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THE WHITE HOUSE
WASHINGTON

12/31/80

Rick:

You asked us to handle this
for the President.

Kathy

A handwritten signature in cursive script, appearing to read "Kathy".A single horizontal line drawn across the page, likely a separator or a signature line.

THE WHITE HOUSE

WASHINGTON

December 31, 1980

MEMORANDUM FOR: KAREN HASTIE WILLIAMS

FROM: STU EIZENSTAT 

SUBJECT: Receipt of (1) your Report of the Labor Surplus Area Task Group; and (2) your memorandum on FY 1981 Goals for Federal Procurement Preference Programs

I have received, and been asked to acknowledge, the above captioned memorandums to the President.

I want to extend my personal appreciation to you for the critical and successful role you have played in making the President's desire to strengthen minority business and women-owned business a reality. It has been a pleasure to work with you and I hope we will continue the relationship over the years to come.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

December 9, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: KAREN HASTIE WILLIAMS, ADMINISTRATOR

A handwritten signature in cursive script that reads "Karen Hastie Williams".

SUBJECT: FY 1981 Goals for Federal Procurement Preference Programs

A high priority for this Administration is the establishment and achievement of ambitious, but realistic, goals for Federal procurement from small business, minority business, women-owned business, and from Labor surplus area firms. This year we initiated a coordinated goal-setting process to provide for a comprehensive, orderly procedure for establishing agency goals in all these areas which in turn were reviewed to establish government-wide goals.

Small Business Goals - For fiscal year 1981, we have established a government-wide goal of \$31,049 million (33.2%) for small business awards. SBA was able to negotiate agreement with all agencies except the Department of Defense and the National Aeronautics and Space Administration. The goals of both agencies were submitted to OFPP for final determination under P.L. 95-507, the SBA Act Amendments. A summary of the small business goals is included in the attachment. As required by law, the goals are stated as a percentage of total estimated agency procurement for prime contracts and subcontracts to maintain a constant share incentive within the often fluctuating environment of Federal procurement.

Minority Goals - For fiscal year 1981, we have established an ambitious government-wide goal for total minority procurement of \$4.2 billion. With the cooperation of the executive agencies and extensive negotiations SBA was able to reach agreement with most of the agencies on minority goals for contracts over \$10,000. In a couple of cases, however, no agreement could be reached. As required by P.L. 95-507, those disputed goals for DOD, NASA and Justice were then submitted to OFPP for final determination.

A summary of the proposed agency goals for minority business is also attached. To provide a complete analysis, both the SBA negotiated goals and the OFPP determinations are included. The listed agencies represent 99% of the Federal procurement activity. You will note that while I have not developed minority goals for contracts under \$10,000 by agencies, past experience shows approximately 10% of MBE awards come from small purchases of \$10,000 and under. Significant opportunities for minority contractors exist in this category of contracts. In achieving the Government-wide goal, it is important that the agencies have incentives to perform well in areas of traditional strength to compliment the challenge for ambitious performance in the larger dollar category mandated by P.L. 95-507. For the first time we have also encouraged agencies to include prime and subcontract awards to historically black institutions in meeting their minority contracting goals.

Women Business Goals. For fiscal year 1981, OFPP in cooperation with the Women's Business Enterprise Division of SBA has negotiated agency goals totalling \$400 million. This goal follows through on your commitment to double the 1980 goal for 1981. The distribution by agency of the 1981 goal is attached. With an aggressive outreach program by SBA -- offering both educational elements and technical financial assistance -- and the increasing support from agency contracting officers, I believe the 1981 goal can be attained.

Labor Surplus Area Goals. For fiscal year 1981, GSA has negotiated goals totalling \$1.5 billion with the executive agencies. As you know, these goals reflect only those awards made under a set-aside program and do not include the many awards made on a competitive basis to firms in areas of high unemployment. The individual agency goals are provided in the attachment.

The goals for these procurement preference programs are ambitious, but they are also realistic and achievable. They will be difficult to meet without an extraordinary effort within each executive agency. I have conveyed to the major procuring agencies the importance of the active, personal participation of agency heads in this process. I have also stressed the need for the involvement of senior program managers as well as procurement personnel within each agency.

The OFPP will continue to work with SBA, IAC, GSA and the executive agencies to achieve these goals.

