

EXHIBIT 13

Model Small Business Subcontracting Plan

SMALL BUSINESS SUBCONTRACTING PLAN OUTLINE (MODEL)

(For information purposes only. The following outline meets the minimum requirements of Section 8(d) and the Federal Acquisition Regulation (FAR) Subpart 19.7. It is intended to be used as a guideline. It is not intended to replace any existing corporate plan, which may be more extensive. If assistance is needed to locate small business sources, contact the Office of Enterprise Development at 18th and F Streets, NW, Washington, DC 20405 (Phone (202) 501-1021 or Fax (202) 208-5938.)

I. IDENTIFICATION DATA:

Company Name: _____
Address: _____
Date Prepared: _____ Solicitation Number: _____
Item/Service: _____
Estimated Contract Dollar Value: _____
Individual Contract Period:
Base: _____ Option: _____
Commercial Plan Period: _____

II. TYPE OF PLAN: (Check only one).

- ___ **INDIVIDUAL CONTRACT PLAN:** *Covers the entire contract period (including option periods), applies to a specific contract, and has goals which are based on the company's planned subcontracting and purchasing in support of the performance of a specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.*
- ___ **INDIVIDUAL CONTRACT PLAN INCORPORATING MASTER PLAN:** *Master plans containing all the required elements of an individual contract plan, except goals, may be incorporated into individual contract plans providing the master plan has been approved. A master plan must be approved once every three years. Once incorporated into a contract with specific goals, it is valid for the life of the contract.*
- ___ **COMMERCIAL PRODUCTS PLAN:** *Used when the company sells large quantities of commercial off-the-shelf commodities to many Government agencies. Goals are negotiated on a company-wide basis. Plan is done annually, effective during the company's fiscal year, approved by the first Federal agency awarding a contract for commercial products during the contractor's fiscal year, and is applicable to every additional Federal contract for commercial products awarded to that contractor during the contractor's same fiscal year. A new plan must be obtained and approved 30 days prior to the expiration of the current plan.*

III. GOALS:

(For information purposes only. FAR 19.704(a)(1) requires separate percentage goals for using small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns as subcontractors; and a statement of the total dollars planned to be subcontracted to small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns. NOTE: The dollar amounts planned for subcontracting to SB, to HZSB, to SDB, to WOSB, to SDVOSB must be expressed as percentages of total subcontracting dollars as shown below.)

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FY09 GSA Subcontracting Goals

Category	Goal
Total SDB	18%
Section 8(a)	6%
Other SDB	12%
Woman Owned	5%
Disabled Veteran	3%
HUB Zone	3%

Comment [A1]: These will have to change to equal 27%

[Company XXX] provides the following separate dollar and percentage goals for small, hubzone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns. These goals are a percentage of the total subcontracting dollars:

- Estimated **total dollars planned to subcontracted**; i.e. to **all types of business concerns** under this contract is:

BASE	1ST OPTION	2ND OPTION	3RD OPTION	4TH OPTION
\$	\$	\$	\$	\$
100%	100%	100%	100%	100%

- Planned subcontracting to **large business concerns**. (those classified as other than small)

BASE	1ST OPTION	2ND OPTION	3RD OPTION	4TH OPTION
\$	\$	\$	\$	\$
%	%	%	%	%

- Planned subcontracting to **all small business concerns** (include HUBZone Small, Small Disadvantaged, Women-owned Small, Veteran-owned small, and service-disabled veteran-owned small businesses) is:

BASE	1ST OPTION	2ND OPTION	3RD OPTION	4TH OPTION
\$	\$	\$	\$	\$
%	%	%	%	%

- Planned subcontracting to **HUBZone small business concerns** is:

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BASE	1ST OPTION	2ND OPTION	3RD OPTION	4TH OPTION
\$	\$	\$	\$	\$
%	%	%	%	%

5. Planned subcontracting to **8(a) SDB small business concerns** is:

BASE	1ST OPTION	2ND OPTION	3RD OPTION	4TH OPTION
\$	\$	\$	\$	\$

6. Planned subcontracting to **other small disadvantaged business concerns** is:

BASE	1ST OPTION	2ND OPTION	3RD OPTION	4TH OPTION
\$	\$	\$	\$	\$
%	%	%	%	%

7. Planned subcontracting to **women-owned small business concerns** is:

BASE	1ST OPTION	2ND OPTION	3RD OPTION	4TH OPTION
\$	\$	\$	\$	\$
%	%	%	%	%

8. Planned subcontracting to **service-disabled veteran-owned small business concerns** is:

BASE	1ST OPTION	2ND OPTION	3RD OPTION	4TH OPTION
\$	\$	\$	\$	\$
%	%	%	%	%

B. (For information purposes only. FAR 19.704(a)(3) requires a description of the principal types of supplies and services to be subcontracted and an identification of the types planned for subcontracting to SB, to HZSB, to SDB, to WOSB, to VOSB; and to SDVOSB concerns.) (Check all below that apply.)

