

U.S. Department of Commerce

SUBCONTRACTING PLAN OUTLINE

Last update: March 2006

The Federal Acquisition Regulation (FAR) Subpart 19.7, the Small Business Subcontracting Program, requires large business concerns (also known as other-than-small business concerns), who are apparently the successful offerors, to submit an acceptable subcontracting plan that identifies the total planned dollars and percentage of the acquisition to be subcontracted to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. This subcontracting plan outline is offered as guidance for developing a subcontracting plan that complies with Public Law 95-507 and FAR Subpart 19.7.

The respective FY06 and FY07 U.S. Department of Commerce subcontracting goals are:

Small business	40.00%
Small disadvantaged	16.99%
Women-owned small	8%
HUBZone small	3%
Veteran-owned small business	3%
Service-disabled veteran-owned	3%

**These target goals are to be applied to the overall value of the acquisition.** If assistance is needed to locate small business sources, contact the Office of Small and Disadvantaged Business Utilization (OSDBU) at (202) 482-1472.

Offeror/Contractor Identification Data

Company Name:	
CCR #:	
Dunn & Bradstreet #:	
Address:	
Solicitation #:	Date Prepared:
Item/Service:	
Place of Performance:	

**1. TYPE OF PLAN (Check only one)**

\_\_\_\_\_ INDIVIDUAL PLAN: In this type of plan, all elements are developed specifically for this contract and are applicable for the full term of this contract (including option periods).

\_\_\_\_\_ MASTER PLAN: In this type of plan, goals are developed for this contract; all other elements are standard. The master plan shall be effective for a 3-year period after approval by the contracting officer. A master plan, when incorporated in an individual plan, shall apply to that contract throughout the life of the contract.

\_\_\_\_\_ COMMERCIAL PLAN: This type of plan is used when the contractor sells large quantities of off-the-shelf commodities to many Government agencies. Plans/goals are negotiated with the initial agency on a company-wide basis rather than for individual contracts. The plan is effective only during the year approved. The contractor must provide a copy of the initial agency approval, AND MUST SUBMIT THEIR ANNUAL SUBCONTRACTING REPORT DATA (via the federal government’s web-based Electronic Subcontracting Reporting System...<http://www.esrs.gov>) TO COMMERCE WITH A BREAKOUT OF SUBCONTRACTING PRORATED FOR COMMERCE.

**2. ACQUISITION COST**

Total dollar value of the acquisition, including all options: \$ \_\_\_\_\_

Base Period	\$ _____
1 <sup>st</sup> Option Period	\$ _____
2 <sup>nd</sup> Option Period	\$ _____
3 <sup>rd</sup> Option Period	\$ _____
4 <sup>th</sup> Option Period	\$ _____

**3. GOALS**

FAR 19.704 (a) (1) and (2) requires separate dollar and percentage goals for using small business concerns, small disadvantaged, women-owned small, HUBZone small business concerns, veteran-owned, and service disabled veteran-owned small business concerns, as subcontractors for the base year and each option year.

A. Total estimated value of all planned subcontracting, including small and other than small business concerns, based on the overall value of the acquisition:

Base Period	\$ _____	_____ %
1st Option Period	\$ _____	_____ %
2nd Option Period	\$ _____	_____ %
3rd Option Period	\$ _____	_____ %
4th Option Period	\$ _____	_____ %

B. Estimated value\* of planned subcontracting to **small business** concerns is:  
 (\*THIS FIGURE INCLUDES THE AMOUNTS IN C, D, E, F, and G BELOW.)

Base Period	\$ _____	_____ %
1st Option Period	\$ _____	_____ %
2nd Option Period	\$ _____	_____ %
3rd Option Period	\$ _____	_____ %
4th Option Period	\$ _____	_____ %

C. Estimated value of planned subcontracting to **small disadvantaged business** concerns is:

Base Period	\$ _____	_____ %
1st Option Period	\$ _____	_____ %
2nd Option Period	\$ _____	_____ %
3rd Option Period	\$ _____	_____ %
4th Option Period	\$ _____	_____ %

D. Estimated value of planned subcontracting to **women-owned** small concerns is:

Base Period	\$ _____	_____ %
1st Option Period	\$ _____	_____ %
2nd Option Period	\$ _____	_____ %
3rd Option Period	\$ _____	_____ %
4th Option Period	\$ _____	_____ %

E. Estimated value of planned subcontracting to qualified **HUBZone** small concerns is:

Base Period	\$ _____	_____ %
1st Option Period	\$ _____	_____ %
2nd Option Period	\$ _____	_____ %
3rd Option Period	\$ _____	_____ %
4th Option Period	\$ _____	_____ %

F. Estimated value of planned subcontracting to qualified **veteran-owned** small (which includes service disabled small) concerns is:

Base Period	\$ _____	_____ %
1st Option Period	\$ _____	_____ %
2nd Option Period	\$ _____	_____ %
3rd Option Period	\$ _____	_____ %
4th Option Period	\$ _____	_____ %

G. Estimated value of planned subcontracting to qualified **service disabled veteran-owned** small concerns is:

Base Period	\$ _____	_____ %
1st Option Period	\$ _____	_____ %
2nd Option Period	\$ _____	_____ %
3rd Option Period	\$ _____	_____ %
4th Option Period	\$ _____	_____ %

*Note:* If any contract has more than five option periods, please attach additional sheets showing dollar amounts and percentages.

