

# **Small Business Subcontracting Plans: Management, Reporting and Compliance**

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# Agenda

- Introduce Atlanta Subcontract Management Team
- Discuss the Subcontracting Plan Delegation
- Discuss GSA Personnel Responsibilities
- Discuss the Subcontracting Plan
- Discuss Contractor Responsibilities
- Discuss Reporting Requirements and Compliance

# Subcontract Management Team

- **Team Members:**
  - ❖ Lynn Mauldin, Branch Chief
  - ❖ Patrick Queen, Team Lead
  - ❖ Administrative Contracting Officers
    - Eugenia Hodges – (404) 331- 3165
    - Teresa Gould – (404) 331-1425
    - Tamitha Hopkins – (404) 331-3166
    - Steve Hickman – (404) 331- 2701
    - Terren Grimble – (404) 331-9461
    - Tarykka Saunders – (404) 331-1422
  - ❖ Ethel Jones, Procurement Technician

# **Subcontract Management Team**

- **Dedicated support for:**
  - ❖ **Management Services Center**
    - Administer Approximately 1200 subcontract plans
  - ❖ **Greater Southwest Acquisition Center**
    - Administer approximately 650 subcontract plans

# Delegation Authority

Pursuant to the Memorandum of Understanding effective February 22, 2010, the following additional responsibility to administer this contract is also delegated to your office:

1. Administer Subcontracting Plans in accordance with FAR 19.706 and GSAM 519.706. Monitoring of compliance specifically includes the following actions:
  - Managing timely receipt and acceptability of Individual Subcontracting Reports (ISRs) in the Electronic Subcontracting Reporting System (eSRS) for contracts with Individual Subcontracting Plans.
  - Managing timely receipt and acceptability of Summary Subcontracting Reports (SSRs) in eSRS for Individual and Commercial Subcontracting Plans.
2. If the contractor uses a Commercial Plan, review, negotiate and approve follow-on plans for subsequent years of a multi-year contract in accordance with FAR 19.705-4 and GSAM 519.705-4. A copy of each approved follow-on Commercial Plan will be provided to the applicable PCO.
3. Follow-on Individual Plans will be evaluated and approved by the PCO when an option is exercised. PCO will send a copy of the new plan to the ACO.

# GSA Responsibilities

- **The PCO:**
  - ❖ Negotiates a Subcontracting Plan with the MAS offeror
  - ❖ Awards the contract
  - ❖ Delegates the Plan to the ACO for administration
  - ❖ Sends the ACO a copy of the Plan
  - ❖ Negotiates follow-on Individual Plans
- **The ACO:**
  - ❖ Manages Delegated Subcontracting Plans
    - Negotiate follow-on Commercial Plans
  - ❖ Reviews, Rejects, and Accepts Subcontracting Reports
  - ❖ Monitors Subcontract Plan Compliance

# Subcontracting Plans

- **Regulatory Guidance**
  - ❖ Prepared in accordance with FAR 19.704 and Clause 52.219-9
  - ❖ GSAM Part 519.7, The Small Business Subcontracting Program
  - ❖ GSAM Appendix 519A – Small Business Subcontracting Plan Outline (Model)
    - Model Plan covers the required 11 elements
  - ❖ Types of Subcontract Plans
    - Commercial Plan (company-wide)
    - Individual Plan (contract specific)
    - Master Plan (when goals/dollars need to be submitted at a later time)

# Subcontract Plan Elements

- Identification Data
- Type of Plan
- Goals
- Program Administrator
- Equitable Opportunity
- Assurances of Clause Inclusion and Flow Down
- Reporting and Cooperation
- Recordkeeping
- Statutory Requirements
- Description of Good Faith Effort
- Signature Required



# Subcontract Plan Types

- **Commercial Subcontract Plan**
  - ❖ Submitted and negotiated annually, based on the company's fiscal year (12 month period)
  - ❖ Covers all of a contractor's business
  - ❖ Goals are based on the offeror's planned subcontracting for all business.
- **Individual Subcontracting Plan**
  - ❖ Specific to one contract
  - ❖ Covers the entire contract period (including options, with goals/dollars stated separately)
  - ❖ Goals are based on the offeror's planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

