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THE WHITE HOUSE

WASHINGTON

February 7, 1975

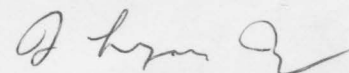
MEMORANDUM FOR STAN SCOTT

SUBJECT: Replies to the President's Memo to Agency Heads on
Minority Business

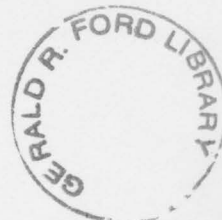
Attached are the responses from the following agency heads:

Department of Justice
United States Environmental Protection Agency
Veterans Administration
General Services Administration
Small Business Administration
Department of Defense
Department of State
National Aeronautics and Space Administration
Federal Energy Administration

I am forwarding them to you for your reference and for the information of
OMBE and the Inter-Agency Committee.


F. Lynn May

Attachments





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

JAN 30 1975

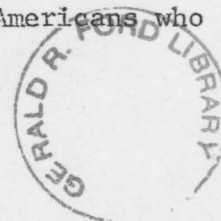
THE ADMINISTRATOR

Dear Mr. President:

In response to Under Secretary of Commerce John K. Tabor's letter of December 31, 1974, asking Agencies/Departments to submit by January 31, 1975, progress reports on their Minority Business Enterprise Programs, this is to advise the Executive Office of the President that our Agency is making an extensive review and investigation of areas of EPA jurisdiction which may provide for increased opportunity for minority business enterprise involvement.

RL
Consistent with Presidential Executive Order 11625, entitled "Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprise," EPA developed a Minority Business Enterprise Program (MBEP) directed at expanding opportunities and capabilities of minority business enterprises and individuals to meet research and development needs of the Agency. A proposal has been developed jointly by our Contracts Management Division and our Office of Education and Manpower Planning in cooperation with the Department of Commerce's Office of Minority Business Enterprise (OMBE) to train minority group members for professional business careers in the area of pollution abatement.

One area that lends itself admirably to private enterprise is the self-supporting provision of the Federal Water Pollution Control Act (FWPCA), P.L. 92-500, which provides for self-monitoring of treatment plant effluent. It has been determined that there is a need for substantial increase in laboratory facilities. Accordingly, the training program is designed primarily to enhance business opportunities for minority entrepreneurship. The hope is that this will result in the establishment and operation of laboratory facilities (by minority businesses) to provide analytical services required under the FWPCA, amended 1972, and commonly known as the National Pollution Discharge Elimination System (NPDES). Arrangements have been made by my office to provide the necessary funding for the implementation of such a vital program effort. A contract for the program will be let within the next few weeks. We are most confident that those completing this program will successfully enter into the business field and, more importantly, will add to the number of Americans who are working toward a pollution-free environment.

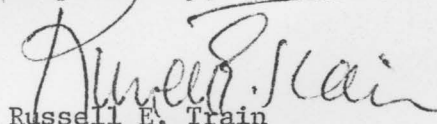


In addition, our Agency is making a thorough review of our Contract Compliance Program to assure that participating grantees, State officials and municipalities are in full compliance with our civil rights requirements contained in the Federal Register (Volume 39, Number 29, dated Monday, February 11, 1974, Section E5,935-15), Utilization of Small and Minority Businesses.

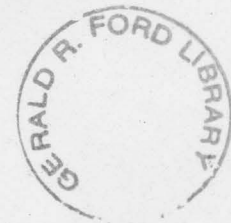
My personnel have been instructed to meet with our Headquarters and Regional contracting and compliance officers regarding the development of effective monitoring and reporting systems for the Agency's MBEP activities.

EPA is playing an important role in the furtherance of the Administration's MBEP. The Agency established a goal of \$14.0 million in procurement of both goods and services from minority owned and/or controlled business enterprises during the Fiscal Year 1975, which represents an increase of \$2.6 million over the \$11.4 million goal established for Fiscal Year 1974. Please be assured that the EPA is making an all-out effort to ensure that minority business enterprises and individuals are fully participating in the overall environmental protection program.

Respectfully,


Russell E. Train

The President
The White House
Washington, D. C. 20500



x
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

FEB 3 1975

OFFICE OF THE ADMINISTRATOR

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

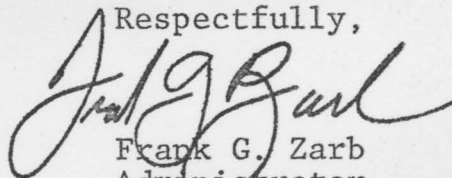
RL
The Federal Energy Administration has benefited from the experience of the Office of Minority Business Enterprise, the Small Business Administration and other Federal departments and agencies in ensuring assistance to minority business enterprises.

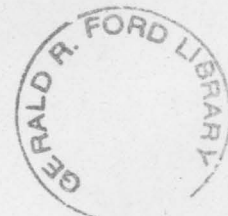
There is presently being established an Office of Small Business within FEA charged with the responsibility of representing the small and minority business point of view in the policy process and taking appropriate measures to assist small and minority businesses. Through this mechanism we hope to assure that the members of minority groups who own and operate businesses are not forced to bear inequitable burdens.

We have also decided that the FEA procurement goal for the coming year, including management assistance where required, will be ten percent of the contracts awarded.

These efforts are directly designed to promote a successful minority business community.

Respectfully,


Frank G. Zarb
Administrator





THE DEPUTY SECRETARY OF STATE
WASHINGTON

January 31, 1975

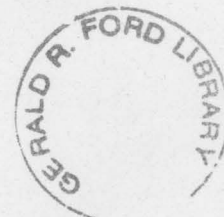
MEMORANDUM FOR: THE PRESIDENT

From: Robert S. Ingersoll *RSI*

Subject: Assistance to Disadvantaged
Minorities

In response to your memorandum of December 11, I want to assure you that this Department is fully committed to assisting the creation of successful minority businesses. We shall continue our support of the policies formulated by the Office of Minority Business Enterprise and the Small Business Administration through our active membership in the Interagency Council of Minority Business Enterprise, and in our participation in the Council's Interagency Task Force on Procurement for Minority Businessmen.

The Department of State has a very small domestic procurement staff and most of our supply and service requirements are obtained through the facilities of the General Services Administration. Consequently, very little opportunity arises for our direct assistance to minority businessmen. Nevertheless, I am asking all officers responsible for procurement to afford maximum opportunity for the participation of minority businesses in the performance of work or the rendering of services for the Department.





NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
WASHINGTON, D.C. 20546

OFFICE OF THE ADMINISTRATOR

JAN 31 1975

encl
The President
The White House
Washington, DC 20500

Dear Mr. President:

-RL
I am responding to a request of the Under Secretary of Commerce, the Honorable John K. Tabor, that we inform you of the progress being made by NASA in its pursuance of the minority business program.

I am pleased to forward a summary report of our activities which indicates the attention being accorded the program within NASA. Though our efforts have been moderately successful, we recognize that there is much that can and must be done. For this and other reasons, we have recently established Minority Business Enterprise Program Councils at each of our field Centers, focusing the attention of NASA management officials on the special needs of the minority business community.

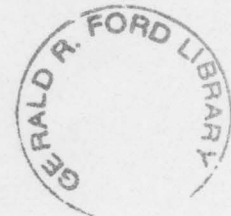
We greatly appreciate the strong program emphasis set forth in your memorandum of December 11, 1974. I have forwarded the memorandum to each of our Center Directors, asking that they assume personal responsibility for its translation into positive results on our part.

I assure you of NASA's continued support of the Minority Business Enterprise Program, and of its increased emphasis in this period of economic stress.

Respectfully,

James C. Fletcher
James C. Fletcher
Administrator

Enclosure



Summary Report of NASA's Minority Business Enterprise Program

NASA's Minority Business Enterprise Program is provided for in the NASA Procurement Regulation. This directive cites national policy as its basic authority and sets forth the principal elements of the program as (1) the identification, development and solicitation of minority business sources, (2) the assistance of minority firms through counselling and ensuring an awareness of prime and subcontract opportunities, and (3) contracting with minority firms through the Small Business Administration. The responsibility for program management has been placed with NASA's senior procurement official, the Assistant Administrator for Procurement. The Deputy Administrator is NASA's representative on the Interagency Council for Minority Business Enterprise.

In an effort to ensure an increasingly effective program, an executive level Minority Business Enterprise Program Council has been recently established at each NASA field Center. Chaired by the Center's Deputy Director, each Council functions as a planning-advisory group, and provides for the participation of all field level senior management personnel who may impact the minority business program. A principal responsibility of the Council is the development and surveillance of the Center's annual minority business program plan.

Though the principal direction of the minority business program has been through noncompetitive Section 8(a) contracting, increased emphasis has been placed on the participation of minority firms in competitive prime and subcontracting opportunities. The following table reports the monetary value of known NASA awards to minority firms. Direct and subcontract awards to minority firms were not reported prior to FY 73.

Minority Business Procurement Awards

<u>Fiscal Year</u>	<u>Total MBE Awards</u>	<u>Direct Awards</u>	<u>Section 8(a) Contracts</u>	<u>Reported Subcontracts</u>
70	\$ 76,909	-	\$ 76,909	-
71	1,399,530	-	1,399,530	-
72	3,222,050	-	3,222,050	-
73	12,524,986	\$2,155,846	7,161,461	\$3,207,679
74	21,855,829	1,178,829	12,896,000	7,781,000

Since program inception, over \$39 million in known NASA prime and subcontract awards have been made to minority firms. In FY 73, minority awards totalled \$12.52 million; in FY 74, this increased to \$21.86 million. NASA has established a FY 75 Section 8(a) goal of \$15 million and expects a substantial increase in its total minority business awards during this fiscal year.

NASA has also established the requirement for its major contractors to assume affirmative obligations with respect to subcontracting with minority firms. Particular management attention is being given to this aspect of the hardware procurement for the Space Shuttle program. Similarly, NASA has established a 20 percent minority subcontracting goal for the multi-million dollar Space Shuttle construction program at the Kennedy Space Center.

NASA's minority business program has been increasingly successful. It is NASA's intent that it pursue a balanced, comprehensive effort. This presumes its involvement in every aspect of the program to ensure the participation, successful performance and viability of the minority business community.

NASA has pledged its complete support of the Minority Business Enterprise Program, and is taking a leadership role in ensuring its success.





OFFICE OF THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

January 30, 1975



MEMORANDUM FOR THE PRESIDENT

SUBJECT: Minority Business Enterprises

RL
encl

The Department of Justice shares your commitment to assisting disadvantaged minorities in order to allow their increased participation in the economic benefits of the private enterprise system. The Department of Justice has, as requested in your memorandum of December 11, 1974, reviewed its program for promoting the success of minority business enterprises. Our evaluation indicates a number of significant developments in this area.

The Department has actively sought opportunities for minority business enterprises to participate in Department projects. The nature of the Department's mission dictates that our principle opportunity for promoting minority business enterprises is in the Department's procurement program. The key to the effectiveness of our assistance program is the identification of minority businesses. Thus, in 1974, the Department issued a regulation requiring affirmative action to identify minority businesses in the procurement process. Pursuant to this regulation:

1. Our field procurement personnel are to actively initiate contacts with minority business sources through the field offices of the Small Business Administration, local business organizations, and local social organizations.
2. Bidders on Department contracts are being requested to indicate if they are minority-owned businesses.
3. Publications which list minority businesses by product, service and location are being made available to the Department's procurement offices.
4. The General Services Administration has been asked to identify the minority businesses included in their Schedule Contracts.



Firms thus identified as minority businesses are to be provided with information and instructions to enable them to participate in our competitive purchases and are added to our mailing list for future requirements.

Other practical efforts in furtherance of this program include participation by Our Bureaus in the Business Opportunity/ Federal Procurement Conferences conducted by the Department of Commerce, and the presentation of training seminars on utilization of minority-owned procurement sources to both employees of grant fund recipients and Department professional and program personnel.

The Bureaus have been directed to review all requirements to determine the possibility of performance by a minority business under a contract with the Small Business Administration. Also, I have asked that small purchases be directed to minority businesses whenever possible, consistent with good procurement practice.

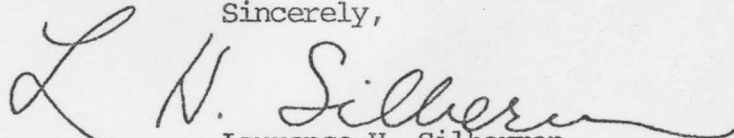
For fiscal year 1975, the Department's minority business goal is almost 300% greater than our total in this area during fiscal year 1974. The Department's desire to meet this goal has recently been reaffirmed in a memorandum, a copy of which is attached, and the Department is presently measuring its progress toward this goal. While the goal may not be fully achieved this year, it does represent an accurate measure of the Department's commitment to promoting minority business enterprises.

