



ACQUISITION HOUR: BASICS OF WRITING A SMALL BUSINESS SUBCONTRACTING PLAN

April 13, 2016

Presented by the Wisconsin Procurement Institute



**Providing expert technical
assistance to
FEDERAL, STATE and LOCAL
GOVERNMENT
Contractors
And Subcontractors**

**A Procurement Technical
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UPCOMING EVENTS



APRIL 12 2016
ACQUISITION HOUR: TECHNOLOGY FUNDING FOR SMALL BUSINESS WEBINAR »

APRIL 13 2016
ACQUISITION HOUR: BASICS OF WRITING A SMALL BUSINESS SUBCONTRACTING PLAN WEBINAR »

APRIL 21 2016
WAUSAU AREA BUSINESS EXPO 2016 ROTHSCHILD »

APRIL 26 2016
WISCONSIN FEDERAL CONTRACTING FORUM - WASHINGTON DC WASHINGTON DC »

APRIL 26 2016
ACQUISITION HOUR-HOW TO QUICKLY ANALYZE SOLICITATIONS

CURRENT OPPORTUNITIES (2)



GET STARTED WITH THE BASICS

Questions & answers on how to get started.

GET STARTED

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- Government Market Strategy Development
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- Assisting in Market Research Process
- Development of Market Profile
- Small Business Subcontracting Plans-Development, Outreach and Reporting
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- Outreach and training with Local, State and Federal agencies
- Assist with Pre and Post Award Functions
- Assistance with Agency Specific Contracting Requirements
- Assistance with Contracting Regulations and Requirements, including FAR, DFAR, CFR
- Assistance with GSA Schedule Preparation and Administration
- Assistance with Local, State and Federal Certifications, including:
 - Service Disabled & Veteran Owned Small Business, HUBZone, Woman Owned Small Business, 8(a) Business Development Program
 - State
 - Local
 - DBE
- Bid Review and Submission Assistance
- Proposal and Assistance, Review and Submission Assistance
- Capabilities Statement and Related Government Marketing Material Development
- Assistance in Locating and Developing Teaming Partners and Subcontractors
- Updated Government Market Information

What will we cover today

- When is a subcontracting plan required
- What kinds of subcontracting plans are acceptable
- What should a subcontracting plan include
- What clauses apply to subcontracting
- Sample Subcontracting Plan
- Utilizing the Small Business Liaison Officer Handbook

When is a Subcontracting Plan required

- It is required for unrestricted solicitations where the contract value is over \$700,000 or \$1,500,000 for construction. Reference FAR 19.702 (a)
- When the contract holder is classified as an “other than small business”.
- It is NOT required:
 1. If the contract is less than \$700,000 or \$1,500,000 for construction;
 2. When the contract is a personal services contract;
 3. For contracts performed outside the U.S; or
 4. A determination has been made 1 level above the Contracting Officer that there are no subcontracting opportunities.

What kinds of subcontracting plans are acceptable

There are 4 types of subcontracting plans:

- 1.** Individual subcontracting plans. The contractor submits a plan with all 11 elements for a specific contract either with their proposal or prior to contract award.
- 2.** Master subcontracting plans. The contractor submits a plan with all elements except for the goals. The plan can be approved by any contracting officer from any federal agency and is generally good for 3 years. Then, whenever a contractor proposes on a solicitation, they submit the approved, signed master plan along with a supplement that identifies their goals for that specific contract.

What kinds of subcontracting plans are acceptable

subcontracting plans continued:

3. Commercial subcontracting plans. Such a plan is company-wide or division-wide and relates to the company's production for both commercial and non-commercial products or services, rather than solely of the Government contract. It must be approved by the first Federal agency awarding the company a contract requiring a subcontracting plan during the fiscal year. Once approved, the plan remains in effect during the company's fiscal year and covers all of its commercial products or services. The plan includes ALL subcontracting that a contractor plans to do on ALL contracts, including commercial contracts outside of the government. The company is only required to submit one annual Summary Subcontract Report (SSR) in eSRS.
4. Comprehensive Plan. This is a DoD Test Program. It is limited to a few contractors and authorizes the negotiation, administration, and reporting of subcontracting plans on a plant, division, or company-wide basis for all defense contracts, rather than Individual Subcontracting Plans for every contract over \$700K or \$1.5M for construction. It waives the requirement for ISRs. The purpose of the test is to determine whether Comprehensive Subcontracting Plans will increase subcontracting opportunities for small businesses while reducing the administrative burden of subcontracting reporting. Reference: DFARS 219-702(1).

