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U.S. DEPARTMENT OF COMMERCE

August 7, 1974

To : Stanley Scott

From: Alex Armendaris

For your information.





U.S. DEPARTMENT OF COMMERCE
Office of Minority Business Enterprise
Washington, D.C. 20230

7 AUG 1974

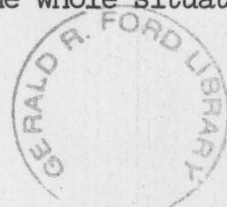
Mr. Jose Aceves
Executive Director, Latin American
Manufacturers Association
1728 East 14th Street
San Leandro, California 94577

Dear Mr. Aceves:

Thank you for your letter of July 25 capsulizing some of the issues we discussed during the recent meeting in my office. While I am glad to learn that you found the exchange of ideas worthwhile, I have to admit that some of the statements in your letter make me wonder whether we were actually at the same meeting you describe.

I am sure you will recall our discussion concerning OMBE funding. You clearly expressed a complaint that the Office of Minority Business Enterprise is not directing enough funds to Spanish-speaking communities and organizations. I explained our funding constraints to you, as I do to all individuals who come to my office voicing similar problems. I do not believe I could have made my point clearer: this agency will not decrease funding of one minority group to increase funding for other groups. After some discussion, your final position was that if the only means of providing more funds to Spanish-speaking groups was by not renewing black community contracts, then OMBE should take that action.

I would not even take the time to recount this conversation to you if it were not for the fact that your letter clearly distorts the content of our conversation. In effect, it implies that the defunding advocacy was not your position but mine, which is a clear reversal of the facts. I would normally assume that such a blatant misrepresentation of the truth was either an oversight, or perhaps the unfortunate result of awkward syntax. However, since you thought it appropriate to send carbon copies to a long list of black and Spanish-speaking community leaders, I can only conclude that you chose to misrepresent me and cast OMBE in a negative light on this sensitive issue. I find the whole situation surprising and very disappointing.

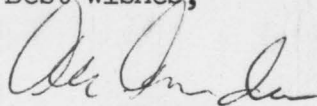


Concerning LAMA's interest in developing close communication and coordination with NEDA, I have already followed through with my offer to provide a letter of introduction (attached). I am sure they will be most interested to hear your concern about their track record and expertise in providing marketing assistance and other management and technical assistance to minority businessmen. As I mentioned, I am uncertain about the technical provisions of their contract, but I am sure they will provide you with the details concerning possible subcontract possibilities with LAMA.

The final issue left unresolved at our meeting concerns the possibilities of a national contract for LAMA next year. The recommendation for this type of decision will have to rest with Ramon Romero, your Regional Director in San Francisco, and with your Field Officer, who is most familiar with the performance and scope of your association. If Mr. Romero feels that a national contract for LAMA is in the best interest of the minority enterprise program and Latin American manufacturers, then I will consider the request based on his recommendation. However, as I mentioned, the trend is clearly in the opposite direction, toward decentralizing our national contract administration to the greatest extent possible.

If you have further questions concerning your program or the policies of the Office of Minority Business Enterprise, please feel free to communicate with Ray Romero or Blanca Barrera, your Field Officer.

Best wishes,



Alex Armerdaris
Director

Attachment



JUL 26 1974

Mr. Julian Garcia
3100 Menaul Street, NE.
Albuquerque, New Mexico 87107

Dear Julian,

I have on many occasions met with Mr. Joe Aceves and other leadership figures of the Latin American Manufacturers Association (LAMA). This Association was funded by OMBE about six months ago, and is headquartered in California, where most of their membership is.

LAMA is off to a pretty good start, but I was surprised to learn that they have not yet become acquainted with the NEDA leadership. I am sure there are many areas where cooperation and mutual benefit for LAMA and NEDA would be possible. Mr. Aceves is a capable Executive Director. I would appreciate it if you would make arrangements for them to sit down and have a talk with Art Negrete, or whomever you designate.

Mr. Aceves' address is 1728 East 14th Street, San Leandro, California 94577.

Thanks, and best wishes,

(signed) ALEX

Alex Armendaris
Director



U.S. DEPARTMENT OF COMMERCE
Office of Minority Business Enterprise
Washington, D.C. 20230

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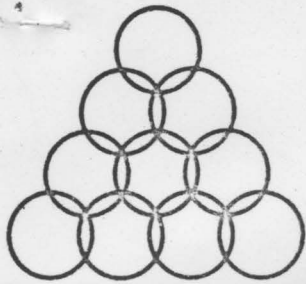
COM-208



Mr. Stanley Scott
Special Assistant to the President
White House
Washington, D.C.

CONFIDENTIAL





COGME

**COUNCIL FOR OPPORTUNITY IN
GRADUATE MANAGEMENT EDUCATION**

Graduate School of Business Administration
University of California, Berkeley

Graduate School of Industrial Administration
Carnegie-Mellon University

Graduate School of Business
University of Chicago

Graduate School of Business
Columbia University

Graduate School of Business and
Public Administration
Cornell University

The Amos Tuck School of
Business Administration
Dartmouth College

Graduate School of Business Administration
Harvard University

Alfred P. Sloan School of Management
Massachusetts Institute of Technology

Wharton School of Finance and Commerce
University of Pennsylvania

Graduate School of Business
Stanford University



September 11, 1974

Mr. Edward Moore
National Programs
U.S. Department of Commerce
Office of Minority Business Enterprise
Washington, D.C. 20230

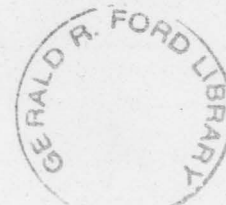
Dear Mr. Moore:

It was kind of you and Mr. Armendaris to make time last June to discuss the COGME program with Bert King and me. We are aware that the year end is a particularly hectic time, and we sincerely appreciate your helpfulness.

In accordance with your suggestion that our proposal follow the start of your fiscal year, I am now writing to request OMBE support in the amount of \$250,000.

The tasks we at COGME have addressed are those of increasing the flow of adequately trained, competent minority men and women into all areas of business.

Through the creation of the Office of Minority Business Enterprise and the advent of CDC's, MESBIC's and other similar organizations, capital is being channelled into minority businesses. The National Task Force on Education, however, has warned that despite growing federal commitment to expanding minority business ownership, minority owned enterprises are "continuing to fail at an alarmingly high rate." This rate surpasses even the SBA figure of 80% failure within the first five years of operations among new businesses in the United States. The Task Force study attributed these failures largely to poor management and business skills of owners and managers. While the number of entrepreneurial opportunities for minority members is growing, persons with the managerial expertise needed to successfully meet the challenge of these opportunities are not available. Clearly, the major need now is for skilled, talented minority mana-



gers. It is this need that COGME seeks to fill.

COGME is an independent, non-profit organization established with a \$3 million, five-year grant from the Alfred P. Sloan Foundation to locate talented, motivated minority men and women and to assist them in obtaining the training they require for successful careers in business. Qualified applicants are recruited not only through undergraduate programs, but also among minority members currently involved in the business world. An important aspect of our recruiting program is directed towards a variety of community organizations.

COGME offers support to applicants who have been accepted into the graduate management program of a member school, but who would be unable to attend without COGME's assistance. The typical COGME fellowship covers approximately fifty-five percent of the student's total expenses for a two-year MBA program. Students are expected to employ all of their own resources in financing their education and to borrow from their schools the funds necessary to supplement the fellowship. The Board of Trustees of COGME firmly believes that any students who receive financial assistance should be willing to seek such loans, thus taking upon themselves part of the burden and risk of their own development. I hasten to point out that the average COGME fellow emerges with debts averaging \$7,700, exclusive of their own (often sizeable) undergraduate debts. The willingness of COGME fellows to incur such large liabilities is attributable to their confidence in their career expectations, which is in turn attributable to the COGME recruiting campaign and to the encouraging career success of COGME graduates. The high standing of the schools involved is your assurance that this program is committed to selecting able applicants, offering the best education available, and providing minority graduates qualified to meet the varied challenges of the business world.

Many recent graduates from COGME member schools have, in fact, elected to apply their skills in their minority communities and have pursued entrepreneurial interests. To cite a few examples, among recent

Mr. Edward Moore
September 11, 1974
Page 3

minority graduates are the president of a Black-owned bank, the director of a community development corporation, and the founder and developer of an air passenger and freight company. Incidentally, the recent revitalization of the Carver Loan and Investment Company, Inc., and the renewed confidence of the Philadelphia business community in it are attributed largely to the talent and skills of a graduate from one of the member schools.

COGME's efforts over the past five years have resulted in a dramatic increase in enrollment of qualified minority students at member schools. COGME has contributed to the support of 681 students to date, and of the 530 minority students currently enrolled in the member schools, 250 are COGME fellows. Since COGME's inception, more minority students have graduated from the COGME member schools than from all the other graduate management programs in the country combined.

The largest share of assisting minorities in graduate management programs has been absorbed by the universities with additional funds coming from foundations and, to a limited extent, from business. The universities are continuing their efforts to assist minorities in preparing for careers in management; however, inflationary pressures have strained their budgets to the extent that the schools are faced with the likelihood of being unable to support as many students as they have in the past. Minorities are just beginning to perceive business as a viable career alternative; it is crucial that we reinforce our commitment to making managerial training available to them.

The \$3 million start-up grant awarded by the Alfred P. Sloan Foundation was designed to provide \$1 million during its first year and then to decrease by \$200,000 each succeeding year until it phased out at the end of five years. This year terminates the original grant. In recognition of the need for trained minority members and of COGME's progress in alleviating it, the Foundation has recently awarded COGME an additional \$300,000 to continue its work.



Mr. Edward Moore
September 11, 1974
Page 4

While the progress made in raising funds from the private sector has been substantial, support has not been strong enough to offset the scheduled withdrawal of Sloan funds. Furthermore, given the current economic environment in which many segments of our economy are forced to practice financial restraint, prospects for additional support from the private sector are not encouraging. In the current period of economic uncertainty, COGME, like so many other sectors of our society, must turn to the government for help in carrying out its mission. With government assistance, we can successfully encourage minority participation in the mainstream of American economic society.

The successes of our graduates have demonstrated that the potential for effective minority enterprise requires only appropriate training to be realized. We at COGME urge OMBE's support in our efforts to provide them with the opportunity for education that they require. For, as more and more minorities enter the business world, their influence and visibility will encourage the aspirations of other minority group members - and the need for programs like COGME will diminish. For the time being, however, the need is great. Business as a profession still has a credibility problem among minorities, and the rewards associated with advance training in management continue to be dimly perceived. Until the impact of minority participation in all aspects of our economy clearly demonstrates the opportunities available to minority members, we must assure that bright, capable people are not discouraged by the seemingly overwhelming cost of preparing for careers in management.

