



**Department of Energy
Acquisition Regulation**

**No. AL 2023-01
Date 10/12/2022**

ACQUISITION LETTER

This Acquisition Letter is issued under the authority of the DOE and NNSA Senior Procurement Executives. It is intended for use by procurement professions of DOE and NNSA, primarily Contracting Officers, and other officials of DOE and NNSA that are involved in the acquisition process. Other parties are welcome to its information, but definitive interpretations of its effect on contracts, and related procedures, if any, may only be made by DOE and NNSA Contracting Officers.

**Subject: Increasing New Entrants From Underserved Communities and
Advancing Equity in Department of Energy (DOE) Management and
Operating (M&O) and Major Site and Facility Subcontracts**

References: DOE Equity Action Plan, issued by the Secretary on April 14, 2022
Executive Order 13985, issued by the President on January 20, 2021, "*Advancing
Racial Equity and Support for Underserved Communities Through the Federal
Government*"

When is this Acquisition Letter (AL) Effective?

This AL is effective on the date issued.

When does the AL expire?

The AL remains in effect until superseded or canceled.

Who are the Points of Contact?

For Department of Energy (DOE) questions, contact the Contract and Financial Assistance Policy Division at DOE_OAPMPolicy@hq.doe.gov.

For National Nuclear Security Administration (NNSA) acquisition and financial assistance questions, contact NNSA at (505) 845-4337.

For additional information on Acquisition Letters and other issues, visit our website at <http://energy.gov/management/acquisition-letters>.

What is the purpose of this AL?

This AL provides guidance to Heads of Contracting Activities (HCAs) and Contracting Officers (COs) on how to increase new entrants in DOE M&O and Major Site and Facility Subcontracts.

What is the background?

On April 14, 2022, the Secretary of Energy announced and issued the first-ever [DOE Equity Action Plan](#), which outlines ways the Department can advance equity and remove barriers for members of underserved communities to access DOE programs, benefits, services, or procurement opportunities. One of the top five Departmental priority actions to advance equity at the Department was to increase opportunities for new entrants in DOE acquisition.

The DOE Equity Action Plan defines new entrants as Small Disadvantaged Businesses (SDBs); Historically Black Colleges and Universities (HBCUs) and other Minority Serving Institutions (MSIs); persons with disabilities; Black, Latino, Indigenous, and Native American persons; Asian Americans, Pacific Islanders, and other persons of color; members of religious minorities; LGBTQIA+; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.¹

In furtherance of the Equity Action Plan, DOE unveiled a commitment of up to \$102 million in funding and support for HBCUs and other MSIs as foundations for world-class talent in the fields of Science, Technology, Engineering and Math (STEM). As part of this announcement, DOE also released its framework for President Biden's [Justice40 Initiative](#), which commits 40% of the benefits of Federal investments in climate and clean energy to frontline, underserved, and overburdened communities ("disadvantaged communities").

What is the Guidance?

One of the many ways to increase opportunities is through subcontracting by the M&O and Major Site and Facility contractors. HCAs and COs should work with contractors to identify existing flexibilities that are available for DOE M&O and Major Site and Facility contractors to award subcontracts to new entrants in underserved communities. Existing flexibilities may include:

- Issuing Single Source Awards to new entrants utilizing the available authorities to award contracts non-competitively to small business concerns (SBCs), including 8(a); HUBZone; Women-Owned Small Business Program; and Service-Disabled Veteran-Owned SBCs, etc.
- Exploring the use of established programs that advance equity such as Ability One.

¹ See the definition for new entrants in the DOE Equity Action Plan, Page 7.

- Using an award strategy to consider categories of new entrants for award before awarding to other entities.
- Reviewing contract provisions that might create obstacles for new entrants.
- Giving consideration to negotiating changes to subcontracting plans and incentivizing subcontracting with new entrants.

The HCAs, COs, DOE M&O contractors, DOE Major Sites and Facility contractors play a vital role in achieving the Department's success of increasing new entrants in underserved communities. Please submit any ideas to the Contract and Financial Assistance Policy Division at DOE_OAPMPolicy@hq.doe.gov to share new flexibilities that could be created utilizing the authorities of the SPE to process deviations to the federal regulations, FAR or DEAR.