

## SUBCONTRACTING PLAN OUTLINE

The following outline meets the minimal requirements of Public Law 95-507 and the Federal Acquisition Regulation (FAR) Subparts 19.7, 19.9, and 20.3. This outline is not intended to replace any existing plan which is more extensive. If assistance is needed to locate small and small disadvantaged business sources, contact the USDA Office of Small and Disadvantaged Business Utilization, Rm. 127-W, Administration Building, Washington, DC 20250, Telephone (202) 447-7117.

Please note that pursuant to Public Law 100-656, the Government has subcontracting plan goals of 5 % for small disadvantaged businesses for the current fiscal year. These are minimum goals established by legislation and are only provided for informational purposes. Each plan is to be evaluated on its own merit and shall provide for the maximum practicable utilization of small business, with emphasis placed on the extent of subcontracting with small disadvantaged businesses. Please also note that the government is responsible for ensuring that women-owned business (WOB) and labor surplus area (LSA) concerns have an opportunity to participate in the contract. References to small and small disadvantaged businesses also include WOB and LSA concerns as applicable.

## IDENTIFICATION DATA:

OFFEROR: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Solicitation Number: \_\_\_\_\_ Date Submitted \_\_\_\_\_

Item/Service: \_\_\_\_\_

## 1. Type of Plan:

- INDIVIDUAL PLAN. All elements developed specifically for this contract and applicable for the full term of this contract.
- MASTER PLAN. Goals developed for this contract; all other elements standard; must be renewed annually.
- COMMERCIAL PRODUCTS PLAN. Contractor sells large quantities of off-the-shelf commodities to many Government agencies. Plans/goals negotiated by a lead agency on a company-wide basis rather than for individual contracts. Plan effective only during year approved. Contractor must provide copy of lead agency approval, and must submit SF-295, Summary Subcontract Reports, with breakout of subcontracting prorated in accordance with the instructions on the form.

## 1. GOALS

There shall be separate goals expressed in terms of dollars and percentage of total planned subcontract dollars for use of small and small disadvantaged business concerns. Percentage goals are to be used in determining performance in case of variances in anticipated dollar values. The following provides the correct method for the development of percentage and dollar goals for subcontracting plans:

- (1) Total dollars to be subcontracted.
- (2) The dollar amount and percentage of total dollars to be subcontracted that are planned to be awarded to all small businesses (including small disadvantaged businesses).
- (3) The dollar amount and percentage of total dollars to be subcontracted that are planned to be awarded to small disadvantaged businesses.

The fact that small disadvantaged business goals are a subset of goals established for small business seems to be the principal cause of confusion. Accordingly, it is recommended that contractors submit goals in the following format:

Large Business	\$ _____	_____ %
Small Business	\$ _____	_____ %
TOTAL SUBCONTRACTS	\$ _____	100 %
Small Disadvantaged Business	\$ _____	_____ %
Women-Owned Business *	\$ _____	_____ %
Labor Surplus Area *	\$ _____	_____ %

\* NOTE: Although not part of the subcontracting plan requirements of Public Law 95-507, other provisions of law require the contractor to establish goals for utilizing small women-owned and labor surplus area (LSA) subcontractors. When the contractor includes such goals in the subcontracting plan, they are to be established as a percentage of total subcontracted dollars.

Products and/or services to be subcontracted under the contract, and the types of businesses supplying them are identified below. *(Please indicate (L) for large business, (SB) for small business, (SDB) for small disadvantaged business, (WOB) for women-owned business, (LSA) for labor surplus area)*

SUBCONTRACTED PRODUCT/SERVICE

TO


(Attach additional sheets if necessary.)

Methods used to develop the subcontracting goals for small business concerns *(i.e., explain how the product and service areas to be subcontracted were established, how the areas to be subcontracted to small disadvantaged business concerns were determined, and how the capabilities of small disadvantaged businesses were determined -- include any source lists used in the determination process).*

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Indirect and overhead costs have been \_\_\_\_\_ have not been \_\_\_\_\_ included in the dollar and percentage subcontracting goals stated above. (check one)

*If indirect and overhead costs have been included, explain the method used to determine the proportionate share of such costs to be allocated as subcontracts to small business and small disadvantaged business concerns.*

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## 2. PLAN ADMINISTRATOR

Name, title, position within the corporate structure, and duties of the employee who will administer the contractor's subcontracting program.