If you have any further questions regarding the COGME program, either Bert King, Executive Director, or myself will be happy to discuss them with you. Please call him at (617) 491-8370 or me at (607) 256-5036.

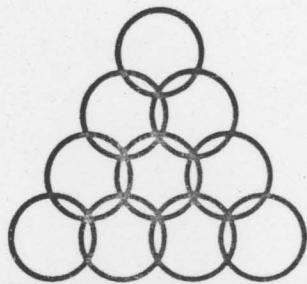
Sincerely,

H. Justin Davidson
Chairman of the Board of Trustees



HJD:jab
Enclosures

cc: Howard Robison



COGME

**COUNCIL FOR OPPORTUNITY IN
GRADUATE MANAGEMENT EDUCATION**

FACT SHEET: 1974/1975



BACKGROUND

The Council for Opportunity in Graduate Management Education (COGME) joins ten schools in a collective effort to increase the flow of Blacks and members of other minority groups into positions of significant responsibility in management. As a means of achieving this goal, the Council seeks a large increase in the number of minority group members graduating from the Masters degree programs of Council member schools.

Toward this end, the Council has the following program objectives:

- (1) To broaden the base of financial assistance for minority students enrolled in management programs at COGME member schools.
- (2) To increase the awareness among minority group members of the existence of Masters programs and of their relevance to careers in management, and of ways in which an undergraduate experience can be used in preparing for entry into a Masters program.
- (3) To attract from a variety of sources minority group candidates who can contribute to, and benefit from, an educational experience in management and to assist qualified students in locating and selecting the programs most appropriate to their goals and backgrounds.
- (4) To serve as a vehicle for information exchange in assisting schools in their efforts to adapt their programs in light of the new levels of diversity of background among students. The objective is to enrich the management training experience available to minorities as well as non-minorities.

The Council was formed in January of 1970 upon receiving a grant from the Alfred P. Sloan Foundation in the amount of \$3,000,000. The \$3,000,000 was granted on a pro-rated basis: COGME was to receive \$1,000,000 for the first year, decreasing at \$200,000 each year thereafter. COGME and the member schools committed themselves to seek matching grants from private enterprise, the government, and other sources.





HOW COGME WORKS

Recruiting

Recruiting for minority students is a two-part effort: that of the member schools and that of COGME itself.

As representatives from the member schools recruit on college campuses, they distribute COGME materials along with their own. In addition, minority students requesting applications from a member school are automatically sent material informing them about COGME.

The COGME staff, in turn, engages in "target" recruiting at undergraduate schools unlikely to be covered by the member graduate schools. COGME also maintains an extensive information program, sending brochures and posters to key faculty and student groups on campuses where there is no active recruiting; to urban leagues; and to returning veterans and military discharge centers.

Selection

A student is not considered by COGME until he/she has been admitted to at least one member school. When he/she has been admitted, the staff of COGME makes a preliminary evaluation of his/her application, highlighting the most significant points. The applications are then periodically submitted to the Selection Committee, which is comprised of the Directors of Admissions of two member schools, a student trustee, and COGME's Executive Director. Applicants are selected on the basis of merit. The amount of the award granted is determined by the financial need of the student.

For more specific data, please refer to Tables I and II on pages five and six.

Administrative Structure and Staff

The COGME staff consists of four members: the President and Executive Director, an Administrative Assistant, and two Staff Assistants. The staff works closely with the Board of Trustees, which is comprised of the Deans of the ten member schools and four outside members. The current members of the Board of Trustees are as follows:

Dean Richard H. Holton
University of California at Berkeley

Dean Arnold Webber
Carnegie-Mellon University

Dean Richard Rosett
University of Chicago

Dean Louis D. Volpp
Columbia University

Dean H. Justin Davidson
Cornell University

Dean John W. Hennessey
Amos Tuck School
Dartmouth College

Dean Lawrence E. Fouraker
Harvard University

Dean William F. Pounds
Alfred P. Sloan School of Management
Massachusetts Institute of Tehcnhology

Dean Donald C. Carroll
Wharton School of Finance and Commerce
University of Pennsylvania

Dean Arjay Miller
Stanford University

Benjamin Fernandez
Fernandez and Associates

Edward D. Irons
Atlanta University

Samuel Proctor
Rutgers University

Sterling H. Schoen
Director, Consortium for Graduate Study
in Management



In addition, each year there are three student trustees.
Representation rotates among the schools from year to year.

COGME is a non-profit, tax-exempt organization. Low overhead preserves funds for the minority students attending the ten member schools. The budget for 1973/1974 and projected expenses for 1974/1975 are outlined in the two following tables.

TABLE A

Operating Budget: July 1, 1973-June 30, 1974

<u>Student Assistance</u>		
First Year Fellowships	\$323,400	
Second Year Fellowships	<u>233,800</u>	
Total Student Assistance		\$557,200 (Actual)
<u>Administrative Expenses</u>		
COGME Staff (Director, President, Admin. Asst., 2 Staff Assts, Sec'y)	\$ 80,100	
Travel--Council Meetings	12,000	
Travel--Recruiting	9,000	
Fund Raising	8,000	
General Operating Expenses	<u>30,600</u>	
Total Administrative Expenses		\$139,600 (Actual)
TOTAL EXPENDITURES		\$696,900 (Actual)

TABLE B

Projected Budget: July 1, 1974-June 30, 1975

<u>Student Assistance</u>		
First Year Fellowships	\$309,350	
Second Year Fellowships	<u>205,750</u>	
Total Student Assistance		\$515,000 (Actual)
<u>Administrative Expenses</u>		
COGME Staff (Director, Admin. Asst., 2 Staff Assistants)	\$ 64,000	
Travel--Council Meetings	7,000	
Travel--Recruiting	6,000	
Fund Raising	8,000	
General Operating Expenses	<u>17,000</u>	
Total Administrative Expenses		\$102,000 (Estimat
TOTAL EXPENDITURES		\$617,000 (Estimat



RESULTS TO DATE

Recruiting and Selection; Minority Enrollment

As evidenced in Table I, minority enrollment at the COGME member schools increased sharply from 1969 to 1971. Since 1971, there has been a leveling off of minority enrollment, despite a continued increase in the number of applications received by COGME each year (Table II). This inability to absorb the increased number of qualified minority candidates is due to a shortage of both schools' and COGME's funds. This shortage, in turn, can be attributed to at least two factors:

- (1) The reduction in COGME's funding from the Sloan Foundation has limited COGME's ability to supplement the schools' efforts to finance minorities. (As mentioned under Section I, funds were granted from Sloan on a diminishing pro-rated basis. While COGME has been developing increased corporate support, these contributions have not been able to offset the scheduled decline in Sloan support.)
- (2) Yearly increases in tuition and fees (and in the cost of living) mean fewer fellowships for the same amount of funds.

In short, there are increasing numbers of minority students turning to COGME for aid. We have succeeded in stimulating interests and ambitions that might otherwise have been discouraged. We only hope that these new-found interests will not have to remain unfulfilled for lack of financial support. Qualified minority students who are prohibited from attending business school for financial reasons represent a loss not only to minority communities but to the society as a whole.

TABLE I

Total Minority Enrollment
In COGME Schools

<u>Academic Year</u>	<u>Total Number of Students</u>
1969-70	257
1970-71	435
1971-72	606
1972-73	580
1973-74	575
1974-75	520

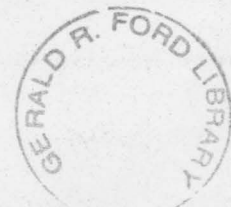


TABLE II

Applications for COGME Awards

<u>Academic Year</u>	<u>Number of Applications</u>
1970-71	404
1971-72	600
1972-73	608
1973-74	650
1974-75	725

Fund Raising

The \$3,000,000 grant from the Alfred P. Sloan Foundation has been supplemented by gifts from the following donors:

PRIVATE:

American Airlines
American Express Foundation
American Telephone and Telegraph
Atlantic Richfield Foundation
Arthur Andersen and Company
Avery Products Foundation
The Bank of California
Bankers Trust Company
Bristol-Myers Fund
Broadway-Hale Stores
Burroughs Corporation
The Cabot Foundation
Castle and Cooke
Celanese Foundation, Incorporated
Chase Manhattan Bank
Chubb and Sons, Incorporated
Coca-Cola U.S.A.
Cyprus Mines Corporation
E.I. DuPont de Nemours and Company
Eastern Associated Foundation
Exxon Education Foundation
Federated Department Stores, Incorporated
First National Bank of Boston
Ford Motor Company Fund
Foremost-McKesson
General Electric Foundation
General Mills Foundation
General Motors Corporation
Grace Foundation
Gulf Oil Foundation
Haskins and Sells
Honeywell Fund
International Business Machines
International Telephone and Telegraph
Irving One Wall Street Foundation
The Jewel Foundation



JM Foundation
Lear Siegler Foundation
Lybrand Foundations Special
Manufacturers Hanover Trust
Merck Company Foundation
Merrill Lynch, Pierce, Fenner and Smith
Mobil Foundation
Monsanto Fund
Morgan Guaranty Trust Company
Owens-Illinois Fund
J.C. Penney Company
Pepsico, Incorporated
Pillsbury Company Foundation
Philip Morris
Polaroid Foundation
Prudential Insurance Company of America
Raytheon Company
Richardson-Merrell, Incorporated
Rockwell International Corporation
Rohm and Haas Company
Scott Paper Company Foundation
Sherwin-Williams Foundation
Simmons Company
The Singer Company Foundation
Sperry and Hutchinson Foundation
Sun Oil Company
Squibb Corporation
Syntex Corporation
United States Steel Foundation
Wells Fargo Bank
World Airways

GOVERNMENT: Office of Minority Business Enterprise
Office of Economic Opportunity

PROJECTED NEEDS

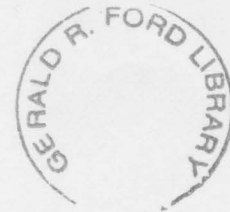
COGME, in its efforts to continue providing assistance to the same number of students it presently serves, will require \$800,000 during the coming year to offset the combined effects of inflation and the scheduled withdrawal of Sloan funds. Over the next three years, \$4.2 million will be needed to maintain COGME's current level of effective student support. Only with the wide support of foundations, government, and the private business community can COGME succeed.



