

The Small Business Program



PREFACE

SMALL BUSINESS PROGRAM

CON 260B

The Department of Defense is continuously striving to improve the quality of the acquisition work force. To meet this initiative, acquisition personnel are challenged to enhance professionalism through the attainment of Defense Acquisition Workforce Improvement Act (DAWIA) certifications. But gaining and maintaining proficiency is not enough. Acquisition personnel must also improve customer focus, to better respond to the changing needs of our customers, the requiring activities, and efficiently utilize the capabilities of our industry partners.

Whether we serve a program manager, a central buying activity, or an operational base, post, camp, or station, we must always apply the principles of contracting, together with statutes, regulatory guidance, and sound business judgment. This textbook has been assembled to assist the Small Business Professional and other acquisition team members in increasing and broadening his/her knowledge, and tempering that wealth of contracting knowledge with ethical principles and sound business judgment.

January 2016

NOTE TO STUDENT

As a follow-on course to CON 260A, this course focuses on developing the skills and knowledge necessary for a small business professional. This course is also recommended for acquisition professionals who partake in matters relating to the DoD Small Business Program. Associated programs and initiatives that support the program and DoD's efforts to improve small business participation in both prime contracting and subcontracting will also be reviewed, with particular attention to the small business professional's role as a vital member of the acquisition team.

The Small Business Program is very dynamic, requiring you to remain current and involved. Your responsibilities as a Small Business Professional (SBP) are technical from an acquisition standpoint. CON 260B will address and prepare you with the technical skills. However, your job requires a great deal of human and managerial skills that go beyond the scope of CON 260B. The human skills are important because as a SBP you will have to work across a broad spectrum of organizations and many types of personalities in performing your duties. The managerial skills are important because the SBP is, in most cases, responsible to the head of the agency and as such will be involved in strategic planning and measuring performance and results.

In addition, the SBP's role is critical in that you represent the organization in dealing with the private sector. In doing so, it is important to view the small business segment of the private sector as external customers of the organization. Therefore, developing and maintaining a positive "image" is critical. In your job as a SBP, you will likely draw on these skills or be challenged to draw on these skills more than you may have in the past. As you know, creativity and thinking outside the box in developing acquisition strategies are what the SBP is all about.

Finally, you must not lose sight of the fact that as a SBP you are an acquisition professional first. You are now gaining "specialized" experience to assist you in performing your small business (SB) duties efficiently and effectively as a member of the acquisition team and advocate for small business. Although regulatory guidance exists in the form of the Federal Acquisition Regulations (FAR) and Department of Defense FAR Supplement; much of what you will learn in the next three days will be a result of your interaction with your fellow students. This course will help you understand how the Small Business Program is woven throughout the FAR /DFARS and the acquisition process in an integrated manner. This Student Guide will in essence become your "manual."

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Course Overview

Course goals

Students who successfully complete this course will be able to:

- Identify those factors that shape and govern the Small Business Program
- Identify the duties and responsibilities of the Small Business Professional and understand the manager’s relationship with other acquisition team members in successfully implementing the Small Business Program
- Participate as an active member of the acquisition team in conducting market research and developing an acquisition strategy that maximizes small business participation in both prime contracting and subcontracting
- Provide assistance to small businesses in finding prime contracting and subcontracting opportunities.

Descriptive

As a follow-on course to CON 260A, this course focuses on developing the skills and knowledge necessary for a small business specialist.

Associated programs and initiatives that support the program and DoD’s efforts to improve small business participation in both prime contracting and subcontracting will also be reviewed, with particular attention to the small business specialist’s role as a vital member of the acquisition team.

Target audience

This course is designed for acquisition professionals who have Level II certification in Contracting and who perform small business professional duties. The course is also recommended for acquisition professionals who partake in matters relating to the DoD Small Business Program and who have 2 to 4 years of acquisition experience.

This course is also recommended as an elective for other members of the acquisition workforce.

Continued on next page

Course Overview, continued

Prerequisite

DAWIA Level II Contracting certification.

Successful completion of the Distance Learning portion, CON 260A - approximately 16 hours of online training, which is open to all acquisition professionals.

Administrative Information

Student academic policies

Students are expected to follow the DAU Directive 704, Student Academic Policy.

Special needs

If a student is physically challenged and/or has special needs, please be sensitive to those needs.

Attendance policy

There may be situations where emergencies cause the student to be absent from class. The student is to advise the class leader or the instructor **prior** to absenteeism. If however, the student is absent for more than 2 classroom hours, the student will be classified as not having attended the course.

Students will be excused from attendance only for illness or other extenuating circumstances. Dental appointments, vehicle maintenance, committee meetings, and requirements of a regularly assigned job are not considered valid reasons for class absence. Students must have prior approval of the instructor for excused absences.

Students' designated duty station

While attending this course, the students' designated duty station is the classroom. All students are to be present in class during the designated hours.

Normal class day schedule

The normal daily class schedule is from 0800 to 1600 hours with a 1-hour lunch break. The schedule may vary according to lesson presentation. The normal schedule may extend to non-classroom time for student preparation assignments.

continued on next page

Administrative Information, continued

Classroom decorum	Students should: <ul style="list-style-type: none">• Be courteous and considerate• If military, observe proper military customs and courtesies• Be considerate of other classes during breaks• Help keep the classroom clean
Instructional methods	Classroom presentations are facilitated by Defense Acquisition University faculty. Instructional methods include guided discussion, practical examples and practical exercises.
Academic freedom	Each student, within the bounds of courtesy and propriety, is encouraged to freely discuss the subject matter presented.
Non-attribution	All statements made in the school forum will be treated as privileged information not to be attributed to a specific individual when outside the school forum. Case histories or examples of actual practice are for illustration and classroom discussion only and are presented strictly on a non-attribution basis.
Student responsibility	Students are expected to: <ul style="list-style-type: none">• Actively participate in class discussions• Treat all with courtesy• Complete all assignments on time
Team leader responsibility	For all exercises, each team will appoint a leader to outbrief the team's collaborative effort. For each exercise, a new leader shall be appointed on a rotational basis to ensure all members of the team actively participate.
Student evaluation of course	Evaluation and validation of the course content and presentation comes from completion of the online student course survey in Metrics that Matter.

Student Assessment

Purpose of assessments

The purpose of the assessment process is to measure the amount of learning a student has been able to achieve on each phase of the course in relation to each lesson's objectives. It also helps to identify any knowledge areas students have not mastered, and identify areas upon which a student may require additional study to pass this course.

Course assessments

The course assessment process consists of:

<u>Exercise</u>	<u>Points Possible</u>
Team Exercise 1 –Market Research	20 points
Team Exercise 2 – Acquisition Strategies	20 points
Team Exercise 3 – Certificate of Competency	20 points
Team Exercise 4 – Subcontracting Plan	20 points
Team Exercise 5 – SB Outreach	20 points
Total points:	100 points

Conditions of assessment

The following conditions will apply during the assessment process:

- Assessments will use both objective and subjective measurement techniques
 - Assessments will primarily measure student learning at the knowledge and comprehension level
 - Students may use their Student Guide and materials such as the FAR and other resources
 - Students will be provided assistance as needed
-

Pass

To pass CON 260B, the student shall:

- Obtain a cumulative score of at least 80 percent on the exercises, and
 - Meet course attendance requirements
-

Fail

A student will fail the CON 260B course for:

- Cumulative score of less than 80 percent on exercises
- Failure to attend class in accordance with DAU attendance policy
- Disruptive behavior in class
- Poor class participation

Student Assessment Plan

Learning objectives

The instructor(s) will make the students aware of course requirements by presenting all Terminal Learning Objectives (TLOs) and Enabling Learning Objectives (ELOs) and explaining the assessment process before each exercise. This will provide each student guidance on expectations and help improve individual progress towards course objectives throughout the course.

Monitoring TLOs and ELOs

Course developers have sequenced the TLOs and ELOs to lead the students through a logical progression of acquiring knowledge, practicing knowledge, and practicing performance. The instructor(s) will monitor individual student progress with relationship to TLOs and ELOs.

Instructor reinforcement

In addition to monitoring student progress, the instructor(s) will routinely assess student learning through:

- One-on-one direct questioning
 - Team exercises
 - Classroom discussion
 - Observation and feedback. Be available to students before and after scheduled class hours for one-on-one and small group assistance. Suggest additional readings and resources
-

The Small Business Program

Big Picture



Learning Objectives

- TLO** **Given an overview and historical perspective of the small business program, recognize those factors that shaped and govern the SB program.**
- ELO** Identify the major laws, Executive Orders, and other policies that define the small business program.
- ELO** Identify the functions involved in implementing the Small Business Program
- ELO** Identify the Small Business Professional's advocacy role throughout the acquisition process.
- ELO** Identify the Small Business Professional's role in implementing small business policy
- ELO** Recognize the general ethical principles to apply in the small business program
- ELO** Identify how the Small Business Professional can develop a strategic plan

Program Management: THE BIG PICTURE

Every year, the Department of Defense (DoD) obligates billions of dollars on research, supplies and services. This represents a substantial commitment in resources in terms of personnel, as well as in dollars because each acquisition must go through a pre-solicitation, solicitation, evaluation and award, and post award process. The acquisition team, which includes the Small Business Program Professional, is responsible for ensuring this process is executed in the most efficient and cost-effective manner. The responsibility of the Small Business Program Manager covers three (3) broad functions: National Policy Implementation, Acquisition Advocacy, and Program Management. The term “Small Business Program Professional” refers to the individual responsible for these functions and covers the full range of positions identified in DoD Directive 4205.01, FAR 19.201, and DFARS/PGI 219.201. Other position titles for this individual may include Small Business Specialist, Assistant Director, Associate Director, and Director of Small Business Programs.

DoD’s Better Buying Power Initiative calls for increased small business participation as a means to deliver better value to the taxpayer and warfighter by improving the way the Department does business.

National Policy Implementation

The Small Business Program Manager has a very important and unique role in public administration. He/she, on behalf of the appointing authority, is responsible for overseeing the government’s policy to provide maximum practicable prime and subcontracting opportunities to all categories of small businesses consistent with efficient contract performance.

To effectively implement this role in support of small business, the small business program Professional must clearly understand the authority and responsibilities. These two elements of the program are clearly specified in the following:

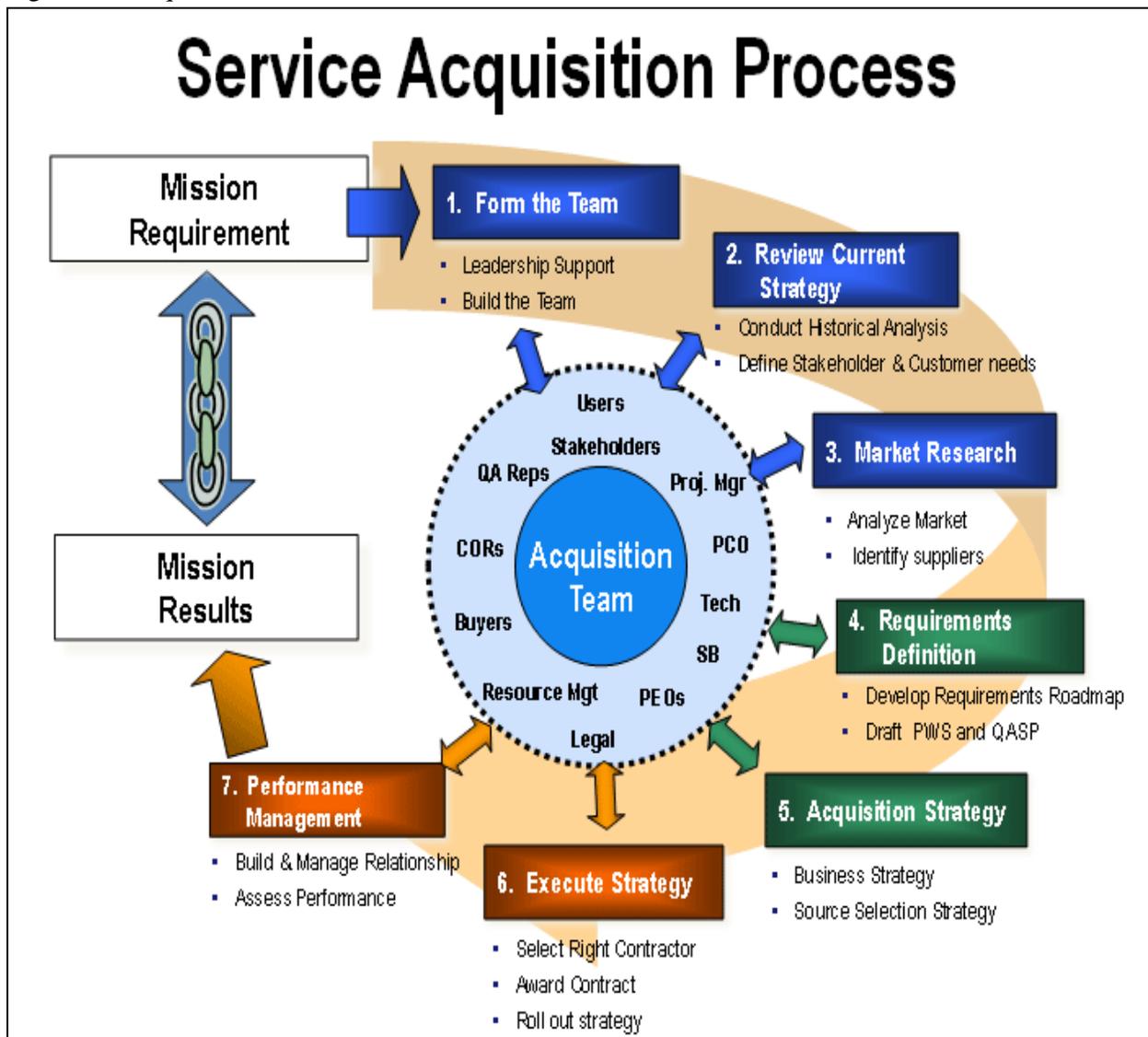
- Small Business Act, Section 15k

- DoD Directive 4205.01, DoD Small Business Programs
- DoD Directive 5000.01, The Defense Acquisition System
- Federal Acquisition Regulation (FAR) Part 19
- Defense Federal Acquisition Regulation Supplement (DFARS)/Procedures, Guidance and Information (PGI) Part 219

Acquisition Advocacy

A very important role of the Small Business Program Manager is serving as an advocate for small business in the acquisition process. The responsibility here is to work closely with program, technical and contracting personnel early in acquisition planning. The primary objective is to ensure that acquisition strategies result in a positive outcome for small businesses in contract requirements. This positive outcome could be either the award of prime contracts under one of the socio-economic programs or subcontracts awarded by major prime contractors. This function includes reviewing each acquisition to determine the feasibility of awarding a contract to small business. It also involves taking the initiative to locate capable small businesses including assisting in market research relative to prime contracts and subcontracting. The following Service Acquisition Process shows the relationship of the SBP’s advocacy role and the acquisition process.

Figure 1 – Acquisition Process



Program Management

The Program Management function is the most critical function. This function is responsible for organizing, planning, directing, controlling, and coordinating all aspects and activities within the organizational enterprise that are involved in implementing the Small Business Program. These responsibilities include the following:

- Strategic Planning
- Policy Development
- Goal Development
- Program Evaluation
- Program Oversight
- Acquisition Advocacy
- Inter/Intra Agency Liaison
- Outreach and Counseling
- Small Business Program Training

The Small Business Program Professional is the key official with the responsibility to plan, organize, and direct the implementation of the small business program within his/her agency. As the single face to industry regarding the agency's small business program, the Small Business Program Professional must provide public value through maintaining a positive image for his/her agency. In doing so, he/she must remain focused on integrating the functions discussed above into the program management function. The following guidelines using the word "*IMAGE*" are suggested for Program Management.

Innovative – Use innovative techniques to develop sources, identify areas for process improvement, and develop a performance based strategic plan.

Mission – Maintain focus on the agency mission to acquire quality goods and services, increase competition, broaden the industrial base, and implement national policies.

Advocacy – Be proactive in promoting and balancing small business programs consistent with the Small Business Act, as well as the mission of the agency.

Genuine – Be honest, professional, reliable, trustworthy, and ethical in serving as an advocate for small business and representing the agency and the Federal Government.

Educated – Maintain profound knowledge of Public Laws, FAR, DFARS, PGI, the impact of regulatory policy changes upon small businesses, and understand the political environment. "Educated" is the focus of CON 260B. The Small Business Program Professional must be involved in continuous learning and personal development to enhance the other organizational and personal skills.

ETHICS AND INTEGRITY

The Small Business Program represents billions of dollars and is an essential part of the acquisition process. It is critical the program be implemented and managed with the highest integrity and full adherence to high ethics and integrity.

Ethics and integrity in our personnel and professional conduct are absolutely essential to maintain the public's confidence in our acquisition process. Violators of the standards can be punished and prosecuted. High ethical standards are not unique to the Government. All professions have similar ethical codes that members must abide by.

Although the rules are based on common-sense principles, the mere application of common sense to particular facts will not always result in the right answer. Therefore, it is paramount we learn and understand the rules. We have all read in the news about high level officials and line workers committing violations of public law or ethical practices in dealing with contractors.

Their improper conduct taints the process and places an even higher burden on all of us to conduct our affairs with the highest standards of ethical behavior.

As important representatives of the Government, we must maintain high ethical standards at all times. Ethics are the primary guidelines for the actions and activities of government representatives. Topics include favors, gratuities, and consideration for services, conflicts of interest, and the unauthorized use of official U.S. Government positions. Ethics programs set the following fundamental ethical principles:

- *Integrity:* People with integrity are principled, honorable, and upright. They are consistent in their moral behavior and do not adopt an “end-justifies the means” philosophy.
- *Honesty:* Honest people are truthful, sincere, and candid. They do not mislead, act deviously, or misuse or disclose information learned in confidence.
- *Fairness:* Fair people show a commitment to justice, equal treatment, and tolerance. They are unbiased, open-minded, and where appropriate, willing to change their positions.

Here are some of the statutes that govern us:

- *Procurement Integrity Act, 41 U.S.C. 423*
- *Joint Ethics Regulations (JER), DoD 5500.7-R*
- *Standards of Ethical Conduct for Employees of the Executive Branch, 5 CFR 2635 as supplemented by DoD in 5 CFR 3601*
- *Conflict Of Interest Laws 18 U.S. Code 201-209*
- *Federal Acquisition Regulations, FAR Part 3*

STRATEGIC PLAN

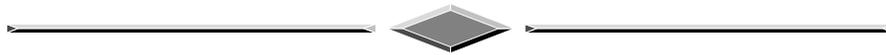
The key to effective program management is understanding the big picture and the global considerations that affect program performance.

Strategic planning is a process that facilitates the re-assessment of the vision, mission and goals of your program and then outlines measurable ways to accomplish identified goals. Your strategic plan allows you to define the direction of your program and allocate scarce resources to accomplish program objectives in the most efficient and cost effective manner.

Use strategic planning to develop strategies, goals, and objectives that will improve the quality of your small business program. The following pages are a template for and a sample of a strategic plan you will want to create for your organization.

STRATEGIC PLAN

TEMPLATE



YEAR STRATEGIC PLAN

THEME OR LOGO

MISSION

Insert your organization's mission

Executive Summary

Insert a brief background on the Office of Small Business Programs and what you generally want to accomplish for your Small Business Program

20XX-20XX Strategic Goals and Objectives

PART I

A. Key Results Area: Organization & Management

STRATEGIC GOAL 1: Review Compliance with FAR 19.201, DFARs/PGI 219.201

TACTICAL OBJECTIVES:

1. Review FAR 19.201 requirements
2. Review DFARs 219.201 & PGI 219.201 requirements
3. Review 4205.01 requirements
4. Propose strategy to ensure compliance
5. Review appointing authority of results of review

STRATEGIC GOAL 2: Enhance Program Governance by establishing small business program executive counsel/committee

TACTICAL OBJECTIVES:

1. Identify key executives/management officials to serve on counsel
2. Contact executives/management officials to request participation
3. Confirm participation with formal memo or behalf of appointing authority
4. Develop guidelines for counsel/committee
5. Develop Agenda for initial meeting
6. Conduct Initial meeting

STRATEGIC GOAL 3: Conduct review of program resource requirement vs. existing staffing

TACTICAL OBJECTIVES:

1. Develop outline for conducting staffing study
2. Conduct staffing study & document results
3. Review study results with appointing authority

B. Key Results Area: Goals & Objectives

STRATEGIC GOAL 1: Increase awards to small business by categories, such as SDVOSBs

TACTICAL OBJECTIVES:

1. Conduct expenditure analysis using FPDS-NG to identify areas for improvement
2. Identify at least 3 associations that represent SDVOSBs
3. Contact associations to identify SDVOSBs
4. Make on-site visits or arrange capability briefings for SDVOSBs to program, technical or contracting officials

STRATEGIC GOAL 2: Develop policy to involve Program Managers early in Acquisition Planning

TACTICAL OBJECTIVES:

1. Review or development local regulation or policy guidance
2. Propose policy to require SB consideration early in process
3. Coordinate policy guidance
4. Develop & issue final policy guidance

C. Key Results Area: Communication

STRATEGIC GOAL 1: Develop by 2nd Quarter FY XX a communication plan to ensure effective program compliance and implementation

TACTICAL OBJECTIVES:

1. Consult with Public Affairs on “How to develop communication plan”
2. Conduct online research for sample communication plan
3. Develop and coordinate communication plan
4. Implement communication plan

STRATEGIC GOAL 2: Develop and publish local small business program newsletter

TACTICAL OBJECTIVES:

1. Coordinate with public affairs the development of newsletter
2. Develop name and format for newsletter
3. Write feature article for HCA for 1st newsletter
4. Solicit small business success stories for newsletter
5. Review, edit and publish newsletter
6. Include newsletter on website

D. Key Results Area: Education & Training

STRATEGIC GOAL: Development formal education and Training Program

TACTICAL OBJECTIVES:

1. Develop policy to encourage/require technical/program personnel to complete CON 26A online course to be signed by appointing authority
2. Develop training curriculum of quarterly training use CON 260A & CON 260B as basis for training
3. Develop quarterly training schedule
4. Begin training by 2nd Qtr FY XX

E. Key Results Area: Outreach & Counseling

STRATEGIC GOAL: Develop an outreach event focused on finding capable HUBZone firms

TACTICAL OBJECTIVES:

1. Identify upcoming requirements
2. Search websites (SAM, Small Business Dynamic Research, SBA HUBZone website, etc.) to find sources
3. Market outreach event to HUBZones in identified industry
4. Hold outreach event with customers and contracting officers

The Small Business Program

Lesson 1



Lesson 1

Market Research

In this lesson

The following topics are covered in this lesson:

Topics	
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Your Role as the Small Business Professional	1-8
Bundling	1-10
Figure 1-1, Consolidated or Bundled? A Side-by-Side View	1-14
Table 1-1, Consolidation or Bundling Checklist	1-15
Lesson Summary	1-16
Team Exercise 1, Conduct Market Research	

Lesson Overview

Learning Objectives

TLO Given a requirement, determine market research to the extent needed to maximize small business participation at the prime and subcontracting levels.

ELO Describe the 2 types of market research

ELO Recognize the role and objectives of the Small Business Program Manager to participate in Market Research

ELO Identify Government data sources of small businesses to use to support customer requirements and create small business opportunities

ELO Identify the responsibilities of the Small Business Program Manager

ELO Identify methods for effective market research

ELO Collect market data from various resources

ELO Define contract consolidation

ELO Identify DoD criteria for contract consolidation

ELO Define contract bundling

ELO Calculate expected cost savings to justify contract bundling

ELO Differentiate between contract consolidation and contract bundling

ELO Develop alternatives for an acquisition strategy using market research results

Resources



During this lesson, you will need the following resources:

- FAR Part 9, Contractor Qualifications
- FAR Part 10, Market Research
- FAR Part 15, Contracting by Negotiation
- FAR Part 19, Small Business Programs

In this lesson

In this lesson, we will discuss the sources from which market research data can be gathered and the information that can be expected from these sources. Market research is divided into two categories: Strategic and Tactical.

Strategic market research

Strategic market research is a vital function of *overall management* of the small business program. To be successful the Small Business Professional must think strategically and be creative in developing overall goals and objectives for the Small Business Program. For example, if your agency has a low rate of competition for a particular product or service, conducting research to identify small businesses to routinely compete for future requirements could be extremely beneficial in increasing competition for these requirements and contribute significantly in attaining small business goals. Another example would be identifying process improvement opportunities in acquisition planning.

Tactical market research

Tactical market research is used to gather data to identify potential small business sources for a *specific requirement*. Additionally, you may use tactical market research to aid, counsel and assist those small businesses that might be interested in competing for a specific prime contract and subcontracting opportunity.

Lesson Overview, continued

Small Business Professional's role

Although the contracting officer and program officials are primarily involved in market research relative to the technical requirements and business aspects of an acquisition, the Small Business Professional role is to proactively assist in acquisition market research by working with the acquisition team to identify potential responsible small businesses to compete for requirements, contribute, review and validate market research reports to ensure maximum practicable opportunities are afforded to small businesses in support of socio-economic program objectives. Therefore, the primary objectives are to:

Know and understand potential requirements for the organizations you support.

Get involved early in the acquisition process to build a business case which influences the resulting strategy in support of small business initiatives.

Gather the data necessary to determine there are at least two responsible small businesses that are capable of successfully performing the requirement, who are reasonably expected to respond to the solicitation and in which award can be made at a fair market price.

As a Small Business Professional, you should be knowledgeable of sources for market research data. This information will assist in evaluating overall performance of the Small Business Program and better prepare you to participate early in the acquisition process, to advise and assist technical and program personnel in their efforts to support the socio-economic goals and to develop acquisition strategies.

Building your toolkit



Information gathered from market research data could be used by you or shared with small businesses. This information could also be critical in maximizing the participation of small businesses in a specific contract requirement and at the subcontracting level. Your knowledge of information offered by other Federal, state and local government agencies, customers, industry, businesses and trade associations will assist you in gathering data.

SOURCES OF DATA

Introduction

Market research data is available from many sources. As a Small Business Professional, you must be innovative when conducting strategic market research as a routine function of managing your program; such as conducting expenditure analysis based on historical procurement data to identify areas for program improvement; or tactical market research for a specific acquisition to identify sufficient sources to support a recommendation for set-asides under FAR Part 19 guidelines or recommendations for prime or subcontracting opportunities under full and open competitive procedures.

Federal, state, local government sources

Federal, state and local governments have developed organizations, websites, and other sources that can provide vital data. You can use these sources to identify potential small business sources, information on contracting opportunities with various agencies, and programs to assist small businesses. A few of these follow:

Organizations and Other Government Sources

- DoD MAXPRAC Tool, <https://extranet.acq.osd.mil/osbp>
 - Department of Defense, Procurement Technical Assistance Centers (PTACs)
 - Small Business Administration (SBA)
 - Small Business Development Centers (SBDCs)
 - Department of Commerce
 - Minority Business Development Agency (MBDA)
 - Local Chambers of Commerce
 - SBA Non-Manufacturers List
 - Long Range Acquisition Estimates (LRAE)
 - Federal Procurement Data System – Next Generation (FPDS-NG): <https://www.fpds.gov>
 - Contract history of same or similar items
 - Conferences and meetings with industry
 - Published request for information on the Government-wide Point of Entry (GPE) (FedBizOpps at <https://www.fbo.gov/>)
 - GSA Advantage, GSA Schedules, e-Buy <http://www.gsa.gov/portal/category/100000>
 - State and local listings and agencies identified on Internet
 - Interagency Contract Directory: <https://www.contractdirectory.gov>
 - DAU ACC Market Research page <https://acc.dau.mil/CommunityBrowser.aspx?id=18892&lang=en-US>
-

SOURCES OF DATA, continued

Customers

A wealth of information can be obtained from customers of prospective contractors regarding:

- How well a contract performs
 - The reliability and quality for the product or service
 - Prices paid
 - Delivery terms and conditions
 - Warranty provisions
-

Prospective contractors

Prospective contractors can provide information that cannot be obtained elsewhere. The actual suppliers may be the only sources for determining:

- Current trends in the market place
 - Feasibility of requirement in terms of complexity and timeliness
 - If the requirement is restrictive in any way
 - Alternative solutions
 - Interchangeable parts
 - Warranty/delivery terms
 - Amount of interest in the procurement
 - Pricing patterns
 - What commercial distribution systems are available
 - Complaints involving previous procurement.
-

Other market research sources

Recognizing that not all market research data can be included in the categories above, the following is a list of other sources that can assist you in these efforts.

- Review catalogs/product literature
 - Conduct interchange meetings or hold presolicitation conferences to involve potential offerors early in the acquisition process
 - Use local newspapers, including advertisements
 - Review existing company source lists
 - Review corporate published price lists
 - Review recent market research results on identical or similar requirements
 - Review appropriate technical and scientific journals and business publications
 - Review yellow pages telephone directories.
-

SOURCES OF DATA, continued

Other market research sources on the internet

- Participate in interactive, online communications among industry, acquisition personnel and customers;
 - Conduct internet searches
 - Department of Veterans Affairs, vendor database <http://www.vip.vetbiz.gov>
 - Veterans Business Network Business Directory <http://www.veteransbusinessnetwork.com>
 - FedBizOpps “Source Sought” notice, www.fbo.com
 - System for Award Management (SAM) <https://www.sam.gov/portal/public/SAM/>
 - Dynamic Small Business Search http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm
 - SBA Sub-Net <http://web.sba.gov/subnet>
 - SBA HUBZone: <http://www.sba.gov/hubzone>
 - ThomasNet (formerly Thomas Register) <http://www.thomasnet.com>
 - Where in Government Contracting? <http://www.wifcon.com/osdbu.htm>
-

The Next Step

After collecting, organizing, and analyzing the data gathered in market research, the Small Business Professional should be adequately prepared to contribute significantly in developing alternative acquisition strategies in furtherance of the agency’s socio-economic goals.

YOUR ROLE AS THE SMALL BUSINESS PROFESSIONAL

Primary responsibility

Serving as member of the acquisition team is the most important aspect of the Small Business Professional's responsibilities. As a member of the team and as an advocate for small business, you must be innovative when developing alternatives for an acquisition strategy. You must always be in the forefront when acting in the best interest of small business. As with all acquisition personnel, you must use sound business judgment and act in the best interest of the government.

Acquisition knowledge

A general knowledge of acquisition is essential to enable you to provide input in the acquisition process and to answer acquisition related questions. This includes questions that may relate to the nature of the requirement, the availability of potential sources, evaluation approaches, and source selection procedures. For example, a specific requirement may be for a commercial item, a modified commercial item, a non- developmental item, or a government-unique item or service. You must understand the difference in these requirements. You must answer questions regarding small business capabilities to perform these types of requirements. You must be creative. Creativity will allow you to select and recommend the most advantageous approach, business practice, and terms and conditions that will maximize small business participation, and result in the best value to the government.

Work with contracting, program & technical personnel

You must ensure that contracting, program, and technical personnel are knowledgeable about the small business program and take all necessary actions to include small businesses in their acquisitions consistent with socio-economic program objectives. This can be done in many ways. Among these are:

- One-on-one meetings with key contracting, program and technical officials;
- Invite personnel to participate in small business conferences;
- Conduct specific small business program training for contracting, program and technical personnel; and
- Participate with contracting and technical personnel in exchanges with industry pursuant to FAR 15.201.

You must also ensure that all reasonable action is taken to increase small business prime and subcontracting participation in each acquisition.