# Subcontract Plan Types (Cont)

- **Master Subcontract Plan**
  - ❖ Contains all the required elements of an Individual Plan, except goals/dollars
  - ❖ Eventually evolves into an Individual Plan (when goals/dollars are added), provided the Master Plan has been approved
  - ❖ Include other Agency Approval Document, if applicable

# SUBCONTRACTING GOALS

<u>Goaling Category</u>	<u>Goal</u>
Small Business	30
Veteran-owned Small Business	3
Service-Disabled Veteran-owned Small Business	3
HUBZone Small Business	3
Small Disadvantaged Business	5
Women-owned Small Business	5

# SUBCONTRACTING GOALS

- **Subcontracting Amounts:**
  - ❖ Total Dollars planned to be subcontracted
  - ❖ Total Dollars planned to be subcontracted to each business group

The dollar amounts planned for subcontracting to each of these categories must be expressed in the subcontracting plan as ***percentages of the total subcontracting dollars to both large and small businesses.***

# Contractor Responsibilities

- **Program Administrator**
  - ❖ Provide Name, address, email, telephone #
  - ❖ Description of duties and responsibilities
    - Develop and promote support of the Subcontracting program
    - Ensure subcontractors are receiving awards for each socio-economic category
    - Ensure subcontractors self certify status (exception of HUBZone and SDB, which are certified by the SBA)\
- **Record Keeping**
  - ❖ The contractor is required to keep a description or list the types of records used to comply with the requirements of the plan
    - Records to support source lists and organizations contacted
    - Subcontract award data

# Contractor Responsibilities

- **Equitable Opportunity**

- ❖ Description of the efforts the contractor will make to ensure that each socio-economic category has an equitable opportunity to complete for subcontracts
  - Outreach efforts – trade associations, CCR  
Dynamic Small Business Search, conferences
  - Internal Activities – training, workshops,  
maintaining lists, monitoring compliance with plan

- **Good Faith Effort**

- ❖ Contractors must demonstrate a good faith effort to achieve the small business subcontracting goals
- ❖ Subcontracting plan is a material part of the contract
- ❖ Submission of the ISR and SSR will be made a line item deliverable in the contract

# Contractor Responsibilities

- **Timely Payments to Subcontractors**
  - ❖ Contractor must list the procedures it uses to ensure the subcontractors are paid in a timely manner
- **Clause Inclusion and Flow Down**
  - ❖ Ensure any other subcontracts in excess of \$650,000 will adopt a plan that complies with the requirements of Clause 52.219-9, Small Business Subcontracting Plan, and will require them to adopt a plan

# Contractor Responsibilities

- **Reporting and Cooperation**
  - ❖ Individual Plan – Individual Subcontract Report (ISR)
    - ISR (SF 294) - submit twice a year
    - SSR (SF 295) - submit once a year
  - ❖ Commercial Plan – Summary Subcontract Report (SSR)
    - Submit annually



# Reporting Requirements

- **Reports should be submitted via the eSRS**  
<http://www.eSRS.gov>
- ❖ **Individual Subcontract Report (ISR)**
  - Semi-annually for:
    - Oct 1 – March 31
    - April 1 – Sept 30
- ❖ **Summary Subcontract Report (SSR)**
  - Annually Oct 1 – Sept 30
- ❖ **Year-End SDB Supplemental Report**
  - Due annually and at contract completion for ISRs
  - Per 48 CFR 52.219-9(j)(2)
  - Report (3-digit NAICS subsector)
  - Optional Form 312 (FAR Clause 52.219-25)

# **Non-Compliance Remedies**

- **Delinquency Notice**
  - ❖ **Issued 10 days after the Report Due Date**
  - ❖ **Issue second/final notice if no response**
- **Notice of Concern**
  - ❖ **15 days to respond**
- **Cure Notice**
  - ❖ **Issued when there is no response to cure notice**
  - ❖ **10 days to respond**
- **Termination**
- **Liquidated Damages**
  - ❖ **Assessed in conjunction with termination**
  - ❖ **Difference between dollars subcontracted and goals**