SEP 30 1974



U.S. DEPARTMENT OF COMMERCE
Office of Minority Business Enterprise
Washington, D.C. 20230



Honorable Stanley S. Scott
Special Assistant to the President
The White House
Washington, D. C. 20500

Dear Mr. Scott:

It was good to see you at last week's meeting of the Inter-agency Council for Minority Business Enterprise. As Under Secretary of Commerce Tabor announced at that meeting, the Office of Minority Business Enterprise (OMBE), in cooperation with the Office of Management and Budget (OMB), will convene the Fourth National Minority Business Opportunity Committee (MBOC) Conference on October 20-23, 1974, in Minneapolis, Minnesota. I would like to personally invite you, as a member of the Interagency Council, to attend that conference. Both Under Secretary Tabor and I plan to address the conference on Monday, October 21.

MBOCs, as standing committees of Federal Executive Boards (FEBs), are the major mechanism for coordinating the local delivery of Federal resources to promote minority enterprise. They bring together local Federal agency officials to improve the availability of government financing, procurement opportunities, concessions, technical and managerial assistance and other business opportunities for minorities. The MBOCs are, in a large part, the local level counterpart of the national Interagency Council for Minority Business Enterprise.

The success or failure of the national minority enterprise program is greatly dependent on the support and leadership transmitted by the Administration and national agencies to Federal representatives on MBOCs. If you can attend the conference, I believe your presence would reinforce the President's commitment to the minority enterprise program.

I would appreciate a response to this invitation by October 4. Some background information on MBOCs is enclosed, along with a registration form for the conference. If you have any questions, please let me know, or contact A. F. Williams, OMBE Deputy Director for Interagency Affairs, at 967-2865.

Sincerely,

A handwritten signature in dark ink, appearing to read "Alex".

Alex Armendaris
Director

Enclosures

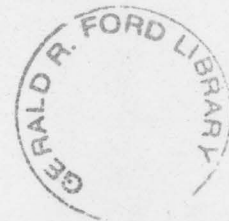
T E N T A T I V E A G E N D A

(Not for distribution; most speakers unconfirmed)

FOURTH ANNUAL
MINORITY BUSINESS OPPORTUNITY COMMITTEE
CONFERENCE

Minneapolis, Minnesota
October 20-23, 1974

MBOC: "THE BUCK STARTS HERE"

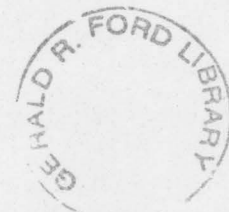


SUNDAY, OCTOBER 20, 1974

Noon - 5:00 PM Registration; Mezzanine Lobby
5:00 - 6:00 PM Social Hour
6:00 - 7:30 PM Dinner; Location Open
7:30 - 7:45 PM Art Williams, OMBE, Conference Moderator
Welcome and Conference Orientation
7:45 - 8:15 PM Major National Agency Official
"Commitment to Minority Business Development:
A National Priority"
8:15 - 11:00 PM Hospitality

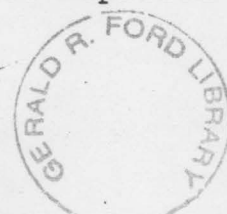
MONDAY, OCTOBER 21, 1974

8:30 - 8:50 AM Alex Armendaris, OMBE Director
"OMBE and the National Minority Enterprise
Program: A Key Role for the MBOCs"
8:50 - 9:10 AM Walter Sorg, OMBE
"MBOCs: Their Role in the OMBE Delivery
System"
9:10 - 9:25 AM Chuck Poe, Director, Metropolitan Economic
Development Association
"Interrelationship Between MBOCs and BDOs"
9:25 - 9:55 AM John Lynch, Chairman, Minneapolis MBOC
"Opportunities and Responsibilities of
MBOCs"
10:05 - 11:55 AM Workshops Session: "The Organization and
Operation of an MBOC"
A - Chairman
B - Chairman
C - Chairman
D - Chairman
E - Chairman



MONDAY, OCTOBER 21, 1974 (Continued)

- 12:00 - 12:30 PM Moderator, Panel Presentation by Workshop Chairmen
- 12:45 - 2:30 PM Luncheon:
John K. Tabor, Under Secretary of Commerce,
Keynote Speaker
- 2:30 - 4:00 PM Procurement Panel Presentations
- 2:30 - 2:45 PM Michael J. Timbers, Commissioner, Federal Supply Service, GSA
"Federal Procurement Opportunities for Minority Businessmen and Initiatives of Interagency Council's Procurement Task Force; How MBOCs Can Follow Up on Them."
- 2:45 - 3:00 PM Harvard Powell (or ASPR Committee Representative)
"Defense Procurement"
- 3:00 - 3:15 PM Win Smith, SBA
"8(a)"
- 3:15 - 3:30 PM Carol Thomas, EPA (or DOL/CETA)
"Federal Indirect Procurement/Revenue Sharing"
- 3:30 - 3:45 PM Wallace Williams, Director, Michigan State OMBE
"State and Local Procurement"
- 3:45 - 4:00 PM Dick Clinkscales (or a Director of a Minority Purchasing Council)
"Private Procurement"
- 4:10 - 6:30 PM General Workshop Session:
"Procurement - MBOC's Role"
- Questions and Answers from Procurement Panel
Art Williams, Moderator



TUESDAY, OCTOBER 22, 1974

- 8:30 - 8:50 AM Chuck Hughes, OMB
"The Office of Management and Budget and MBOCs"
- 8:50 - 9:10 AM Samuel Cornelius, Deputy Director, OMBE
"OMBE Support for MBOCs"
- 9:10 - 9:30 AM Richard Schubert, Under Secretary of Labor
"National Agency Support for MBOCs"

TUESDAY, OCTOBER 22, 1974 (Continued)

9:30 - 9:50 AM Louis Laun, Deputy Administrator, SBA
"National Agency Support for MBOCs"

10:00 - 12:00 Noon Workshop Session: "What Support do MBOCs
Want from the OMBE, OMB, and National Agencies?"

A - Chairman
B - Chairman
C - Chairman
D - Chairman
E - Chairman

12:00 - 12:30 PM Moderator. Panel Presentation by Workshop
Chairmen

12:45 - 2:15 PM Luncheon:
President, Major Private Corporation
"Private Sector's Promotion of Minority
Enterprise"

2:15 - 2:45 PM An FEB or MBOC Chairman
"Communication Among MBOCs"

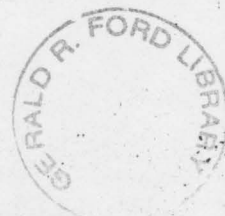
3:00 - 4:00 PM Meeting. FEB/FEA Chairmen, OMB Staff only

3:00 - 4:00 PM Meeting. MBOC Chairmen only

3:00 - 4:00 PM Meeting. Office of Minority Business
Enterprise Regional Directors and OMBE Staff
only.
Location Open

4:00 - 6:00 PM Meeting. FEB Chairmen, MBOC Chairmen,
OMBE Regional Directors only. By OMBE
Region; OMBE Regional Director chair
Meeting

Atlanta Region
Chicago Region
Dallas Region
New York Region
San Francisco Region
Washington, D. C. Region



WEDNESDAY, OCTOBER 23, 1974

8:30 - 9:30 AM Speakers by Region, Summarizing Tuesday's Meeting Between FEB Chairmen, MBOC Chairmen, and Office of Minority Business Enterprise Regional Directors

9:30 - 10:00 AM An MBOC Chairman
"Some MBOC Priorities and Work Plans for FY 75"

10:00 - 11:30 AM Workshop Session: "Resolutions, Priorities, and Plans for FY 75"

 A - Chairman

 B - Chairman

 C - Chairman

 D - Chairman

 E - Chairman

11:30 - 12:30 PM Moderator. Panel Presentation by Workshop Chairmen

12:30 - 12:45 PM Art Williams, Moderator
Wrap-up of Conference





MBOC National Conference Information

Site: The Conference will be held in Minneapolis, Minnesota at the Radisson Hotel-Downtown.

Dates: October 20-23, 1974. Conference activities will begin at 5:00 p.m. Sunday, October 20 and will conclude at 1:00 p.m. Wednesday, October 23.

Conference Meal Payment: A meal fee of \$30.00 will cover all conference meals--1 dinner, 2 luncheons, all coffee breaks and hospitality. This fee may be paid in advance by check to American Consultant Services, Inc. or at Conference site.

Accommodations: The Radisson Hotel-Downtown is a handsome, convention center facility located adjacent to theatres, restaurants and the famous Nicollet Shopping Mall. To make room reservations, indicate your room preference on the form.

Hotel rates are: Single room - \$18.50
Room with double bed - \$24.00
Room with twin beds - \$24.00

Each participant is responsible for payment for accommodations directly to the hotel.

Transportation: The Radisson Hotel-Downtown is 20 minutes drive from the airport. Limousine service is readily available at \$2.00 per person.

Registration: To register, complete the attached form and return in the enclosed envelope. You may also register by calling American Consultant Services, Inc., (419) 248-3724.

Cancellations and Refunds: If you should need to cancel your reservations, please contact American Consultant Services, Inc., 420 Madison Avenue, Suite 1025, Toledo, Ohio 43604, (419) 248-3724.

Conference Management: Conference coordination is being handled by American Consultant Services, Inc., 420 Madison Avenue, Suite 1025, Toledo, Ohio 43604, (419) 248-3724. Contact us if you have questions.

Registration Form

MBOC FOURTH NATIONAL CONFERENCE
October 20-23, 1974

Radisson Hotel-Downtown
Minneapolis, Minnesota

Theme-MBOC: The Buck Starts Here

Yes, include me in this year's conference.

Name: _____

Title: _____

Address: _____

City _____ State _____ Zip _____

Phone (area code) _____

Please make room reservations for me.

Dates: _____

Room Preference (check): Single Room _____
Double Bed Room _____
Twin Beds Room _____

Additional Registrants:

(1) Name: _____

Title: _____

Address: _____

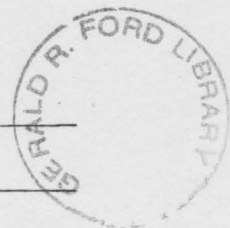
Room Preference: _____

(2) Name: _____

Title: _____

Address: _____

Room Preference: _____



Return To: American Consultant Services, Inc.
420 Madison Avenue/Suite 1025
Toledo, Ohio 43604
(419) 248-3724

I. Minority Business Opportunity Committee (MBOC) Conference, October 20-23, Minneapolis, Minnesota

This will be the Fourth National Minority Business Opportunity Committee Conference. Attendees will include Federal Executive Board (FEB) Chairmen, MBOC Chairmen, OMBE Director and Regional Directors, OMBE program staff, OMB officials and senior national agency officials. All members of the Interagency Council will be invited to personally attend or send an appropriate senior level representative. Under Secretary of Commerce John K. Tabor will make the keynote address at the conference.