In addition to efforts in the procurement area, the Department has reserved space in its main building for a minority business concession and has requested the assistance of the General Services Administration in identifying an appropriate occupant.

The Department is also interested in assisting in those Federal programs directly aimed at promoting minority business enterprise. Therefore, the Department intends to contribute financially to the Implementation Task Force on Education and Training for Minority Business Enterprise.

The Department appreciates your leadership, which is giving added impetus to our efforts to encourage the participation of disadvantaged minorities in the economic benefits of our free enterprise system.

Sincerely,


Laurence H. Silberman
Acting Attorney General



OFFICE OF THE DEPUTY ATTORNEY GENERAL
WASHINGTON, D.C. 20530

January 21, 1975



MEMORANDUM FOR: Director, Community Relations Service
Acting Chairman, Board of Immigration Appeals
Chairman, Board of Parole
Director, Bureau of Prisons
Administrator, Drug Enforcement Administration
Director, Federal Bureau of Investigation
Commissioner, Immigration & Naturalization
Service
Administrator, Law Enforcement Assistance
Administration
Director, United States Marshals Service

FROM: Laurence H. Silberman *LHS*
Deputy Attorney General

SUBJECT: Minority Business Enterprises

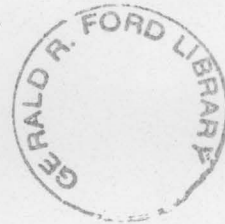
President Ford has recently indicated that an important objective of his Administration is to assist disadvantaged minorities to allow their increased participation in the economic benefits of the private enterprise system. He has requested that the Department of Justice, and every other Executive Department and Agency, look for every appropriate opportunity for minority businesses to participate in Government programs and that management, technical and financial assistance be provided whenever feasible.

I wish to reaffirm the commitment of the Department of Justice to assisting minority business enterprises. Our procurement program offers the best opportunity for the Department of Justice to contribute to the attainment of the President's objective. The Department of Justice guidelines in this area are set forth in Order DOJ 2301.6, issued on July 15, 1974. As directed by this order, contracting officers should (1) review all requirements to determine the possibility of performance by a minority business under a contract with the Small Business Administration; (2) direct small purchases to minority business firms whenever possible, consistent with good procurement practice; and (3) actively seek minority

business concerns to be provided with information and instructions to enable them to participate in our competitive procurements.

In September 1974, your Bureau set a goal for contracting with minority business during fiscal year 1975. Please advise me, through Assistant Attorney General Glen E. Pommerening, by January 28, 1975 of your progress toward that goal.

Thank you for your continued efforts on behalf of minority business enterprises.





VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420
January 28, 1975



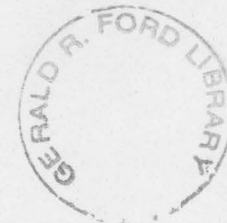
MEMORANDUM FOR:

The President
The White House

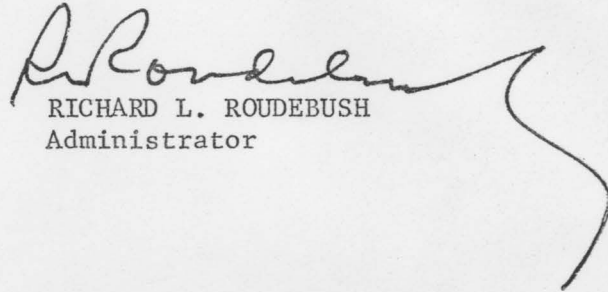
The Under Secretary of Commerce asked that I inform you of this agency's progress in fulfilling our commitment to assist minority-owned businesses.

I am pleased to assure you that the Veterans Administration expects to meet its previously established goals for the fiscal year 1975. During the six-month period ending December 31, 1974, we spent over \$5,100,000 on preference awards of contracts to minority businesses, slightly more than the same period a year ago. We have also identified a major construction project in the \$2.5 million to \$3 million range for possible award to a minority-owned firm. We are currently negotiating on this project with the Small Business Administration. This will be the largest contract for construction awarded a minority firm on behalf of this agency.

I am confident we will equal or exceed previous levels of support for minority business and ameliorate in part the impact of current economic conditions on them. To assure that we intensify our efforts, I have instructed all key VA officials to convey your support and mine for this program to all appropriate personnel in this agency. I have asked them to give me within 30 days detailed plans to assure that maximum assistance is given minority business and that our goals of \$15.5 million in procurement through SBA, \$12 million in direct procurement as well as educational, banking and management and technical assistance, are achieved. I have instructed the VA Committee on Minority Business Enterprise to monitor this program and to report to me our rate of progress and recommend additional actions I should take.



These actions should assure our continued contributions to increased opportunities for disadvantaged minorities to participate in the private enterprise system. I assure you of my continued support of this program.


RICHARD L. ROUDEBUSH
Administrator



85-90
UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405



JAN 31 1975

RL
The President
The White House
Washington, DC 20500

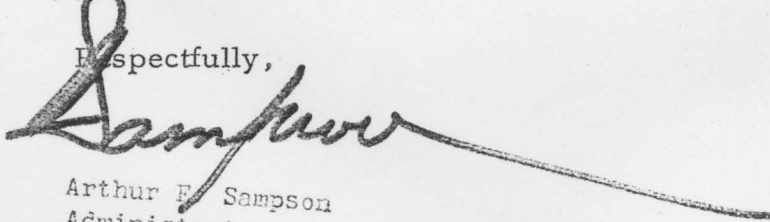
and
Dear Mr. President:

This pertains to your memorandum of December 11, 1974, to the Heads of all Departments, concerning assistance by the Federal Government to minority-owned businesses.

In response to your request, I have reviewed the status of key programs General Services Administration (GSA) has developed and implemented to encourage minority business participation in Federal procurement programs and, thereby, to enhance minority business participation in the private sector. A synopsis of GSA's efforts can be found in the enclosure to this letter.

We at GSA are extremely proud to have contributed to this important program and shall continue to commit our resources to the fullest possible extent to accomplish the objectives which you set forth.

Respectfully,


Arthur F. Sampson
Administrator

Enclosure



SYNOPSIS OF THE GSA MINORITY BUSINESS ENTERPRISE PROGRAM

The Section 8(a) Program in GSA

GSA has used Section 8(a) of the Small Business Act as its primary vehicle to assist disadvantaged firms since the inception of the Government's minority business program in 1969. From the program's inception through the first half of Fiscal Year 1975, GSA has awarded over 1,600 8(a) contracts valued in excess of \$139 million. This effort represented approximately 22 percent of the total number of 8(a) contracts awarded and 16 percent of the total dollar value of all 8(a) contracts let by the entire Federal Government.