YOUR ROLE AS THE SMALL BUSINESS PROFESSIONAL

Identify opportunities

You must review each proposed acquisition to identify potential requirements for various set aside opportunities. Moreover, you must develop aggressive approaches to subcontracting.

Liaison with SBA

Generally, you serve as the liaison between the agency and the Small Business Administration (SBA) in the SBA's role of reviewing proposed acquisitions. You must work closely with the SBA Procurement Center Representative (PCR) on various appeals regarding proposed acquisition strategies of the agencies and review of bundled requirements.

For example, if a contracting officer decides not to set aside a contract for small business, the SBA PCR may appeal that decision using a SBA Form 70, U. S. Small Business Administration Recommendation. According to FAR Part 10, the PCR must be consulted by the agency when performing market research for a bundled contract. You will be the agency contact for these actions. If a SBA PCR is not assigned to your activity, contact the SBA Office of Government Contracting Area Office serving the area in which your activity is located in accordance with FAR 19.402.

The criticality of timely action in the set aside process cannot be over emphasized. Appeals and reviews of bundled requirements require a great deal of time.

Agency representative

Although you, as the Small Business Professional, are the liaison for the agency with the SBA and an advocate for small business, you must always remember that you represent the appointing authority and must support the agency's decision regarding a given strategy.

BUNDLING

Bundled contract defined

FAR 2.101 defines bundling as:

- Consolidation of two or more requirements previously provided or performed under separate smaller contracts, combined into one contract/multiple award contract/order,
- One or more of the requirements were previously provided or performed or could have been performed by a small business, and
- Results in a single award/order that is likely to be unsuitable for award to a small business.

This definition does not apply to a contract that will be awarded and performed entirely outside of the United States. (FAR 2.101)

Bundled contracts & size definitions

The SBA definition of a small business relative to “affiliates” recognizes the possibility of joint ventures, teaming agreements, etc. Accordingly, the affiliate definition states that for bundled requirements, the size standard for the requirement should be applied to individuals, persons, or concerns, not to the combined assets of the joint venture. (FAR 19.101(7)(A))

This should be considered when developing an acquisition strategy for consolidated and bundled requirements.

Acquisition reforms & contract bundling

The acquisition team is responsible for structuring requirements to facilitate competition by and among small business concerns and avoiding unnecessary and unjustified bundling that preclude small business participation.

Deciding whether a potential consolidation would result in a bundled contract is critical because if a contract is bundled, a number of requirements apply. These are covered in the [DoD Benefit Analysis Guidebook](#) posted on the DoD OSBP website at <http://www.acq.osd.mil/osbp>. Figure 1-1, Consolidated or Bundled? A Side-by-Side View, outlines the logic process for deciding whether a contract meets the definition of a bundled contract

BUNDLING, continued

Calculate benefits on bundled contracts

Cost savings are frequently used to support consolidated and bundled contracts, along with other reasons; e.g., improved services to customers. Detailed discussions on potential benefits are covered in the [DoD Benefit Analysis Guide Book](#). The following guidelines must be used to calculate measurably substantial benefits as required by FAR Part 7.107:

- If the value is \$94 million or less (including options), then the benefits of bundling must be at least 10% of the estimated contract or order value.
- If the value exceeds \$94 million (including options), then the benefits of bundling must be at least 5% of the estimated contract or order value or \$9.4 million, whichever is greater

A reduction of administrative or personnel costs alone is not sufficient justification for bundling unless the cost savings are expected to be at least 10% of the estimated contract or order value (including options).

Restriction on consolidation

DFARS 207.170-2 defines consolidation as:

- The use of a solicitation to obtain offers for a single contract, a multiple award contract, or order to satisfy two or more requirements previously provided or performed under separate contracts

Consolidation of contract requirements provides that a DoD department, agency, or activity may not execute an acquisition strategy that includes a consolidation of contract requirements with a total value exceeding \$2 million, unless the senior procurement executive conducts market research, identifies any alternative contracting approaches that would involve a lesser degree of consolidation, and determines that the consolidation is necessary and justified. (DFARS 207.170-3 and DARS 2013-O0021, “Contract Consolidation”)

BUNDLING, continued

Prime contract alternatives

If market research indicates that bundling is not justified or the savings cannot be realized, you should be knowledgeable enough to recommend a sound alternative acquisition strategy. Several possible alternative strategies that could be considered:

1. If not justified, solicit each function as a separate contract action.
2. If not justified, solicit as a consolidated action under a FAR 19 set-aside authority (i.e., 8(a) competition, HUBZone set-aside, service-disabled veteran owned small business set-aside, small business set-aside) when market research results show that there is a reasonable expectation that bids/offerors will be submitted by at least two responsible small business firms for the appropriate set-aside and award can be made at fair market price. This may be a viable option for small business firms to pursue as joint ventures. (FAR 19.502-2(a) & DFARS 219.201(d) (10) (A))
3. If justified, include aggressive subcontracting goals with elevated importance in the evaluation process to improve small business subcontracting opportunities.

Bundling vs. consolidation

The terms bundling and consolidation are frequently mistakenly interchanged. A consolidation occurs whenever requirements are combined, aggregated, united, coupled, or otherwise consolidated in any manner. On the other hand, Congress has defined bundling as occurring under very specific circumstances. In effect, bundling is a subset of consolidation.

Bundling decision

Deciding whether a potential consolidation would result in a bundled contract is critical because if a contract is bundled, a number of requirements apply. These are covered in the DoD Benefit Analysis Guidebook. Figure 1-1, “Consolidated or Bundled? A Side-by-Side View” outlines the logic process for deciding whether a contract meets the definition of a bundled contract.

When considering a prospective contract that would consolidate requirements, the acquisition strategy team needs to determine first whether the contract meets all of the criteria described in Figure 1-1. If it does, it is a bundled contract.

BUNDLING, continued

Bundling vs. multiple award contracts

The sole fact that one solicitation results in award of multiple contracts, especially indefinite-delivery, indefinite-quantity contracts, does not guarantee that the resulting consolidated contracts are not bundled contracts. For example, if an acquisition strategy team is considering issuing a solicitation for multiple-award contracts that are likely to be unsuitable for award to small business; one or more of these contracts may displace small businesses and, would therefore be a bundled contract. Consequently, when analyzing whether to proceed with a multiple-award contract, the acquisition strategy team should evaluate each multiple-award contract scenario by using the decision flow chart in Figure 1-1 to determine whether one or more of the anticipated awards are being bundled.

Encouraging subcontracting

If bundling is justified or otherwise solicited on the basis of full and open competition, the alternative strategy would be to use innovative subcontracting approaches, such as:

1. Establish an evaluation factor for source selection for small business participation as a percentage of the total value of the contract.
2. Establish as evaluation factors for source selection the subcontracting plan and a past performance assessment of subcontracting goal achievements.

In this situation, the guidelines in FAR 15.304 and DFARS 215.304 could be very beneficial in maximizing small business participation in subcontracting with major prime contractors.

Additional information

In addition to the aforementioned guidelines on bundling, further details are provided in the DoD Benefit Analysis Guidebook at the DoD, Office of Small Business Programs (OSBP) website: <http://www.acq.osd.mil/osbp>.

Consolidated or Bundled? A Side-by-Side View

Decision Flow Chart: Consolidation

Decision Flow Chart: Bundling

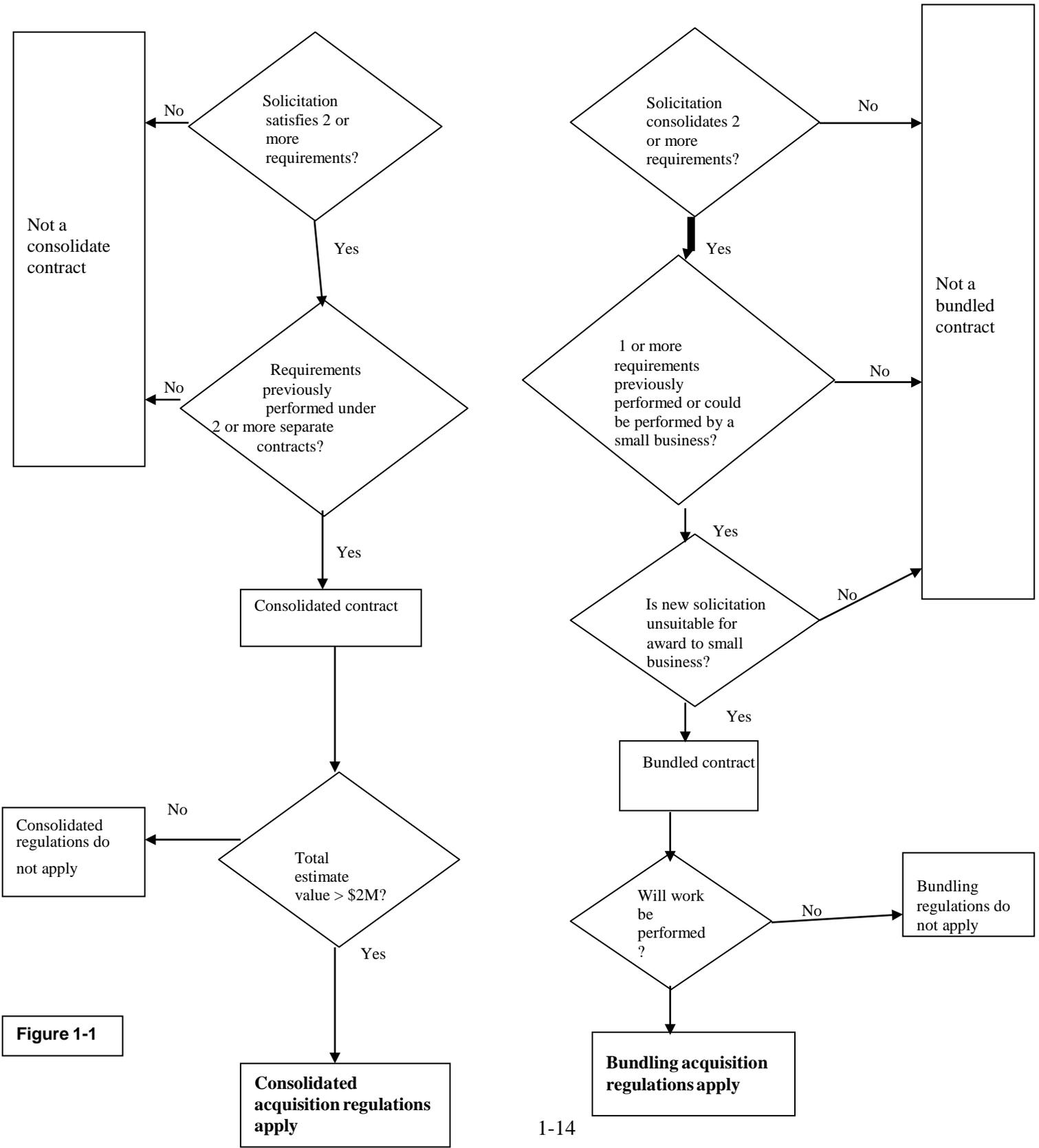


Figure 1-1

BUNDLING, continued

Consolidation or Bundling Checklist Table 1-1 is a quick reference source for the members of the acquisition strategy team to review before issuing solicitations that may bundle requirements. As presented in the DoD Guidebook, the check list is to ensure that appropriate actions are taken.

Consolidation or Bundling Checklist

	YES	NO	Reference
Is the consolidation a bundle?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 2.101; DFARS 207.170-2
Have all efforts been taken to avoid unnecessary and unjustified bundling?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 7.103(s)
Does the acquisition plan include documentation for any potential impact on small businesses?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 7.105(d)
Has a benefit analysis been conducted?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 7.107
Are the benefits “measurably substantial”?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 7.107(a) & (b)
Are reductions in either administrative or personnel costs the basis for the benefit analysis? If so, are appropriate thresholds met?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 7.107(d)
If the benefit analysis did not meet the FAR criteria, is the procurement mission critical?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 7.107(c)(1)
Has the SBA Procurement Center Representative been involved?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 10.001(c)(1); FAR 19.202-1
Did the incumbent small business(es) receive notification?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 10.001(c)(2)
Have small business subcontracting provisions been included?	<input type="checkbox"/>	<input type="checkbox"/>	FAR 15.304(c)(5); FAR 15.304(c)(3)(iii)

Table 1-1

Lesson Summary

Conclusion

The student should now better understand how to conduct effective market research, to gather data from a wide range of resources and to use market research to develop acquisition strategies.

Relevance

The lesson is important because market research is a key component in providing the Small Business Professional with the information to develop/recommend acquisition strategies.

Big Picture

Market research is vital to facilitate the agency's efforts to maximize small business participation at both the prime contracting and subcontracting levels.

The Small Business Program

Lesson 2



Lesson 2

Acquisition Strategies

The following topics are covered in this lesson.

**In this
lesson**

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Team Exercise 2, Acquisition Strategies	

Lesson Overview

Objectives



TLO Using your knowledge of SB Program and market research to review subcontracting plan requirements and socio-economics programs, select the appropriate acquisition strategy that maximizes small business participation either at the prime contract or subcontracting levels.

- ELO** Identify SDB and Small Business Administration Section 8(a) Authority programs (covered in CON 260A)
- ELO** Identify the Historically Underutilized Business Zone (HUBZone) programs (covered in CON 260A)
- ELO** Identify the Service-Disabled Veteran-Owned Small Business (SDVOSB) programs (covered in CON 260A)
- ELO** Identify the Historically Black Colleges and Universities and Minority Institutions (HBCU/MI) programs (covered in CON 260A)
- ELO** Identify the small business set-aside procedures (covered in CON 260A)
- ELO** Apply the Rule of Two to small business parity and set aside decisions
- ELO** Explain the similarities and differences between the various socio-economic programs
- ELO** Determine subcontracting strategies that support small businesses
- ELO** Identify the DoD Small Business goals on both a prime and subcontracting level
- ELO** Distinguish between the small business subcontracting plan and the small business participation plan
- ELO** Show the various uses of past performance information with regard to small business concerns
- ELO** Recognize the DFARS PGI 215.304 source selection examples
- ELO** Understand the different incentive strategies to promote small business utilization
- ELO** Apply procedures to review DD Form 2579 for execution
- ELO** Identify criteria to review DD Form 2579 as guided by DFARS PGI 219.201(c)

Resources



During this lesson, you will need the following resources:

- FAR Part 15
- FAR Part 19
- DFARS 219
- DoD Directive 4205.01

In this lesson

In this lesson, you will gain the knowledge to assist you in maximizing small business opportunities from a prime and subcontracting level and to distinguish between subcontracting plans and socio-economic source selection factors to develop subcontracting strategies to recommend to the contracting officer.

Knowledge, skills, and abilities

As a member of the acquisition team, you must have a general knowledge of the whole acquisition process as well as a thorough knowledge of small business program policies and procedures.

In CON 260A, you identified various small business categories and program procedures. These included: small disadvantaged business (SDB), 8(a) certified small disadvantaged business, certified Historically Underutilized Business Zone (HUBZone) small business, women-owned small business (WOSB), service-disabled veteran-owned small business (SDVOSB), veteran owned small business (VOSB), and small business. Small business statutes provide for sole source and/or set-aside authority for some of these categories.

Small Business Professional's role

A very important and critical role of the Small Business Program Manager is to conduct necessary market research to gather data to support small business set-asides. Market research should include, among other things

- MAXPRAC Tool analysis
- System for Award Management & Dynamic Small Business Search
- Review SBA Non-manufacturer List (For Commodities only)
- Federal Procurement Data System – Next Generation (FPDS-NG) for Contract award history
- Review Contractor Performance Assessment Reporting System (CPARS) / Past Performance Information Retrieval System (PPIRS)
- Direct contact / capability briefings

If the contracting officer decides that prime contract award procedures for small business programs cannot be utilized, a subcontracting strategy must be developed to maximize small business subcontracting opportunities. Prior to the solicitation or contract modification being advertised or released, the Small Business Professional is responsible for reviewing and making recommendations for all acquisitions [(including orders placed against Federal Supply Schedule contracts)] over \$10,000; [except those under the simplified acquisition threshold that are totally set aside for small business concerns in accordance with FAR 19.502-2. Follow the procedures at DFARS/PGI 219.201(c) (10) (1) and (2) regarding such reviews. The DD 2579,

Lesson Overview, continued

Small Business Coordination Record is used for recommending the acquisition strategy. A copy of this form and instructions for completing it are at the end of this lesson.

It is your responsibility to either concur with the contracting officer's decision or recommend a different strategy based on the results of your market research and outreach.

The Small Business Professional should ensure that the Small Business Administration (SBA) Procurement Center (PCR) assigned to the agency reviews the DD Form 2579 and refer recommendations that have been rejected by the contracting officer to the SBA PCR. If an SBA PCR is not assigned, contact the SBA Office of Government Contracting Area Office serving the area in which the procuring activity is located (FAR 19.402(a)(2))

Note: DD Form 2579's must be closely safeguarded and handled as procurement sensitive information since it involves acquisition planning information.

Building your toolkit



You need to maintain or have access to various tools in order to develop acquisition strategies, to advise program and technical personnel, and to support decisions and recommendations. Among these tools are:

- DD Form 2579s processed on prior similar acquisitions;
- Appropriate supporting documentation;
- Any market research data used to develop and support an acquisition strategy;
- Historical contract information and records generated on the Contract Action Report (CAR) for the same or similar acquisitions;
- Historical subcontract information on Individual Subcontract Reports (formerly the SF 294) and Summary Subcontract Reports (formerly the SF 295).

This information could be very valuable for the present acquisition.

OVERVIEW OF PRIME CONTRACTING SET-ASIDE STRATEGIES

Introduction

Prime contracting set-aside strategies include a total small business set-aside, partial set-asides, 8(a) set-aside, HUBZone set-aside, SDVOSB set-aside, and WOSB/EDWOSB set-asides.

For proposal submission all businesses must complete the Online Representations and Certifications Application processed at <https://orca.bpn.gov/> and certify business category type (ex: small, WOSB, SDVOSB, etc.) and size standard in accordance with FAR 4.12 and Small Business Administration size standards.

Small businesses (SB) must represent in each solicitation that they qualify as a SB in accordance with Small Business Administration criteria. A North American Industry Classification System (NAICS) code along with the corresponding size standard shall be included in each solicitation for representation purposes. The regulations provide unsuccessful small businesses and the CO the opportunity to protest to the Small Business Administration the size status of the apparent successful bidder/offeror. (FAR 19.302).

The Purpose of Small Business Program (19.501(a)) is to set aside certain acquisitions exclusively for small businesses to permit them a fair opportunity to compete for Government contract dollars. **You must Set Aside acquisitions that meet the RULE OF 2.**

Rule of 2 defined: The Contracting Officer shall set aside any acquisition over \$150,000 for small business participation with reasonable expectation that: Offers will be obtained from at least 2 responsible small businesses and Award will be made at fair market prices.

PARITY

The Small Business Jobs Act of 2010 clarifies it is up to the Contracting Officer's discretion when determining whether an acquisition will be restricted to Small Businesses participating in the 8(a), HUBZone, SDVOSB, or WOSB programs. None of these programs takes precedence over the other.

- Once in the 8(a) program, must be released by SBA, before offering to another program (i.e. HUBZone, SDVOSB, WOSB/EDWOSB or small business set aside

**DoD SMALL BUSINESS PRIME
CONTRACTING GOALS**

Categories	FY 15 DoD Goals
Small Business	21.60%
HUBZone	3%
SDVOSB	3%
SDB	5%
WOSB	5%

**Total Small
Business Set-
Aside
FAR 19.502-2**

If acquisition is $> \$3,500 \leq \text{SAT} (\$150,000)$ the solicitation is automatically set-aside for small businesses by statute and regulation. The Contracting Officer shall document if there is no small business set-aside. The Contracting Officer **may** (has discretion to) set-aside under one of small business programs (8(a), HUBZone, SDVOSB, WOSB) when the rule of two is met.

If acquisition is $> \text{SAT} (\$150,000)$ the Set-Aside Rule of 2 applies. The Contracting Officer shall consider a set-aside under one of small business programs (8(a), HUBZone, SDVOSB, or WOSB) prior to a Small Business Set-Aside.

Other than the procedures referenced above, there is “Parity” among small business programs (no one program takes priority over another).

With the issuance of Federal Acquisition Circular (FAC) 2005-54, and regardless of dollar value, agencies have the legal authority to set aside or reserve multiple-award contracts and orders. This authority, as implemented in section 1331 of Pub.L. 111-240, the Small Business Jobs Act of 2010, and found in FAR 8.405-5 and 19.502-4 authorizes agencies to (1) Set aside part of or parts of multiple-award contracts; (2) set aside orders placed against multiple-award contracts (includes FSS contracts); and (3) reserve one or more multiple-award contracts for small business concerns that are awarded using full and open competition. The set-asides may be under any of the small business programs above.

If acquisition is less than the micro-purchase threshold (See FAR 2.101), agency purchase cardholders should consider small

businesses, to the maximum extent practicable, when making micro-purchases (December 19, 2011 OFPP Memo, entitle, Increasing Opportunities for Small Businesses in Purchase Card Micro-Purchases.

Accelerated Payments

DoD policy is to assist small business concerns by paying them as quickly as possible after invoices and all proper documentation, including acceptance, are received and before normal payment due dates established in the contract (see DFARS 232.906(a))

**Partial Set-Asides
FAR 19.502-3**

Used when a total set-side is not appropriate. The Requirement must be severable into 2 or more lots and one or more small business concerns have technical competence and capacity to satisfy requirement at a Fair market price. The acquisition must not be subject to simplified acquisition procedures (SAP). When making the award, award the non-set-aside portion first.

Small Disadvantaged Businesses (SDB)

SDBs must self-certify in each solicitation that they qualify as SDB. SDBs must be certified to be reported as prime contractors by the government and as SDB subcontractors by major prime contractors. SDB set-asides and price differentials are discontinued based on a court decision.

All 8(a) businesses are SDBs but not all SDBs are 8(a) businesses.

**8(a) Program
FAR 19.8**

The title “8(a)” comes from Section 8(a) of the Small Business Act of 1953. A business development program created specifically for small disadvantaged businesses to help them compete in the American economy and gain access to the federal procurement market by offering specialized business training, counseling, marketing assistance, and high-level executive development.

8(a) firms are owned and controlled at least 51% by **socially and economically disadvantaged individuals**.

Socially disadvantaged individuals (13 CFR 124.103) are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as members of a group. Social disadvantage must stem from circumstances beyond their control. In the absence of evidence to the contrary, individuals who are members of the following designated groups are presumed to be socially disadvantaged:

- African-Americans
- Hispanic Americans
- Native Americans (American Indians, Eskimos, Aleuts, and Native Hawaiians)
- Asian Pacific Americans (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, U.S. Trust Territory of the Pacific Islands [Republic of Palau], Commonwealth of the Northern Mariana Islands, Laos, Cambodia [Kampuchea], Taiwan; Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Republic of the Marshall Islands, Federated States of Micronesia, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru;
- Subcontinent Asian Americans (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal), and
- Members of other groups designated by the SBA.

Economically Disadvantaged individuals (13 CFR 124.104) are those socially disadvantaged individuals whose:

- Net worth. For initial 8(a) BD eligibility, the net worth of an individual claiming disadvantage must be less than \$250,000. For continued 8(a) BD eligibility after admission to the program, net worth must be less than \$750,000.
-

8(a) Program participation is limited to nine years, after which, neither the business nor that individual will be eligible again.

There are two stages in the 8(a) Program.

1. Developmental stage (4 years) - Designed to help 8(a) certified firms overcome their economic disadvantage by providing business development assistance.
2. Transitional stage (5 years) - Designed to help participants overcome the remaining elements of economic disadvantage and to prepare participants for leaving the 8(a) program.

Once a firm has established its eligibility, it is required to maintain that eligibility, which the SBA annually monitors.

The basic requirements (See 13 CFR 124 8(a)) an 8(a) applicant firm must meet are to be a small business as determined by the size standards, be unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are of good character and citizens of the United States, and demonstrate potential for success. A business can also qualify for the 8(a) Business Development program if the firm is owned by an Indian tribe, an Alaska Native Corporation (ANC), a Native-Hawaiian Organization (NHO), or a Community Development Corporation (CDC).

The 8(a) Program requires participants to maintain a balance between their commercial and government business. There is a limit on the total dollar value of sole-source contracts that an individual participant can receive while in the program which is \$100 million or five times the value of its primary [NAICS code](#).

SBA district offices monitor and measure the progress of participants through annual reviews, business planning, and systematic evaluations.

An acquisition offered to the SBA under the 8(a) Program shall be awarded on the **basis of competition** limited to eligible 8(a) firms if –

1. There is a reasonable expectation that at least two eligible and responsible 8(a) firms will submit offers and that award can be made at a fair market price (**RULE OF 2**); and
-

2. The anticipated total value of the contract, including options, will exceed \$7 million for acquisitions assigned manufacturing North American Industry Classification System (NAICS) codes and \$4 million for all other acquisitions.

A **sole source** award may be made to participants up to the \$7 million ceiling, including options, for manufacturing NAICS codes and \$4 million ceiling, including option, for all other acquisitions. If acquisition exceeds the \$7M or \$4M thresholds, SBA may accept the requirement for a sole source 8(a) award if –

1. There is not a reasonable expectation that at least two eligible and responsible 8(a) firms will submit offers at a fair market price; or
2. SBA accepts the requirement on behalf of a concern owned by an Indian tribe or an Alaska Native Corporation

If an 8(a) sole source award is greater than \$22 million, a justification and approval must be signed and made public after award.

8(a) firms can form joint ventures and teams to bid on contracts. This enhances the ability of 8(a) firms to perform larger prime contracts and overcome the effects of contract bundling, the combining of two or more contracts together into one large contract.

The Contracting Officer must get permission from the SBA to release a requirement out of the 8(a) Program.

**HUBZone
Program FAR
19.13**

The **Historically Underutilized Business Zones (HUBZone)** Empowerment Contracting program was enacted into law as part of the [Small Business Reauthorization Act of 1997](#). This program encourages economic development in historically underutilized business zones - "HUBZones" - through the establishment of preferences to promote economic development and employment growth in distressed areas by providing access to more federal contracting opportunities. This program provides federal contracting assistance for qualified small business concerns located in historically underutilized business zones in an effort to achieve an increase in employment opportunities, investment and economic development.

To be a qualified HUBZone small business concern a company must:

- be a small business as determined by the size standards;
- be owned and controlled by at least 51% of US citizens;
- have the "principal office" located in a HUBZone;
- have at least 35% of the company's employees residing in a HUBZone (doesn't have to be the same HUBZone as the company's principal office); and
- be certified by the U.S. Small Business Administration.

To learn more about HUBZones visit the SBA website at <http://www.sba.gov> or <http://www.sba.gov/category/navigation-structure/contracting/working-with-government/small-business-certifications-audiences/hubzone-certification>.

Contracting Officers may set aside contracts to HUBZone participants on the basis of **competition**. There must be a reasonable expectation that at least two eligible and responsible HUBZone firms will submit offers and that award can be made at a fair market price. If you receive only one acceptable offer from a qualified HUBZone small business concern the contracting officer should make an award to that concern. If no offers are received, then the HUBZone set-aside shall be withdrawn (FAR 19.1305).

A **sole source** HUBZone award may be made to participants if there is no reasonable expectation that offers will be received from 2 or more HUBZones and the ceiling price, including options, does not exceed \$7 million for manufacturing NAICS codes and \$4 million for all other acquisitions. A HUBZone sole source award shall be considered before considering a small business set-aside. There is no sole source authority for a HUBZone sole source set-aside if the acquisition is under the SAT.

Note that for both a competitive or sole source HUBZone set-aside, the requirement must not be currently performed by an 8(a) participant under the provisions of subpart 19.8 or has been accepted as a requirement by SBA under subpart 19.8. If in the 8(a) Program the requirement must be released by the SBA

before doing a HUBZone set-aside. A Justification & Approval is also required for HUBZone sole source procurements.

The Price Evaluation Preference for HUBZone small business concerns (FAR 19.1307) shall be used in acquisitions using full and open competition. The contracting officer shall give HUBZone offers a price evaluation preference of 10% to all offers except,

1. HUBZones that have not waived the evaluation preference, or
2. Otherwise successful small business concerns.

HUBZone Non-manufacturer Rule: Except for construction or services, any HUBZone small business concern (non-manufacturer) proposing to furnish a product that it did not itself manufacture must furnish the product of a HUBZone small business concern manufacturer to receive an award under a HUBZone set-aside or HUBZone sole source under FAR 19.13. Individual or class waivers are not granted for HUBZone competitive set-aside or sole source contracts. (13 CFR 126.601(e)(1))

Service-Disabled Veteran-Owned Small Business (SDVOSB) FAR 19.14

This is a program for Small Business Concerns that are owned and controlled by Service-Disabled Veterans (SDV). A Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16). A Service-disabled veteran-owned small business concern means a small business concern where: Not less than 51% of which is owned by one or more SDVs or, in the case of any publicly owned business, not less than 51% of the stock of which is owned by one or more SDVs. The management and daily business operations of which are controlled by one or more SDVs or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

Contracting Officers may set aside contracts for SDVOSB participants on the basis of **competition**. There must be a reasonable expectation that at least two eligible and responsible SDVOSB firms will submit offers and that award can be made at a fair market price. If you receive only one acceptable offer from a qualified SDVOSB concern, the contracting officer should

make an award to that concern. If no offers are received, then the SDVOSB set-aside shall be withdrawn (FAR 19.1305). SDVOSB is a self-certification program but Contracting Officers can verify SDVOSB status on www.vetbiz.gov.

A **sole source** SDVOSB award may be made to participants if there is no reasonable expectation that offers will be received from 2 or more SDVOSB and ceiling price, including options, does not exceed \$6.5 million for manufacturing NAICS codes and \$4 million for all other acquisitions. A SDVOSB sole source award shall be considered before considering a small business set-aside.

Note that for both a competitive or sole source SDVOSB set-aside, the requirement must not be currently performed by an 8(a) participant under the provisions of subpart 19.8 or has been accepted as a requirement by SBA under subpart 19.8. If in the 8(a) Program the requirement must be released by the SBA before doing a SDVOSB set-aside. A Justification & Approval is also required for SDVOSB sole source procurements.

Women Owned Small Business (WOSB) Program FAR 19.15

Authorizes set-asides for eligible: Women-Owned Small Businesses (WOSBs) or Economically Disadvantaged Women-Owned Small Businesses (EDWOSB). The SBA website is www.sba.gov/wosb.

Just like HUBZone and SDVOSB set-asides, the requirement must not be currently performed by an 8(a) participant under the provisions of subpart 19.8 or has been accepted as a requirement by SBA under subpart 19.8 Requirement is not currently in 8(a) program.

	WOSB Set-Aside	EDWOSB Set-Aside
Industries	NAICS code assigned to solicitation, IFB, or quote is in an industry where WOSBs are substantially underrepresented *(133 6-digit NAICS designated)	NAICS code assigned to solicitation, IFB, or quote is in an industry where WOSBs are underrepresented *(197 6-digit NAIC designated)
Rule of Two	Reasonable expectation that 2 or more WOSBs will submit an offer.	Reasonable expectation that 2 or more EDWOSBs will submit an offer.

	*Note: All EDWOSBs are WOSBs	*Note: Not all WOSBs are EDWOSBs
Award Price	Contract can be awarded at fair market price. Can still award if only one acceptable offer is received.	
Sole Source	If <\$6.5M for Mfg and <\$4M for all other acquisitions within the appropriate NAICS, and no reasonable expectation of more than one WOSB or EDWOSB offer and award can be made at fair and reasonable price.	