II. MBOC Program

MBOCs are standing committees of Federal Executive Boards (FEBs) or Federal Executive Associations (FEAs). The MBOCs were established by the Director of the Bureau of the Budget (now the Office of Management and Budget) on February 11, 1970. OMB is charged with the responsibility for monitoring the progress of high-priority programs and guiding the local Federal Executive Boards (FEBs) and Federal Executive Associations (FEAs). Top officials of the Federal agencies in each locality hold FEB membership. The FEBs assist in carrying out certain Presidential programs, such as the minority enterprise program.

The MBOCs were established under the FEBs to support and implement the national minority enterprise programs within the Federal governmental structure. They bring together local heads of Government agencies so that they may improve the availability of government financing, procurement opportunities, concessions, technical advice and other business opportunities. The MBOCs are, in a large part, the local level counterpart to the national Interagency Council for Minority Business Enterprise. They operate through subcommittees similar to the Interagency Council's Task Forces.

MBOC membership includes officials from local, district or regional offices of all major Federal agencies. Some MBOCs also have representatives from the private sector, business development organizations, and State or local governments. An OMBE field officer serves as Executive Secretary to each MBOC.

There are presently 35 MBOCs in operation: 25 are in FEB cities, and 10 are in FEA cities. (The MBOC Handbook contains a list of those cities).



OFFICE OF MINORITY BUSINESS ENTERPRISE



JULY 1974

MINORITY BUSINESS OPPORTUNITY COMMITTEE HANDBOOK

Guidance and Procedures



U.S. DEPARTMENT OF COMMERCE/Office of Minority Business Enterprise



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

July 29, 1974

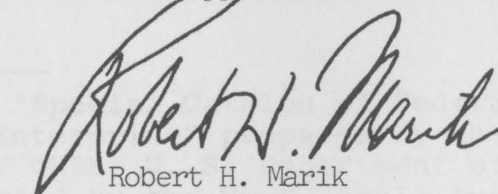
MEMORANDUM FOR FEDERAL EXECUTIVE BOARD AND FEDERAL EXECUTIVE
ASSOCIATION CHAIRMEN

Since 1969, President Nixon has demonstrated his vital interest in strengthening and promoting the growth of minority-owned businesses. He has directed his Administration to undertake an aggressive program to foster the development of minority entrepreneurs and to facilitate their movement into the mainstream of the American economy.

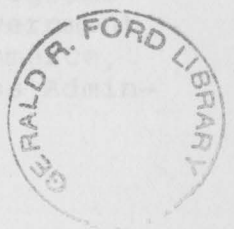
In pursuit of this continuing mandate from the President, the Office of Management and Budget (OMB) has again established minority enterprise as a major theme for Federal Executive Boards (FEBs) and Federal Executive Associations (FEAs) in Fiscal Year 1975. Much progress has been made to date by the FEBs and FEAs and their Minority Business Opportunity Committees (MBOCs). We believe, however, that there is still much more that the Federal community can do, at both the national and local levels, to foster the development of minority entrepreneurship.

In Fiscal Year 1975, the Office of Management and Budget, working with the Department of Commerce's Office of Minority Business Enterprise, will be taking a hard look at actual accomplishments of the FEBs and FEAs with regard to the minority enterprise program. OMB places high priority on the minority enterprise effort. We expect outstanding results, since we should now have considerable experience in providing the necessary assistance to minority businessmen.

This MBOC Handbook should assist you in your efforts to develop a resourceful, creative and productive minority enterprise program for your FEB or FEA. I ask for your support for a renewed emphasis on the minority enterprise program. Together we should offer the minority entrepreneur more business opportunities and assistance than ever before.



Robert H. Marik
Associate Director for
Management and Operations



Throughout the Federal Government there are currently more than 85 programs oriented to promoting the development of minority business enterprise.* The problem of coordinating them is a large one, and one which requires participation at all Federal levels both in Washington and in the field. A special mechanism for accomplishing this task at the local level is the Minority Business Opportunity Committee (MBOC).

THIS HANDBOOK HAS BEEN PREPARED TO FURNISH INFORMATION ON THE OPERATION OF MINORITY BUSINESS OPPORTUNITY COMMITTEES. IT IS TO SERVE AS A REFERENCE DOCUMENT FOR THE ORIENTATION OF MBOC MEMBERS, AND TO PROVIDE GUIDANCE TO NEW AND ESTABLISHED MBOCs. THE LIST OF ACTIVITIES AND ORGANIZATIONAL STRUCTURE ONLY SUGGESTS WHAT MAY BE DONE. IT IN NO WAY PLACES LIMITS ON ACTIVITY OR ENUMERATES REQUIRED ACTIVITIES OR ORGANIZATION. EACH MBOC SHOULD DECIDE FOR ITSELF WHAT ACTIVITIES ARE NEEDED IN ITS AREA AND THEN MOBILIZE THE FEDERAL RESOURCES TO CARRY THEM OUT.

Executive Order 11625, issued October 13, 1971, prescribes additional arrangements for developing and coordinating a government-wide program for minority enterprise. These arrangements expand the role of the Secretary of Commerce, and particularly the Office of Minority Business Enterprise (OMBE), in coordinating minority business development activities.

Further information or guidance may be obtained by contacting the Deputy Director for Interagency Affairs, National Programs Division, Office of Minority Business Enterprise, Department of Commerce, Washington, D.C. 20230. Telephone (202) 967-2865.

* As described in the "Special Catalog of Federal Programs Assisting Minority Enterprise" prepared by the Government Programs Division of OMBE, U. S. Department of Commerce, Summer 1971, and funded by the U. S. Small Business Administration.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

July 29, 1971

MEMORANDUM FOR FEDERAL EXECUTIVE BOARD AND FEDERAL EXECUTIVE ASSOCIATION CHAIRMAN

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In pursuit of this continuing mandate from the President, the Office of Management and Budget (OMB) has again established minority enterprise as a major thrust for Federal Executive Boards (FEBs) and Federal Executive Associations (FEAs). In March 1971, such progress has been made to date by the FEBs and FEAs and their minority business Opportunity Committees (MBOCs). We believe, however, that there is still much more that the Federal community can do, at both the national and local levels, to foster the development of minority entrepreneurship.

In March 1971, the Office of Management and Budget, working with the Department of Commerce's Office of Minority Business Enterprise, will be taking a hard look at actual accomplishments of the FEBs and FEAs with regard to the minority enterprise program. We place high priority on the minority enterprise effort. We expect outstanding results, since we should now have considerable experience in providing the necessary assistance to minority business.

This MBOC Handbook should assist you in your efforts to develop a successful, creative and productive minority enterprise program for your FEB or FEA. I ask for your support for a renewed emphasis on the minority enterprise program. Together we should offer the minority entrepreneur more business opportunities and assistance than ever before.

Robert H. Bell
Deputy Director for
Management and Operations



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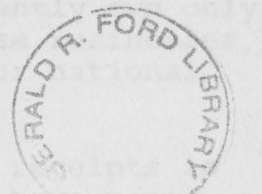
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Appendix A. Executive Order 11625

Appendix B. List of MBOCs and their Chairmen (May 1974)



ABBREVIATIONS USED IN MBOC HANDBOOK

1. BDO - Business Development Organization
2. BRC - Business Resource Center
3. CCAC - Construction Contractors Assistance Center
4. CSS or Call Contractor - Contracted Support Services
5. FEA - Federal Executive Association (includes Federal Business Associations and similar organizations)
6. FEB - Federal Executive Board
7. GSA - General Services Administration
8. MBOC - Minority Business Opportunity Committee of the Federal Executive Board or Association
9. MESBIC - Minority Enterprise Small Business Investment Company
10. OMBE - Office of Minority Business Enterprise
11. SBA - Small Business Administration

MINORITY BUSINESS OPPORTUNITY COMMITTEE

GUIDANCE AND PROCEDURES

Chapter I. Introduction

A. Background

The Minority Business Opportunity Committees (MBOCs) were established by a letter to the Federal Executive Boards (FEBs) from the Director of the Bureau of the Budget (now the Office of Management and Budget) on February 11, 1970. A letter to the FEBs from the Secretary of Commerce in June 1970 outlined the relationship of the MBOCs to the Office of Minority Business Enterprise (OMBE). By April 1974 35 MBOCs were in operation, of which 25 were in FEB cities and 10 were in Federal Executive Association (FEA) cities. (see Appendix B).

OMBE and OMB are currently studying the possibility of adding MBOCs in other FEA cities. It is desirable to establish an MBOC in localities which have a potential for minority entrepreneurship and a substantial Federal presence. Because of the geographical dispersion of the MBOC and the unique nature of individual communities, a high degree of local autonomy is required. This handbook has been prepared so that all MBOCs may work toward national minority enterprise objectives. The following pages cover national objectives, organizational guidelines, program approaches, and a description of some minority business enterprise efforts.

B. Statement of the Problem

Approximately 35 million Americans are black, Spanish-speaking, Indian, Aleutian, or of Asian descent -- about 17 percent of our total population. Yet, they presently own only about 4 percent of America's businesses. These businesses, in turn, account for less than 1 percent of our national gross business receipts.

The basic disparity in business ownership and receipts is large. Only 9 percent of minority businesses have more than five employees and \$200,000 gross receipts. Manufacturing and other capital intensive businesses remain virtually out of reach. Equity is all too scarce and the kind of useful expert assistance which a business needs is too often not available or it is untimely.

Minorities have long had inadequate access to business opportunities; they need assistance to start new businesses and expand existing ones. Secondly, there is a need for a wider



access to business resources such as capital (debt and equity) and profitable markets. Loans and equity funding are difficult to obtain for all new businesses, especially minority-owned ones. Obtaining a profitable share of the market and keeping it is often as difficult as establishing the business.

Thirdly, there is a general scarcity of managerial experience and training within the minority community.

The severe shortage of potential minority entrepreneurs with general business skills is a result of their historic exclusion from the mainstream economy. Many minority businessmen need new or improved business management skills before they can fully participate in the American marketplace.

A related problem is the presence of commonly held assumptions and beliefs within the entire community concerning the business capabilities of minority people. These negative assumptions and false beliefs should be vigorously challenged where they exist. With equal access to capital resources, managerial and technical assistance, and procurement or market opportunities, minority businesses have as good a chance to succeed and perform as any other business.

