

LOS ALAMOS NATIONAL LABORATORY



All pictures featured in the *LANL Daily NewsBulletin*

Small Business Program Summary

Acquisition Services Management Division

Fiscal Year 2008



Los Alamos National Laboratory recognizes the vital role small businesses have on the nation's economy. It also recognizes the significant impact small businesses have on the state and local economies of New Mexico and northern New Mexico. This report is an overview of the number of Laboratory dollars placed with small businesses nationally, by socioeconomic categories, and its impact on the economy of New Mexico and northern New Mexico. This report also summarizes our efforts to maximize subcontracting opportunities to small businesses and provides the Laboratory's procurement achievements and initiatives undertaken during fiscal year 2008 as well as those planned in fiscal year 2009.

National Socioeconomic Accomplishments

FY08 NATIONWIDE SOCIOECONOMIC PERFORMANCE			
CATEGORY	GOAL	ACHIEVEMENT	\$ ACHIEVEMENT
Large Business (LB)		63.3%	\$463.1M
Small Business (SB)	46%	36.7%	\$268.2M
Small Disadvantaged Business (SDB)	11%	12.0%	\$87.5M
Women-Owned Small Business (WOSB)	11%	6.3%	\$46M
HUBZone Small Business (HUBZone)	3%	1.7%	\$12.1M
Veteran-Owned Small Business (VOSB)	3%	5.7%	\$41.6M
Service-Disabled Veteran-Owned Small Business (SDVOSB)	3%	1.4%	\$9.9M
8(A)	N/A	7.0%	\$51.4M
*TOTAL Procurement			\$758.4M
**CONSTRAINED Procurement Base			\$731.3M

*FY08 "Total Procurement" represents the Laboratory's commitments to purchase good and services from private and non-profit companies worldwide, including educational institutions, state and local governments, as well as other DOE facilities.

**FY08 "Constrained Procurement Base" excludes commitments with foreign entities and affiliate contracts, pursuant to U. S. Small Business Administration Guidelines.

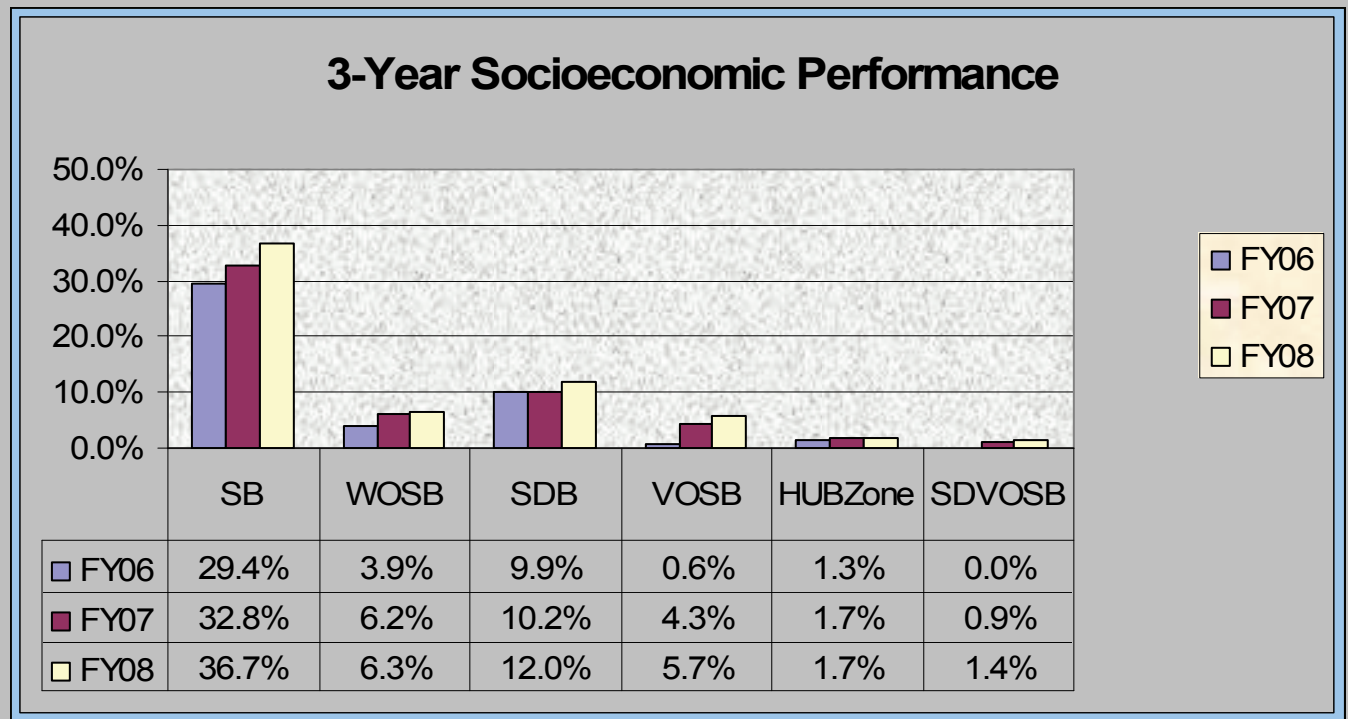
Note: The 2008 Fiscal Year began October 1, 2007 and ended September 30, 2008.

