

**U.S. ENVIRONMENTAL PROTECTION AGENCY
RURAL AREA BUSINESS ENTERPRISE DEVELOPMENT PLAN
FINANCIAL ASSISTANCE PROGRAM**

I. GENERAL INFORMATION

- A. This Plan sets forth the manner in which the Environmental Protection Agency proposes to implement the requirements of Section 129 of Public Law 100-590.
- B. This document is intended to serve as a plan at this time. At such time as the Plan is implemented into the formal guidance, (Guidance for Utilization of Small, Minority and Women's Business Enterprise in Procurement. Under Assistance Agreements - 6010) the Plan shall become a required element of all grants and cooperative agreements issued by the Agency.
- C. The Office of Small and Disadvantaged Business Utilization (OSDBU) is responsible for developing policy and providing procedural guidance for the utilization of small businesses under the Agency's financial assistance programs.

II. AUTHORITY. Section 129 of Public Law 100-590 dated November 3, 1988, the Small Business Administration Reauthorization and Amendment Act of 1988, requires agencies with substantial procurement or grant-making authority to establish a Rural Area Business Enterprise Development Plan. The Administrator of the Small Business Administration has identified the Environmental Protection Agency (EPA) as a Federal agency having substantial procurement and grant-making authority.

III. POLICY. It is EPA policy that recipients of EPA financial assistance awards utilize the services of small businesses in rural areas (SBRAs), to the maximum extent practicable. The objective is to assure that such small business entities are afforded the maximum practical opportunity to participate as subcontractors, suppliers and otherwise in EPA-awarded financial assistance programs. This policy applies to all contracts and subcontracts for supplies, construction and services under EPA grants or cooperative agreements. Small purchases are also subject to this policy.

IV. OBJECTIVE. The objective of the Rural Area Business Enterprise Development Plan is to encourage recipients and their prime contractors to seek out SBRAs as subcontractors to the maximum extent possible. Further, an objective of this Plan is to initiate EPA action that will lead to full implementation of EPA'S SBRA policy.

V. REPORTING. Formal reporting requirements were not set forth in P.L. 100-590 for the utilization of SBRA. However, Congress intended some measure of accountability. Therefore, "good faith" efforts will be monitored by the Agency through ongoing management reviews.

VI. DEFINITIONS. The following definitions are used in this plan. The definitions as cited herein are for the use of grant-making personnel to assure consistency.

- A. **Small Business.** A small business is any business concern meeting the criteria of a small business concern as defined by the Small Business Administration, i.e., a profit-making concern, including its affiliates, which is independently owned and operated, and not dominant in its field of operations, and qualified as a small business under the criteria and size standards set forth in 13 CFR 121.2.
- B. **Small Business in a Rural Area.** A small business in a rural area (SBRA), is a business entity meeting the definition of a small business, and is located and conducts its principal operations in a geographic area (county or parish) listed in the Small Business Administration's Listing of Non-Metropolitan Counties by State.
- C. **Rural Areas.** The U.S. Department of Agriculture had developed in 1980, a Rural-Urban Continuum Code Classification. The classification code applies to every county in the United States. The classification developed indicates whether a non-metropolitan county is adjacent to a metropolitan county. Counties with a code of 4 through 9 are identified as non-metropolitan counties. However EPA has elected to use only codes 6 through 9 as rural counties for purposes of identifying counties qualified as rural. The Rural-Urban Continuum Code Classification is attached for your information.
- D. **Plan.** A proposed program of action for the utilization of SBRAs is financial assistance programs. The Plan will contain, as a minimum, methods for encouraging grant recipients and their prime contractors to utilize SBRAs.
- E. **Financial Assistance.** The term financial assistance is synonymous with "grant-making" in the Act, and is meant to include any recipient of Federal support whenever the principal purpose of the relationship is the transfer of money, property, services, or anything of value to a State or local Government, or other recipient, in order to accomplish a public purpose of support or stimulation authorized by Federal Statute.

VII. THE SMALL BUSINESS IN RURAL AREAS PLAN FOR FINANCIAL ASSISTANCE PROGRAMS.

- 1. The Plan.** Our plan is to immediately develop guidance that will include, in each financial assistance agreement awarded, a requirement for the utilization of SBRAs. To comply with the SBRA requirements, the recipients of assistance awards must comply with the following affirmative steps before a contract is awarded:
 - a. placing SBRAs on solicitation lists;
 - b. making sure that SBRAs are solicited whenever they are potential sources;
 - c. dividing total requirements, when economically feasible, into small tasks to permit maximum participation by SBRAs;
 - d. establishing delivery schedules, where the requirements of work will permit, which would encourage participation by SBRAs;
 - e. using the services of the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce, as appropriate; and
 - f. requiring the contractor to take the affirmative steps in subparagraphs a. through e. of this part if subcontracts are awarded.
- 2. Special Condition.** As an interim measure, EPA will insert the following term and condition in all financial assistance awards made after the approval of this Plan:

If a contract is awarded under this assistance agreement, the recipient agrees and is required to utilize the following affirmative steps:

- a. placing SBRAs on solicitation lists;
- b. making sure that SBRAs are solicited whenever they are potential sources;
- c. dividing total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by SBRAs;
- d. establishing delivery schedules, where the requirements of work will permit, which would encourage participation by SBRAs;
- e. using the services of the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce, as appropriate; and
- f. requiring the contractor to take the affirmative steps in subparagraphs a. through e. of this part if subcontracts are awarded.

VIII. DOCUMENTATION TO PROVIDE ASSISTANCE IN OPERATING THE PLAN. The following documentation is available to assist in the operation of the SBRA Development Plan:

1. The Rural-Urban Continuum Code of 1980.
2. Listing of Non-Metropolitan Rural Counties by State.
3. SBRA Resource State Maps.
4. Listing Small Business Development Centers and Subcenters by State.
5. Listing of Small Business Institute Directors.