

GSA ORDER

Subject: GSAR Amendment 2012-02, GSAR Case 2011-G502, Acquisition-Related Thresholds (Change 54)

1. Purpose. This order transmits a revision to the General Services Administration Acquisition Manual (GSAM).
2. Background. The General Services Administration (GSA) is amending the GSAM—
 - To revise coverage in Part 519—Small Business Programs;
 - To replace Appendix 519A—Small Business Subcontracting Plan Outline (Model) and Appendix 519B—Subcontracting Plan Evaluation Checklist;
 - To remove Appendix 519F—GSA Acquisition Alert-Contract Bundling, and
 - To revise GSAR Clause 552.219-71—Notice to Offerors of Subcontracting Plan Requirements and GSAR Clause 552.219-72—Preparation, Submission, and Negotiation of Subcontracting Plans.

This guidance supplements the Federal Acquisition Regulation (FAR) coverage provided in FAR Part 19 and in the FAR clauses found at FAR 52.219.

GSA did not publish a proposed or interim rule in the *Federal Register* as the only regulatory changes made were those required to update the acquisition-related threshold for GSAR clauses 552.219-71 and 552.219-72. FAR case 2008-024, published in the *Federal Register* on August 30, 2010 (75 FR 53129), and implements Section 807 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Pub. L. 108-375). Section 807 provides for adjustment every 5 years of acquisition-related thresholds, except for the Davis-Bacon Act, Service Contract Act, and trade agreements thresholds.

GSA published GSAR Case 2011-G502, Change 54, final rule, in the *Federal Register* at 77 FR 10665 on February 23, 2012.

3. Effective date. March 26, 2012.

4. Explanation of changes. The GSAM revisions include the following—

GSAM subpart 519.7—The Small Business Subcontracting Program, revisions are update references to the Model Plan and to delete references to the Standard Form 294, Subcontracting Report for Individual Contracts, and Standard Form 295, Summary Subcontract Report. Additional changes included removing references of “you” and replacing it with “contracting officer,” and removing references of “AAOED” and replacing it with “AAOSBU.”

Revise GSAM subpart 519.8—Contracting With the Small Business Administration (The 8(a) Program), to delete outdated and redundant information. Additional changes include updating the Universal Resource Locator (URL) to provide a link to the current GSA Partnership Agreement with the Small Business Administration.

Delete and reserve GSAM subpart 519.13—Historically Underutilized Business Zone (HUBZone) Program, as the information contained in the subpart is outdated, obsolete, or overlaps with the FAR.

Delete and reserve GSAM subpart 519.14—Service-Disabled Veteran-Owned Small Business Procurement Program, as the information contained in the subpart is outdated, obsolete, or overlaps with the FAR.

Revise GSAR clause 552.219-71, Notice to Offerors of Subcontracting Plan Requirements, to update acquisition-related thresholds and to be consistent with FAR clause 52.219-9.

Revise GSAR 552.219-72, Preparation, Submission, and Negotiation of Subcontracting Plans, to update acquisition-related thresholds and to be consistent with FAR clause 52.219-9.

Replace Appendix 519A—Small Business Subcontracting Plan (Model) and Appendix 519B—Subcontracting Plan Evaluation Checklist with updated versions which updates required information and removes outdated and obsolete information.

Remove and reserve Appendix 519F—GSA Acquisition Alert—Contract Bundling as the information was incorporated into the re-write of GSAM subpart 507—Acquisition Planning.

5. Cancellations and Rescissions. None.

6. Filing instructions. Insert the following pages to the GSAM:

Remove Pages

General Structure
pp. v and vi

Part 519 TOC
pp. 519-i and 519-ii
519-3 thru 519-16
519A-1 thru 519A-6
519B-1 thru 519B-6
519F-1 thru 519F-6

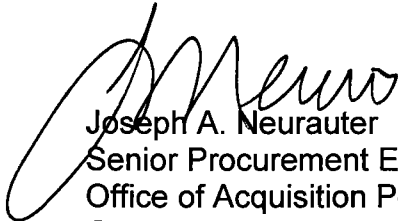
552-17 thru 552-20

Insert Pages

General Structure
pp. v and vi

Part 519 TOC
pp. 519-i and 519-ii
519-3 thru 519-14
519A-1 thru 519A-10
519B-1 and 519B-2
None

552-17 thru 552-20


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PART 516—TYPES OF CONTRACTS

- 516.2 Fixed Price Contracts
- 516.4 Incentive Contracts
- 516.5 Indefinite-Delivery Contracts
- 516.6 Time-and-Materials, Labor-Hour, and Letter Contracts

PART 517—SPECIAL CONTRACTING METHODS

- 517.1 Multiyear Contracting
- 517.2 Options

PART 518—[RESERVED]**SUBCHAPTER D—SOCIOECONOMIC PROGRAMS****PART 519—SMALL BUSINESS PROGRAMS**

- 519.2 Policies
- 519.3 Determination of Small Business Status for Small Business Programs
- 519.4 Cooperation With the Small Business Administration
- 519.5 Set-asides for Small Business
- 519.6 Certificates of Competency and Determinations of Responsibility
- 519.7 The Small Business Subcontracting Program
- 519.8 Contracting With the Small Business Administration (The 8(a) Program)
- 519.10 [Reserved]
- 519.11 [Reserved]
- 519.12 Small Disadvantaged Business Participation Program
- 519.13 [Reserved]
- 519.14 [Reserved]
- 519.70 GSA Mentor-Protégé Program
- Appendix 519A Small Business Subcontracting Plan Outline (Model)
- Appendix 519B Subcontracting Plan Evaluation Checklist

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- 522.1 Basic Labor Policies
- 522.3 Contract Work Hours and Safety Standards Act
- 522.4 Labor Standards for Contracts Involving Construction
- 522.6 Walsh-Healey Public Contracts Act
- 522.8 Equal Employment Opportunity
- 522.10 Service Contract Act of 1965, As Amended
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- 522.14 Employment of Workers With Disabilities
- 522.15 Prohibition of Acquisition of Products Produced by Forced or Indentured Child Labor

PART 523—ENVIRONMENT, CONSERVATION, OCCUPATIONAL SAFETY AND DRUG-FREE WORKPLACE

- 523.3 Hazardous Materials Identification and Material Safety Data
- 523.4 Use of Recovered Materials
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PART 524—PROTECTION OF PRIVACY AND FREEDOM OF INFORMATION

- 524.1 Protection of Individual Privacy
- 524.2 Freedom of Information Act

PART 525—FOREIGN ACQUISITION

- 525.1 Buy American Act—Supplies
- 525.2 Buy American Act—Construction Materials
- 525.10 Additional Foreign Acquisition Regulations

PART 526—OTHER SOCIOECONOMIC PROGRAMS [RESERVED]

SUBCHAPTER E—GENERAL CONTRACTING REQUIREMENTS

PART 527—PATENTS, DATA, AND COPYRIGHTS

- 527.4 Rights in Data and Copyrights

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PART 519—SMALL BUSINESS PROGRAMS

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519.7006	Mentor firms.
519.7007	Protégé firms.
519.7008	Selection of protégé firms.
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519.7011	Application review.
519.7012	Developmental assistance.
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Appendix 519A—Small Business Subcontracting Plan Outline (Model)

Appendix 519B—Subcontracting Plan Evaluation Checklist

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519.503 Setting aside a class of acquisitions for small business.

(a) *Definition.* A class set-aside is an item (or service), a group of related items under a Federal Supply Class (FSC), or a whole FSC set aside for exclusive small business participation on more than a one-time basis. If the item or group of items constitute only a small portion of an FSC, this definition still applies.

(b) *Determinations.* If you have procurement responsibility for the class of items or services involved, prepare the determination required by FAR 19.503. The determination can apply to either a total or partial set-aside.

519.506 Withdrawing or modifying small business set-asides.

If you and the SBTA disagree over the withdrawal or modification of a set-aside, the SBTA must notify the AAOSBU at the same time the matter is referred to the SBA PCR.

519.508 Solicitation provisions and contract clauses.

Insert [552.219-70](#), Allocation of Orders—Partially Set-Aside Items, in solicitations and requirements type supply contracts that are partially set aside for small business.

Subpart 519.6—Certificates of Competency and Determinations of Responsibility**519.602 Procedures.****519.602-3 Resolving differences between the agency and the Small Business Administration.**

(a) Within 5 business days after requesting the SBA Area Office to refer an intention to issue a Certificate of Competency to SBA Headquarters for review, forward the information in paragraphs [\(a\)\(1\)](#) and [\(a\)\(2\)](#) of this subsection to the AAOSBU through your designated SBTA. This period may be extended by mutual agreement.

(1) Copies of all correspondence between GSA and SBA concerning the case. Include the initial referral notice of nonresponsibility.

(2) Copies of all technical documents sent to SBA (for example, the solicitation, preaward surveys, or any abstract of offers). Include any new information and justify your decision to continue the appeal.

(b) After considering all the facts and conferring with the applicable contracting activity, the AAOSBU will decide whether or not to file a formal appeal. Before deciding not to appeal, the AAOSBU must notify the concerned activity. The AAOSBU also must notify you of the OSBU decision regarding the appeal.

(c) For decisions on cases over \$25,000,000, the AAOSBU shall confer with the contracting activity before

responding to SBA regarding either of the options in FAR 19.602-3(b)(1)(i) and (ii).

Subpart 519.7—The Small Business Subcontracting Program**519.700-70 Additional responsibilities.**

In addition to FAR 19.705 responsibilities, your preaward responsibilities include:

(a) Developing target goals for sealed bid solicitations when practicable.

(b) Following FAR 15.306, conducting discussions with individual offerors, as appropriate, concerning the subcontracting plans submitted for a negotiated solicitation.

519.702 Statutory Requirements.

In addition to the exemptions in FAR 19.702(b), other exemptions to the requirement for subcontracting plans include contracts with:

(a) Unicor (Federal Prison Industries).

(b) Nonprofit agencies of the National Industries for the Blind (NIB) and NISH awarded under the provisions of the Javits-Wagner-O'Day Act.

519.705 Responsibilities of the contracting officer under the subcontracting assistance program.**519.705-2 Determining the need for a subcontracting plan.**

(a) When you calculate the applicable threshold, consider the actual or estimated value of the contract for the entire term of the contract, including any option period(s). This also applies to schedule contracts and other indefinite delivery type contracts. Consider the estimated value of all orders expected to be placed during the term plus all options.

(b) FAR 19.705-2(d) permits you to require submission of subcontracting plans with initial offers under a negotiated acquisition. You must require all offerors (other than small business concerns) to submit subcontracting plans with their initial offers when a negotiated acquisition meets all conditions listed below:

(1) You anticipate receiving individual subcontracting plans (not commercial plans).

(2) You will award on the basis of trade-offs among cost or price and technical and/or management factors under FAR 15.101-1.

(3) The acquisition is not a commercial item acquisition.

(4) The acquisition offers more than minimal subcontracting opportunities.

(5) An offeror's subcontracting plan is identified as an evaluation factor in the solicitation.

(c) Nothing in paragraph (b) above limits your ability to request subcontracting plans with initial offers under other negotiated acquisitions when you decide such action is appropriate under FAR 19.705-2(d). For example, such action may be appropriate for multiple award schedules where GSA may have responsibility for negotiating commercial plans.

(d) Notify the AAOSBU after receipt of offers if you determine that an apparent successful offeror's proposal has no subcontracting opportunities.

(1) Coordinate the notice through your Small Business Technical Advisor. In a regional contracting activity, also coordinate the notice through the regional small business staff.

(2) Obtain AAOSBU concurrence on the determination prior to contract award.

519.705-3 Preparing the solicitation.

(a) If an acquisition, excluding any multiple award schedule contract, will cover two or more Regions and is estimated to exceed \$500 million (including options):

(1) In addition to the SBA PCR, provide the SBTA and Office of Small Business Utilization (E) a reasonable period of time to review any solicitation requiring submission of a subcontracting plan and to submit advisory findings before issuing the solicitation. Ensure that evaluation criteria contained in the solicitation do not unnecessarily limit subcontracting opportunities for small, HUBZone small, small disadvantaged, women-owned small, veteran-owned, and service-disabled veteran-owned small business concerns.

(2) For a negotiated acquisition, if you believe that the acquisition provides substantial subcontracting opportunities, consider including the offeror's subcontracting plan as an evaluation factor for award. This may be most appropriate in acquisitions when you expect individual plans or master plans. You should consult with your SBTA or regional SBUC to obtain any needed assistance with developing subcontracting plan evaluation criteria before incorporating the plan into the solicitation as an evaluation factor.

Target goals in sealed bidding

(b) Unrealistic target goals tend to inhibit competition or increase acquisition costs if goals are too high. Target goals that offer no challenge to potential contractors reflect poorly on GSA's commitment to ensure maximum practicable use of small, HUBZone small, small disadvantaged, women-owned small, veteran-owned, and service-disabled veteran-owned small business concerns as subcontractors.