WOSB Eligibility Requirements

- Meet **small business size standard for primary NAICS code and contract**
- At least **51% unconditionally and directly owned by women who are U.S. citizens***
- The woman must manage the **day-to-day operations**
- The woman must make the **long-term decisions for the business**
- A woman must **hold highest officer position**
- The woman must work at the business **full-time during normal working hours**
- **No minimum amount of time the business has been operational**

EDWOSB Eligibility Requirements

Same requirements as WOSBs **PLUS:**

- **Personal net worth (assets minus liabilities) is less than \$750,000 excluding:**
 - Ownership in business and primary personal residence
 - Income reinvested or used to pay taxes of business
 - Funds reinvested in IRA or other retirement account*
 - Transferred assets within two years if to or on behalf of immediate family member for select purposes**
- **Adjusted gross income average over three years is \$350,000 or less excluding:**
 - Income reinvested or used to pay taxes of business

- **Fair market value of assets is \$6 million or less excluding:**
 - Funds reinvested in IRA or other official retirement account

WOSB Joint Ventures

A WOSB/EDWOSB may submit an offer as a joint venture with another small business if the following requirements are met:

- Size: Combined annual receipts or employees of joint venture must meet NAICS code assigned to contract*
- EDWOSB/WOSB must be managing venture
- EDWOSB/WOSB employee must be project manager responsible for performance of the contract
- EDWOSB/WOSB must receive at least 51% of net profits
- The joint venture agreement must be in writing
- Joint venture can meet subcontracting limitations

*Unless exception in 13 CFR 121.103(h)(3) applies.

Note: Joint venture agreement does not have to be approved by SBA

WOSB Certification

There are two ways for a WOSB to certify for the WOSB program.

1. Self-Certification

- Free, no cost
- Register in SAM as WOSB or EDWOSB
- Compile and upload all required documents to the repository
- Represent status in Representations and
- Certifications in SAM

--or--

2. Third Party Certification

- Register in SAM as WOSB or EDWOSB

- Obtain certification from an SBA-approved Third Party Certifier. *SBA website has contact information for Third Party Certifiers*
- Compile and upload all required documents to the repository
- Represent status in Representations and Certifications in SAM

CONTRACTING OFFICER duties:

The contracting officer must review that all documents have been provided in the WOSB Program Repository **prior to contract award** to ensure award is made to an eligible WOSB or EDWOSB.

WOSB Program Repository is the SBA’s General Log-In System (GLS), https://eweb.sba.gov/gls/dsp_login.cfm

There is a detailed Contracting Officer’s Guide to the WOSB Program on the SBA website to assist contracting officials in carrying out the WOSB Program.

WOSB Resources

- www.sba.gov/wosb
- Small Business District Offices
<http://www.sba.gov/about-offices-list/2>
- Women’s Business Centers
<http://www.sba.gov/content/womens-business-centers>
- Small Business Development Centers
<http://www.asbdc-us.org/>
- Procurement Technical Assistance Centers <http://www.aptac-us.org/new/>
- **Call the SBA Answer Desk: 1-800-U-ASK-SBA (1-800-827-5722)**

Set-Aside Summary Table

SET-ASIDE PROGRAM	COMPETITIVE ACTIONS >\$3,500 AND ≤ SAT	COMPETITIVE ACTIONS >SAT	SOLE SOURCE
SMALL BUSINESS	Automatically reserved for set-aside for small business if two or more offers anticipated FAR 19.502-2(a)	May be set-aside if not suitable for other SB programs, i.e, 8(a), HUBZone, WOSB, or SDVOSB FAR 19.502-2(b)	No authority
8(A)	CO may set-aside prior to a small business set-aside	Shall consider set-aside if greater than \$7M for manufacturing and greater than \$4M for all other acquisitions – may offer to SBA for competitive contract	If < \$7M for manufacturing and \$4M for all other acquisitions – may offer to SBA for sole source contract. J&A required if action is > \$22M
HUBZONE	CO may set-aside prior to a small business set-aside	Shall consider set-aside if two or more offers anticipated. If the requirement is currently in the 8(a) program, must remain in 8(a) program unless released by SBA	If < \$7M for Mfg and < \$4M for all other acquisitions, and no reasonable expectation of more than one HUBZone offer and award can be made at fair and reasonable price No sole source authority under SAT
SDVOSB	CO may set-aside prior to a small business set-aside	Shall consider set-aside if two or more offers anticipated. If the requirement is currently in the 8(a) program, must remain in 8(a) program unless released by SBA	If < \$6.5M for Mfg and < \$4M for all other acquisitions, and no reasonable expectation of more than one SDVOSB offer and award can be made at fair and reasonable price
WOSB / EDWOSB	CO may set-aside prior to a small business set-aside within the appropriate NAICS code	Shall consider set-aside if 2 or more offers anticipated within the appropriate NAICS code. If the requirement is currently in the 8(a) program, it must remain unless released by SBA	If <\$6.5M for mfg and <\$4M for all other acquisitions within the appropriate NAICS code, and no reasonable expectation of more than one WOSB or EDWOSB offer and award can be made at fair and reasonable price

OVERVIEW OF SUBCONTRACTING STRATEGIES

Introduction	If it is impracticable to use one of the sole source or set-aside authorities to award prime contracts to small business, every effort must be made to maximize small business participation at the subcontract level.
Subcontract administration and monitoring	<p>The prime contractor, not the government, is responsible for administering the subcontract, including requiring its subcontractors to adopt subcontracting plans, as required by the “flow down” provisions in the contract. (FAR 52.219-9(d)(9))</p> <p>Note: Other than small businesses must submit a subcontracting plan for awards or modifications over \$700,000 (\$1,500,000 for construction). <i>A small business may be required to submit a Small Business Participation Commitment Document.</i></p>
Prime contracting versus subcontracting & legal relationships	<p>Subcontracting is a different environment because in the case of prime contracts, the government is the buyer and the contractor is the seller. However, when a prime contractor awards a contract to another business, the prime contractor becomes the buyer and the subcontractor becomes the seller. A legal relationship exists between the government and the prime contractor; however, no legal relationship exists between the government and a subcontractor.</p> <p>Even in acquisitions where the contract specifies that the government has a right to review and approve subcontractors, no direct and legal relationship exists between the government and the subcontractor.</p>
Bundling	For solicitations involving bundling that offer significant opportunity for subcontracting, the contracting officer must include small business subcontracting participation in the subcontracting plan as an evaluation factor. (FAR 15.304(c)(4))
Socio-economic evaluations for all small businesses	In acquisitions that require subcontracting plans, the extent of participation of small businesses including SDVOSB, HUBZones, SDBs, and WOSBs in performance of the contract must be addressed in source selection evaluations. Acquisitions based on the lowest price technically acceptable source selection evaluation process are exempt from this requirement. (DFARS 215.304(c)(i) and PGI 15.304(c)(i)(A)).

SUBCONTRACTING STRATEGIES

Introduction

When designing source selection factors and subfactors as required for socio-economic evaluations; the following areas may be considered for special emphasis, among others.

Small business goals

Minimum acceptable goals may be stated in the solicitation for each category of small business. The basis for the goals should be the result of market research based on an expenditure analysis of contract award history. The focus should be on the extent to which small business would otherwise have received contracts if the requirement or a portion thereof, was set-aside for small business concerns. The target may be the aggregate dollar amount/percent of prime contract awards that small business would otherwise receive from the agency if the contracts were set aside for small business. For example, in the case of a bundled contract, this information can be obtained by reviewing a summary of contract awards by the agency in the Federal Procurement Data System – Next Generation (FPDS-NG). FPDS-NG can be used to conduct expenditure analysis and run reports to allow for the evaluation of data.

DoD Small Business Subcontracting Goals:

Categories	FY 15 DoD Goals
Small Business	36%
HUBZone	3%
SDVOSB	3%
SDB	5%
WOSB	5%
VOSB	No federal goals but FAR 52.219-9 requires each subcontracting plan to include a VOSB goal

Subcontracting Strategies

You are required to use your knowledge of acquisition and the results of outreach and market research in order to develop and recommend effective prime and subcontracting strategies. You must be prepared to offer creative approaches that are legally sufficient to influence increased prime and subcontracting awards to small businesses.

Emphasize small business utilization in all procurement actions through such initiatives as the use of evaluation factors or sub-factors. These factors look at the utilization of small businesses in the performance of a proposed acquisition, past utilization of small businesses on previous contracts and ways to include small business performance in the fee construction. Thus, if all things are equal

between competitors, small business performance could be a deciding factor in the award.

Examples of how creative approaches may be used in the development of small business subcontracting goals, source selection evaluation factors, past performance factors, and incentive awards are discussed later in this section.

Accelerated Payments

To further preserve and increase small business participation in all levels of Federal contracting and to improve cash flow, prime contractors must ensure timely payments to all small business subcontractors. Prime contractors must pay small business subs on an accelerated timetable to the maximum extent practicable (DPAP Memo 2014-O0019, dtd 14 July 2014, “Providing Accelerated Payment to SB Subcontractors”)

Subcontracting market research

While not a regulatory requirement, subcontracting market research is a vital part of small business program management and is very important when developing subcontracting strategies. This approach is necessary to ensure that realistic and challenging subcontracting plan goals are developed, rather than merely citing Congressionally mandated goals or DoD-wide small business subcontracting goals. Subcontracting market research will allow you to gather information in the following areas:

- Availability of subcontracting opportunities for small businesses (See Individual Subcontract Reports or Summary Subcontract Reports, formerly SF 294/295) for similar requirements)
- Availability of capable small businesses to perform the requirements
- Size and status of potential small business
- Strength, weaknesses, and past performance of available sources
- Capability for meeting any unique, noncommercial characteristics of the Government’s requirement
- Problem and issues in the award and administration of prior contracts awarded to small businesses

Subcontracting market research will require Small Business Professionals at the contracting activity to work closely with the Defense Contract Management Agency or the ACO.

Source selection evaluation factor options

The participation of small business as a broad group or for small disadvantaged business, service-disabled veteran-owned small business, women-owned small business, and HUBZone small business either as individual categories or a combination may be included as a separate evaluation factor or subfactor of significant weight in source selection. (FAR 15.304 & DFARS 215.304) This is in addition to and different from the requirement for a subcontracting plan as required by FAR 19.7.

SUBCONTRACTING STRATEGIES, continued

The emphasis here is on encouraging the prime offerors to include small businesses in proposal development and to ensure that small businesses are actually awarded subcontracts if the prime offeror is successful in winning the contract. Also, when specific small businesses are included in proposal development by name they must be used and not substituted, unless approved by the contracting officer. This helps prevent a bait & switch issue. The whole point is to make sure that the prime will still meet their small business participation objectives.

Subcontracting plans vs. actual participation evaluation

Proposals addressing the extent of small business participation are separate from subcontracting plans and should be structured to allow for consideration of offers from small businesses. Large, complex, or consolidated requirements that are set-aside for small businesses should require small business participation plans from small businesses.

Small businesses listed in subcontracting plans

When an evaluation factor assesses the extent that small businesses are specifically identified in the proposal, the small businesses that are considered in the evaluation shall be listed in any subcontracting plan submitted to the government. (DFARS 215.304(c)(i)(C))

In subcontracting plans which specifically identify small businesses, the prime contractor is required to notify the Administrative Contracting Officer (ACO) in writing within a reasonable time of subcontract award of any substitutions of firms that are not small businesses. (DFARS 219.704).

Past performance

There are three methods to evaluate the offeror's past compliance with subcontracting plan requirements in a source selection. An offeror's history or past performance in meeting subcontract goals may be evaluated:

- (1) Combined within the overall past performance evaluation factor, or
- (2) As a stand-alone evaluation factor under small business utilization/participation factor.
- (3) As a subfactor under a technical factor

The combined approach (1) with past performance is usually emphasized with more importance than a separate small business utilization/participation evaluation factor or technical factor. Also, remember failure to pay small business subcontractors on time can negatively affect a prime contractor in their past performance evaluation.

**SUBCONTRACTING
STRATEGIES,
continued**

**DFARS PGI
215.304**

The PGI provides examples of evaluation criteria for small business utilization or participation:

- Extent to which SB firms are specifically identified in proposals
- Extent of commitment to use such firms
- Complexity and variety of work
- Realism of the proposal
- Past Performance of complying with subcontracting requirements

Extent of participation of SB firms in terms of the value of the total acquisition or just total subcontracted dollars.

**Incentive
payments**

FAR 19.708(c)(1) provides guidance for incentive payments authorized by the Small Business Act. FAR also authorizes modifying the provisions, wherever appropriate. Incentive payments are used to encourage prime contractors to put forth extraordinary effort to subcontract with small businesses. Incentives may take many forms from a fully qualified schedule of payments based on actual subcontract achievement to an award fee approach with subjective evaluation criteria. (FAR 52.219-10)

The incentive should not reward the contractor for results other than those that are attributable to the contractor's efforts under the incentive subcontracting program. As an example, an incentive should not be earned for exceeding subcontract goals due to a subcontract cost overrun that causes the actual subcontract amount to exceed subcontract plan estimates or the award of subcontracts that had been planned but not disclosed in the subcontracting plan.

Incentive clauses are most often used in very large, complex contracts, such as for major system acquisitions. NOTE: Incentive payments are made from program funds.

SUBCONTRACTING STRATEGIES, continued

Strategy for incentive payments

A strategy to provide incentive payments in subcontracting should be carefully thought out. Incentives must be clearly expressed in the contract as to what the criteria and conditions are for incentive payment.

It is important to ensure that goals on which the incentive is based are realistic. If they are set too low, the contractor will “earn” an incentive payment by giving only minimum efforts. If they are set too high, the contractor may decide that trying to earn the incentive is not worth the effort and investment. Similarly, the amount to be paid as an incentive must be carefully chosen: if the amount is too high, the benefits achieved for small business and other categories may not be worth the cost to the government. Finally, incentives should not be used unless the government expects extraordinary efforts on the part of the contractor.

Incentives should not be paid for merely exceeding the expressed subcontracting plan goals or for exceeding the percent of contract value that was evaluated as a separate element in the source selection process.

An incentive may be negotiated based on the goals established in the plan for the broad category of small business, each subset category of small business for which a goal is established, or for a combination.

Restrictions on incentives

Incentive clauses cannot be used in contracts with comprehensive subcontracting plans. (DFARS 219.708).

Award fee contract restriction

Another strategy for consideration is an award fee. If an award fee contract is to be awarded and part of the fee is to be placed on the subcontracting program, the FAR indicates that the incentive clause should not be used. Rather, this aspect of performance should be made part of the general award fee structure.

Quantified vs Qualified incentive award approaches

Quantified or objective incentive approaches are easier to establish and administer but they are unlikely to be successful in maximizing subcontracting opportunities for small business.

As an example, a contractor is not maximizing subcontracting opportunities when it has a large number of subcontracts to be awarded and the goal for small business is 12% of total planned subcontracting dollars. If without any special effort, the first two or three major subcontractors were awarded to small businesses, the contractor might already have met the goals and earned the maximum incentive. From the contractor’s perspective, there is little or no reason to make any particular efforts for the remainder of the contract.

If a qualified or subjective approach were used (i.e, award fee), the contractor would have to show that its sustained efforts to maximize subcontracting opportunities were responsible for the high percentage

obtained on a continuing basis.

Further, despite the firm's best effort to subcontract with small business, very few subcontracts were actually being placed with small business because qualified firms could not be identified. In a quantified approach, the contractor would clearly not get any of the incentive payments. However, depending on how the subjective criteria is written in a qualified approach, a prime contractor may be rewarded for achieving 10% even though due to market conditions or other factors, the 12% subcontract plan goal was proven to be unrealistic.

Lesson Summary

Conclusion

The students should be more familiar with the authorities and procedures for all categories of small businesses for which goals are established, as well as various approaches in developing subcontracting strategies when it is not feasible or practical to contract with small business at the prime contract level.

Note: See Appendix D for sample Section L and Section M language.

Relevance

This lesson is important because it helps the Small Business Professional to understand the different programs within their area of responsibility and those requiring special emphasis when developing acquisition strategies.

Big Picture

The small business prime contract and subcontracting programs are important tools that can be used to comply with the national policy to maximize small business participation in federal prime contracts and subcontract programs.

The Small Business Program

Lesson 3



Lesson 3

The Role of the Small Business Administration

Lesson Overview

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Lesson Overview

Objectives



-
- TLO** Given responses to a solicitation, describe the SBA's role in the award decision making process.
- ELO** Identify the Procurement Center Representative (PCR), Commercial Market Representative (CMR), and Certificate of Competency (COC) Specialist's responsibilities. (covered in CON 260A)
- ELO** Describe the various appeal processes
- ELO** List the standards for responsibility
- ELO** Identify limitations on subcontracting for responsibility
- ELO** Describe the two exceptions to the COC Program
- ELO** Describe when "responsibility" is referable to SBA under a Certificate of Competency
- ELO** Describe the SBA COC Review Process
-

Resources



During this lesson, you will need the following resources:

- FAR Part 19
 - DFARS Part 219
-

In this lesson

In this lesson, you will learn the role of the SBA in carrying out its authority in The Small Business Act. The Act requires the SBA and federal agencies to work together to create policies that ensure small business interests will be protected. Also, you will learn the functions of SBA's representatives that are responsible for aiding, assisting and protecting the interest of small businesses during the acquisition process and in the subcontracting program.

Small Business Professional's role

You must work very closely with the contracting officer on referrals to the SBA for final responsibility determinations and other appeals. For example, you may need to identify the correct SBA area office to send the referral. You should arrange meetings to exchange information in various appeals and in specific Certificate of Competency (COC) cases when the agency disagrees with the SBA's intent to issue a COC. Also, you must be prepared to counsel small businesses that have questions on the COC process and how to address the areas identified as non-responsible.

Building your toolkit



You are the agency's key contact with the SBA and, as such, must maintain information on the contacts at the SBA Headquarters and local area offices. You should keep this list and other information on SBA and your agency up to date. This information should be made available to small businesses to help them understand how to work with your agency and how to get help from the SBA.

Describe the various appeal processes

Introduction

The Small Business Act authorizes SBA to question or to appeal four basic actions involving small businesses throughout the acquisition process: Set-Aside appeals, Size Standard appeals, 8(a) Program appeals, and Certificate of Competency (COC) appeals. The appeal policy and procedures are detailed in the appropriate section of the FAR. However, the areas most often involved with appeals are discussed in brief below.

Small Business Professional's role

You should be the key point of contact on matters involving the SBA, e.g. set aside appeals, size protest, COC referrals and 8(a) Program matters and appeals. You should be familiar with the various appeal processes.

Small business Set- Aside appeal

As required in FAR 19.502-2(b), the contracting officer is required to set aside acquisitions in excess of \$150,000 if there is a reasonable expectation that at least two or more offers will be received from responsible small businesses and an award can be made at fair market prices. The decision is documented on DD Form 2579, Small Business Coordination Record and coordinated with the Small Business Professional and the SBA Procurement Center Representative (PCR), if it is rejected by the contracting officer. (FAR 19.502-2(a) & DFARS 219.201(d)(10)(A)).

Note: Preparation of the DD Form 2579 was discussed in Lesson 2, Acquisition Strategies.

If the decision is not to use a small business set-aside, the PCR representing the SBA can appeal the agency's decision to the Head of the Contracting Activity (HCA). If the HCA rejects the PCR's appeal, the PCR can submit an appeal to head of the (Army, Navy etc.) Agency (Secretary, Administrator or Director) through SBA Headquarters. The final decision rests with the Head of the Agency. (FAR 19.505)

NAICS Code Designation and Small Business Size appeals

NAICS Code Appeal: The contracting officer is responsible for determining the appropriate North American Industry Classification System (NAICS) code and related SB size standard for the acquisition and including them in solicitations above the micro-purchase threshold.

The contracting officer's determination is final unless it is appealed to the SBA's Office of Hearings and Appeals (OHA) (any person adversely affected by the NAICS code designation may file an appeal).

The decision of OHA is final and the solicitation must be amended to reflect the decision if the decision is received prior to the due date of initial offers. If received after the due date, the decision is not binding on the pending solicitation but is applicable on future acquisitions of the same products or services. (FAR 19.303).

Size Standard Appeal: A small business is required to certify in each solicitation that the firm meets the definition of a small business and the criteria specified for the NAICS code contained in the solicitation.

Another small business or the contracting officer acting on behalf of the government may protest the size of a small business. The SBA will review the matter pursuant to 13 CFR 121.

The contracting officer refers the protest whether timely or not to SBA for a review if a protest is received from another small business. (FAR 19.302)

SECTION 8(A) PROGRAM APPEALS

Section 8(a) Program

Appeals involving the 8(a) Program must be referred to the SBA. The size status of the apparent successful offeror for a competitive 8(a) contract may be protested by an offeror, the contracting officer, or SBA pursuant to FAR 19.302(a).

Anyone questioning the eligibility of an 8(a) concern to continue participation in the 8(a) Program or for purposes of a specific 8(a) contract should submit the information to SBA pursuant to 13 CFR 124.112.

8(a) firm's responsibility

If a CO determines that an apparent 8(a) offeror is not responsible to perform the contract, the concern must be referred to SBA for a possible COC in accordance with FAR Subpart 19.6.

8(a) firm Protest Limitations

A participant in the 8(a) Program cannot protest SBA's determination to not award it a contract because the concern lacks an element of responsibility or is ineligible for the contract. Another participant in the program cannot protest the size status of an 8(a) firm nominated to receive a contract under sole source authority. (13 CFR 124.517)

SBA Appeal to Agencies

The SBA may appeal 8(a) contracting matters to the Head of the Agency pursuant to FAR 19.810 & FAR 19.806(d). SBA may appeal when an agreement cannot be reached with the CO on the following:

- Decision to not make available a requirement for the 8(a) program
 - CO's decision to reject a specific 8(a) firm for an 8(a) contract award after SBA's acceptance of the requirement for the 8(a) Program
 - Terms and conditions of a proposed 8(a) contract; and
 - Negotiated contract price & fair market price.
-

Describe the various appeal processes, continued

CERTIFICATE OF COMPETENCY (COC) PROGRAM

Introduction

Section (8)(b)(7) of the Small Business Act authorizes the SBA to make determinations relating to the responsibility of small business concerns in government contracts. The authority extends to “all elements of responsibility, including but not limited to capability, capacity, competency, credit, integrity, perseverance and tenacity of any small business concern or group of concerns to receive and perform a specific contract.” This provision of the Act is needed because the standard of responsibility is sometimes applied more strictly to small businesses than large businesses.

Certificate of Competency (COC) Program

The COC program is applicable to all Government acquisitions. The Contracting Officer (CO) must make a determination of responsibility prior to awarding any purchase or government prime contract. If the apparent successful offeror is a small business and is determined to be non-responsible, the matter must be referred to the SBA for a COC review even if the next acceptable offer is also from a small business. (FAR 9.103, FAR 19.1, FAR 19.6, 13 CFR 125.5). Only the Contracting Officer’s non-responsibility determination can trigger the process. The SBA nor the company itself, nor other companies can start the process.

The COC Program allows a small business that is the apparent successful offeror on a particular procurement to contest a Contracting Officer’s finding that it cannot perform successfully (i.e., determined to be “non-responsible”).

If the small business applies for a COC, the SBA will review the company’s ability to perform on the contract. If it overcomes the Contracting Officer’s objections, the SBA will issue a COC to the Contracting Officer certifying to the small business’ responsibility

The “Certificate” is a letter from the SBA stating that the recipient small business is responsible for the purpose of receiving and performing this contract.

Describe the various appeal processes, continued

CERTIFICATE OF COMPETENCY (COC) PROGRAM, CONTINUED

Responsibility Policy Responsibility is covered in FAR Part 9—Contractor Qualifications. The FAR states that “...purchases shall be made from, and contracts shall be awarded to, responsible prospective contractors only.”

It would be “false economy” to award a contract based on lowest evaluated price if there is a subsequent default, late deliveries, or other unsatisfactory performance resulting in additional contractual or administrative costs. This would be true regardless of the size status of the firm. While it is important that Government purchases be made at the lowest price, this does not require an award to a supplier solely because that supplier submits the lowest offer. A prospective contractor must affirmatively demonstrate its responsibility, including, when necessary, the responsibility of its proposed subcontractors. (FAR 9.103)

Standards of responsibility FAR 9.104 lists the general standards for responsibility. In general, the contracting officer will need to determine if the contractor:

- Has adequate financial resources to perform the contract, or the ability to obtain them;
- Is able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;
- Has a satisfactory performance record;
- Has a satisfactory record of integrity and business ethics;
- Has the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them. (See Far 9.104-3(a));
- Has the necessary production, construction, and technical equipment and facilities, or ability to obtain them; and
- Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Limitations on subcontracting A small business unable to comply with the limitations on subcontracting requirements found in the applicable clauses (52.219-14, 52.219-3, or 52.219-27) may be considered non-responsible and subject to the COC process. (FAR 9.104-3(d)(2); 19.601(d))

Ostensible subcontracting means the subcontracted part of the work is the primary responsibility of the contract or the prime is over reliant on the subcontractor.

Describe the various appeal processes, continued

CERTIFICATE OF COMPETENCY (COC) PROGRAM, CONTINUED

Exceptions to COC program

The COC process must be used in every acquisition where a small business is the apparent low bidder or successful offeror and has been determined non-responsible, except for those, which are exempted by SBA regulations and the FAR. Referral is not necessary if the small business concern is:

- Determined to be unqualified and ineligible because it does not meet the standards prescribed in FAR 9.104-1(g) provided that the determination is approved by the Head of the Contracting Activity; **or**
 - Suspended or debarred under Executive Order 11246 or FAR Subpart 9.4.
-

FAR 14 & FAR 15

Unless one of the above exceptions applies, any determination of non-responsibility relating to a small business must be referred to the appropriate SBA Office.

FAR 14, Sealed Bid method to award contracts: In each case the determination must be made in the light of all prevailing circumstances. The Contracting Officer must give bidders a chance to cure a minor deficiency or must waive the deficiency (FAR 14.405). Particular care must be taken in cases where only a single bid is received.

In order to be considered responsive a bid must be received, opened, and not rejected at the time and place set forth in the invitation for bids and conform to the specifications, terms, and conditions set forth in the IFB, which means the terms are not limited, reduced, or modified.

FAR 15, Negotiation method to award contracts: An offer in a negotiated procurement only needs to have enough detail to decide if the government's requirements are met. **A proposal that fails to conform to the material terms and conditions can be dismissed. Therefore, "responsiveness" does not apply to negotiated procurements as negotiations allows offerors to fix defects in their proposal.**

Special attention is given to the source selection process using the lowest price technically acceptable evaluation approach where past performance is considered an evaluation factor. In this case, past performance is evaluated in accordance with FAR 15.305. However,

the comparative assessment of past performance information in FAR 15.305(a) (2) (i) does not apply. If the contracting officer determines that a small business' past performance is not acceptable, the matter shall be referred to the SBA for consideration for a COC. (FAR Subpart 19.6). Where a procuring activity uses a responsibility related evaluation factor and evaluates on a pass/fail basis (rather than comparatively), rejection of an offer is essentially a non-responsibility determination and the company must be referred to SBA for a COC.

CO responsibility determination

The evidence of a firm's responsibility is the contracting officer's signature on the contract. If the firm is found non-responsible, then the contracting officer must make a determination of non-responsibility and document it in the contract file.

Certificate of Competency (COC)

If the contracting officer has determined that a small business is non-responsible, the SBA must make a final determination of responsibility. A COC issued by SBA is needed to award the contract. The COC is used only when the contracting officer has found a small business to be non-responsible and has so documented the file. The COC process should not be used as a replacement for the contracting officer to perform an appropriate responsibility survey.

A Contracting Officer can only refer one small business at a time. The results of a COC are specific to the solicitation for which the referral was made as it only addresses a business' ability to perform that specific contract.

COC Referral

The referral must include all the pertinent information as outlined in FAR 19.602-1(c), including any justification and documentation used to reach a non-responsibility determination.

- Determination of Non-Responsibility
- Complete solicitation with all amendments plus SBC's offer
- Abstract of bids or the contracting officer's price negotiation memorandum.
- Pre-award survey and/or any pertinent technical or financial information. Past performance information, if available.
- Technical data package (including drawings, specifications and statement of work).
- Any other justification and documentation used to arrive at the non-responsibility determination.
- Contact information (name, address, phone number, and email address) for the business being referred and the Contracting Officer.

- Dollar amount of the business’ offer (base period only), not the cost of the contract with all options exercised.

The referral must be sent in writing (hard copy) to the SBA Government Contracting Area Office service the area in which the headquarters of the offeror is located (FAR19.602-1(a)(2)). Do NOT send COC referrals or size protests to SBA District, Branch, or Regional Offices.

Withhold contract award

The CO must withhold contract award for a period of 15 working days (or longer if agreed to by SBA and the CO) following receipt by the appropriate SBA Area Office of a referral that includes all required documentation. The CO shall notify the contracting activity’s Small Business Professional when making a non-responsibility determination on a small business concern. (FAR 19.602-1(e); PGI 219.602-1)

SBA review

An applicant has 6 calendar days to submit its application; the SBA specialists have 6 calendar days to complete their surveys and reports, and the COC Review Committee has 3 calendar days to review the files, meet, and make a recommendation to the Area Director.

If a business declines to participate, the referral is closed and the Contracting Officer can make award to the next firm in line for award. Extensions may be requested by the SBA or the company.

The COC referral must indicate the offeror has been found responsive to the solicitation and identify the reason for the non-responsibility determination. **The SBA COC review is not limited to the areas of responsibility cited by the CO.** SBA may, at its discretion, independently evaluate the COC applicant for all elements of responsibility and deny a COC for reasons not originally cited by the CO. Or, the SBA may presume responsibility exists as to elements other than those cited by the CO as deficient. (FAR 19.602-2(b) & (c)).

Applicants must submit a completed

- SBA Form 1531 (Application for COC)
- SBA Form 355 (Application for Size Determination)
- “Attachment” questionnaire for manufacturing or services, as appropriate
- Monthly cash flow projection, if applicable
- All other requested information and any additional information that the applicant believes will demonstrate its ability to perform on the subject procurement

In order for the small business to realistically address the Contracting Officers' objections, it must have a good idea of precisely what those objections are. The SBA encourages Contracting Officers to allow the SBA to share a copy of the Determination of Non-Responsibility, or an edited version of it with the small business.

SBA Process

After a complete referral is received, the files are sent to the SBA specialist in the field. Upon receipt of the company's application, the specialist will survey the business and its ability to perform in light of the Contracting Officers' objections. Evaluations address every aspect of the applicant's business. The SBA may review any area of responsibility that it wishes. It is not limited to reviewing only the area cited by the Contracting Officer. Each specialist prepares a report and makes a recommendation for the COC Review Committee.

The SBA can issue a COC or decline to issue a COC. There is no other option. If the SBA declines to issue a COC, the Contracting Officer is free to move to the next apparent successful offeror (which could also be subject to the COC process). However, a Contracting Officer may still award to the company referred if the Contracting Officer concludes the company is responsible. (FAR 19.602-4(a)).

Contracting Officer options FAR 19.602

If after the review the SBA (SBA Area Director) determines that a COC is warranted, the CO is notified of the SBA intent to issue a COC. When disagreements arise about a concern's ability to perform, the contracting officer and the SBA shall make every effort to reach a resolution before the SBA takes final action on a COC. The CO has two options.

