

External Affirmative Action

Authority This policy was approved by the Provost.

Summary This policy statement supports a plan to increase opportunities for minority, women and disabled people, and businesses owned by them, to participate in economic opportunities arising from University business activities. Section headings for this Guide Memo are:

1. STANFORD POLICY
2. FEDERAL CONTRACTS
3. SOURCES OF BUSINESS INFORMATION

1. STANFORD POLICY

Stanford University is committed to increasing significantly the opportunities for minority, women and disabled people to engage in business with the University.

- a. **Purpose** – This policy statement supports a long-range plan to enhance Stanford’s external affirmative action. The plan serves to promote diversity through the judicious use of the University’s financial and other resources to increase opportunities for small businesses and businesses owned by targeted concerns to participate in economic opportunities arising from University business activities.
- b. **Scope** – The classes covered by this policy, as defined by the Federal Government, include Asian, Black, Latino/Hispanic and Native American, women of all racial/ethnic background, people who are disabled or physically challenged, veterans, and other targeted concerns.
- c. **Implementation** – The President and Provost will provide the leadership for promulgating this policy; however, responsibility for its implementation rests with individual vice presidents, deans, directors of major institutions and centers, the Chief Executive Officer of the Stanford Management Company, and the heads of other organizations not covered above.

2. FEDERAL CONTRACTS

Public Law 95-507 and Executive Order 12138 encourage organizations that receive contracts from federal agencies to do business with small businesses and other targeted concerns regardless of size. The University's responsibilities under these laws are described in detail in the document “Utilization of Small Business Concerns, Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals, and Women-Owned Business Concerns,” which is published in the *Procurement Manual*. Specific questions as to applicability to particular situations should be addressed to the Office of Sponsored Research.

a. Definitions –

- “**Socially disadvantaged individuals** are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. The social disadvantage of individuals must stem from circumstances beyond their control.” 13 CFR 124.1-1(c)(3)(i)
- “**Economically disadvantaged individuals** are socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities, as compared to others in the same line of business and competitive market area who are not socially disadvantaged.” 13 CFR 124.1-1(c)(4)(i)

The Small Business Administration (SBA) defines the members of these groups. An updated listing can be found online at <http://www.sba.gov/library/cfrs/13cfr124.pdf>.

- **Subcontract:** “Any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime contractor or subcontractor calling for supplies or services required for the performance of the original contract or subcontract.” – Office of Federal Procurement Policy Letter 80-2.

Under this definition, subcontracting means every purchase order and agreement, as well as other expenses such as travel.

b. Contracts Affected –

- (1) **Contracts between \$25,000 and \$499,999 –** Terms of government contracts over \$25,000 in value require the University to have a program to insure business opportunities for small and minority-owned businesses. Stanford's External Affirmative Action Program meets that requirement.
- (2) **Contracts \$500,000 and over –** For contracts of \$500,000 or more, a specific plan must be made and implemented. A Small Business Liaison Officer (a Stanford-designated University official) oversees the operation of the plan. The University is responsible for establishing percentage goals of subcontracting business (expressed as a proportion of total subcontracting dollars) to be awarded to small and small disadvantaged suppliers. For assistance or information on goals required by specific agencies, contact the Office of Research Administration (ORA).

c. Procedures –

- (1) **Preparing the Subcontracting Plan –** When a request for a subcontracting plan is received from an agency, ORA notifies the cognizant department and Procurement. Procurement and the department meet to review product and service areas with subcontracting opportunities, and based on this review, determine reasonable goals for the plan. Procurement submits data for the plan to ORA. Procurement then writes the subcontracting plan and submits it to the government agency.
- (2) **Vendor Search –** Departments must investigate small and disadvantaged business possibilities prior to submitting a requisition. Departments that wish further searching to be done by Procurement should so specify in the “Remarks” screen of the requisition, and should attach documentation of the department's search efforts and their results.
- (3) **Reports –** The federal government requires periodic reports on progress toward the achievement of goals set in a contract's original subcontracting plan. Procurement prepares reports of purchases under each contract, and notifies departments of progress against goals.

3. SOURCES OF BUSINESS INFORMATION

- a. **Directories –** To help departments, Procurement maintains small business directories and other resources. All the directories are commodity-indexed. Call Procurement for copies and information.
- b. **Online Access to Supplier Information –** Online information about vendor size, ownership status and products offered is available to departments in the Oracle Financials system. Procurement Buyers are also available to assist with sourcing needs.
- c. **SBA CCR System –** The Small Business Administration has developed a computerized, commodity-indexed database of small businesses. Call Procurement for more information. Procurement maintains links to this and other resources on the Gateway to Financial Activities web site at <http://fingate.stanford.edu/staff/buypaying/index.html>.