Attachments

FEDERAL AGENCIES FY 1981 GOALS FOR AWARDS TO PROCUREMENT PREFERENCE PROGRAMS
(Expressed in Millions)

	Est. Proc. Over \$10,000	Goal for Award to S.B.	Estimated Prime Contract Awards			
			% to S.B.	WOB	Award to MBE	% to MBE
*Department of Defense	62,600.0	11,800.0	18.8	235.0	1,636.3	2.6
Department of Energy	7,897.0	340.0	4.3	15.0	90.0	1.1
*NASA	4,698.4	335.0	7.1	6.8	84.0	1.8
GSA (Non-FSS)	1,939.6	779.7	40.2	21.5	148.7	7.7
GSA (FSS Only)	1,295.3	341.4	26.4	-	-	-
TVA	N/R	N/R	N/R	N/R	N/R	N/R
Veterans Administration	1,112.0	539.3	48.5	10.1	170.8	15.3
Department of Agriculture	1,691.6	1,204.2	71.2	11.1	68.9	4.1
Department of Interior	1,208.7	522.6	43.2	9.8	120.0	9.9
Department of Trans.	1,105.0	406.6	36.8	20.0	120.0	10.6
Health & Human Services	1,083.4	295.0	27.2	27.2	82.3	7.6
EPA	361.0	155.2	43.0	4.0	27.1	7.5
Department of Labor	324.4	100.6	31.0	14.5	48.8	15.0
AID	227.0	49.0	21.6	2.3	22.0	9.7
Department of Education	260.0	50.0	19.2	1.8	32.7	12.6
HUD	148.8	105.3	70.8	9.1	32.9	22.1
Department of Treasury	85.0	29.7	35.0	1.4	13.6	16.0
Department of Commerce	176.0	76.9	43.7	5.4	23.9	13.6
Department of Justice	107.9	37.8	35.0	.25	5.4	5.0
Natl. Science Foundation	163.4	4.5	2.8	.2	.35	.02
FDA	124.0	40.0	32.3	.34	2.8	2.2
Department of State	53.0	25.9	48.9	3.5	3.2	6.0
ICA	32.0	8.0	25.0	.34	.4	1.2
Nuclear Regulatory Comm.	35.1	16.3	46.4	.34	-	-
OPM	14.0	4.2	30.0	.06	1.0	7.1
SBA	13.0	11.2	86.2	.2	6.8	52.3
Action	7.5	2.3	30.7	-	2.25	30.0
Penn. Avenue Dev. Corp.	9.6	5.3	55.2	.4	3.0	31.2
All Others	34.4	16.5	48.0	-	13.9	40.4
Sub total Prime Contracts	86,807.1	17,302.5	19.9	400.6	2,756.1	3.2

FEDERAL AGENCIES FY 1981 GOALS FOR AWARDS TO PROCUREMENT PREFERENCE PROGRAMS
(Expressed in Millions)

Estimated Subcontract Awards

	Est. Proc. Over <u>\$10,000</u>	Est. Subcont.	Goal for Award to <u>S.B.</u>	% to <u>S.B.</u>	Award to <u>MBE</u>	% to <u>MBE</u>
*Department of Defense	62,600.0	22,600.0	11,200.0	49.6	687.9	3.0
Department of Energy	7,897.0	4,070.0	1,277.0	31.4	210.0	5.2
*NASA	4,698.4	1,000.0	415.8	41.6	48.0	4.8
GSA (Non-FSS)	1,939.6	658.1	252.3	38.3	15.0	2.3
GSA (FSS Only)	1,295.3	-	-	-	-	-
TVA	N/R	N/R	N/R	N/R	N/R	N/R
Veterans Administration	1,112.0	368.0	235.0	63.9	47.0	12.8
Department of Agriculture	1,691.6	119.2	47.5	40.0	4.6	3.9
Department of Interior	1,208.7	283.8	71.0	25.1	16.5	5.8
Department of Trans.	1,105.0	350.0	141.0	40.3	28.0	8.0
Health & Human Services	1,083.4	123.0	37.9	30.8	10.1	8.2
EPA	361.0	37.0	8.9	24.1	3.5	9.4
Department of Labor	324.4	93.3	23.0	24.7	9.2	9.9
AID	227.0	11.0	3.7	33.6	1.5	13.6
Department of Education	260.0	5.3	3.0	56.6	2.2	41.5
HUD	148.8	13.0	10.2	78.5	5.0	38.4
Department of Treasury	85.0	3.5	1.0	28.6	.3	8.6
Department of Commerce	176.0	11.4	3.4	29.0	1.8	15.8
Department of Justice	107.9	1.6	.4	25.0	.2	12.5
Natl. Science Foundation	163.4	35.4	7.0	19.8	.5	1.4
FDA	124.0	8.0	4.0	50.0	1.2	15.0
Department of State	53.0	1.6	1.6	100.0	.08	.5
ICA	32.0	5.0	1.0	20.0	0.0	0.0
Nuclear Regulatory Comm.	35.1	.4	.2	50.0		
OPM	14.0	.6	0.0	0.0	0.0	0.0
SBA	13.0	1.0	0.0	0.0	0.0	0.0
Action	7.5	0.0	0.0	0.0	0.0	0.0
Penn. Avenue Dev. Corp.	9.6	5.8	1.3	22.4	.75	12.9
All Others	34.4	***	***	---	***	--
TOTAL Subcontracts	<u>86,807.1</u>	<u>29,801.0</u>	<u>13,746.2</u>	<u>46.1</u>	<u>1,092.8</u>	<u>3.7</u>
Prime Contracts			17,302.5	19.9	2,756.1	3.2
Small Purchase Awards (Under \$10,000)					384.9	
Grand Total	<u>86,807.1</u>	<u>29,801.0</u>	<u>31,048.7</u>	<u>35.8</u>	<u>4,233.8</u>	<u>4.9</u>

