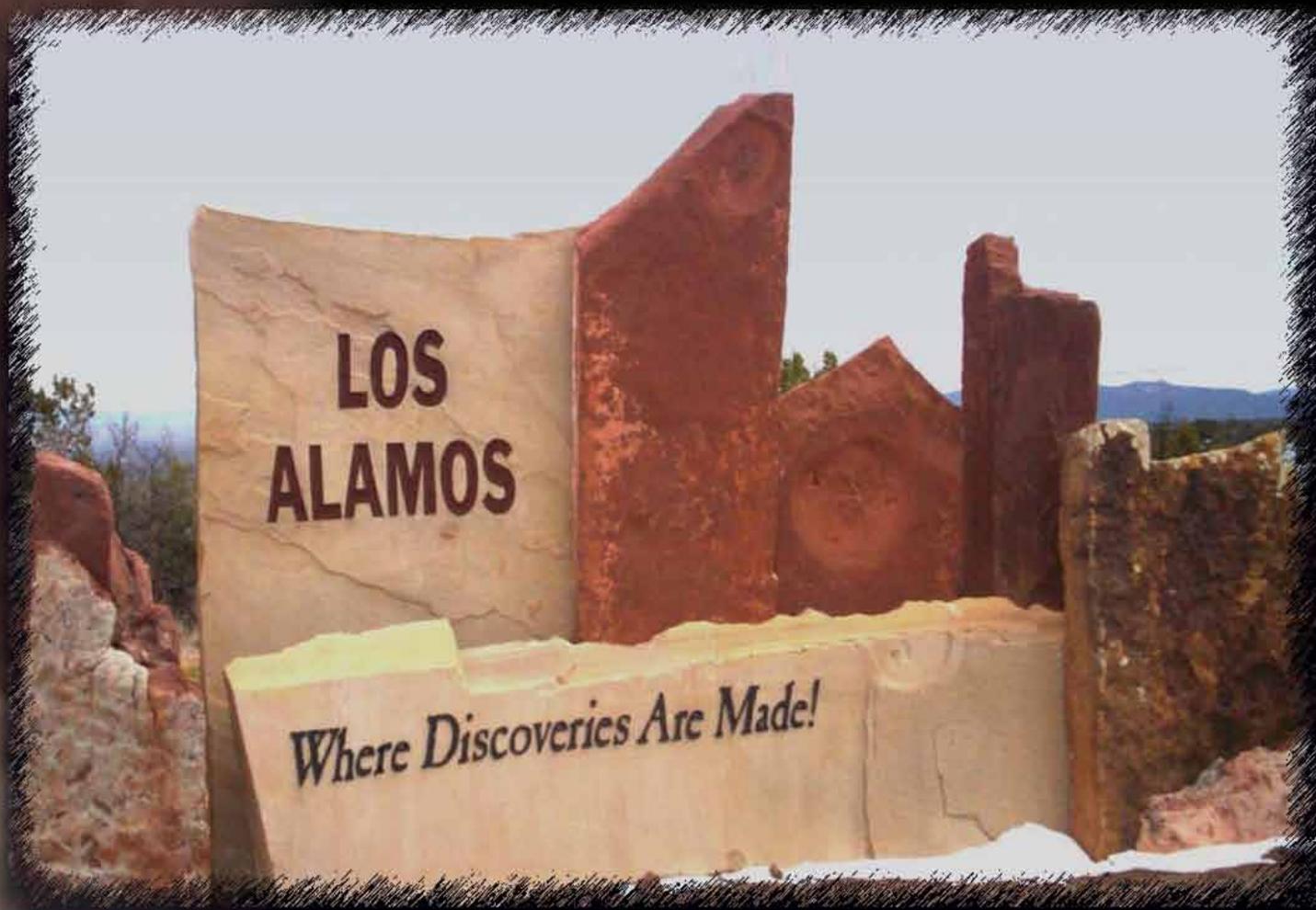


Small Business Program Summary

Fiscal Year 2009



Acquisition Services Management Division





Left to right are Dennis Roybal, Small Business Program Manager, Mark Barth, Associate Director for Business Services; and Doug McCrary, Acquisition Services Management Division leader.