(c) In establishing target goals for sealed bid solicitations, avoid using mechanical formulas or similar approaches that may be considered arbitrary. Reviewing historical performance by contractors performing similar work is valid, but you should consider each solicitation independently in terms of the potential for subcontracting. Use as many information

sources as practical, including your own knowledge of the supplies or services. Factors to consider in setting targets include:

- (1) Manufacturing processes involved.
- (2) Availability and location of potential subcontractors.
- (3) The basis for establishing subcontracting relationships.
- (4) The diversity in prevailing economic conditions in the place of contract performance.

(d) If you cannot establish realistic target goals, do not state specific targets in the solicitation.

(1) Establishing realistic target goals is likely to be a problem in contracting for supplies because the place of contract performance may not be known prior to contract award.

(2) Even if you can predict the area of contract performance because a particular industry is concentrated there, the diversity of manufacturing processes may affect the amount of subcontracting and how subcontracting relationships are established. For example, some manufacturers may use formal teaming arrangements or long term relationships versus nonrepetitive purchase orders.

519.705-4 Reviewing the subcontracting plan.

(a) The contracting officer may provide offerors a model subcontracting plan when determined appropriate, *e.g.*, when it may facilitate evaluation or negotiation. The contracting officer may use the model plan developed by the Office of Small Business Utilization (E) in [Appendix 519A](#). Include the following notice on the transmittal, if providing a model in response to a single request, or in the solicitation, if including it as an attachment:

Notice to Offerors: "GSA provides this model plan as a tool. The contracting officer must adapt this model plan to fit the subcontracting situation. The plan is NOT a fill-in-the-blank form and the contracting officer must remove instructional language. This model does not establish minimum requirements for an acceptable plan. The model reflects objectives GSA encourages contractors to adopt."

(b) Performance under other contracts is an indicator of an offeror's understanding of the reasons for the law and benefits of the program.

(1) If an offeror prepared a subcontracting plan for another contract, contact the contracting officer responsible for administering the earlier plan to determine if the offeror met the plan's objectives and submitted required reports in a timely manner.

(2) Consider overall compliance in your evaluation, not just whether or not the offeror met the goals established in the plan.

(3) Submission of timely reports is an indication the offeror takes its responsibilities seriously.

(c) Be flexible and guard against using arbitrary criteria when reviewing a subcontracting plan. If an offeror has not submitted a previously-approved commercial or master subcontracting plan, such detailed review may not be necessary. The contracting officer may use the Subcontracting Plan Evaluation Checklist at [Appendix 519B](#) to identify potential weaknesses that should be called to the offeror's attention.

(1) Remember that a positive goal is required to establish a gauge for measuring results and to provide an incentive for continuing efforts to increase the dollar value of subcontracts placed with small, HUBZone small, small disadvantaged, women-owned small, veteran-owned, and service-disabled veteran-owned small business concerns. Carefully scrutinize any subcontracting category (e.g., small business, HUBZone small business, etc.) where the offeror does not specify a goal and accept it only after assuring that no subcontracting opportunities exist. If any category with no goal is accepted, the contracting officer must:

(i) Document the file explaining why the goal was accepted; and

(ii) Ensure the subcontracting plan includes an assurance that the contractor will make every effort to continue seeking subcontracting opportunities in the category that lacks a goal.

(2) One measure of the adequacy of a subcontracting plan is that it provides a challenge to the offeror and then builds upon previous achievements in subsequent contracts.

(3) Include in the contract file a basis for determining the subcontracting plan's acceptability.

(d) A contracting officer cannot tell the offeror what its goals must be. The contracting officer may tell the offeror what GSA's national goals are. Ensure that an offeror's subcontracting plan reflects realistic goals and provide the maximum opportunity practicable to small, HUBZone small, small disadvantaged, women-owned small, veteran-owned, and service-disabled veteran-owned small business concerns to participate as subcontractors. If necessary, obtain information from the offeror to substantiate the offeror's proposed goals, past performance with respect to subcontracting, and the proposed good faith effort. This information may include the names of proposed subcontractors and other such data.

(e) When a contracting officer receives a subcontracting plan with initial offers, provide an opportunity for the SBTA to review the subcontracting plans of those offers in the competitive range. Allow the SBTA 5 workdays for review. Consider the SBTA's comments in developing a negotiation strategy.

Negotiating Goals and Other Aspects of Plans

(f) For complex or large dollar value procurements, when an offeror proposes miniscule or minimally acceptable goals for small, HUBZone small, small disadvantaged, women-owned small, veteran-owned, and service-disabled

veteran-owned small business concerns, ensure that the offeror has included all subcontracts that contribute to contract performance (see FAR 52.219-9(d)(1)).

(g) Develop a strategy for negotiating the subcontracting plan and goals just as you would for negotiating a contract. Be forceful in negotiating the subcontracting plan and, whenever possible, offer recommendations for subcontracting potential with small, HUBZone small, small disadvantaged, women-owned small, veteran-owned, and service-disabled veteran-owned small business concerns. Suggest organizations the offeror may contact to identify potential sources. For example, offerors may contact any of the following:

(1) Local SBA offices. These can provide an offeror assistance in accessing the Central Contractor Registration database to conduct market research and confirm the eligibility for SBA's procurement preference programs.

(2) Department of Commerce, Minority Business Development Agencies (MBDA's). An offeror can ask for access to the MBDA's Profile System. Refer offerors to Internet address <http://www.mbda.gov> for more information.

(3) GSA Regional small business staffs and SBTAs, as well as Office of Small Business Utilization.

(4) State, county, and city government minority business offices.

(5) Small, minority, women-owned, and veteran business associations by accessing Internet address www.gsa.gov/smallbusiness.

(6) Local chambers of commerce.

(7) Trade associations, professional organizations, and Procurement Technical Assistance Centers.

(8) www.vetbiz.gov

(h) In developing a negotiation strategy, consider whether the offeror's plan is realistic and does more than merely restate the elements required by FAR clause 52.219-9. Question aspects of the plan that do not appear to be realistic or do not demonstrate a serious attempt to address requirements.

Commercial plans

(i) Obtain from the contractor copies of any commercial plan for the company's current fiscal year and approval document from another GSA contracting activity or another Federal agency. Incorporate these documents into the contract.

(j) If GSA is the first agency to enter into a contract with a company during the company's fiscal year, the contracting officer must approve the commercial plan on behalf of the Federal Government, acknowledge receipt of the Summary Subcontract Report (SSR), accept or reject the SSR in eSRS, and evaluate compliance with the approved commercial plan. If contract administration is delegated, the Administrative Contracting Officer (ACO) generally is assigned responsibility for accepting or rejecting the SSR and evaluating compliance with the approved commercial plan. Subsequent GSA contracts awarded during the company's same fiscal year and

incorporating the previously approved commercial plan will only require the submission of the Summary Subcontract Report submitted at the end of the Government’s fiscal year.

(k) If the commercial plan was approved by another agency, the first GSA contracting officer entering into a contract with the company during the company’s same fiscal year in which the plan was approved, requires the contractor to submit the SSR report and monitors receipt of the report. GSA requires no other monitoring or evaluation of this plan.

519.705-5 Awards involving subcontracting plans.

(a) For each contract that requires a subcontracting plan, both the SBTA and SBA PCR review the apparent successful offeror’s subcontracting plan. When the contracting officer makes multiple awards under a solicitation, submit the subcontracting plans of all apparent successful offerors.

(1) Except as noted in (b) below, provide the SBTA a copy of the plan at least 5 workdays before the anticipated award date.

(2) Consider any recommendations the SBTA or SBA PCR provides about whether to accept or reject a subcontracting plan. In the case of an unresolved disagreement, notify the AAOSBU and consider any subsequent advice the AAOSBU provides.

(b) For contracts that meet either of the conditions listed below, the AAOSBU (through your designated SBTA or Regional SBUC) will review the SBTA’s and SBA PCR’s recommendations. Provide the SBTA a copy of the plan at least 10 days before the anticipated award date. The SBTA and SBA PCR have 5 workdays to review and comment on the plan and the AAOSBU (through your designated SBTA or Regional SBUC) has 5 workdays to review their recommendations. All reviews must be completed in 10 workdays unless the contracting officer grants an extension.

(1) Contract performance will occur in two or more Regions and the estimated value of the acquisition exceeds \$500 million (including options), excluding multiple award schedule contracts.

(2) Based on political sensitivity or importance to GSA, the AAOSBU designates the procurement for review.

(c) *Notification letter for individual subcontracting plans.* After approval of an individual subcontracting plan, using the format below, send a notification letter to the contractor confirming the plan effective dates and when a new or updated plan will be required. Also informs the contractor of the reporting requirements and due dates for submitting their Individual Subcontract Report (ISR) and Summary Subcontract Report (SSR) through the Electronic Subcontracting Reporting System (eSRS). Send the letter with the award package or as soon as practicable after award.

Name
Address
City, State, Zip Code

Re: Approved Subcontracting Plan and Required Reports for Contract

No. _____:

Dear _____:

Your individual subcontracting plan submitted for the subject contract has been approved for the base period [insert MM/DD/YY through MM/DD/YY] with goals that are subject to revision for each remaining option period (if any).

You must submit subcontracting reports through the Electronic Subcontracting Reporting System (www.esrs.gov) using the Individual Summary Report (semi-annually) and the Summary Subcontract Report (annually).

Use the Individual Summary Report (ISR) to report cumulative subcontracting activity under this contract. Submit the report semiannually by April 30 for the reporting period October 1-March 31 and by October 30 for the reporting period April 1-September 30. A separate report is required at contract completion. If requested by the Contracting Officer, you must furnish the name and size status of your subcontractor(s), and the dollar amount of the subcontract(s).

Use the Summary Subcontract Report (SSR) to report total subcontracting activity under all of your GSA contracts. Submit the report annually for the period October 1-September 30 (the Government fiscal year). The report is due on or before October 30th of each year. A new reporting cycle begins October 1st of each year. Include the Contracting Officer (CO), Administrative Contracting Officer (ACO), and the Small Business Administration (SBA) Commercial Market Representative (CMR) in the email distribution when submitting the ISR and SSR via eSRS.

[Insert address of contracting office administering the contract], with a copy to: [insert address of SBTA in Region or Central Office service where contract was awarded].

(d) *Notification letter for commercial plans.* After approval of a commercial plan, send a notification letter to the contractor informing them of requirements and due dates for submitting the SSR via eSRS and confirm the subcontracting plan effective dates and when a new or updated plan will be required. Send the letter with the award package or as soon as practicable after award.

Name
Address
City, State, Zip Code

Re: Approved Subcontracting Plan and Required Reports for Contract

No. _____:

Dear _____:

Your commercial plan, submitted in connection with the subject contract has been approved for the period of [insert MM/DD/YY through MM/DD/YY], by [insert name, address, and telephone number of approving official]. You must submit your Summary Subcontract Report (SSR) via eSRS. The SSR is an annual report due on or before October 30th of each year. The reporting period is October 1-September 30, *i.e.*, the Government fiscal year. The report should summarize subcontracting activity under all contracts awarded during the current fiscal year that are covered by this commercial plan.

If at any time during contract performance you are unable to identify capable small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small and service-disabled veteran-owned small business concerns, please contact the Office of Small Business Utilization by telephone at (202) 501-1021.

In addition, please include the SBA Commercial Market Representative (CMR) in the email distribution on the SSR in eSRS, [insert email address of contracting office administering the contract].

Sincerely,
Contracting Officer.

519.705-6 Postaward responsibilities of the contracting officer.

In addition to responsibilities described in FAR 19.705-6, the contracting officer must give the SBTA and the Office of Small Business Utilization (E) a copy of the notice of award and the successful offeror's subcontracting plan within five work days of contract award or contract modification when applicable. The notice of award must contain all the following:

- (a) Contractor's name, address, and phone number.
- (b) Subcontracting plan administrator's name, address, and phone number.
- (c) Contract number.
- (d) Place of performance.
- (e) Dollar amount of contract award.
- (f) Period of contract performance.
- (g) Description of items/services (including FPDS Product/Service Code).
- (h) Contracting Officer's name, address, and phone number.
- (i) Administrative contracting office address and phone number.
- (j) Type of plan and dates that plan will cover.
- (k) Approved goals stated both as percentages of total subcontracting planned and in dollars.
- (l) A notation, "Awarded under the Energy Policy Act of 1992", if the contract will be used to measure GSA achievements under Section 3021 of the Energy Policy Act of 1992.

519.705-7 Liquidated damages.

(a) *Initial assessment.* Provide your SBTA an information copy of your initial assessment that the contractor did not make a good faith effort to comply with the plan.

(b) *Final decision.* Before making a final decision, consider all pertinent available information including the contractor's response, if any, to your notification letter required by FAR 19.705-7 that the contractor did not comply with the plan. Document your decision in a "final decision", which is appealable by the contractor under the "Disputes" clause of the contract. Provide your SBTA a copy of your final decision assessing liquidated damages. In addition to the FAR provisions, include in the final decision letter:

- (1) A description of the contractor's failure.
- (2) Reference to the appropriate contract terms.
- (3) A statement of the factual areas of agreement and disagreement.
- (4) A statement of your decision with supporting rationale.
- (5) A demand for liquidated damages.
- (6) An explanation of the contractor's appeal rights.