Following is a brief list of the highest value 8(a) contracts awarded within the last 2 years for concessions, construction, manufactured items, and services, respectively:

Rivera's Auto Service Center, Inc. Golden, Colorado	Automotive Service Center (currently in second year of 20-year contract)	\$10,000,000 (20-year lease)
Benjamin Construction Co. St. Thomas, Virgin Islands	New construction of U. S. Courthouse	\$5,802,000
Golden Oak, Inc. Vernon, California	Executive wood office furniture	\$4,478,239
D. P. Associates Huntsville, Alabama	ADP technical support services	\$1,364,093

Note: On a monthly basis, cumulative GSA 8(a) award data are provided to Mr. Stanley Scott at the White House.

GSA Minority Business Concessions Program

The objective of the Minority Business Concessions Program is to provide viable business opportunities for minority entrepreneurs in Federal buildings and on other federally controlled facilities throughout the Nation. Since the inception of the program in 1970, technical, managerial, and logistical assistance



has been furnished to help establish these minority-owned concessions in GSA controlled buildings. Concessions are also awarded under the provisions of the SBA 8(a) program.

Presently, we have 59 8(a) minority concessions in operation. These businesses, which include gift shops, dry cleaning establishments, florists, shoe repair shops, etc., realize gross sales of approximately \$2.1 million annually.

The Concessions Program is coordinated among all Federal property managing agencies by the Interagency Task Force on Minority Business Concessions, which GSA has chaired since its inception in 1970. Through the Task Force, GSA, SBA, and OMBE recently concluded an agreement to provide more intensive marketing and management assistance to existing concessionaires in an effort to increase viability of these businesses.

GSA Business Service Centers (BSC)

GSA's 13 BSC's counsel businessmen and provide information on Federal procurement opportunities to current and potential Government prime contractors and subcontractors. BSC personnel have greatly strengthened the GSA minority business enterprise effort by actively seeking out potential minority suppliers for the Government's needs. They accomplish this effort by searching through minority business directories and by consulting professional and trade associations and leaders in the minority business community. In Fiscal Year 1974, BSC personnel counseled over 10,500 minority-owned business representatives. For Fiscal Year 1975 through November, over 3,200 minority firms were counseled. Based on current projections, the BSC's estimate that representatives of approximately 8,000 disadvantaged firms will have been counseled during Fiscal Year 1975.

Minority Business Participation in GSA's Competitive Procurements

Through the combined efforts of GSA Business Service Centers and personnel from GSA's regional operating programs, great emphasis is placed on increasing the participation of minority businesses in competitive procurements. More and more minority firms are being identified as potential suppliers and are added to GSA's bidders' mailing lists. As a result of these efforts, during Fiscal Year 1974, GSA awarded 869 competitively advertised contracts valued at \$2.4 million. It is anticipated that over 600 competitive contracts worth almost \$6 million will have been awarded to minority enterprises during Fiscal Year 1975.



GSA Participation in Minority Business Seminar Program

From 1969 through 1973, GSA arranged for all physical requirements and paid for the space for more than 80 federally sponsored minority business seminars held in key cities throughout the nation. GSA's Business Service Centers handled all public relations efforts for each seminar and provided business specialists for procurement counseling. Currently, GSA personnel counsel minority businessmen on procurement opportunities in locally sponsored minority trade fairs, conventions, and seminars.

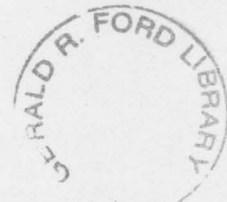
GSA's Role in Local Federal Executive Boards (FEB)

In each of the 10 Regions, GSA officials have demonstrated leadership in local FEB activities by chairing or actively participating in functions designed to promote minority enterprise, including local Minority Business Opportunity Committees (MBOC's), which are standing committees of the FEB's. As a member of the local MBOC, GSA assists in establishing regional goals for the 8(a) program and other minority business initiatives.

GSA Regional Minority Business Enterprise Advisory Councils

On November 22, 1974, I recommended that each GSA regional office consider establishing an internal GSA Regional Minority Business Enterprise Advisory Council to ensure effective implementation of the overall GSA Minority Business Program. The objective of the program is to promote greater minority program interaction among GSA's component offices and between GSA and other Federal agencies. The benefits to be derived from such a concerted effort include:

- coordinated provision of procurement opportunities.
- assistance in the development of education and training programs.
- the establishment and preservation of on-site concessions.
- the development of liaison with the minority business community.
- provision of GSA resources to other Federal agencies, including local Minority Business Opportunity Committees (MBOC) of the Federal Executive Board (FEB).



The Councils will serve as the regional focus for interchange of program policy and information and will be the central point of contact for local organizations involved in the minority business effort, including SBA and OMBE. Five regions have already established Councils.

Competitive Minority Procurement Initiative

In Fiscal Year 1974, the Interagency Task Force on Procurement for Minority Businessmen, which is chaired by M. J. Timbers, Commissioner of the GSA Federal Supply Service, established an objective intended to stimulate minority business participation in Federal competitive procurements. Pursuant to that objective GSA, in conjunction with the Procurement Task Force, developed a proposed Federal Procurement Regulation to institute a competitive procurement affirmative action requirement. At the same time, GSA drafted a new minority subcontracting reporting format which will aid all Federal agencies in their efforts to assure that minority businesses obtain a fair share of major Federal prime contracts. These regulatory proposals were placed in interagency clearance through GSA's Office of Federal Management Policy, which is responsible for promulgation of the Federal Procurement Regulations.

Minority Subcontracting Initiative

In addition to the GSA efforts to revise the Federal Procurement Regulations (FPR) dealing with minority subcontracting, GSA is undertaking an indepth study of the minority subcontracting efforts of its major prime manufacturing contractors. Firms with contracts valued in excess of \$500,000 are being contacted to determine if the FPR affirmative action requirements for subcontracting are being observed. It is expected that this action will further encourage these major contractors to utilize minority subcontractors as suppliers.

GSA Participation on the Interagency Council for Minority Business Enterprise

Two of the Task Forces of the Council are chaired by GSA officials:

- Interagency Task Force on Procurement for Minority Businessmen, chaired by Michael J. Timbers, Commissioner, Federal Supply Service.
- Interagency Task Force on Minority Business Concessions, chaired by William Campbell, Acting Assistant Commissioner for Buildings Management, Public Buildings Service.