Summary

The Small Business Program Report for fiscal year 2009 highlights achievements by Los Alamos National Laboratory (LANL) to maximize subcontracting opportunities for small businesses. It includes achievements made in awarding subcontracts to small businesses; newly formed mentor-protégé agreements, and outreach efforts to make prospective suppliers aware of Laboratory supplier forums, forecasted business opportunities, and how to do business with the Laboratory. The summary demonstrates through data tables and graphs the number of Laboratory dollars spent with small businesses nationwide, how the Laboratory's three-year trend has positively impacted each socioeconomic category on which the Laboratory is measured, and how these procurements have impacted the economy of New Mexico and Northern New Mexico.

Los Alamos National Laboratory

Los Alamos National Laboratory is one of the largest multidisciplinary, multi-program laboratories in the world. LANL is operated by Los Alamos National Security, LLC and is a premier national security research institution. The Lab's primary responsibility is ensuring the safety, security, and reliability of the nation's nuclear deterrent. In addition to supporting the Lab's core national security mission, the Lab works closely with other DOE

facilities, universities, and industries across the United States, to perform its mission of national security. The Lab 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. It is the policy of LANL and DOE/NNSA that small businesses have the maximum practicable opportunity to participate in Laboratory contracts; this is clearly articulated in the Lab's Prime Contract. The Lab is committed to strengthening its relationship with the small business community and strongly believes that procuring from small businesses is the right thing to do. In 2009, the Lab welcomed Mark Barth as the new Associate Director for Business Services, succeeding Doris Heim. Doug McCrary was named the new Acquisition Services Management Division leader, succeeding Kevin Chalmers. Both bring a strong management background as well as technical and business expertise to their position.

Small Business Program Office

The Laboratory's Small Business Program Office is managed by Dennis Roybal and his team of small business advocates. As advocates for small business, the team is constantly working to find new and innovative means to engage small businesses about how to do business with LANL.



Pictured left to right are Jim Carrigan, Yvonne Gonzales, Moe Zamora, and Dennis Roybal, Small Business Program Manager.

Socioeconomic Goal Establishment

The Laboratory negotiates its socioeconomic goals annually with DOE/NNSA to ensure that a percentage of Laboratory procurements are placed with small businesses that meet certain socioeconomic criteria. The Small Business Program Office (SBPO) tracks procurement performance for the Laboratory and reports its performance semi-annually to DOE, NNSA, and SBA. The socioeconomic goals, which are negotiated

and established, include these small business socioeconomic categories: Small Disadvantaged Business, Woman-Owned Small Business, Veteran-Owned Small Business, Service-Disabled Veteran-Owned Small Business, and HUBZone Small Business. While goals are not set for 8(a), the SBPO does track the volume of procurements placed in this category as well.

National Socioeconomic Accomplishments

Category	Goal	Achievement	Achievement in Dollars (Millions)
Large Business	–	50.1%	\$370.2M
Small Business	46%	49.9%	\$369.2M
Small Disadvantaged Business	11%	13.3%	\$98.4M
Women-Owned Small Business	11%	11%	\$81.4M
HUBZone Small Business	3%	2.7%	\$19.9M
Veteran-Owned Small Business	3%	6%	\$44.5M
Service-Disabled Veteran-Owned Small Business	1.5%	1.9%	\$14M
8(A)	N/A	10%	\$73.6M
*TOTAL Procurement	–	50.1%	\$750.5M
**CONSTRAINED Procurement Base	–	50.1%	\$739.4M

*FY09 "Total Procurement" represents the Laboratory's commitments to purchase goods and services from private and non-profit companies worldwide, including educational institutions, state and local governments, as well as other DOE facilities.

**FY09 "Constrained Procurement Base" excludes commitments with foreign entities and affiliate contracts, pursuant to U.S. Small Business Administration Guidelines.