*OFPP Determination; **N/R - Not received;*** - Less than \$500,000

FEDERAL AGENCIES FY 1981 GOALS FOR AWARDS
TO PROCUREMENT PREFERENCE PROGRAMS

<u>AGENCY</u>	<u>Dollar Estimate for Minority Educational Institutions</u>	<u>Dollar Estimate for Disadvantaged Non-Profit Organizations</u>	<u>Dollar Estimate for Large MBE</u>
Department of Defense	N/R	N/R	N/R
Department of Energy	N/R	N/R	N/R
NASA	700,000	123,000	100,000
GSA (Non-FSS)	0	3,716,000	922,000
GSA (FSS Only)	-	-	-
TVA			
Veterans Administration	225,000	50,000	2,500
Department of Interior	1,100,000	198,000,000	4,300,000
Department of Agriculture	348,000	574,000	280,000
Department of Trans.	1,100,000	0	2,000,000
Department of Education	0	12,000,000	2,700,000
HHS	336,000	47,000,000	2,000,000
Department of Commerce	82,000	1,500,000	2,200,000
Department of Labor	1,880,000	9,406,000	8,780,000
EPA	200,000	130,000	130,000
Department of Treasury	60,000	50,000	235,000
AID	1,000,000	50,000	3,000,000
HUD	1,078,348	3,625,000	604,000
Department of Justice	0	0	1,300,000
Department of State	0	0	1,300,000
Natl. Science Foundation	0	0	0
Nuclear Regulatory Comm.	0	0	0
FEMA	0	0	0
ICA	0	0	1,000,000
OPM	0	500,000	750,000
SEA	0	0	0
Action	265,000	0	0
Penn. Avenue Dev. Corp.	0	0	0
All Others	157,000	0	60,000
<u>TOTAL</u>	<u>8,531,348</u>	<u>264,724,000</u>	<u>28,963,500</u>

LSA SET-ASIDE TARGETS

(\$ MILLION)

<u>AGENCY</u>	<u>FY 80 TARGETS RECOMMENDED BY GSA</u>	<u>FY 81 TARGETS RECOMMENDED BY GSA</u>
AGRICULTURE	\$77.5	\$101.3
COMMERCE	18.6	15.8
ENERGY	206.5	180.0
EPA	20.7	11.0
FEMA	.1	1.1
GSA	176.1	188.74
HUD	62.3	81.1
HHS	116.7	120.0
INTERIOR	134.2	181.1
JUSTICE	3.4	2.0
LABOR	13.1	59.2
NASA	92.9	100.0
TRANSPORTATION	46.5	65.0
TREASURY	3.4	3.0
TVA	206.5	193.0
NATL SCIENCE FOUNDATION	16.0	16.4
VA	165.2	218.2
ARMS CONTROL & DIS- ARMAMENT'S AGENCY		.5
INTERNATIONAL COM. AGENCY		.24
NUCLEAR REG. COMMISSION		.19
PA. AVE. DEV. CORP.		.2
	<u>\$1,359.7</u>	<u>\$1,538.0</u>



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

DEC 9 1980

MEMORANDUM TO THE PRESIDENT

FROM: Karen Hastie Williams, Administrator, OFPP

A handwritten signature in cursive script that reads "Karen Hastie Williams".