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 Telephone: \_\_\_\_\_

Duties:

General overall responsibility for the contractor's subcontracting program, i.e., developing, preparing, and executing individual subcontracting plans and monitoring performance relative to the requirements of the subcontracting plan. These duties include, but are not limited to, the following activities:

- A. Developing and promoting company/division policy statements that demonstrate the company's/division's support for awarding contracts and subcontracts to small and small disadvantaged business concerns;
- B. Developing bidders' lists of small, small disadvantaged, women-owned, and labor surplus area concerns;
- C. Ensuring periodic rotation of potential subcontractors on bidders' lists;
- D. Assuring that small disadvantaged businesses are included on the bidders' list for every solicitation for products and services they are capable of providing;
- E. Ensuring that procurement "packages" are designed to permit the maximum possible participation of small and small disadvantaged businesses;
- F. Reviewing solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit small and small disadvantaged business participation;
- G. Ensuring that the bid proposal review board documents its reasons for not selecting any low bids submitted by small and small disadvantaged businesses;
- H. Overseeing the establishment and maintenance of contract and subcontract award records;
- I. Attending or arranging for the attendance of company counselors at business opportunity workshops, minority business enterprise seminars, trade fairs, etc;

- J. Directly or indirectly counseling small and small disadvantaged business concerns on subcontracting opportunities and how to prepare responsive bids for the company;
- K. Conducting or arranging for the conduct of training for purchasing personnel regarding the intent and impact of Public Law 95-507 on purchasing procedures;
- L. Developing and maintaining an incentive program for buyers who support the subcontracting program;
- M. Monitoring the company's performance and making any adjustments necessary to achieve the subcontract plan goals;
- N. Preparing, and submitting timely, required subcontract reports;
- O. Coordinating the company's activities during the conduct of compliance reviews by Federal agencies;
- P. Encouraging subcontracting in labor surplus areas when consistent with the efficient performance of the contract, and
- Q. Other duties:

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### 3. DESCRIPTION OF EFFORTS

Describe efforts the offeror will make to ensure that small and small disadvantaged business concerns will have an equitable opportunity to compete for subcontracts. These efforts include, but are not limited to, the following activities:

- A. Outreach efforts to obtain sources:
  - 1. Contacting minority and small business trade associations;
  - 2. Contacting business development organizations;
  - 3. Attending small and minority business procurement conferences and trade fairs; and
  - 4. Requesting sources from the Small Business Administration's Procurement Automated Source System (PASS).

B. Internal efforts to guide and encourage purchasing personnel:

1. Presenting workshops, seminars, and training programs;
2. Establishing, maintaining, and using small and small disadvantaged business source lists, guides, and other data for soliciting subcontracts; and
3. Monitoring activities to evaluate compliance with the subcontracting plan.

C. Additional efforts:

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4. CLAUSE FLOW DOWN

The contractor is to include the clause in FAR 52.219-8 "Small Business Concerns and Small Disadvantaged Business Concerns," in all subcontracts that offer further subcontracting opportunities. All subcontractors, except small business concerns, that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction) must adopt and comply with a plan similar to the plan required by FAR 52.219-9, "Small Business and Small Disadvantaged Business Subcontracting Plan."

The contractor agrees that the clause will be included and that the resulting plans will be reviewed against the minimum requirements for such plans. The acceptability of percentage goals for small and small disadvantaged business concerns will be determined on a case-by-case basis depending on the supplies and services involved, the availability of potential small and small disadvantaged subcontractors, and prior experience. Once the plans are negotiated, approved, and implemented, the plans must be monitored through the submission of periodic reports.

5. REPORTING AND COOPERATION

The contractor hereby agrees to submit such periodic reports and cooperate in any studies or surveys as may be required by the contracting agency or SBA in order to determine the extent of compliance with the subcontracting plan. Reports are to be made on SF-294, Subcontracting Report for Individual Contracts, and SF-295, Summary Subcontract Report, as appropriate. Reports will be submitted to the Contracting Officer no later than 30 days after the applicable reporting period indicated on the form. The contractor will take steps to ensure that subcontractors submit reports as appropriate.