H. Products and/or services to be subcontracted under this contract, and the types of businesses supplying them are: (Check all that apply on 'Table A' and attach additional sheets as necessary).



I. Explain the methods used to develop the subcontracting goals. Explain how the product and service areas to be subcontracted were established, how the areas to be subcontracted to small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small businesses were determined, and how the capabilities of small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small businesses were determined. Identify all source lists used in the determination process.

---

---

---

---

---

---

---

---

J. Indirect and overhead costs \_\_\_\_\_ HAVE BEEN \_\_\_\_\_ HAVE NOT BEEN included in the dollar and percentage subcontracting goals stated above. (Check one)

K. 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, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns.

---

---

---

---

---

---

---

---

#### 4. PROGRAM ADMINISTRATOR

FAR 19.704(a)(7) requires information about the company employee who will administer the subcontracting program. Please provide the name, title, address, telephone number, position within the corporate structure and the duties of that employee.

**Name:**

**Title:**

**Address:**

**Telephone:**

**Position:**

Duties: Does the individual named above perform the following?

- A. Developing and promoting company/division policy statements that demonstrate the company's/division's support for awarding contracts and subcontracts to small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns.  
\_\_\_\_\_ YES \_\_\_\_\_ NO
- B. Developing and maintaining bidders' list of small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns from all possible sources.  
\_\_\_\_\_ YES \_\_\_\_\_ NO
- C. Ensuring periodic rotation of potential subcontractors on bidders' lists.  
\_\_\_\_\_ YES \_\_\_\_\_ NO
- D. Assuring that small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small businesses are included on the bidders' list for every subcontract solicitation for products and services they are capable of providing.  
\_\_\_\_\_ YES \_\_\_\_\_ NO
- E. Ensuring that subcontract procurement "packages" are designed to permit the maximum possible participation of small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business.  
\_\_\_\_\_ YES \_\_\_\_\_ NO
- F. Reviewing subcontract solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business participation.  
\_\_\_\_\_ YES \_\_\_\_\_ NO
- G. Ensuring that the subcontract bid proposal review board documents its reasons for not selecting any low bids submitted by small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns.  
\_\_\_\_\_ YES \_\_\_\_\_ NO
- H. Overseeing the establishment and maintenance of contract and subcontract award records.  
\_\_\_\_\_ YES \_\_\_\_\_ NO

- I. Attending or arranging for the attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.  
 \_\_\_\_\_ YES \_\_\_\_\_ NO
- J. Directly or indirectly counseling small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns on subcontracting opportunities and how to prepare responsive bids to the company.  
 \_\_\_\_\_ YES \_\_\_\_\_ NO
- K. Providing notice to subcontractors concerning penalties for misrepresentations of business status as small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small businesses 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  
 \_\_\_\_\_ YES \_\_\_\_\_ NO
- L. Conducting or arranging training for purchasing personnel regarding the intent and impact of Public Law 95-907 on purchasing procedures.  
 \_\_\_\_\_ YES \_\_\_\_\_ NO
- M. Developing and maintaining an incentive program for buyers which supports the subcontracting program.  
 \_\_\_\_\_ YES \_\_\_\_\_ NO
- N. Monitoring the company's performance and making any adjustments necessary to achieve the subcontract plan goals  
 \_\_\_\_\_ YES \_\_\_\_\_ NO
- O. Preparing and submitting timely reports.  
 \_\_\_\_\_ YES \_\_\_\_\_ NO
- P. Coordinating the company's activities during compliance reviews by Federal agencies.  
 \_\_\_\_\_ YES \_\_\_\_\_ NO

**5. EQUITABLE OPPORTUNITY**

FAR 19.704 (a) (8) requires a description of the efforts your company will make to ensure that small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns will have an equitable opportunity to compete for subcontracts. (Check all that apply)



A. Outreach efforts to obtain sources:

- Contacting minority and small business trade associations
- Contacting business development organizations
- Attending small and minority business procurement conferences and trade fairs
- Requesting sources from the Small Business Administration's *Dynamic Small Business Search* (formerly known as PRO-Net)

B. Internal efforts to guide and encourage purchasing personnel:

- Presenting workshops, seminars and training programs
- Establishing, maintaining and using small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business source lists, guides and other data for soliciting subcontracts
- Monitoring activities to evaluate compliance with the subcontracting plan

C. Additional efforts: (Please describe)

---

---

---

---

---

---

**6. CLAUSE INCLUSION AND FLOW DOWN**

FAR 19.704 (a)(9) requires that your company include FAR 52.219-8, "Utilization of Small Business Concerns", in all subcontracts that offer further subcontracting opportunities. Your company must require all subcontractors, except small business concerns, that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction) to adopt and comply with a plan similar to the plan required by FAR 52.219-9, "Small Business Subcontracting Plan."