Note: FY09 began October 1, 2008 and ended September 30, 2009.

Achievements are calculated by dividing the total dollars procured in each category by the constrained base pursuant to U.S. SBA Guidelines.



Large Business Subcontractors' Achievements

When the Laboratory awards subcontracts to large business exceeding \$550,000 (\$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 Program 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. For instance, at the end of fiscal year 2009, \$31.5 million in procurement dollars were expended or awarded to small business by major subcontractors with subcontracting plans. In addition, four large subcontracts to large business for facilities, telecommunications and architecture and engineering goods and services expired. They were replaced by qualified small businesses who are now performing these requirements as first-tier LANL subcontractors. The Small Business Program Office is very assertive in pushing for goals that are commensurate with the complex scopes of work by researching and identifying qualified small businesses on major acquisitions. The Office also assists large businesses in identifying small business for lower tier subcontracting opportunities.

Supporting New Mexico's Economy

LANS, LLC encourages via its Prime Contract with DOE-NNSA its major support subcontractors to submit a Subcontractor Regional and Community Development Plan (SRCDP). These SRCDP's are reviewed and approved by the Community Programs Office with input from the Small Business Program Office. Economic development, educational enrichment, and corporate citizenship are the three focus areas of the SRCDP. Through this initiative, the seven northern counties (Taos, Santa Fe, Rio Arriba, Sandoval, Mora, San Miguel, and Los Alamos) and local pueblos have positively been impacted. Many of these subcontractors become members of a subcontractor operated "LANL Major Subcontractors Consortium" which serves as a community development collaboration platform. The Consortium's goal is to increase the economic impact by creating and implementing a joint strategy where major subcontractors combine resources to meet their community development contractual requirements and promotes regional diversification in the seven Northern New Mexico counties and local pueblos.

Large Business Subcontractors' Achievements

SOCIOECONOMIC CATEGORIES	\$ ACHIEVEMENT
Small Business (SB)	\$31.5M
Small Disadvantaged Business (SDB)	\$14.0M
Women-Owned Small Business (WOSB)	\$5.0M
HUBZone Small Business (HUBZone)	\$1.7M
Veteran-Owned Small Business (VOSB)	\$8.0M
Service-Disabled Veteran-Owned Small Business (SDVOSB)	\$.2M

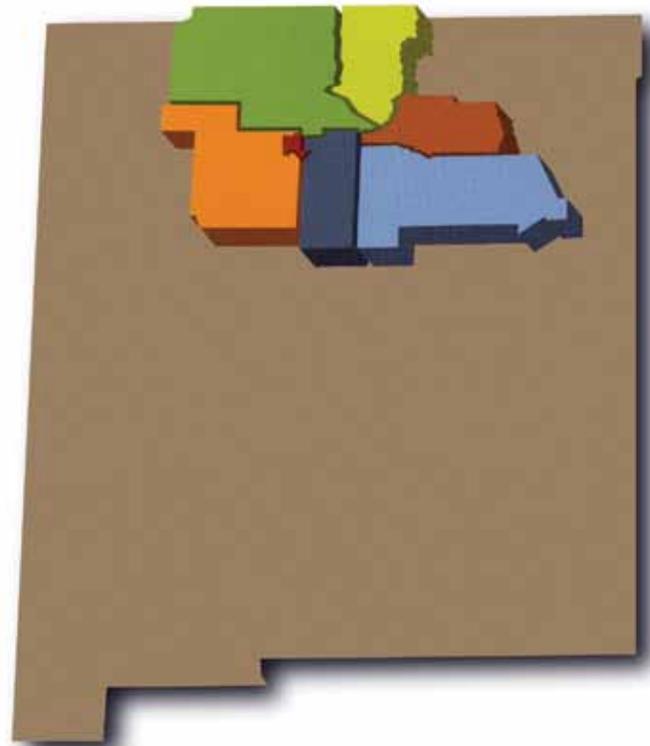


Economic Impact and Accomplishments in New Mexico and Northern New Mexico

The Laboratory is committed to supporting the local and regional economy of Northern New Mexico. Northern New Mexico encompasses Taos, Santa Fe, Rio Arriba, Sandoval, Mora, San Miguel, and Los Alamos counties and the eight regional Pueblos of Nambe, Picuris, Pojoaque, San Ildefonso, San Juan, Santa Clara, Taos, and Tesuque.

