



# Fluor Hanford Small/Disadvantaged Business Experience

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U.S. Department of Energy  
Richland Operations Office



# Small/Disadvantaged Business Experience

## Outline

- ◆ Overview of Fluor Hanford
- ◆ Fluor Hanford Mission
- ◆ Recent Small Business Experiences
- ◆ Small Business Lessons Learned
- ◆ Key Elements for Small Business Success
  - The right fit
  - “Mini” vendor forums
  - Procurement and project teamwork
  - Construction set-asides

# Small/Disadvantaged Business Experience

## Outline

### ◆ Key Elements (Continued)

- Commodity set-asides
- DOE Mentor Protégé Agreement
- Benefits of teamwork

### ◆ Opportunities for Small Businesses

### ◆ Summary

### ◆ Closing Statement

# Small/Disadvantaged Business Experience

## Overview of Hanford

- ◆ Located in southeastern Washington State
- ◆ Covers over 586 square miles
- ◆ Federally controlled and managed by the U.S. Department of Energy

## Fluor Hanford Mission

- ◆ Clean surface, vadose zone, and groundwater areas
- ◆ Facility and waste site cleanup
- ◆ Facility and waste site surveillance and maintenance
- ◆ Remediation definition and analysis
- ◆ Closure services and infrastructure

# Small/Disadvantaged Business Experience

## Recent Small Business Experiences

- ◆ **Fluor Hanford matched Small Business/Disadvantaged companies in our projects in 2006 resulting in \$74M in awards**
  - **Construction Services ~\$7M**  
On-site general-construction activities
  - **Commodities (low risk) ~\$26M**  
Office/electrical supplies, lab and safety equipment, modesty clothing, tools and general hardware, waste drums, laboratory gases, other commodities
  - **Contract Labor and Services ~\$9M**  
Staff augmentation/technical support in engineering, waste management, chemical/radiochemical analysis, other services
  - **Miscellaneous Services ~\$30M**

# Small/Disadvantaged Business Experience

## Lessons Learned

- ◆ Be honest – recruit Small Businesses with the right specific fit for our needs. Avoid shotgun approach
- ◆ Seek Small Businesses having clear and demonstrated commitment to employee and workplace safety
- ◆ Set realistic and challenging performance goals for Small Businesses with technical input from projects
- ◆ Utilize Small Business set-asides strategically
- ◆ Use Vendor Forums for matching Small Businesses with technical staff having needs for specific products or services
- ◆ Develop and maintain good partnerships

# Small/Disadvantaged Business Experience

## Key Elements for Small Business Success

- Finding the right fit
- Using “mini” vendor forums
- Fostering procurement and project teamwork
- Using Construction set-asides
- Using Commodity set-asides
- Using DOE Mentor Protégé Agreement
- Sharing in the benefits of teamwork

# Small/Disadvantaged Business Experience

## The Right Fit

- ◆ Pre-determine the Small Business capabilities needed
- ◆ Focus on Small Businesses with the resources that can respond to the needs and capabilities being sought
- ◆ Solicit information from the Small Businesses and share with our appropriate project technical staff to review and evaluate for further interest
- ◆ Provide feedback to the Small Business on results to build a trusting partnership
- ◆ Do not waste the Small Businesses' time. Be honest!!!



# Small/Disadvantaged Business Experience

## On Site “Mini” Vendor Forums

- ◆ Small Businesses may be invited to present their products or services at an on-site “mini” vendor forum for a specific product or type of service
- ◆ “Mini” vendor forum provides better exposure for Small Business with project technical staff having an actual/potential need and interest in their products or services
- ◆ “Mini” vendor forum may include other DOE Hanford prime contractors
- ◆ Results have proved more effective for determining potential need and interest in products and services of Small Businesses

# Small/Disadvantaged Business Experience

## Procurement and Project Teamwork

- ◆ The selection of the Small Business for a contract award is a team decision
- ◆ Success depends on buyers and project technical staff working together at Small Business events
- ◆ Following the contract award, the buyer and technical staff must work as a team with the Small Business to be successful
- ◆ Provide direct and prompt feedback on performance to Small Businesses and vice versa

# Small/Disadvantaged Business Experience

## Construction Set-Asides

- ◆ Fluor Hanford has placed blanket ordering agreements (BOAs) for general construction work with local small businesses licensed as general contractors
- ◆ Fluor Hanford uses these BOAs to award nearly all its general construction tasks
- ◆ Our process for award is fast, efficient, and competitive
- ◆ Fluor Hanford benefits from using local Small Businesses
  - Training cost investments pay high dividends
  - Learn/understand/implement safety program
  - Local familiarity with site and business community
  - Local economy and employment benefits

# Small/Disadvantaged Business Experience

## Commodity Set-Asides

- ◆ Fluor Hanford awards E-Commerce contracts and blanket purchase orders for high volume, low-risk commodities such as electrical supplies, hand tools, office supplies, waste drums, laboratory gases, and lab and safety products
- ◆ All E-Commerce contracts provide the value-added services of local support, quality-assurance programs, and website ordering capability with payment via purchasing card (PCard)
- ◆ E-Commerce contracts result in significant business for Small Businesses with significantly reduced procurement processing time and transaction costs

# Small/Disadvantaged Business Experience

## DOE Mentor-Protégé Agreement

- ◆ Fluor Hanford is the Mentor and the Protégé is a small, woman-owned, 8A construction firm
- ◆ Mentor provides Protégé assistance in both technical and business areas
- ◆ Builds the Protégé's customer base by strategic introductions
- ◆ Provides the Protégé with a stronger safety culture and awareness
- ◆ Awarded approximately \$3 million to Protégé since inception of agreement in 2005
- ◆ Protégé involved with other Fluor business on a large, international proposal

# Small/Disadvantaged Business Experience

## Opportunities for Small Business

FY 2007 Small Business Award Goal - \$64,750,000

1st Quarter Awards to Small Businesses - \$27,906,242

Remaining Opportunities - ~ \$37,000,000

## Commodities and Services

Office supplies/equipment

D&D services

Operation equipment/supplies

Construction services

Drums

Plutonium cleanup services

Subcontracted labor services

Fuels, maintenance repair

Real estate

IRM Services

K-Basins cleanup services

Waste-management services

# Small/Disadvantaged Business Experience

## Benefits of Teamwork

- ◆ Small Business has face time to talk “shop” with the technical staff while not getting out of compliance with procurement requirements
- ◆ Technical staff get introduced to “new blood” and become aware of, and willing to, use qualified Small Businesses
- ◆ Demonstrates our overall commitment and business strategy towards Small Businesses
- ◆ Improves communication among procurement, projects, and the Small Business community
- ◆ Reduces costs for Fluor and Small Businesses

# Small/Disadvantaged Business Experience

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# Small/Disadvantaged Business Experience

## Summary

- ◆ Recent experience has been very successful and good for business
- ◆ Lessons Learned
  - Being honest with your needs...find the right fit!
  - Utilize vendor forums effectively
  - Include “mini” on-site vendor forums in your planning
  - Build partnerships (teams) with technical staff and the Small Business
  - Use Construction, Commodity, and Service contracts for Small Business set-asides effectively
  - Establish a Mentor Protégé Agreement when opportunities exist
- ◆ Opportunities do exist for Small Businesses

# Small/Disadvantaged Business Experience

## *Closing Statement*

***Small Business subcontracting is a business strategy. Procurement and Projects must work together to make the strategy successful. Executing the strategy properly will result in performing project work cost effectively, successfully achieving Small Business subcontracting plan goals, and attaining good partnerships for the future.***

*“Doing business with Small Businesses is good business.”*