Your company agrees that the clause will be included and that the plans will be reviewed against the minimum requirements for such plans. The acceptability of percentage goals for small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns must be determined on a case-by-case basis depending on the supplies and services involved, the availability of potential small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business subcontractors and prior experience. Once the plans are negotiated, approved, and implemented, the plans must be monitored through the submission of individual and summary subcontracting reports via the federal government's web-based Electronic Subcontracting Reporting System...<http://www.esrs.gov>.

## 7. REPORTING AND COOPERATION

\* FAR 19.704 (a) (10) requires that your company (1) cooperate in any studies or surveys as may be required, (2) submit periodic reports which show compliance with the subcontracting plan; (3) submit Standard Form SF 294, "Subcontracting Reports for Individual Contracts", and SF 295, "Summary Subcontract Report," in accordance with the instructions on the forms, except the **original** shall be mailed to the contracting officer and a **copy** to the Office of Small and Disadvantaged Business Utilization; and (4) ensure that subcontractors agree to submit SF 294 and SF 295.

These reports must be received within 30 days after the close of each calendar period. That is:

<u>Calendar Period</u>	<u>Report Due</u>	<u>Date Due</u>	<u>Send Report To</u>
10/01--03/31	SF 294	04/30	contracting officer with copy to OSDBU
04/01--09/30	SF 294	10/30	contracting officer with copy to OSDBU
10/01--09/30	SF 295	10/30	contracting officer with copy to OSDBU

*OSDBU address is:*

U.S. Department of Commerce  
Office of Small and Disadvantaged Business Utilization  
14th & Constitution Ave., N.W.  
HCHB, Room H-6411  
Washington, DC 20230

**\* (Calendar Year 2005) The U.S. Small Business Administration has identified and will submit changes to the Federal Acquisition Regulation (FAR) Council. The changes are needed to implement the federal government's web-based Electronic Subcontracting Reporting System...[www.esrs.gov](http://www.esrs.gov). The system will replace the papercopy SF294 and SF295.**

## 8. RECORD KEEPING

FAR 19.704 (a) (11) requires a description of the types of records your company will maintain to demonstrate the procedures adopted to comply with the requirements and goals in the subcontracting plan. (Check all that apply)

A. Small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns source lists, guides, and other data identifying such vendors

\_\_\_\_\_ YES

\_\_\_\_\_ NO

B. Organizations contacted for small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business sources.

\_\_\_\_\_ YES \_\_\_\_\_ NO

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; (3) whether women-owned small businesses were solicited, and if not, why not; (4) whether HUBZone small businesses were solicited, and if not, why not; (5) whether veteran-owned (including service disabled veteran-owned) small businesses were solicited, and if not, why not, and (6) reasons for the failure of solicited small, small disadvantaged, women-owned small, HUBZone small, and veteran-owned (including service-disabled veteran-owned) small business concerns to receive the subcontract award

\_\_\_\_\_ YES \_\_\_\_\_ NO

D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conference and trade fairs

\_\_\_\_\_ YES \_\_\_\_\_ NO

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

\_\_\_\_\_ YES \_\_\_\_\_ NO

F. On a contract-by-contract basis, records to support subcontract award data including the name, address and business size and ownership status of each subcontractor. (This item is not required for commercial subcontracting plans).

\_\_\_\_\_ YES \_\_\_\_\_ NO

G. Other records to support your compliance with the subcontracting plan: (Please describe)

---

---

---

---

## 9. TIMELY PAYMENTS TO SUBCONTRACTORS

FAR 19.702 requires company to establish and use procedures to ensure the timely payment of amounts due pursuant to the terms of your subcontracts with small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns.

Your company has established and uses such procedures: \_\_\_\_\_ YES \_\_\_\_\_ NO

## 10. DESCRIPTION OF GOOD FAITH EFFORT

Maximum practicable utilization of small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business concerns as subcontractors in Government contracts is a matter of national interest with both social and economic benefits. When a contractor fails to make a good faith effort to comply with a subcontracting plan, these objectives are not achieved, and 15 U. S. C. 637 (d) (4) (F) directs that liquidated damages shall be paid by the contractor. In order to demonstrate your compliance with a good faith effort to achieve the small, small disadvantaged, women-owned small, HUBZone small, veteran-owned, and service-disabled veteran-owned small business subcontracting goals, outline the steps your company plans to take. These steps will be negotiated with the contracting officer prior to approval of the plan.

## 11. REQUIRED SIGNATURES

This subcontracting plan was **submitted** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

This subcontracting plan was **reviewed** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: ***Contracting Officer*** \_\_\_\_\_

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

This subcontracting plan was **reviewed** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: ***Small Business Administration Representative*** \_\_\_\_\_

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

This subcontracting plan was **reviewed** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: ***Office of Small and Disadvantaged Business Utilization*** \_\_\_\_\_

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

This subcontracting plan was **accepted** by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: ***Contracting Officer*** \_\_\_\_\_

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