



Smithsonian
Institution

SMITHSONIAN DIRECTIVE 216,
October 16, 2019

SUPPLIER DIVERSITY PROGRAM

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1. PURPOSE

This directive outlines the Smithsonian Institution's supplier diversity policy, established by the Smithsonian Institution (SI), Office of Equal Employment and Minority Affairs (OEEMA), Supplier Diversity Program (SDP), to ensure that small businesses and historically underutilized small businesses (HUSBs) are included for consideration and award of SI procurement and contracting opportunities to the maximum extent practicable.

Specific guidance and procedures to assist SI organizations with achieving supplier diversity goals are available in the [Supplier Diversity Program Procedures Manual \(SDPPM\)](#), an appendix to Smithsonian Directive (SD) 216, Supplier Diversity Program. The SDPPM is maintained by OEEMA, and is promoted by both SDP and the Office of Contracting and Personal Property Management (OCon&PPM).

2. BACKGROUND

Public Law (P.L.) 85–536, The Small Business Act of 1953 and amended (the Act), created the Small Business Administration (SBA) as an independent agency within the Executive Branch to carry out the provisions of the Act.

The Act states that the federal Government should, insofar as is possible:

- aid, counsel, assist, and protect the interests of small business concerns in order to preserve free competitive enterprise;
- ensure that a fair portion of the total purchases and contracts for supplies and services for the Government is placed with small businesses; and
- maintain and strengthen the overall economy of the nation.

2. BACKGROUND (continued)

The Smithsonian is not an “agency” as defined in the Small Business Act, 15 *United States Code* (U.S.C.) § 632(b), the Administrative Procedures Act, 5 U.S.C. § 551(1), and the Chief Financial Officers (CFO) Act of 1990 ([31 U.S.C. § 901](#)), and therefore is not subject to the statutes and Executive Orders that govern the use of small and small disadvantaged businesses. However, SI seeks to abide by the spirit and intent of these statutes and Executive Orders on procurement and contract actions involving federally appropriated dollars and/or trust dollars to the maximum extent practicable.

3. APPLICABILITY

This directive applies to all SI employees, and any affiliated person defined in Part 1, Section 1.4 of the [Directives Handbook](#) (SD 100, *Smithsonian Directives*), when they are involved in any stage of SI procurement and contracting activities.

4. POLICY

To the maximum extent practicable, and within the context of the Institution’s procurement policies and contracting needs, small businesses and HUSBs shall be provided opportunities to compete for and, as appropriate, be awarded Smithsonian procurements and contracts for which they qualify and are able to meet performance requirements. Small businesses and HUSBs include small disadvantaged businesses (SDBs), SBA 8(a)-certified small businesses, women-owned small businesses (WOSBs), historically underutilized business zone (HUBZone) small businesses, and service-disabled, veteran-owned small businesses (SDVOSBs).

For detailed information on the SI SDP goals, how to achieve them, and the dollar thresholds at which procurements and contracts may be set aside for small businesses, refer to the SDPPM (Set-aside Dollar Thresholds section).

Notwithstanding the foregoing, SI acknowledges that there are instances where use of small businesses and HUSBs may not be practicable or advantageous to SI and accordingly has established several exclusions to this policy, which are set forth and described in the SDPPM (see Applicability and Exclusions section).

5. SMALL BUSINESSES AND HISTORICALLY UNDERUTILIZED SMALL BUSINESSES (HUSBs) DEFINED

Historically Underutilized Small Business (HUSB) — For purposes of the SI only, the term HUSB is defined by the Supplier Diversity Program to identify the following categories of small

5. SMALL BUSINESSES AND HISTORICALLY UNDERUTILIZED SMALL BUSINESSES (HUSBs) DEFINED (continued)

businesses: small disadvantaged businesses (SDBs), SBA 8(a)-certified small businesses, women-owned small businesses (WOSBs), historically underutilized business zone (HUBZone) small businesses, and service-disabled, veteran-owned small businesses (SDVOSBs).

Historically Underutilized Business (HUB) Zone — An area that is located within one or more qualified census tracts, qualified non-metropolitan counties, or lands within the external boundaries of an Indian reservation. For the purposes of this policy, locations designated as a HUBZone appear on [The HUBZone Maps](#) maintained by the SBA. Additional information on HUBZone businesses is available on the [SBA website](#).

SBA 8(a)-Certified Small Disadvantaged Business — A small business certified as a small disadvantaged business that is owned and controlled by a socially and economically disadvantaged individual. SBA 8(a) small businesses are certified by the SBA to participate in the 8(a)-Certified Small Disadvantaged Business Development Program.