Further, GSA has representation on the following task forces of the Council: the Education and Training Task Force, Indirect Procurement Working Group, Data Subcommittee, and MBOC Task Force.

GSA Activity on the Procurement Task Force (PTF)

GSA representatives actively participate in each of the four working groups of the PTF:

- Sponsorship Working Group
- Indian Working Group
- Procurement/Civil Rights Interface Working Group
- Direct Construction Working Group

Role of Office of Civil Rights

In addition to their contract compliance functions, GSA's Office of Civil Rights conducts and participates in community seminars to explain GSA's role in minority business enterprise. Contract Compliance Officers, during the course of their contractor reviews, recommend to GSA contractors that minority firms be considered for any subcontracting needs.

Role of Socio-Economic Policy Staff

The Socio-Economic Policy Staff, Federal Supply Service, coordinates and monitors the overall GSA effort to assist minority businesses. The staff is the central point of contact for all matters pertaining to GSA's participation in the Government-wide Minority Business Program.

Special Efforts in the Minority Business Program

GSA's achievements in the minority business area have been due largely to carefully coordinated efforts between GSA Central Office and its regional offices. However, certain special projects have been undertaken in GSA's regional offices which reflect individual, as well as agency, commitment to the program. For



example, GSA's regional office located in Washington, D.C., has developed an "Under \$2,000 Program" for building services and construction contracts whereby minority contractors are systematically included in all bid solicitations.

GSA's Region 4 in Atlanta has on a trial basis furnished advance copies of specifications and job plans of certain prime construction contracts to potential minority subcontractors to apprise them of subcontracting opportunities.

In GSA Region 10, Auburn, Washington, the Office of Civil Rights has implemented a technology assistance program for minority construction contractors in blueprint reading, estimating, and graphics. The instruction is provided at no cost to the contractors by GSA engineers and architects and private industry contractors. Since the inception of the program in 1971, 40 persons have successfully completed the courses.

Although this has not by any means been an exhaustive citation of GSA's efforts to promote the Minority Business Enterprise Program, it is indicative of the total commitment of this agency and the team spirit of its personnel to further the interests of minority firms.

GSA 1/31/75





U.S. GOVERNMENT
SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

January 31, 1975

The President
The White House
Washington, D.C. 20500

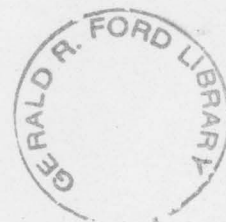
Dear Mr. President:

Rh
Your letter of December 11th on the subject of minority business development is most welcome, and the following is the response you requested by January 31st. As you indicated, we, along with OMBE, have primary responsibility for the Government's program in this area, but our success will only be as great as the cooperation we receive from the other departments and agencies and OMB. Your letter should help obtain that cooperation.

Mr. President, the commitment of this Agency to the cause of minority business development is total. The frustration we frequently feel is that the quantity of problems facing all small business, including the minority sector, is so great, and our resources are so small, that additional help for one troubled sector of our 8,800,000 small businesses really means a transfer of resources rather than an addition.

We have made that transfer. While the minority sector has only 4 percent of the Nation's small businesses, 32 percent of the man-hours of SBA personnel and 33 percent of our salary and expense budget are being devoted to minority small business problems and development in fiscal year 1975, an increase from the previous year. Looked at another way, this means we put about 9 times as much energy and personnel into helping the average minority firm as we do helping majority firms.

Minority firms, like others, need three major things: profitable sales, credit to finance them and provide for business growth, and good management. SBA's programs impact in all three areas, as the following summaries will show.



° Procurement Assistance

In our 8(a) procurement program in fiscal year 1974 over 1,100 minority firms obtained over 2,200 contracts worth over \$272,000,000 for a new record. Over two-thirds of the contracts in the 6 year history of the program were awarded in the past two years. In fiscal year 1975 we are running at about the same level as last year, and your letter will be helpful to us in stimulating increased contracting from departments and agencies. The recession has slowed our plans for enabling more firms to graduate from the program, but increased energy is being applied to the problem.

In Government procurement in general, SBA's efforts serve the small business community as a whole. Here \$483 million in prime and subcontracts went to minority small business. This area is expected to be in some trouble this year too. SBA also has a Minority Vendors Program, which attempts to get the large companies in the private sector to use minority suppliers. A letter from you to these large businesses asking them to favor minority small business in their purchasing would be most helpful.

° Financial Assistance

Last fiscal year nearly 6,900, or 25 percent, of the bank guarantee and direct loans made by our Agency have gone to minority and disadvantaged firms. In terms of dollars, although minority firms do just over 2 percent of the Nation's total small business volume, they received 16 percent of our loan dollars, for a total of \$289 million (not including disaster loans). In terms of direct loans 55 percent of the number of loans and 44 percent of the dollar volume go to minorities. The direct loan figures are holding up pretty well in 1975, except that our total funds available for non-disaster loans have been reduced.

Our surety bond program, of great value to minority contractors, continues to grow rapidly. Minorities received 1,500 bonds last year and this figure will increase in 1975.



The biggest factor holding down loan volume is the shortage of money in the banking system, although high interest rates and business uncertainty hold down demand as well. This has caused a sharp decline in our guarantee loan programs for both the majority and minority sectors. Just as a letter from you to the Nation's major manufacturing firms could help minority procurement, so could a letter from you to the banking community asking them to continue their responsiveness to minority financial needs.

° Management Assistance

In fiscal year 1974, over 20,000 individual minority firms were counseled, double the previous year. 25,000 minority individuals attended training courses and business workshops, an increase of 20 percent over the previous year. Both of these efforts are being increased in fiscal year 1975.

One of our newer ideas in this area is the Small Business Institute. This program involves individual small business counseling by 17,500 graduate and undergraduate business school students in over 300 universities. Over half of this effort has been devoted to the minority community.

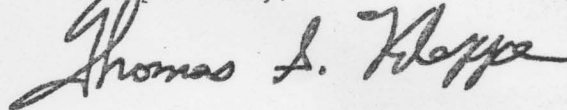
We have also tried to develop better liaison with OMBE in order to try and eliminate duplication of effort in the field and obtain maximum results from their resources as well.

As an additional step, we have decided to take our Agency's top management out into the field to meet with groups of minority small business people, just as you are doing for the overall community in your Regional White House Conferences on Domestic and Economic Affairs. We have scheduled six regional weekend conferences in cooperation with the National Business League, and the National Economic Development Association, and have completed two. At least 500 people are expected to attend each of these, and we find them very helpful in gauging the response to our programs.