In fiscal year 2009, the Laboratory purchased approximately \$336.8 million in goods and services with both large and small businesses in New Mexico. This total reflects 45.6 percent of the Laboratory's total constrained procurement base of \$739.4 million.

In fiscal year 2009, procurements placed with both large and small businesses in Northern New Mexico totaled \$276.7 million. This total reflects 37.4 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 graph below illustrates the Laboratory's three year achievements in dollars.



- Rio Arriba
- Sandoval
- Los Alamos
- Taos
- Mora
- Santa Fe
- San Miguel

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



FY09 Small Business Program Initiatives

Los Alamos National Security creates mentor-protégé agreements with two veteran-owned businesses

Los Alamos National Security, LLC (LANS) and Los Alamos National Laboratory entered into new mentor-protégé agreements with SDV Construction and Trillacorpe Construction, both service-disabled veteran-owned small businesses. Both agreements fall under the umbrella of DOE's Mentor Protégé Program. The agreements are designed to foster the growth of these companies to become successful subcontractors to LANS, DOE, NNSA, other government agencies, and private industry. These companies are qualified to perform small construction projects and will help LANS accomplish its mission for DOE and NNSA. "Although we need to strive to achieve all of our small business goals, I am especially moved by our duty to veterans and service-disabled veterans," said Dennis Roybal, the Laboratory's Small Business Program manager. "We are very excited that these two agreements are with business owners who have served our nation." These mentor-protégé agreements are the

fourth and fifth such agreements LANS has signed since it took over the management and operation of the Laboratory. The Lab and LANS also have mentor-protégé agreements with North Wind, Inc., TSAY Construction and Services, and Performance Maintenance Inc.

Construction Forum a success

More than 200 companies registered for a Los Alamos National Laboratory-sponsored construction forum last spring in Albuquerque, New Mexico. Its purpose was to provide contracting information to construction companies seeking to do business with LANL. New opportunities for businesses resulted from the federal economic stimulus package funding for environmental cleanup work. The more than 300 people in attendance were able to network with staff from the Lab's Procurement Office and Small Business Program Office to learn more about procurement opportunities and site requirements. Site tours of specific areas related to work at the Laboratory was coordinated to give attendees unfamiliar with the Laboratory and the Los Alamos area a better perspective and understanding of the area and necessary site requirements. In addition to a number of breakout sessions tailored for construction professionals, the forum gave businesses an opportunity to network and form new alliances. Representatives from the U.S. Small Business Administration, the New Mexico 8(a) & Minority Business Association, and the New Mexico Small Business Development Center also were available to help business owners. The overall goal of the Construction Forum was achieved through the many contacts and networking opportunities available to all that attended.



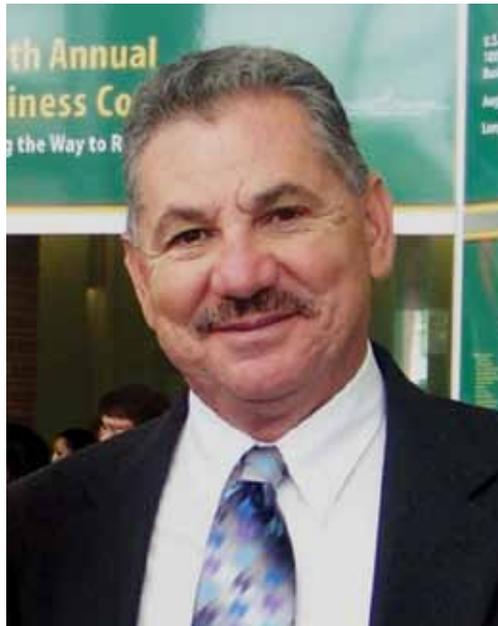
Pictured above is Joyce Matthews, Acquisitions Services manager networking with a customer at the 2009 Construction Forum in Albuquerque, New Mexico.