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

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BUSINESS CATEGORY OR SIZE							
PRODUCT/SERVICE	LARGE	SMALL	HZSB	SDB	WOSB	VOSB	SDVOSB

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C. (For information purposes only. FAR 19.704(a)(4) requires a description of the method used to develop the subcontracting goals for SB, for HZSB, for SDB, for WOSB, for VOSB, and for SDVOSB concerns. Explain the method and state the quantitative basis (in dollars) used to establish the percentage goals; how the areas to be subcontracted to SB, to HZSB, to SDB, to WOSB, to VOSB; and to SDVOSB concerns were determined; and how the capabilities of each were determined. Identify all source lists used in the determination.)

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

D. (For information purposes only. FAR 19.704(a)(5) requires a description of the method used to identify potential sources for solicitation purposes.)

[Company XXX] identifies potential subcontractors using the following source list and organizations:

E. (For information purposes only. FAR 19.704(a)(6) requires a statement as to whether or not your company 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, HZSB, SDB, WOSB, VOSB; and SDVOSB concerns.)

Indirect and overhead costs _____ HAVE BEEN or _____ HAVE NOT BEEN included in the dollar and percentage subcontracting goals stated above. The indirect and overhead portion was based on the following:

IV. PROGRAM ADMINISTRATOR:

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

Name: _____
Title: _____
Position: _____
Address: _____
Telephone No: _____
Fax No. _____

Duties: The Program Administrator shall have general overall responsibility for the Contractor's subcontracting program, i.e., developing, preparing, and executing individual subcontracting plans and monitoring performance relative to this particular plan. These duties may include, but are not limited to the following activities.

- A. Developing and promoting company/division policy statements that demonstrate the company's/division's support for awarding contracts and subcontracts to small, HUBZone small, small

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

B. Developing and maintaining bidders' lists of small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns from all possible sources.

C. Ensuring periodic rotation of potential subcontractors on bidders' lists.

D. Assuring that small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns are included on the bidders' list for every subcontract solicitation for products and services they are capable of providing.

E. Ensuring that subcontract procurement "packages" are designed to permit the maximum possible participation of small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small businesses.

F. Reviewing subcontract solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small businesses.

G. Ensuring that the subcontract bid proposal review board documents its reasons for not selecting any low bids submitted by small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small businesses.

H. Overseeing the establishment and maintenance of contract and subcontract award records.

I. Attending or arranging for the attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.

J. Directly or indirectly counseling small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns on subcontracting opportunities and how to prepare bids to the company

K. Providing notice to subcontractors concerning penalties for misrepresentations of business status as small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business 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.

L. Conducting or arranging training for purchasing personnel regarding the intent and impact of Section 8(d) of the Small Business Act on purchasing procedures.

M. Developing and maintaining an incentive program for buyers that supports the subcontracting program.

N. Monitoring the company's performance and making any adjustments necessary to achieve the subcontract plan goals.

O. Preparing and submitting timely reports.

P. Coordinating the company's activities during compliance reviews by Federal agencies.

V. **EQUITABLE OPPORTUNITY:**

(For information purposes only. FAR 19-704(8) requires a description of the efforts the contractor will make to ensure that SB, HZSB, SDB, WOSB, VOSB; and SDVOSB concerns will have an equitable opportunity to compete for

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subcontracts.

[Company XXX] will make every effort to ensure that small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns will have an equitable opportunity to compete for subcontracts. These efforts include, but are not limited to, the following activities:

A. Outreach efforts to obtain sources:

- Contacting minority and small business trade associations
- Contacting business development organizations
- Requesting sources from the Small Business Administration's Procurement Marketing and Access Network (PRO-Net) System
- Attending small, minority, and women-owned business procurement conferences and trade fairs

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. Additional efforts: (Please describe.)

VI. CLAUSE INCLUSION AND FLOW DOWN:

(For information purposes only. FAR 19-704(d)(9) requires that your company include FAR 52.219-8, "Utilization of Small Business Concerns," in all subcontracts that offer further subcontracting opportunities. Your company must require all subcontractors, except small business concerns, that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction) to adopt a plan that complies with the requirements of FAR 52.219-9, "Small Business Subcontracting Plan.")

[Company XXX] agrees to include the clause at FAR 52.219-8, "Utilization of Small Business Concerns" in all subcontracts that offer further require all subcontractors (except SB concerns), who receive subcontracts in excess of \$500,000 (\$1,000,000 for construction) to adopt a plan that complies with the requirements of the clause at FAR 52.219-9, "Small Business Subcontracting Plan."

VII. REPORTING AND COOPERATION:

(For information purposes only. FAR 19-704(d)(10) requires your company (1) cooperate in any studies or surveys as may be required, (2) submit periodic reports which show compliance with the subcontracting plan; (3) submit Standard Form (SF) 294, "Subcontracting Reports for Individual Contracts," and SF 295, "Summary Subcontract Report," in accordance with the instructions on the forms; and (4) ensure that subcontractors agree to submit SF 294 and SF 295.)