SUBJECT: Report of Labor Surplus Area Task Group

Your report to the Congress of July 22, 1980, on the Labor Surplus Area (LSA) program directed that a Task Group, chaired by the Office of Federal Procurement Policy (OFPP), forward to you a report with recommendations and a plan of action for meeting the Government's LSA source needs. The report is forwarded herewith.

Enclosures

Report of the Labor Surplus Area Task Group

The President's Report to the Congress, July 22, 1980, on the Labor Surplus Area program directed that a Task Group chaired by the Office of Procurement Policy (OFPP) "forward to the President within 90 days recommendations and a plan of action for meeting the Government's (LSA) source lists needs." An improved LSA source list was identified as a helpful tool for program and procurement officials as they implement the Administration's Urban Policy.

In response to this requirement the OFPP established an interagency "Labor Surplus Area Source List Committee", comprised of representatives of the General Services Administration, Small Business Administration, National Aeronautics and Space Administration, Department of Defense, Department of Energy, Department of Transportation, Department of Health and Human Services, Department of Commerce, Department of Labor and the Federal Emergency Management Agency. The first meeting of the Committee was held on August 8, 1980, with subsequent meetings on September 9, September 29, and October 15, 1980.

The President's report to Congress stated that contracting officers were not using the "first priority" category of Public Law 95-89, August 4, 1977. This category is a set-aside for small businesses performing in labor surplus areas. The "Maybank Amendment" (an annual rider to the Defense Appropriation Act) has had the effect of preventing the Department of Defense from employing "total" LSA set-asides. However, civilian agencies may, and in fact must under PL 95-89 and PL 96-302, use and give first preference to total set-asides for small firms in labor surplus areas. Failure to use this "top priority" category seriously inhibits the potential of the program for increasing Federal contracts in labor surplus areas.

One reason the first priority category is not being used could well be that contracting officers do not have information as to the availability of LSA firms. Thus, there is a pressing need to do better in identifying LSA firms available to do business with the Government.

PASS

The committee members found that the Procurement Automated Source System (PASS) in the Small Business Administration was a valuable means of collecting and making available the names of small firms in labor surplus areas; and its use should be encouraged.

The PASS system may be described, briefly, as follows:

PASS is a computerized data base of approximately 30,000 small firms that have indicated an interest in government contract and subcontract opportunities and have submitted profiles to the Small Business Administration describing their capabilities as well as other significant data elements. PASS makes these firms and their capabilities known when specific source requests are made by Federal procurement officers or buyers in the private sector. Over 40 remote terminals are now used to instantaneously retrieve a profile from the data base by searching and matching over 7,000 key words and numerous key fields. In addition to Labor Surplus Area identification, PASS is capable of searching for minority, female and veteran ownership; 8(a) firms; bonding level; operating radius and geographic location by city, state and Federal region.

take appropriate steps to (1) identify LSA firms on its existing lists and (2) add the names of LSA firms not now on agency lists but desiring to perform Government contracts. Further, agencies were briefed on September 8, 1980, by Mr. Madison of GSA on the Centralized Computerized Bidders Mailing List System (CCBML) of the Federal Supply Service in GSA. Each agency will receive from OFPP a detailed statement prepared by GSA setting forth the concept and operation of the CCBML presently in use in FSS. Briefly stated, under the CCBML the contracting officer, on a commodity basis, can identify (by name) small business firms in labor surplus areas potentially available to bid on a Government request.

OUTREACH TO PRIVATE FIRMS

By notice in the September 12, 1980 issue of the Information Industry Association Newsletter and in the Commerce Business Daily of September 22, 1980 (enclosed), private firms were advised of the Government's interest in discussing approaches to the effective accumulation of data regarding labor surplus area concerns. Twenty-five firms responded. To date, the OFPP Committee has been briefed by two concerns and will be briefed by others in November 1980. A recommendation will be made on the role of private sector firms after the conclusion of the briefings. A subcommittee headed by Mr. George Beckerman, Department of Commerce, along with Mr. Joseph Kernan, SBA, and Mr. Marrel Foushee, HHS, will be responsible for this effort.

Finally, the Source List Committee has also requested the Northeast-Midwest Coalition (whose representative attended the Committee's meetings, as an observer) to ask each of its Congressional members to (1) advise business constituents, through newsletters, of the existence of the LSA set-aside program and (2) solicit names of LSA firms for inclusion in agency and SBA/PASS source lists.