(c) *Funds withheld from payments.* If funds to collect liquidated damages are withheld from payments due, the funds may be returned to the applicable GSA account along with other funds that were obligated but not expended. If a commercial plan is involved, or if all payments have been made under a contract with an individual contract plan, instruct the contractor to submit a check to GSA. The GSA Office of Finance will transfer the funds to the Treasury Department for deposit in the general receipts account.

(d) Copy to the SBTA your final decision assessing liquidated damages.

519.706 Responsibilities of the cognizant administrative contracting officer.

(a) If an ACO administer's a contract with an individual subcontracting plan, the ACO must also monitor receipt of and accept or reject the ISRs in eSRS.

(b) On all contracts with a subcontracting plan (individual or commercial), the ACO must monitor receipt of the SSRs. ACO must monitor receipt of the SSR in eSRS and the, Contracting Officers will review the reports to ensure they are submitted timely and accurately.

(c) Review reports for progress in meeting subcontracting goals by comparing the applicable report with the approved plan. If percentage goals are not met, require the contractor to explain the shortfall in the "Remarks" block of the subcontracting report. The ACO may also require the contractor to submit evidence of its outreach efforts to locate and provide subcontracting opportunities to small business, HUBZone small business, small disadvantaged business, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns.

(d) If the ISR or SSR has not been received by the due date, contact the contractor and request that the report be submitted immediately. For contracts with individual subcontracting plans, pay particular attention to the final ISR required at con-

tract completion. Issue to contractors who do not respond to the first notice a second notice by certified mail indicating:

- (1) The named report has not been received.
- (2) The contractor's failure to submit the report is a material breach of its contract (see FAR 52.219-9, Small Business Subcontracting Plan).
- (3) If the report is not received within 10 days from the date of the notice, the ACO will consider withholding payments until the report is received or terminating the contract for default. To ensure that the facts support a termination for default, the notice should provide the contractor with the opportunity to show cause why the contract should not be terminated for default.

Note: These statements do not apply to leases of real property unless the terms of the lease expressly provide for withholding of payment or termination under this circumstance.

(4) Failure to submit the report may affect the contractor's ability to receive future awards from GSA (see FAR 9.104-3(b) and willful failure to perform or a history of failure to perform may result in debarment from future contracting with the Government for a period of time (see FAR 9.406-2(b)).

(5) That the ISR and SSR shall be submitted through eSRS.

519.708 Contract clauses.

519.708-70 Solicitation provisions.

Insert the following provisions as directed:

- (a) [552.219-71](#), Notice to Offerors of Subcontracting Plan Requirements, on the cover page of solicitations containing the clause at FAR 52.219-9, Small Business Subcontracting Plan.
- (b) [552.219-72](#), Preparation, Submission, and Negotiation of Subcontracting Plans, in solicitations requiring submission of the subcontracting plan with initial offers.
- (c) [552.219-73](#), Goals for Subcontracting Plan as follows:
 - (1) Use the basic provision in sealed bid solicitations containing FAR 52.219-9 if you are able to establish realistic target goals.
 - (2) Use Alternate I in:
 - (i) Sealed bid solicitations if you cannot establish target goals.
 - (ii) Negotiated solicitations that include FAR 52.219-9, but do not include [552.219-72](#).

Subpart 519.8—Contracting With the Small Business Administration (The 8(a) Program)

519.803 Selecting acquisitions for the 8(a) program.

519.803-70 Contracting officer evaluation of recommendations for 8(a) set-aside(s).

(a) If you disagree with a recommendation by the Associate Administrator for the Office of Small Business Utilization or the SBTA to set aside a procurement for award under the 8(a) program, discuss the matter with the official who made the recommendation.

(b) If you decide not to award the contract under the 8(a) program, forward a copy of the documentation required by FAR 19.202-1(e)(4) to the Office of Small Business Utilization (E) within 10 working days.

(c) Once a contracting activity acquires a product or service successfully on the basis of an 8(a) set-aside, the activity must acquire all future requirements for that product or service using 8(a) set-aside procedures. However, the availability of Federal Prison Industries, Inc. and Nonprofit Agencies Employing People Who Are Blind or Severely Disabled (JWOD) mandatory sources which may not have existed at the time of the original requirement are sufficient reason to discontinue setting aside a continuing requirement. If you determine that acquiring the product or service as an 8(a) set-aside is no longer in the Government's best interest, use the procedures in FAR 19.506 to withdraw a repetitive set-aside.

519.803-71 Withdrawing or modifying 8(a) set-asides.

If you and the SBTA disagree over the withdrawal or modification of a set-aside, the SBTA must notify the Associate Administrator for Office of Small Business Utilization at the same time the matter is referred to the SBA PCR.

519.870 Direct 8(a) contracting.

519.870-1 Authority and applicability.

(a) Under a May 6, 1998, Memorandum of Understanding (MOU) which was subsequently renamed Partnership Agreement and signed March 4, 2004, (formerly referred to as the Direct 8(a) MOU), SBA delegated to GSA its authority under Section 8(a)(1)(a) of the Small Business Act to enter into prime contracts and Section 8(a)(1)(B) to subcontract the performance of the contracts to eligible 8(a) participants. To implement the MOU, GSA obtained a class deviation to the Federal Acquisition Regulation (FAR) permitting direct 8(a) contracting. The current GSA Partnership Agreement is located on the SBA website at http://archive.sba.gov/idc/groups/public/documents/sba_program_office/8abd_gen_serv_admin_2012.pdf. The GSA Partnership Agreement includes the current terms and conditions.

(b) The delegation streamlines the acquisition process for requirements not exceeding the simplified acquisition threshold (SAT) by eliminating offering letters and acceptance letters. For acquisitions over the SAT, this delegation expedites the contracting process by shortening the period of SBA's acceptance of the requirement for the 8(a) program from 15 working days to 5 working days, and eliminating the requirement for multiple copies of the award document, SBA's signature, and the tripartite agreement.

(c) This authority applies to all 8(a) acquisitions conducted by GSA. It does not apply to the multiple award schedule program.

519.870-8 Contract clauses.

(a) Insert the following clauses in solicitations, contracts, and orders issued under the MOU:

(1) Insert the clause at [552.219-74](#), Section 8(a) Direct Award.

(2) Insert the clause at FAR 52.219-14, Limitation on Subcontracting.

(3) Insert the clause at FAR 52.219-18, Notification of Competition Limited to Eligible 8(a) Concerns. Substitute the paragraph below for paragraph (c) of the clause. Add the word "Deviation" at the end of the clause title.

"(c) Any award resulting from this solicitation will be made directly by the Contracting Officer to the successful 8(a) offeror selected through the evaluation criteria set forth in this solicitation."

(b) Do not use the clauses at FAR 52.219-11, Special 8(a) Contract Conditions, FAR 52.219-12, Special 8(a) Subcontract Conditions, or FAR 52.219-17, Section 8(a) Award.

Subpart 519.10—[Reserved]

Subpart 519.11—[Reserved]

Subpart 519.12—Small Disadvantaged Business Participation Program

519.1201 General.

A solicitation may separately contain source selection evaluation factors or subfactors for small and women-owned small business concerns. However, any factor or subfactor for SDB concerns must comply with FAR 19.12 and this subpart.

519.1202 Evaluation factor or subfactor.

519.1202-2 Applicability

In addition to the exceptions in FAR 19.1202-2, do not evaluate the extent of participation of SDB concerns in performance of multiple award schedule contracts when all fair and reasonable offers from responsible sources are accepted.

519.1202-4 Procedures.

An offeror may receive credit under the evaluation factor only for proposed SDB participation by a prime contractor, joint venture partner, teaming arrangement member, or subcontractor in the authorized North American Industry Classification System (NAICS) Industry Subsectors.

519.1203 Incentive subcontracting with small disadvantaged business concerns.

(a) To include monetary incentives in a contract under FAR 19.1203, you must have funds available for the incentives and obligate these at the time of contract award.

(b) Do not provide for monetary incentives under FAR 19.1203 in a contract that includes an award fee.

Subpart 519.13—[Reserved]

Subpart 519.14—[Reserved]

Subpart 519.70—GSA Mentor-Protégé Program

519.7001 Scope of subpart.

The GSA Mentor-Protégé Program is designed to encourage and motivate GSA prime contractors to assist small businesses concerns, small disadvantaged businesses concerns, women-owned small businesses concerns, veteran-owned small business concerns, service-disabled veteran-owned small businesses concerns, and HUBZone small businesses concerns, and enhance their capability of performing successfully on GSA contracts and subcontracts, foster the establishment of long-term business relationships between these small business entities and GSA prime contractors, and increase the overall number of small business entities that receive GSA contract and subcontract awards.

519.7002 Definitions.

The definitions of small business concern, small disadvantaged business concern, HUBZone small business concern, women-owned small business concern, veteran-owned small business concern, and service-disabled veteran-owned small business concern are the same as found in FAR 2.101. Also see 13 CFR 121, 124, 125 and 126.

(a) “Mentor” as used in the GSA Mentor-Protégé Program, is a prime contractor that elects, on a specific GSA contract, to promote and develop small business subcontractors by providing developmental assistance designed to enhance the business success of the protégé.

(b) “Mentor-Protégé Program Manager” means an employee in the Office of Small Business Utilization (OSBU) (E) designated by the Associate Administrator of OSBU to manage the Mentor-Protégé Program.

(c) “Protégé” as used in the GSA Mentor-Protégé Program is a small business concern that is the recipient of developmental assistance pursuant to a mentor-protégé arrangement on a specific GSA contract.

519.7003 General Policy.

(a) A large business prime contractor that meets the requirements at section [519.7006](#), and is approved as a mentor firm by the Mentor-Protégé Program Manager, may enter into an Agreement with a small business concern, small disadvantaged business concern, women-owned small business concern, veteran-owned small business concern, service-disabled veteran-owned small business concern or HUBZone small business concern that meets the requirements for being a protégé (see [519.7007](#)) in order to provide appropriate developmental assistance to enhance the capabilities of the protégé to perform successfully as a subcontractor and supplier.

(b) A small business prime contractor that is capable of providing developmental assistance to protégés, may also be approved as a mentor.

(c) An active mentor-protégé arrangement requires the protégé to either be a current or newly selected subcontractor under the mentor’s prime contract with GSA.

(d) A small business concern’s status as a protégé under a GSA contract shall not have an effect on its ability to seek other prime contracts or subcontracts.

(e) Potential Mentors may submit an application for admittance to the Mentor-Protégé Program at any time as long as the requirements at section [519.7006](#) are met.

(f) The determination of affiliation is a function of the SBA.

519.7004 Incentives for prime contractors.

(a) Under the Small Business Act, 15 U.S.C. 637(d)(4)(E), the GSA is authorized to provide appropriate incentives to prime contractors in order to encourage subcontracting opportunities for small business concerns consistent with the efficient and economical performance of the contract. This authority is limited to negotiated procurements, including the GSA Multiple Award Schedule contracts and the GSA Governmentwide Acquisition Contracts. It does not include orders under any GSA contracts.

(b) Costs incurred by a mentor to provide developmental assistance, as described in section [519.7012](#) to fulfill the terms of their agreement(s) with a protégé firm(s), are not reimbursable as a direct cost under a GSA contract. If GSA is the mentor’s responsible audit agency under FAR 42.703-1, GSA will consider these costs in determining indirect cost rates. If GSA is not the responsible audit agency, mentors are encouraged to enter into an advance agreement with their responsible audit agency on the treatment of such costs when determining indirect cost rates.

(c) In addition to paragraph (b) of this section, contracting officers may give mentors evaluation credit during the source selection process for subcontracts awarded under their subcontracting plans pursuant to their Mentor-Protégé Agreements. (See FAR 15.101-1). Therefore:

(1) Contracting officers may evaluate proposals with subcontracting plans containing Mentor-Protégé Agreements more favorably than proposals with subcontracting plans that do not include Mentor-Protégé Agreements; and

(2) Contracting officers may assess the prime contractor's compliance with the subcontracting plans submitted in previous contracts as a factor in evaluating past performance under certain circumstances (see FAR 15.304(c)(3) and 15.305(a)(2)(v)) and determining contractor responsibility FAR section 19.705-5(a)(1).

(d) *OSBU Mentoring Award*. A non-monetary award may be presented annually to the mentoring firm providing the most effective developmental support of a protégé. The Mentor-Protégé Program Manager will recommend an award winner to the Administrator of GSA.

(e) *OSBU Mentor-Protégé Annual Conference*. At the conclusion of each year in the Mentor-Protégé Program, mentor firms will be invited to brief contracting officers, program leaders, office directors, and other guests on their experience and progress under the Program. Participation is voluntary.

