



ACQUISITION AND
TECHNOLOGY

DEPUTY UNDER SECRETARY OF DEFENSE
3015 DEFENSE PENTAGON
WASHINGTON, DC 20301-3015

JUL 19 2008

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: DoD Implementation of the Electronic Subcontracting Reporting System (eSRS) and Reporting Functions

The Electronic Subcontracting Reporting System (eSRS) provides an on-line method for vendors to report their subcontracting activities (previously accomplished with submission of Standard Forms (SF) 294 and 295). Federal Acquisition Regulation (FAR) Subpart 19.7 and its associated clauses have been updated to address eSRS impacts. The Department successfully implemented eSRS in April 2008 at identified Phase 1 sites. Given this success, we believe that planned Phases 2 and 3 can be collapsed into Phase 2. Thus, at this time I request that you each provide a plan to complete implementation of eSRS so that FY08 year-end subcontracting reporting, which begins in October 2008, is accomplished in the system. My staff at the Office of Small Business Programs (OSBP) is working with the Small Business Administration (SBA) to extend the end of the reporting period to December 2008 to allow for this implementation. The FAR class deviation issued June 3, 2008 for DoD non-Phase 1 sites regarding eSRS will be rescinded to further support end of FY08 subcontract reporting in eSRS. Implementation resources are available on the Defense Procurement, Acquisition Policy, and Strategic Sourcing website at <http://www.acq.osd.mil/dpap/pdi/index.html> under the E-Business tab. Your plans should be coordinated between your procurement and small business leadership, and submitted to my action officers identified below by July 25, 2008.

As part of the processes of eSRS, once the vendor submits its report, the government contracting officer must acknowledge receipt of the report on-line to allow its data to be counted in reports, or reject it if inaccurate. DoD's deployment strategy to implement this process provides for an initial period of time to allow evaluation in terms of workload impacts, while maintaining the level of subcontracting plan monitoring in the Department. As such, the process for the planned implementation is as follows:

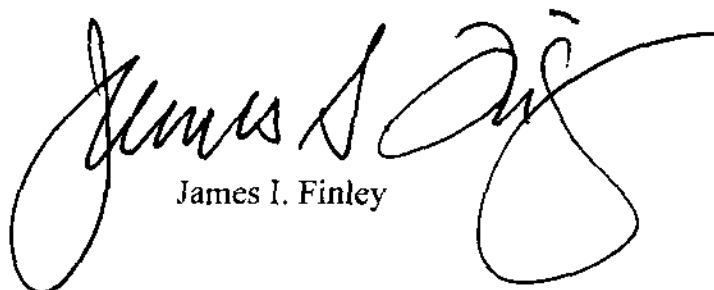
- Defense Contract Management Agency (DCMA) will perform the "acknowledge receipt / reject" function required in FAR 19.705-6(h) for Summary Subcontracting Reports (SSRs) (formerly SF295s) for vendors for which it administers the preponderance of subcontracting plans and vendors under the DoD Comprehensive Subcontracting Test Program.



- Military Services and other Components will perform the “acknowledge receipt / reject” function for SSRs for vendors for which they administer the preponderance of subcontracting plans, approved the commercial subcontracting plan, and/or awarded construction and related maintenance and repair contracts with subcontract plans. Construction-related SSRs are filed for each DoD Component. Components must identify in their implementation plans the organization(s) that will acknowledge/reject SSRs in accordance with FAR 19.705-6, and register the specific individuals who will act as these Component SSR Coordinators for the appropriate roles in eSRS. Component plans that include assistance from small business specialists must be coordinated with the Component level Office of Small Business Programs.
- Military Services and other Components will perform the “acknowledge receipt / reject” function for Individual Subcontracting Reports (ISRs) (formerly SF294s) for all contracts for which they are the issuing / procuring office, including those contracts otherwise delegated to DCMA for administration, in accordance with FAR 19.705-6.
- DCMA will continue to provide subcontracting plan monitoring and surveillance for contracts delegated to it for administration in accordance with its current approach and established agreements with DoD Components.

Accomplishing the “acknowledge receipt” function is not considered acceptance of the reported information. Efficient processing times (within 30 days of a contractor’s submission) should be followed to allow timely contractor notification of any issues or potential data anomalies identified with the deliverable. Since eSRS is simply an *electronic tool to collect subcontracting reports/data*, contracting officers are reminded of their responsibilities for monitoring subcontracting plan performance and holding contractors accountable for achievement of their goals as outlined in FAR 19.705-7, 19.706, and 42.302(a)(52)-(55). The distribution of responsibilities as shown above will be re-evaluated after the end of the FY09 subcontracting reporting period. Also, these processes will be captured in a forthcoming Defense FAR Supplement (DFARS) / Procedures, Guidance, and Information (PGI) case.

My action officers for questions regarding this correspondence are Mae Bartley, mae.bartley@osd.mil, 703-602-8011, for procurement policy; Wendy Despres, wendy.despres@osd.mil, 703-604-0157 ext 145 for small business policy; and Don Jean of the Business Transformation Agency, donald.jean@bta.mil, 703-607-5742 for eSRS deployment.



James I. Finley

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