A national program has been created to solve these problems by creating conditions in the Federal and private marketplace which will foster significant minority business success and profits. Without individual demonstrations of successful integration into the business mainstream, investors, suppliers and purchasers will not offer the participation required to change perceptibly the ownership imbalance. The results achieved in the business world by individual minority men and women will mark our progress. The MBOC is one of the mechanisms for creating the necessary favorable conditions within the Federal Government.

The Executive Office of the President, the Office of Management and Budget (OMB), is charged with responsibility for monitoring the progress of high-priority programs and guiding the local Federal Executive Boards (FEBs). (See Organization Chart, page II-14). Top officials of the Federal agencies in each locality hold FEB membership. The FEBs assist in carrying out certain Presidential programs such as the minority enterprise program. Minority Business Opportunity Committees (MBOCs) are standing committees of each FEB. They are responsible for supporting and implementing the national programs within the Federal governmental structure, and for bringing together local heads of Government agencies so that they may improve the availability of government financing, procurement opportunities, technical advice, and other business resources.* The OMBE Field Officer serves as Executive Secretary of the MBOC under the MBOC Chairman.

A. Scope of Work

MBOCs are in a position to exert great leverage. The MBOC should concentrate its efforts on coordinating the Federal presence by addressing itself to the following tasks:

1. Make or continue the minority enterprise effort as a priority at the local level.
2. Assist in promoting minority enterprise programs in its area.
3. Develop, coordinate, disseminate, and exchange among Federal agencies information on the creation and growth of minority business enterprise.
4. Concentrate Government sector support on special projects, including:
 - a. Increasing minority procurement, including the following types:
 - (1) Section 8(a) of the Small Business Act
 - (2) Consultant and Software Contracting
 - (3) Construction Contracting
 - (4) Other non 8(a) Contracting of Goods and Services

* MBOCs should also work closely with the local Business Development Organizations (BDOs), described in Chapter IV of this handbook.



(5) Subcontracting

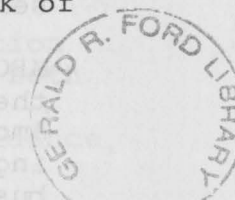
- b. Sanctioning and sponsoring deposits in minority-owned banks and savings and loan associations.
 - c. Developing Federally sponsored minority business opportunity conferences and seminars.
 - d. Encouraging participation of public and private sector organizations in local minority enterprise programs.
 - e. Coordinating Federal efforts at the local level to identify and disseminate information on the goods and services minority firms can provide.
 - f. Coordinating Federal efforts at the local level to identify and disseminate information on Federal business opportunities suitable for minority firms.
 - g. Cataloging and disseminating information on State and local assistance to foster the establishment and growth of minority business enterprises.
 - h. Sponsoring orientation and training sessions for OMBE-funded organizations in the techniques of Federal procurement and contract administration.
5. In coordination with each member agency, develop and establish minority enterprise goals for the MBOC and each member agency at the local level. Each individual agency's goals should be coordinated with its agency's national goals as presented to the Interagency Council for Minority Business Enterprise. Goals will be set for all areas of procurement, bank deposits, concessions, capital development, grants and education and training contracts. Goals for each agency shall cover all parts or divisions of the agency in the area; i.e., Department of Transportation goals will cover the Urban Mass Transportation Administration, the Federal Highway Administration, the Federal Aviation Administration, etc. Such goals can be submitted as a composite for each agency. Or, preferably, each subagency or installation could submit its own goals

which would together equal the agency's total local goals. MBOC goals should be submitted to OMB (FEB Secretariat, Office of Management and Budget, Washington, D. C. 20503) and the Regional OMBE Office, with a copy to OMBE, National Programs Division, U. S. Department of Commerce, Washington, D. C. 20230.

6. Prepare a program plan of events and activities designed to assist in the attainment of minority enterprise goals. Such events and activities may include technical and managerial assistance seminars and workshops, trade fairs and expositions, local publications, etc.
 - a. The plan must state the justification for each event and activity including dates, target populations, results expected and estimated costs, on an individual event basis.
 - b. The plan must be forwarded to the appropriate OMBE Regional Office for appropriate processing with an information copy to the SBA Regional Office. Copies should also be sent to OMB, the FEB Chairman, and the National Programs Division of OMBE in Washington.
 - c. The OMBE Regional Office will review and evaluate the plan and make recommendations to National OMBE, OMB or the MBOC relative to the plan and possible sources of funding or support from agencies.
7. Collect and analyze data on actual member agency progress toward attainment of minority enterprise goals, and disseminate that data to OMB and the Regional OMBE Office. Each member agency should report for all parts of its agency in the area.
8. Actively participate in the Minority Vendor Program (MVP) of the Small Business Administration to build and maintain a ready reference computerized bank of data on minority firms.

B. Organization of MBOC1. Recommended Structure

The FEB or FEA creates the MBOC as a standing committee and appoints the chairman. The MBOC Chairman, through the FEB or FEA, solicits membership among the heads of the various Federal agencies operating in the area.



Members are recommended to the MBOC by their own agencies or, in the case of representatives of the private sector, by the FEB Chairman, and are appointed by the MBOC Chairman. (See Organization Chart, page II-14).

2. Agency Representation

In determining agency representation on the MBOC, "agency" should not be too rigidly defined. In many cases, components of departments or bureaus should have members on the MBOC; e.g., each Army base or installation, each V.A. hospital; Federal Aviation Administration, Urban Mass Transportation Administration and Federal Highway Administration, DOT. While each agency has the prerogative of appointing its representatives, the MBOC Chairman should make every effort to obtain agency members senior enough to have an overview of the agency and authority to speak for it. Key contracting officials of local agency facilities should be made members. More than one member per agency is permissible and often desirable (e.g., it would seem appropriate that SBA would provide three members -- a procurement specialist, a financial specialist, and a minority enterprise representative). Members should be assigned to subcommittees having tasks consistent with their areas of individual expertise and responsibility.

3. Tenure of Chairman and Membership Continuity

The FEB Chairman should give strong consideration to appointing the MBOC Chairman for a period of two years. The Chairmanship should be rotated among the various agencies, with the outgoing Chairman recommending his replacement in consultation with the FEB Chairman and the MBOC Executive Secretary.

The FEB and MBOC Chairmen should encourage the local agency heads to minimize membership turnover. Frequent rotation of an agency's Committee members will impair MBOC effectiveness. Individual members should serve for a term of at least one year.

MBOC members should be briefed by the MBOC Chairman and the Executive Secretary prior to their appointment. Among other things, orientation should include a briefing by one of the local BDOs, a visit to some minority businesses, as well as developing a working knowledge of the contents of this handbook.

4. Appointment of Subcommittees

The MBOC Chairman, in consultation with the Executive Secretary, may create subcommittees and appoint a Chairman for each. Experience has shown that, in addition to the MBOC Chairman, the success of an MBOC is directly related to the caliber of the subcommittee chairmen. The number of subcommittees will depend upon the goals and scope of work established by the MBOC. In forming these subcommittees, the MBOC should identify the various Federal, State, and local government agencies whose activities, especially procurement, can have a favorable impact upon the development of minority business enterprise. These agencies should advise and assist the MBOC Chairman with membership needs and help him obtain the best representatives from each agency.

A membership subcommittee can be established to assist with this procedure. It probably should be ad hoc, and should be dissolved once the MBOC is fully manned. The Executive Secretary should be a member of this subcommittee.

5. Meetings and Executive Management

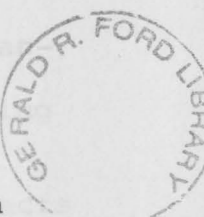
The frequency of MBOC general meetings will be determined by the Chairman. Ten or twelve per year has generally been found to be satisfactory. Subcommittees should meet as frequently as necessary to reach their goals. Two per month will keep people in communication as a rule. Minutes should be kept of each subcommittee meeting, as well as the MBOC general meetings.

In some instances the MBOC Chairman may appoint the subcommittee chairmen to act as a steering or executive committee. This is a matter of local option.

6. Role of the OMBE Field Officer

As Executive Secretary of the MBOC, the OMBE Field Officer has a unique role. He is the only Federal employee on the MBOC whose primary job is coordination of the minority business enterprise program within both the public and private sectors. The MBOC Chairman should look to him for continuity, professional guidance, information and assistance in formulating policies.

The OMBE Field Officer informs the Chairman and committee members of the various facets of the national minority business enterprise program and the continuing



role of the MBOC in executing that program. He provides liaison between the MBOC and other parts of the minority business enterprise program including local organizations under contract to OMBE.

The role of the Executive Secretary of the MBOC should require approximately 3 man-days of effort per month per MBOC. This role, however, does not include clerical responsibilities. Clerical resources must come from within the MBOC member agencies, generally from the office of the MBOC Chairman. The FEB/FEA Chairman should also provide clerical support to the MBOC, if necessary.

7. Reporting Requirements

The MBOC Chairman is responsible for submitting an annual, mid-year, and two quarterly reports to the FEB Chairman. The FEB Chairman submits the MBOC committee reports to the FEB Secretariat. In addition, copies of the reports should also be sent to the OMBE Regional Office and the Assistant Director, National Programs Division, Office of Minority Business Enterprise, U. S. Department of Commerce, Washington, D.C. 20230.

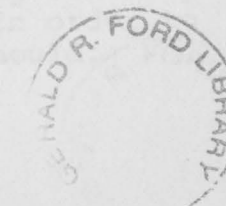
8. Subcommittee Guidelines

Each MBOC is encouraged to adopt subcommittee structures and responsibilities similar to those which follow. These may vary, of course, depending on local needs and priorities.

- a. Procurement Subcommittee. Membership should include all agencies and subagencies or facilities or installations with significant procurement budgets plus SBA which administers the 8(a) program. The MBOC should coordinate, assist and monitor the efforts of member agencies to increase Federal procurement from minority firms. The MBOC should work with OMBE-funded organizations in this regard. Specifically, the MBOC, through its member agencies, should:

- (1) Locate new minority businesses and assist them in developing their 8(a) business plans for SBA approval.
- (2) Identify and develop 8(a) procurement opportunities in conjunction with SBA Procurement Center Representatives (PCR) and small business specialists.