RECOMMENDATIONS

- o That the Federal procurement agencies proceed as indicated above; namely, strengthen the internal source lists of each agency and rely on the PASS as the central source of information regarding contractors performing in LSA areas.
- o That discussions with the private sector continue and that a follow-up report on their role be submitted by the subcommittee by March 1, 1981.

Karen Hastie Williams
Administrator
Office of Federal Procurement Policy

Minutes of Meeting of September 9, 1980
of the OFPP LSA "Source Lists" Committee

A list of the attendees (with phone numbers and addresses) is attached.

1. Mr. Birnbaum of OFPP, Chairman, stated that one purpose of the meeting was to review the assignments of the last meeting. This was accomplished, as will be discussed, infra.
2. Mr. Madison, GSA, advised the Committee that his agency had computerized its Federal Supply Service bidder's list so that, on a commodity basis, a contracting officer could identify by name all small firms in labor surplus areas available to bid on the Government need. Mr. Madison is requested, by this memorandum, to make known to the other procuring agencies the details of the GSA system. Although use of the SBA PASS system as a source of information for the LSA program is certainly feasible, it is regarded as supplementary to each agency's developing, on its own, computerized lists similar to the one developed by GSA. Additional information on this matter will be furnished shortly by OFPP to the agencies.
3. With reference to the expanded use of PASS as a supplementary source of LSA information, each agency should send to the SBA PASS office (Mr. Joe Kernan) its complete list of small firms. SBA/PASS will then incorporate those names into its system. Each agency with established goals should contact Mr. Kernan on this matter, as agreed during the September 9, 1980 meeting. Further, as agreed, SBA will screen the various agency lists for duplications, etc. However, since SBA/PASS relies on the cooperation of small firms in completing "profile forms" to furnish business, manufacturing and other data, this must be completed first before any agency data is submitted to SBA/PASS. To facilitate this process, by this memorandum, a subcommittee is hereby appointed of Mr. Beckerman, Commerce, Chairman, and Mr. Kernan, SBA, Mr. Rosen, NASA, Mr. Terry, DOL, and Mr. Madison, GSA, members, to develop a system for the orderly collection by agencies of "small business firm" data and transmission to SBA/PASS in a suitable and usable form. This Committee is requested to report back to OFPP on or before January 15, 1981. In the meantime, each agency, as discussed at the September 9, 1980 meeting, shall advise each small firm with which it transacts business of the existence of the PASS system and advise how, if desired, a firm may be included in that system.

As stated, the expansion of PASS is regarded as a possible long-range approach to the "source list" problem. The OFPP and Government emphasis is on adequate source lists on an agency by agency basis.

4. Mr. Birnbaum will speak to the Northeast-Midwest Coalition (Miss DeVaul of the coalition was present at the meeting) about having Congressional members of the coalition (1) advise, business constituents, in their newsletters, of the existence of the LSA set-aside program under PL 95-89 and PL 96-302 and (2) solicit names of LSA/small business forms for inclusion in agency and SBA/PASS lists of small firms.


OWEN BIRNBAUM

The advantages of PASS are as follows:

1. PASS is an established system, presently in use, known and recognized throughout the Government procurement community as a source of information regarding small business. More than seven thousand (7000) LSA firms are already listed in PASS.
2. Federal agencies already have access to PASS as follows:
 - (a) Department of Energy - 15 terminals(with request for 8 more)
 - (b) Small Business Administration - 13 terminals
 - (c) Department of Defense - 5 terminals(with request for 43 more)
 - (d) Department of Commerce - 2 terminals
 - (e) General Services Administration, Environmental Protection Agency, Departments of Health and Human Services, Labor, Treasury, and Interior - 1 terminal each
3. PASS has the capability of identifying small firms in labor surplus areas.
4. Only firms having a definite interest in Government business are included in PASS since the system requires that the company apply voluntarily for inclusion in the system, set forth information in a certain manner and format, etc.
5. In many instances, compatible terminal equipment is already available at procurement activities. Further, it will be relatively inexpensive to place and use PASS terminals at procuring activities not now possessing them.

