



United States
Department of
Agriculture

June 20, 2005

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Farm and Foreign
Agricultural Services

Farm Service
Agency

Kansas City
Commodity Office
P.O. Box 419205
Kansas City,
Missouri
64141-6205

NOTICE TO THE TRADE

TO: ALL LARGE BUSINESS CONTRACTORS

SUBJECT: ANNUAL SUBCONTRACTING PLAN

Subcontracting Plans are required of all large businesses that are awarded or anticipate to be awarded contracts with a value of \$500,000 or more (Federal Acquisition Regulation [FAR] Part 19.702).

The Fiscal Year 2006 Annual Subcontracting Plan for Commercial Products should be prepared to identify the small business, small disadvantaged business, women-owned small business, HUBZone small business, service-disabled veteran-owned small business, and veteran-owned small business subcontracting plan and include goals. The FY 2006 Annual Subcontracting Plan will be effective for the period of October 1, 2005, through September 30, 2006, after approval by the contracting officer.

The FY06 Annual Subcontracting Plan is due in this office not later than August 1, 2005. Attachment A is a copy of the Annual Subcontracting Plan for Commercial Products for USDA. Pursuant to FAR Part 19.702, if the FY06 Plan is not submitted within the time limit prescribed, your firm will be ineligible for awards that originate from this office.

In addition, the contractor is required to submit a Summary Subcontract Report (SF-295) annually for the previous fiscal year's subcontract award activity under the commercial subcontracting plan in effect for the period October 1, 2004, through September 30, 2005. However, beginning this year, the Electronic Subcontracting Reporting System (eSRS) is being developed to streamline federal procurement processes. The eSRS will allow contractors to enter SF-295 Reports into a single website. Contractors will benefit from eSRS because of improved data accuracy as the system eliminates the need for manual data entry, computations and multiple requests from agency personnel to validate percentages. Training will be provided for both industry and government before the system is implemented in August 2005. Another Notice to the Trade will be issued on or around August 1, 2005, providing all the details. More information on eSRS can be found at www.eSRS.gov.

- ATTACHMENT A, ANNUAL SUBCONTRACTING PLAN FOR COMMERCIAL PRODUCTS for the period October 1, 2005, through September 30, 2006. Any large business that is awarded or anticipates being awarded at least one contract valued over \$500,000 during this period of one year is required to submit a subcontracting plan. Firms having several corporate divisions with the same Dun & Bradstreet number, which contract individually with USDA, may submit one company-wide plan or a plan for each division and must so indicate on Item 1.A.

- ATTACHMENT B, Sample of Subcontracting Plan Goals.

An acceptable plan for FY06 must meet the requirements of FAR 19.704 and FAR 52.219-9. Submitted subcontracting plans will be reviewed by this office and the Small Business Administration (SBA), and your firm will be notified in writing if the plan is acceptable.

USDA agencies are required to establish aggressive but achievable small business procurement goals and to work diligently in an effort to provide greater subcontracting opportunities for all small businesses. The USDA statutory goals for subcontracts are: 40 percent for small business, 5 percent for small disadvantaged business, 5 percent for women-owned small business, 3 percent for HUBZone small business, and 3 percent for service-disabled veteran-owned small business concerns. If your FY06 planned subcontracting goals cannot meet these USDA statutory goals, you are to include in your subcontracting plan the reasons why these goals are not attainable.

Prime contractors may increase competition for subcontracts by using the SBA's SUB-Net at <http://web.sba.gov/subnet> to post subcontracting opportunities. The Central Contractor Registration and the Dynamic Small Business Search are useful searching databases and can be found at www.ccr.gov.

Any subcontracting plan submitted without all the required information will be considered incomplete and returned to the submitting company or individual for proper completion.

Mail your completed FY06 Annual Subcontracting Plan by the required date to:

Kansas City Commodity Office
Director's Office, Mail Stop 8698
P. O. Box 419205
Kansas City, Missouri 64141-6205

Any questions may be directed to the applicable contracting officer or Betty Kunkel, KCCO Small and Disadvantaged Business Specialist, at 816-926-3295.