Highlights from Dennis Roybal, Small Business Program Manager

Small businesses help the lab meet its mission

In fiscal year 2009, the Laboratory committed to more than \$1 billion of multi-year purchase orders/subcontracts to small businesses. This reflects positively on the Lab's small business goals, which are negotiated annually between Los Alamos National Security, LLC and the National Nuclear Security Administration. This substantial increase from previous years demonstrates the Laboratory's commitment to small businesses, while also demonstrating that small businesses are capable of supporting the Laboratory's national security mission requirements. In April 2009, the Laboratory hosted an event in Albuquerque to celebrate the awarding of \$753 million in subcontracts to small businesses across New Mexico and Northern New Mexico. During the remainder of the fiscal year, the Laboratory awarded several more subcontracts totaling \$200 million to architect-engineering small businesses, as well as \$100 million in American Recovery and Reinvestment Act funding for environmental clean-up work at Technical Area 21. These small business awards helped LANS meet or exceed five of six small business goals in fiscal year 2009.

In fiscal year 2009, LANS set a goal of subcontracting 46 percent of its total procurement volume to small businesses. Through a partnering effort among the Small Business Program Office, purchasing staff in Acquisition Services Management Division, and the technical requestors, the Lab was able to exceed its goal, achieving a rate of 49.9 percent of total procurement dollars. This shows substantial progress from fiscal year 2007, when only 32.8 percent of Laboratory subcontract awards were made to small businesses. Other small business goals that were met or exceeded in 2009 include women-owned businesses, small disadvantaged businesses, veteran-owned businesses, and service disabled veteran-owned businesses. The Lab will focus more effort in the current fiscal year on meeting its HUBZone business goal and is looking at the possibility of adding a local HUBZone protégé to its portfolio of five protégés. Contracting with small businesses is crucial to the Laboratory, as well as to the economic recovery of the nation. The Laboratory will continue to seek out qualified small businesses that can contribute to its success at the local, regional, and national level.



Dennis Roybal, Small Business Program Manager at the 10th annual Small Business Conference & Expo in Long Beach, California.



Small Business Program Office Initiatives for 2010

Fiscal year 2010 will be an eventful year for the Los Alamos National Laboratory's Small Business Program Office. The team has already started implementing new innovative initiatives to engage not only small businesses wanting to do business with the Laboratory, but our very own procurement specialists and technical requestors.

Foremost, we want to make certain that we communicate the various business opportunities to those interested in doing business with the Laboratory. We want to inform our procurement staff about the various qualified small businesses available to provide goods and services to the Lab. A searchable database has been developed to enable buyers to access information on potential small business suppliers by NAICS Code. Information is comprised of data provided from suppliers that SBPO has met with at outreach events and/or from suppliers who have specifically requested to be added to the database. Presently, LANL buyers request specialized reports for specific small business categories and/or by a certain NAICS Code, and the report is generated by SBPO. This new database will streamline the effort and make it directly available to LANL buyers, providing a win-win opportunity for the supplier and the buyer.

In continuing our outreach efforts to small business suppliers, we have asked Sandia National Laboratories to partner with us in sponsoring a joint supplier forum. This forum will be an excellent opportunity, specifically for New Mexico small businesses to promote their business and learn how to do business with prime contractors.

The SBPO also is working on a program to recognize LANL procurement buyers and technical requesters for their efforts in supporting small business program initiatives. This will enhance awareness of the overall Small Business Program, and recognize the efforts of those individuals that are supporting small business efforts.

The SBPO recognizes the value of having mentor-protégés and is exploring the possibility of another mentor protégé in the HUBZone category. Efforts are under way in pursuing this initiative.

The SBPO team is developing and will implement a more formalized review and enforcement of small business contracting plans, by possibly conducting random validations of subcontracting plan results.