- (3) Assist SBA and BDOs in conjunction with SBA PCR representatives and small business specialists in identifying minority businesses having difficulty and coordinating the efforts of providing management and technical assistance.
- (4) Work with SBA in administering awarded 8(a) contracts, including the provision for management and technical assistance.
- (5) Hold periodic meetings with selected SBA and other agency contracting officers to review 8(a) general and specific problems with regard to the contracts and their execution.
- (6) Work to increase minority businessmen's share of competitive contracts, by placing them on bidders lists, explaining procurement procedures, and utilizing other methods.
- (7) Increase the amount of small purchase opportunities for minority firms.
- (8) Identify minority consulting firms and assist SBA or the agency's staff to match them with consultant requirements at the point when program personnel are developing the requirements in the field and in Washington.
- (9) Encourage MBOC members to have their agency procurement offices contact and interface with OMBE-funded organizations (see pages IV-1, 2, and 3) and other Federal, State and local assistance groups so these organizations may become familiar with agency procurement programs and assist in locating minority contractors.
- (10) Increase the number of minority subcontracts (pursuant to the Federal Procurement Regulations covering them, Chapter I. Federal Procurement Regulations Title 41 - Public Contracts and Property Management) by first checking the SBA Minority Vendor Program resources through the nearest SBA district office and then:



- Identifying other prime contractors to whom the Federal Procurement Regulations on minority subcontracting apply.
- Making contacts and working closely with agency contracting officers.
- Sponsoring and conducting seminars for prime contractors to explain the regulations and match opportunities with minority capabilities.

b. Construction Contracting Subcommittee. Membership should include all agencies, subagencies, facilities and installations with significant construction (general, repair, rehab, trades) requirements.

The Construction Contracting Subcommittee should, in conjunction with SBA and OMBE-funded organizations, seek to promote increased participation of minority construction contractors in Federal and Federally assisted projects. Its task is to coordinate and monitor member agencies' efforts to do the following:

- (1) Identify minority construction contractors and contracting opportunities.
- (2) Provide all forms of capital assistance, including loans, guarantees, and grants.
- (3) Obtain surety bonds and develop streamlined procedures.
- (4) Provide management and technical assistance to the contractor.
- (5) Provide funds and technical support for training programs designed to upgrade the skills of the contractor and/or minority job seekers who will constitute his labor force.
- (6) Encourage the division of contracts into segments small enough to be within minority capabilities, if appropriate.

- (7) Foster the formation of consortia or joint ventures which include minority firms for contracts too large for any single minority entrepreneur to perform by himself but which can be performed jointly or on a subcontractual basis by various firms.

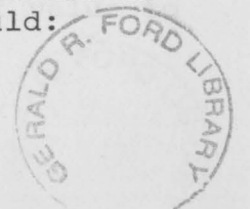
c. Concessions Subcommittee. Membership should include all property management agencies, sub-agencies, facilities and installations, as well as the Federal Aviation Administration and other agencies which make grants to property management facilities. Representatives from local Federally assisted airports, mass transit operators and parks should be invited to join the MBOC.

The Concessions Subcommittee's tasks include:

- (1) Promote and coordinate the identification of potential locations for concessions by Federal, State and local governmental agencies.
- (2) Encourage the conduct of feasibility studies for concessions in order to develop business plans and projections.
- (3) Assist in identifying, along with BDOs and SBA, potential concessionaires.
- (4) Assure that new and existing concessionaires receive all needed management and technical assistance.

d. Capital Development Subcommittee. Membership should include all agencies, subagencies, facilities and installations with capital development programs or with capital resources available for deposit in minority banks or other assistance to minority businessmen.

Because there are so few minority financial institutions, the bulk of minority development capital must come from the established financial community. The Federal presence at the local level can encourage the expansion of deposit programs, the strengthening of existing minority banks and the creation of new ones. In order to attain these ends, the subcommittee should:



- (1) Encourage the deposit of Federal, State, and local funds in minority banks and those established banks that support the national minority enterprise program.
- (2) Promote the capital development program in all communities, particularly with larger prime contractors.
- (3) Facilitate the development and use of Federal and other capital resource and assistance programs (e.g., State and local business loan programs, bonding, MESBICs, etc.).

e. Data and Publications Subcommittee. Membership should include all major procurement agencies and subagencies, and SBA.

The Data and Publications Subcommittee should:

- (1) Develop or update a directory of local minority businesses in conjunction with resources available through SBA's Minority Vendor Programs and local OMBE-funded organizations. This directory should be descriptive enough for government contracting officers to integrate it into their regular and 8(a) source lists.
- (2) Disseminate the directory to all Federal, State and local government agencies having procurement functions. Close liaison should be maintained with each agency's 8(a) Project Monitor and the local SBA office.
- (3) Consolidate into a directory of Federal procurement activities each agency's annual listings of purchases for the fiscal year. The directory should be distributed to the Regional OMBE Office, the OMBE/Washington Information Division, to local action agencies, and to the MBOC Procurement Subcommittee. Minority contractors should be able to review it at a convenient location, such as the BDO office.

- (4) Develop a catalog of State and local assistance programs and update it regularly. The MBOC should undertake this task only if no State OMBE or other state or city agency is doing so. MBOCs should first encourage State or local officials to develop such catalogs. The catalog should contain listings and pertinent data on:

- Capital assistance
- Management and technical assistance
- Business Education and Training
- Surety bonding

- (5) Distribute monthly newsletter containing data on the local minority business enterprise programs to all minority businesses, the Federal, State and local agencies, and to community action agencies. Copies also should be sent to the Regional OMBE Office and the OMBE Public Affairs Office in Washington.

- (6) Collect data on a quarterly basis on member agency minority enterprise performance. Standard OMBE goals/actual performance form (Minority Business Program Data Form, Form MBE 91) should be utilized for this purpose. Analyze and provide feedback to agencies on actual performance compared to goals set for the Fiscal Year. Work in conjunction with the MBOC Procurement Subcommittee on this task.

f. Education and Training Subcommittee. Membership should include all agencies and subagencies with education and training programs, funds, or facilities.

Education and training play vital roles in the development of successful business enterprises. The Education and Training Subcommittee can make an inventory of local, public and quasi-public resources such as universities and colleges, adult education courses sponsored by community organizations, etc. Frequently, such organizations are already offering programs and courses of value to



the minority entrepreneur. If not, they may be able to establish such programs. The Education and Training Subcommittee, in coordination with SBA, BDOs, and other OMBE-funded organizations such as Business Resource Centers, should also seek to utilize the resource capability of Federal agencies by:

- (1) Offering seminars on the Federal procurement and contract administration process, as well as other government and private marketing/sales techniques and procedures. This to be done in conjunction with the Procurement Subcommittee.
- (2) Offering seminars on special subjects such as accounting, estimating, inventory control, personnel management, etc., using qualified agency personnel and private sector representatives as the faculty.

g. Public Relations Subcommittee. Membership on this committee can vary substantially. It should include those with significant public relations or outreach capabilities, facilities and knowhow.

This subcommittee can inform the local community about MBOC activities by:

- (1) Working with the MBOC subcommittees and the chairman to publicize newsworthy items. Information on such items should also be sent to the OMBE Public Affairs Office in Washington.
- (2) Establishing close liaison with Federal, State and local public information offices.
- (3) Enlisting the support of the private and public news media. This should include public service radio and TV spots aimed at the general community.
- (4) Helping insure maximum attendance at seminars, training meetings, etc., which are sponsored by other subcommittees.
- (5) Maintaining close liaison with OMBE-funded organizations and other minority business community groups.

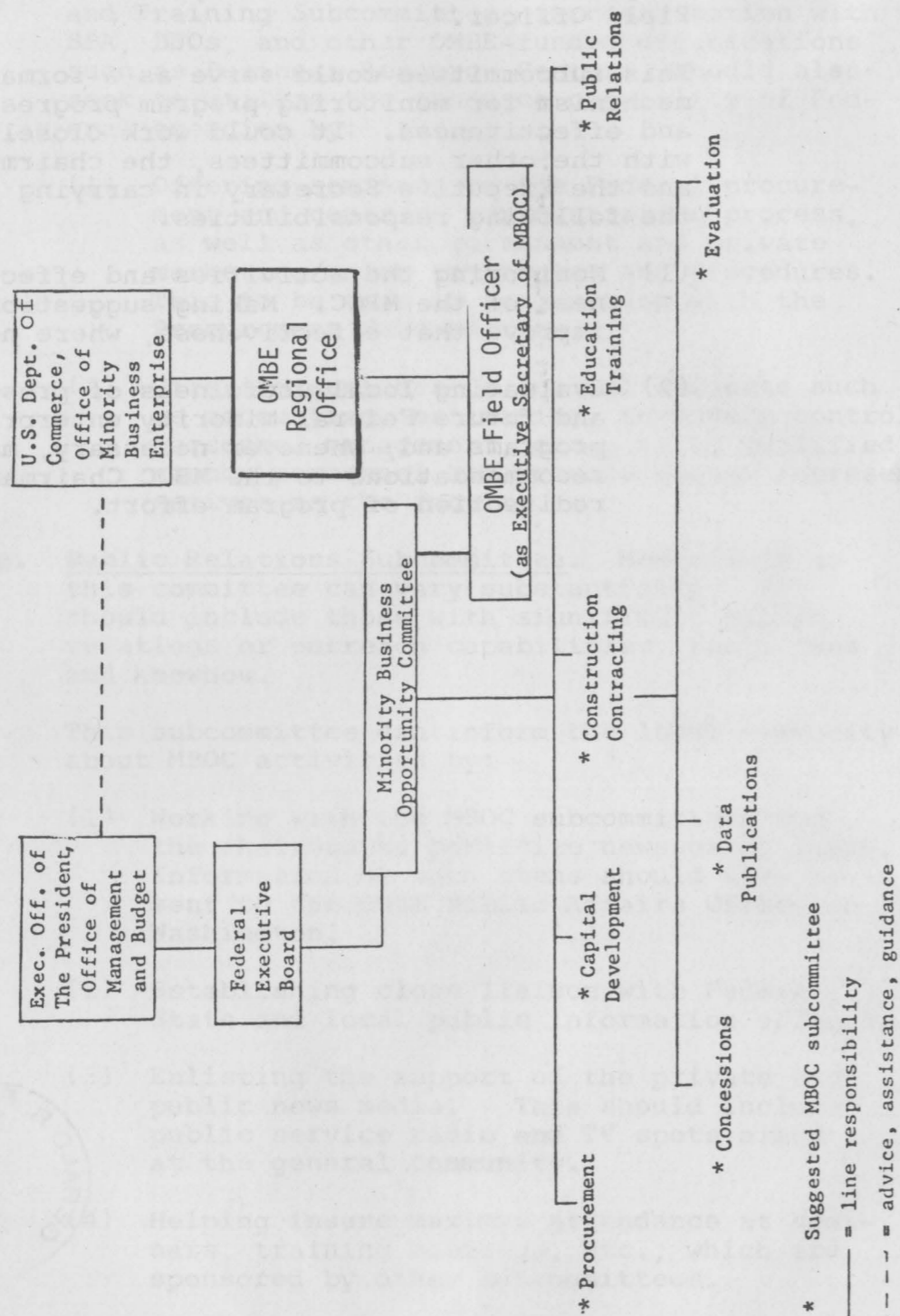
h. Evaluation Subcommittee. Membership can vary, but should include SBA, and the OMBE Field Officer.