519.7005 Measurement of program success.

The overall success of the GSA Mentor-Protégé Program encompassing all participating mentors and protégés will be measured by the extent to which it results in:

(a) An increase in the number, dollar value, and percentage of subcontracts awarded to protégés by mentor firms under GSA contracts since the date of entry into the Program. The baseline that demonstrates an increase is determined by comparing the number and total dollar amount of subcontract awards made to the identified protégé firm(s) during the two preceding fiscal years (if any) that are listed in application;

(b) An increase in the number and dollar value of contract and subcontract awards (including percentage of subcontract awards) to protégé firms since the date of the protégé's entry into the Program (under GSA contracts and contracts awarded by other Federal agencies);

(c) An increase in the number and dollar value of subcontracts awarded to a protégé firm by its mentor firm; and

(d) An increase in subcontracting with protégé firms in industry categories where they have not traditionally participated within the mentor firm's activity (i.e., the protégé is expanding its field of expertise or is increasing its opportunities in areas where it has not traditionally performed).

(e) Assessments of the semi-annual reports submitted by the mentors and "Lessons Learned" evaluation submitted by the mentors and protégés to the GSA Mentor-Protégé Program Manager.

519.7006 Mentor firms.

(a) Mentors must be:

(1) A large business prime contractor that is currently performing under an approved subcontracting plan as required by FAR 19.7 - Small business mentors are exempted; or

(2) A small business prime contractor that can provide developmental assistance to enhance the capabilities of protégés to perform as contractors, subcontractors, and suppliers;

(b) Must be eligible (not listed in the "Excluded Parties List System") for U.S. Government contracts and not excluded from the Mentor-Protégé Program under section [519.7014\(b\)](#);

(c) Must be able to provide developmental assistance that will enhance the ability of protégés to perform as contractors and subcontractors; and

(d) Must provide semi-annual reports detailing the assistance provided and the cost incurred in supporting protégés.

519.7007 Protégé firms.

(a) For selection as a protégé, a firm must be:

(1) A small business concern, small disadvantaged business concern, veteran-owned small business concern, service-disabled veteran-owned small business concern, HUB-Zone small business concern, or women-owned small business concern;

(2) Small for the NAICS code the prime contractor/mentor assigns to the subcontract; and

(3) Eligible (not listed in the "Excluded Parties List System") for U.S. Government contracts and not excluded from the Mentor-Protégé Program under section [519.7014\(b\)](#).

(b) A protégé firm may self-represent to a mentor firm that it meets the requirements set forth in paragraph (a) of this section. Mentors may check the Central Contractor Registration (CCR) at www.ccr.gov to verify that the self-representation of the potential protégé meets the specified small business and socioeconomic category eligibility requirements (see FAR 19.703(b) and (d)). HUBZone and small disadvantaged business status eligibility and documentation requirements are determined according to 13 CFR Parts 124 and 126.

(c) A protégé firm must not have another formal, active mentor-protégé relationship under GSA's Mentor-Protégé Program but may have an active mentor-protégé relationship under another agency's program.

519.7008 Selection of protégé firms.

(a) Mentor firms will be solely responsible for selecting protégé firms. Mentors are encouraged to select from a broad base of small business concerns including small disadvantaged business concerns, women-owned small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, and HUBZone small business concerns. A protégé must be either a current subcontractor or a newly selected subcontractor for the prime contractor's GSA contract.

(b) Mentor firms may have more than one protégé. GSA reserves the right to limit the number of protégés participating under each mentor firm.

(c) The selection of protégé firms by mentor firms is not protestable, except for a protest regarding the size or eligibility status of an entity selected by a mentor to be a protégé. Such protests shall be handled in accordance with FAR 19.703(b). The contracting officer shall notify the Office of Small Business Utilization (OSBU) of the protest.

519.7009 Application process.

(a) Prime contractors interested in becoming a mentor firm must apply in writing by submitting the GSA Form 3695 to the GSA Mentor-Protégé Program Manager, at GSA Office of Small Business Utilization (E), Washington, DC 20405. The Application shall include the Mentor-Protégé Agreement and will be evaluated for approval based on the extent to which the company plans to provide developmental assistance.

(b) The application must contain:

(1) A statement that the mentor firm is currently performing under at least one active approved subcontracting plan (small business exempted) and the firm is eligible, as of the date of Application, for the award of Federal contracts;

(2) The number of proposed protégé arrangements;

(3) Data on all current GSA contracts, and subcontracts including the contract/subcontract number(s), type of contract(s), period of performance (including options), contract/subcontract value(s) including options, technical program effort(s) (program title), name of GSA Project Manager or Contracting Officer's Representative (including contact information), name of contracting officer(s) and contact information, and awarding GSA installation;

(4) Data on total number and dollar value of subcontracts awarded under GSA prime contracts within the past 2 years and the number and dollar value of such subcontracts awarded to entities who are proposed protégés;

(5) Information on the proposed types of developmental assistance. For each proposed mentor-protégé relationship include information on the company's ability to provide developmental assistance to the identified protégé firm and how that assistance will potentially increase subcontracting opportunities for the protégé firm, including subcontracting opportunities in industry categories where these entities are not dominant in the company's current subcontractor base; and

(6) Agreement information as listed in [519.7010](#).

519.7010 Agreement contents.

The contents of the Agreement must contain:

(a) Names, addresses (including facsimile, e-mail, and homepage) and telephone numbers of mentor and protégé firms and the name, telephone number, and position title within both firms of the person who will oversee the Agreement.

(b) An eligibility statement from the protégé stating that it is a small business, its primary NAICS code, and when applicable the type of small business (small disadvantaged business concern, HUBZone small business concern, women-owned small business concern, veteran-owned small business concern, or service-disabled veteran-owned small business concern).

(c) A description of the type of developmental assistance that will be provided by the mentor firm to the protégé firm (see [519.7012](#)).

(d) Milestones for providing the identified developmental assistance.

(e) Factors to assess the protégé firm's developmental progress under the Program.

(f) The anticipated dollar value and type of subcontracts that may be awarded to the protégé firm consistent with the extent and nature of mentor firm's business, and the period of time over which they may be awarded.

(g) Program participation term: State the period of time over which the developmental assistance will be performed.

(h) *Mentor termination procedures*: Describe the procedures applicable to the mentor firm when notifying the Protégé firm, in writing and at least 30 days in advance, of the mentor firm's intent to voluntarily withdraw its participation in the Program, or to terminate the Agreement.

(i) *Protégé termination procedures*: Describe the procedures applicable to the protégé firm when notifying the mentor firm, in writing at least 30 days in advance, of the protégé firm's intent to terminate the Mentor-Protégé Agreement.

(j) Plan for accomplishing contract work should the Mentor-Protégé Agreement be terminated or a party excluded under [519.7014\(b\)](#). The mentor's prime contract with GSA continues even if the Mentor-Protégé Agreement or the Mentor-Protégé Program is discontinued.

(k) The protégé must agree to provide input into the mentor firm's semi-annual reports (see [519.7015](#)). The protégé must submit a "Lessons Learned" evaluation along with the mentor firm at the conclusion of the Mentor-Protégé agreement.

(1) Other terms and conditions as specified by the Mentor-Protégé Manager on a case-by-case basis.

519.7011 Application review.

(a) The Mentor-Protégé Program Manager will review the information specified in section [519.7009\(b\)](#) and [519.7010](#) to establish the Mentor's and Protégé's eligibility and to ensure all necessary information is included. If the application relates to a specific contract, then the Mentor-Protégé Program Manager will consult with the applicable contracting officer regarding the adequacy of the proposed Agreement, as appropriate. The Mentor-Protégé Program Manager will complete its review no later than 30 days after receipt of the application. The contracting officer must provide feedback to the Program Manager no later than 10 days after receipt of the application.

(b) After the Mentor-Protégé Program Manager completes its review and provides written approval, the Mentor may execute the Agreement and implement the developmental assistance as provided under the Agreement. The Mentor-Protégé Program Manager will provide a copy of the Mentor-Protégé Agreement to the GSA contracting officer for any GSA contracts affected by the Agreement.

(c) The Agreement defines the relationship between the Mentor and the Protégé firms only. The Agreement itself does not create any privity of contract or contractual relationship between the Mentor and GSA nor the Protégé and GSA.

(d) If the Agreement is disapproved, the Mentor may provide additional information for reconsideration. The Mentor-Protégé Program Manager will complete the review of any supplemental information no later than 30 days after its receipt. Upon finding deficiencies that GSA considers correctable, the Mentor-Protégé Program Manager will notify the Mentor and Protégé and request correction of the deficiencies to be provided within 15 days.

519.7012 Developmental assistance.

The forms of developmental assistance a mentor can provide to a protégé include:

(a) Management guidance relating to—

- (1) Financial management;
- (2) Organizational management;
- (3) Overall business management/planning; and
- (4) Business development.

(b) Engineering and other technical assistance.

(c) Loans.

(d) Rent-free use of facilities and/or equipment.

(e) Temporary assignment of personnel to the protégé for purpose of training.

(f) Any other types of developmental assistance approved by the GSA Mentor-Protégé Program Manager.

519.7013 Obligation.

(a) The mentor or protégé may terminate the Agreement in accordance with [519.7010](#). The mentor will notify the Mentor-Protégé Program Manager and the contracting officer, in writing, at least 30 days in advance of the mentor firm's intent to voluntarily withdraw from the Program or to terminate the Agreement, or upon receipt of a protégé's notice to withdraw from the Program.

(b) Mentor and protégé firms will submit a "Lessons Learned" evaluation to the GSA Mentor-Protégé Program Manager at the conclusion or termination of each Mentor-Protégé Agreement or withdrawal from the Mentor-Protégé program.

519.7014 Internal controls.

(a) The GSA Mentor-Protégé Program Manager will manage the Program. Internal controls will be established by the Mentor-Protégé Program Manager to achieve the stated Program objectives (by serving as checks and balances against undesired actions or consequences) such as:

(1) Reviewing and evaluating mentor Applications for realism, validity and accuracy of provided information;

(2) Monitoring each Mentor-Protégé Agreement by reviewing semi-annual progress reports submitted by mentors and protégés on protégé development to measure protégé progress against the master plan contained in the approved Agreement;

(3) Monitoring milestones in the Agreement (see [519.7010](#)); and

(4) Evaluating "Lessons Learned" submitted by the Mentor and the Protégé as required by section [519.7013](#) to improve the GSA Mentor-Protégé Program.

(b) (1) GSA has the authority to exclude mentor or protégé firms from participating in the GSA Program.

(2) GSA may rescind approval of an existing Mentor-Protégé Agreement if it determines that such action is in GSA's best interest. The rescission shall be in writing and sent to the Mentor and protégé after approval by the Director of OSBU. Rescission of an Agreement does not change the terms of any subcontract between the Mentor and the Protégé.

(3) Exclusion from the Program does not constitute a termination of the subcontract between the mentor and the protégé.

519.7015 Reports.

(a) Semi-annual reports shall be submitted by the mentor to the GSA Mentor-Protégé Program manager to include information as outlined in section [552.219-76\(c\)](#).

(b) Protégés must agree to provide input into the mentor firm's semi-annual reports detailing the assistance provided and goals achieved since agreement inception. However, for cost reimbursable contracts, costs associated with the preparation of these reports are unallowable costs under these Government contracts and will not be reimbursed by the Government.

(c) The GSA contracting officer, or if applicable the technical program manager, shall include an assessment of the prime contractor's (mentor's) performance in the Mentor-Pro

tégé Program in a quarterly "Strengths and Weaknesses" evaluation report. A copy of this assessment will be provided to the Mentor-Protégé Program Manager and to the mentor and protégé.

519.7016 Program review.

At the conclusion of each year in the Mentor-Protégé Program (anniversary date of the Mentor-Protégé Program), the prime contractor and protégé, as appropriate, will formally brief the GSA Mentor-Protégé Program Manager, the technical program manager, and the contracting officer regarding Mentor-Protégé Program accomplishments pertaining to the approved Agreement.

519.7017 Contract clauses.

(a) The contracting officer shall insert the clause at [552.219-75](#), GSA Mentor-Protégé Program, in all unrestricted solicitations (not set aside) and contracts that exceed the simplified acquisition threshold that offer subcontracting opportunities or in the case of a small business, that can offer developmental assistance to a small business protégé.

(b) The contracting officer shall insert the clause at [552.219-76](#), Mentor Requirements and Evaluation, in contracts anticipated to exceed the simplified acquisition threshold where the prime contractor has signed a Mentor-Protégé Agreement with GSA.

Appendix 519A—Small Business Subcontracting Plan Outline (Model)

Appendix 519A—Small Business Subcontracting Plan Outline (Model)

Small Business Subcontracting Plan Outline (COVER PAGE)

Notice to Offerors: GSA provides this model plan as a tool. You must adapt this model plan to fit your subcontracting situation. The plan is NOT a fill-in-the-blank form and you must remove instructional language. This model does not establish minimum requirements for an acceptable plan. The model reflects objectives GSA encourages contractors to adopt. GSA expects offerors to thoroughly review the requirements set forth in FAR 19.704, Subcontracting Plan Requirements and FAR clause 52.219-9, Small Business Subcontracting Plan before submitting their subcontracting plans.