- (1) The CO can accept the SBA decision, award the contract, and include the SBA COC in the contract file.
- (2) The CO can ask the SBA to suspend the case to:
 - Review a detailed written rationale and then decide within a specified period of time.
 - Meet with the Area Office to review all documentation contained in the case file and to attempt to resolve any issues.
 - Submit any information to the SBA the contracting officer believes the SBA did not consider
 - Appeal the proposal to issue a COC to SBA Headquarters

Contracting Officer options depend on dollar value

Contracts less than \$100,000 – SBA Area Office decision is final. No appeal allowed by small business nor Contracting Officer

Contracts between \$100,000 and \$25 million – Contracting Officer can appeal Area Office’s decision to issue COC to SBA Headquarters. Small Business cannot appeal decision

Contracts over \$25 million – Area Office can decline to issue COC on its own authority but the Area Office must refer any case in which it proposes to issue a COC to SBA HQ for specific approval

If the CO does not agree to withhold award, the SBA is required to issue the COC immediately.

If CO agrees to withhold award until appeal is completed, the Area Office will forward its file to SBA HQ.

The SBA HQ will then notify the Director of the agency’s OSDDBU that it has the file and that an appeal may be formally requested. If the agency appeals, it must submit additional documentation to SBA HQ within 10 working days (or a time period acceptable by both agencies)

Final decision

The Director of the SBA’s Office of Government Contracting makes the final decision to issue/decline a COC There is no further appeal of the decision of the AA/GC. (FAR 19.602-3)

Failure to receive a COC in one instance is not and should not be viewed as a “black mark” against a business on some other solicitation just as issuance is no future guarantee. Every case is considered separately because a COC is valid only for the specific contract it is issued for and a company capable of performing successfully on one contract may or may not be qualified to perform on another.

Certificate of Competency Program Contacts and Representatives
 U.S. Small Business Administration COC Program Contact Sheet – Updated 04/01/2015

If the HQ of the offeror is located in:	Send COC referrals to:
<p>Area I: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, Puerto Rico, and Virgin Islands</p>	<p>POC: Dianne Nolan, Industrial Specialist</p> <p>U.S. Small Business Administration Office of Government Contracting, Area I 10 Causeway Street, Room 416 Boston, MA 02222-1093</p> <p>Tel: (617) 565-5570 Email: dianne.nolan@sba.gov</p>
<p>Area II: Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and Washington, DC</p>	<p>POC: Adrian Groth, COC Manager – Industrial Specialist</p> <p>U.S. Small Business Administration 409 3rd Street, SW 5th Floor Washington, D.C. 20416</p> <p>Tel: (202) 205-6840 Email: adrian.groth@sba.gov</p>
<p>Area III: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee</p>	<p>POC: Joyce Thurmond, Procurement Center Representative/COC Coordinator</p> <p>U.S. Small Business Administration Office of Government Contracting, Area III 233 Peachtree Street, Suite 1900 Atlanta, GA 30034</p> <p>Tel: (404) 331-7587, ext. 205 Email: joyce.thurmond@sba.gov</p>
<p>Area IV: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin</p>	<p>POC: David Gordon, Manager Size Determination and COC Programs</p> <p>U.S. Small Business Administration 500 W. Madison Street, Suite 1150 Chicago, IL 60661</p> <p>Tel: (312) 353-7674 Email: david.gordon@sba.gov</p>

<p>Area V: Arkansas, Colorado, Louisiana, New Mexico, Oklahoma and Texas</p>	<p>POC: Sophia Chou, Commercial Marketing Representative</p> <p>U.S. Small Business Administration Office of Government Contracting, Area V 4300 Amon Carter Blvd., Suite 116 Fort Worth, TX 76155</p> <p>Tel: (817) 684-5304 Email: sophia.chou@sba.gov</p>
<p>Area VI: Alaska, California, Hawaii, Idaho, Montana, Nevada, Utah, Washington, Wyoming and Guam</p>	<p>POC: Marina Laverdy, COC Intake Coordinator</p> <p>U.S. Small Business Administration Office of Government Contracting, Area VI 330 N. Brand Blvd., Suite 1200 Glendale, CA 91203</p> <p>Tel: (818) 552-3306 Email: marina.laverdy@sba.gov</p>

SBA'S REPRESENTATIVES AND RESPONSIBILITY

SBA's representatives

Several SBA representatives are involved in the acquisition process to ensure and protect the interest of small business. These representatives are the Procurement Center Representative (PCR), Commercial Market Representative (CMR), and the SBA's Certificate of Competency Representative (COC).

Procurement Center Representative (PCR)

The PCR's responsibilities include:

- Participating in acquisition planning and market research;
- Counseling small businesses;
- Reviewing set aside decisions and appeals;
- Reviewing subcontracting plans for accuracy and adequacy;
- Coordination of subcontract program reviews with the Commercial Marketing Representative;
- Coordination of COC referrals to SBA; and
- Performing surveillance reviews (i.e., "audit" small business procedures at buying office).

Resident and non-resident PCR duties may vary.

Commercial Market Representative (CMR)

CMRs are stationed in SBA Area Offices. The CMR's responsibilities include:

- Reviewing prime contractor's subcontracting programs;
 - Counseling small businesses on how to obtain subcontracts and conduct matchmaking activities to facilitate subcontracting to small businesses;
 - Conducting compliance reviews of prime contractors subcontracting programs; and
 - Providing orientation and training on the Subcontracting Assistance Program for both large and small businesses.
-

COC Representative

The SBA COC Representative responsibilities include:

- Conducting a detailed review of a firm's capabilities to perform on a contract when a CO determines the small business to be non-responsible and refers the matter to SBA under the COC program.
-

Lesson Summary

Conclusion

The students should now better understand the Small Business Administration (SBA) representatives' role in the acquisition process including various appeal procedures and the appropriate course of action when determining a small business is non-responsible.

Relevance

This lesson is important because the Small Business Administration is a key partner in providing the Small Business Professional and Contracting Officer with necessary information for developing acquisition strategies.

Big Picture

Knowing and comprehending the essential role of SBA is vital to maximize successful participation of small businesses in acquisition programs.

The Small Business Program

Lesson 4



Lesson 4

Subcontracting

The following topics are covered in this lesson:

Topics	
Lesson Overview	4-2
Determine the Need For Subcontracting Plan and Appropriate Clauses	4-4
Identify the Types of Subcontracting Plans	4-7
Comprehensive Small Business Subcontracting Test Plan	4-9
Required Subcontracting Plan Elements	4-10
Process For Reviewing a Subcontracting Plan (Pre-Award)	4-12
Subcontracting Plan Reports and Submission (Post-Award)	4-14
Evaluate Prime Compliance to Subcontracting Plan (Post-Award)	4-14
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Team Exercise 4	

Introduction

In this lesson, you will learn the basics of the federal government’s subcontracting program. Much time is spent on determining the need for subcontracting plans, how to evaluate the plan, and strategies and incentives that can be used to encourage the prime contractors to increase their efforts to maximize the participation of small business at the subcontracting level. Also, covered is information on evaluating prime contractor’s subcontracting performance.

Lesson Overview

Objectives



TLO Given potential subcontracting opportunities, point out the subcontracting requirements.

ELO Determine the need for a subcontracting plan and appropriate clauses

ELO Identify the types of subcontracting plans;

ELO Describe the Comprehensive Small Business Subcontracting Test Plan;

ELO Identify the required elements of a subcontracting plan;

ELO Describe the process for reviewing a subcontracting plan;

ELO Identify required documentation related to subcontracting plan reports and submission of the reports;

ELO Identify the process to evaluate prime contractor compliance with the subcontracting plan; and

ELO Describe the review and rating process of a prime contractor’s small business program

Resources



During this lesson, you will need the following resources:

- FAR Part 19
 - DFARS 219
-

Knowledge, skills, and abilities

A general knowledge of federal subcontracting requirements and prime contractor subcontracting programs are essential to enable you to answer subcontracting questions from a wide array of audiences. These questions may range from explaining the need for a subcontracting plan in sealed bidding or negotiated contracts, types of subcontracting plans, elements of a subcontracting plan, or how subcontracting plans are evaluated.

Small Business Professional's role

At the request of the contracting officer, you will review the subcontracting plan for adequacy. You also coordinate a review of the plan by the SBA PCR. If requested by the contracting officer, you will get input from DCMA. You will assist the contracting officer in other matters as appropriate. Acting for your appointing authority, you are responsible for ensuring that the socio-economic programs are properly implemented within the agency.

Building your toolkit



The Small Business Professional is involved in the subcontracting program from determining the need to evaluating compliance. To carry out this responsibility, the specialist should have a wealth of knowledge of the basics of subcontracting, the list of names of key DoD and SBA officials involved in the review process and the general criteria used to evaluate performance. This information will help the Small Business Professional to communicate effectively with the contracting officer, program and technical personnel and be able to describe the subcontract plan process to interested small businesses.

Determine the need for subcontracting plan and appropriate clauses

Definition of subcontracting

FAR Subpart 19.701 defines subcontract as “any agreement (other than one involving an employer-employee relationship) entered into by a government prime contractor or subcontractor calling for supplies and/or services required for performance of the contract, contract modification, or subcontract.”

When a subcontracting plan is needed

Section 8(d) of the Small Business Act and FAR 19.702(a) requires that subcontracting plans be submitted in the following instances:

1. In negotiated acquisitions, each solicitation of offers to perform a contract or contract modification, that individually is expected to exceed \$700,000 (\$1.5 million for construction) and that has subcontracting possibilities, shall require the apparently successful* offeror to submit an acceptable subcontracting plan. If the apparently successful offeror fails to negotiate a subcontracting plan acceptable to the contracting officer within the time limit prescribed by the contracting officer, the offeror will be ineligible for award.

2. In sealed bidding acquisitions, each invitation for bids to perform a contract or contract modification, that individually is expected to exceed \$700,000 (\$1.5 million for construction) and that has subcontracting possibilities, shall require the bidder selected for award to submit a subcontracting plan. If the selected bidder fails to submit a plan within the time limit prescribed by the contracting officer, the bidder will be ineligible for award.

***Note:** The FAR and the Act have conflicting language. The FAR states “apparently successful offeror”; the Act states “apparent low offer”.

When a subcontracting plan is NOT needed

Subcontracting plans are not required (FAR 19.702(b)):

1. From small businesses
 2. For personal services contracts
 3. For contracts or modifications that will be performed entirely outside the United States and its outlying areas
 4. For modifications to contracts within the general scope of the contract that do not contain the clause at 52.219-8, Utilization of Small Business Concerns (or equivalent prior clauses: e.g., contracts awarded before the enactment of Public Law 95-507).
-

Continued on next page

Determine the need for subcontracting plan and appropriate clauses, continued

Subcontracting plan applicability

The contracting officer must determine whether subcontracting possibilities exist by considering the factors in FAR 19.705-2(a), (b) (1)& (2).

FAR 19.705-2

(a) Determine whether the proposed contractual action will meet the dollar threshold in [19.702](#)(a)(1) or (2). If the action includes options or similar provisions, include their value in determining whether the threshold is met.

(b) Determine whether subcontracting possibilities exist by considering relevant factors such as --

(1) Whether firms engaged in the business of furnishing the types of items to be acquired customarily contract for performance of part of the work or maintain sufficient in-house capability to perform the work; and

(2) Whether there are likely to be product prequalification requirements.

Clause applicability

FAR 19.708 provides the required and optional clauses as follows:

FAR [52.219-8](#), Utilization of Small Business Concerns, in contracts expected to exceed the simplified acquisition threshold unless --

(1) A personal services contract is contemplated (see [37.104](#)); or

(2) The contract, together with all of its subcontracts, will be performed entirely outside of the United States and its outlying areas.

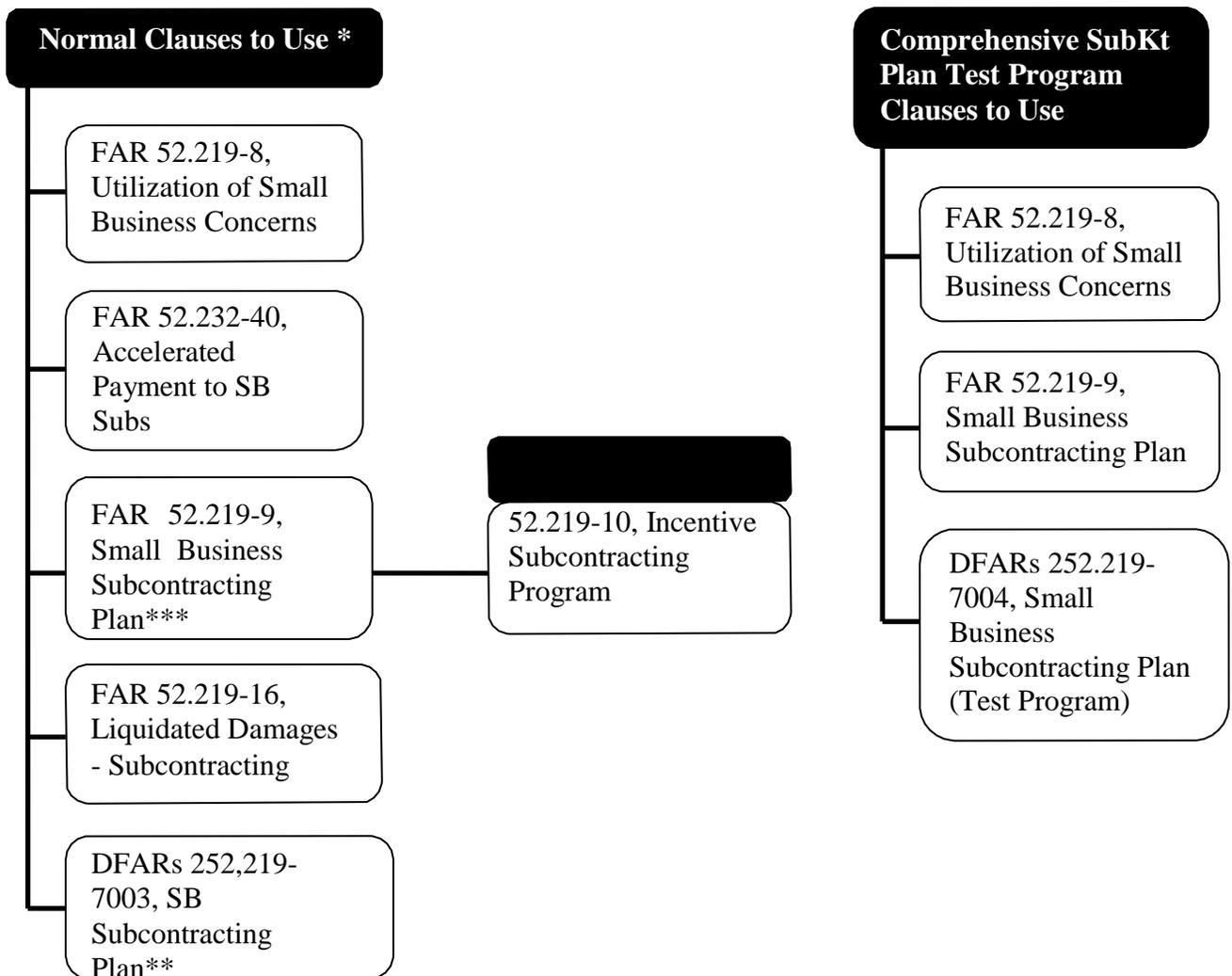
FAR [52.219-9](#), Small Business Subcontracting Plan **, in contracts that offer subcontracting possibilities, are expected to exceed \$700,000 (\$1.5 million for construction of any public facility), and are required to include the clause at [52.219-8](#), unless the acquisition is set aside or is to be accomplished under the 8(a) program. Alternate I will be used if contracting by sealed bidding and Alternate II will be used if contracting by negotiation, and subcontracting plans are required with initial proposals.

FAR [52.219-16](#), Liquidated Damages –Subcontracting Plan, in all contracts containing the clause at [52.219-9](#), Small Business Subcontracting Plan, or the clause with its Alternate I or II.

FAR [52.219-10](#), Incentive Subcontracting Program, may be included when a subcontracting plan is required and inclusion of a monetary incentive is, in the judgment of the contracting officer, necessary to increase subcontracting opportunities for the various socio-economic categories and is commensurate with the efficient and economical performance of the contract (see FAR 19.708 for exclusions).

(Reference Figure 4-1)

Figure 4-1, Clause Applicability (*Note: Variations with Alternatives not reflected in Figure; ** See DARS 2013-00014 for deviation).



Identify the types of subcontracting plans

Types of subcontracting plans

There are four types of subcontracting plans: individual subcontracting plan, master subcontracting plan, commercial subcontracting plan, and comprehensive small business subcontracting test program.

Individual subcontracting plan

An Individual contract plan is a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror's planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

If the contract has option years, the contract must include a separate plan for each option year. For multiyear contracts or contracts containing options, the cumulative value of the basic contract and all options is considered in determining whether a subcontracting plan is necessary. If a plan is necessary and the offeror is submitting an individual contract plan, the plan shall contain all the subcontracting plan elements and contain separate statements and goals for the basic and for each option. Only the contracting officer at the contracting activity can approve an individual subcontracting plan. See FAR 19.704 (c).

Key take-aways:

- One plan for one contract
- Goals for percentages (%) and dollars (\$) are based on planned subcontracting
- Covers entire contract period
- Requires Individual Subcontracting Reports (ISRs) semiannually and Summary Subcontracting Reports (SSRs) annually (see DARS 2013-O0014)

Master subcontracting plan

A Master plan is a subcontracting plan that contains all the required elements of an individual contract plan, except goals, and may be incorporated into individual contract plans, provided the master plan has been approved.

A master subcontracting plan is established on a plant or division-wide basis and is effective for three years after approval or for the life of the individual contract into which it is incorporated. (Goals and any deviations must be included in an individual subcontracting plan.) A master subcontracting plan must be approved by the first Federal Agency awarding the company a contract requiring a subcontracting plan during the year. In DoD, the ACO is responsible for reviewing, evaluating, and approving master subcontracting plans. See DFAR

219.706(a)(i). The offeror must ensure that the master subcontracting plan is updated as necessary and provides copies of the approved plan, including evidence of its approval to the contracting officer. See FAR 19.704(b).

Key take-aways:

- Can be developed on plant/division basis
- Effective for 3 yrs. after Administering Contracting Officer approval (IAW DFARS)
- Contains all elements of subcontracting plan (except goals)
 - Goals negotiated for each applicable contract
 - Approved master plan with goals becomes Individual Subcontracting Plan upon contract award

Commercial subcontracting plan

A Commercial plan is a subcontracting plan (including goals) that covers the offeror’s fiscal year and that applies to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line).

A commercial subcontracting plan is the preferred type of subcontracting plan for contractors furnishing commercial items. A subcontracting commercial plan is approved by the first contracting officer awarding a contract requiring a subcontracting plan during the contractor’s fiscal year, or, if the contractor has ongoing contracts with commercial subcontracting plans, to the contracting officer with the latest completion date. See FAR 19.704(d) (1). An Individual Subcontract Report (ISR) is not required to be submitted by the business on commercial subcontracting plans.

Key take-aways:

- Preferred for contractors furnishing commercial items
- Applies to **entire production** of commercial items sold by either entire company or a portion thereof (division, plant, or product line)
- Based on contractor’s fiscal year
- Is an annual plan (applies to all government contracts in effect)
- Contains mandatory elements
- Requires SSR annually

NOTE: A SAMPLE checklist for reviewing subcontracting plans if requested by the CO can be found in Appendix “D”.

Comprehensive Small Business Subcontracting Test Plan

Program intent	<p>Section 834, P.L. 101-189, as amended, authorizes the Department of Defense (DoD) to test a program from Oct. 1, 1990 to Dec. 31, 2014 (For more information see Comprehensive Subcontracting Plan Test Program guidance at http://www.acq.osd.mil/osbp/). This program permits contractors to develop comprehensive subcontracting plans on a corporate, division, or plant-wide basis. The intent of the program is to determine whether the negotiation and administration of the test plans will reduce administrative burden on contractors while enhancing small business subcontracting opportunities.</p>
Eligibility	<p>A business concern that during the preceding fiscal year:</p> <ul style="list-style-type: none">Performed under at least three DoD contracts (supplies and services) aggregating \$5 million or more,Achieved a SDB subcontracting rate of 5% or more (not applicable to eight original participants).
Participation	<p>Participants must:</p> <ul style="list-style-type: none">Establish comprehensive subcontracting plans on the same corporate, division or plant-wide basis under which a Summary Subcontract Report (SF 295) was submitted the previous fiscal year. No ISRs.Have reported on Summary Subcontract Report during the past fiscal year (except for "lower level" participants)Accept a SDB goal for each fiscal year of not less than 5% or not less than established under detail plan to achieve 5%Comply with DFARS 215 for source selection purposesOffer a broad range of subcontracting opportunitiesVoluntarily agree to participateHave at least one active contract that requires a subcontracting plan at the designated DoD contracting activity.
Subcontracting test plan administration	<p>Comprehensive subcontracting test plans negotiation has been delegated to the cognizant ACO within the DCMA. The ACO negotiates after input from the military departments and defense agencies.</p>
Clauses	<p>DFARS 252.219-7004, Small Business Subcontracting Plan (Test Program) is applicable.</p> <p>FAR Clauses 52-219-16, Liquidated Damages Subcontracting Plan and 52.219-10 Incentive Subcontracting Program are not applicable to the program.</p>

Identify the required elements of a subcontracting plan

Elements of a subcontracting plan

The contracting officer is responsible for ensuring that each subcontracting plan contain certain elements which are listed in FAR 19.704(a) and DFARS 219.704.

1 - Goals

The subcontracting plan should contain separate goals for the following:

- Small Business (SB)*
- Small Disadvantaged Business (SDB)**
- Women-Owned Small Business(WOSB)
- Veteran-Owned Small Business (VOSB)
- Serviced-Disabled Veteran-Owned Small Business (SDVOSB)
- and
- HUBZone Small Business

*Note: The goal for this category includes Alaska Native Corporations, Indian tribes and qualified nonprofit agencies for the blind and other severely disabled that have been approved by the Committees for Purchases from People Who are Blind or Severely Disabled under the Javits-Wagner-O'Day (JWOD) Act (41 U.S.C. 46-48) may be counted toward the prime contractor's small business subcontracting goals. DFARS 219.703(a).

**The goal for this category includes Alaska Native Corporations and Indian tribes subcontracts awards are reported as SDB Awards, as instructed on SF294.

2 - Total subcontracting dollars

The subcontracting plan should contain a statement of the total subcontracting dollars planned to be subcontracted and a statement of the total dollars to be subcontracted to SB, SDB, WOSB, VOSB, SDVOSB and HUBZone small business concerns.

3 - Principle types of supplies and services

The subcontracting plan should contain a description of the principle types of supplies and services to be subcontracted and an identification of types planned for subcontracting to SB, SDB, WOSB, VOSB, SDVOSB and HUBZone small business concerns.

4 - Goal development method

The subcontracting plan should contain a description of method used to develop subcontracting goals.

5 - Source identification method

The subcontracting plan should contain a description of method used to identify potential sources for solicitation purposes.

6 - Indirect costs identification

The subcontracting plan should contain a statement as to whether or not the offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with SB, SDB, WOSB, VOSB, SDVOSB and HUBZone small business concerns.

Identify the required elements of a subcontracting plan, continued

7 - Administrator	The subcontracting plan should contain the name of an individual employed by the offeror who will administer the offeror’s subcontracting program and a description of the duties of the individual.
8 - Outreach	The subcontracting plan should contain a description of the efforts the offeror will make to ensure that SB, SDB, WOSB, VOSD, SDVOSB and HUBZone small business concerns have an equitable opportunity to compete for subcontracts.
9 - FAR clause 52.219-8	The subcontracting plan should contain assurances that the offeror will include the FAR Clause at 52.219-8, Utilization of Small Business Concerns (See FAR 19.708(a), in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$700,000 (\$1,500,000 for construction) to adopt a plan that complies with the requirements of the FAR Clause at 52.219-9 Small Business Subcontracting Plan.
10 - Reporting requirements	<p>The subcontracting plan should contain an assurance that the offeror will:</p> <ol style="list-style-type: none">1. Cooperate in any studies or surveys as may be required2. Submit periodic reports so the Government can determine the extent of compliance by offeror with the subcontracting plan3. Submit the Individual Subcontract Report (ISR), and the Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System (eSRS) (http://www.esrs.gov), following the instructions in the eSRS or as provided in agency regulations; and4. Ensure its subcontractors agree to submit Individual Subcontract Reports and Summary Subcontract Reports using the eSRS system <p>Note: See 19.704(a)(10) and DARS 2015-O0014 for additional guidance.</p>
11 - Record maintenance	The subcontracting plan should contain a description of the types of records that will be maintained concerning procedures adopted to comply with the requirement and goals in the plan, including establishing source lists; and a description of the offeror’s efforts to locate SB, SDB, WOSB, VOSD, SDVOSB and HUBZone small business concerns and award subcontracts to them.

Describe the process for reviewing a subcontracting plan (Pre-Award)

RESPONSIBILITIES

Individual responsibilities

In order to describe the process for reviewing a subcontracting plan, it is important to first know who has certain responsibilities. These are described below.

The contracting officer (CO) / (KO)

The contracting officer is responsible for requiring, reviewing, approving, and distributing subcontracting plans. The contracting officer must review the subcontracting plan for adequacy, ensuring that the required information, goals, and assurances are included within the proposed plan as required by FAR 19.705-4.

Ensure goals are attainable in relation to subcontracting opportunities available based on market research (efficient/economical performance of contract) and there is a pool of eligible subcontractors available.

Consider a contractor's compliance with previous plans submitted on previous contracts as a factor in determining responsibility (CPARS and eSRS).

Ensure acceptable plan is incorporated into and made a material part of the contract.

The SBP at the contracting activity

You, the Small Business Professional, located at the contracting activity manage the agency's small business program, serve as a member of the acquisition team, and provide liaison with the SBA through the SBA PCR.

The SBP at the contract management area office

You, the Small Business Professional, located at the contract administration activity support the ACO in evaluating a contractor's performance and compliance with its subcontracting plan. DFARS 219.706 (a) (ii).

The Administrative Contracting Officer (ACO)

The ACO is responsible for assisting in evaluating subcontracting plans. The ACO also monitors, evaluates, and documents contractor performance under the clause prescribed in FAR 19.708(b) and any subcontracting plan included in the contract. (FAR 19.706). PCO/ACO can evaluate past performance in subcontracting to Small Business by using CPARS and eSRS.

The SBA PCR & CMR

To assist the CO in determining the acceptability of subcontracting plans, the PCR and CMR review subcontracting plans. They review (within 5 working days) before execution of any negotiated contractual document requiring a subcontracting plan, including the plan itself, and submit advice and recommendations to the CO. (FAR 19.707)

Describe the process for reviewing a subcontracting plan (Pre-Award)

REVIEW PROCESS

Subcontracting plan review considerations There are no detailed standards that apply to every subcontracting plan. Instead, the contracting officer must consider each plan in terms of the circumstances of the particular acquisition. The contracting officer must consider advisory comments and recommendations from others available to assist in this process. The contracting officer will also consider a contractor's past performance.

Past performance considerations (Use CPARS and eSRS) As previously discussed in Lesson 2, past performance has recently become a very important matter in reviewing subcontracting plans for acceptability, as well as overall performance. Some of the areas reviewed are as follows:

1. Previous involvement of small business concerns as prime contractors or subcontractors in similar acquisitions;
2. Proven methods of involving small business concerns as subcontractors in similar acquisitions; and
3. The relative success of methods the contractor intends to use to meet the goals and requirement of the plans, as evidenced by records maintained by the contractors.

Support in reviewing subcontracting plans The ACO, Small Business Professional, and PCR may assist the contracting officer, if requested, by providing feedback from information maintained by them on the following:

- information on the contractor's performance and compliance with subcontracting plans under prior contracts;
- information on the extent to which the contractor has met the prior goals for subcontracting to SB, SDB, WOSB, VOSD, SDVOSB and HUBZone small business concerns;
- the contractor's efforts to ensure the participation of SB, SDB, WOSB, VOSD, SDVOSB and HUBZone small business concerns in its subcontracting program;
- whether the contractor is requiring subcontractors to adopt similar subcontracting plans;
- the contractor's failure to meet its commitments on prior contracts; and
- the contractor's failure to comply in good faith with the subcontracting plans on prior contracts.

Subcontracting plan reports and submission (Post-Award)

Subcontracting plan reporting element

The prime contractors that have contracts with subcontracting plans are required to maintain records and documentation related to the subcontracting plan. Also, the contractor is required to submit to the contracting officer the Individual Subcontract Report (ISR), and the Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System (eSRS) (<http://www.esrs.gov>), following the instructions in the eSRS or as provided in agency regulations (see DARS 2013-O0014). CO/KO acknowledges receipt of or reject ISRs and or SSRs in eSRS.

See Appendix D to view a sample ISR and SSR.

Review of Reports

The reports are reviewed by the agency and the information therein may point out areas that need improvement. At the contracting activity, you may coordinate with the Agency's PCO/DCMA's ACO, Small Business Managers and the SBA's PCR and CMR to conduct, as appropriate, compliance reviews and follow-up visits to address the need for a prime contractor's plans for improvement. (see DARS 2013-O0014)

Evaluate prime contractor compliance to the subcontracting plan (Post-Award)

Contract plan administration

As previously discussed, the contracting officer is responsible for contract administration on any contract awarded by the agency. The ACO at the cognizant contract administration office supports the contracting officer in evaluating prime contractor compliance with subcontracting plans by providing the necessary information and advice as appropriate. FAR 19.706(a)-(g)

Periodic reviews

The ACO, assisted by the Small Business Manager at the contract administration office, makes periodic surveillance visits to ensure that the contractor is complying with its commitments and goals within the subcontracting plan. The ACO is responsible for monitoring, evaluating and documenting the contractor's compliance with the plan. The ACO should monitor the contractor's compliance in accordance with FAR 19.706. During the review the contractor is evaluated on its overall small business subcontracting program, as well as individual contract-by-contract plans.

ACO shall furnish documentation/information on the contractor's performance/compliance with the plan in CPARS.

Documenting performance

As a Small Business Professional, you should maintain documentation that demonstrates whether the contractor is/is not making a good faith effort or adequate progress and will provide advice and assistance to the firms, as appropriate. This includes:

- Documenting the contractor’s performance and compliance with the subcontracting plan
 - Maintaining information on the extent to which the contractor is meeting the plan’s goals for subcontracting to SB, SDB, WOSB, VOSB, SDVOSB, and HUBZone small business concerns
 - Monitoring the contractor’s efforts to ensure the participation of SB, SDB, WOSB, VOSB, SDVOSB, and HUBZone small business concerns
 - Monitoring whether the contractor is requiring lower tier subcontractors to adopt similar subcontracting plans
 - Whether contractor is submitting ISRs and SSRs and reviewing ISRs submitted by its subcontractors
 - Providing immediate notice, if during performance, the contractor is failing to meet its commitments under the clause prescribed in FAR 19.708(b) or the subcontracting plan
 - Providing immediate notice and rationale, if during performance, the contractor is failing to comply in good faith with the subcontracting plan
 - Providing immediate notice that performance under a contract is complete, that the goals were or were not met, and, if not met, whether there is any indication of a lack of good faith effort to comply with the subcontracting plan. Note that you cannot reject a report during an intermittent review for not meeting goals because the contractor has full length of contract to meet the goals.
 - Monitor compliance of accelerated payments to small business subcontractors when clause FAR 52.232-99 (DEVIATION (AUGUST 2012) is incorporated in the contract.
-

Good faith efforts FAR 19.705-7(d)

In determining whether a contractor is making a good faith effort to comply with the subcontracting plan, the following is considered:

- the totality of the contractor’s actions, consistent with the information and assurances provided in its plan;
 - that failure to meet its subcontracting goals does not, in and of itself constitute a failure to make a good faith effort;
 - that even with diligent efforts to comply with its subcontracting plan, unavailability of anticipated sources or unreasonable prices may frustrate achievement of the contractor’s goals.
-

Lack of good faith efforts

The following may be considered as indicators of a failure to make a good faith effort:

- failure to attempt to identify, contact, solicit or consider for contract awards SB, SDB, VOSB, SDVOSB, WOSB, and HUBZone concerns.
- failure to designate a company official to administer the subcontracting program and monitor and enforce compliance with the plans;
- failure to submit the ISR, or the SSR, using the eSRS, or as provided in agency regulations (see DARS 2013-O0014);
- failure to maintain records or otherwise demonstrate procedures adopted to comply with the plan; or
- the adoption of company policies or procedures that have as their objectives the frustration of the objectives of the plan.