It is acknowledged that PASS only records information on small firms in labor surplus areas and is not a means of developing a comprehensive list of LSA firms wishing to perform Government contracts. However, as indicated in the September 9, 1980 minutes of the Source List Committee (attached) each agency has been directed to send to PASS, after appropriate processing, its complete list of small firms which will be screened by SBA to exclude firms already in the system. Firms not included will be invited to register in PASS by completing the "company file" forms. Mr. Joseph Kernan of SBA will head the subcommittee responsible for overseeing the transmission of the information from the agencies to PASS.

DECENTRALIZED SOURCE LISTS EFFORT

At present, the procuring activities in each agency maintain LSA and other source lists, which vary in completeness and sophistication. Until such time as PASS is available to the vast majority of procuring activities, continued reliance on these lists is necessary and desirable. This would be in addition, and complementary, to PASS. In an effort to improve these lists each agency has been advised by OFPP to

- NOTICE -

The Office of the Federal Procurement Policy, in the Executive Office of the President, has formed an interagency task group to consider improvements in source lists of firms interested in doing business with the Federal government under the provisions of Public Law 95-89. This statute provides for procurement set-asides for firms in designated areas of high unemployment - labor surplus areas.

The task group is developing an inventory of existing source lists for this socio-economic procurement program. (There are, of course, several other socio-economic procurement programs, including those focused on small business and minority-owned business.) The task group wants to learn the capabilities of private firms who have developed or are developing source lists and information delivery systems that are or could be helpful in improving current systems.

If you can provide timely information on the manufacturing or service capabilities and locations of small to large businesses, please complete the form below and return it to the Information Industry Association, 316 Pennsylvania Ave., S.E., Suite 502, Washington, D.C. 20003, Attention: Robert S. Willard, Vice President, Government Relations.

The Association is working with the Department of Commerce on this aspect of the task group's effort. We will contact you to make arrangements, through the Department, for introducing you to the task force. For early consideration, please reply by September 24, 1980. Thank you.

 Source List Inquiry - Response Form

Company Name _____

Contact Name _____ Telephone _____

Street Address _____

City, State _____ ZIP _____

Check one:

System Available _____

Under Development _____

Commerce Business Daily



A daily list of U.S. Government procurement invitations, contract awards, subcontracting leads, sales of surplus property and foreign business opportunities

U. S. GOVERNMENT PROCUREMENTS

Services

Experimental, Developmental, Test and Research Work (includes both basic and applied research).

NOTICE OF PROGRAM INTEREST: COMPUTER PROCESS CONTROL TECHNOLOGY FOR ENERGY EFFICIENT GENERAL MANUFACTURING PROCESSES. The Department of Energy (DOE) industrial energy conservation program is an important part of the National Energy Plan for achieving energy self-sufficiency. The primary goal of the program is to reduce the growth rate of industrial energy consumption by 1.5 quadrillion BTUs each year by 1985 and 5.5 quads each year by 2000. This goal will be achieved by achieving widespread commercial use of existing and new energy conservation technologies as rapidly as possible. The program is structured to conserve energy in the most positive sense. Rather than urge industry to cut energy consumption by reducing output or activity, the industrial program works to stimulate economic activity by providing an advanced base of efficient technology and by taking steps to accelerate the adoption of energy saving technologies. The strategy is to provide a fertile ground in which developing substantial potential for saving energy can grow and mature. Working cooperatively with industry, the program first identifies major target areas for conservation research, development, and demonstration (RD&D) and then concentrates resources on technologies having exceptional potential for saving energy which are not pursued expeditiously by industry because of high technology and/or economic risk.

DOE has an interest in the development and demonstration of computer process control technology for existing industrial manufacturing processes. In particular, DOE seeks unique applications of process control technology that result in cost-effective energy savings and productivity improvements in industrial manufacturing processes. Proposals will be accepted from all technically qualified organizations on or before (insert a date 4 months from date of DOE reserves the right to support or not to support any or all such proposals and assumes no responsibility for any costs associated with their preparation and submission. Proposals should provide a proposed work plan identifying tasks, schedule, key resources and requirements, cost details and commitments for a cost shared industrial in-plant demonstration of the process control technology. The technical section of the proposal shall discuss the uniqueness of the technology offered, energy savings over conventional processes, industrial barriers to the success of the technology, potential market and penetration analysis, and a brief life cycle cost analysis detailing a project payback period. A proposal must contain a commitment from a host in-plant demonstration site, including approval by an officer of the corporation. Cost sharing is desired from all participants. Proposals must be marked Unsolicited Proposal NPI-OP-80-1. Also include a final paragraph of this series.