Plan Type Comparison

	Commercial Plans (Division & Company-wide)	Individual Plans
Plans (goals)	Submitted annually	Submitted for the entire performance period
	Goals can be adjusted annually based upon your company's current climate	Separate goals are set for the base and each option period in a single, approved plan
	Includes all company spend	Includes only dollars spent in support of the VA contract
	One signed plan can be used for all government contracts	Must have a separate individual plan for each government contract
eSRS Reports (actual results)	Submit annual SSR (due by October 30 th)	Submit annual SSR (due by October 30 th)
		Also submit biannual ISR (due by March 30 th and October 30 th)

What should a subcontracting plan contain?

It must contain the following 11 mandatory elements.

Reference FAR 19.704

- 1.** 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;
 - The calculated % in each category is based on the total available subcontracting \$ that are listed. Example – HubZ \$ of \$400K/ Total Subcontracting \$ of \$2,500K = 16%

What should a subcontracting plan contain?

continued

2. A statement of the total dollars planned to be subcontracted and a statement of the total dollars planned to be subcontracted to 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;
 - All small business \$ count once in the SB category and can count multiple times in the subcategories.

What should a subcontracting plan contain?

continued

3. A description of the principal types of supplies and services to be subcontracted and an identification of types planned for subcontracting to all the small business categories;
4. A description of the method used to develop the subcontracting goals;
 - Historical data, previous spend
 - Projected forecast based upon current year & goals
5. A description of the method used to identify potential sources for solicitation purposes;
 - DSBS
 - VetBiz
 - Wbenc
 - Midwest SBLO group
 - PTAC's

What should a subcontracting plan contain?

continued

6. A statement as to whether or not the offeror included indirect costs in establishing subcontracting goals and the method used;
 - If you have a commercial plan type and choose “have been” you do not need to determine a proportionate share. Commercial plans that choose to include indirect costs apply them at 100%.
7. 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;
 - This person will receive instructions, reminders, delinquency notices, etc.

What should a subcontracting plan contain?

continued

8. A description of the efforts the offeror will make to ensure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts;
 - This goes a long way toward “Good Faith Effort”! Examples include: Contacts w/SB, minority, WO etc., trade associations; SB Development organizations; SB conferences, trade shows, workshops, seminars, training programs, etc. that you attend or sponsor.
9. Assurances that the offeror will include the clause at 52.219-8, Utilization of Small Business Concerns (see 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 (\$1.5 million for construction) to adopt a plan that complies with the requirements of the clause at 52.219-9, Small Business Subcontracting Plan (see 19.708(b));

What should a subcontracting plan contain?

continued

10. 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;
- (iii) 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;

11. A description of the types of records that will be maintained concerning procedures 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 concerns¹⁵ and to award subcontracts to them. [Will elaborate on this in May!](#)

Items to Note:

- If you utilize any of the templates provided by the agencies, keep in mind by signing the plan, you are agreeing to the text of the sections. The text in the templates have been taken directly from FAR 52-219-9(d) so that the template would be in compliance with the FAR required components of an acceptable subcontracting plan. You may add to the language; however you may not paraphrase or deviate from it such that it changes the intent of the FAR.
- Signature: You must provide a signed copy of the plan. Most do not need an original copy. A scanned copy sent via e-mail is sufficient.
- Feel free to attach any documentation that you feel will support your plan and show your company's "good faith effort" in complying with plan requirements.