Reference: FAR 19.705-7(d)

Contractor Compliance Rating

As a result of surveillance reviews by the ACO, the contractors are given a compliance rating of Outstanding, Highly Successful, Acceptable, Marginal and Unsatisfactory. The results of the reviews are promptly provided to the contracting officer for appropriate action. The results are used along with other information to evaluate the contractor's overall performance of the contract as well as to document the contractor's record for future past performance evaluations.

A copy of a DCMA sample rating checklist is at Appendix D.

Lesson Summary

Conclusion

The student should better understand the need for subcontracting plans and the FAR Clauses that may be included in the contracts. Also, the student should be more familiar with the types of subcontracting plans, the requirements for each type of subcontracting plan and the process for reviewing contractor compliance with the subcontracting program.

Relevance

This lesson is important because the Small Business Professional must be knowledgeable of the subcontracting program as an alternative strategy when prime contracts cannot be set aside for small business.

Big Picture

Congress established the subcontracting program as a very important tool for agencies to use to involve small business when contract requirements are beyond the qualification and capabilities of small business. This extends the opportunity to maximize small business participation in acquisition programs.

THE SMALL BUSINESS PROGRAM

LESSON 5



Lesson 5

Outreach & Counseling

In this lesson The following topics are covered in this lesson:

Topics	
Lesson Overview	5-2
Identify Tools Needed To Effectively Counsel Small Businesses	5-3
Describe Various Source of Assistance	5-7
Identify Planning Process For Outreach Events	5-11
Describe Ways to Assist Small Business with Developing a Market Strategy	5-15
Communication with Industry	5-17
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Lesson Overview

Objectives



TLO In any given small business outreach scenario, describe how to provide assistance to small businesses in finding government contracting and subcontracting opportunities

ELO Identify the tools needed to effectively counsel small businesses

ELO Describe the various sources of assistance

ELO Identify the planning process for outreach events

ELO Describe ways to assist small businesses with developing a market strategy

ELO Match Small Business capabilities with appropriate customer

Resources



During this lesson, you will need the following resources:

- FAR Part 19
 - DFARS/PGI 219
-

In this lesson

In this lesson, we will discuss the importance of counseling and outreach and the various tools that are available for counseling and outreach, how to plan an outreach event and ways to assist small business in marketing products and services and identifying potential customers.

Link between outreach and market research

Outreach is a very important aspect of maximizing small business participation in prime contracts and subcontracting. There is a close relationship between outreach and both strategic and tactical market research. You may conduct outreach as a routine function in the management of your program just as you would for strategic market research. Or, you conduct outreach for a specific requirement or need as you would for tactical market research.

Small Business Professional's role

As the Small Business Program Manager, you are primarily responsible for assisting small businesses in marketing their capabilities with your agency, as well as other government agencies and prime contractors. You determine the need to conduct outreach events, as well as whether to participate in outreach events sponsored by other private organizations and government agencies.

Identify the tools needed to effectively counsel small businesses

SPECIFIC TOOLS

Introduction

The guidelines for counseling and outreach are provided in DFARS, PGI 219.201(d) (iv) & (v).

Counseling is a very important aspect of the Small Business Professional's job. As your installation or agency small business advocate, you are often the small business' first source of information regarding a wide spectrum of questions and concerns. During this part of the lesson, we will discuss specific tools that a Small Business Professional would need to effectively counsel small business concerns. Additionally, key elements of counseling are described.

Building your



toolkit

A small business professional needs certain tools in order to conduct outreach and provide sound counsel to small businesses. These tools include knowledge of contracting, legislative changes, small business programs, and installation and agency requirements. An additional tool you will need is communication skills.

Contracting knowledge

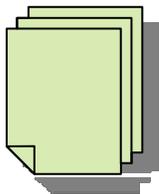


A general knowledge of federal acquisition and those specifics pertaining to your agency and installation are essential to enable a Small Business Professional to answer acquisition-focused questions.

This knowledge should include acquisition processes and procedures, FAR and supplements, terminology and acronyms, agency policies, and "unspoken" installation rules of engagement (i.e., can a small business meet with contracting officers, program managers, end users, etc.).

You should be able to answer basic contracting questions from small businesses. These questions may range from explaining contract clauses, walking through the steps in an acquisition process (whether it be sealed bid or negotiation), or explaining how your agency posts its opportunities.

Legislative changes



You must remain aware of recent changes to legislation that impact small business, such as changed thresholds due to public exigency and warpowers acts. Acquisition regulations and legislation impacting those regulations are changing at an ever-increasing pace. Global commitments and environmental issues, technological advances and political concerns all contribute to changes in regulatory guidance affecting how business concerns interact with the Government. Small businesses often come to you, the Small Business Professional, for up-to-date information.

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Identify the tools needed to effectively counsel small businesses

SPECIFIC TOOLS, continued

Small Business Programs

You should be aware of the available small business programs, such as, Small Business Innovative Research (SBIR)/Small Business Technology Transfer (STTR), Mentor-Protégé, and the HUBZone program in order to explain these programs. Additionally, you should be able to refer the small business to the program that corresponds with its capabilities and interests. For example, there is no point in explaining the Small Business Innovative Research Program to a company that merely sells commodity items.

Additionally, the Small Business Professional may be called upon to explain the agency's or installation's small business program as implemented at that site. This would include any special outreach events the Small Business Professional may conduct in the implementation of their small business program. The Small Business Professional should also be aware of outreach events other agencies are conducting that might be of value and interest to the small business.

Installation and agency requirements

You are expected to know what contracting activities are being conducted on your installation and at your agency. You should be aware of current and projected procurements because of early involvement in the acquisition process for these requirements. You need to provide small businesses with the following information:

- Whether the product or service they provide is purchased at the installation or agency;
- Where small businesses can find agency requirements (FedBizOpps, etc.);
- Who appropriate potential customer(s) are, whether on or off the installation or agency; and
- What current and projected requirements best match with the small business' capabilities.

Continuous strategic market research allows you to become aware of opportunities at other agencies and locations that may be of interest. Additionally, awareness of major contract awards and interaction with prime contractors (such as thorough review of subcontracting plans) allows you to become aware of potential subcontracting opportunities as well.

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Identify the tools needed to effectively counsel small businesses

SPECIFIC TOOLS, continued

Communication skills



You must have good communication skills, especially the ability to listen. This is vital to ensuring you understand the small business' capabilities, interests and needs. As a Small Business Professional, you need to be able to share the appropriate information with the small business. Additionally, you are often called upon to provide training and speak at various conferences and outreach events, both locally and nationwide.

Another key aspect of communication for Small Business Professionals is the art of persuasion. Early involvement in acquisition planning often puts you in what can be an adversarial role with requirements and contracting personnel who may not desire small business involvement for whatever reason. Small Business Professionals need to be aware of the capabilities and success of small businesses in order to advocate for their involvement in the acquisition process. This takes a degree of persuasion, tact, and diplomacy.

ELEMENTS OF COUNSELING

Key elements of counseling

Now that we have discussed some of the tools a Small Business Professional needs to have in their tool box to conduct effective counseling. Counseling refers to the offering of technical advice and information regarding federal procurement processes, specifically focused towards small business owners. PGI 219.201(d)(iv).

Empathy

Empathy is an important consideration when counseling a small business. Empathy means putting yourself in the small business concerns' shoes. They are coming to you for information and advice that will affect the success of their company. They have often invested their entire lives (and savings) into a particular passion (whether it be consulting work or manufacturing widgets). Take this responsibility seriously! Understand that businesses will approach you with a myriad of issues and questions. Be willing to respond to their inquiries.

Understanding your own organization

Another key element is to know your organization's requirements. This information will assist you when counseling a vendor on identifying and matching potential customer requirements with the particular vendor you are counseling. This involves listening while the vendor is explaining and describing its capabilities and performance history. First listen, then ask questions about the following:

- Areas of expertise;
- Size of the company;

- Previous contracts;
- Major skills;
- Unique equipment; and
- NAICS codes.

By understanding the agencies requirements, you can assist both the agency and the vendor with matching vendor capability to projected requirements or make referrals to other agencies/installations.

You should know:

- What your organization buys?
- The capabilities of contractors to meet the needs of your activity
 - Who do they need to talk to (potential customers)
 - Can they talk to the requiring activity/end user?
- What is going on at your location?
 - Conferences, seminars
 - Upcoming A-76 opportunities
 - Who has long-term contracts, recurring requirements?
 - Are there major primes with subcontracting opportunities?

**Understanding
the vendor's
needs**

You will need to understand what the vendor needs from you.
For example:

- Information on how to find out what the Government needs;
- Information on how to market to the Government;
- Information on the Government Credit Card Program
- Information about teaming/partnering
- Use of NAICS
- Types of contracts
- Source selection procedures
- Methods used in seeking sources
- Bid and negotiation procedures
- Differences between bids and proposals
- Quality assurance
- Approved accounting practices
- Competitive sourcing
- Information on GSA schedules

Describe the various sources of assistance

PTACs AND SBDCs

Sources of assistance

As a Small Business Professional, you are not alone in working with small business concerns. There are many advocacy and assistance agencies to help. You should maintain a list of these for your use and for your small businesses. The following are some of those major sources of assistance.

Procurement Technical Assistance Centers

Congress established the DoD Procurement Technical Assistance Cooperative Agreement Program (PTA Program) in 1985. The PTA Centers (PTACs) are funded through Cooperative Agreement awards with the Department of Defense and with local, in-kind and/or cash support. The services they provide are, for the most part, free of charge to the business concern. The purpose of the PTA program is to generate employment and to improve the general economy of a locality by assisting business firms in obtaining and performing under Federal, State and local government contracts.

PTACs provide day-to-day assistance and training to firms seeking to do business with Federal, State and local governments. PTAC services include, but are not limited to, identifying marketing opportunities to assist in developing marketing plans, assisting and advising clients about pre and post-award functions, and most recently bid matching services. Assistance with registering in the Central Contractor Registration (CCR) database used by federal buyers to find sources of supply and obtaining a Dun and Bradstreet (DUNS) number used for payment purposes is also provided. Visit the Web site for a list of PTACs and the region they serve.
<http://www.dla.mil/smallbusiness/pages/ptap.aspx>

Small Business Development Centers

The SBA administers the Small Business Development Centers (SBDC) Program to provide management assistance and training to current and prospective small business owners. This training resource is a cooperative effort of the private sector, the educational community and federal, state and local governments. The Centers will also assist SDBs to prepare applications for the Section 8(a) Program. There are more than 1,100 SBDC lead and service centers located around the country. SBDCs offer one-stop assistance to small businesses by providing a wide variety of information and guidance in central and easily accessible branch locations.

See the following websites:

<http://www.asbdc-us.org>

<http://www.sba.gov/content/small-business-development-centers-sbdc>

Difference between PTAC and SBDC

What is the difference between a PTAC and an SBDC?

The SBDC helps businesses get started and write business plans that will attract investors. PTACs help established businesses that wish to market their products or services to various Government agencies. Both the SBDCs and PTACs work together to share resources and knowledge.

Describe the various sources of assistance

FEDERALLY SPONSORED ASSISTANCE

Defense Logistics Information Service (DLIS)

DLIS, a subordinate command of the [Defense Logistics Agency](#), has the mission to create, obtain, manage and integrate logistics data for DOD, Federal and international logisticians. They are responsible for cataloging the 7.4 million National Stock Numbers and all the descriptive data associated with each item of supply.

<http://www.dlis.dla.mil/dlis-k/default.asp>

Item Management Coding (determining whether items of supply qualify for management by the Military Services or by DLA/GSA) remains a Service responsibility. Examples of DLIS cataloging functions that can be useful to the Small Business Manager:

- Determining Federal Supply Class (FSC);
 - Preparing and maintaining item identification; and
 - Performing data dissemination functions, which provide logistics information (written, telephonic, or electronic) to customers who need it at every level of the supply system.
-

DoD Regional Small Business Councils

The DoD Regional Councils for Small Business Education and Advocacy are a nationwide network of Small Business Managers organized to promote the National Small Business Programs of the United States. (see Regional Councils' link on <http://.acq.osd.mil/osbp/index.html>)

Minority Business Development Centers

MBDCs are part of the Department of Commerce. Their mission is to increase the opportunity for ethnic and racial minorities to participate in the free enterprise system through the formation, development, and preservation of competitive minority owned firms. The mission is accomplished by providing the very best business development including loan packaging for capital needs, management assistance and sales/marketing services. Their website is www.mbda.gov .

Other SBA programs

In addition to the SBDC Program, the SBA has a variety of other programs and services available. They include training and education, advisory services, publications, financial programs, and contract assistance. The agency also offers specialized programs for women business owners, minorities, veterans, international trade, and rural development. Locate the district offices at www.sba.gov.

Describe the various sources of assistance

NON-PROFIT AND TARGETED ASSISTANCE

Chambers of Commerce (both national and local)

The Chambers of Commerce provide opportunities for small businesses to network with each other and with large businesses, to share information and find potential teaming partners and opportunities. See www.uschamber.com/ to locate chambers in your area.

Economic Development Centers (EDCs) and Community Development Corporations (CDCs)

EDCs and CDCs offer local business counseling and opportunities. Some are also a PTAC. These centers often offer training seminars and have information regarding local city and state requirements and subcontracting opportunities.

Manufacturing Enterprise Partnerships (MEPs)

MEP is a nationwide network of not-for-profit centers in over 400 locations nationwide. The sole purpose of MEP is to provide small and medium sized manufacturers with the help they need to succeed. The centers, serving all 50 states and Puerto Rico, are linked together through the Department of Commerce’s National Institute of Standards and Technology. Centers are funded by federal, state, local and private resources to serve manufacturers. Each center works directly with area manufacturers to provide expertise and services tailored to their most critical needs, which range from process improvements and worker training to business practices and applications of information technology. Solutions are offered through a combination of direct assistance from center staff and outside consultants. Centers often help small firms overcome barriers in locating and obtaining private-sector resources. (www.mep.nist.gov)

Service Corps of Retired Executives (SCORE)

The SCORE Association is a resource partner of the SBA dedicated to entrepreneur education and the formation, growth, and success of small businesses nationwide. There are more than 10,500 SCORE volunteers in 389 chapter locations who assist small businesses with business counseling and training. SCORE also operates an active online counseling initiative. SCORE can be contacted at www.score.org.

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Describe the various sources of assistance, continued

NON-PROFIT AND TARGETED ASSISTANCE, continued

The National Center For American Indian Enterprise Development

The National Center is committed to Business Development for Indian People. It is a non-profit organization, founded and directed by American Indians. The National Center is the first national organization solely dedicated to developing American Indian economic self-sufficiency through business ownership. The website is www.ncaied.org.

The Veterans Corporation

The Veterans Corporation was created in 1999 by Public Law 106-50 <http://www.veteranscorp.org>. The Veterans Corporation provides veterans and service-disabled veterans with the tools they need to be successful in business:

- Access to capital;
- Entrepreneurial education;
- Electronic marketplace;
- Access to services; and
- Business networking.

Women’s Business Centers

Women’s Business Centers (WBC) represent a national network of more than 80 educational centers designed to assist women as they start and grow small businesses. WBCs operate with the mission to level the playing field for women entrepreneurs, who still face unique obstacles in the world of business. The SBA Online Women’s Business Center website is <http://www.sba.gov/content/womens-business-centers> and includes a link to find the Women’s Business Center in your area.

Identify the planning process for outreach events

TYPES OF OUTREACH EVENTS

Why outreach events?

Outreach events allow you to showcase your small business program and your installation/agency and put a positive proactive face on small business utilization. Be sure to have proper approvals to hold conferences prior to announcement. (See OUSD Memo “Implementation of Conference Oversight requirements and Delegation of Conference Approval Authority,” dated September 29, 2012). The guidelines for outreach are provided in DFARS PGI 219.201(e)(v).

As a Small Business Professional, you should know that attending and conducting outreach events is part of your ongoing strategic marketing. It enables you to:

- understand what is going on in the marketplace;
 - network with other agencies;
 - find out about opportunities outside of your own installation or agency; and
 - identify potential new sources of supply.
-

Strategy for outreach programs

You will receive numerous invitations to participate in outreach events. You should develop a strategy for determining which invitations to accept. These questions can help you:

- What is the return on investment for your participation?
- Does the event address areas in which improvements can be made to your program? For example, does it focus on WOSB and is your agency failing to meet your WOSB prime contract targets? You should ensure that your activity has a face to the local community as well.

Check with legal counsel for local procedure to see if approvals are required prior to participating in non-government sponsored events.

Types of outreach events: Conferences and Networking



Conferences allow small businesses to network with program and technical and contracting personnel and among themselves. Below are some examples.

- Activities and services that engage internal and external customers (government and business concerns, such as capability presentations);
 - Industry Days focused on particular market sectors to raise awareness of small business capabilities in that market;
 - Training events to deliver information on government acquisition processes; and
 - Participating in DoD Regional Small Business Councils for networking and sharing of best practices.
-

Identify the planning process for outreach events, continued

TYPES OF OUTREACH EVENTS, continued

Types of outreach events: Contracting Opportunities and Site Visits

Small businesses can benefit from information provided in several ways. Two ways to benefit are:

Procurement Opportunities

- Pre-solicitation conferences; and
- Attending other agencies' procurement opportunity conferences

Site Visits

- Visiting contractor facilities to gain a better understanding of their capability; and
 - Attending local civic events, such as Chamber of Commerce meetings
-

Types of outreach tools: Research Resources and Publicizing



Small business can benefit from the research you conduct and information publicized by your agency, as outlined below.

Research Resources

- Database research and other resources to find new sources of supply (i.e., Subnet, Technet, Dynamic Small Business Search, SAM).
- Information to make available to small businesses, such as contracting organization points of contact (if approved), lists of base support and mission support contracts, lists of appropriate helpful websites (FedBizOpps, SAM, etc.), marketing brochures or material on your agency's small business program.

Publicity

- Publicize what your organization does and success stories (ensure you work with your Public Affairs Office) in local newspapers, installation paper, newsletters, industry magazines, etc.;
 - Prepare and publicize requirement forecast documents (either via websites or other means); and
 - Establish a home page, with pertinent links to other valuable sites.
-

Identify the planning process for outreach events, continued

PLANNING AND SPONSORING AN OUTREACH EVENT

Hosting an outreach event

As mentioned earlier, outreach events allow you to showcase your small business program and your installation/agency. You might want to use an outreach event to share projected requirements at your installation and find out about potential suppliers. You can also use an outreach event to provide information on acquisition procedures, rules or updates to small business programs. To successfully host your own outreach event, there are a few steps you need to follow.

Step 1: Plan Your Budget

First, you need to know your budget and potential expenses. Determine the cost to conduct the conference, where the funds will come from, if conference fees will be charged, refreshments, supplies, speaker fees, audiovisual requirements, etc. Determine what your human resource needs are, how many people will handle registration, nametags, conference agenda development and printing, etc. You should also consider the return on investment (ROI) for the type of event that you intend to sponsor.

Step 2: Select Theme

Determine if there will be an emphasis or theme for your conference. Are you going to target a particular audience, such as woman-owned, HUBZone, or Service Disabled Veterans or a particular industry, such as Information Technology or Environmental.

Step 3: Solo or Joint

Decide if you want to join forces with another organization, such as a PTAC, or NCMA. If you do team with another organization, make sure to firmly delineate responsibilities and roles.

Note: Beware of nonprofit organizations or profit making businesses that offer to provide their services for no cost to your agency, but will charge small businesses exorbitant registration fees and control the entire event. In such instances, you must investigate DoD's and your agency's policies and get legal counsel on this matter.

Step 4: Select Date and Location



Select your date and location. Consider federal and state holidays and avoid Mondays or Fridays. When selecting the location, consider accessibility, parking fees, security, number of hotel rooms needed if necessary, exhibit space if booths are planned, electrical and internet access, cleanup requirements, etc. Determine if you will or should hold the conference off or on post or will you use PTAC or local university facilities. Make sure the facility is the appropriate size needed.

continued on next page

Identify the planning process for outreach event

PLANNING AND SPONSORING AN OUTREACH EVENT, continued

Step 5: Set Your Agenda

Set your agenda. Determine if you will provide training seminars (i.e., payment procedures, source selection, contracting basics, product quality, etc.) and who will conduct the training. Use readily available training resources as appropriate. Establish your agenda (to include welcome or luncheon speakers, etc.). The length of the conference can help relieve some of the financial burden (i.e., if half day, you may not have to provide refreshments, etc.)

Step 6: Develop Your Participant List



Determine agency participants to invite, such as, your Commander, local members of Congress, local community and civic leaders, specific contracting personnel, technical/requirements personnel, and of course, prime contractors.

Step 7: Publicize

Determine how and when to publicize. The suggested lead-time for publicizing is 60-120 days before the event. Use your Public Affairs Office to help you plan your publicity. Consider publicizing in local newspapers, radio, TV, Chambers of Commerce, FedBizOpps, and agency websites.

Step 8: Hold Event

Conduct the actual outreach event in accordance with your planned schedule

Step 9: Conduct After Action Meeting

Have an “after action” meeting to discuss lessons learned and to share success stories.

Describe ways to assist small businesses with developing a market strategy

Limitations of Small Business Manager

First, it is important to note that it is not your duty as a Small Business Manager to help a small business develop its business or marketing plan. That is what the SBA and the SBDCs are in existence for. Your job is to work with those small businesses that are well enough established to become viable sources of supply for government requirements. Don't forget the local PTAC is an excellent resource to provide day-to-day assistance, along with training, to firms seeking to do business with Federal, State and local governments.

Marketing Strategy

You can help a small business shape their marketing strategy as it pertains to identifying the pertinent government potential customers that match their capabilities. This involves listening and analyzing. It also involves understanding their marketing strategy, if they have one developed, and what their goals are for involvement with your agency. You can accomplish this by sharing your knowledge of your installation, its processes, and requirements. You can also share any knowledge of the pertinent market with the small business concern, which you developed during your continuous market surveillance through outreach activities. Know that small businesses often share information regarding the marketplace that helps to keep you current with changes and technology updates, etc.

SBA has an online course for assisting small businesses to develop a Business Plan under the Counseling & Training tab at www.sba.gov. In addition, you can find information under the Starting & Managing a Business tab at www.sba.gov to assist small businesses to develop a Marketing Plan.

Finding Opportunities

Once you have narrowed down the specific goals of the small business, you can assist them in focusing on specific agencies, installations and potential customers that may have opportunities for them. You can also assist them by showing them how to locate contracting opportunities (such as at the online websites FPDS-NG, FedBizOpps, other sources of assistance, websites, and local bulletin boards) and subcontracting contracting opportunities (web.sba.gov/subnet). You may also be able to refer the company to specific education and training events or resources, which can help increase their understanding of the federal procurement process and address specific needs. You can help them review specific opportunities (i.e., requests for quote, solicitations and projected and recurring requirements) to determine if it is an opportunity they should pursue or not.

continued on next page

Describe ways to assist small businesses with developing a market strategy,
continued

Registrations

For business concerns new to doing business with the Federal government, there are initial steps they must take that you need to inform them of. For instance, SAM, DUNS number, CAGE code, etc. A Small Business Manager should be able to direct the small business in accomplishing these steps (i.e., refer small businesses to the Doing Business with the DoD 10-step guide at <http://www.acq.osd.mil/osbp/index.html>)

Special programs

You may also need to provide guidance on special small business programs (such as mentor-protégé, 8(a) program, HUBZone, SDVOSB, SBIR/STTR, etc.). Utilizing these programs may become part of their marketing strategy. Additionally, you can provide guidance on how to market to other government agencies and prime contractors. Depending on the strategy, you may also be asked for advice on how to prepare proposals, unsolicited proposals, or the Government Purchase Card.

You should provide contact information for the activity SBIR Program manager; also known as the designated SBIR Liaison. These SBIR Liaisons interface with the SBIR program managers within DoD and with the SBIR contractor community for the purpose of integrating appropriate SBIR technologies into their acquisition programs. You can find a list at <http://www.acq.osd.mil/osbp/sbir/liaisons/index.htm>.

Key Questions

You need to be able to answer these questions to assist SBs in making direct contact with decision makers:

- Does DoD currently procure the item?
- If yes, who should the small business contact? Service, DLA (See website FPDS-NG or GSA?)
- If no, is it a new Noncommercial, Commercial, or Substitute item?
- Who should they market to? The SBS, Buyer, or the End User?

Marketing Material

Encourage the small business to provide you with a copy of their corporate marketing brochure, company profile, line card, etc. You can review these and provide constructive feedback. Help them to describe their capabilities in concise language, using terminology familiar to DoD (or to another specified potential customer). Assist in defining appropriate key words to effectively match their capability to specific requirements. Review their CCR profile and provide feedback on missing elements such as performance history.

continued on next page

Describe ways to assist small businesses with developing a market strategy,
continued

**Demos and
Debriefs**

Assist in setting up capabilities briefings or demonstrations. Help the small business by identifying potential customers, assist in scheduling meetings, attend the meetings if possible, and provide constructive feedback (such as a debriefing) to assist in improving their presentations.

Communication with Industry

As a Small Business Specialist, it is imperative for you to understand what types of communications are authorized and acceptable with industry so you can better counsel industry, and acquisition professionals. OFPP has issued two communication memos, "Myth-Busting' Addressing Misconceptions to Improve Communication with Industry during the Acquisition Process and "Myth-Busting 2': Addressing Misconceptions and Further Improving Communication During the Acquisition Process to assist Government professionals understand their roles in communicating with industry in the acquisition process. Both memos are located at website <https://acc.dau.mil/con>.

Match SB capabilities with appropriate customer

**Assistance in
developing
marketing plans**

You need to first listen to and understand what the company's capabilities and marketing strategy are. If the company is only interested in specific market sectors (geographic, etc.), then only refer them to those opportunities and potential customers that fit.

The DoD OSBP web site, under DoD Small Business Offices, has the location of Army, Navy, Air Force, Defense Logistics Agency, and other DoD procurement and contract management offices, together with the names of the Small Business Managers, listed by state and city, alphabetically. Find out where the small business wants to market and provide them with the name and address of the SBS in that area. Keep in mind that marketing is often an expense that most small businesses have limited budgets for – help to focus their time and resources in the most efficient manner.

continued on next page

Match SB capabilities with appropriate customer, continued

Matching capabilities with customers

You should be aware of your installation and agency activities and the points of contact to make customer referrals. The SBS needs to be aware of and share with the small business “rules of engagement” for marketing and meeting with base customers.

Referrals

Based on the corporate capability information provided to you previously by the small business concern in marketing to you, determine if your agency procures their products or services and make referrals to potential customers as appropriate. If your agency does not procure their products or services, make referrals to those agencies that do. In addition to providing a specific point of contact, you should call the organization to identify the appropriate person that the small business should talk to and advise them that you are referring the small business to them. This avoids the often-heard criticism that they are being given the run-around.

Engineering Services

Determine if the supplier’s product will need to be tested prior to approval for military use.

- If yes, direct the small business to the Small Business Manager(s) at the Service(s) Engineering Services Activity (ESA). Look up the phone number of the Small Business Manager(s) on the DoD OSBP web site: <http://www.acq.osd.mil/osbp>. You should give the small business a point of contact at the site that tests items new to DoD.
- If No, direct the small business to the Small Business Manager(s) at the specific Service site(s) that would use the item. Look up the phone number of the Small Business Manager(s) on the DoD OSBP publications web site. You should provide the small business an end user or buyer at their site to market the item to.

Note: A buyer is not always the best POC for the small business. You want the small business to market to the individual(s) who will use the item; therefore, the end user may be the better point of contact. It all depends on how your site operates.

- If this is a commercial item that would be managed by GSA, look upon the GSA web site that the Small Business Manager is in their area and direct the small business to contact them.
-

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Match SB capabilities with appropriate customer, continued

Substitute products

If the item is a substitute for an item currently managed and procured by DoD, direct the small business to the Small Business Program Manager at either the DLA Defense Supply Center (DSC) or appropriate Military Service that manages the item.

The Small Business Program Manager at this location should direct the small business to the appropriate Technical Expert who will assist them with having their item approved, in coordination with the appropriate Service or Agency.

Small Business Liaison Officer

You should maintain a list of Small Business Liaison Officers (SBLOs) for prime contractors, which can be provided to small businesses for their use in marketing to primes. The SBLOs function in the same role as the SBS and are responsible for the prime's small business program and in developing sources. They may also be called Supplier Diversity Managers. You can develop partnerships with major primes on your installation and assist in locating new small business sources of supply to assist in meeting subcontracting goals.

Competitive sourcing and privatization

Another source of potential opportunity, or often an inhibitor of small business opportunities, is competitive sourcing and privatization (CS&P). Competitive Sourcing, according to OMB Circular A-76, is the sourcing of a new requirement or transfer of an activity that has been performed in-house to an outside provider. The agency normally retains full control and responsibility.

Privatization is the transfer of ownership of function(s), business assets or both (government owned plant and equipment) from the public to the private sector.

Lesson Summary

Conclusion

The student should better understand the need for a good outreach program. From legislative changes to understanding the customer's needs the Small Business Manager that attending and conducting outreach events is part of marketing.

Relevance

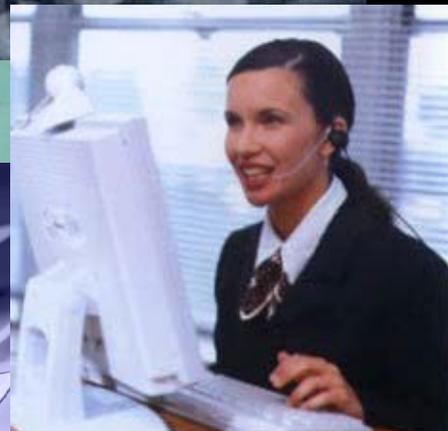
This lesson is important because the Small Business Manager must be knowledgeable of the tools that are available (contracting, legislative changes, small business programs, and installation and agency requirements) to conduct an effective outreach program.

Big Picture

Knowing the process of identifying the tools needed to effectively counsel small businesses, describing the various sources of assistance, identifying the planning process for outreach events, describing ways to assist small businesses with developing a market strategy, and matching Small Business capabilities with the appropriate customer increases the opportunity to maximize small business participation in acquisition programs.