NOTICE OF PROGRAM INTEREST: ENERGY EFFICIENT ELECTRIC MOTOR TECHNOLOGY. The DOE has an interest in the development and demonstration of new energy efficient electric motor technology. In particular, DOE seeks unique technology that would result in cost-effective savings to industrial users. Government studies have shown that significant system energy conservation potential lies in industrial electric motor use in the 5 horsepower to 125 horsepower range. Proposals will be accepted from all technical-

SINGLE WEEKLY LISTING OF ALL THE NUMBERED NOTES

The Numbered Notes will be published only on the first working day of each week. As in today's issue, all the above "Numbered Notes" are contained on the last three pages. These pages should be retained for reference during the current week.

For extra copies of or assistance with the "Notes" contact the COMMERCE BUSINESS DAILY, Rm. 1304, 433 N. Van Buren St., Chicago, IL 60607, Tel: 312/353-2950.

BUSINESS NEWS

FEDERAL PROCUREMENT CONFERENCE MINGO JUNCTION, OHIO

Congressman Douglas Applegate, in cooperation with the U.S. Departments of Commerce and Defense, is sponsoring a Federal Procurement Conference on Monday, September 29, 1980, at the Mingo K. of C., Legion Drive, Mingo Junction, Ohio 43938. The purpose of the Conference is to provide the business community with an opportunity to meet, on a person-to-person basis, with procurement specialists from Federal military and civilian agencies and Federal prime contractors. Attendees will be counseled on sales opportunities to the Federal Government, Federal procurement and contracting procedures, and export opportunities. For further information contact Ms. Cindy Martin, c/o Congressman Douglas Applegate, 435 Cannon House Office Building, Washington, D.C. 20515, Tel: AC 202/225-6265; or Ms. June Eberts, c/o Congressman Douglas Applegate, Ohio Valley Towers, Room 610, Steubenville, Ohio 43952, Tel: 614/283-3716.

SOURCE LIST OF FIRMS FOR FEDERAL CONTRACTS

The Office of the Federal Procurement Policy, in the Executive Office of the President, has formed an interagency task group to consider improvements in source lists of firms interested in doing business with the Federal government under the provisions of Public Law 95-89. This statute provides for procurement set-asides for firms in designated areas of high unemployment - labor surplus areas. The task group is developing an inventory of existing source lists for this socio-economic procurement program. (There are several other socio-economic procurement programs, including those focused on small business and minority-owned business.) The task group wants to learn the capabilities of private firms who have developed or are developing source lists and information delivery systems that are or could be helpful in improving current systems. The Department of Commerce is handling this element of the task group project. If you can provide timely information on the manufacturing or services capabilities and locations of small to large businesses. Contact: David Portch, Office of Program Coordination, Room 5894, U.S. Department of Commerce, Washington, D.C. 20230, with this information: Company Name, Contact Name, Telephone, Street Address, City, State, and Zip. Also, indicate whether your system is presently available or under development. Using your responses, the Department will make arrangements for introducing you to the task group. For early consideration, please reply by 24 Sept 80.

by qualified organizations on or before (insert a date 5 months from date of issue). DOE reserves the right to support or not to support any or all such proposals and assumes no responsibility for any costs associated with their preparation and submission. Proposals should provide a proposed work plan identifying tasks, schedule, key resources and requirements, cost details and commitments for a cost shared industrial in-plant demonstration of the electric motor technology. The technical section of the proposal shall discuss the uniqueness of the technology offered, energy savings over conventional processes, industrial barriers to the success of the technology, potential market and penetration analysis, and a brief life cycle cost analysis detailing a project payback period. A proposal shall contain a commitment from a host in-plant demonstration site, including approval by an officer of the corporation. Cost sharing is desired from all participants. Proposals must be marked "unsolicited Proposal NPI-OP-80-2."

Proposal Evaluation Criteria: Proposals will be evaluated on their unique application of energy efficient electric motor technology to the industrial sector. The evaluation criteria will include, as a minimum, the following: (1) technical merit, (2) potential energy savings, (3) application to the industrial sector, (4) life cycle cost benefits and rate of return on investment, (5) degree of cost sharing or cost participation, (6) subcontractors, (7) demonstration host site, (8) proposed period of performance and program schedule with tasks identified. Elaborate proposals or presentations are neither necessary or desirable. However, each proposal should be self-contained and written with clarity and thoroughness. Each applicant should review the submission to ensure that all data necessary for critical evaluation is contained. Number of proposal copies: 8. Additional specific information on proposal preparation may be found in the "Guide for the Submission of Research and Development Proposals by Individuals and Organizations" (available from Division of Procurement, DOE, Washington, D.C. 20545); and the "Guide for the Submission for Research and Development Proposals from Educational Institutions" (available from the Office of University Programs, DOE, Washington, D.C. 20545). Any contract awarded will be subject to DOE Procurement Regulations, including standard patent, data and copyright provisions. Additional detailed information concerning contracting policy and procedures is contained in DOE Procurement Regulations, copies of