This subcommittee could serve as a formal mechanism for monitoring program progress and effectiveness. It could work closely with the other subcommittees, the chairmen, and the Executive Secretary in carrying out the following responsibilities:

- (1) Monitoring the activities and effectiveness of the MBOC. Making suggestions to improve that effectiveness, where necessary.
- (2) Evaluating local usefulness of present and future Federal minority enterprise programs and, whenever necessary, making recommendations to the MBOC Chairman for redirection of program effort.



MBOC
ORGANIZATION CHART
(With Suggested Subcommittees)



Chapter III. Projects and Programs for
MBOC Subcommittees: Technical Approaches

A. Use of Goals

If progress in the minority enterprise program is to be measurable, then realistic goals must be set. These goals are determined by each MBOC after considering such local factors as agency budgets, procurement authority, and activity, and the availability of minority resources. Goals should be established at the subcommittee level. The MBOC Chairman should then examine them for realism.

Goals should be quantified in order to make results easier to measure. Procurement goals can be set in terms of number of contracts, number of contractors, dollar amounts, and percentage of total procurements. New venture development goals can be stated in number of new businesses, their capitalization, their percentage of financing by source, and their sizes. Federal bank deposits, business concessions, and training programs are also examples of areas in which goals can be quantified.

But in all cases, it is important to remember that minority business development is a long-term process. Evaluation must include not only how many new enterprises were assisted in getting started, but also how successfully they are operating after the initial assistance is provided.

B. SBA Section 8(a) Procurement Program

The MBOC may request commitment of specific procurement opportunities for supplies, services, and construction from each member agency. The MBOC should then encourage each agency to locate minority firms capable of meeting the requirements. 8(a) contract negotiation should be coordinated by each MBOC member agency with the selected minority firm in consultation with the local SBA representative and in accordance with SBA procedures. A follow-up procedure for approval of the firm and of the negotiations and contract execution should be pursued. In-house management and technical assistance should be rendered to the 8(a) contractor whenever it is needed during the approval stage as well as during the contract performance period.

Experience has shown that an 8(a) procurement is most easily accomplished if it is identified at the requirement level and diverted into 8(a) status before it gets into regular procurement channels. This function is the responsibility of



the "8(a) Monitors" in each agency's procurement office. Difficulty here often stems from the user's reluctance to risk his requirement (which he typically sees as "highest priority") to an unknown or untried minority firm.

The MBOC member can help solve this problem in his own agency by encouraging capability reviews, technical conferences, and other actions aimed at bringing the user and the minority vendor together. Another approach involves a review of procurements for the prior year and identification of recurring requirements. These requirements can then be checked to see if they would be appropriate for 8(a) contracts and matched against local minority capabilities. This can provide as much as one year's lead time to work out successful minority contract awards.

In order to increase the number of minority businesses certified by SBA for the 8(a) program, the MBOC should take positive steps to assist SBA in the refinement of the certification process. The MBOC can build the credibility of the 8(a) process by using it and by informing potential participants of the available opportunities.

C. Small Purchases Procurement

On a periodic basis, agencies may identify procurement opportunities of \$2,500 (\$2,000 for construction contracts) or less to local BDOs. Over a year these can add up to significant dollar amounts for minority business. The MBOC Procurement Subcommittee can, by using a source list, bring BDOs and their clients and the appropriate Government contracting officers together. Contracting officers should be directed to solicit minority firms whenever there is existing minority contractor capability, in accordance with recent Federal procurement regulations.

D. Minority Business Opportunity Seminars

Carefully planned and well run MBO seminars should be encouraged. Because an essential element of the planning is to obtain specific 8(a) contracts, participating agencies which provide procurement opportunities to the seminar should then follow up on them. Too often in the past, minority businessmen have expected contracts to result from seminars and have been disappointed.

In cities where seminars are held, the MBOC should also be responsible for following up on any needs and problems that are identified.

Before any MBO seminar is held in a given area, OMBE must insure that there is adequate coordination with the local SBA, GSA, BDO, and MBOC. For further information on planning local procurement conferences, contact the OMBE Regional Office in which the MBOC is located.

MBOCs shall also consider participating in Department of Commerce Business Opportunity Seminars which are periodically held in cities throughout the country. These seminars are open to all businessmen and focus on Federal contracting opportunities and export opportunities. MBOCs could help insure that minority businessmen participate in these seminars.

E. Business Opportunities on Federal Installations

Military bases and other Federal establishments, as well as airports and national or state parks, may be surveyed for potential concessions, and the Concessions Subcommittee should request BDOs to seek out minority businessmen as concessionaires. As of May 1974, 75 business concessions on Federal property were operating across the country. Other potential concession sites have been identified. Examples are Indian gift shops, barber shops, boutiques, florists, travel agencies, and candy stores. Emphasis should be placed on higher volume/higher profit concessions such as cafeterias.

F. Commitments of Volunteer Personnel for Technical Assistance

An MBOC may assist local organizations in developing a technical assistance pool composed of individual Federal employee volunteers such as government auditors, financial specialists, lawyers, tax experts, bookkeepers, etc., who can offer experience and expertise to minority businessmen. BDOs and BRCs have direct responsibility for all such assistance.

G. Identification and Survey of Minority Firms

OMBE will work with any MBOC to develop a list of minority firms so that, particularly in the case of sole source procurement, contracting officers will have a ready source of information. In addition, an MBOC can help improve existing directories of minority businesses in the city where it is located.



Minority businesses can be located through various sources: the local SBA office, BDOs, State or local OMBEs, churches, established businesses with minority suppliers, Chambers of Commerce, local minority leaders, social and fraternal organizations, and Federal, State and local purchasing offices. The local press might be persuaded to publish a story encouraging minority businessmen to register with the MBOC. Before expending any major effort on directories, contact the Director of the OMBE Regional Office in which the MBOC is located to assure that an updated directory does not already exist.

H. Case Experience

Periodic interagency forums may be held on experiences with individual cases, particularly processing problems and coordination efforts. Outstanding examples should be written up both for local use and for OMBE and other agencies at the national level. Such reports should be included in the MBOC Chairman's periodic reports.

I. Briefings and Conferences for Business Development Organizations (BDOs)

BDOs need to know what the MBOC and its member agencies are doing. In addition to general briefings, there is often a need for orientation to specific agency programs and procedures. Such programs could also be adopted to assist in training minority businessmen.

J. Minority Speakers

Minority community speakers at MBOC meetings can offer members many insights. Presentations may vary from specific briefings by BDOs on their role and function to more general discussions of community problems and interests. The MBOC Chairman may consider holding an MBOC meeting in a local BDO office or business development organization to facilitate such communication.

K. Liaison with Private Sector

If a community has developed its own programs to encourage minority enterprise, the MBOC should find out about them and make every effort to support them. While the MBOC is not directly involved with private sector activities, as BDOs and BRCs are, it often can assist private sector activities and solicit participation of the private sector in MBOC activities.

L. Collaboration among Government Officials

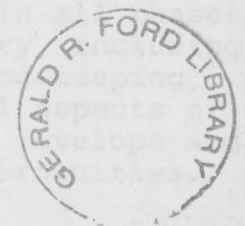
It is important that the MBOC as a unit, as well as individual members, stay in contact with city and State officials, especially those with responsibility for local economic development, procurement, education and training activities. In some areas, representatives of local and State governments have been invited to join the MBOC.

M. Construction Services by Assistance Centers (CCACs)

These are, for the most part, OMBE-funded organizations which provide management and technical assistance and monitor the operations of minority construction contractors to enable them to acquire bonding, financing, and other resources and assistance needed to compete effectively. They are similar to BDOs, but their clients are construction contractors.

With a board of directors and staff assigned to the construction industry, CCACs work closely with the local office of Federal agencies engaged in construction activities, such as HUD, DOT, VA, IFA and EPA. In addition to State or municipal agencies that regulate construction activities, CCACs maintain close relationships with surety companies, insurance companies, commercial banks, and others whose approval and support are important to every successful construction contractor (and often difficult to obtain for the minority contractor).

The staff of a CCAC provide expert assistance to minority business people in the construction industry. They assist in planning and estimating, bonding, bidding, financing, labor and job management and training, and other aspects of the construction process. A CCAC also provides up-to-date information on contract opportunities.



Chapter IV. Additional Minority Enterprise Efforts

At the local level there exists a variety of organizations involved in fostering minority business enterprise. In order to maximize efforts and results, the MBOC should be aware of their activities and work closely with them.

A. Business Development Organizations (BDOs)

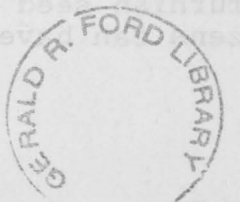
Most BDOs are OMBE-funded, minority business-oriented management consulting firms, which render management and technical assistance. They perform the "retail" casework in the minority enterprise effort. They find the business opportunities and entrepreneur, and they work with public and private agencies like OMBE, MBOCs, State OMBEs, and the Business Resource Centers (BRCs) described below. BDOs screen clients, develop business plans and packages for new businesses and expansions, find sources of financing, direct clients to procurement opportunities and management training, if needed, and provide technical assistance. In some communities, there are BDO-type organizations which receive support from sources other than OMBE (e.g., Model Cities, OEO, private foundations). The MBOC should work with all such organizations.

B. Construction Contractor Assistance Centers (CCACs)

These are, for the most part, OMBE-funded organizations which provide management and technical assistance and monitor the operations of minority construction contractors to enable them to acquire bonding, financing, and other resources and assistance needed to compete effectively. They are similar to BDOs, but limit their clientele to construction contractors.

With a board of directors and staff oriented to the construction industry, CCACs work closely with the local offices of Federal agencies engaged in construction activity, such as GSA, HUD, DOT, VA, SBA and EPA. In addition to State or municipal agencies that regulate construction activities, CCACs maintain close relationships with surety companies, insurance companies, commercial banks, and others whose approval and support are important to every successful construction contractor (and often difficult to obtain for the minority contractor).

The staff of a CCAC provides expert assistance in all phases of business peculiar to the construction industry, including planning and estimating, bidding, bonding, record-keeping, labor and job management and training, and legal aspects of joint ventures and subcontracting. A CCAC also develops and provides up-to-date information on contract opportunities.