6. RECORDKEEPING

The following is a recitation of the types of records the contractor will maintain to demonstrate the procedures adopted to comply with the requirements and goals in the subcontracting plan. These records will include, but not be limited to, the following:

- A. Small and small disadvantaged business source lists, guides, and other data identifying such vendors;
- B. Organizations contacted for small and small disadvantaged business sources;
- C. On a contract-by-contract basis, records on all subcontract solicitations over \$100,000 which indicate for each solicitation (1) whether small business concerns were solicited, and if not, why not; (2) whether small disadvantaged business concerns were solicited, and if not, why not; and (3) reasons for the failure of solicited small or small disadvantaged business concerns to receive the subcontract award;
- D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conferences and trade fairs;
- E. Records to support internal activities to (1) guide and encourage purchasing personnel, e.g., workshops, seminars, training programs, incentive awards, and (2) monitor activities to evaluate compliance;
- F. On a contract-by-contract basis, records to support subcontract award data including the name, address, and business size of each subcontractor. (This item is not required for company or division-wide commercial products plans);
- G. Additional Records:

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8. ADDITIONAL SUBCONTRACTING PLAN INFORMATION:

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This subcontracting plan was submitted by:

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_

This subcontracting plan was reviewed by:

Name: \_\_\_\_\_  
 Title: OSDBU Coordinator Telephone: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Comments: \_\_\_\_\_

Name: \_\_\_\_\_  
 Title: OSDBU Telephone: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Comments: \_\_\_\_\_

Name: \_\_\_\_\_  
 Title: SBA'S Procurement Center Representative Telephone: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Comments: \_\_\_\_\_

This subcontracting plan was reviewed, determined to provide maximum practicable opportunity for small and small disadvantaged businesses and accepted by:

Name: \_\_\_\_\_  
 Title: Contracting Officer Telephone: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Comments: \_\_\_\_\_

## SUBCONTRACTING PLAN EVALUATION CHECK LIST

YES NO

- \_\_\_ \_\_\_ 1. Does the contractor propose separate small and small disadvantaged business percentage goals?
- \_\_\_ \_\_\_ 2. Does the contractor express the goals as a percentage of total planned subcontracting dollars?
- \_\_\_ \_\_\_ 3. Does the contractor propose goals that adequately reflect the potential offered by this contract?
- \_\_\_ \_\_\_ 4. Does the contractor propose a statement of the total dollars planned to be subcontracted to small businesses?
- \_\_\_ \_\_\_ 5. Does the contractor provide a statement of the total dollars planned to be subcontracted to small disadvantaged businesses?
- \_\_\_ \_\_\_ 6. Does the contractor propose goals for women-owned and/or labor surplus area subcontractors?
- \_\_\_ \_\_\_ 7. Does the contractor furnish a description of the principal product and service areas to be subcontracted?
- \_\_\_ \_\_\_ 8. Does the contractor furnish a description of the product and service areas where small and small disadvantaged businesses will be considered for subcontract awards?
- \_\_\_ \_\_\_ 9. Does the contractor provide a statement of the method used to develop goals?
- \_\_\_ \_\_\_ 10. Does the contractor include indirect or overhead costs as an element in developing goals?
- \_\_\_ \_\_\_ 11. Does the contractor furnish the method used in determining a proportionate share of the indirect and overhead costs where these costs are elements in developing goals?
- \_\_\_ \_\_\_ 12. Does the contractor provide the name and description of the duties of the individual who will administer the subcontracting plan?

