINESS ADMINISTRATION JOINT SET-ASIDE FOR SMALL BUSINESS (SALE OF FEDERAL PROPERTY)</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;"><small>Dept., CSSO or Agency</small></td> </tr> <tr> <td style="padding: 2px;"><small>Location</small></td> </tr> <tr> <td style="padding: 2px;"><small>Date Screened</small></td> </tr> <tr> <td style="padding: 2px;"><small>Case No.</small></td> </tr> </table> | <small>Dept., CSSO or Agency</small> | <small>Location</small> | <small>Date Screened</small> | <small>Case No.</small> |
| <small>Dept., CSSO or Agency</small> | | | | | |
| <small>Location</small> | | | | | |
| <small>Date Screened</small> | | | | | |
| <small>Case No.</small> | | | | | |
| <small>Type of Property</small> | <small>Acquisition or Book Value of Set Aside Portion of Sale</small> | | | | |
| | <small>Appraised Value (if applicable)</small> | | | | |
| <p>1. In accordance with Section 15 of the Small Business Act of 1958, as amended, it is hereby jointly determined that the Federal property described herewith is limited to small business concerns.</p> | | | | | |
| <small>_____</small> <small>SBA Representative</small> | <small>_____</small> <small>Contracting Officer</small> | | | | |
| <p>2. Statement by Contracting Officer (If rejecting):</p> | | | | | |
| <small>_____</small> <small>Date</small> | <small>_____</small> <small>Contracting Officer</small> | | | | |
| <p>3. Remarks of Reviewing Authority:</p> | | | | | |
| <small>_____</small> <small>Date</small> | <small>_____</small> <small>Reviewing Authority</small> | | | | |
| <p>4. When it is jointly agreed that a set aside is not justified, the other side of this form shall be filled out.</p> | | | | | |

4. Continued.

Reasons Not Set Aside:

INSTRUCTIONS FOR PREPARING SBA FORM 491

General: Prepare original and one copy. Send original to the Chief, Property Sales Assistance Division, OPTA, Small Business Administration, 1441 L Street, N.W., Washington, D.C. 20416. Submit quarterly reports as of March 31, June 30, September 30, and December 31; submit annual reports as of September 30 and December 31. Submit reports so as to reach Washington, D.C. within 60 days of the end of the report period.

Column 1

For the area of Industrial Specialist responsibility in each National Forest Region, list each National Forest market area with subtotals for each state, and total for the Region. Follow similar procedure for each BLM, Fish and Wildlife, Department of Defense, Department of Energy, or other Government Agency market area.

Column 2

List the current recomputed small business share.

Column 3, 4 and 5

Record information for advertised timber sales considered in the small business timber program calculations: total number, total sawtimber volume (converted to Mbf), and total sales bid value. Include sales on the basis of sale bid date.

Column 6, 7, 8

Record the total number, sawtimber volume, and value of unrestricted sales on which small business was high bidder. For purpose of this report, record sales by non-manufacturers in accordance with the bidders size class.

Column 9, 10, 11

Record the total number, sawtimber volume, and value of all small business set-aside sales on which small business was high bidder.

Column 12, 13, 14

Record the total number, sawtimber volume, and value of all sales (both unrestricted and small business set-aside) on which small business was high bidder.

Column 15, 16, 17

Record the total number, sawtimber volume, and value of all sales on which large business was high bidder. For purpose of this report, record sales by non-manufacturers in accordance with the bidders size class.

Column 18, 19

Record the total number and sawtimber volume of no-bid unrestricted sales.


Column 20, 21

Record the total number and sawlog volume of no-bid small business set-aside sales.

Column 22

Remarks—as applicable.

Appendix 6
(paragraphs 4-6e, 4-7a)
SBA Form 723, "Small Business Certification Required on
All Preferential Sales of Set-Aside Timber"

| | |
|--|-----------|
| Agency Forest | Sale Name |
|  <p>SMALL BUSINESS CERTIFICATION REQUIRED ON ALL PREFERENTIAL SALES OF SET-ASIDE TIMBER</p> | |
| <p>The purchaser certifies, at the time of executing timber sale Contract No. _____, to which this statement is annexed, that in accordance with the Rules and Regulations (13 CFR 121) of the Small Business Administration (SBA):</p> <ol style="list-style-type: none"> 1. His firm (a) is primarily engaged in the logging or forest products industry; (b) is independently owned and operated; (c) is not dominant in its field of operation; and (d) employs, together with its affiliates, 500 or fewer persons. 2. (a) He agrees not to sell and/or exchange more than 30 percent (50 percent in the case of Alaska) of the timber or log volume from this preferential sale to concerns not meeting SBA's small business size standard. Such timber and log volume comprises logs, bolts and pieces that are suitable for manufacture into lumber dimension and/or veneer and normally appraised as such. Timber and log volume of the preferential sale includes the contract rights, standing and down trees or portions thereof. <p style="margin-left: 20px;">(b) Whenever he does sell and/or exchange timber or logs from this preferential sale, records of such transactions will be maintained for a period of three years showing the name, address, and SBA size status (i.e., whether large or small) of each concern to whom the timber or logs were sold or disposed and the species, grades and volumes involved. In the event of such sale or sales, purchaser shall also require other purchasers to maintain similar records for a period of three years (OMB Approval No. 0596-0021). A signed certificate similar to this one will be obtained from each party buying such timber and will be retained for review in event of investigation.</p> <p style="margin-left: 20px;">(c) If his concern is purchased by, becomes controlled by, or merged with a large business, so much of such timber and log volume from this preferential sale as is necessary will be sold (not bartered) to one or more small businesses for compliance with the 30 percent (50 percent in the case of Alaska) restriction.</p> 3. He agrees that if he utilizes log volume from this preferential sale in the manufacture of a product, such manufacture will be done with his own facilities or those of another concern that qualifies as a small business. 4. He understands that in addition to other penalties which may be imposed for violating the foregoing, he may be declared ineligible to participate in future Federal timber sales. <p style="text-align: right; margin-right: 100px;">Signed _____</p> <p style="text-align: right; margin-right: 100px;">_____</p> <p style="text-align: right; margin-right: 100px;">_____</p> <p style="text-align: right; margin-right: 100px;">Date _____</p> | |

SBA FORM 723 (11-84) SOP 60 06 ~~PREVIOUS EDITIONS ARE OBSOLETE~~
 USE 1-76 EDITION UNTIL EXHAUSTED
 GPO 910-744

WHITE COPY TO TIMBER PURCHASER
 YELLOW COPY TO AGENCY CONTRACT FILE
 PINK COPY TO SBA AREA INDUSTRIAL SPECIALIST