Definitions of Types of Plans:

COMMERCIAL PLAN: *Covers the offeror's fiscal year and applies to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line.)* Note that this type of plan shall relate to the offeror's planned subcontracting generally, for both commercial and government business, rather than solely to the government contract. Per FAR 19.704(d) and clause 52.219-9(g), this is the preferred type of plan for contractors furnishing commercial items. Once a contractor's commercial plan has been approved, the Government shall not require another subcontracting plan from the same contractor while the plan remains in effect, as long as the product or service being provided by the contractor continues to meet the definition of a commercial item. The contractor shall—

- (1) Submit the commercial plan to either the first contracting officer awarding a contract subject to the plan during the contractor's fiscal year, or, if the contractor has ongoing contracts with commercial plans, to the contracting officer responsible for the contract with the latest completion date. The contracting officer shall negotiate the commercial plan for the Government. The approved commercial plan shall remain in effect during the contractor's fiscal year for all Government contracts in effect during that period;
- (2) Submit a new commercial plan, 30 working days before the end of the Contractor's fiscal year, to the contracting officer responsible for the uncompleted Government contract with the latest completion date. The contractor must provide to each contracting officer responsible for an ongoing contract subject to the plan, the identity of the contracting officer that will be negotiating the new plan;
- (3) When the new commercial plan is approved, provide a copy of the approved plan to each contracting officer responsible for an ongoing contract that is subject to the plan; and
- (4) Comply with the reporting requirements stated in paragraph (a)(10) of this section by submitting one SSR in eSRS, for all contracts covered by its commercial plan. This report will be acknowledged or rejected in eSRS by the contracting officer who approved the plan. The report

shall be submitted within 30 days after the end of the Government's fiscal year.

INDIVIDUAL CONTRACT PLAN: *Covers the entire contract period, applies to a specific contract, and has goals that are based on the offeror's planned subcontracting (and purchasing) 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.* For contracts with option periods, the plan will include separate goals and estimated value (or sales) for the base period with separate goals and estimated value for each option period. Per FAR 52.219-9(c) this type of plan must separately address subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business concerns, small disadvantaged business (including ANCs and Indian Tribes), and women-owned small business concerns, with a separate part for the basic contract and separate parts for each option (if any). The plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the offeror ineligible for award of a contract. The Contractor shall submit the Individual Subcontract Report (ISR), and the Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System (eSRS) (<http://www.esrs.gov>), following the instructions in the eSRS and in accordance with FAR clause 52.219-9.

MASTER PLAN: *Contains all the required elements of an individual contract plan, except goals, and may be incorporated into individual contract plans, provided the master plan has been approved.* A master plan on a plant or division-wide basis that contains all the elements, except goals, may be incorporated by reference as a part of the subcontracting plan required of the offeror by the clause 52.219-9; provided (1) The master plan has been approved; (2) The offeror ensures that the master plan is updated as necessary and provides copies of the approved master plan, including evidence of its approval, to the Contracting Officer; and (3) Goals and any deviations from the master plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan. A contract may have no more than one plan. When a modification meets the criteria in FAR 19.702 for a plan, or an option is exercised, the goals associated with the modification or option shall be added to those in the existing subcontracting plan. The failure of the Contractor or subcontractor to comply in good faith with the clause at FAR 52.219-8 or an approved plan required by FAR 52.219-9 shall be a material breach of the contract. The Contractor shall sub-

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mit the Individual Subcontract Report (ISR), and the Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System (eSRS) (<http://www.esrs.gov>), following the instructions in the eSRS and in accordance with FAR clause 52.219-9.

GSA SUBCONTRACTING GOALS (How to do the math tips)

Subcontracting goals are subject to change, based on recent achievement levels and as negotiated with the Small Business Administration (SBA). SBA is responsible for the Federal Government Goaling Program and their website at www.sba.gov includes details and background on the goaling process.

• Total estimated subcontracting dollars (or spend) planned to all types of business concerns must be provided, then *separately* state the dollars that will be subcontracted to each cat-

egory. All percents for each category will be expressed as a percentage of the total subcontracting dollars to all concerns (both large and small)*.

• The Small business dollar amount must include all sub-group category amounts; *i.e.*, HUBZone, SDB, WOSB, VOSB, SDVOSB (plus any “other small” businesses that do not fall within one of these specified subgroups). Again note that Alaskan Native Corporations (ANCs) and Indian tribes will be included in the SDB and total small amounts.

* Only the large plus all small should equal the total in both dollars and percents. Do **not** add together subgroups to reach the total Small figure, as the same dollars can be double and triple counted for each group as applicable to the company receiving the order.

	Sample Dollars	GSA Goal (FY 2010-11)
Total dollars to be subcontracted (to both Large and Small Business)	\$1,000,000	100%
To Large Businesses	\$700,000	*70%
To all Small Businesses (includes HUBZone Small, Small Disadvantaged, Women-Owned Small, Veteran-Owned Small, Service-Disabled Veteran-Owned Small, and Other Small Business Concerns)	\$300,000	*30%
To HUBZone Small Businesses	\$30,000	3%
To Small Disadvantaged Businesses	\$50,000	5%
To Women-Owned Small Businesses	\$50,000	5%
To Veteran-Owned Small Businesses (includes SDVOSB below in this total)	\$30,000	3%
To Service-Disabled Veteran-Owned Small Businesses	\$30,000	3%

NOTE: The total \$300,000 to all Small businesses already includes each *subgroup* (HUBZone, SDB, ANCs, WOSB, VOSB, and SDVOSB), plus *other small* businesses that are only small and do not fall into a specified category.

**PLEASE REMOVE THE COVER PAGES BEFORE
SUBMITTING THE SUBCONTRACTING PLAN
TO GSA**

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Appendix 519A—Small Business Subcontracting Plan Outline (Model)

[INSERT COMPANY NAME]

SMALL BUSINESS SUBCONTRACTING PLAN OUTLINE (MODEL)

I. IDENTIFICATION DATA:

Address: _____

Date

Prepared: _____

Description of Supplies/Services: _____

Solicitation Number: (Completed for Individual Plans; N/A for commercial plans) _____

Contract Number: (Completed for Individual Plans during option period; N/A for commercial plans) _____

If submitting an Individual Contract Plan, insert dates below for the contract duration, if known (or insert N/A if the contract does not include specified option period).

Individual Plan Period: Base: (Date of Award thru ?? years) Option 1: (1 year, 5 years, etc.) Option 2: (1 year, 5 years, etc.) Option 3: (1 year, 5 years, etc.) Option 4: (1 year, 5 years, etc.)

Estimated Contract Value (Provide separate estimate for base contract period and each option)

Base Period: \$ _____ Option Period 1: \$ _____

Option Period 2: \$ _____ Option Period 3: \$ _____

Option Period 4: \$ _____ (if applicable/Not used for MAS)

Place of Performance: _____

DUNS Number: (under the contract awarded or pending award) _____

If submitting a Commercial Plan, insert dates below:

Commercial Plan Period: (insert fiscal year for contractor/offeror) _____

Projected annual sales (Company-wide): \$ _____

II. TYPE OF PLAN - FAR 19.701 (For definitions, see Cover Page and FAR clause 52.219-9):

_____ Commercial Plan

_____ Individual Plan

_____ Master Plan (incorporated into Individual Plan)

III. GOALS:

A. The FAR clause at 52.219-9(d) states that the subcontracting plan shall include (1) Goals, expressed in terms of

percentages of total planned subcontracting dollars, for the use of small business concerns as subcontractors; and (2) A statement of total dollars planned to be subcontracted for an individual contract plan; or the offeror's total projected sales, expressed in dollars, and the total value of projected subcontracts to support the sales for a commercial plan. FAR 19.704(a)(1) requires separate percentage goals for using small business (including Alaskan Native Corporations (ANCs) and Indian tribes), veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including ANCs and Indian tribes) and women-owned small business concerns as subcontractors; and (3) A statement of the total dollars planned to be subcontracted and a statement of the total dollars planned to be subcontracted to small business (including ANCs and Indian tribes), veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including ANCs and Indian tribes) and women-owned small business concerns. **Commercial plans will always reflect annual company-wide goals. Individual plans will reflect contract-specific goals and shall contain separate statements and goals for the basic contract (period) and separately for each option (period). Note that dollars and percentages to large and total small businesses (all inclusive) must equal the total subcontracted to all categories in both dollars and percentages. EACH CONTRACTOR IS EXPECTED TO OFFER THE MAXIMUM PRACTICABLE OPPORTUNITIES TO EACH TYPE OF SMALL BUSINESS CONCERN CONSISTENT WITH THEIR BEST FAITH EFFORTS AND SUPPORTED BY THEIR REPORTS AND RECORDS.**

COMPLETE FORMAT BELOW IF SUBMITTING AN INDIVIDUAL PLAN and note that a separate part is required for the base contract period and for each option period, if any. (Please remove this section and following page if submitting a commercial plan.)

[Company Name] provides the following separate dollar and percentage goals, which are a percentage of the total subcontracting dollars for each business category:

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BASE GOALS are expressed in dollars and percentages of the total dollars planned to be subcontracted.		
PLANNED SUBCONTRACTING TO:	DOLLARS	PERCENT
1. Total Dollars to be Subcontracted (2 + 3 = 1) <i>large and all small businesses must equal total amount to be subcontracted (both \$ and %)</i>		100%
2. Large Businesses (Other than Small)		
3. All Small Businesses (including ANCs & Indian tribes)		
4. Veteran-Owned Small Businesses (VOSB)		
5. Service-Disabled Veteran-Owned Small Businesses (SDVOSB)		
6. HUBZone Small Business (HUBZone)		
7. Small Disadvantaged Businesses (SDB) (including ANCs & Indian tribes)		
8. Women-Owned Small Businesses (WOSB)		

If applicable:

1st OPTION GOALS are expressed in dollars and percentages of the total dollars planned to be subcontracted.		
PLANNED SUBCONTRACTING TO:	DOLLARS	PERCENT
1. Total Dollars to be Subcontracted (2 + 3 = 1) <i>large and all small businesses must equal total amount to be subcontracted (both \$ and %)</i>		100%
2. Large Businesses (Other than Small)		
3. All Small Businesses (including ANCs & Indian tribes)		
4. Veteran-Owned Small Businesses (VOSB)		
5. Service-Disabled Veteran-Owned Small Businesses (SDVOSB)		
6. HUBZone Small Business (HUBZone)		
7. Small Disadvantaged Businesses (SDB) (including ANCs & Indian tribes)		
8. Women-Owned Small Businesses (WOSB)		

If applicable:

2nd OPTION GOALS are expressed in dollars and percentages of the total dollars planned to be subcontracted.		
PLANNED SUBCONTRACTING TO:	DOLLARS	PERCENT
1. Total Dollars to be Subcontracted (2 + 3 = 1) <i>large and all small businesses must equal total amount to be subcontracted (both \$ and %)</i>		100%
2. Large Businesses (Other than Small)		
3. All Small Businesses (including ANCs & Indian tribes)		
4. Veteran-Owned Small Businesses (VOSB)		
5. Service-Disabled Veteran-Owned Small Businesses (SDVOSB)		
6. HUBZone Small Business (HUBZone)		
7. Small Disadvantaged Businesses (SDB) (including ANCs & Indian tribes)		
8. Women-Owned Small Businesses (WOSB)		

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If applicable:

3rd OPTION GOALS are expressed in dollars and percentages of the total dollars planned to be subcontracted.		
PLANNED SUBCONTRACTING TO:	DOLLARS	PERCENT
1. Total Dollars to be Subcontracted (2 + 3 = 1) large and all small businesses must equal total amount to be subcontracted (both \$ and %)		100%
2. Large Businesses (Other than Small)		
3. All Small Businesses (including ANCs & Indian tribes)		
4. Veteran-Owned Small Businesses (VOSB)		
5. Service-Disabled Veteran-Owned Small Businesses (SDVOSB)		
6. HUBZone Small Business (HUBZone)		
7. Small Disadvantaged Businesses (SDB) (including ANCs & Indian tribes)		
8. Women-Owned Small Businesses (WOSB)		

If applicable: (LEAVE BLANK FOR MAS)

4th OPTION GOALS are expressed in dollars and percentages of the total dollars planned to be subcontracted.		
PLANNED SUBCONTRACTING TO:	DOLLARS	PERCENT
1. Total Dollars to be Subcontracted (2 + 3 = 1) large and all small businesses must equal total amount to be subcontracted (both \$ and %)		100%
2. Large Businesses (Other than Small)		
3. All Small Businesses (including ANCs & Indian tribes)		
4. Veteran-Owned Small Businesses (VOSB)		
5. Service-Disabled Veteran-Owned Small Businesses (SDVOSB)		
6. HUBZone Small Business (HUBZone)		
7. Small Disadvantaged Businesses (SDB) (including ANCs & Indian tribes)		
8. Women-Owned Small Businesses (WOSB)		

COMPLETE FORMAT BELOW IF SUBMITTING A COMMERCIAL PLAN (please remove this page/section if submitting an individual plan).

