

### 8. *Laws and regulations*

The DOD program of assisting labor surplus areas and industries (now referred to as areas of substantial unemployment) is conducted under the authority of Defense Manpower Policy No. 4, and the Armed Services Procurement Regulation 1-800. There is a limitation on procurement agencies, including the Department of Defense, contained in paragraph 4(b)(1) of DMP No. 4 which states that in no case will price differentials be paid for the purpose of carrying out this policy. This provision stems from section 623 of the DOD Appropriation Act (Public Law 89-213, dated Sept. 29, 1965), which section has been in the annual DOD Appropriation Act since 1954.

## PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

### 9. *Economic effects.*

Not answered.

### 10. *Economic classification of program expenditures*

As indicated earlier the large number of variables preclude long-range projections, but the program is expected to continue at the 1965 level.

## PROCUREMENT ACTIVITIES DESIGNED TO ASSIST SMALL BUSINESS

### PART I. DESCRIPTION OF THE PROGRAM

#### 1. *Objectives*

The program is designed to afford small business every opportunity to compete for prime and subcontract awards, and breaks down into six subprogram activities consisting of—

- (a) Source development and utilization.
- (b) Preference.
- (c) Subcontracting.
- (d) Procurement clinics.
- (e) Counsel and assistance.
- (f) Special projects.

#### 2. *Operation*

It is a wholly Federal operation working through small business specialists assigned to designated offices in the procurement organizations. The specialists assist small business by actively searching for new sources; including in military bidders' mailing lists the names of established and potential small business suppliers; assuring that bids are solicited from a proportionate number of small firms in all cases where the entire bidders' list is not being solicited; by reviewing procurement plans to assure that procurements are divided in reasonably small, economically sound production lots; seeing that sufficient time is allowed for the preparation and submission of bids, and the establishment of favorable delivery schedules, specifications and other provisions consistent with military requirements; to the maximum possible extent, assuring that opportunities for the submission of bids for quantities less than the total procurement requirement; screening every proposed procurement to set aside all or part of such procurements for bidding solely by small business firms, where awards could be made to responsible small business firms at reasonable prices; and like activities within the aforementioned six subprograms.