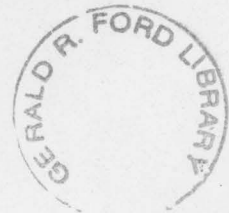


In short, Mr. President, we will do all we can to make sure our Central Office and our 89 field offices respond to your memorandum to give, as you have requested, "every help Government can reasonably provide." We also welcome the opportunity this letter has provided to inform you regarding the types of help we are currently providing and will welcome any further thoughts from you on this important matter.

Respectfully,

A handwritten signature in dark ink, reading "Thomas S. Kleppe". The signature is written in a cursive style with a large, stylized initial 'T'.

Thomas S. Kleppe
Administrator



THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

1 FEB 1975

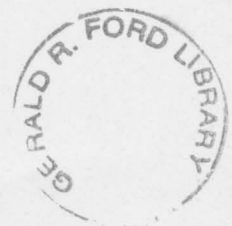
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Minority Business Enterprise Program

The Department of Defense (DOD), in response to your memorandum of December 11, 1974, submits herewith a summary report covering the extent and effectiveness of Defense participation in programs providing support for minority business enterprise.

Since the advent of this program in 1969, we have cooperated fully with the Office of Minority Business Enterprise (OMBE) of the Department of Commerce, the Small Business Administration (SBA), and the Interagency Council for Minority Business Enterprise, in furthering the objectives of assisting minority business development. For example, DOD, the Council, OMBE, and SBA were involved initially in developing the policies and procedures that give preferential treatment to disadvantaged and minority business firms seeking to participate in the federal procurement process through contracting with the SBA under authority of Section 8(a) of the Small Business Act. Following establishment of this program, DOD has been the principal supporter of 8(a) contracting by providing over 50% of the contract award dollars.

In Attachment No. 1, we have furnished a summation of our accomplishments concerning the involvement of minority business firms in defense procurement. These statistics cover 8(a) contract awards, as well as all available data on competitive awards to minority concerns at the prime and subcontract levels. We believe that the total for competitive awards to minority firms is understated. We are confident that additional competitive awards have been made to minority-owned firms that are not included in these totals, but we have not as yet fully identified them. Our

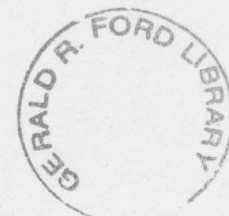


purchasing activities are working with the field organizations of other agencies and with private groups to identify these minority firms and to promote their participation.

Next, in calendar year 1970, we cooperated with OMBE in developing the Minority Business Concessions Program which provided originally for the establishment of minority concessions in all federal buildings. Our initial commitment was the creation of three minority concessions in the Pentagon Concourse. These concessions, which are presently in operation, were created jointly by the DOD Concessions Committee and the Mayor's Economic Development Committee. As indicated in Attachment No. 2, the scope of this program was expanded later to include minority concessions opportunities in the military exchanges.

We also assisted the Council's Interagency Task Force on Procurement for Minority Businessmen in 1970 in developing a program of Minority Business Opportunity Conferences. Through the use of presentations, counseling, seminars, films, exhibits, and the distribution of informative material, these conferences were designed to acquaint minority entrepreneurs with defense and other federal procurement opportunities. DOD participated fully in 85 of these conferences.

DOD and other federal agencies of the Procurement Task Force developed policies and procedures in 1971 for two other minority business programs. The first program was an augmentation of procurement opportunities for minority business concerns through the establishment of a minority business subcontracting program paralleling that of our Small Business Subcontracting Program. In addition to affirmative actions encouraging subcontracting to minority firms that we require from our major suppliers, we obtain quarterly reports from them showing the volume of their purchases from minority-owned firms. This is coupled with periodic on-site reviews by our contract administration personnel. Statistics covering subcontracting awards to minority firms are also included in Attachment No. 1.

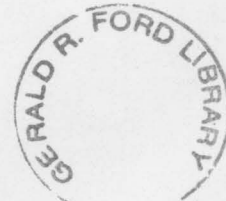


The second program was to divert nonappropriated funds to minority-owned banks under the Treasury Department's Minority Bank Deposit Program. A primary DOD objective in this program is to extend equal opportunity to minority-owned banks to gain access to, and use of, funds deposited with financial institutions. DOD nonappropriated fund managers, utilizing Treasury Department guidelines, now follow procedures that solicit bids from minority-owned banks when funds become available and, within reasonable bounds of competition, extend preferential treatment to such banks in awarding investments. Attachment No. 3 contains a record of our accomplishments in this program area.

During the intervening years, we carefully reviewed the extent of our commitment to support the objectives of this program. We believe that this commitment is strong and has been supported throughout all levels within the DOD. As this report shows, our total achievements for minority business development over the past few years have been moving steadily upwards in most areas. Nevertheless, we believe business opportunities for minority firms must be further improved, particularly during this critical economic period. In this regard, we have continuously instructed our personnel to exert greater efforts in the accomplishment of this objective. We intend to continue this emphasis in the future.

A. P. Clement
Deputy

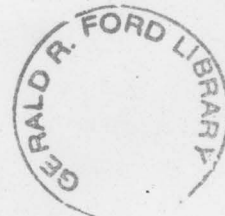
Attachments
As stated



MINORITY BUSINESS ENTERPRISE PROGRAM
(PROCUREMENT)

The procurement aspect of this program involves, principally, entering into noncompetitive contracts for supplies, services, and construction requirements with the Small Business Administration (SBA) pursuant to Section 8(a) of the Small Business Act. The SBA, in turn, subcontracts these defense requirements with their approved minority-owned business firms or others. Additionally, defense procurement personnel are encouraged to increase competitive prime and subcontracting opportunities to minority-owned firms to the maximum practical extent. This effort is accomplished largely through the aiding, counseling, and other appropriate procurement assistance provided to minority businessmen by DOD Small Business and Labor Surplus Area Specialists located at all major DOD procurement activities, as well as large defense prime contractors.

From 1 July 1969 through 31 December 1974, DOD has awarded 2,083 contracts under Section 8(a) procedures to SBA totaling \$417.4 million. More detailed data covering 8(a) awards, as well as available statistics on competitive awards to minority firms at the prime and subcontract levels are attached.