1. Estimated total dollars planned to be subcontracted to all types of concerns (generally for both commercial and government business, in support of commercial items sold during company fiscal year):

Annual Commercial Purchases/Spend: \$ _____ = 100% subcontracted

2. Total dollars planned to be subcontracted to large business concerns (or classified as other than small):

Annual Commercial Purchases/Spend: \$ ____ = ____ % of Total

3. Total dollars planned to be subcontracted to all small business concerns (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB small business concerns:

Annual Commercial Purchases/Spend: \$ ____ = ____ % of Total

4. Total dollars planned to be subcontracted to veteran-owned small business concerns (including service-disabled veteran-owned small businesses):

Annual Commercial Purchases/Spend: \$ ____ = ____ % of Total

5. Total dollars planned to be subcontracted to service-disabled veteran-owned small business concerns (subset of VOSB above and cannot be higher than #4 above):

Annual Commercial Purchases/Spend: \$ ____ = ____ % of Total

6. Total dollars planned to be subcontracted to HUBZone small business concerns:

Annual Commercial Purchases/Spend: \$ ____ = ____ % of Total

7. Total dollars planned to be subcontracted to small disadvantaged business concerns (including ANCs and Indian tribes):

Annual Commercial Purchases/Spend: \$ ____ = ____ % of Total

8. Total dollars planned to be subcontracted to women-owned small business concerns:

Annual Commercial Purchases/Spend: \$ ____ = ____ % of Total

B. FAR 19.704(a)(3) and the clause at 52.219-9(d)(3) requires a description of the principal types of supplies and services to be subcontracted and an identification of types planned for subcontracting to SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns. Check all that apply below, ensuring that at least one item is indicated for each column. If assistance is needed to locate small business sources, contact your local Small Business Administration Commercial Market Representative via www.sba.gov/localresources, or access the Central Contractor Registration (CCR) Dynamic Small Business Search database at www.ccr.gov. You may also post solicitations for small busi-

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ness opportunities on SBA's SUB-Net at <https://eweb1.sba.gov/subnet/search/index.cfm>.

The principal types of supplies and/or services that **[Company Name]** anticipates to be subcontracted and the identification of the type of business concern planned are as follows:

Business Category or Size

Supplies/Services	Large	Small	VOSB	SDVOSB	HUBZone	SDB	WOSB

ATTACH ADDITIONAL SHEETS IF NECESSARY (OR REMOVE LINES IF NOT NEEDED)

C. FAR 19.704(a)(4) and the clause at 52.219-9(d)(4) require a description of the method used to develop the subcontracting goals. Explain or state the basis for establishing your proposed goals (i.e. based on historical data and experience, market research, etc.); and provide justification for any low goal(s).

[Company Name] used the following method to develop the subcontracting goals:

D. FAR 19.704(a)(5) and clause 52.219-9(d)(5) require a description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the Central Contractor Registration database (CCR), veterans service organizations, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, HUBZone, small disadvantaged, and women-owned small business trade associations). A firm may rely on the information contained in CCR as an accurate representation of a concern's size and ownership characteristics for the purposes of maintaining SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB source list. Use of CCR as its source list does not relieve a firm of its responsibilities (e.g., outreach, assistance, counseling, or publicizing subcontracting opportunities) in this clause.

[Company Name] identifies potential subcontractors using the following source lists and organizations:

E. FAR 19.704(a)(6) and clause 52.219-9(d)(6) require a statement as to whether or not the offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns.

NOTE: indirect costs represent the expenses of doing business that are NOT easily identified with a specific project (i.e. contract or grant) but are generally recognized as ordinary and necessary for the general operation of the contractor's organization and the conduct of activities it performs. **Types of indirect costs include overhead (e.g., facility/utility & supplies cost), general and administrative (G&A), and fringe benefits (e.g., services or benefits provided to employees such as health insurance, payroll taxes, pension contribution, etc).**

Indirect costs **HAVE BEEN** (or) **HAVE NOT BEEN** included in the dollar and percentage subcontracting goals stated above.

If indirect costs HAVE been included, the method used to determine the proportionate share of indirect costs to be incurred with small business concerns was as follows:

IV. PROGRAM ADMINISTRATOR:

FAR 19.704(a)(7) and clause 52.219-9(d)(7) require the name of an individual employed by the offeror who will administer the offeror's subcontracting program, and a description of the duties of the individual. Please add the contact information for this person (telephone number, fax number and/or email address), in case of questions and provide an alternate point of contact if applicable.

Name: _____

Title/Position: _____

Address: _____

City/State/Zip Code: _____

Telephone number: _____

Fax Number: _____

Email Address: _____

Alternate POC with contact information: _____

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Duties: In accordance with clause 52.219-9(d)(11)(e), in order to effectively implement this plan to the extent consistent with efficient contract performance, the contractor shall perform the following functions:

1. Assist SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential SB, VOSB, SDVOSB, HUBZone, SDB and WOSB subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.
2. Provide adequate and timely consideration of the potentialities of SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns in all "make-or-buy" decisions.
3. Counsel and discuss subcontracting opportunities with representatives of SB, VOSB, SDVOSB, HUBZone, SDB and WOSB firms.
4. Confirm that a subcontractor representing itself as a HUBZone small business concern is identified as a certified HUBZone small business concern by accessing the Central Contractor Registration (CCR) database or by contacting SBA.
5. Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as SB, VOSB, SDVOSB, HUBZone, SDB and WOSB 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.
6. Develop and promote company/division policy statements that demonstrate the company's/division's support for awarding contracts and subcontracts to SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns.
7. Develop and maintain bidders' lists of SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns from all possible sources.
8. Ensure periodic rotation of potential subcontractors on bidders' lists.
9. Ensure that SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns are included on the bidders' list for every subcontract solicitation for products and services they are capable of providing.
10. Ensure that subcontract procurement "packages" are designed to permit the maximum possible participation of SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns.
11. Review subcontract solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns.
12. Ensure that the subcontract bid proposal review board documents its reasons for not selecting any low bids submitted by SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns.
13. Oversee the establishment and maintenance of contract and subcontract award records.
14. Attend or arrange for the attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.

15. Directly or indirectly counsel SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns on subcontracting opportunities and how to prepare bids to the company.

16. Conduct or arrange training for purchasing personnel regarding the intent and impact of Section 8(d) of the Small Business Act on purchasing procedures.

17. Develop and maintain an incentive program for buyers that support the subcontracting program.

18. Monitor the company's performance and make any adjustments necessary to achieve the subcontract plan goals.

19. Prepare and submit timely reports.

20. Coordinate the company's activities during compliance reviews by Federal agencies.

IF YOUR PROGRAM ADMINISTRATOR WILL PERFORM ADDITIONAL SUBCONTRACTING DUTIES NOT SHOWN ABOVE, PLEASE IDENTIFY THEM HERE:

21. Additional Duties:

V. EQUITABLE OPPORTUNITY:

FAR 19.704(a)(8) and clause 52.219-9(d)(8) require a *description* of the efforts the offeror will make to assure that SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns have an equitable opportunity to compete for subcontracts.

[Company Name] will make every effort to ensure that all small business concerns have an equitable opportunity to compete for subcontracts. These efforts may include one or more of the following activities: *(please indicate which of the following apply or adapt list to fit your company's efforts).*

A. Outreach efforts to obtain sources:

___ Contacting minority and small business trade associations.

___ Contacting business development organizations.

___ Requesting sources from the Central Contractor Registration (CCR), Dynamic Small Business Search, which integrated data from the SBA PRO-Net database.

___ Attending small and minority business trade fairs and procurement conferences.

B. Internal efforts to guide and encourage purchasing personnel:

___ Presenting workshops, seminars and training programs.

___ Establishing, maintaining and using small, hubzone small, small disadvantaged, women-owned small, veteran-owned small, 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. Other Additional efforts: *(Please describe below.)*

<u>Calendar Period</u>	<u>Report Due</u>	<u>Date Due</u>	<u>Submit Reports to eSRS with email address for:</u>
10/01–03/31	ISR	04/30	Contracting Officer /SBTA
04/01–09/30	ISR	10/30	Contracting Officer /SBTA
10/01–09/30	SSR	10/30	Contracting Officer /SBTA

VI. ASSURANCES OF CLAUSE INCLUSION AND FLOW DOWN:

FAR 19.704(a)(9) and clause 52.219-9(d)(9) require assurances that the offeror will include the clause at 52.219-8, *Utilization of Small Business Concerns* (see 19.708(a)), in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$650,000 (\$1,500,000 for construction) to adopt a plan that complies with the requirements of this clause (see 19.708(b)).

[Company Name] agrees to include the FAR Clause 52.219-8, “Utilization of Small Business Concerns” in all subcontracts that offer further subcontracting opportunities, and will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$650,000 (\$1,500,000 for construction) to adopt a plan that complies with the requirements of the clause at 52.219-9, Small Business Subcontracting Plan.

VII. REPORTING AND COOPERATION:

FAR 19.704(a)(10) and clause 52.219-9(d)(10) require assurances that the offeror will do the following:

[Company Name] agrees to:

- (10)(i) Cooperate in any studies or surveys as may be required;
- (ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;
- (iii) Submit the Individual Subcontract Report (ISR), and the Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System (eSRS) (<http://www.esrs.gov>), following the instructions in the eSRS;
- (iv) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using the eSRS;
- (v) Provide its prime contract number and its DUNS number and the e-mail address of the Government or Contractor official responsible for acknowledging or rejecting the reports, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their reports; and
- (vi) Require that each subcontractor with a subcontracting plan provide the prime contract number and its own DUNS number, and the e-mail address of the Government or Contractor official responsible for acknowledging or rejecting the reports, to its subcontractors with subcontracting plans.

Reports are to be submitted within 30 days after the close of each calendar period as indicated in the following chart:

The eSRS web-based reporting requirement instructions can be found in the attachment to subcontracting plan taken from FAR clause 52-219-9.

VIII. RECORDKEEPING:

FAR 19.704(a)(11) and clause 52.219-9(d)(11) require a *description* of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the efforts to locate SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns and award subcontracts to them.

[Company Name] will maintain records concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of efforts to locate SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

1. Source lists (*e.g.*, CCR), guides, and other data that identify SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns.
2. Organizations contacted in an attempt to locate sources that are SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns.
3. Records on each subcontract solicitation resulting in an award of more than \$150,000, indicating:
 - (A) Whether small business concerns were solicited and, if not, why not;
 - (B) Whether veteran-owned small business concerns were solicited and, if not, why not;
 - (C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;
 - (D) Whether HUBZone small business concerns were solicited and, if not, why not;
 - (E) Whether small disadvantaged business concerns were solicited and, if not, why not;

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(F) Whether women-owned small business concerns were solicited and, if not, why not; and

(G) If applicable, the reason award was not made to a small business concern.

4. Records of any outreach efforts to contact:

(A) Trade associations;

(B) Business development organizations;

(C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources; and

(D) Veterans service organizations.

5. Records of internal guidance and encouragement provided to buyers through:

(A) Workshops, seminars, training, etc.; and

(B) Monitoring performance to evaluate compliance with the program's requirements.

6. On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. **Contractors having commercial plans need not comply with this requirement.**

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

IX. STATUTORY REQUIREMENTS (Found at FAR 19.702)

⇒ Any contractor receiving a contract for more than the simplified acquisition threshold must agree in the contract that SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns will have the maximum practicable opportunity to participate in contract performance consistent with its efficient performance.

⇒ It is further the policy of the United States that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns.

⇒ See 19.702(a)(1) for requirements that are imposed in negotiated acquisitions, and (a)(2) for requirements that are imposed in sealed bidding acquisitions.

⇒ As stated in 15 U.S.C. 637(d)(8), any contractor or subcontractor failing to comply in good faith with the requirements of the subcontracting plan is in material breach of its contract. Further, 15 U.S.C. 637(d)(4)(F) directs that a contractor's failure to make a good faith effort to comply with the requirements of the subcontracting plan shall result in the imposition of liquidated damages (see 19.702(c) and 19.705-7).

X. DESCRIPTION OF GOOD FAITH EFFORT (Also refer to 13 CFR 125.3(d), Determination of Good Faith Effort)

In order to demonstrate your compliance with a good faith effort to achieve the small business subcontracting goals, outline the steps below that your company plans to take.

[Company Name] will take the following steps to demonstrate compliance with a good faith effort in achieving small business subcontracting goals:

The above requirements will be negotiated with the contracting officer prior to approval. The contracting officer must ensure per FAR 19.705-5(a)(5) that an acceptable plan is incorporated into and made a material part of the contract.

SIGNATURE REQUIRED: Plan must be signed and dated by a company official.