THE SMALL BUSINESS PROGRAM

Appendices



APPENDICES

Appendix A - DoD Directive 4205.01, DoD Small Business Programs

Appendix B - History

Appendix C - Best Practice/Model Code of Expectation

Appendix D - SAMPLES

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Department of Defense

DIRECTIVE

NUMBER 4205.01
March 10, 2009

USD(AT&L)

SUBJECT: DoD Small Business Programs

References: See Enclosure 1

1. PURPOSE. This Directive:

a. Reissues DoD Directive 4205.01 (Reference (a)) and renames the DoD program from the “Department of Defense Small Business and Small Disadvantaged Business Utilization Programs” to the “DoD Small Business Programs.”

b. Updates policy and responsibilities, under section 2323 of title 10, United States Code (U.S.C.) (Reference (b)), sections 631-657f of title 15, U.S.C. (Reference (c)), and section 1544 of title 25, U.S.C. (Reference (d)), for implementing and managing the following statutory and regulatory requirements within the Department of Defense: small business, veteran-owned small business, Service-disabled veteran-owned small business, Historically Underutilized Business Zone small business, small disadvantaged business, women-owned small business, Historically Black Colleges and Universities and Minority Institutions, DoD Pilot Mentor-Protégé Program, Indian Incentive Program, Small Business Innovation Research (SBIR), and Small Business Technology Transfer (STTR) (hereafter referred to collectively as Small Business Programs).

2. APPLICABILITY. This Directive applies to OSD, the Military Departments (including the Reserve Components), the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense that award or administer contracts, cooperative agreements, and grants (hereafter referred to collectively as the “DoD Components”). It does not apply to the awarding of contracts for goods and services funded solely by non-appropriated funds.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that a fair proportion of DoD total purchases, contracts, subcontracts, and other agreements for property and services and for sales of property, be placed

with Small Business Programs mentioned in 1.b. of this Directive, in accordance with References (b) and (c), and that such small businesses have the maximum practicable opportunity to participate as subcontractors in DoD contracts, consistent with efficient contract performance.

5. RESPONSIBILITIES. See Enclosure 2.
6. INFORMATION REQUIREMENTS. The Small Business Procurement Scorecard Report has been assigned Report Control Symbol (RCS) DD-AT&L (SA) 2343. This reporting requirement has been approved and assigned an RCS number in accordance with DoDD 8910.01 (Reference (e)) and DoD 8910.1-M (Reference (f)).
7. RELEASABILITY. UNLIMITED. This Directive is approved for public release and is available on the Internet from the DoD Directives Program Web Site at <http://www.dtic.mil/whs/directives>.
8. EFFECTIVE DATE. This Directive is effective immediately.

Enclosures

1. References
2. Responsibilities Glossary



William J. Lynn III
Deputy Secretary of Defense

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 4205.01, “Department of Defense Small Business and Small Disadvantaged Business Utilization Programs,” September 11, 1996 (hereby canceled)
- (b) Section 2323 of title 10, United States Code
- (c) Sections 631-657f of title 15, United States Code
- (d) Section 1544 of title 25, United States Code
- (e) DoD Directive 8910.01, “Information Collection and Reporting,” March 6, 2007
- (f) DoD 8910.1-M, “DoD Procedures for Management of Information Requirements,” June 30, 1998
- (g) Federal Acquisition Regulation (FAR), Part 19, “Small Business Programs,” and Part 26, “Other Socioeconomic Programs,” current edition
- (h) Defense FAR Supplement (DFARS), Part 219, “Small Business Programs,” Part 226, “Other Socioeconomic Programs,” current edition; Subpart 202.1, “Definitions” and associated Procedures, Guidance and Information (PGI)
- (i) DoD Instruction 5134.04, “Director of Small and Disadvantaged Business Utilization,” September 27, 2005
- (j) DoD “Small Business Specialists,” current edition¹
- (k) DoD “Subcontracting Opportunities with DoD Major Prime Contractors,” current edition²
- (l) DoD Directive 5000.1, “The Defense Acquisition System,” May 12, 2003
- (m) “Small Business Innovation Research (SBIR) Program Policy Directive, Small Business Administration,” September 24, 2002, and “Amended Definition of Small Business for SBIR Purposes,” December 3, 2004³
- (n) “Small Business Technology Transfer (STTR) Program Policy Directive, Small Business Administration,” December 16, 2005³

¹ http://www.acq.osd.mil/osbp/doing_business/index.htm

² http://www.acq.osd.mil/osbp/doing_business/index.htm, “Subcontracting Opportunities with DoD Major Prime Contractors”

³ <http://www.dodsbir.net/deskreference/index.asp>

ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS (USD(AT&L)). The USD(AT&L) shall:

a. Establish and oversee DoD small business policies that comply with References (b) and (c).

b. Direct the Deputy Under Secretary of Defense for Acquisition and Technology (DUSD(A&T)) to appoint a Director for the DoD Office of Small Business Programs (OSBP) and provide funding for the operation and maintenance of that office.

2. DUSD(A&T). The DUSD(A&T), under the authority, direction, and control of the USD(AT&L), shall:

a. Comply with References (b) and (c), including the establishment of small business goals and submission of reports.

b. Appoint a Director of the DoD OSBP, as defined in the Glossary, to be the principal proponent within OSD for executing national and DoD policy regarding small business programs as mandated by the Congress and the President.

c. Budget funding for the operation and maintenance of the DoD OSBP.

3. DIRECTOR, OSBP. The Director, DoD OSBP, under the authority, direction, and control of the USD(AT&L), through the DUSD(A&T), shall:

a. Perform the duties and responsibilities in furtherance of policy established in this issuance and as set out in Federal Acquisition Regulation (FAR) Part 19 and Part 26; Defense FAR Supplement (DFARS) Part 219, Part 226, Subpart 202.1, and associated Procedures, Guidance, and Information; and DoD Instruction 5134.04 (References (g), (h), and (i), respectively), and maintain the information in DoD “Small Business Specialists” and DoD “Subcontracting Opportunities with DoD Major Prime Contractors” (References (j) and (k)).

b. Provide small business policy advice to OSD and provide policy oversight of all DoD Component small business activities.

c. Establish working groups as deemed appropriate, and issue periodic guidance and procedures, in furtherance of the execution of program responsibilities.

d. Represent the Department of Defense to the Small Business Administration, the Department of Commerce, and other Government Agencies regarding small business interests and concerns.

e. Develop, in consultation with the Small Business Administration, DoD-wide agency goals; disseminate DoD-wide agency goals to the DoD Components; and administer and maintain a DoD

small business goal establishment and performance measurement system (Small Business Procurement Scorecard, Report Control Symbol DD-AT&L (SA) 2343). The Director, DoD OSBP, shall also issue system information to the DoD Components; receive, review, and evaluate performance reports; and forward results to the USD(AT&L) on behalf of the participating DoD Components.

f. Establish and support a small business training program for Small Business Specialists and other acquisition personnel.

g. Establish, support, and manage the DoD Regional Councils for Small Business Education and Advocacy.

h. Advise the USD(AT&L) and the DUSD(A&T) on means to structure acquisition programs, as defined in DoD Directive 5000.1 (Reference (l)), to facilitate small business participation throughout the program cycle.

i. Establish, support, document, and oversee implementation of the SBIR and STTR programs across the Department ensuring all participating DoD Components execute effective programs consistent with program guidance, SBIR Program Policy Directive, Small Business Administration, and Amended Definition of Small Business for SBIR Purposes; and STTR Program Policy Directive (References (m) and (n)) and overall DoD objectives.

4. HEADS OF THE DoD COMPONENTS. The Heads of the DoD Components shall:

a. Implement the program policy in paragraph 4 of the front matter of this Directive and as set forth in paragraph 19.201 of Reference (g) and paragraph 219.201 of Reference (h).

b. Establish challenging Small Business Program goals.

c. Ensure that all personnel who manage system acquisition programs and who approve system acquisition strategy decisions, including Service Acquisition Executives, Program Executive Officers, System Program Directors, and Program Managers, are responsible and accountable for supporting the DoD Small Business Program by ensuring that small business entities are afforded the maximum practicable opportunity to participate in DoD acquisitions.

d. Appoint full-time Component Directors of Small Business Programs who shall report directly to, and be supervised and rated by, the DoD Component Head or the second in command. The Director, DoD OSBP, shall be authorized to waive the requirement to appoint a full-time Director of Small Business Programs for DoD Field Activities where circumstances justify. Requests for waivers shall be submitted in writing to the Director, DoD OSBP. The DoD Field Activity part-time Director for Small Business Programs shall report to the DoD Component Head or second-in-command on small business issues.

e. Task the Component Directors of Small Business Programs to:

(1) Establish policies and procedures for the programs within their DoD Component and develop and publish appropriate publications for respective DoD Components.

(2) Plan, develop, and manage the programs within their DoD Component as defined in References (g) and (h).

(3) Develop, implement, and administer policies that will ensure that all major subordinate elements (within the DoD Component) establish challenging Small Business Program goals that aggressively support the achievement of the overall DoD Small Business Program goals and represent, for the subordinate element, the maximum practicable opportunity for small business entities to participate in its procurement activities.

(4) Assess implementation of the programs by subordinate activities and provide a report of the results to the activity, to include recommendations for correcting noted deficiencies.

(5) Consult with DoD Component Acquisition Managers, the Small Business Administration, the Department of Commerce, and other Government Agencies about small business matters.

(6) Review and provide, prior to their appointment, concurrence with individual appointments of Associate Directors, Assistant Directors, and other Small Business Specialists at contracting activities, contract management activities, subordinate activities, and direct reporting units (see definitions in Glossary). The Component Directors of Small Business Programs shall be authorized to waive the requirement to appoint a full-time Associate Director, Assistant Director, and other Small Business Specialists; and to appoint a part-time individual where circumstances justify in accordance with Component procedures. The part-time Small Business Specialist should not be subject to the control or direction of contracting, contract management, or technical personnel.

f. Ensure that Heads of contracting activities, contract management activities, subordinate contracting activities, and direct reporting units:

(1) Comply with paragraph 19.201 of Reference (g) and paragraph 219.201 of Reference (h). Ensure that personnel appointed as Associate Directors, Assistant Directors, and Small Business Specialists possess the business acumen, knowledge of acquisition policies and procedures, training, and background to accomplish the Small Business Program policy and are not subject to the control or direction of contracting, contract management, or technical personnel.

(2) Establish an Office of Small Business Programs and appoint a full-time Associate Director, Assistant Director, or Small Business Specialist of Small Business Programs in accordance with DoD Component regulations, with the authority, staff, and resources required to effectively manage the program within the activity. The Associate Director shall report directly to, and be supervised and rated by, the head of the activity or the second-in-command, and shall perform the Small Business Specialist functions at that activity.

g. Ensure that Associate and Assistant Directors of Small Business Programs, and other Small Business Specialists, in addition to performing the functions and duties prescribed in References (g) and (h):

(1) Provide advice and counsel to the head of the activity on all small business matters and brief the head of the activity at least once quarterly, or more frequently as necessary, on program status.

(2) Advise and assist program managers and other related officials early in the acquisition planning, and throughout the follow-on process, in the development of strategies and market research to ensure maximum participation by small businesses.

(3) Develop and implement education and training programs for personnel whose duties and functions affect the activity's Small Business Program.

GLOSSARY

Assistant Director of Small Business Programs. The Small Business Specialist at each subordinate contracting activity or subordinate contract management office who performs duties set out in References (g) and (h).

Associate Director of Small Business Programs. The Small Business Specialist at each contracting activity, direct reporting unit, or contract management district office who provides oversight over other subordinate activities with contracting and contract management authority, in accordance with References (g) and (h).

contracting activities. Any DoD contracting activity listed in DFARS subpart 202.1 of Reference (h). All contracting activities shall have a Small Business Programs Office.

contract management activities. Contract management districts of the Defense Contract Management Agency. Small business specialists are designated by its Director of Small Business Programs for small business program management purposes.

direct reporting units. DoD activities not identified in DFARS subpart 202.1 that report directly to the Component Head and award or administer contracts, cooperative agreements, and grants.

Director, DoD OSBP. The official at OSD who, under the authority, direction, and control of the USD(AT&L), through the DUSD(A&T), performs the responsibilities as defined in section 644(k) of Reference (c).

DoD Component Director of Small Business Programs. The official at each Military Department or other DoD Component who performs the duties set out in References (g) and (h).

head of the activity. The Commander, Director, or other designated official who has the ultimate responsibility for a contracting activity, a contract management activity, a subordinate activity, or a direct reporting unit.

second in command. The Deputy Commander, Deputy Director, or other designated individual who reports directly to the head of the activity and has the ultimate responsibility, in the absence of or as delegated by the head of the activity, for a contracting activity, a contract management activity, a subordinate activity, or a direct reporting unit.

Small Business Specialist. The official who performs Small Business Program duties and who provides general guidance and program management oversight.

subordinate contract management activities. Any contract management office that conducts small business administration of DoD subcontracts.

subordinate contracting activities. Any DoD activity with authority to award contracts that is subordinate to a contracting activity, except for offices that only use purchase cards.

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HISTORY

The Department of Defense Small Business Program What is it? Is it successful? Can it be improved?

The History and Evolution of the DoD Small Business Program.

This report starts with an outline of the Small Business Program within DoD by identifying its history starting with World War II. The following list identifies major Small Business legislation and the purpose for its passage.

The Small Business Mobilization Act of 1942, applicable only during wartime, was a response by a Congress that recognized that small plants did not have the economies of scale to compete against large plants. The Act authorized a price premium to be paid in contracting with small firms in an effort to keep these plants mobilized.

The Armed Services Procurement Act of 1947 provided that "... a fair proportion of total Federal purchases and contracts be placed with Small Business concerns..." This Act also extended the provisions of the Small Business Mobilization Act to peacetime.

The Defense Production Act of 1950, drafted during the Korean War, provided additional emphasis for small businesses. This Act provided, once again, that awards could be made to small businesses at other than the lowest possible price. Clearly, the intent of this early legislation was to recognize the contributions of small businesses to the Defense industrial base and to keep this base active, viable and ready to mobilize.

Public Laws 83-163 and 85-536 (Small Business Act of 1953) created the Small Business Administration (SBA) as an independent agency within the Executive Branch. The Act established a requirement that small businesses be provided technical and management assistance; required that Federal agencies publicize in Federal Business Opportunities (FedBizOpps) procurements over the Small Business Threshold (established at \$10,000) as well as those procurements with subcontract potential; and directed the inclusion of small business subcontracting clauses in all contracts over \$10,000, among other provisions.

Public Law 95-507 (Revision to the Small Business Act of 1978) provided for the establishment of the Office of Small and Disadvantaged Business Utilization (OSADBU). This revision also: required Federal agencies to establish small business goals and report to Congress when goals were not met; required small business (SB) and small disadvantaged business (SDB) goals for major prime contracts; established a SB set-aside reservation at \$25,0001; and redefined minority firms as socially and economically disadvantaged concerns. Public Law 95-507 had a tremendous impact on DoD acquisition. *From this legislation the structure of the Small Business Program, as we know it today, was framed. involvement of Do D's major prime contractors by the inclusion of "subcontracting" goals.*

Public Law 99-661 (National Defense Authorization Act) established the Small and Disadvantaged Business Program (SDB Program), the 5% minority-owned business goal, applicable to prime contracts and subcontracts, and emphasized contracting with historically Black colleges and universities and minority institutions (HBCU/MI) by establishing an HBCU/MI goal.

Public Law 100-656 (Small Business Competitiveness Demonstration Act of 1988) established the Small Business Competitiveness Demonstration Program (Comp Demo Program). This Program, implemented by a joint Office of Federal Procurement Policy (OFPP) and SBA Policy Directive and Implementation Plan in May 1999, consists of two major components: unrestricted competition in four designated industry groups; and enhanced small business participation in ten agency targeted industry categories.

Public Law 103-355 (Federal Acquisition Streamlining Act of 1994 (FASA)) established the simplified acquisition threshold (SAT) at \$100,000, raised the SB reservation to \$100,000 and added a 5% government-wide, women-owned SB (WOSB) goal applicable to prime contracts and subcontracts. The Act made sweeping changes to DoD acquisition.

Public Law 104-135 (Small Business Reauthorization Act of 1997) established the Historically Underutilized Business Zone Empowerment Contracting Program (HUB Zone Program). The HUB Zone Program was an effort, in response to the Adarand v. Peña court decision (SDB challenge issue), to establish a program that was not "race" based. The Act established a graduated 3% prime contract goal and required that prime contractors' subcontracting plans contain a HUB Zone SB goal.

Public Law 106-50 (Veterans Entrepreneurship and Small Business Development Act of 1999) established, among other things, a veteran's advocacy group and a 3% government-wide, service-disabled, veteran-owned small business (SDVOSB) goal applicable to prime contracts and subcontracts. The Act specified that SDVOSBs were a subset of veteran owned small businesses (VOSB) and required that awards to VOSB also be tracked. The Small Business Program today is a conglomeration of the laws summarized above.

Small Business Program Goals - Annual Small Business Program goals have been a requirement since P.L. 95-507. With each subsequent law, additional goals have been added with the anticipation that a particular segment of small business would receive a portion of the DoD's prime contract and subcontract dollars. However, statistics have proven that each small business subcategory added to the Program does not equate to added total small business dollars or to a larger wedge of the DoD procurement pie; rather, the small business wedge (approximately 21 %) is sliced into additional fragmented slices.

The Small Business Jobs Act of 2010 - Among other things, this law: 1. Strengthens Small Businesses' Ability to Compete for and Win Contracts; 2. Reaffirmed "parity" among federal small-business contracting programs. When awarding contracts that are set-aside for small businesses, contracting officers are free to choose among businesses owned by women and service-disabled veterans, as well as businesses participating in HUBZone and 8(a) programs; 3. The law eliminates the "Competitiveness Demonstration" program, which limited opportunities for small contractors in 11 industries where they excel, such as construction, landscaping and pest control. It also gives contracting officers the ability to reserve orders for small business participation on contracts with multiple awards including the Federal Supply Schedule (GSA Multiple Award Schedule). The law makes it harder for agencies to "bundle" contracts, a practice that makes it more difficult for small businesses to compete; 4. The law establishes a legal standing of "presumption of loss" when a business misrepresents its ownership status or size in winning a government contract. This allows a federal agency to claim a loss on the purchase, enabling those agencies, including the Department of Justice, to vigorously pursue fraudulent firms. The law holds large prime contractors more accountable to their own subcontracting plans by requiring written justification when plans aren't met and when small business subcontractors aren't paid on time. This helps eliminate "bait-and-switch" tactics that occur when large primes – after winning the prime contract – don't follow through with their own plans to give subcontracts to small businesses.

WOSB/EDWOSB - On October 7, 2010, the U.S. Small Business Administration published a final rule effective February 4, 2011, aimed at expanding federal contracting opportunities for women-owned small businesses (WOSBs) (13 C.F.R. 127). The Women-Owned Small Business (WOSB) Federal Contract program authorizes contracting officers to set aside certain federal contracts for eligible:

- * Women-owned small businesses (WOSBs) or
- * Economically disadvantaged women-owned small businesses (EDWOSBs)

On May 7, 2013, the enactment of the National Defense Authorization Act (NDAA) for 2013 removed the caps on the contract award size for which WOSB and EDWOSB concerns have been able to compete.

Removal of HBCU-MI from DFARS: Effective October 14, 2014, removing all references to HBCU-MI (that is language based on 10 U.S.C. 2323 because the statute has expired.

--Removal of DFARS 206.203, which provided guidance pertaining to HBCU and MI set-asides under the authority of 10 U.S.C. 2323;

--Revision of DFARS 215.304 to (1) Remove the references to HBCUs and MIs and (2) add language to clarify the extent of small business participation in performance of the contract that shall be addressed during source selection for acquisitions requiring subcontracting plans.

--Removal of DFARS 219.000, which stated purpose was to implement 10 U.S.C. 2323.

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**BEST PRACTICE
DEVELOPED BY THE
EXTERNAL LIAISON COMMITTEE OF THE
FEDERAL OSDBU DIRECTORS INTERAGENCY COUNCIL
AUGUST 2003**

**MODEL CODE OF EXPECTATIONS
BETWEEN
FEDERAL OFFICES OF SMALL AND DISADVANTAGED
BUSINESS UTILIZATION (OSDBU'S)
AND
SMALL BUSINESSES**

Small Businesses can expect that the OSDBU will:

- Make very clear up front the depth and breadth of the services that can be expected from the OSDBU;
- Be exceptionally candid as to whether the capabilities of the small business match the agency's needs, and, if not, direct them to the appropriate OSDBU or prime contractor Small Business Liaison Officer (SBLO), preferably with a personal introduction;
- Explain the relevant laws enacted for their benefit, i.e., small business set-asides, 8(a) set-asides, HUBZone set-asides, subcontracting goals, and illustrate how the small business can use them to maximize contract and subcontract opportunities;
- Put them in contact with the appropriate project/technical managers, end users, or any other relevant personnel, assuming the small business is selling what the OSDBU's agency is buying;
- Inform small businesses with all up-to-date information in light of the ever-changing procurement legislation and implementing regulations that impact small business;
- Be a "marketing consultant," "information broker," and facilitator to the small business, e.g., inform it of any special unwritten and cultural nuances or procedures at the OSDBU's agency and its buying activities that will improve the small business' chances of winning a contract;
- Make very clear that certification as an 8(a), small disadvantaged business, HUBZone contractor, service disabled veteran does not create an *entitlement* to a contract or a guarantee for one in the future;
- Ensure a professionally conducted meeting with time parameters and expectations set in advance;
- Summarize the agency's contracting opportunities at its various contracting activities and field installations for the small business' specific area of business or make referrals to those places where the small business can go to obtain such knowledge;

- Demonstrate, if necessary, how to navigate within the agency’s host website and highlight the most useful sites and links;
- Offer follow-up due date for responding to questions for which the OSDBU counselor does not have an immediate answer;
- Impart knowledge about the “market” (what the OSDBU’s agency buys), the decision makers (agency key players) and the competitive environment at the agency (who the incumbents are, what service needs are growing, which are declining, where the future strategic, long-term opportunities are, etc.);
- Not give false hope, vague or generic information, such as stating how many millions or billions of dollars the agency spends on goods and services with no explanation as to how the small business can reasonably expect to fit into the agency’s procurement structure or system;
- Treat all small businesses the same under like circumstances when providing pertinent procurement information and not show special preference to a network of friends or acquaintances;
- Provide information on the agency’s latest acquisition-related initiatives and agency-unique programs that will, or were designed to, increase the chances of a small business to obtain a contract or subcontract, e.g. discuss agency’s mentor protégé program, if applicable;
- Have done preliminary research on the agency’s website and other sources of information to determine what their mission is and whether it buys what the small business sells;
- Be focused in developing discussion in its area of expertise based on requirements;
- Be cognizant of time and schedule and does not prolong the discussion past the time set for the meeting;
- Make a case as to why an agency should use its firm over other small businesses that performs the same type of work or provides the same products;
- Not develop unrealistic expectations based upon the meeting;
- Be aware that the OSDBU is not the end user and does not need to hear the entire *technical* marketing presentation;
- Follow the recommended avenues of opportunity outlined by the OSDBU that the firm determines are consistent with its best interests;
- Understand that various small business certifications, i.e., 8(a), SDB, HUBZone, women owned small businesses, service disabled veterans, **are secondary** to a small business’ ability to emphasize its high quality products or services, on time delivery and best value.
- Understand that from an ethical and legal standpoint that an OSDBU **CANNOT**:
 - Promise anyone a contract

- Provide government-proprietary information
- Share third party proprietary information provided to him/her by other small businesses
- *Direct* large contractors to provide jobs (employment or subcontracting) to a particular small business
- Help small businesses write/review proposals to be submitted to the OSDBU's agency or any other government agency
- Act in a manner that is tantamount to acting as an agent of the small business
- Aid or abet the small business in preparation of a protest against the OSDBU's agency
- Lobby source selection officials to select a specific small business
- Advocate purchase of goods and services that the government does not need or want
- Help to create false expectations on the part of small businesses of nonexistent contracting opportunities
- Supersede the authority of the contracting officer
- Show improper favoritism to some small businesses at the expense of others
- Encourage or accept gratuities

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Appendix D - Samples

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SAMPLE LANGUAGE

SECTION L - PROPOSAL PREPARATION INSTRUCTIONS

The following excerpts have been used in real solicitations that pertain to subcontracting plans and/small business participation plans. Please tailor accordingly to your acquisition.

VOLUME 1: GENERAL & SUBCONTRACTING PLAN

Offer. Your offer must consist of the following:

a. Standard Form 33, “Solicitation, Offer, and Award” with blocks 12 through 18 completed by the offeror.

b. RFP Section B, “Supplies or Services and Prices/Costs,” with your proposed prices inserted in the appropriate blank spaces.

c. RFP Section K, “Representations, Certifications, and Other Statements of Offerors,” completed by the offeror

d. Small Business Subcontracting Plan (For other than Small Businesses Only). *Each Offeror that is not a small business shall provide a Small Business Subcontracting Plan that contains all elements required by FAR 52.219-9, as supplemented by DFARS 252.219-7003 by ENTER DATE TO BE SUBMITTED. This plan will not be evaluated as part of the formal source selection process. Failure to submit the plan shall make the Offeror ineligible for contract award. The small business subcontracting plan must be determined to be acceptable by the Contracting Officer in order for the offeror to be eligible for contract award. The Small Business Subcontracting Plan shall be submitted separately from the Small Business Participation Evaluation factor. If the contracting officer accepts your Small Business Subcontracting Plan it will become part of the contract*

OR

If selected for award and if you are not a small business as defined in Federal Acquisition Regulation (FAR) Subpart 19.1, then you shall submit a Small Business Subcontracting Plan in accordance with FAR Subpart 19.7 when requested by the contracting officer. Failure to submit the plan shall make the Offeror ineligible for contract award. If the contracting officer requires you to submit a Small Business Subcontracting Plan, award will be conditioned upon the ability to reach agreement with you on the terms of your plan. If the contracting officer accepts your Small Business Subcontracting Plan it will become part of the contract. The Small Business Subcontracting Plan shall be submitted separately from the Small Business Participation Evaluation Factor.

Offerors will be required to propose a Small Business Subcontracting Plan that contains total subcontracted dollars for overall small business subcontracting in an amount equal to XXX% of the total subcontracted dollars. Include total subcontracted dollars for each small business subcategory. Separate percentage goals for using small business (including ANCs and Indian tribes), veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including ANCs and Indian tribes), and women-owned small business concerns as subcontractors. **Note:** Total subcontracted dollars for each small business category in your small business subcontracting plan must match the dollar value listed in responding to the Small Business Participation Evaluation Factor. Goal percentages in the subcontracting plan submitted in compliance with FAR 52.219-9 will be higher than those listed in response to the Small Business Participation Evaluation Factor because the clause, and subsequent reporting in the Electronic Subcontracting Reporting System, requires percentage goals to be based on total subcontracted dollars, not the total estimated contract value.

Offerors are reminded that the information in the Small Business Subcontracting Plan submitted in Volume 1 shall correlate with the proposal information submitted for the Small Business Participation Evaluation Factor.

All proposed subcontracting goals accepted and incorporated into the resulting contract will be subject to FAR Clause 52.219-16, "Liquidated Damages-Subcontracting Plan".

SAMPLE Proposal Volume Breakout. The Offeror shall present all information relevant to the factor/sub-factor in the appropriate section. Examples for the file naming structure (electronic submission) are provided below. Information not contained within the page limitations detailed below will not be evaluated. Offerors are cautioned **not** to include prices in any volume other than Volume 4, Cost.

VOLUME NUMBER	CONTENTS	MAXIMUM PAGES	COPIES	TITLE/FORMAT
1	GENERAL *	N/A	2 hard copies + 1 CD	V1-CompanyName-GEN.DOC /V1-CompanyName-GEN.PDF
1	SUBCONTRACTING PLAN *	N/A (Rqd. for Other than Small businesses only)	2 hard copies + 1 CD	V1-CompanyName-PLAN.DOC/ V1-CompanyName-PLAN.PDF
2	MISSION SUPPORT	100 page limit	5 hard copies + 1 CD	V2-CompanyName-MS.DOC
3	EXPERIENCE & PAST PERFORMANCE	4 page limit- List of References 3 page limit-Ea. Summary 3 page limit-	4 hard copies + 1 CD	V3-CompanyName-PP.DOC

		Introduction		
4	PRICE/COST	N/A	5 hard copies + 1 CD	V4-CompanyName-COST.XLS / V4-CompanyName-COST.DOC
5	SMALL BUSINESS PARTICIPATION EVALUATION FACTOR	10 page limit (Rqd. for all Offerors)	2 hard copies + 1 CD	V5-CompanyName-SBP.DOC
Submit Master CD ROM containing all 5 proposal volumes			1 CD	Total of 5 folders, representing each proposal volume and data

*For any documents that need to be scanned and submitted as part of the proposal (i.e., SF 33 cover page, documents with signatures), ".PDF" format as prescribed above is encouraged, with the remaining narrative portions submitted as ".DOC" format.

The completion and submission of the above items of information will constitute your offer to perform in accordance with the terms and conditions in Sections A through J of this RFP, including attachments and documents incorporated by reference.

We will not entertain alternate proposals. If you (1) fail or refuse to assent to any of the terms and conditions of this RFP, (2) propose additional terms or conditions, or (3) fail to submit any of the information required by paragraph 3.0, then we will consider your offer to be unacceptable, which will make you ineligible for contract award.

The only way that an unacceptable offer could be made acceptable would be through discussions (see FAR 15.306(d)). However, we intend to award a contract without discussions, as permitted by FAR 15.306(a) and 52.215-1. We reserve the right to conduct discussions and to permit offerors to revise their proposals if we think that it is in our interests to do so.

VOLUME 2: MISSION SUPPORT (REDACTED)

VOLUME 3: EXPERIENCE & PAST PERFORMANCE INFORMATION

Prepare and submit one Experience Matrix in the format of RFP Attachment XXX. When completing the Experience Matrix, you may count work that you subcontracted as your own experience. However, you may not include the experience of a proposed subcontractor in the Experience Matrix, unless that experience was gained as a subcontractor to you. For each contract referenced on the Experience Matrix, complete one Reference Information Sheet in the format of RFP Attachment XXX. On the Reference Information Sheet, include the names of references who can verify that you have done the type of work that is required under the contract contemplated by this RFP and who will provide information about the quality of your Past Performance. You may submit a total maximum of ten (10) reference

information sheets. However, we may not contact all of your references. The Government reserves the right to collect Past Performance information from any other source that is not listed in your Reference Information Sheet. **Past Performance of your prior utilization of small businesses in your prime contracts will also be considered a part of the Past Performance evaluation.**

Make sure that your reference information is up to date and that each reference will cooperate with us. Do not give us the names of a reference unless you have made sure that we can reach that reference at the telephone number, e-mail address, and postal address that you have provided, and that they will give us the information that we want.

VOLUME 4: COST (REDACTED)

VOLUME 5: SMALL BUSINESS PARTICIPATION EVALUATION FACTOR

Small Business Participation Evaluation Factor (Applicable to both Small & Other Than Small Businesses). A resultant Small Business Participation Commitment Document from your proposal under this evaluation factor will be incorporated into any resultant Prime Contract.

Small Business Participation Information. All offerors, including small businesses shall prepare and submit XXXX copies of a Small Business Participation Commitment Document in the format of RFP *Attachment XXXX or contained herein* that will detail the extent to which the successful offeror will subcontract to small business. All Offerors shall provide the Proposed Participation Dollars and Percent of the Total Estimated Contract Amount, including options, and to also break it out for the base period and each individual option year for each small business category identified in the attachment. You must specifically identify the small business concerns that will participate in this acquisition, either as part of a joint venture or a first-tier subcontractor or 2nd tier subcontractor, and provide the extent to which each identified small business concern will participate. If you are a small business, you will count your participation in each small business category for which you qualify. Other small business concerns identified in your proposal that qualify under more than one small business category may be identified and counted in each of the small business categories for which they qualify.