Service-Disabled, Veteran-Owned Small Business (SDVOSB) — An SDVOSB is a small business that is: not less than 51 percent owned by one or more service-disabled veteran(s); or, in the case of a publicly owned business, an enterprise in which 51 percent or more of the stock is owned by one or more service-disabled veteran(s); and in which the management and daily business operations are controlled by one or more service-disabled veteran(s); or, in the case of a veteran with a permanent and severe disability, a concern in which the management and daily business operations are controlled by the spouse or permanent caregiver of such veteran.

Small Business — An independently owned and operated concern that is not dominant in its field and that meets the small business size criteria established by the SBA in 48 *Code of Federal Regulations* (CFR) §19.001. The definition of a small business varies by industry, based on either dollar volume (i.e., the average annual receipts for the preceding three fiscal years) for service and supply firms, or the number of people it employs for manufacturing firms.

Small Disadvantaged Business (SDB) — As defined at 13 CFR §124.105, a small business that is at least 51 percent owned by one or more socially disadvantaged individuals (as defined at 13 CFR §124.103) and economically disadvantaged individuals (as defined at 13 CFR §124.104) or, in the case of a publicly owned business, an enterprise in which at least 51 percent of the stock is unconditionally owned by one or more socially and economically disadvantaged individual(s), and whose management and daily business operations are controlled by one or more of these individuals.

Woman-Owned Small Business (WOSB) — A small business that is at least 51 percent owned, controlled, and operated by a woman or women. “Control” means that the individual(s) can make policy decisions. “Operate” means being actively involved in the day-to-day management of the business.

6. RESPONSIBILITIES

An effective Supplier Diversity Program requires the commitment of all individuals in leadership positions. Employees also play an important role in the Smithsonian's efforts to ensure Supplier Diversity throughout the Institution.

The Secretary, Under Secretaries, Assistant Secretaries, and Other Direct Reports to the Secretary

The Secretary, Under Secretaries, Assistant Secretaries, and other direct reports to the Secretary are responsible for ensuring that a diversity of small and underutilized suppliers support the Smithsonian's mission, goals, and objectives. The Secretary of the Smithsonian Institution demonstrates commitment to Supplier Diversity by issuing an annual Supplier Diversity Program policy statement and holding Under Secretaries, Assistant Secretaries, and other direct reports to the Secretary accountable for achieving supplier diversity goals within their respective purviews.

Office of Equal Employment and Minority Affairs (OEEMA)

The Director, OEEMA, is delegated authority from the Secretary to direct, oversee and implement the Smithsonian supplier diversity program. The Director of OEEMA is responsible for implementation of the Smithsonian supplier diversity program through policies, programs and procedures that ensure operation of the SDP is aligned with the Smithsonian's commitment to develop and utilize small and historically underutilized small businesses, using P.L. 95-507 and other relevant statutes and Executive Orders as guidance. As the principal advocate for small business utilization and SDP goals accomplishment, the Director, OEEMA, shares the responsibility for management and oversight of the SDP with the Associate Director, SDP, who in turn collaborates with the Director, OCon&PPM, to ensure that the Smithsonian's small business utilization policy and guidance for achieving SDP goals are supported by Smithsonian procurement policy, procedures and special guidance documents.

The Associate Director, Supplier Diversity Program (ADSDP), is responsible for developing, implementing, and measuring small business and HUSB use by units and the Smithsonian as a whole. The ADSDP collaborates with the Director, OCon&PPM, to establish annual Institutional SDP goals, and to ensure that all SI employees involved in procurement and contracting activities are aware of the small business and HUSB utilization policies and procedures. The ADSDP works directly with SI units to establish the units' respective annual SDP goals, to measure progress throughout the year, and to provide ongoing advice and recommendations on the use of HUSBs. The ADSDP also serves as the SI SDP Ombudsman for small businesses and HUSBs to ensure their fair treatment in SI's contract awards.

6. RESPONSIBILITIES (continued)

Office of Contracting and Personal Property Management (OCon&PPM)

The Director, OCon&PPM, is responsible for ensuring that procurement and contracting policies and procedures include guidance for procuring units to encourage participation by small businesses and HUSBs in Smithsonian procurement and contracting actions to the maximum extent practicable.

The Director, OCon&PPM, coordinates with the ADSDP to keep SI procurement and contracting delegates and technical personnel informed of the small business and HUSB utilization policies and procedures. The Director, OCon&PPM, also provides information or access to such information on the Smithsonian's actual utilization of HUSBs as captured in the procurement and contracting processes. OCon&PPM staff collaborate with the ADSDP to ensure SDP policies and procedures are consistent with SI's procurement policy, procedures and special guidance documents.

Office of Finance and Accounting (OF&A)

The Director, OF&A, is responsible for entering Smithsonian vendors in the Smithsonian Institution Enterprise Resource Planning (SIERP) system. In OF&A it is incumbent on the Vendor Maintenance (VM) staff to ensure all vendor information is accurate, complete, maintained, up to date, and includes appropriate vendor small business and HUSB designations. VM, OF&A collaborates with the SDP to utilize the SIERP system to generate reports on small business and HUSB utilization.