The Small Business Program Office will partner with Procurement to take a more active role in developing procurement strategies prior to the acquisition stage.



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Small Business Program Office Outreach Events

SBPO provides socioeconomic awareness at ASM Outreach Event



Pictured above are Jim Carrigan and Yvonne Gonzales of the Small Business Program Office.



Small Business Program Office staff at the 10th annual Small Business Conference and Expo in Long Beach, California. Along with Larry Quinlan, ASM Buyer, Bob Kingsbury, Los Alamos Technical Associates, Inc. (LATA) President; and Felicia Aguilar, LATA Operations Manager, center, receive the DOE Service-Disabled Veteran-Owned Small Business of the Year Award.



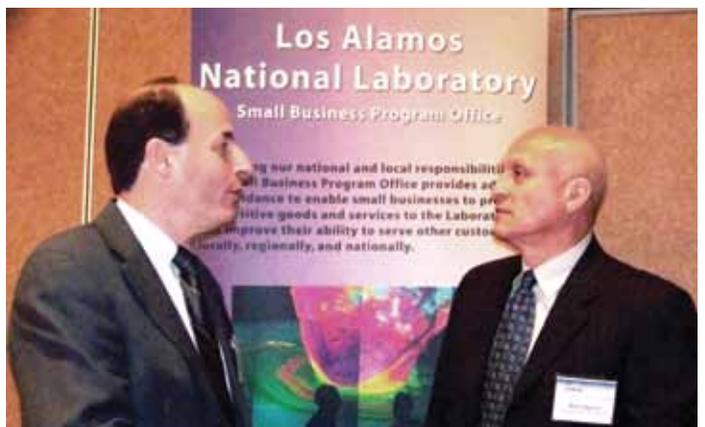
Acquisition Services Management staff at the MED Week event in Albuquerque. Also pictured in center back row is Mark Barth, associate director for business services at the Laboratory.



Dennis Roybal, left, and Doug McCrary, talk with Wendy Ederer, right, the Procurement Technical Assistance Program Advisor for New Mexico at the MED Week event last fall in Albuquerque.



Doug McCrary, left, with Laboratory Procurement staff at the MED Week event in Albuquerque.



Moe Zamora, right of the Los Alamos Small Business Program Office talks with a potential Laboratory small business vendor at the Lab-sponsored construction forum in April 2009 in Albuquerque.

Small Business Program Office

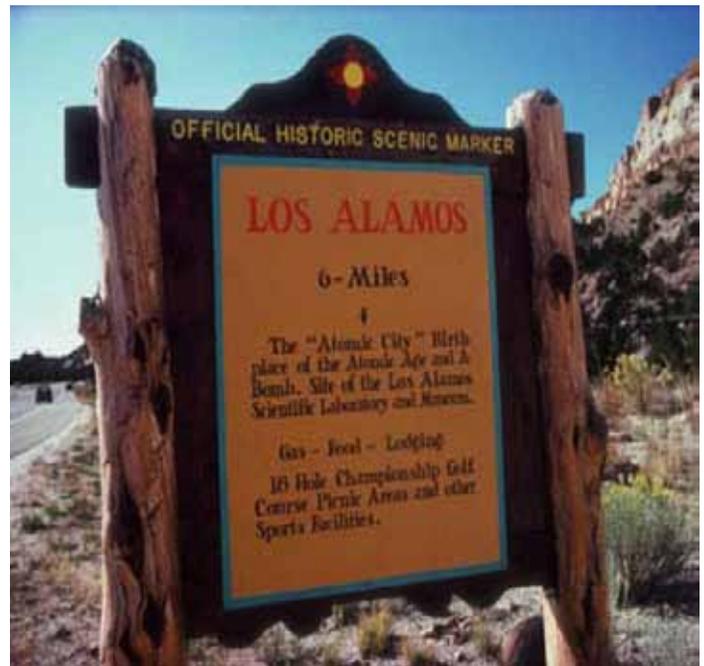
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We're on the Web
<http://business.lanl.gov>



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