/s/ George W. Aldaya

George W. Aldaya
Director

Attachments:

Attachment A, ANNUAL SUBCONTRACTING PLAN FOR COMMERCIAL PRODUCTS
Attachment B, SAMPLE OF SUBCONTRACTING GOALS

2. The following individual will administer the subcontracting program:

NAME: _____

TITLE: _____

ADDRESS: _____

TELEPHONE: _____

This individual's specified duties, as they relate to the firm's subcontracting program, are as follows:

General overall responsibility for this company's small business (SB) program, the development, preparation, and execution of individual subcontracting plans, and for monitoring performance relative to contractual subcontracting requirements contained in this plan, as required by the FAR, including but not limited to:

- A. Developing and maintaining bidders' lists of SB, small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business (HUBZ), service disabled veteran small (SDVS), veteran owned small business (VOSB), and concerns from all possible sources.
- B. Ensuring procurement packages are structured to permit SB, SDB, WOSB, HUBZ, SDVS, and VOSB concerns to participate to the maximum extent possible.
- C. Ensuring inclusion of SB, SDB, WOSB, HUBZ, SDVS, and VOSB concerns in all solicitations for products or services which they are capable of providing.
- D. Reviewing solicitations to remove statements, clauses, etc., which may tend to restrict or prohibit SB, SDB, WOSB, HUBZ, SDVS, and VOSB participation.
- E. Ensuring periodic rotation of potential subcontractors on bidders' lists.
- F. Ensuring that the bid proposal review board documents its reasons for not selecting low bids submitted by SB, SDB, WOSB, HUBZ, SDVS, and VOSB concerns. (Required only for awards of more than \$100,000.)
- G. Ensuring the establishment and maintenance of records of solicitations and subcontract award activity.
- H. Attending or arranging for attendance of company counselors at business opportunity workshops, minority business enterprise seminars, women-owned business seminars, and trade fairs, etc.
- I. Conducting or arranging for conduct of motivational training for purchasing personnel pursuant to the intent of Public Law 95-507.
- J. Monitoring attainment of proposed goals.
- K. Preparing and submitting required periodic subcontracting reports.
- L. Coordinating contractor's activities during the conduct of compliance review by Federal agencies.
- M. Coordinating the conduct of contractor's activities involving its SB, SDB, WOSB, HUBZ, SDVS, and VOSB subcontracting program.

N. Additions or deviations to the duties previously specified are as follows:¹

3. The following efforts will be taken to ensure that SB, SDB, WOSB, HUBZ, SDVS, and VOSB concerns will have an equitable opportunity to compete for subcontracts:

A. Outreach efforts will be made as follows:

- (1) Contact minority, women-owned small business, and small business trade associations.
- (2) Contact business development organizations.
- (3) Attend small, minority, women-owned small business procurement conferences and trade fairs.
- (4) Use the Business Partner Network (BPN). BPN is a procurement related Internet-based electronic search engine for locating SB, SDB, WOSB, HUBZ, SDVS, VOSB sources. The BPN Internet address (URL) is <http://www.bpn.gov> . BPN is a free electronic search mechanism that provides unprecedented views into several key data bases across Federal Agencies. Another helpful Internet-based site is the SBA Subcontracting Opportunities Directory at <http://www.sba.gov/GC/indexcontacts-sbsd.html>.

B. Internal efforts will be made to guide and encourage buyers:

- (1) Conduct workshops, seminars, and training programs.
- (2) Monitor activities to evaluate compliance with this subcontracting plan.

C. SB, SDB, WOSB, HUBZ, SDVO, and VOSB concerns source lists, guides, and other data identifying SB, SDB, WOSB, HUBZ, SDVS, and VOSB concerns will be maintained and utilized by buyers in soliciting subcontracts.

D. Other efforts in addition to those previously listed:¹

4. FAR 52.219.8, Utilization of Small Business Concerns, will be included in all subcontracts that offer further subcontracting opportunities, and all subcontractors (except small business concerns) who receive subcontracts in excess of \$500,000 will adopt a plan similar to the plan required by FAR 52.219-9, Small Business Subcontract Plan. Periodic reports will be submitted, and cooperation will be given in any studies or surveys as may be required to determine the extent of compliance with this subcontracting plan. Summary Subcontract Report, (SF-295) will be completed and submitted by this company and its subcontractors in accordance with the instructions on the back of the SF-295.

¹ Any deletions should have an appropriate explanation.

