

STATEMENT OF WILLIAM S. HEFFELFINGER, ASSISTANT SECRETARY
FOR ADMINISTRATION, DEPARTMENT OF TRANSPORTATION, BEFORE THE
SUBCOMMITTEE ON GOVERNMENT PROCUREMENT AND INTERNATIONAL
TRADE OF THE COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES,
REGARDING THE DEPARTMENT OF TRANSPORTATION'S SMALL BUSINESS
ACTIVITIES, JUNE 30, 1976

Mr. Chairman and members of the subcommittee, I am William S. Heffelfinger, Assistant Secretary for Administration, Department of Transportation. I am pleased to appear before you today.

Many of the procurements made by the Department of Transportation are major acquisitions which do not lend themselves to small business firm awards. However, we have been active in promoting Government procurement in the small business community, and I would like to take this opportunity to present some of the accomplishments of the Department of Transportation as well as to pledge our continuing support in this worthwhile program.

We are proud to report that during the last four years the small business share of total number of awards to business firms in excess of \$2500 has risen from 62% in Fiscal Year 1972 to 72% in Fiscal Year 1975, and that the dollar value of these awards has risen from 31% in Fiscal Year 1972 to 41% in Fiscal Year 1975. The small business share of awards during FY 1975 was \$181,033,619, distributed among 5,037 awards.

Small business set asides, while still at a lower level than we would like, has also shown substantial increases both in volume and value. During this same period, Fiscal Year 1972 to Fiscal Year 1975, of all small business awards in excess of \$2500, the number of set aside awards has risen from 36% to 48%, and the value has increased from 25% to 35%. Last fiscal year (FY 1975) total set asides were 2,434 awards at a value of \$63,665,059.

The data previously furnished to this Committee reflects DOT's record with respect to awards over \$2500 to business firms. If we consider DOT's total awards to business firms, including small purchases--\$564,761 in Fiscal Year 1975, our record of awards to small businesses for that year is \$276,539,000--or 49% of the total.

Small Business has played and continues to play a vital role in supporting DOT's projects and programs. Our small business policies are spelled out in our DOT Procurement Regulations. Those procedures and regulations were coordinated with the Small Business Administration during the development of the regulations. We are in regular contact with SBA officials concerning policy matters, and our Small Business Assistance Officers in each operating administration have been encouraged to contact SBA directly.

As our record indicates, the Department encourages employees to attend small business conferences and in general to educate themselves to the needs of the small

business community. We intend to continue an aggressive program of small business awareness and at the same time maintain our lines of communication with SBA.

DOT's small business subcontracting program is based on the provisions of the Federal Procurement Regulations. The contractor agrees to accomplish the maximum amount of subcontracting to small business concerns and to assure that small business will have an equitable opportunity to compete.

Thank you for the opportunity to testify before this Committee. I will be pleased to try to answer any questions you may have.