SECTION 8(a) AWARDS WITH DOD AGENCIES
(Per SBA Statistics Through Dec 31, 1974)

<u>Dollar Value of Awards</u>			
<u>Agency</u>	<u>FY's 1969-74</u>	<u>1/2 of FY 75</u>	<u>Totals</u>
Army	\$185,972,273	\$34,225,338	\$220,197,611
Navy*	53,039,459	6,458,488	59,497,947
Air Force	74,340,842	8,305,480	82,646,322
DSA	<u>50,653,679</u>	<u>4,366,353</u>	<u>55,020,032</u>
DOD Total	\$364,006,253	\$53,355,659	\$417,361,912

<u>Number of Awards</u>			
Army	655	76	731
Navy*	363	35	398
Air Force	797	32	829
DSA	<u>118</u>	<u>7</u>	<u>125</u>
DOD Total	1,933	150	2,083

* Includes Marine Corps

SECTION 8(a) AWARDS WITH DOD AGENCIES
(Per SBA Statistics Through Dec 31, 1974)

Dollar Value of Awards

<u>Agency</u>	<u>FY's 1969-72</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>Totals</u>
Army	\$ 50,935,454	\$55,545,879	\$ 79,489,940	\$185,972,273
Navy*	20,489,647	16,842,769	15,707,043	53,039,459
Air Force	29,464,624	15,394,502	29,481,716	74,340,842
DSA	<u>21,251,325</u>	<u>9,950,104</u>	<u>19,452,250</u>	<u>50,653,679</u>
DOD Total	\$122,141,050	\$97,734,254	\$144,130,949	\$364,006,253

Number of Awards

Army	236	185	234	655
Navy*	163	100	94	363
Air Force	297	22	275	797
DSA	<u>41</u>	<u>3</u>	<u>44</u>	<u>118</u>
DOD Total	737	54	647	1,933

* Includes Marine Corps



SECTION 8(a) AWARDS WITH DOD AGENCIES
(Per SBA Statistics Through Dec 31, 1974)

<u>Agency</u>	<u>Dollar Value of Awards</u>				
	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>	<u>Totals</u>
Army	\$1,969,027	\$ 5,304,220	\$10,241,958	\$33,420,249	\$ 50,935,454
Navy*	896,920	3,147,745	5,099,719	11,345,263	20,489,647
Air Force	3,651,768	2,474,808	5,480,013	17,858,035	29,464,624
DSA	<u>1,993,380</u>	<u>2,471,600</u>	<u>6,584,543</u>	<u>10,202,325</u>	<u>21,251,325</u>
DOD Total	\$8,511,095	\$13,398,373	\$27,406,233	\$72,825,872	\$122,141,050

	<u>Number of Awards</u>				
Army	7	23	38	168	236
Navy*	4	27	50	82	163
Air Force	11	26	59	201	297
DSA	<u>4</u>	<u>2</u>	<u>11</u>	<u>24</u>	<u>41</u>
DOD Total	26	78	158	475	737

* Includes Marine Corps



DOD PRIME CONTRACT AWARDS TO
MINORITY BUSINESS CONCERNS
 (Competitive Awards of \$10,000 or More)

<u>CATEGORY</u>	<u>FY 1974</u>		<u>FY 1975 (through 31 Dec 74)</u>	
	<u>No. of Awards or Actions</u>	<u>Dollar Value (In Millions)</u>	<u>No. of Awards or Actions</u>	<u>Dollar Value (In Millions)</u>
Awards for Consultant-Software*	2	\$.071	0	\$ 0.0*
Awards for Construction	77	7.8	58	4.455
Awards for Architectural and Engineering	unknown	unknown	27	1.243
Awards for "All Other"*	<u>366</u>	<u>19.2</u>	<u>146</u>	<u>9.801*</u>
TOTALS	445	\$27.071	231	\$15.499

* Statistics for these categories are based on data through 30 Nov 74 for FY 1975.

NOTE: The FY 1975 totals for Architectural and Engineering and Construction awards are based on approximate and/or estimated figures provided by the military services.



DEPARTMENT OF DEFENSE
PLANTS PARTICIPATING IN THE MINORITY BUSINESS CONCERNS
SUBCONTRACTING PROGRAM

JULY 1972 - SEPTEMBER 1974

(THOUSANDS OF DOLLARS)

PERIOD	FISCAL YEAR					
	1973		1974		1975	
	JUL 72 - JUN 73		JUL 73 - JUN 74		JUL 74 - JUN 75	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
TOTAL	<u>216</u>	<u>\$22,137</u>	<u>274</u>	<u>\$52,434</u>	R/ <u>217</u>	P/ <u>\$17,242</u> P/
JULY - SEPTEMBER	1	29	179	12,017	217	17,242
OCTOBER - DECEMBER	21	2,878	208	12,346		
JANUARY - MARCH	175	8,126	236	12,902		
APRIL - JUNE	174	11,104	254	15,169	R/	

P/ PRELIMINARY, SUBJECT TO REVISION.
R/ REVISED.



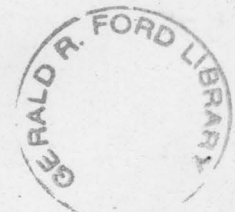
MINORITY BUSINESS ENTERPRISE PROGRAM
(DOD AND THE MINORITY BUSINESS CONCESSIONS PROGRAM)

The minority concession program has been wholeheartedly endorsed and vigorously implemented throughout the military exchange systems of the Military Departments. Consistent with the spirit of this program, continuing positive and innovative actions have contributed to its growth. A summarization of some major actions follows.

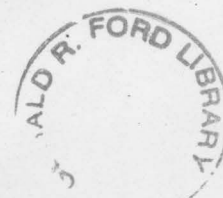
In September 1973, the DOD completed a survey of all military installations in the United States where exchanges are located to determine the potential for establishing new concession opportunities. Newly identified concessions were set aside for contract award on a noncompetitive basis to minority business firms or individuals. Additionally, a timetable for the opening of each concession was suggested by commands concerned. As a result of this survey, approximately 175 new concession opportunities were identified. Office of Minority Business Enterprise (OMBE) and Small Business Administration (SBA) representatives were designated to assist military commands in locating qualified minority contractors for these concessions. At the present time, 23 of these have been successfully contracted to minority individuals or firms. Efforts are continuing with OMBE and SBA representatives to locate qualified minority contractors for the remainder. Throughout this effort there has been a slow but steady increase in the number of contract awards.