- 5. The contractor agrees to submit such periodic reports and cooperate in any studies or surveys as may be required by the contracting agency or the SBA in order to determine the extend of compliance by the contractor with the subcontracting plan and with the clause entitled "Utilization of Small Business Concerns," contained in the contract. The contractor further agrees to annually submit a "Summary Subcontract Report" (SF-295), in accordance with the instructions on the back of the form.
- 6. The following types of records for all Federal contracts will be maintained to document compliance with this subcontracting plan, in accordance with FAR 52.219-9.
 - A. SB, SDB, WOSB, HUBZ, SDVS, and VOSB concerns source lists, guides, and other data identifying SB, SDB, WOSB, HUBZ, SDVO, and VOSB concern vendors.
 - B. Organizations contacted for SB, SDB, WOSB, HUBZ, SDVS, and VOSB concerns.
 - C. Records on all subcontract solicitations over \$100,000, indicating on each solicitation (1) whether SB concerns were solicited, and if not, why; (2) whether SDB concerns were solicited, and if not, why; (3) whether WOSB concerns were solicited, and if not, why; (4) whether HUBZ concerns were solicited, and if not, why, (5) whether SDVS concerns were solicited, and if not, why; (6) whether VOSB concerns were solicited, and if not, why; and (7) reasons for the failure of solicited SB, SDB, WOSB, HUBZ, SDVS, or VOSB concerns to receive the subcontract award.
 - D. Records to support other outreach efforts: (1) contacts with minority and SB trade associations, etc.; and (2) attendance at small, minority, women-owned small business procurement conferences, and trade fairs.
 - E. Records to support internal activities to guide and encourage buyers: (1) workshops, seminars, training programs, etc.; and (2) monitoring activities to evaluate compliance.
 - F. Records to support subcontract award data to include names and addresses of subcontractors.
 - G. Additions or deviations to the records previously listed are as follows:

SIGNATURE: _____

TYPED NAME: _____

TITLE: _____

DATE: _____

PLAN ACCEPTED BY: _____

(CONTRACTING OFFICER)

DATE: _____

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency
**ANNUAL SUBCONTRACTING PLAN
FOR COMMERCIAL PRODUCTS**

CONTRACTOR: XYZ Corporation

DATE: September 15, 2005

ADDRESS: 123 Main Street
Anywhere, USA Zip Code

PERIOD **ANNUAL SUBCONTRACTING PLAN**
COVERED: **FISCAL YEAR 2006**
OCTOBER 1, 2005 - SEPTEMBER 30, 2006

PRODUCTS: _____

The following, together with any attachments, is hereby submitted as an "Annual Subcontracting Plan for Commercial Products" to satisfy the applicable requirements of Public Law 95-507, as implemented by OFPP Policy Letter 80-2 and the Federal Acquisition Regulations (FAR) Subpart 19.7.

1. **GOALS.** The following goals are expressed in dollars and a percentage of the total planned subcontracting dollars. These goals are applicable to all Federal contracts made with the United States Department of Agriculture (USDA), Farm Service Agency (FSA), Commodity Credit Corporation (CCC), Kansas City Commodity Office (KCCO), which are awarded during the term of this plan.

DESCRIPTION	DOLLARS (In Millions) FY 2006	PERCENTAGE FY 2006
A. Total planned subcontracting for ALL <input type="checkbox"/> COMPANY or <input type="checkbox"/> DIVISION products under any USDA, FSA, CCC, KCCO contract.	\$10,000,000	100%
B. Planned Subcontracting to SMALL Businesses (EXCLUDES Small Disadvantaged, Women-Owned Small, HUBZone Small, Service Disabled Veteran Small, and Veteran Owned Small Businesses.) $\% = B \div A$	\$ 2,100,000	21%
C. Planned Subcontracting to Small DISADVANTAGED Businesses ("Woman-Owned Small" does NOT qualify as "Disadvantaged" UNLESS qualified by SBA). $\% = C \div A$	\$ 500,000	5%
D. Planned Subcontracting to WOMEN-OWNED Small Businesses. $\% = D \div A$	\$ 500,000	5%
E. HUBZone (Historically Underutilized Business Zone) Small Business. $\% = E \div A$	\$ 300,000	3%
F. Planned Subcontracting to Service Disabled Veteran Small Business. $\% = F \div A$	\$ 300,000	3%
G. Planned Subcontracting to Veteran Owned Small Business. $\% = G \div A$	\$ 300,000	3%
H. Total Planned Subcontracting to SMALL, SMALL DISADVANTAGED, WOMEN-OWNED SMALL, HUBZone SMALL, SERVICE DISABLED VETERAN SMALL BUSINESS AND VETERAN OWNED SMALL BUSINESS. $\% = B + C + D + E + F + G \div A$	\$ 4,000,000	40%
I. Planned Subcontracting to OTHER than Small Businesses (Para A - H = I). $\% = I \div A$	\$ 6,000,000	60%