

**PLAN FOR SUBCONTRACTING WITH SMALL BUSINESS CONCERNS
AND SMALL BUSINESS CONCERNS OWNED AND CONTROLLED
BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS**

Martin Marietta Energy Systems, Inc.

P. O. Box 566

Oak Ridge, Tennessee 37830

Program Identification:

**Department of Energy (DOE)
Operating and Management
Contractor Program**

Contract Number:

DE-AC05-84OR21400

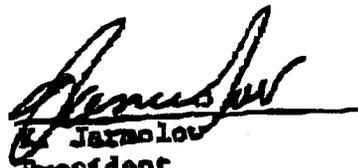
Contract Office:

**U. S. Department of Energy
Oak Ridge Operations
P. O. Box E
Oak Ridge, Tennessee 37830**

Prepared by:


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Reviewed by:


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President**

DOE Approved by:



POLICY

Martin Marietta Energy Systems, Inc. (hereafter Martin Marietta) has pledged a strong commitment and will establish and conduct an ongoing program dedicated to the letter and intent of Public Law 95-507. As responsible corporate citizen, Martin Marietta recognizes and is sensitive to the community needs in the areas in which it operates. Procurement from Small Business Concerns and Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals, hereafter referred to as "Small and Small Disadvantaged", is a part of the normal business procedures of Martin Marietta.

Martin Marietta policy reflects the determination that the Federal Government and National Interest requires increased involvement of small and small disadvantaged business enterprises. When price, quality, delivery, and other factors are evaluated as equal, the order should, and is expected to be awarded to the small or small disadvantaged business concern. To effectively implement this plan Martin Marietta will:

- 1 Issue and promulgate company-wide policy statements, and develop written procedures (Internal Procedures Instruction) which will be issued to each buyer.
- 2 Demonstrate continuing management interest through regular reviews of progress and the establishment of overall goals and objectives as each particular operation may dictate.
- 3 Train and motivate personnel regarding the support of Small and Small Disadvantaged Businesses.
- 4 Facilitate Small and Small Disadvantaged participation by various actions such as providing sufficient time for preparation of proposals, extend delivery schedules to the maximum practical extent, special payment provisions, etc.
- 5 Exercise adequate and timely consideration of Small and Small Disadvantaged Business potential in "make or buy" decisions.
- 6 Discuss and pursue the establishment of subcontracting opportunities with Small and Small Disadvantaged Businesses.

It is the policy of Martin Marietta that the maximum practicable opportunity to participate will be extended to Small Business and Small Disadvantaged Businesses. To this end, it will be the responsibility of all Martin Marietta personnel who have a decision making role in the purchasing of goods or services:

- 1 To utilize all available resources in the identification and placement of businesses with Small and Small Disadvantaged Businesses.
- 2 To expand the markets of these Small and Small Disadvantaged businesses concerns by affording them the opportunity of increasing their sales to Martin Marietta.

ADMINISTRATION

While the prime responsibility rests with the Vice President of Procurement, a Program Administrator, an employee of Martin Marietta, will be assigned to administer and monitor the subcontract program on the DOE Operating and Management Contractor Program. This individual will report directly to the Vice President of Procurement. The Program Administrator is:

~~H. D. Jagan~~
R. L. Waters, Jr.
Amended in 1992

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The duties and responsibilities of the Program Administrator include, but are not limited to, the following:

- 1 Provide assistance to "make or buy" decisions.
- 2 Be a party to award decisions.
- 3 Endorse bid lists to ensure that source lists have been properly utilized.
- 4 Ensure that all available lists of Small and Disadvantaged concerns are used including available systems such as PASS and search out and obtain additional qualified sources to be added to the source list.
- 5 Monitor the activity of subcontractors programs and ensure that each responsible Buyer:
 - a Provides proper guidance to assist the Small and Small Disadvantaged Business in successfully completing subcontract effort.
 - b Obtains lower tier subcontractor compliance with its Subcontracting Plan.
- 6 Assist in establishing the Small and Small Disadvantaged goals.
- 7 Maintain records and reports as outlined in the applicable section entitled RECORDS AND REPORTS contained herein.

GOALS

In accordance with Public Law 95-507, the following subcontracting goals for the DOE Operating and Management Contractor Program have been established for award to Small Business and Small Disadvantaged Business concerns for the period of April 1, 1984 through September 30, 1984.

- 1 Total subcontract dollar amount of the contract pertaining to this plan is \$139,000,000.
- 2 Forty (40) percent of the total planned subcontract amount shall be the goal for small business concerns of which the estimated dollar value is \$55,600,000.

- 3 Four and six tenths (4.6) percent of the total planned subcontract amount shall be the goal for small business concerns owned and controlled by socially and economically disadvantaged individuals, of which the estimated dollar value is \$6,394,000. Martin Marietta recognizes that Union Carbide, Nuclear Division acknowledged a goal of five and one tenth (5.1) percent and will attempt to increase aforementioned goal when possible.
- 4 Items not included in the total subcontract amount are those special items not appropriate for this plan (i.e., GSA, government controlled items and foreign purchases).
- 5 Martin Marietta will continue with the assist effort of 8(a) concerns and when possible, cooperate to increase amounts awarded.

METHODS AND OBJECTIVES

Martin Marietta shall include the clause entitled "Utilization of Small Business and Small Disadvantaged Business Concerns" in all subcontracts which offer further subcontracting possibilities and will require all subcontractors (except small business concerns) who receive subcontract in excess of \$500,000 or; in the case of a contract for the construction of any public facility of \$1,000,000, to adopt a plan in consonance with this plan.