CCACs usually assist only actively operating contractors. Aspiring contractors are handled by BDOs during their period of formation.

C. Consultant Services Program (CSP)

This program utilizes OMBE-funded business-oriented management consultants to provide management services and technical assistance, on an intense and highly specialized basis, to established minority businesses with annual gross receipts in excess of \$150,000, or an extremely high growth potential.

D. Business Resource Centers (BRCs)

BRCs are funded by OMBE and operate at the "wholesale" level. They are sponsored by local prominent business leaders to mobilize, coordinate, and deploy the resources of established businesses in support of minority business development. In the promotion of investment, BRCs assure that equity capital is available by supporting the creation of Minority Enterprise Small Business Investment Companies (MESBICs--described below). They also stimulate venture capital by maintaining contact with commercial banks and encouraging formal minority lending programs, and by establishing contact with industrial finance companies, insurance companies, mortgage brokers, investment bankers, bonding companies, and other sources of capital or credit.

In its marketing promotion, BRCs seek greater sales opportunities through corporate commitments to buy goods and services from minority vendors. BRCs therefore support the development of viable commercial centers and industrial sites. At the request of sponsors, such as BDOs, BRCs provide information on such business opportunities as dealerships, franchises, new business situations, transfers, spinoffs, and joint ventures. BRCs maintain a staff of full-time professional management consultants to answer requests for management services and technical assistance.

E. Minority Enterprise Small Business Investment Companies (MESBICs)

MESBICs are private investment corporations that specialize in providing long-term capital and management assistance to minority businesses. Individual MESBICs are licensed by SBA. Each MESBIC has the capacity for substantial financial leverage because of its ability to produce up to fifteen times its capital investment from both SBA and bank loans. This ability to furnish seed capital and managerial assistance to minority citizens can have great impact.

F. State Offices of Minority Business Enterprise (State OMBEs)

A State Office of Minority Business Enterprise is an agency of the State government, funded by OMBE, charged with the mobilization and coordination of resources of State programs and the State administrative structure for the development of minority business within the State.

The primary concern of the State OMBE is the development of procurement opportunities for minority entrepreneurs from State agencies and departments.

Another major role of the State OMBE is to strengthen the skills and capabilities of minority entrepreneurs through the utilization of the State educational system for needed education and training in business and management skills.



FOR RELEASE AT 12:00 NOON, EDT

Office of the White House Press Secretary

THE WHITE HOUSE

EXECUTIVE ORDER
11625

PRESCRIBING ADDITIONAL ARRANGEMENTS FOR DEVELOPING
AND COORDINATING A NATIONAL PROGRAM FOR
MINORITY BUSINESS ENTERPRISE

The opportunity for full participation in our free enterprise system by socially and economically disadvantaged persons is essential if we are to obtain social and economic justice for such persons and improve the functioning of our national economy.

The Office of Minority Business Enterprise, established in 1969, greatly facilitated the strengthening and expansion of our minority enterprise program. In order to take full advantage of resources and opportunities in the minority enterprise field, we now must build on this foundation. One important way of improving our efforts is by clarifying the authority of the Secretary of Commerce (a) to implement Federal policy in support of the minority business enterprise program; (b) provide additional technical and management assistance to disadvantaged businesses; (c) to assist in demonstration projects; and (d) to coordinate the participation of all Federal departments and agencies in an increased minority enterprise effort.

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

Section 1. Functions of the Secretary of Commerce. (a) The Secretary of Commerce (hereinafter referred to as "the Secretary") shall --

- (1) Coordinate as consistent with law the plans, programs, and operations of the Federal Government which affect or may contribute to the establishment, preservation, and strengthening of minority business enterprise.
- (2) Promote the mobilization of activities and resources of State and local governments, businesses and trade associations, universities, foundations, professional organizations, and volunteer and other groups towards the growth of minority business enterprises, and facilitate the coordination of the efforts of these groups with those of Federal departments and agencies.

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(3) Establish a center for the development, collection, summarization, and dissemination of information that will be helpful to persons and organizations throughout the Nation in undertaking or promoting the establishment and successful operation of minority business enterprise.

(4) Within constraints of law and appropriations therefor, and according to his discretion, provide financial assistance to public and private organizations so that they may render technical and management assistance to minority business enterprises, and defray all or part of the costs of pilot or demonstration projects conducted by public or private agencies or organizations which are designed to overcome the special problems of minority business enterprises or otherwise to further the purposes of this order.

(b) The Secretary, as he deems necessary or appropriate to enable him to better fulfill the responsibilities vested in him by subsection (a), may --

(1) With the participation of other Federal departments and agencies as appropriate, develop comprehensive plans and specific program goals for the minority enterprise program; establish regular performance monitoring and reporting systems to assure that goals are being achieved; and evaluate the impact of Federal support in achieving the objectives established by this order.

(2) Require a coordinated review of all proposed Federal training and technical assistance activities in direct support of the minority enterprise program to assure consistency with program goals and to avoid duplication.

(3) Convene, for purposes of coordination, meetings of the heads of such departments and agencies, or their designees, whose programs and activities may affect or contribute to the purposes of this order.

(4) Convene business leaders, educators, and other representatives of the private sector who are engaged in assisting the development of minority business enterprise or who could contribute to its development, for the purpose of proposing, evaluating and coordinating governmental and private activities in furtherance of the objectives of this order.

(5) Confer with and advise officials of State and local governments.

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(6) Provide the managerial and organizational framework through which joint or collaborative undertakings with Federal departments or agencies or private organizations can be planned and implemented.

(7) Recommend appropriate legislative or executive actions.

Sec. 2. Advisory Council for Minority Enterprise. (a) The Advisory Council for Minority Enterprise (hereinafter referred to as "the Council"), established by Executive Order No. 11458 of March 5, 1969, shall continue in existence under the terms of this order.

(b) The Council shall be composed of members appointed by the President from among persons, including members of minority groups and representatives from minority business enterprises, who are knowledgeable in this field and who are dedicated to the purposes of this order. The members shall serve for a term of two years and may be reappointed.

(c) The President shall designate one of the members of the Council as the Chairman of the Council.

(d) The Council shall meet at the call of the Secretary.

(e) The Council shall be advisory to the Secretary in which capacity it shall --

(1) Serve as a source of knowledge and information on developments in different fields and segments of our economic and social life which affect minority business enterprise.

(2) Keep abreast of plans, programs, and activities in the public and private sectors which relate to minority business enterprise, and advise the Secretary on any measures to better achieve the objectives of this order.

(3) Consider, and advise the Secretary, and such officials as he may designate, on problems and matters referred to the Council.

(f) For the purposes of Executive Order No. 11007 of February 26, 1962, the Council shall be deemed to have been formed by the Secretary.

(g) Members of the Council shall be entitled to receive travel and expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5701-5708) for persons in the Government service employed intermittently.

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(h) The Secretary shall arrange for administrative support of the Council to the extent necessary, including use of any gifts or bequests accepted by the Department of Commerce pursuant to law.

Sec. 3. Responsibilities of Other Federal Departments and Agencies. (a) The head of each Federal department and agency, or a representative designated by him, when and in the manner so requested by the Secretary, shall furnish information, assistance, and reports to, and shall otherwise cooperate with, the Secretary in the performance of his functions hereunder.

(b) The head of each Federal department or agency shall, when so requested by the Secretary, designate his Under Secretary or such other similar official to have primary and continuing responsibility for the participation and cooperation of that department or agency in matters concerning minority business enterprise.

(c) The officials designated under the preceding paragraph, when so requested, shall review and report to the Secretary upon the policies and programs of the minority business enterprise program, and shall keep the Secretary informed of all proposed budgets, plans and programs of his department or agency affecting minority business enterprise.

(d) The head of each Federal department or agency, or a representative designated by him, shall, to the extent provided under regulations issued by the Secretary after consultation with the official designated in paragraph (b) above, report to the Secretary on any activity that falls within the scope of the minority business enterprise program as defined herein and in those regulations.

(e) Each Federal department or agency shall, within constraints of law and appropriations therefor, continue all current efforts to foster and promote minority business enterprises and to support the program herein set forth, and shall cooperate with the Secretary of Commerce in increasing the total Federal effort.

Sec. 4. Reports. The Secretary shall, not later than 120 days after the close of each fiscal year, submit to the President a full report of his activities hereunder during the previous fiscal year. Further, the Secretary shall, from time to time, submit to the President his recommendations for legislation or other action as he deems desirable to promote the purposes of this order. Each Federal department or agency shall report to the Secretary as hereinabove provided on a timely basis so that

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the Secretary may consider such reports for his report and recommendations to the President. Each Federal department or agency shall develop and implement systematic data collection processes which will provide to the Office of Minority Business Enterprise Information Center current data helpful in evaluating and promoting the efforts herein described.

Sec. 5. Policies and Standards. The Secretary may establish such policies, standards, definitions, criteria, and procedures to govern the implementation, interpretation, and application of this order, and generally perform such functions and take such steps as he may deem to be necessary or appropriate to achieve the purposes and carry out the provisions hereof.

Sec. 6. Definitions. For purposes of this order, the following definitions shall apply:

(a) "Minority business enterprise" means a business enterprise that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, Negroes, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos, and Aleuts.

(b) "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands.

Sec. 7. Construction. Nothing in this order shall be construed as subjecting any function vested in, or assigned pursuant to law to, any Federal department or agency or head thereof to the authority of any other agency or office exclusively, or as abrogating or restricting any such function in any manner.

Sec. 8. Prior Executive Order. Executive Order No. 11458 of March 5, 1969, is hereby superseded.

RICHARD NIXON

THE WHITE HOUSE,

October 13, 1971.



MINORITY BUSINESS OPPORTUNITY COMMITTEES (MBOCs)
AND THEIR CHAIRMEN

(List of current MBOC Chairmen in preparation.
It will be distributed to all FEBs/FEAs at a later date).

MBOC Cities

- Albuquerque
- *Anchorage
- Atlanta
- Baltimore
- *Birmingham
- Boston
- Buffalo
- Chicago
- Cincinnati
- Cleveland
- Dallas
- Denver
- Detroit
- Honolulu
- *Houston
- Kansas City
- *Little Rock
- Los Angeles
- *Memphis
- Miami
- *Milwaukee
- Minneapolis
- *Nashville
- Newark
- New Orleans
- New York
- Philadelphia
- *Phoenix
- Pittsburgh
- Portland
- *Richmond
- *San Antonio
- San Francisco
- Seattle
- St. Louis

*FEA city