Achievements are calculated by dividing the total dollars procured in each category by the constrained base.

The following table and graph represents a 3-year positive upward trend in each socioeconomic category at Los Alamos National Laboratory under LANS, LLC management.

3-Year Socioeconomic Performance

SOCIOECONOMIC CATEGORY	FY06	FY07	FY08
Small Business (SB)	29.4%	32.8%	36.7%
Small Disadvantaged Business (SDB)	9.9%	10.2%	12.0%
Women-Owned Small Business (WOSB)	3.9%	6.2%	6.3%
Veteran-Owned Small Business (VOSB)	0.6%	4.3%	5.7%
Service-Disabled Veteran-Owned Small Business (SDVOSB)	0%	0.9%	1.4%
HUBZone Small Business (HUBZone)	1.3%	1.7%	1.7%



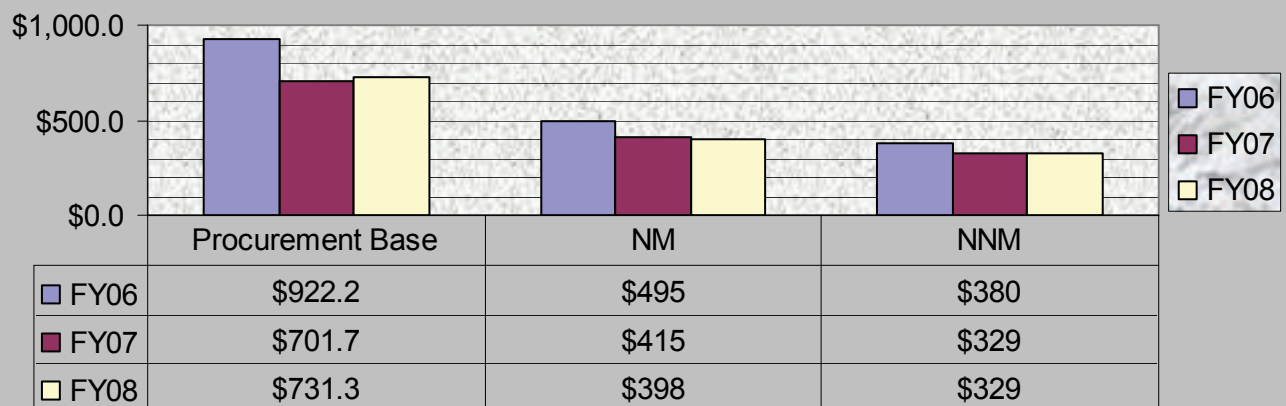
Economic Impact and Accomplishments in New Mexico and Northern New Mexico

In fiscal year 2008, the Laboratory purchased approximately \$398 million in goods and services with both large and small businesses in New Mexico. This total reflects 54.4 percent of the Laboratory's total constrained procurement base of \$731 million.

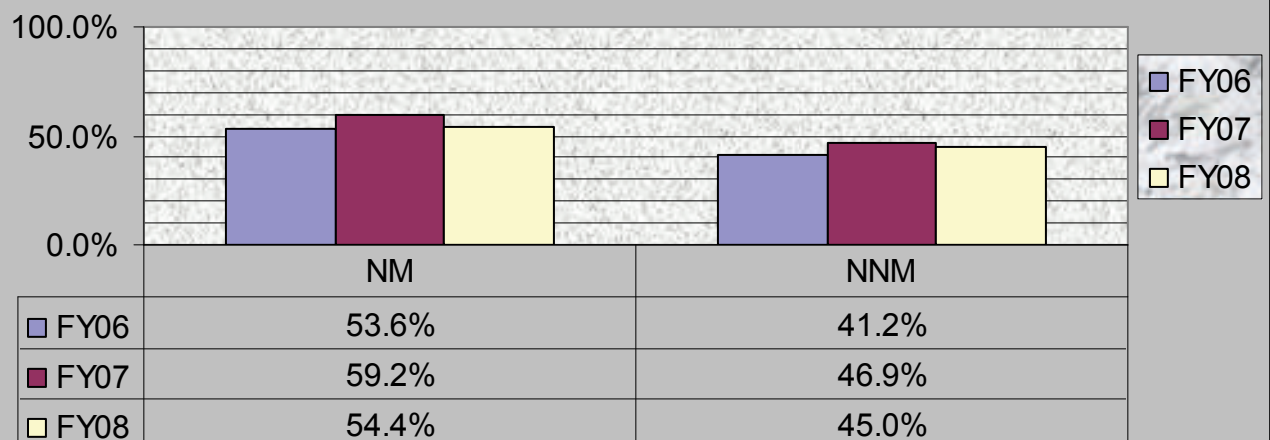
In fiscal year 2008, procurements placed with both large and small businesses in northern New Mexico totaled \$329 million. This total reflects 45 percent of the Laboratory's total constrained procurement base.