Small business “participation” is small business contributions to contract performance at the prime contract through second tier subcontract levels.

The Government’s assessment of small business participation and commitment under this subfactor is separate from the Federal Acquisition Regulation (FAR) requirement for Contracting Officer review and acceptance of an Offeror’s Small Business Subcontracting Plan.

In the Small Business Participation Commitment Document, each offeror shall describe in detail:

1. The extent to which such firms are specifically identified in proposals.

2. A detailed description of the supplies/services for each small business subcategory including the names of those firms and their designation, dollar value, and timeframe of commitment.

3. The extent of commitment to use such firms (for example, enforceable commitments are to be weighted more heavily than non-enforceable ones). Provide documentation regarding enforceable commitments to utilize each small Business as defined in FAR Part 19, as subcontractors. Provide the names of protégé firms being utilized in the proposal as subcontractors. Offerors shall clearly describe the nature of commitment (e.g., fully executed teaming agreement, planned purchase order).

4. Describe the type of management controls used to ensure timeliness and quality of all subcontracted efforts and how this will be coordinated. In the event that the Offeror has selected or intends to select one of their own divisions or an affiliated company to perform major portions of this contract, the following information should be provided:

- a. How the Offeror will ensure the subcontractor selection process results in the best value; e.g., the subcontractor selection criteria or evaluation process should not provide any benefit to a company merely because it is another division of the same company as the Offeror. *Offers shall describe new, contract specific initiatives and tools (e.g., mentor protégé agreements, developing second sources and leveraging Small Business Innovation Research (SBIR) investments) that will be employed under the contract to enhance small business utilization and capabilities.*
- b. How the offeror will protect intellectual property rights of unaffiliated companies competing for a specified subcontract.
- c. Whether any independent advisors will be used in the subcontractor selection process.
- d. Whether any measures (commonly referred to as firewalls) will be implemented to isolate the source selection personnel from any other personnel in the company that could influence a subcontractor selection for reasons other than obtaining the best value.

5. Offerors shall describe the process they will use to ensure proper flow-down of requirements, process management, and performance assessments of small business utilization at lower tiers.

6. The extent of participation of such firms in accordance with the Section H provision entitled, Small Business Subcontracting Goals. Complete Attachment XXX, Small Business Participation Sheet.

ATTACHMENT XXX: SMALL BUSINESS PARTICIPATION SHEET

All Offerors are required to submit Small Business Participation Information in accordance with FAR 19.1202 and DFARS 215.304 and shall include the following:

	Govt Targeted Goals	Identify Type of Service/ Supply	Base Period Amount (\$)	% of Total Base Period Amount	Opt. 1 Period Amount (\$)	% of Total Opt. 1 Period Amount	Opt. 2 Period Amount (\$)	% of Total Opt. 2 Period Amount	Opt. 3 Period Amount (\$)	% of Total Opt. 3 Period Amount	Total Contract Amount (\$)	% of Total Contract Amount
1. Total Acquisition				100.00		100.00		100.00		100.00		100.00
2. Small Business Concerns												
a.												
b.												
c.												
TOTAL SB	XX%											
3. Small Disadvantaged Business Concerns												
a.												
b.												
c.												
TOTAL SDB	XX%											
4. Women-Owned Small Business Concerns												
a.												
b.												
c.												
TOTAL WOSB	XX%											
5. HUBZone Small Business Concerns												
a.												
b.												
c.												
TOTAL HUBZone	XX%											
6. Service-Disabled Veteran-Owned Small Business Concerns												
a.												
b.												
c.												
TOTAL SDVOSB	XX%											
7. Veteran-Owned Small Business Concerns												
a.												
b.												
c.												
TOTAL VOSB	XX%											

Instructions

1. In Row 1, insert the amount of your proposed price from Section B of your offer under the column headings "Amount (\$), for the base period, Options 1-3, and total contract amount."

2. In Rows 2a, 2b, 2c, etc., through Rows 7, etc. specifically identify each small business firm that will participate in this acquisition, either as a joint venture or first-tier subcontractor, and include a description of the type of service/supply they will be providing. If you are a small business concern, list yourself. There is no limit to the number of small business firms that you may list (expand the table if necessary). For each firm identified, enter the amount that the firm will receive in performing the contract under the column heading "Amount (\$)," for the base period, Options 1-3, and total contract amount. This amount must match the corresponding amount stated in your price proposal. If it does not, we will use the lower amount for evaluation purposes. Then, enter the percentage of the total proposed price (from Row 1) that this amount represents under the appropriate column heading "% of XXX amount." When you are done, sum the total amounts and percentages of small business participation for each category, and place the result in the row entitled "TOTAL SB, TOTAL SDB, etc. " under the column headings "Amount (\$)" and "% of acquisition." We have provided the Government Target Objectives for this acquisition, which are based on our market research results, under the column heading "Govt Target Goals"

Each participation percentage above shall be accompanied by detailed supporting documentation regarding the individual commitments. Detailed explanations shall also be provided when the percentages fall short of the goals specified in the Small Business Participation Commitment Document evaluation approach, Section M.

Note: The above small business participation Govt. target goals represent the Government's minimum participation (prime through 2nd tier) expressed as a percentage of total contract value. Offerors are encouraged to propose values greater than the targets listed.

Note to KO: In lieu of a minimum percentage, in those cases where market research has not been conducted and there is no historical performance data, the Contracting Officer may replace percentage minimums in the "Govt Target Goal" column with the term "Best Effort," though this method is highly discouraged.

NOTE 1: Percentage and dollar goals shall be aggressive, realistic, challenging, achievable and positive. These goals are percentages of the total proposed contract value that the Offeror plans to subcontract.

NOTE 2: Offerors are reminded that the Small Business Subcontracting Plan (**required to be submitted by other than small businesses only**) shall correlate with the proposal information submitted for small business participation.

NOTE 3: The Small Business Participation Commitment Document will be evaluated as described in **SECTION M**. The extent to which the contractor meets, or fails to meet the goals set forth in its Small Business Participation Plan during the contract will be evaluated and reported in the contractors Contract Performance Evaluation and considered in evaluating contractors Past Performance for the purpose of the future procurements.

NOTE 4: "Total Contract Value" for evaluation purposes is the estimated total for the contract and all options. After contract award "Total Contract Value" will be the cumulative actual dollars of all task orders issued against the contract, including any options.

SAMPLE LANGUAGE

SAMPLE SECTION M - EVALUATION FACTORS FOR AWARD

The following excerpts have been used in real solicitations that pertain to subcontracting plans and/small business participation plans. Please tailor accordingly to your acquisition.

GENERAL

All proposals submitted in response to the solicitation will be evaluated by a formally established Source Selection Evaluation Board (SSEB). An overall assessment of the merit of each proposal will be derived from the evaluation of the proposal as it relates to each factor in this solicitation. A narrative explanation will be provided to support the adjectival ratings and risk assessment for the Mission Support, Past Performance, Cost, and Small Business Participation Evaluation Factors. Results of the source selection process will be documented in accordance with the requirements of the Source Selection Plan (SSP).

The evaluation will be based on an integrated assessment of general considerations consisting of Mission Support (which includes Management, Technical, and Quality Control), Past Performance, Cost, and Small Business Participation to determine the Offeror whose proposal contains a combination offering the best value to the Government, cost and other factors considered. The integrated assessment may result in a contract award to other than the Offeror with the lowest overall estimated cost to the Government, if the non-cost benefits offered by another Offeror warrant paying a higher cost. Trade-offs will be made between the cost and non-cost factors in order to determine the Offeror whose proposal is the best value to the Government. All non-cost factors when combined, are significantly more important than cost. To receive consideration for award, a rating of no less than “Acceptable” must be achieved for all of the factors and sub-factors, excluding the Past Performance Factor, wherein the Offeror must achieve a rating of no less than “moderate risk” or a neutral rating of “unknown risk”.

1. Mission Support
 - Sub-factor 1 - Management
 - Sub-factor 2 - Technical
 - Sub-factor 3 - Quality Control
2. **Experience & Past Performance**
3. Price/Cost
4. **Small Business Participation**

(b) Factor Order of Importance. With regard to relative importance, the Mission Support Factor is the most important factor. Under Mission Support, Sub-factor 1 (Management) and Sub-factor 2 (Technical) are equal in importance and each is more important than Sub-factor 3 (Quality Control). Mission Support is more important than Experience & Past Performance. The Experience & Past Performance Factor is more important than the Cost Factor. The Cost Factor is more important than the Small Business Participation Factor. Mission Support, Experience & Past Performance, and the Small Business Participation Factor when combined, are significantly more important than the Cost Factor.

Offerors are encouraged to propose approaches that exceed minimum requirements, giving due regard to the relative importance of the factors and sub-factors described above. The Government will weigh the effect the increased performance may have on the contract cost.

The Government will utilize the following **general considerations** to identify those Offerors whose proposals are determined capable of meeting the general performance requirements of the contract.

a. *Defense Contract Audit Agency (DCAA) Audit Report.* DCAA may conduct an audit of the Offeror's current and past pricing information and provide an Audit Report.

b. *Pre-award Survey.* A pre-award team from DCMA may contact the Offeror's facility to determine their financial and management capability to perform. Current financial statements and other pertinent data should be made readily available to the team.

c. *DOD Security Clearance.* As part of the evaluation process, each Offeror's level of facility clearance will be verified with the Defense Industrial Security Clearance Office (DISCO).

d. *Equal Employment Opportunity (EEO), Compliance Certification.* In accordance with FAR 52.222-24, Pre-award On-Site Equal Opportunity Compliance Evaluation, the Office of Federal Contract Compliance Programs (OFCCP) must issue a certification of the Offeror's EEO compliance with Executive Order 11246.

e. *Small Business Subcontracting Plan (Other than Small Business Only).* The Small Business Subcontracting Plan requirement is mandatory for award to a large business. The Large Business Offerors' Small Business Subcontracting Plans shall be reviewed in accordance with FAR 52.219-9, "Small Business Subcontracting Plan". Review of the plan will be based on an "Acceptable" or "Unacceptable" basis and negotiated accordingly. This plan must be considered "Acceptable" for the firm to be awarded a contract. The plan will be incorporated into any resultant contract.

1. MISSION SUPPORT (Reference VOLUME 2) (REDACTED)

2. EXPERIENCE & PAST PERFORMANCE (Reference VOLUME 3)

a. Experience. Experience is the opportunity to learn by doing. Your experience is relevant when you have been confronted with the kinds of challenges that will confront you under the contract contemplated by this RFP. Our evaluation will consider the depth and breadth of your experience in the following areas: XXXX, XXXX, XXXX, XXXX.

We will use the information in the Experience Matrix (RFP Attachment XXX), and the associated Reference Information Sheets (RFP Attachment XXX) to evaluate your experience. We may also contact your references to verify the accuracy of statements made in your

Reference Information Sheets. We will consider work that you have subcontracted to another firm as your experience.

b. Past Performance. Past performance is a measure of the degree to which an offeror has satisfied customers in the past and complied with Federal, state, and local laws and regulations. Offeror past performance will be evaluated on the basis of the following subfactors (of past performance):

1. Technical (Quality of Product) – expected performance of the technical requirements of the subject availability based upon an offeror’s past performance of previously awarded relevant contracts and the effectiveness of any implemented or proposed corrective actions.

2. Schedule – expected performance in meeting the schedule requirements of the subject availability based upon an offeror’s past performance of previously awarded relevant contracts and the effectiveness if any implemented or proposed corrective actions.

3. Management – the expected performance in managing the subject availability based upon an offeror’s past performance of previously awarded relevant contracts and the effectiveness of any implemented or proposed corrective actions. **This includes an evaluation of the offeror’s record to assess its utilization of small businesses and its past performance in achieving subcontracting goals established in prior subcontracting plans. Pursuant to DFARS 215.305, the assessment will consider the extent to which the Offeror’s evaluated past performance complied with small business subcontracting objectives and goals in contracts which included FAR 52.219-8, Utilization of Small Business Concerns and FAR 52.219-9, Small Business Subcontracting Plan (other than small businesses only). The Offeror’s record will be evaluated to assess its utilization of small businesses and past performance in complying with the clauses at FAR 52.219-8, Utilization of Small Business Concerns and FAR 52.219-9, Small Business Subcontracting Plan.**

Our evaluation of your past performance will be subjective, and based on performance evaluations available in the automated Past Performance Information Retrieval System (PPIRS), information obtained from your references during telephone interviews and/or performance questionnaires, and information available in our local files to evaluate past performance. We may use other sources, as appropriate. We will consider performance of work that you have subcontracted to another firm as your past performance. However, we will not consider the past performance of a proposed subcontractor, unless that performance was under a subcontract awarded by you.

If there is no relevant past performance, the Offeror will be evaluated neither favorably nor unfavorably and such lack of relevant past performance will be considered an unknown risk. All items identified in Section L, paragraph XXX will be used to evaluate this factor.

3. PRICE/COST (Reference VOLUME 4) (REDACTED)

4. SMALL BUSINESS PARTICIPATION (Reference VOLUME 5) -- REFER to the DoD Source Selection Procedures for the various rating suggestions available.

To receive consideration for award Offerors (both large and small businesses) must obtain at least an “Acceptable” rating for their Small Business Participation Plan. Description of the adjectival ratings are as follows:

Rating	Description
Acceptable	Proposal clearly meets the minimum requirements of the solicitation.
Unacceptable	Proposal does not clearly meet the minimum requirements of the solicitation.

Each participation percentage proposed shall be accompanied by detailed supporting documentation regarding the individual commitments. All Offerors (both large and small businesses) will be evaluated on the level of small business commitment that they demonstrate for the proposed acquisition. We will evaluate the extent to which you identify and commit to small business in the performance of the contract, whether as a joint venture or first-tier subcontractor. In performing this evaluation, we will examine your proposal for (i) the extent to which small business concerns are specifically identified, (ii) the extent of commitment to use such firms (enforceable commitments will be weighted more heavily than non-enforceable ones), and (iii) the extent of their participation in terms of the total value of the acquisition, (iv) the realism of the proposal, the reasonableness of the offer’s basis for establishing goals, (v) the complexity and variety of the work small firms are to perform, and (vi) the extent to which the offeror justifies the small business participation identified in the proposal. Note: small business Offerors may meet the requirement using work they perform themselves.

Offers will also be evaluated to assess the number and expected benefits of proposed new, contract specific small business initiatives/tools and the extent to which Offerors have in place effective procedures to ensure proper flow-down of requirements, process management and performance assessments of small business utilization at lower tiers.

THE GOVERNMENT INTENDS TO AWARD ONE CONTRACT BASED ON INITIAL OFFERS, WITHOUT DISCUSSIONS (See Section L. FAR 52.215-1).

The Government will evaluate offers for evaluation purposes by adding the total price for all CLINS and options to the total price for the base period. FAR clause 52.217-8 will be included in the resulting contract. In order to evaluate this option price, the Government will include in the total evaluated price an amount equal to half, or six months, of the price proposed by offerors for the last option period. The actual price paid for performance of services and for supplies will be in accordance with FAR 52.217-8. Evaluation of options will not obligate the Government to exercise the option(s).

Appendix D - Samples

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Tuesday, July 13, 2009 12:33pm

Individual subcontract reports

123456789

SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS

1. DUNS ti:

1112:2:2:

2. Corporation, Company or Subdivision Covered:

a. Vendor Name:

PIJC Corporation

b. Vendor Physical Address:

Street Address:

11AST

City:

Corporation

State:

South Carolina

Zip+4:

021942806

e. Vendor Mailing Address:

Street Address:

77AST

City:

Corporation

State:

Kalaho

Zip+4:

123456789

Country:

United States

3. Agency Awarding Contract:

DEFENSE LOGISTICS AGENCY (97AS)

4.Contracting Office Agency ID:
97AS

5.Contracting Office Agency Name:
DEFENSE LOGISTICS AGENCY

6.Contracting Office ID:
00000

7.Contracting Office Name:
DOD/DEFENSE LOGISTICS AGENCY

8.Funding Agency ID:
00000

9.Funding Office ID:
00000

10.Prime Contract Number:
123456789

11.Product/Service Code:
5805

12. Is your contract administered by M office other than the Contracting Office that awarded the contract?:
no

SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS CONT'D

1.Contact Information:
THI.User

2.Reporting Period From Inception of Contract Thru::
S...,30

a. Year:
2008

3.Type of Report:
AIQ/iar

4.Contract Awarding Contract:
THI.Contract

5.Report Submitted As:
subcontractor

a.Subcontract Number:
SSSmaaa

SUBCONTRACT AWARDS

1. Dollars and Percentages in the Following Blocks::

Does Not Include Indirect Dollars - If the approved Individual Small Business Contracting Plan did not indicate that Indirect Subcontracts were included in the dollars and percentage goals?

	Current Goal:			Actual Cumulative:		
	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Total Contract Value	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Current Contract Value
2a. SMALL BUSINESS CONCERNS	\$00	\$0	\$0	\$00	\$0	0.7
2b. LARGE BUSINESS CONCERNS	\$00	N/A	N/A	\$00	\$0	0.7
2c. TOTAL	1,000	100	100	1,000	100	1.4

	Current Goal:			Actual Cumulative:		
	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Total Contract Value	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Current Contract Value
3. SMALL DISADVANTAGED BUSINESS (SOB) CONCERNS	100	\$0	\$0	100	10	0.1
4. WOMEN-OWNED SMALL BUSINESS (WOSB) CONCERNS	100	0	0	100	10	0.1
5. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) AND INSTITUTIONS (foi) <i>... This field is Uirt:d only for contracts with DoD, NASA, and Coast Guard.</i>	0	0	0	0	0	0
6. HUBZone SMALL BUSINESS (HUBZone SB) CONCERNS	0	0	0	0	0	0
7. VETERAN-OWNED SMALL BUSINESS CONCERNS	0	0	0	0	0	0
8. SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS	0	0	0	0	0	0
9. ALASKA NATIVE CORPORATIONS (ANCs) AND INDIAN TRIBES THAT HAVE NOT BEEN CERTIFIED BY THE SMALL BUSINESS ADMINISTRATION AS SMALL DISADVANTAGED BUSINESSES	0	0	0	0	0	0

10. ALASKA NATIVE
CORPORATIONS (ANCs) AND
INDIAN TRIBES THAT ARE
NOT STATES

0 0 0 0 0 0

11. What method do you use to collect subcontracting data for this report?
method: meolbasis

12. Certification:
V

13. Remarks:
This is a test report.

14. Contractor's Subcontracting Plan Administrator:

a. Contractor's Official who Administers this Subcontracting Plan:
Name

b. Phone Number of Individual who Administers this Subcontracting Plan:
20 5551414

c. E-mail address of Individual who Administers this Subcontracting Plan:
name@test.com

SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS
(See instructions on reverse)

OMB No 9000-0006
Expires: 03/31/2013

Public reporting burden for this collection of information is estimated to average 55.34 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Acquisition Policy Division, Regulatory Secretariat, GSA, Washington, DC 20405.

1. DATE SUBMITTED _____

2. STREET ADDRESS _____
3. REPORTING PERIOD FROM INCEPTION OF CONTRACT THROUGH YEAR _____
4. TYPE OF REPORT
 MAR 31 SEPT 30

5. CONTRACTOR IDENTIFICATION NUMBER _____
 REGULAR FINAL REVISED

6. ADMINISTERING AGENCY (P = *ch&ck*applic*boxed)

<input type="radio"/> ARMY NAVY	<input type="radio"/> GSA	<input type="radio"/> NASA
<input type="radio"/> AIR FORCE	<input type="radio"/> DOE	<input type="radio"/> OTHER FEDERAL AGENCY (Specify)
	<input type="radio"/> DEFENSE CONTRACT MANAGEMENT AGENCY	

7. REPORT SUBMITTED AS (Check one) <input type="radio"/> PRIME CONTRACTOR <input type="radio"/> SUBCONTRACTOR		8. AGENCY OR CONTRACTOR AWARDED CONTRACT	
PRIME CONTRACT NUMBER _____		8. AGENCY'S OR CONTRACTOR'S NAME _____	
SUBCONTRACT NUMBER _____		b. STREET ADDRESS _____	
9. DOLLARS AND PERCENTAGES IN THE FOLLOWING BLOCKS: <input type="radio"/> DO INCLUDE INDIRECT COSTS <input type="radio"/> DO NOT INCLUDE INDIRECT COSTS		c. CITY _____ STATE _____ ZIP CODE _____	

SUBCONTRACT AWARDS

TYPE	GOAL		ACTUAL	
	WHOLE DOLLARS	PERCENT	WHOLE DOLLARS	PERCENT
10a. SMALL BUSINESS CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)				
10b. LARGE BUSINESS CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)				
10c. TOTAL (Sum of 10a and 10b.)		100.0%		100.0%
11. SMALL DISADVANTAGED BUSINESS (SOB) CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)				
12. WOMEN-OWNED SMALL BUSINESS (WOSB) CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)				
13. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) AND MINORITY INSTITUTIONS (MI) (If applicable) (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)				
14. HUBZone SMALL BUSINESS (HUBZone SB) CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)				
15. VETERAN-OWNED SMALL BUSINESS CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)				
16. SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)				
17. ALASKA NATIVE CORPORATIONS (ANCs) AND INDIAN TRIBES THAT HAVE NOT BEEN CERTIFIED BY THE SMALL BUSINESS ADMINISTRATION AS SMALL DISADVANTAGED BUSINESSES				
18. ALASKA NATIVE CORPORATIONS (ANCs) AND INDIAN TRIBES THAT ARE NOT SMALL BUSINESSES (Dollar Amount) (SEE SPECIFIC INSTRUCTIONS)				

Page 2 was not included as it is blank for comments.

GENERAL INSTRUCTIONS

1. This report is not required for small businesses.
2. This report is not required for commercial items for which a commercial plan has been approved, nor for large businesses in the Department of Defense (DOD) Test Program for Negotiation of Comprehensive Subcontracting Plans. The Summary Subcontract Report (SSR) is required for contractors operating under one of these two conditions and should be submitted to the Government in accordance with the instructions on that form.
3. This form collects subcontract award data from prime contract CO's of subcontract CO's that: (a) hold one or more contracts over \$550,000 (over \$1,000,000 for construction of a public facility); and (b) are required to report subcontracts awarded to Small Business (SB), Small Disadvantaged Business (SOB), Women-Owned Small Business (WOSB), HUBZone Small Business (HUBZone SB), Veteran-Owned Small Business (VOSS) and Service-Disabled Veteran-Owned Small Business concerns under a subcontracting plan. For the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, this form also collects subcontract award data for Historically Black Colleges and Universities (HBCUs) and Minority Institutions (MIs).
4. This report is required for each contract containing a subcontracting plan and must be submitted to the administrative contracting officer (ACO) or contracting officer if no ACO is assigned, semi-annually, during contract performance for the periods ended March 31st and September 30th. A separate report is required for each contract at contract completion. Reports are due 30 days after the close of each reporting period unless otherwise directed by the contracting officer. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or since the previous report.
5. Only subcontracts involving performance in the United States or its outlying areas should be included in this report with the exception of subcontracts under a contract awarded by the State Department or any other agency that has statutory authority to require subcontracting plans for subcontracts performed outside the United States and as outlying areas.
6. Purchases from a corporation, company, or subdivision that is an affiliate of the prime subcontractor are included in this report.
7. Subcontract award data reported on this form by prime contractors! subcontractors shall be limited to awards made to their immediate subcontractors. Credit must be taken for awards made to lower tier subcontractors unless you have been designated to receive an SB and SOB credit from an Alaska Native Corporation (ANC) or Indian tribe.
8. FAR 19.703 sets forth the eligibility requirements for participating in the subcontracting program.
9. Actual achievements must be reported on the same basis as the goals set forth in the contract. For example, if goals in the plan do not include indirect and overhead items, the achievements shown on this report should not include them either.

SPECIFIC INSTRUCTIONS

BLOCK 2: For the Contractor Identification Number, enter the nine-digit Data Universal Numbering System (DUNS) number that identifies the specific contractor establishment. If there is no DUNS number available that identifies the exact name and address entered in Block 1, contact Dun and Bradstreet Information Services at 1-866-705-5711 or via the Internet at <http://www.dnb.com>. The contractor should be prepared to provide the following information: (i) Company legal business name. (ii) Trade style, doing business, or other name by which your entity is commonly recognized. (iii) Company physical street address, city, state and ZIP Code. (iv) Company mailing address, city, state and ZIP Code (if separate from physical). (v) Company telephone number. (vi) Date the company was started. (vii) Number of employees at your location. (viii) Chief executive officer/ key manager. (ix) Line of business (industry). (x) Company Headquarters name and address (reporting relationship within your entity).

BLOCK 4: Check only one. Note that all subcontract award data reported on this form represents activity since the inception of the contract through the date indicated on this block.

BLOCK 5: Check whether this report is a "Regular," "Final," and/or "Revised" report. A "Final" report should be checked only if the contractor has completed the contract or subcontract reported in Block 7. A "Revised" report is a change to a report previously submitted for the same period.

BLOCK 6: Identify the department or agency administering the majority of subcontracting plans.

BLOCK 7: Indicate whether the reporting contractor is submitting this report as a prime contractor or subcontractor and the prime contractor or subcontract number.

BLOCK 8: Enter the name and address of the Federal department or agency awarding the contract or the prime contractor awarding the subcontract.

BLOCK 9: Check the appropriate block to indicate whether indirect costs are included in the dollar amounts in blocks 10a through 16. To ensure comparability between the goal and actual columns, the contractor may include indirect costs in the actual column only if the subcontracting plan included indirect costs in the goal.

BLOCKS 10a through 18: Under "Current Goal," enter the dollar and percent goals in each category (SB, SOB, WOSB, VOSS, service-disabled VOSS, and HUBZone SB) from the subcontracting plan approved for this contract. (If the original goals agreed upon at contract award have been revised as a result of contract modifications, enter the original goals in Block 19. The amounts entered in Blocks 10a through 16 should reflect the revised goals.) There are no goals for Blocks 17 and 18. Under "Actual Cumulative," enter actual subcontract achievements (dollars and percent) from the inception of the contract through the date of the report shown in Block 4. In cases where indirect costs are included, the amounts should include both direct awards and an appropriate prorated portion of indirect awards. However, the dollar amounts reported under "Actual Cumulative" must be for the same period of time as the dollar amounts shown under "Current Goal." For a contract with options, the current goal should represent the aggregate goal since the inception of the contract. For example, if the contractor is submitting the report during Option 2 of a multiple year contract, the current goal would be the cumulative goal for the base period plus the goal for Option 1 and the goal for Option 2.

BLOCK 10a: Report all subcontracts awarded to SBs including subcontracts to SOBs, WOSB, VOSS, service-disabled VOSB, and HUBZone SBs. For DOD, NASA, and Coast Guard contracts, include subcontracting awards to HBCUs and MIs. Include subcontracts awarded to ANCs and Indian tribes that are not small businesses and that are not certified by the SBA as SOBs where you have been designated to receive their SB and SOB credit. Where your company and other companies have been designated by an ANC or Indian tribe to receive SB and SOB credit for a subcontract awarded to the ANC or Indian tribe, report only the portion of the total amount of the subcontract that has been designated to your company.

BLOCK 10b: Report all subcontracts awarded to large businesses (LBs) and any other-than-small businesses. Do not include subcontracts awarded to ANCs and Indian tribes that have been reported in 10a above.

BLOCK 10c: Report on this line the total of all subcontracts awarded under this contract (the sum of lines 10a and 10b).

BLOCKS 11 • 16: Each of these items is a subcategory of Block 10a. Note that in some cases the same dollars may be reported in more than one block (e.g., SOBs owned by women or veterans).

BLOCK 11: Report all subcontracts awarded to SOBs (including WOSB, VOSB, service-disabled VOSBs, and HUBZone SB SOBs). Include subcontracts awarded to ANCs and Indian tribes that have not been certified by SBA as SOBs where you have been designated to receive their SOB credit. Where your company and other companies have been designated by an ANC or Indian tribe to receive their SOB credit for a subcontract awarded to the ANC or Indian tribe, report only the portion of the total amount of the subcontract that has been designated to your company. For DoD, NASA, and Coast Guard contracts, include subcontracting awards to HBCUs and MIs.

BLOCK 12: Report all subcontracts awarded to WOSBs (including SOBs, VOSBs (including service-disabled VOSBs), and HUBZone SBs that are also WOSBs).

BLOCK 13: (For contracts with DoD, NASA, and Coast Guard): Report all subcontracts with HBCUs and MIs. Complete the column under "Current Goal" only when the subcontracting plan establishes a goal.

BLOCK 14: Report all subcontracts awarded to HUBZone SBs (including WOSBs, VOSBs (including service-disabled VOSBs), and SOBs that are also HUBZone SBs).

BLOCK 15: Report all subcontracts awarded to VOSBs including service-disabled VOSBs (and including SOBs, WOSBs, and HUBZone SBs that are also VOSBs).

BLOCK 16: Report all subcontracts awarded to service-disabled VOSBs (including SOBs, WOSBs, and HUBZone SBs that are all service-disabled VOSBs).

BLOCK 17: Report all subcontracts awarded to ANCs and Indian tribes that are reported in Block 11, but have not been certified by SBA as SOBs.

BLOCK 18: Report all subcontracts awarded to ANCs and Indian tribes that are reported in Block 10a, but are not small businesses.

BLOCK 19: Enter a short narrative explanation if (a) SB, SOB, WOSB, VOSB, service-disabled VOSB, or HUBZone SB accomplishments fall below that which would be expected using a straight-line projection of goals through the period of contract performance; or (b) if this is a final report, any one of the six goals were not met.

DEFINITIONS

1. Direct Subcontract Awards are those that are identified with the performance of one or more specific Government contract(s).

2. Indirect costs are those which, because of incurrence for common or joint purposes, are not identified with specific Government contracts; these awards are related to Government contract performance but remain for allocation after direct awards have been determined and identified to specific Government contracts.

DISTRIBUTION OF THIS REPORT

For the Awarding Agency or Contractor:

The original copy of this report should be provided to the contracting officer at the agency or contractor identified in Block 8, or contracts with DOD copy should also be provided to the Defense Contract

For the Small Business Administration (SBA):

A copy of this report must be provided to the cognizant Commercial Market Representative (CMR) at the time of a compliance review. It is NOT necessary to mail the SF 294 to SBA unless specifically requested by the CMR.