YES NO

- \_\_\_ \_\_\_ 13. Does the contractor describe the efforts it will make to assure that small and small disadvantaged businesses have an equitable opportunity to compete for subcontracts?
- \_\_\_ \_\_\_ 14. Does the contractor provide for the flow down clause entitled "Utilization of Small Business and Small Disadvantaged Business Concerns?"
- \_\_\_ \_\_\_ 15. Does the contractor require all subcontractors except small businesses to adopt subcontracting policies and a subcontracting plan in accordance with the Small Business Act, as amended, and the implementing regulations for all appropriate subcontracts?
- \_\_\_ \_\_\_ 16. Does the contractor provide assurance that it will submit periodic reports and cooperate in any studies or surveys as may be required to determine compliance with the plan?
- \_\_\_ \_\_\_ 17. Does the contractor provide assurance that records will be maintained?
- \_\_\_ \_\_\_ 18. Does the contractor's recitation of the types of records include:
- \_\_\_ \_\_\_ a. Small and small disadvantaged business source lists?
- \_\_\_ \_\_\_ b. Organizations contacted for small and small disadvantaged business sources?
- \_\_\_ \_\_\_ c. Efforts to identify and award subcontracts to small and small disadvantaged firms?
- \_\_\_ \_\_\_ d. Contacts with small and small disadvantaged trade associations?
- \_\_\_ \_\_\_ e. Contacts with business development organizations?
- \_\_\_ \_\_\_ f. Attendance at small and small disadvantaged business procurement conferences and trade fairs?
- \_\_\_ \_\_\_ g. Records to support internal activities to promote and implement the subcontracting initiatives?

## SUBCONTRACTING PLAN EVALUATION SHEET

Solicitation Number \_\_\_\_\_ Date: \_\_\_\_\_

## I. GOALS FOR CONTRACTOR PLANNED SUBCONTRACTING:

	Dollar Value	Percent
a. Large Business	\$ _____	_____ %
b. Small Business	\$ _____	_____ %
c. TOTAL SUBCONTRACTS	\$ _____	100 %
d. Small Disadvantaged Business	\$ _____	_____ %
e. Women-Owned Business	\$ _____	_____ %
f. Labor Surplus Area	\$ _____	_____ %

## COMMENTS:

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## II. TYPE OF PLAN

\_\_\_\_\_ INDIVIDUAL (All elements developed specifically for this contract and applicable for the full term of this contract.)

\_\_\_\_\_ MASTER PLAN (Goals developed for this contract; all other elements standard; must be renewed annually.)

## COMMENTS:

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III. Complete the following checklists. Evaluators are to comment on all factors rated as "1," "2," or "4".

a. Acceptable subcontracting goals

- 1. Not addressed in the offer
- 2. Addressed; however, does not meet the requirements
- 3. Fully acceptable, overall meets the requirements
- 4. Superior, exceeds requirements

COMMENTS:

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b. Description of method used to develop goals

- 1. Not addressed in the offer
- 2. Addressed; however, does not meet the requirements
- 3. Fully acceptable, overall meets the requirements
- 4. Superior, exceeds requirements

COMMENTS:

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c. Description of offeror's employee who will administer the offeror's subcontracting program.

- 1. Not addressed in the offer
- 2. Addressed; however, does not meet the requirements
- 3. Fully acceptable, overall meets the requirements
- 4. Superior, exceeds requirements

COMMENTS:

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d. Description of the offeror's efforts to ensure that small and small disadvantaged business concerns will have an equitable opportunity to compete for subcontracts

- 1. Not addressed in the offer
- 2. Addressed; however, does not meet the requirements
- 3. Fully acceptable, overall meets the requirements
- 4. Superior, exceeds requirements

COMMENTS:

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IV. Has the contractor assured the following (for every "NO" answer, address in the "COMMENTS" section):

- 1. Appropriate subcontracting clauses will be used in subcontracts?
- 2. Cooperation in any studies or surveys as required?
- 3. Submission of periodic reports which show compliance with subcontracting plan?
- 4. Submission of SF-294, Subcontracting Reports for Individual Contracts, and SF-295, Summary Subcontract Report, in accordance with the instructions on the forms?
- 5. Submission of SF 294s and 295s by subcontractors?
- 6. Recitation of the types of records the contractor will maintain to demonstrate the procedures adopted to comply with the requirements and goals of the subcontracting plan?

COMMENTS:

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V. Contractor's Past Performance

- 1. Has offeror awarded subcontracts of similar services to small and small disadvantaged business?  
 Yes       No

COMMENTS:

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- 2. Has the offeror performed satisfactorily overall in awarding subcontracts to small and small disadvantaged businesses?  
 Yes       No

COMMENTS:

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RECOMMENDATIONS:

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_