Martin Marietta shall actively and diligently search for and identify Small and Small Disadvantaged Business concerns and assist those qualified to qualify as competitive suppliers of goods and services necessary for Martin Marietta operations. This effort will be accomplished through use of company source lists and attendance of trade shows, seminars, conferences, etc.

Martin Marietta will develop and conduct a new program to recognize Small and Disadvantaged concerns that are dedicated and contribute to Operating and Management Contractor Programs. This Awards Program will be accomplished annual and will include recognition of not only outstanding companies but also individuals for their dedication and support.

In addition to the Awards Program, joint activity of Procurement and a new organizational position of Technology Development will include a Task Force to assist small and disadvantaged concerns in doing business with the Oak Ridge operations.

Process is already started in developing better data to define future potential needs of the Oak Ridge operation. This will include identification by commodity and service groups and representative values by commodity and service groups.

DESCRIPTION OF PRINCIPAL SUPPLIES AND/OR SERVICES

Martin Marietta shall purchase from qualified Small and Small Disadvantaged Businesses materials, supplies and services to properly support the Oak Ridge and Paducah operations.

GOCO operations are such that no planned bill-of-materials are predictable as compared to hardware or system type of effort. However past experience provides representative commodities and service that will be addressed in the future.

Over the last several months the following type items were obtained from disadvantaged concerns:

- Electrical material and supplies
- Pumps, gauges and valves
- Computer equipment and supplies
- Tooling
- Aluminum and other metals
- Laboratory supplies
- Conveyors and fittings
- Reproduction supplies
- Office equipment and supplies
- Chemicals
- Building supplies
- Tools of all types
- Fasteners
- Electronic equipment and parts
- Services of all types
- Custodial equipment and supplies
- Packaging supplies
- Magnets
- Welding equipment and supplies
- Fuels and lubricants
- Plastic products
- Auto parts
- Bearings

RATIONALE

The following represents the rationale used to determine the proposed subcontracting goals for the Small and Small Disadvantaged Businesses:

A review of the subcontracting effort of Union Carbide-Nuclear Division for the period of October 1, 1983 through December 1983 has been accomplished. This review includes all computer data listing supplies, dollar amounts and category of activities. This has been discussed with present purchasing management and the small business coordinator along with the present subcontracting plan.

This review clearly identified that present Union Carbide-Nuclear Division's goals would not be met: 1) first, the amount of contract commitments (\$363,000,000) would not happen during fiscal year 1984; 2) second, Union Carbide's awards to disadvantaged businesses (\$18,528,000 at 5.1%) would not happen. The first three months percentage was 4.56% and dropped to an overall low of 4.174% during the following month.

Also in reviewing the projection for the period of 1 April through 30 September 1986, a large amount of the commitments are related to the GCEP program. Some of the GCEP effort is the exercising of options of present contracts and these are not subject to competition for small and disadvantaged concerns and is of a classified nature. On one contract alone this amount is \$30,000,000.

Based upon the amount of dollars awarded during this period and the present obtainable awards to Small and Small Disadvantaged concerns, the goals as outlined herein are considered to be the "maximum practicable opportunity" for Martin Marietta's Phase-In period if the subcontracting effort is comparable.

RECORDS AND REPORTS

The administrator will be responsible to provide experienced insight and knowledge for all phases of the Martin Marietta acquisition process and oversee compliance to this plan. The Administrator Office will prepare, maintain, and submit all reports, comply with surveys, and assist in audits as may be required to deemed necessary by the Department of Energy. This office will maintain:

- 1 Small and Small Disadvantaged Business source lists, guides, and other data identifying small and small disadvantaged business vendors.
- 2 Records on organizations contacted for small and small disadvantaged business vendors.
- 3 Records on all contract solicitations over \$100,000, indicating on each solicitation: 1) whether small business was solicited and if not, why not; b) whether small disadvantaged business was solicited and if not, why not; and c) reasons for the failure of responding small businesses to receive the subcontract award.
- 4 Records to support such efforts as:
 - a Contacts with disadvantaged and small business trade associations.
 - b Contacts with business development organizations.
 - c Attendance at Small and Small Disadvantaged Business procurement conferences and trade fairs.
- 5 Records to support internal Martin Marietta activities to guide and encourage buyers such as:
 - a Workshops, seminars, training programs, etc.
 - b Monitoring of activities to evaluate compliance.
- 6 Records to support award data submitted to the Department of Energy to include name, address, and size status of subcontractors.
- 7 Reports on subcontractor activity as required to insure compliance and provide proper management attention.

Martin Marietta will submit such periodic reports and cooperate in any studies or surveys as may be required by the Department of Energy or the Small Business Administration in order to determine the extent of compliance with this subcontracting plan.

SOLICITATION

The purchasing function provides a balanced program for developing and maintaining an action-oriented involvement to further the interests of Martin Marietta and the intent of Public Law 95-507. Martin Marietta's interest and objective is in assuring that Small and Small Disadvantaged Businesses will have equal opportunities to compete for subcontracts.

- 1 The finding and the utilization of new Small Business and Small Disadvantaged Businesses is prevalent in sound procurement responsibilities. Each Martin Marietta buyer group will be measured by that group's ability to meet this requirement.
- 2 On-site libraries will be established containing directories and source information to facilitate locating Small Businesses and Small Disadvantaged Businesses.
- 3 Martin Marietta will conduct vendor visits for facility evaluation and determination of potential or actual feasibility of a business relationship.
- 4 Martin Marietta will participate in trade fairs; provide booths, material displays, and provide personnel for interviews and conferences; and establish good public relations.