Tips

What clauses apply to subcontracting

FAR 52.219-9, Subcontracting Plan;

FAR 52.219-8, Utilization of Small Business Concerns; (if SAT);

FAR 52.219-16, Liquidated Damages, Subcontracting Plan;

DFARS 252.219.7003, Small Business Subcontracting Plan,

52.219-10, Incentive Subcontracting Program; (can be used when a subcontracting plan is required and the Contracting Officer judges it necessary to increase subcontracting opportunities for small business, VOSB, SDVOSB, HUBZone SB and WOSB but cannot be used if the vendor is utilizing a Comprehensive Subcontracting Plan or when socio-economic achievement is included in the calculation of the award fee for a CPAF contract). Reference: DFARS 219.708(c)(1).

Subcontracting Plan Period

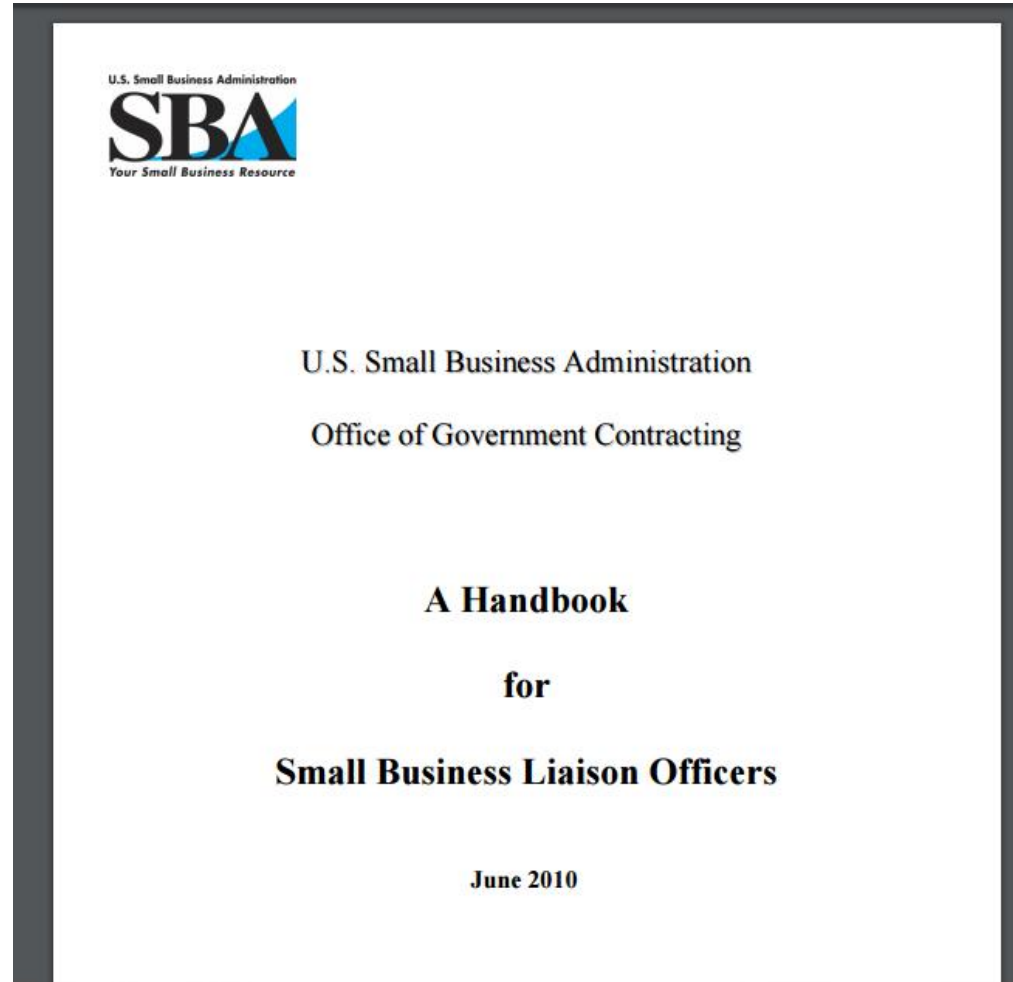
- Per FAR 52.219-9(b), the plan period for commercial plans must coincide with your company's fiscal year.
- Prior to the approval of an initial plan, the dollars will be pro-rated and the start date adjusted so that the initial plan starts with the contract award date and ends with the company's fiscal year-end.