This subcontracting plan was SUBMITTED by:

Signature: _____

Typed Name: _____

Company Title: _____

Date signed: _____

Government Contracting Officer APPROVAL:

Signature: _____

Printed Name: _____

Agency: _____

Date signed: _____

REPORTING INSTRUCTIONS FOR CONTRACTORS

Electronic Subcontracting Reporting System web-based reporting requirements found at FAR clause 52.219-9(I):

The Contractor shall submit ISRs and SSRs using the web-based eSRS at <http://www.esrs.gov>. Purchases from a corporation, company, or subdivision that is an affiliate of the prime Contractor or subcontractor are not included in these reports. Subcontract award data reported by prime Contractors and subcontractors shall be limited to awards made to their immediate next-tier subcontractors. Credit cannot be taken for awards made to lower tier subcontractors, unless the Contractor or subcontractor has been designated to receive a small business or small disadvantaged business credit from an ANC or Indian tribe.

(1) **ISR.** This report is not required for commercial plans. The report is required for each contract containing an individual subcontract plan and shall be submitted to the Administrative Contracting Officer (ACO) or Contracting Officer, if no ACO is assigned.

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Appendix 519A

GENERAL SERVICES ADMINISTRATION ACQUISITION MANUAL

(i) The report shall be submitted semi-annually during contract performance for the periods ending March 31 and September 30. A report is also required for each contract within 30 days of contract completion. Reports are due 30 days after the close of each reporting period, unless otherwise directed by the Contracting Officer. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or the previous reporting period.

(ii) When a subcontracting plan contains separate goals for the basic contract and each option, as prescribed by FAR 19.704(c), the dollar goal inserted on this report shall be the sum of the base period through the current option; for example, for a report submitted after the second option is exercised, the dollar goal would be the sum of the goals for the basic contract, the first option, and the second option.

(iii) The authority to acknowledge receipt or reject the ISR resides—

(A) In the case of the prime Contractor, with the Contracting Officer; and

(B) In the case of a subcontract with a subcontracting plan, with the entity that awarded the subcontract.

(2) **SSR.** (i) *Reports submitted under individual contract plans—*

(A) This report encompasses all subcontracting under prime contracts and subcontracts with the awarding agency, regardless of the dollar value of the subcontracts.

(B) The report may be submitted on a corporate, company or subdivision (*e.g.*, plant or division operating as a separate profit center) basis, unless otherwise directed by the agency.

(C) If a prime Contractor and/or subcontractor is performing work for more than one executive agency, a separate report shall be submitted to each executive agency covering only that agency's contracts, provided at least one of that agency's contracts is over \$650,000 (over \$1,500,000 for construction of a public facility) and contains a subcontracting plan. For DoD, a consolidated report shall be submitted for all contracts awarded by military departments/agencies and/or subcontracts awarded by DoD prime Contractors. However, for construction and related maintenance and repair, a separate report shall be submitted for each DoD component.

(D) For DoD and NASA, the report shall be submitted semi-annually for the six months ending March 31 and the twelve months ending September 30. For civilian agencies, except NASA, it shall be submitted annually for the twelve month period ending September 30. Reports are due 30 days after the close of each reporting period.

(E) Subcontract awards that are related to work for more than one executive agency shall be appropriately allocated.

(F) The authority to acknowledge or reject SSRs in eSRS, including SSRs submitted by subcontractors with subcontracting plans, resides with the Government agency awarding the prime contracts.

(ii) **Reports submitted under a commercial plan—**

(A) The report shall include all subcontract awards under the commercial plan in effect during the Government's fiscal year.

(B) The report shall be submitted annually, within thirty days after the end of the Government's fiscal year.

(C) If a Contractor has a commercial plan and is performing work for more than one executive agency, the Contractor shall specify the percentage of dollars attributable to each agency from which contracts for commercial items were received.

(D) The authority to acknowledge or reject SSRs for commercial plans resides with the Contracting Officer who approved the commercial plan.

(iii) **All reports** submitted at the close of each fiscal year (both individual and commercial plans) shall include a Year-End Supplementary Report for Small Disadvantaged Businesses. The report shall include subcontract awards, in whole dollars, to small disadvantaged business concerns by North American Industry Classification System (NAICS) Industry Subsector. If the data are not available when the year-end SSR is submitted, the prime Contractor and/or subcontractor shall submit the Year-End Supplementary Report for Small Disadvantaged Businesses within 90 days of submitting the year-end SSR. For a commercial plan, the Contractor may obtain from each of its subcontractors a predominant NAICS Industry Subsector and report all awards to that subcontractor under its predominant NAICS Industry Subsector.

Contracting Officer	(insert e-mail addresses)
Small Business Technical Advisor	(email address for specific office/service/agency)
Subcontracting Manager, Office of Small Business Utilization	(janice.keys@gsa.gov or applicable alternate agency)
Small Business Administration Representative (found at www.sba.gov and enter business zip code to find local resources/ POC for contractor's location)	

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Appendix 519B—Subcontracting Plan Evaluation Checklist

Appendix 519B—Subcontracting Plan Evaluation Checklist CHECKLIST FOR REVIEW OF SUBCONTRACTING PLAN

1. POINTS OF CONTACT, ADDRESS WITH ROOM NUMBER & SYMBOL PHONE & FAX NUMBERS Prepared by: _____ Phone: _____ FAX: _____ GSA, (Insert Service & Symbol) PCO is: _____ Phone: _____ FAX: _____	2. ADMINISTRATIVE CONTRACTING OFFICE, ADDRESS, PHONE & FAX NUMBERS NAME: Address: Telephone: _____ FAX: _____
3. SOLICITATION NUMBER	4. CONTRACT NUMBER
5. CONTRACTOR NAME, ADDRESS, DUNS NUMBER, AND CONTACT INFORMATION Phone: _____ FAX: _____ DUNS No.: _____ E-Mail: _____	6. SUBCONTRACTING PLAN ADMINISTRATOR NAME, ADDRESS, & CONTACT INFORMATION Phone: _____ FAX: _____ E-Mail: _____
7. PLACE OF PERFORMANCE (If different from No. 5)	8. TYPE OF CONTRACT <input type="checkbox"/> SEALED BID or <input type="checkbox"/> NEGOTIATED <input type="checkbox"/> SCHEDULE or <input type="checkbox"/> NON-SCHEDULE
9. a. CONTRACT PERIOD OR OPTION PERIOD THRU	9. b. DATE OF AWARD AND DATE OF OPTION
10. ESTIMATED CONTRACT VALUE (EACH PERIOD) OR ESTIMATE ANNUAL SALES FOR THIS CONTRACT \$	

11. DESCRIPTION OF PRODUCTS OR SERVICES

12. TYPE OF SUBCONTRACTING PLAN BEING SUBMITTED		COMPANY-WIDE PLAN FOR COMMERCIAL ITEMS
<input type="checkbox"/> INDIVIDUAL CONTRACT PLAN	<input type="checkbox"/> INDIVIDUAL INCORPORATING MASTER PLAN	<input type="checkbox"/> COVERS ANNUAL PERIOD THRU

13. CHECKLIST

PROPOSED TARGET GOALS ESTABLISHED	Percent	Dollar Amount	PCO/ACO ACCEPTABLE		SBTA ACCEPTABLE		SBA/PCR ACCEPTABLE	
			Yes	No	Yes	No	Yes	No
(1) TOTAL SUBCONTRACTING PLANNED (To large & all small business concerns)	100							
(2)(a) TO ALL SMALL BUSINESSES (Includes ANCs or Indian Tribes, veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged, and women-owned small concerns)								
(2)(b) TO VETERAN-OWNED SMALL BUSINESS (VOSB) Percent of Total								
(2)(c) TO SERVICE-DISABLED VETERAN-OWNED SMALL (SDVOSB) Percent of Total and subset of VOSB								
(2)(d) TO HUBZONE SMALL BUSINESS (HUBZone) Percent of Total								
(2)(e) TO SMALL DISADVANTAGED BUSINESS (SDB Includes ANCs or Indian Tribes) Percent of Total								
(2)(f) TO WOMEN-OWNED SMALL BUSINESS (WOSB) Percent of Total								
(3) DESCRIPTION OF PRINCIPAL TYPES OF SUPPLIES AND SERVICES TO BE SUBCONTRACTED, AND IDENTIFICATION OF TYPES PLANNED FOR SUBCONTRACTING TO EACH BUSINESS CATEGORY (i.e. SMALL, VOSB, SDVOSB, HUBZ, SDB, and WOSB CONCERNS);								
(4) DESCRIPTION OF METHOD USED TO DEVELOP GOALS;								
(5) DESCRIPTION OF METHOD USED TO IDENTIFY POTENTIAL SOURCES FOR SOLICITATION PURPOSES;								
(6) STATEMENT AS TO WHETHER OR NOT THE OFFEROR INCLUDED INDIRECT COSTS IN ESTABLISHING SUBK GOALS AND DESCRIPTION OF METHOD USED TO DETERMINE THE PROPORTIONATE SHARE OF INDIRECT COSTS TO BE INCURRED WITH EACH BUSINESS CONCERN;								
(7) NAME OF INDIVIDUAL WHO WILL ADMINISTER THE OFFEROR'S SUBCONTRACTING PROGRAM AND A DESCRIPTION OF THEIR DUTIES; (Include phone & fax numbers and email address of contact for further questions.)								
(8) DESCRIPTION OF EFFORTS THE OFFEROR WILL MAKE TO ASSURE EQUITABLE OPPORTUNITY TO COMPETE FOR SUBCONTRACTS;								
(9) FLOW DOWN ASSURANCE THAT THE OFFEROR WILL INCLUDE FAR CLAUSE 52.219-8 IN ALL SUBCONTRACTS THAT OFFER FURTHER SUBCONTRACTING OPPORTUNITIES; AND ASSURANCE THAT THE OFFEROR WILL REQUIRE ALL SUBCONTRACTORS (except SB concerns) THAT RECEIVE SUBCONTRACTS IN EXCESS OF \$650,000 (\$1.5 M for construction) TO ADOPT A PLAN THAT COMPLIES WITH THE REQUIREMENTS OF THE CLAUSE 52.219-9.								
(10) ASSURANCE THAT THE OFFEROR WILL: COOPERATE IN STUDIES OR SURVEYS; SUBMIT PERIODIC REPORTS; SUBMIT INDIVIDUAL (ISR) & SUMMARY REPORTS (SSR) USING THE eSRS; ENSURE THAT SUBCONTRACTORS WITH PLANS AGREE TO SUBMIT THE ISR/SSR USING THE eSRS; PROVIDE ITS PRIME CONTRACT NUMBER AND DUNS NUMBER AND EMAIL ADDRESS OF OFFICIALS RESPONSIBLE, ETC.								
(11) DESCRIPTION OF THE TYPES OF RECORDS THAT WILL BE MAINTAINED CONCERNING PROCEDURES ADOPTED TO COMPLY, AND A DESCRIPTION OF THE OFFEROR'S EFFORTS TO LOCATE VARIOUS SMALL BUSINESS CONCERNS AND AWARD SUBCONTRACTS TO THEM								

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Appendix 519B

GENERAL SERVICES ADMINISTRATION ACQUISITION MANUAL

REMARKS PCO/ACO COMMENTS (<i>i.e.</i> original contract award, first plan or first govt. contract, annual commercial update or riding previously approved plan (copy attached), option renewal, change in business size from small to large, etc.)		SBTA	
REVIEWED BY ⇨ (Signatures and Dates)	PCO/ACO DATE:	SBTA DATE:	SBA/PCR DATE:

552.219-70 Allocation of Orders—Partially Set-aside Items.

As prescribed in [519.508](#), insert the following clause:

ALLOCATION OF ORDERS—PARTIALLY SET-ASIDE ITEMS
(SEP 1999)

Where the set-aside portion of an item or group of items is awarded to a Contractor other than the one receiving the award on the corresponding non-set-aside portion, the Government will divide the requirements to be ordered between the two Contractors with the objective of achieving, as nearly as possible, a 50/50 division of the total value of orders placed after the award of the set-aside portion. In no case will this division vary by more than a 60/40 division (with either the non-set-aside or set-aside Contractor receiving the larger portion) from the time of the award of the set-aside portion.

(End of clause)

552.219-71 Notice to Offerors of Subcontracting Plan Requirements.

As prescribed in [519.708-70\(a\)](#), insert the following provision:

NOTICE TO OFFERORS OF SUBCONTRACTING
PLAN REQUIREMENTS (MAR 2012)

The General Services Administration (GSA) is committed to assuring that maximum practicable opportunity is provided to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns to participate in the performance of this contract consistent with its efficient performance. GSA expects any subcontracting plan submitted pursuant to FAR 52.219-9, Small Business Subcontracting Plan, to reflect this commitment. Consequently, an offeror, other than a small business concern, before being awarded a contract exceeding \$650,000 (\$1,500,000 for construction), must demonstrate that its subcontracting plan represents a creative and innovative program for involving small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns as subcontractors in the performance of this contract.

(End of provision)

552.219-72 Preparation, Submission, and Negotiation of Subcontracting Plans.

