

## Working Together to Support CU's Small Business Program

*"The opportunity for growth of small business concerns is an important component in the development of a strong business community. It is, therefore, essential that the University assume a leadership role in actions that will provide maximum practicable opportunity for small business concerns to participate in all aspects of our procurement activities."* (CU President Hank Brown, in his November 16, 2005, letter supporting the University's Small Business Program...see [www.cu.edu/psc/purchasing/sbp](http://www.cu.edu/psc/purchasing/sbp).)

The University of Colorado's Small Business Program (SBP) is administered by the Procurement Service Center, but its success depends on all of us. Following are a few things you should know about the SBP and some of the reasons that *you* should support it...

### *How much do you know about...*

#### Small Business Concerns (SBCs)?

As a general rule, a small business is one with fewer than 500 employees. To be designated as a **Small Business Concern** for government contracting programs, however, the company must also meet industry-specific size standards.

The U.S. Small Business Administration (SBA) identifies several small business sub-categories: Small Disadvantaged Business (SDB); Woman-Owned Small Business (WOSB); Historically Black Colleges/Universities & Minority Institutions (HBCU/MI); HUBZone Small Business (HUBZone SB); Veteran-Owned Small Business (VOSB); and, Service-Disabled Veteran-Owned Small Business (SDVOSB).

Federal regulations require that these businesses be included in various procurement processes (*see article on Federal Requirements in the next column*). In addition, let's consider the **Top 10 Reasons to Promote Small Business Concerns (SBCs):**

10. SBCs made up 97% of all identified exporters and produced 28.6% of the known export value in FY2004.
9. 6.5 million women-owned small businesses generated \$940.8 billion in revenue in FY2002.
8. SBCs employ 41% of high tech workers (scientists, engineers, computer workers, etc.).
7. SBCs produce 13-14 times more patents per employee than large patenting firms.
6. Small disadvantaged businesses employed over 4 million workers in FY2002.
5. SBCs create more than 50% of non-farm private gross domestic product (GDP).
4. SBCs have generated between 60-80% of net new jobs every year over the last decade.
3. SBCs pay 45% of the total U.S. private payroll.
2. SBCs employ half of all private sector employees.
1. SBCs represent 99.7% of all employers.

(Source: SBA Office of Advocacy, June 2006)

### Federal Requirements for Small Business Involvement

Federal regulations require a **Small Business Subcontracting Plan (SBSP)** for Federal contracts valued at \$500,000 or more. A statement of how the University will spend monies received under a Federal contract, the SBSP becomes a material part of that contract.

*What if a Federal agency (or your campus Sponsored Projects office) notifies you that an SBSP is required for a contract?* Contact Charlene Lydick. As the University's Small Business Liaison Officer, Charlene will help you develop the SBSP. Call her at 303.315.2780 or email [Charlene.Lydick@cu.edu](mailto:Charlene.Lydick@cu.edu).

If the University is awarded a Federal contract that requires an SBSP, we will need to submit semiannual reports stating how the small business subcontracting goals are being met. With the exception of reports under DOD contracts, all small business reports must now be submitted electronically via the Electronic Subcontract Reporting System (eSRS). If you have a Federal contract requiring small business reports, contact Charlene. She'll compile the necessary data and submit the required reports.

*What about compliance?* If the required small business reports are not submitted in a timely manner, the Federal agency may suspend payments due to the University under the contract. In addition, there can be serious consequences if CU fails to meet the stated small business subcontracting goals. For example, a Federal agency may consider our record of compliance (or non-compliance) in meeting small business goals of past or current Federal contracts as criteria in awarding future contracts. Furthermore, failure to show a good faith *effort* to meet the stated goals may be considered a breach of contract...and the Federal agency may assess liquidated damages against the University.

For additional information on CU's Small Business Program, visit the PSC web site, [www.cusys.edu/psc/purchasing/sbp/](http://www.cusys.edu/psc/purchasing/sbp/), or contact Charlene Lydick, Small Business Liaison Officer, at 303.315.2780 (email [Charlene.Lydick@cu.edu](mailto:Charlene.Lydick@cu.edu)).

### Vendor Orientation

The PSC offers monthly **Vendor Orientations** to explain how the University does business. To learn the schedule, go to [www.cusys.edu/psc/purchasing/vendor/downloads/Schedule-Vendor-Orientation.pdf](http://www.cusys.edu/psc/purchasing/vendor/downloads/Schedule-Vendor-Orientation.pdf). Note that pre-registration is required.

#### COMMUNICATOR NEWSLETTER

**Published by:** University of Colorado System  
 Financial Compliance Office  
 Campus Box 124 P.O. Box 173364  
 Denver, Colorado 80217-3364

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