GSA Model Subcontracting Plan Example & Spreadsheet Goal Calculation Examples

- [04-13-16 GSA SubkPlan_Model_Template.doc](#)
- [subcontracting plan excel example.xls](#)
- [USAID small business example.xlsx](#)

Small Business Liaison Officer's Handbook

[https://www.sba.gov/sites/default/files/Small_Business_Liaison_Officer_\(SBLO\)_Handbook_6_2010.pdf](https://www.sba.gov/sites/default/files/Small_Business_Liaison_Officer_(SBLO)_Handbook_6_2010.pdf)



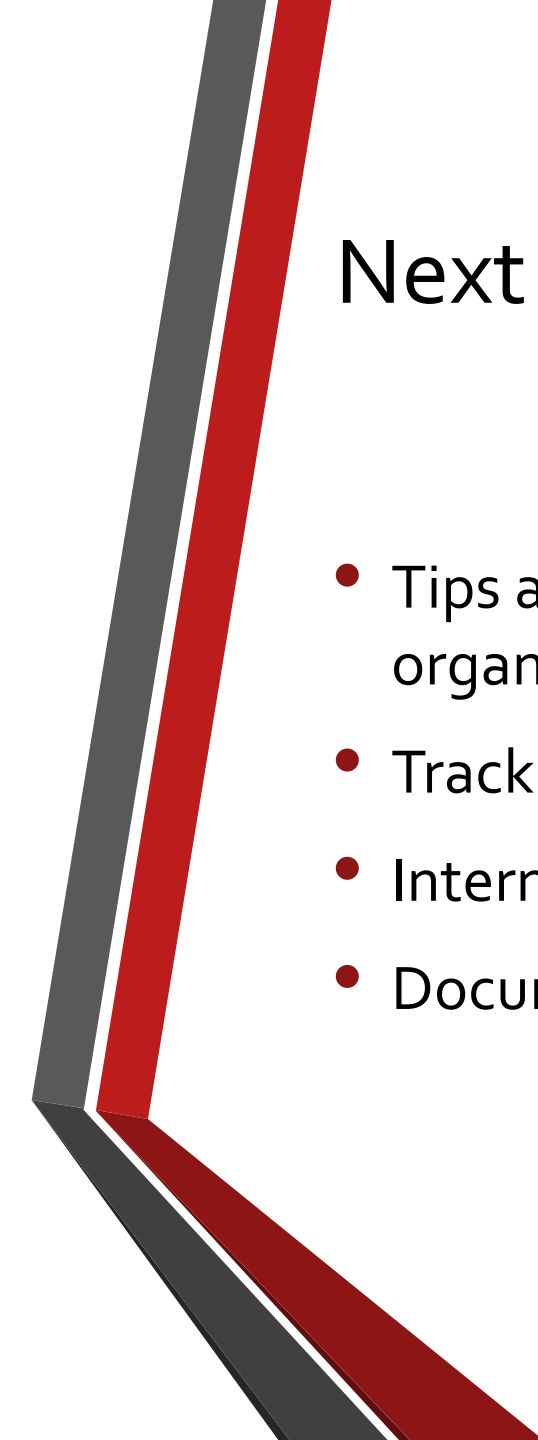
SBA's Small Business Liaison Officer Handbook

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Next session on implementing Subcontracting Plans

May 11, 2016 – 1:00 pm

- Tips and tricks to get all parties on board and working within your organization with meeting the goals of the Plan requirements!
- Tracking the spend (outsourced or Internal ERP system)
- Internal company outreach efforts rewarded
- Documentation for an audit

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