

MEMORANDUM

DATE: August 25, 2005

TO: Deans, Directors and Department Heads
Receiving Federal Contract Funds FROM: Joel D. Valdez
Sr. VP for Business Affairs

Leslie Tolbert
VP for Research, Graduate Studies and Economic Development

SUBJECT: Small Business Subcontracting Requirements

We are writing to request your support in an area that is extremely important to the UA research effort.

Through Federal grants and contracts the UA is the beneficiary of millions of dollars annually. As you are aware, with the receipt of Federal funds oftentimes there are specified requirements that are expected to be met, unless there are extenuating circumstances. The absence of justifiable grounds for not meeting the expectation could result in the loss of current and future contract funding. Although Federal agencies, to date, have not chosen to exercise this option, it is certainly one that is open to them.

The awarding Federal agencies (nearly 40) specify goals in terms of a certain percent of goods and services that are to be purchased from disadvantaged, minority and women owned businesses. These agencies recognize that all UA contracts will not meet the specified goal(s). This is particularly true for those contracts involving highly technical, complex or expensive processes and equipment that may be beyond the scope and capabilities of these small businesses.

In many instances our units do a great job in providing justifications when contract goals are not met. However, in the majority of cases our track record on providing justification(s) is not good. Consequently, organizations such as NASA, DOD and the Jet Propulsion Laboratories are now requesting the UA plan to resolve this deficiency.

We need your help to correct this problem. You can do so by ensuring (1) that principal investigators are made aware of the contents of this memorandum and (2) a system is in place that will result in the provision of adequate justifications when procurement goals are not achieved.

The UA unit responsible for reporting on the status of achievement of subcontracting goals to the Federal agency that awarded a particular contract is the Procurement and

Contracting Services, Department. If you have questions or need assistance regarding this issue, please contact Ernie Webster, Manager of the Procurement and Contracting Services, Department's Small Business Supplier Diversity Program- tel 621-2888 or email: ewebster@u.arizona.edu.