Los Alamos National Laboratory has historically done very well in its efforts to procure goods and services from New Mexico and northern New Mexico suppliers. The following graphs illustrates LANL's three year achievements in both dollars and percentage (total dollars procured divided by the constrained base).

Contract Commitments in New Mexico and Northern New Mexico by Fiscal Year (In Millions of Dollars)



Contract Commitments in New Mexico and Northern New Mexico by Fiscal Year (By Percentage)



Small Business Subcontracting Program

When the Laboratory awards subcontracts to large business whose subcontracts exceed \$500,000 (\$1 million for construction), these major large business subcontractors must submit Small Business Subcontracting Plans with proposed goals for small business and the various socioeconomic categories consistent with LANL's Subcontracting Plan. These plans are reviewed by a procurement specialist along with LANL's Small Business Office and negotiated appropriately based on the scope of work and the percentage to be subcontracted out.

Although, the Laboratory cannot use the second tier dollars as part of achieving its small business goals under the prime contract, the second tier procurement awards impact the economy locally, regionally, and nationally. Therefore, the Small Business Program Office is very assertive in pushing for goals that are commensurate with the scope of work to be performed and assisting large businesses in identifying small business for lower tier subcontracting opportunities.

Fiscal Year 2008 Small Program Initiatives

- Developed and implemented two Mentor-Protégé agreements.
- Continued to work towards predictable procurement award schedules.
- Maintained a vendor-friendly, reliable procurement forecasting tool.
- Ensured partnerships and fostered communications to enhance efficient business development.
- Built trust and collaboration with the local community.
- Continued to communicate early, honestly, and completely with small businesses.
- Continued to host semi-annual supplier forums, and supplier/subcontractor matchmaking events sponsored by the Small Business Program Office and the Procurement groups.
- Worked towards transparency in measuring procurements actions and full reporting to small business organizations.

LANL Mentor-Protégé Agreements

The Laboratory participated in the Department of Energy's Mentor-Protégé Program, which enhances the capability of 8(a) participants to compete more successfully for contracts. Two Mentor Protégé agreements were established during fiscal year 2008 with the following businesses.

- North Wind, Inc.
 - Located in Los Alamos, New Mexico
 - Small Business Classifications: SDB, 8(a), WOSB
 - Entered into on May 1, 2008
- Performance Maintenance, Inc.
 - Located in Espanola, New Mexico
 - Small Business Classifications: SDB, 8(a), WOSB
 - Entered into on June 1, 2008



Fiscal Year 2009 Small Business Program Planned Initiatives

- Continue to partner with the Department of Energy (DOE), the National Nuclear Security Administration (NNSA), the U.S. Small Business Administration (SBA), New Mexico's Eight Northern Pueblos, local chambers of commerce, the NNM Supplier Alliance, the New Mexico 8(a) & Minority Business Association, American Indian Chamber of Commerce, Albuquerque Hispano Chamber of Commerce, Women in Public Policy, the Energy, Technology and Environmental Business Association (ETEBA), and other business organizations and committees to maximize business and economic development opportunities for small businesses.
- Develop a database design that will enable buyers to quickly and efficiently seek qualified small businesses that have either done business at the Laboratory or expressed an interested based on North American Industry Classification System (NAICS) codes.
- Continue to build supplier/subcontractor capacity via:
 - Supplier Forums
 - Continue to host semi-annual supplier forums in close proximity to Los Alamos National Laboratory project sites.
 - Matchmaking Events
 - Continue to host procurement specific matchmaking events that encourage teaming between large and small business on the Laboratory's complex large dollar procurements.
 - Regional Purchasing Program
 - Continue to promote the Regional Preference Program as implemented pursuant to the requirements of Appendix M of the Prime Contract between LANS, LLC and DOE-NNSA.
- Continue positive upward trends against established small business goals.
- Small Disadvantaged Business (SDB) self-certifications.
- Continue forecasting development of our business opportunities website — Los Alamos National Laboratory is committed to continue to work toward a business opportunity tool that will list upcoming competitive procurements greater than \$100,000.
- Continue to build upon a strong small business set-aside program at all dollar levels. It is anticipated that the Laboratory will award several multi-year subcontracts with cumulative values exceeding \$1 billion based on FY08 initiatives to set-aside solicitations to small business.
- Continue to work with small businesses on the use of e-commerce. As part of the Laboratory's ongoing commitment to world-class supply management, leading edge e-commerce technologies are being incorporated into existing procurement work processes. One such process is requiring Offeror's to review and download RFP packages online using the National Nuclear Security Administration online bidding portal. There is no charge by the Laboratory or NNSA for suppliers to use this system.

Conclusion

The Small Business Program Office looks forward to working with you in the upcoming year. If you have comments or questions, please e-mail business@lanl.gov, and we will respond in a timely manner. If you need additional resources, please visit our website at <http://business.lanl.gov>.