As prescribed in [519.708-70\(b\)](#), insert the following provision:

PREPARATION, SUBMISSION, AND NEGOTIATION OF
SUBCONTRACTING PLANS (MAR 2012)

(a) An offeror, other than a small business concern, submitting an offer that exceeds \$650,000 (\$1,500,000 for construction) shall submit a subcontracting plan with its initial offer. The subcontracting plan will be negotiated concurrently with price and any required technical and management proposals, unless the offeror submits a previously-approved commercial plan.

(b) Maximum practicable utilization of small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns as subcontractors is a matter of national interest with both social and economic benefits. The General Services Administration (GSA) expects that an offeror's subcontracting plan will reflect a commitment to assuring that small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns are provided the maximum practicable opportunity, consistent with efficient contract performance, to participate as subcontractors in the performance of the resulting contract. An offeror submitting a commercial plan can reflect this commitment through subcontracting opportunities it provides that relate to the offeror's production generally; i.e., for both its commercial and Government business.

(c) GSA believes that this potential contract provides significant opportunities for the use of small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns as subcontractors. Consequently, in addressing the eleven elements described at FAR 52.219-9(d) of the clause in this contract entitled Small Business Subcontracting Plan, the offeror shall:

(1) Demonstrate that its subcontracting plan represents a creative and innovative program for involving small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns in performing the contract.

(2) Include a description of the offeror's subcontracting strategies used in any previous contracts, significant achievements, and how this plan will build upon those earlier achievements.

(3) Demonstrate through its plan that it understands the small business subcontracting program's objectives and GSA's expectations, and it is committed to taking those actions necessary to meet these goals or objectives.

(d) In determining the acceptability of any subcontracting plan, the Contracting Officer will take each of the following actions:

(1) Review the plan to verify that the offeror demonstrates an understanding of the small business subcontracting program’s objectives and GSA’s expectations with respect to the program and has included all the information, goals, and assurances required by FAR 52.219-9.

(2) Consider previous goals and achievements of contractors in the same industry.

(3) Consider information and potential sources obtained from agencies administering national and local preference programs and other advocacy groups in evaluating whether the goals stated in the plan adequately reflect the anticipated potential for subcontracting to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns.

(4) Review the offeror’s description of its strategies, historical performance and significant achievements in placing subcontracts for the same or similar products or services with small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns. The offeror’s description can apply to commercial as well as previous Government contracts.

(e) Failure to submit an acceptable subcontracting plan and/or correct deficiencies in a plan within the time specified by the Contracting Officer shall make the offeror ineligible for award.

(End of provision)

552.219-73 Goals for Subcontracting Plan.

As prescribed in [519.708-70\(c\)](#), insert the following provision:

GOALS FOR SUBCONTRACTING PLAN (JUNE 2005)

(a) Maximum practicable utilization of small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns as subcontractors is a matter of national interest with both social and economic benefits.

(1) The General Services Administration’s (GSA’s) commitment to ensuring that maximum practicable opportunity is provided to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns to participate as subcontractors in the performance of this contract, consistent with its efficient performance, must be reflected in the offeror’s subcontracting plan submitted pursuant to the clause of this contract at FAR 52.219-9, Small Business Subcontracting Plan.

(2) In addressing the eleven elements described at FAR 52.219-9(d), the offeror shall demonstrate that its subcontracting plan represents a creative and innovative program for involving small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns in performing this contract. An offeror submitting a commercial plan can demonstrate its commitment in providing maximum practicable opportunities through subcontracting opportunities it provides to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns that relate to the offeror’s production generally; i.e., for both its commercial and Government business.

(3) The subcontracting plan shall include a description of the offeror’s subcontracting strategies used in previous contracts and significant achievements, with an explanation of how this plan will build upon those earlier achievements. Additionally, the offeror shall demonstrate through its plan that it understands the small business subcontracting program’s objectives, GSA’s expectations, and is committed to taking those actions necessary to meet these goals or objectives.

(b) GSA believes that this contract provides significant opportunities for the use of small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns as subcontractors. Accordingly, it is anticipated that an acceptable subcontracting plan will contain at least the following goals:

Small Business	_____ percent
HUBZone Small Business	_____ percent
Small Disadvantaged Business	_____ percent
Women-Owned Small Business	_____ percent
Veteran-Owned Small Business	_____ percent
Service-Disabled Veteran-Owned Small Business	_____ percent

NOTE: Target goals are expressed as a percentage of planned subcontracting dollars.

(c) In determining the acceptability of any subcontracting plan, the Contracting Officer will—

(1) Review the plan to verify that the offeror has demonstrated an understanding of the small business subcontracting program’s objectives and GSA’s expectations with respect to the programs and has included all the information, goals, and assurances required by FAR 52.219-9;

(2) Consider previous goals and achievements of contractors in the same industry;

(3) Consider information and potential sources obtained from agencies administering national and local preference programs and other advocacy groups in evaluating

whether the goals stated in the plan adequately reflect the anticipated potential for subcontracting to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns; and

(4) Review the offeror's description of its strategies, historical performance and significant achievements in placing subcontracts for the same or similar products or services with small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran owned small business concerns. The offeror's description can apply to commercial as well as previous Government contracts.

(d) Failure to submit an acceptable subcontracting plan and/or correct deficiencies in a plan within the time specified by the Contracting Officer shall make the offeror ineligible for award.

(End of provision)

Alternate I (Sep 1999). As prescribed in [519.708-70\(c\)\(2\)](#), delete paragraph (b) of the basic provision and redesignate paragraphs (c) and (d) as paragraphs (b) and (c).

552.219-74 Section 8(a) Direct Award.

As prescribed in [519.870-8](#), insert the following clause:

SECTION 8(A) DIRECT AWARD (SEP 1999)

(a) This contract is issued as a direct award between the contracting activity and the 8(a) Contractor pursuant to the Memorandum of Understanding between the Small Business Administration (SBA) and the General Services Administration. SBA retains the responsibility for 8(a) certifications, 8(a) eligibility determinations, and related issues, and will provide counseling and assistance to the 8(a) contractor under the 8(a) program. The cognizant SBA district office is:

[Complete at time of award]

(b) The contracting activity is responsible for administering the contract and taking any action on behalf of the Government under the terms and conditions of the contract. However, the contracting activity shall give advance notice to SBA before it issues a final notice terminating performance, either in whole or in part, under the contract. The contracting activity shall also coordinate with SBA prior to processing any advance payments or novation agreements. The contracting activity may assign contract administration functions to a contract administration office.

(c) The Contractor agrees:

(1) To notify the Contracting Officer, simultaneous with its notification to SBA (as required by SBA's 8(a) regulations), when the owner or owners upon whom 8(a) eligibility is based plan to relinquish ownership or control of the concern. Consistent with 15 U.S.C. 637(a)(21),

transfer of ownership or control shall result in termination of the contract for convenience, unless SBA waives the requirement for termination prior to the actual relinquishing of ownership and control.

(2) To the requirements of 52.219-14, Limitations on Subcontracting.

(End of clause)

552.219-75 GSA Mentor-Protégé Program.

As prescribed in [519.7017\(a\)](#), insert the following clause:

GSA MENTOR-PROTÉGÉ PROGRAM (SEP 2009)

(a) Prime contractors, including small businesses, are encouraged to participate in the GSA Mentor-Protégé Program for the purpose of providing developmental assistance to eligible protégé entities to enhance their capabilities and increase their participation in GSA contracts.

(b) The Program consists of:

(1) Mentor firms are large prime contractors with at least one active subcontracting plan, or that are eligible small businesses;

(2) Protégés are subcontractors to the prime contractor, and include small business concerns, small disadvantaged business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, and women-owned small business concerns meeting the qualifications specified in [Subpart 519.70](#); and

(3) Mentor-protégé Applications and Agreements, approved by the Mentor-Protégé Program Manager in the GSA Office of Small Business Utilization (OSBU).

(c) *Mentor participation in the Program* means providing technical, managerial and financial assistance to aid protégés in developing requisite high-tech expertise and business systems to compete for and successfully perform GSA contracts and subcontracts.

(d) Contractors interested in participating in the Program are encouraged to read FAR Subpart 19.7 and to contact the GSA Office of Small Business Utilization (E), Washington, DC 20405, (202) 501-1021, for further information.

(End of clause)

552.219-76 Mentor Requirements and Evaluation.

As prescribed in [519.7017\(b\)](#), insert the following clause:

MENTOR REQUIREMENTS AND EVALUATION (MAR 2012)

(a) The purpose of the GSA Mentor-Protégé Program is for a GSA prime contractor to provide developmental assistance to certain subcontractors qualifying as protégés. Eligible protégés include small business concerns, small disadvantaged business concerns, veteran-owned small business concerns, service-disabled veteran-owned small busi-

ness concerns, HUBZone small business concerns, and women-owned small business concerns meeting the qualifications specified in section [519.7007](#). The Program requires an Application process and an Agreement between the mentor and the protégé. See GSAR [Subpart 519.70](#) for more information.

(b) GSA will evaluate a GSA mentor's performance on the following factors:

(1) Specific actions taken by the contractor, during the evaluation period, to increase the participation of its protégé as a subcontractor and supplier;

(2) Specific actions taken by the contractor during this evaluation period to develop the technical and corporate administrative expertise of its protégé as defined in the Agreement;

(3) To what extent the protégé has met the developmental objectives in the Agreement; and

(4) To what extent the firm's participation in the Mentor-Protégé Program resulted in the protégé receiving competitive contract(s) and subcontract(s) from private firms other than the mentor, and from agencies.

(c) Semi-annual reports shall be submitted by a GSA mentor to the GSA Mentor-Protégé Program Manager, GSA Office of Small Business Utilization (E), Washington, DC 20405. The reports must include information as outlined in paragraph (b) of this section. The semi-annual report may include a narrative describing the forms of developmental assistance a mentor provides to a protégé and any other types of permissible, mutually beneficial assistance.

(d) A GSA mentor will notify the GSA Mentor-Protégé Program Manager and the contracting officer, in writing, at least 30 days in advance of the mentor firm's intent to voluntarily withdraw from the GSA Program or terminate the Agreement, or upon receipt of a protégé's notice to withdraw from the Program.

(e) GSA mentor and protégé firms will submit a "Lessons Learned" evaluation to the GSA Mentor-Protégé Program Manager at the conclusion of the Mentor-Protégé Agreement. At the end of each year in the Mentor-Protégé Program, the mentor and protégé, as appropriate, will formally brief the GSA Mentor-Protégé Program manager, the technical program manager, and the contracting officer during a formal Program review regarding Program accomplishments as they pertain to the approved Agreement.

(f) GSA has the authority to exclude mentor or protégé firms from participating in the GSA Program. If GSA excludes a mentor or a protégé from the Program, the GSA Office of Small Business Utilization will deliver to the contractor a Notice specifying the reason for Program exclusion and the effective date. The exclusion from the Program does not constitute a termination of the subcontract between the mentor and the protégé. A plan for accomplishing the subcontract effort should the Agreement be terminated shall be

submitted with the Agreement as required in section [519.7010\(j\)](#).

(g) Subcontracts awarded to GSA protégé firms under this Program are exempt from competition requirements, notwithstanding FAR 52.244-5. However, price reasonableness should still be determined.

(End of clause)

552.223-70 Hazardous Substances.

As prescribed in [523.303\(a\)](#), insert the following clause:

HAZARDOUS SUBSTANCES (MAY 1989)

(a) If the packaged items to be delivered under this contract are of a hazardous substance and ordinarily are intended or considered to be for use as a household item, this contract is subject to the Federal Hazardous Materials Act, as amended (15 U.S.C. 1261-1276), implementing regulations thereof (16 CFR Chapter II), and Federal Standard No. 123, Marking for Shipment (Civil Agencies), issue in effect on the date of this solicitation.

(b) The packaged items to be delivered under this contract are subject to the preparation of shipping documents, the preparation of items for transportation, shipping container construction, package making, package labeling, when required, shipper's certification of compliance, and transport vehicle placarding in accordance with Parts 171 through 178 of 49 CFR and the Hazardous Materials Transportation Act.

(c) The minimum packaging acceptable for packaging Department of Transportation regulated hazardous materials shall be those in 49 CFR 173.

(End of clause)

552.223-71 Nonconforming Hazardous Materials.

As prescribed in [523.303\(b\)](#), insert the following clause:

NONCONFORMING HAZARDOUS MATERIALS (SEP 1999)

(a) Nonconforming supplies that contain hazardous material or that may expose persons who handle or transport the supplies to hazardous material and which require replacement under the inspection and/or warranty clauses of this contract shall be reshipped to the Contractor at the Contractor's expense. The Contractor agrees to accept return of these nonconforming supplies and to pay all costs occasioned by their return.

(b) "Hazardous materials," as used in this clause, includes any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of the contract).

(c) If the Contractor fails to provide acceptable disposition instructions for the nonconforming supplies within 10 days from the date of the Government's request (or such longer period as may be agreed to between the Contracting Officer