which are available at nominal cost from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Technical questions should be submitted to: David Klimaj, Office of Industrial Program, CS-40, M.S. 2H-085, Department of Energy, Forrestal Building, Washington, D.C. 20585, Tel. 202/252-2378. (260)

Department of Energy, Unsolicited Proposal Branch, Division of Procurement and Contract Management, Washington, DC 20545

★ **A -- FINALIZED TECHNICAL DATA FOR THE PROCUREMENT OF ARMY WATERCRAFT.** Negotiations will be conducted with VSE Corporation. DRDME-PEB/Davis/703-664-5085.

★ **A -- REPAIR, TEST SUPPORT, AND CONFIGURATION MANAGEMENT SUPPORT** for Thermal Imaging Systems. Negotiations to extend Time and Material Contract DAAK70-77-D-0106 will be conducted on a sole source basis with Martin Marietta Corporation, Orlando, Florida. DRDME-PTA/Godbey/703/664-4778.

★ **A -- LIFE CYCLE MANAGEMENT MODEL** Continuation of effort under Contract No. DAAK70-80-C-0061 from Adtech, Inc., McLean, Virginia. DRDME-PEB/M.V. Mitchell/703-664-5346. (262)

US Army Mobility Equipment Research and Development Command, Procurement and Production Directorate, Fort Belvoir, VA 22060

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WASHINGTON

DATE: 31 DEC 80

FOR ACTION: LLOYD CUTLER *nc*

+ STU EIZENSTAT *add for [unclear] attached*

FRANK MOORE *attached*

JACK WATSON

ANNE WEXLER

JIM MCINTYRE *attached*

CHARLIE SCHULTZE *attached*

LONDON BUTLER *- attached*

INFO ONLY: THE VICE PRESIDENT

SUBJECT: RAY MARSHALL MEMO RE DOL'S PROPOSAL TO CHANGE THE SALARY TESTS FOR EXECUTIVE, ADMINISTRATIVE AND PROFESSIONAL (EAP) EMPLOYEES UNDER THE FAIR LABOR STANDARDS ACT

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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
++++

ACTION REQUESTED: YOUR COMMENTS IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

January 5, 1981

MEMORANDUM FOR RICK HUTCHESON

FROM: BILL CABLE *Bill*
BOB THOMSON

SUBJECT: Ray Marshall Memo about DOL's proposal to change the salary tests for executive, administrative, and professional (EAP) employees under the Fair Labor Standards Act

Jim Jones, the new Chairman of the House Budget Committee, has called us to urge the President not to increase the salary test as the Marshall memo proposes. Jones argues that it would be inconsistent with the belt tightening of the '82 Budget. It will also leave something for the next Administration which can be easily undone and will make Reagan look responsible and frugal.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

December 30, 1980

TO: RICK HUTCHESON

FROM: SUE IRVING

This is the memo on EAP salary minima that should accompany Secretary Marshall's memo for the President on the same subject (I understand that Secretary Marshall's memo is on the way in to you).

This memo supersedes Charlie's memo on the same subject dated November 18, which your office is holding.

*Schulze wants copy of Marshall's
Stu not coordinating*



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

December 31, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

John P. White 

SUBJECT:

Department of Labor Proposal to Increase the Salary Tests for Executive, Administrative and Professional Employees under the Fair Labor Standards Act

We believe that it is appropriate to increase the EAP salary test level, in view of the length of time that has passed since the last adjustment in 1975. In our view, however, a one-step adjustment seems more appropriate than the two steps recommended by the Department of Labor.

We think that CEA's original proposal is sufficient but under the circumstances strongly endorse the CEA "compromise." Therefore, we recommend that the Department raise the salary test levels, effective January 18, 1981, to those rates outlined in Secretary Marshall's memorandum: \$225 for executive and administrative employees; \$250 for professional employees. We do not see any justification for setting a second stage in the levels to become operative in January, 1982, and recommend against such action at this time.