OF&A staff establishes and maintains payment systems to ensure small businesses and HUSBs are paid in a timely manner for services performed and goods provided.

Smithsonian Museums, Research Centers, and Offices (Units)

Directors of SI museums, research centers, and offices (units) are responsible for:

- designating, when practicable, one or more unit employee(s) to serve as SDP Liaison(s) to facilitate achievement of the unit's small business procurement goals;
- working with their unit staff, unit SDP Liaison, and the ADSDP to establish annual unit SDP goals;
- ensuring that their unit staff comply with SI procurement and contracting policy; and
- ensuring that HUSBs are considered in their unit's procurement and contracting opportunities to the maximum extent practicable.

6. RESPONSIBILITIES (continued)

The **President, Smithsonian Enterprises (SE)**, is responsible for:

- setting a yearly SE-wide SDP purchasing goal to be spent through a program that involves annually identifying, cultivating and purchasing products and services from small businesses and HUSBs, rather than employing individual procurement action set-asides; and
- working with the ADSDP to aid SE in the identification and cultivation of small businesses and HUSBs that are capable of helping the Smithsonian Institution increase revenue earned and reach more diverse audiences. SD will provide an annual report identifying the level of achievement against the annual SDP goal.

Unit Procurement Delegates and other SI employees and affiliated persons involved in the procurement process are responsible for:

- coordinating with unit directors, unit SDP Liaisons and other unit staff to ensure that procurement practices comply with SI procurement policy regarding small businesses and HUSBs being used to the maximum extent practicable by:
 - consulting the SDP-provided tools and resources, such as the [SDP Small Business Database](#) on Prism, that assists with identifying small businesses and HUSBs that can provide SI units with quality goods and services at fair and reasonable prices, and, if necessary,
 - contacting their unit SDP Liaison, SDP staff, or checking other available databases to identify opportunities for working with small businesses and HUSBs. These databases include the [System for Award Management \(SAM\)](#), [SBA's Dynamic Small Business Search](#), [Women-Owned Small Business Repository](#), [HUB-Zoned Small Business](#), [Department of Veterans Affairs Center for Verification and Evaluation \(CVE\)](#), or those managed by other small business trade associations.

Supplier Diversity Program (SDP) Liaisons are employees designated by their unit directors to work closely with SDP to ensure their respective units consider small businesses and HUSBs in unit procurement and contracting opportunities to the maximum extent practicable. The core responsibilities of SDP Liaisons include:

- attending bi-monthly SDP Liaisons meetings hosted by the ADSDP;
- helping inform unit staff about Supplier Diversity Program initiatives;
- working with unit procurement officials to help meet or exceed unit small business goals;
- maintaining up-to-date knowledge of procurement opportunities within their units;
- providing necessary information to SDP staff for regular updates to the SI [Forecast of Procurement Opportunities](#);

6. RESPONSIBILITIES (continued)

- reviewing capabilities statements received from small business representatives and distributing capabilities statements to pertinent unit staff, as appropriate;
- meeting with small business representatives, as deemed necessary, to discuss potential unit procurement opportunities available within the unit; and
- complying with applicable duties specified in the SDPPM, in order to help the unit achieve its SDP goals.

7. REFERENCES

The following SDs include policy guidance that is useful to Smithsonian employees and affiliated persons when utilizing small businesses and HUSBs in solicitations and awards of purchase orders, contracts, purchase cared transactions and any other commitment of SI resources:

- [SD 103, Smithsonian Institution Standards of Conduct](#);
- [SD 212, Federal Personnel Handbook, Chapter 430](#);
- [SD 301, Financial Management Accounting Policies and Procedures](#);
- [SD 302, Financial Management Payment Policies, Systems, and Procedures](#);
- [SD 305, Administrative Control of Funds](#);
- [SD 310, Financial Reporting and Risk Management Internal Controls](#);
- [SD 314, Contracting](#);
- [SD 315, Personal Property Management](#), and relevant parts of the [Personal Property Management Manual \(PPMM\)](#);
- [SD 318, Externally Funded Sponsored Projects](#);
- [SD 322, Charge Card Program](#);
- [SD 323, Smithsonian Institution Spending Policy for Federal Appropriations and Trust Funds](#);
- [SD 323, Use of Funds Handbook](#); and
- [SD 940, Acquisition of Information Technology Products](#).

SUPERSEDES:	SD 216, August 18, 2005.
INQUIRIES:	Office of Equal Employment and Minority Affairs (OEEMA).
RETENTION:	Indefinite. Subject to review for currency 36 months from date of issue.
