

## **Definitions:**

**Procurement** - The acquisition through purchase, lease or barter of supplies, equipment, construction or services needed to accomplish Federal assistance programs.

**Minority Business Enterprise (MBE)** - A business that is (1) at least 51 percent owned by one or more minority individuals, or, in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more minority individuals; and (2) whose daily business operations are managed and directed by one or more of the minority owners.

There is no standard definition of minority individuals used by all Federal financial assistance agencies. However, recipients shall presume that minority individuals include Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans or other groups whose members are found to be disadvantaged by the Small Business Act or by the Secretary of Commerce under Section 5 of Executive Order 11625.

**Women Business Enterprise (WBE)** - A business that is (1) at least 51 percent owned by one or more women, or, in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more women; and (2) whose daily business operations are managed and directed by one or more of the women owners.

**Note:** Business firms which are 51 percent owned by minorities or women, but are in fact managed and operated by non-minority individuals do not qualify for meeting the MBE/WBE procurement goals.

**Small Business** - Any business which meets the criteria of a small business entity as defined by the Small Business Administration (SBA); i.e. a profit making concern, including its affiliates which is independently owned and operated and not dominant in its field of operations, and qualifies as a small business under the criteria and size standards set forth in 13 CFR 121.2.

**Rural Areas** - The U.S. Department of Agriculture developed in 1980 a Rural-Urban Continuum Code Classification. The Classification Code applies to every county in the United States. Counties with a code of six through nine are identified as rural areas.

**Small Business in a Rural Area (SBRA)** - A small business entity meeting the definition of a small business (as defined above) which is located in and conducts its principle operations in a rural county coded six through nine in the Rural-Urban Continuum Code Classification.

SBRA's perform self-certification. Certification forms are in bid packages.

**Good Faith Efforts** - Whenever a subcontract goal is established, a bidder or proposer must, in order to be responsible, make good faith efforts to meet the goal. The bidder can meet this requirement in either of two ways. First, the bidder can meet the goal, by documenting commitments for participation by disadvantaged business enterprises sufficient to meet the numerical goal. Second, even if it doesn't meet the numerical goal, the bidder can document adequate good faith efforts. This means that the bidder must show that it took reasonable steps to achieve the contract goal which, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient disadvantaged business enterprise participation, even if they were unsuccessful in achieving the numerical goal.

Guidelines for preparing Good Faith Efforts documentation are included in all bid packages.