Examples of emphasis placed on the program include:

1. The establishment of Minority Business Enterprise Program Committees at exchange headquarters to monitor actions in furtherance of the program;
2. Participation in Minority Business conferences for the purpose of interviewing prospective suppliers and contractors and the distribution of military exchange literature;
3. Headquarters and command letters and personal messages stressing the importance of the program and urging direct commander participation;



4. Periodic meetings and correspondence with representatives of the OMBE in furtherance of identification of and assistance to minority business individuals or firms;
5. Periodic reports through command channels to Departmental headquarters indicating progress of the program;
6. Reservation of all future newly identified concession requirements for contract negotiation with minority individuals or firms.



MINORITY BUSINESS ENTERPRISE PROGRAM
(DOD AND THE MINORITY BANK DEPOSIT PROGRAM)

The Department of Defense continues its effective participation in this program in cooperation with the Department of the Treasury, the overall monitor of this important effort.

In 1971 we were recognized as the first department within the federal community to reach our goals in the area of deposits in minority banks. Our goal was \$10.0 million, but the total effort of the Department of Defense culminated in deposits of \$11.2 million. Activity held at this level through mid-1973, at which time we experienced an upward surge of funds being placed on deposit. Since then we have held at balances in the range of \$16.0 to \$20.0 million.

Our last quarterly report (end-September 1974) shows deposits of \$17.7 million, which exceeds our current goal of \$15.0 million. These accounts range from a low of \$5 thousand up to \$3.1 million, and are on deposit in 37 different banks located in 15 states.

Our end-September 1974 deposits of \$17.7 million showed a decrease of slightly over \$4.0 million from the previous quarter. This development was discussed with Treasury representatives, who noted that most federal agencies were experiencing similar decreases. Treasury attributed this situation to tighter conditions in the national money market.

We continue to monitor and foster the active participation of all three Military Departments in this highly worthwhile program.





CREATIVE VISUAL COMMUNICATIONS

LAKE POINT TOWER • 505 NORTH LAKE SHORE DRIVE • SUITE 1918
CHICAGO, ILLINOIS 60611

TELEPHONE 312-822-0966

2/19/75
P2P
this group down
for 20 minutes tomorrow
call 540 Bar to 1.4
know. (SS)

THURS.
1:30 p.m. - 2/20

PARROTT & PEOPLE, NEW YORK
STANPAT PRODUCTIONS, CHICAGO

February 12, 1975

Mr. Stanley S. Scott
Special Assistant to the President
Old Executive Office Building
17th and Pennsylvania Avenue
Washington, D.C., 20506

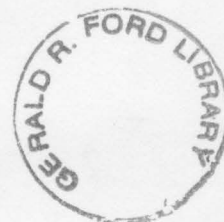
Dear Mr. Scott,

The Task Force on Minority Business Enterprises through H.E.W. is sponsoring an all day conference on Wednesday, February 19, 1975, in Washington D.C., Our company, Gam Enterprises, (a minority owned audio/visual company) has been invited to participate. We will provide creative softwares, ie., slides and film strips for the conference.

Stewart Pace, a mutual friend of ours asked that we indicate to you our interest in developing creative projects with the Federal Government. Stewart also mentioned that perhaps you would be kind enough to receive us next week while we are in Washington. At that time we could be more descriptive about our organization's capabilities. I will be accompanied by my business associates; Stan Connor, Producer, and Ed Miller, Photographer. We would appreciate any time day or evening you may have on February 18, 1975, or February 20, 1975.

Sincerely yours

Nate Grant
c/1



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vice.
Stanley Scott



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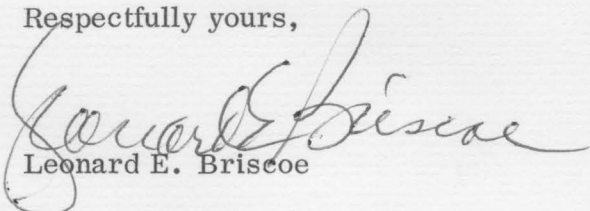
February 21, 1975

Honorable Gerald Ford, President
United States of America
White House
Washington, D. C.

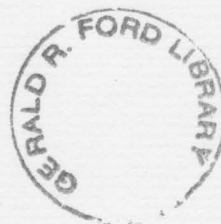
Dear Mr. President:

On February 18, 1975, I set forth some conditions which I hope claimed your attention, and I stated in that letter that I would address myself to other problems relative to minorities. Today I am submitting a brief position paper on minority enterprise.

Respectfully yours,


Leonard E. Briscoe

Enclosure: Position Paper



WHITE HOUSE
MAIL ROOM

1975 FEB 24 PM 3 00

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UNIVERSAL FINANCIAL CORPORATION

2015 EVANS AVENUE □ FORT WORTH, TEXAS 76104 □ (817) 551-2543



February 21, 1975

Honorable Gerald R. Ford, President
United States of America
White House
Washington, D.C.

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Enclosure: Position Paper

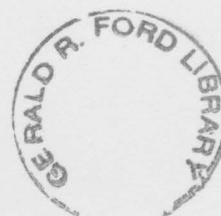


A POSITION PAPER
ON MINORITY ENTERPRISE
IN AMERICA

It is our feeling that the government alone cannot bear the burden of providing the resources to develop an effective and meaningful minority enterprise program. Accordingly, we have reviewed possibilities for other resources to augment the federal resources available in the area of minority enterprise. It is our opinion after many months of research that a clear definition of the 1969 Tax Law which permits private non-profit foundations to participate in program-related investments activities might create some additional resources to aid in the financing of a minority enterprise program.

Therefore, we suggest that this act be redefined not only to insure that no penalties would be involved or could ever occur to a foundation for participating in minority enterprise. Further, it should provide certain incentive benefits to those foundations that devote a certain percentage of their investments toward the promotion of this endeavor.

Because I am not thoroughly familiar with the tax laws, I am unable to set forth a definitive proposal. However, I would like to submit one or two points for consideration and to set out a concept that would achieve this end.



(1) Funds invested in minority enterprise upon repayment would be exempt from the category of income and be allowed to the corporation as a capital tax credit that would not have to be redisbursed.

(2) In relation to their investment in minority enterprise, not to exceed 15% of their total assets, foundations be permitted to establish undisbursed reserves for guarantee against debt investments whether future or past with a five year provision.

(3) In order for foundations to be eligible for the above described benefits, the law ought to require them to devote a minimum of 5% or a maximum of 15% of their investment assets to minority business enterprise.

I would like to point out that the clarification in the provisions in these areas for private tax exempt foundations would aid minority enterprise particularly in the South and Southwest because of the traditional lack of social concern of such organizations within this region.





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Honorable Gerald Ford, President
United States of America
White House
Washington, D. C.

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