Tuesday, January 13, 2009 12:21 PM

SUMMARY SUBCONTRACT REPORT

1. Type of Plan:
Individual

2. DUNS 1:
123456789

3. Corporation, Company or Subdivision Covered:

a. Vendor Name:
ASC C > moany

b. Vendor Physical Address:

Street Address:
015 Valky Drive

City:
Ockmon

State:
Texas

Zip 4:
77539

Country:
United States

e. Vendor Mailing Address:

Street Address:
015 Valky Drive

City:
Ockmon

State:
Texas

Country:
United States

4. Date Submitted:
January 13, 2009

5. Contact Information:
THI. User

6. Reporting Period:
Oct 1 - Sept 30

a. Year:
2008

7. Agency to which the report is being submitted:
AGRICULTURE.DEPARTMENT OF (1200)

8. Report Submitted As:
Prime contractor

9. Contractor's Major Products or Services:

a. Product or Service:
123456789

b. NAICS Code:
Click for description on naics code
123

CUMULATIVE FISCAL YEAR SUBCONTRACT AWARDS

	Whole Dollars	Percent
a. SMALL BUSINESS CONCERNS	200	50
b. LARGE BUSINESS CONCERNS	200	50
tc. TOTAL	400	100

	Whole Dollars	Percent
2. STATE-ADVANTAGED BUSINESS (SOB) CONCERNS	100	25
3. WOMEN-OWNED SMALL BUSINESS (WOSB) CONCERNS	100	25
4. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) AND MINORITY INSTITUTIONS (MI)	100	25
5. HUBZone SMALL BUSINESS (HUBZone SB) CONCERNS	100	25
6. VETERAN-OWNED SMALL BUSINESS CONCERNS	0	0
7. SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS	0	0
8. ALASKA NATIVE CORPORATIONS (ANCs) AND INDIAN TRIBES THAT HAVE NOT BEEN CERTIFIED BY THE SMALL BUSINESS ADMINISTRATION AS STATE-ADVANTAGED BUSINESSES	0	0
9. ALASKA NATIVE CORPORATIONS (ANC) AND INDIAN TRIBES THAT ARE NOT SMALL BUSINESSES	0	0

10. Remarks:
This is a test report.

11. Contractors Official Who Administers Subcontracting Program:

a. Name:
Jane Ooe

b. **NUC:**
Contract: r.g Offf0E!f

c. **Phone Number:**
202SSSt3t3

12. **Certification:**
V. .

13. **Chief Executive Officer(CEO):**

a. **Name:**
Jill Saf11)6e

b. **Title:**
CEO

c. **Date:**
January 13, 2009

14. **CEO Approval:**
V. .

15. **Please enter the email address of the Government employee(s) and/or other persons(s) to be notified that you have submitted this report. :**
testgovt@deptag.gov

GENERAL INSTRUCTIONS

- 1. This report is not required from small businesses.
2. This form collects subcontract data from prime contractors/subcontractors that: (a) hold one or more contracts over \$550,000 (Net \$1,000,000 for construction of a public facility); and (b) are required to report subcontracts awarded to Small Business (SB).
3. This report must be submitted semi-annually (for the six months ended March 31st and the twelve months ended September 30th) for contracts with the Department of Defense (DOD) and annually (for the twelve months ended September 30th) for contracts with other agencies, except for contracts covered by an approved Commercial Plan.
4. This report may be submitted on a corporate, company, or subdivision basis.
5. If a prime contractor/subcontractor is performing work for more than one Federal agency, a separate report shall be submitted to each agency covering only that agency's contracts.
6. For ODO, a consolidated report should be submitted for all contracts awarded by military departments/agencies and/or subcontracts awarded by DOD prime contractors.
7. Only subcontracts involving performance in the U.S. or its outlying areas should be included in this report.
8. Purchases from a corporation, company, or subdivision that is an affiliate of the prime/subcontractor are not included in this report.
9. Subcontract award data reported on this form by prime contractors/subcontractors shall be limited to awards made to their immediate subcontractors.
10. FAR 19.703 sets forth the eligibility requirements for participation in the subcontracting program.
11. See special instructions in right-hand column for Commercial Plans.

SPECIFIC INSTRUCTIONS

BLOCK 2: For the Contractor Identification Number, enter the nine-digit Data Universal Numbering System (DUNS) number that identifies the specific contractor establishment. If there is no DUNS number available that identifies the exact name and address entered in Block 1, contact Dun and Bradstreet Information Services at 1-866-705-5711 or via the Internet at http://www.dnb.com. The contractor should be prepared to provide the following information: (i) Company legal business name, (ii) Trade name, doing business, or other name by which your entity is commonly recognized, (iii) Company physical street address, city, state and ZIP Code, (iv) Company mailing address, city, state and ZIP Code, (v) Company telephone number, (vi) Date the company was started, (vii) Number of employees at your location, (viii) Chief executive officer/key manager, (ix) Line of business (industry), (x) Company Headquarters name and address (reporting relationship with your entity).

BLOCK 4: Check only one. Note that March 31 represents the six months from October 1st and that September 30th represents the twelve months from October 1st. Enter the year of the reporting period.

BLOCK 5: Check whether this report is a "Regular" or "Revised" report. A "Regular" report should be checked only if the contractor has completed all the contracts containing subcontracting plans awarded by the agency to which it is reporting. A "Revised" report is a change to a report previously submitted for the same period.

BLOCK 6: Identify the department or agency administering the majority of subcontracting plans.

BLOCK 7: This report encompasses all contracts with the Federal Government for the agency to which it is submitted, including subcontracts received from other large businesses that have contracts with the same agency. Indicate in this block whether the contractor is a prime contractor, subcontractor, or both (check only one).

BLOCK 8: Check only one. Check Commercial Plan only if this report is under an approved Commercial Plan. For a Commercial Plan, the contractor must specify the percentage of dollars in Blocks 10a through 16 attributable to the agency to which this report is being submitted.

BLOCK 9: Identify the major product or service lines of the reporting organization.

BLOCKS 10a through 18: These entries must include all subcontract awards resulting from contracts or subcontracts, regardless of dollar amount, received from the agency to which this report is submitted. If reporting as a subcontractor, report all subcontracts awarded under prime contracts. Amounts must include both direct awards and an appropriate prorated portion of indirect awards. (The indirect portion is based on the percentage of work being performed for the organization to which the report is being submitted in relation to other work being performed by the prime contractor/subcontractor).

Do not include awards made in support of commercial business. Commercial awards are checked in Block 8 (see Special Instructions for Commercial Plans in right-hand column). Report only those dollars subcontracted this fiscal year for the period indicated in Block 4.

BLOCK 10a: Report all subcontracts awarded to SBs including subcontracts to SOBs, VOSBs, WOSBs, service-disabled VOSBs, and HUBZone SBs. Include subcontracts awarded to ANC and Indian tribes that are not small businesses and that are not certified by the SBA as SOBs where you have been designated to receive the r SB and SOB credit. Where your company and other companies have been designated by an ANC or Indian tribe to receive SB and SOB credit for a subcontract awarded to the ANC or Indian tribe, report only the portion of the total amount of the subcontract that has been designated to your company. For DOD, NASA, and Coast Guard contracts, include subcontracting awards to HSCUs and MIs.

BLOCK 10b: Report all subcontracts awarded to large businesses and any other than small businesses. Do not include subcontracts awarded to ANCs and Indian tribes that have been reported in 10a above.

BLOCK 10c: Report on this line the grand total of all subcontracts (the sum of lines 10a and 10b).

BLOCKS 11 through 16: Each of these items is a subcategory of Block 10a. Note that in some cases the same dollars may be reported in more than one box (e.g., SOBs owned by women); likewise subcontracts to HSCUs or MIs should be reported on both Block 11 and 13.

BLOCK 11: Report all subcontracts awarded to SOBs (including WOSB, VOSB, service-disabled VOSBs, and HUBZone SB SOBs). Include subcontracts awarded to ANCs and Indian tribes that have not been certified by SBA as SOBs where you have been designated to receive their SOB credit. Where your company and other companies have been designated by an ANC or Indian tribe to receive SOB credit for a subcontract awarded to the ANC or Indian tribe, report only the portion of the total amount of the subcontract that has been designated to your company. For ODO, NASA and Coast Guard contracts, include subcontract awards to HBCUs and MIs.

BLOCK 12: Report all subcontracts awarded to WOSBs (including service-disabled VOSBs), and HUBZone SBs that are also WOSBs).

BLOCK 13: (For contracts with ODO, NASA and Coast Guard): Enter the dollar value of all subcontracts with HBCUs/MIs.

BLOCK 14: Report all subcontracts awarded to HUBZone SBs (including VIOSBs, VOSBs (including service-disabled VOSBs), and SOBs that are also HUBZone SBs).

BLOCK 15: Report all subcontracts awarded to VOSBs, including service-disabled VOSBs (and including SOBs, WOSBs, and HUBZone SBs that are also VOSBs).

BLOCK 16: Report all subcontracts awarded to service-disabled VOSBs (including SOBs, WOSBs, and HUBZone SBs that are also service-disabled VOSBs).

BLOCK 17: Report all subcontracts awarded to ANCs and Indian tribes that are reported in Block 11, but have not been certified by SBA as SOBs.

BLOCK 18: Report all subcontracts awarded to ANCs and Indian tribes that are reported in Block 10a but are not small businesses.

SPECIAL INSTRUCTIONS FOR COMMERCIAL PLANS

- 1. This report is due on October 30th each year for the previous fiscal year ending September 30th.
2. The annual report submitted by reporting organizations that have an approved company-wide annual subcontracting plan for commercial items shall include all subcontracting activity under commercial plans in effect during the year and shall be submitted in addition to the required reports for other than commercial items, if any.
3. Enter in Blocks 10a through 16 the total of all subcontract awards under the contractor's Commercial Plan. Show in Block 8 the percentage of this total that is attributable to the agency to which this report is being submitted. This report must be submitted to each agency from which contracts for commercial items covered by an approved Commercial Plan were received.

DEFINITIONS

- 1. Direct Subcontract Awards are those that are identified with the performance of one or more specific Government contract(s).
2. Indirect Subcontract Awards are those which, because of incurrence for common or joint purposes, are not identified with specific Government contracts; these awards are related to Government contract performance but remain for allocation against awards have been determined and identified to specific Government contracts.

SUBMITTAL ADDRESSES FOR ORIGINAL REPORT

For ODO contractors, send reports to the cognizant contracting administration office as stated in the contract.

For Civilian Agency Contractors, send reports to the awarding agency:

- 1. NASA: Forward reports to NASA, Office of Procurement (HS), Washington, DC 20546
2. OTHER FEDERAL DEPARTMENTS OR AGENCIES: Forward report to the OSOU Director unless otherwise provided for in instructions by the Department or Agency.

FOR ALL CONTRACTORS:

SMALL BUSINESS ADMINISTRATION (SBA): Send a copy to the cognizant Commercial Market Representative (CMR) at the address provided by SBA. Call SBA Headquarters in Washington, DC at (202) 201-6475 for the correct address if unknown.

**DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA)
REVIEW OF CONTRACTOR'S SUBCONTRACTING PROGRAM**

PART I – GENERAL INFORMATION

<p>1. CONTRACTOR: Name:</p> <p>Address 1: _____ Address 2: _____ City State ZIP _____</p> <p>CAGE: DUNS:</p>	<p>2.a. SMALL BUSINESS LIAISON OFFICER (SBLO): Name: Phone: _____ FAX: _____ e-mail:</p> <p>2.b. ALTERNATE SMALL BUSINESS LIAISON OFFICER (SBLO): Name: Phone: _____ FAX: _____ e-mail: _____</p>	
<p>3. DCMA SMALL BUSINESS MANAGER (SBS): Name: Phone: _____ FAX: _____ e-mail: _____</p>	<p>4. ADMINISTRATIVE CONTRACTING OFFICER (ACO): Name: Phone: _____ FAX: _____</p>	
<p>5. SMALL BUSINESS ADMINISTRATION (SBA) COMMERCIAL MARKETING REPRESENTATIVE (CMR) Name: Phone: _____ FAX: _____ e-mail: _____</p>		
<p>6. DCMA/SMALL BUSINESS ADMINISTRATION (SBA) JOINT REVIEW: Yes No IF NO WHY NOT: <input type="checkbox"/> <input type="checkbox"/></p>		
7.a. DATE OF LAST REVIEW:	8.a. DATE OF THIS REVIEW:	9. PERIOD COVERED BY THIS REVIEW:
7.b. TYPE OF LAST REVIEW:	8.b. TYPE OF REVIEW:	a. From:
7.c. RATING OF LAST REVIEW:	8.c. RATING OF THIS REVIEW:	b. To:
<p>10. DEFINITIONS OF TYPES OF REVIEW:</p> <p>Desk Review – Contractor has performed in an acceptable or better manner, and based on risk assessment does not require an annual full program review. This should be documented on the 640 form</p> <p>Initial – This review is conducted on all new contractors. This review should focus on the program <i>requirements</i>. All recommendations for corrective action should be provided and a written corrective action plan (CAP) requested. A follow up may be scheduled 90-120 days of receipt of CAP. A formal rating may be withheld at this time.</p> <p>Full Program - Perform a full evaluation and validation of all contractor processes and data as they relate to the elements of the 640 form. This review should be accomplished on site, at least annually based on risk assessment. The next review for contractors receiving an outstanding rating will be a statistical desk audit (performance review). A full program review will be performed every other year for as long as the rating remains outstanding.</p> <p>Follow-up – A review resulting from a marginal or unsatisfactory rating. It should be accomplished within 90 -120 days from previous review. It will serve as a replacement for the previous rating and will be in effect for a full year if it is evaluated at an acceptable level or higher.</p>		
<p>11. DoD RATIOS:</p> <p>a. TOTAL ANNUAL COMPANY SALES: \$</p> <p>b. TOTAL DOLLAR VALUE OF ALL DOD CONTRACTS IN-HOUSE: \$</p> <p>c. PERCENTAGE OF CONTRACTS (BY DOLLAR VALUE) THAT ARE WITH DoD: %</p>		
<p>12. TYPE OF SUBCONTRACT PLAN(S):</p> <p><input type="checkbox"/> Individual Plan(s): Number of plans: _____ Total Face Value: \$ _____</p> <p><input type="checkbox"/> Commercial Plan: Approving authority: _____ Period Covered: _____</p> <p><input type="checkbox"/> Comprehensive Plan: Approving authority: _____ Period Covered: _____</p> <p><input type="checkbox"/> Master Plan: Approving authority: _____ Period Covered: _____</p> <p><input type="checkbox"/> Other: Specify Type: _____</p>		

PART II – CONTRACTOR'S SUBCONTRACTING PERFORMANCE
SUBCONTRACTING PERFORMANCE FACTORS

Compliance with FAR requirements in this part establish the basic requirements for an acceptable

1. OVERALL SUBCONTRACTING PERFORMANCE – SF 295 SUBMISSION (FAR 52.219-9(d) (1), (2) & (10)(iii) & (iv))
a. WERE SF295 REPORTS SUBMITTED IN ACCORDANCE WITH FAR REQUIREMENTS AND SF 295 INSTRUCTIONS?

Yes No. Identify deficiencies:

b. VERIFY ACCURACY OF SF 295 REPORTS:

c. PERFORM TREND ANALYSIS OF PAST PERFORMANCE (*Last 5 years, if available*) AND DISCUSS TRENDS, POSITIVE OR NEGATIVE:

NOTE: Local spreadsheets, databases that contain the information are acceptable as attachment. (*Document in EXHIBIT II.*)

DISCUSS:

d. **FOR COMMERCIAL PLANS ONLY** - WERE GOALS PROPOSED IN THE PLAN MET?

Yes No. If no discuss:

2. INDIVIDUAL SUBCONTRACT PLAN PAST PERFORMANCE – SF294 SUBMISSION Ref FAR 52.219-9(d)(10)(iii) & (iv):
(Not applicable to Commercial or Comprehensive Plans)

a. WERE SF 294 REPORTS SUBMITTED IN ACCORDANCE WITH FAR REGULATIONS AND SF 294 INSTRUCTIONS?

Yes No. Identify deficiencies:

b. VERIFY ACCURACY OF SF 294 REPORTS:

c. PERFORM ANALYSIS OF **CURRENT** SUBCONTRACTING PLANS DURING THIS REVIEW PERIOD:

(1) Total number of Plans:

(2) Number of plans not making satisfactory progress in: SB VOSB SDVOSB HUBZone SDB
WOSB

(3) Discuss all contracts not meeting contract goal(s):

d. PERFORM ANALYSIS OF **COMPLETED** SUBCONTRACTING PLANS DURING THIS REVIEW PERIOD:

NOTE: Local spreadsheets, databases that contain the information are acceptable as attachment. (*Document in EXHIBIT III.*)

(1) Total number of plans completed this period:

(2) Number of plans completed that met **ALL** percentage goals:

(3) Number of plans that met Percentage Goals: SB VOSB SDVOSB HUBZone SDB
WOSB

(4) Has the contractor adequately provided details as to why plans did not meet contract goals: Yes No. Discuss:

3. **FOR CONTRACTORS WITH COMPREHENSIVE SUBCONTRACTING PLANS ONLY**: PROVIDE ANALYSIS OF INDUSTRY TARGETED AREAS AS NEGOTIATED IN

THE COMPREHENSIVE PLAN. (Reference Federal Register, Vol. No. 65 No. 31 dated Feb 15,2000 Paragraph A.IV.B and their goals versus accomplishments):

a. WAS THE COMPREHENSIVE PLAN PROPOSAL SUBMITTED IAW APPLICABLE REGULATIONS AND PUBLIC LAWS (i.e. timely, accurate, complete, etc.):

b. DISCUSS TARGET INDUSTRIES:

c. DISCUSS INITIATIVES:

d. DISCUSS REASONS IF NOT MEETING MILESTONES:

**PART III – CONTRACTOR’S SMALL BUSINESS PROGRAM ADMINISTRATION
PROGRAM ADMINISTRATION FACTORS**

Compliance with FAR requirements in this part establish the basic requirements for an acceptable rating

I. ARE THERE WRITTEN PROCEDURES IN PLACE REGARDING SMALL BUSINESS PROGRAM ADMINISTRATION FOR:

- a. YES NO FAR 52.219-9(d)(4) A method to develop goals. EXPLAIN:
- b. YES NO FAR 52.219-9(d)(5) A method to identify sources. EXPLAIN:
- c. YES NO FAR 52.219-9(d)(6) A method to determine indirect costs. EXPLAIN:
- d. YES NO FAR 52.219-9(d)(8) A method to manage efforts to assure equitable opportunity to compete for subcontracts. EXPLAIN:
- e. YES NO FAR 52.219-9(d)(9) A method to manage flowdown requirements. EXPLAIN:
- f. YES NO FAR 52.219-9(d)(10)(iv) A method to ensure that its subcontractors agree to submit SF 294 and 295. EXPLAIN:
- g. YES NO FAR 52.219-9(e)(2) A method to manage make or buy decisions. EXPLAIN:
- h. YES NO FAR 19.702 A method to ensure the timely payment of subcontractors. EXPLAIN:

2. COMPLIANCE WITH RECORD KEEPING:

a. TAKE A REPRESENTATIVE SAMPLE OF PURCHASE ORDERS TO LARGE BUSINESS OVER \$100,000, INCLUDING, IF APPROPRIATE, SOME PURCHASE ORDERS OVER \$500,000, FOR SMALL BUSINESS CONSIDERATION AND FLOWDOWN. (DOCUMENT EXAMPLES ON ATTACHED EXHIBIT I.)

b. FAR 52.219-9(d)(11)(iii) ARE RECORDS MAINTAINED FOR PURCHASES OVER \$100,000 IN ACCORDANCE WITH THE FAR REQUIREMENT?

Yes. Explain:

No. Explain:

c. FAR 52.219-9(d)(11)(vi) ARE RECORDS MAINTAINED BY THE CONTRACTOR TO EVIDENCE CURRENT SUPPLIER BUSINESS SIZE AND STATUS? (Sample a reasonable number of certifications of SB / SDB / WOSB / HUBZone / VOSB / SDVOSB for those reported during the review period):

Yes. Explain:

No. Provide comments:

d. FAR 52.219-16 & 26 IDENTIFY ANY ACTIVE CONTRACTS OVER \$500,000 THAT CONTAIN BOTH AN INCENTIVE FEE AND LIQUIDATED DAMAGES CLAUSE. [Identify contract number(s)]:

3. OUTREACH AND SUPPLIER ASSISTANCE: FAR 52.219-9(d)(11):

a. CHECK APPROPRIATE BOX(ES) THAT INDICATES CONTRACTOR OUTREACH ACTIVITIES: (Provide examples where possible)

FAR 52.219-9(d)(11)(i) Source lists, guides, and data used to identify suppliers

FAR 52.219-9(d)(11)(ii) Organizations contacted in an attempt to locate sources that are SB, VOSB, SDVOSB, HUBZone, SDB & WOSB

FAR 52.219-9(d)(11)(iv) Records of any outreach efforts

FAR 52.219-9(d)(11)(vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. **(Contractors having commercial plans need not comply with this requirement)**

Documented examples of mentoring, teaming, and developing SB/SDB/WOSB suppliers: (Including Mentor-Protégé Program, NIB/NISH, HBCU/MI's and WOSB programs)

b. FAR 52.219-9(e) REVIEW AND DISCUSS CONTRACTOR'S OUTREACH AND SUPPLIER ASSISTANCE ACTIVITIES:

4. FAR 52.219-9(d)(11)(v) COMPANY SMALL BUSINESS TRAINING/ENCOURAGEMENT: DOES THE CONTRACTOR MAINTAIN RECORDS OF INTERNAL GUIDANCE AND ENCOURAGEMENT PROVIDED TO BUYERS THROUGH (A) WORKSHOPS, SEMINARS, TRAINING, ETC. AND (B) MONITORING PERFORMANCE TO EVALUATE COMPLIANCE WITH PROGRAM REQUIREMENTS?

Yes. Describe:

No. Explain:

PART IV – SUPPLEMENTAL DATA
VALIDATION OF INFORMATION IN THIS PART MAY BE USED TO JUSTIFY HIGHER RATINGS

1. HAS A COMPANY-WIDE SB PROGRAM POLICY STATEMENT BEEN ISSUED BY CURRENT SENIOR MANAGEMENT AND DISSEMINATED THROUGHOUT THE COMPANY?

- YES Issued By: _____ Title: _____ Date: _____
- NO COMMENTS:

2. SBLO APPOINTMENT/AUTHORITY/PLACEMENT IN THE ORGANIZATION:

a. HAS THE SBLO BEEN FORMALLY APPOINTED BY SENIOR LEVEL MANAGEMENT?

Yes. Where are the duties and responsibilities defined:

No Comments:

b. IS THE SBLO APPOINTED AT AN APPROPRIATE LEVEL TO EFFECTIVELY ADMINISTER THE PROGRAM?

Yes. Explain: _____ No Comments:

c. TO WHOM DOES THE SBLO REPORT? Name: _____ Title: _____

d. SBLO IS A: Corporate Division (If a division SBLO, describe relationship between this division and the corporate SBLO)

e. IS THERE AN ORGANIZATIONAL CHART THAT DISPLAYS THE POSITION OF THE SBLO WITHIN THE ORGANIZATION?

Yes. (Provide Copy) No Comments:

3. MONITORING SB PROGRAM PERFORMANCE AND REQUIREMENTS:

a. ARE MANAGEMENT AND STAFF BRIEFED REGULARLY ON ACHIEVEMENTS AND/OR PROGRAM DEFICIENCIES?

Yes. Comments:

No. Comments:

b. WHAT DOES CONTRACTOR DO TO IMPROVE OVERALL PROGRAM PERFORMANCE IF OVERALL PROGRAM OBJECTIVES ARE NOT BEING MET?

(Identify any Corrective Action Plan(s) implemented)

4. REVIEW AND DISCUSS CONTRACTOR'S ACTIVITIES THAT ARE CONSIDERED NOTEWORTHY: Discuss:

5. ADDITIONAL REMARKS:

PART V – SUMMARY AND RECOMMENDATIONS

1. PROGRAM RATING:

The following rating criteria should be used to determine the contractor's rating. Note that the rating criteria are the same as SBA per the 2003 DCMA/SBA Memorandum of Understanding.

Outstanding – Exceeded all negotiated goals or exceeded at least one goal and met all of the others.¹ Has exceptional success with initiatives to assist, promote and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business, veteran-owned small business (VOSB), and service-disabled VOSB (SD/VOSB).² An outstanding rating signifies that the company has an exemplary program that could be used as a model by other contractors in similar industries.

Highly Successful – Met all of its negotiated goals in the traditional socio-economic categories (SB, SDB, and WOSB) and met at least one of the newer socio-economic goals (HUBZone small business, VOSB, and SD/VOSB) for each contract that contains two or more of those goals. Has significant success with initiatives to assist, promote and utilize SB, SDB, WOSB, HUBZone small business, VOSB, and SD/VOSB. Makes an effort to go above and beyond the required elements of the program and can provide documentation and success stories to support such efforts.

Acceptable – Demonstrated a good-faith effort to meet **all** of its goals, but has not met the rigorous criteria for a *Highly Successful* or *Outstanding* rating. Fulfills the requirements of its subcontracting plan and the regulations. SF 294 and SF 295 reports are complete and accurate.

Marginal – Deficient in meeting key subcontracting plan elements, the SF294 and/or SF295 reports are not correct, or the contractor has failed to satisfy one or more requirements of a corrective action plan currently in place. However, contractor's management does show an interest in bringing its program to an acceptable level and has demonstrated a commitment to apply the necessary resources to do so. A corrective action plan is required, and the Administrative Contracting Officer(s) must be notified.

Unsatisfactory – Noncompliant with the contractual requirements of DFARS and FAR 52.219-8 and 52.219-9. Contractor's management shows little interest in bringing its program to an acceptable level or is generally uncooperative.³ A corrective action plan is required, and the Administrative Contracting Officer(s) must be notified.

2. SUMMARY, RECOMMENDATIONS, AND FOLLOW-UP OF CORRECTIVE ACTION(S): Discuss:

"Negotiated goals" refers to the dollar and percentage goals in the approved subcontracting plan. (For rating purposes, the reviewer will compare the

percentage goals to the percentage achievements.)

² Examples of such initiatives include, but are not limited to, participating in a Mentor-Protégé program, performing compliance reviews at

subcontractors' sites, administering a buyer incentive program, participating in trade fairs, promoting registration in PRO-Net or the CCR, and

contacting suppliers to encourage SDB and HUBZone certification.

³ For example, recommendations made by SBA or DCMA on previous reviews have never been implemented.

3. EXIT INTERVIEW PARTICIPANTS: Government

Contractor

4. SIGNATURE OF SMALL BUSINESS MANAGER

4. DATE

SMALL BUSINESS SUBCONTRACTING PLAN			
Offeror name and address:	Date:		
Type of plan (check one): If Individual, supply solicitation number; if Commercial, supply effective period.			
<input type="checkbox"/> Individual Solicitation number			
<input type="checkbox"/> Commercial Effective begin date Effective end date			
The following, along with any attachments, is hereby submitted as a Subcontracting Plan to satisfy the applicable requirements of Public Law 95-507, Public Law 99-661, and paragraph (d) of FAR Clause 52.219-9, Small Business Subcontracting Plan.			
TERMS AND DEFINITIONS			
<p>The following terms and acronyms are used throughout this form:</p> <p>Commercial Plan - a subcontracting plan (including goals) that covers the offeror's fiscal year and that applies to the entire production of commercial items sold by either the company or a portion thereof (e.g. division, plant, or production line).</p> <p>Individual Plan - a subcontracting plan that covers the entire contract period.</p> <p>SB - Small Business concern</p> <p>VOSB - Veteran Owned Small Business concern</p> <p>SD-VOSB - Service-Disabled Veteran Owned Small Business concern</p> <p>HUSZone - Historically Underutilized Business Zone</p> <p>SOB - Small Disadvantaged Business concern</p> <p>WOSB - Women-Owned Small Business concern</p> <p>Direct and Indirect Cost-Overhead activities may be used to supplement direct charge activities. Contractors are encouraged to use indirect costs to meet goals when direct costs subcontracting opportunities are restrictive toward meeting established goals.</p>			
PART 1-SUBCONTRACTING GOALS			
A. Total dollars planned to be subcontracted: \$ 0 Dollars Percentage			
B. Dollars and percentages planned to be subcontracted to large business concerns.	LS	\$	%
	SS	\$	%
C. Dollars and percentages planned to be subcontracted to SB concerns. Percentages should be expressed as a percentage of the total dollars planned to be subcontracted. The offeror shall include all subcontracts that contribute to contract performance.	VOSS	\$	%
	SO -VOSS	\$	%
	HUSZone	\$	%
	SOB	\$	%
	WOSS	\$	%
D. Description of principal types of supplies and services to be subcontracted to each of the SB concerns:			
SB			
VOSS			
SD-VOSB			
HUSZone			
SDS			
WOSS			

SMALL BUSINESS SUBCONTRACTING PLAN		
<p>t...uescnbe method used to develop these goals (e.g. based on procurement history, available resources, etc.):</p>		
<p>F. Were indirect costs included in establishing these goals? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>If yes, describe the method used to determine proportionate share of indirect costs to be incurred with each of the SB concerns:</p>	<input type="checkbox"/> SB	
	<input type="checkbox"/> VOSB	
	<input type="checkbox"/> SD-VOSB	
	<input type="checkbox"/> HUBZone	
	<input type="checkbox"/> SOB	
	<input type="checkbox"/> WOSB	
PART 2- SUBCONTRACTING PROCEDURES		
<p>A. Individual who will administer the offeror's subcontracting program</p> <p>(Reference FAR Part 52.219-9, Small Business Subcontracting Plan, (Para 9-11) for specific duties as they relate to the firm's subcontracting program and include additional duties the company has designated).</p>		
Name:		
Title:		
E-Mail	Phone:	
<p>Description of Duties:</p>		
<p>B. Indicate methods used to identify potential sources for solicitation purposes:</p> <p><input type="checkbox"/> Existing company source lists</p> <p><input type="checkbox"/> Central Contractor Registration (CCR) Dynamic Small Business Search</p> <p><input type="checkbox"/> National Minority Purchasing Council Vendor Information Service</p> <p><input type="checkbox"/> Trade Associations</p> <p><input type="checkbox"/> Federal government development centers such as DoD's Procurement Technical Assistance Center (PTAC), SBA's Small Business Development Center (SBDC) and Department of Commerce's Minority Business Development Center (MBDC)</p> <p><input type="checkbox"/> Other: _____</p>		

SMALL BUSINESS SUBCONTRACTING PLAN

C: Describe methods used to assure that SB, VOSB, SD-VOSB, HUBZone, SOB and WOSB concerns are provided an equitable opportunity to compete for subcontracts.

PART 3- SUBCONTRACTING PLAN MANAGEMENT

The offeror certifies, by signature on this plan, that the following procedures regarding management of this subcontracting plan will be enacted and maintained. The contractor agrees to provide the following:

- (1) Assist small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.
- (2) Provide adequate and timely consideration of the potentialities of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns in all "make-or-buy" decisions.
- (3) Counsel and discuss subcontracting opportunities with representatives of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business firms.
- (5) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, veteran-owned small business, HUBZone small, small disadvantaged or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.
- (6) Assurances that the offeror will include the clause of this contract entitled "Utilization of Small Business Concerns" in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$550,000 (\$1,000,000 for construction of any public facility with further subcontracting possibilities) to adopt a plan similar to the plan that complies with the requirements of this clause.
- (7) Assurances that the offeror will --
 - (i) Cooperate in any studies or surveys as may be required;
 - (ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;

SMALL BUSINESS SUBCONTRACTING PLAN

(j) Submit the Individual Subcontracting Report (ISR) and/or the Summary Subcontract Report (SSR), in accordance with the paragraph (l) of this clause using the Electronic Subcontracting Reporting System (eSRS) at <http://esrs.gov>. The reports shall provide information on subcontract awards to small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, women-owned small business concerns, and Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with this clause, or as provided in agency regulations;

(iv) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;

(8) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

(j) Source lists (e.g., CCR), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.

(i) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns.

(ii) Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating

(A) Whether small business concerns were solicited and if not, why not;

(B) Whether veteran-owned small business concerns were solicited and, if not, why not;

(C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;

(D) Whether HUBZone small business concerns were solicited and, if not, why not;

(E) Whether small disadvantaged business concerns were solicited and if not, why not;

(F) Whether women-owned small business concerns were solicited and if not, why not; and

(G) If applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact--

(A) Trade associations;

(B) Business development organizations;

(C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources; and

(D) Veterans service organizations.

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