[Company XXX] agrees to: (1) cooperate in any studies or surveys as may be required; (2) submit periodic reports, which show compliance with the subcontracting plan; (3) submit SF 294 and SF 295 in accordance with the instructions on the forms; and (4) ensure that subcontractors agree to submit SF 294 and SF 295.

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Reports are to be submitted within 30 days after the close of each calendar period indicated below:

<u>Calendar Period</u>	<u>Report Due</u>	<u>Date Due</u>	<u>Send Report To</u>
10/01-03/31	SF 294	04/30	CO & Small Business Technical Advisor
04/01-09/30	SF 294	10/30	CO & Small Business Technical Advisor

<u>Calendar Period</u>	<u>Report Due</u>	<u>Date Due</u>	<u>Send Report To</u>
10/01--09/30	SF 295*	10/30	CO, Small Business Technical Advisor, & the Associate Administrator for the Office of Small Business Utilization

*SF 295 shall also be submitted to SBA Commercial Market
Representative at the address provided by SBA (202-205-6475).

Small Business Technical Advisor's address is: GSA, Public Building Service (PX) 18 th and F Street Washington, DC 20405	Director, Office of Small Business Utilization address is: Associate Administrator General Services Administration 18th & F Streets, NW, Room 6029 Washington, DC 20405
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Note: SF 294/295 forms may be obtained at: <http://www.gsa.gov>. Click *Financial Applications and Forms Online*, click *U.S. Government Forms (GSA, Standard, and Optional)*, click *Access the Forms Library*.

VIII. RECORDKEEPING:

(For information purpose only. FAR 19-704(d)(11) requires a list of the types of records your company will maintain to demonstrate the procedures adopted to comply with the requirements and goals in the subcontracting plan.)

[Company XXX] will maintain at least the following types of records to demonstrate procedures adopted to comply with the requirements and goals in the subcontracting plan. These records include, but are not limited to:

- A. Small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concern source lists, guides, and other data identifying such vendors.
- B. Organizations contacted for small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business sources.
- C. On a contract-by-contract basis, all subcontract solicitations over \$100,000 which indicate for each solicitation (1) whether small business concerns were solicited, and if not, why not; (2) whether HUBZone small business concerns were solicited, and if not, why not; (3) whether small disadvantaged business concerns were solicited, and if not, why not; (4) whether women-owned small business concerns were solicited, and if not, why not; (5) whether veteran-owned small business concerns were solicited, and if not, why not; (6) whether service-disabled veteran-owned small business concerns were solicited, and if not, why not; and, (7) reasons for the failure of solicited concerns to receive the award.
- D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small, minority, and women-owned small business procurement conference and trade fairs.

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- E. Records to support internal activities to (1) guide and encourage purchasing personnel, e.g., workshops, seminars, training programs, incentive awards; and (2) monitor activities to evaluate compliance.
- F. On a contract-by-contract basis, records to support subcontract award data including the name, address and business size of each subcontractor. (This item is not required for company or division wide commercial product plans).
- G. Other records to support your compliance with the subcontracting plan: (Please describe)

IX. TIMELY PAYMENTS TO SUBCONTRACTORS:

(For information purpose only. FAR 19-702 requires your company to establish and use procedures to ensure the timely payment of amounts due pursuant to the terms of your subcontracts with small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns.

[Company XXX] uses procedures to ensure timely payments of amounts due, pursuant to the terms of its subcontracts with small business concerns, as required in FAR 19.702.

X. DESCRIPTION OF GOOD FAITH EFFORT:

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

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

These steps will be negotiated with the contracting officer prior to approval of the plan. [Company XXX] understands that this subcontracting plan will be made a material part of the contract and that the submission of the SF 294 and SF 295 will be made a line item deliverable in the contract.

XI. SIGNATURES REQUIRED:

This subcontracting plan was SUBMITTED by:

Signature: _____
Typed Name: _____
Title: _____
Date: _____

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SUBCONTRACTING GOALS

(How to do the math calculations)

Goals must be stated in both dollars (\$) and percents (%). The contractor must state the total subcontracting dollars, then state separately the **total dollars that will be subcontracted to (1) small business, (2) HUBZone small, (3) small disadvantaged, (4) women-owned small, (5) veteran-owned small, and service-disabled veteran-owned small business concerns.** The small business dollar amount must include the HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business dollar amounts. The dollar amounts planned for subcontracting to small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business concerns must be expressed in the subcontracting plan as **percentages of the total subcontracting dollars.**

\$ and % below for EXAMPLE ONLY:

	<u>Dollars</u>	<u>Percentage</u>
Total dollars to be subcontracted (to large and small business, including HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small)	100,000	100%
To Large business (included here for example only)	60,000	60%
To Small business (includes HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small)	40,000	40%
To HUBZone Small Business	2,000	2%
To Small Disadvantaged Business	5,000	5%
To Women-Owned Small Business	5,000	5%
To Veteran-Owned Small Business	3,000	2%
To Service-Disabled Veteran-Owned Small Business	3,000	3%

(Note that of the 40% to ALL SMALL, 18% is going to the minority category (HUBZone small, sdb, wosb, vosb, and sdvosb), and the remaining 22% is going to the non-minority category (other small).)

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