

Appendix 7: Small Business Program Compliance Review Preparation Checklist



SMALL BUSINESS PROGRAM COMPLIANCE REVIEW PREPARATION CHECKLIST

Please have the following information and documentation in a binder in the same order it appears on this checklist ready on the date of my review.

General Information (please complete this sheet and use as a cover page in your binder)

Name of Company: _____

Division of/dba: _____

Mailing Address: _____

Physical Address (if different): _____

City, State, Zip: _____

DUNS #: _____ (numerical – 9 digits)

Company Website: _____

Small Business Link: _____

CEO/President: _____

Small Business Liaison Officer (SBLO): _____

Phone: _____

Email: _____

Alternate SBLO: _____

Phone: _____

Email: _____

How many prime contracts with subcontracting plans does your company have? ____

List agencies:

How many subcontracts with subcontracting plans does your company have? ____

List the prime contractors:

Does your company have any other divisions that submit *Subcontracting Report for Individual Contracts and Summary Subcontract Reports*?

If you have a Master Plan /Commercial Plan /Comprehensive Plan, please provide the current year's properly approved copy.

A. Sourcing

- Do you have any contracts for which you are not meeting subcontracting plan goals? If so, please provide a listing of product or services areas in which you need assistance in locating SB, SDB, WOSB, HUBZone, VOSB, and SDVOSBs?
- Explain how your company locates small businesses to use as subcontractors/vendors for future jobs.

B. Validation of Subcontracting Report for Individual Contracts/Summary Subcontract Reports

- **Prior to the review date, provide GSA/NCR with a listing of subcontracts¹ to any SB, SDB, WOSB, HUBZone, VOSB, and SDVOSBs that you have awarded over the past year. Include the company name, size classification of company, and dollar value (either per subcontract or aggregate for the year). From this list, GSA/NCR will select a random sampling prior to the review date. Please have each selected firm's size self-certification available on the review date.**
- Provide a sample of a blank size self-certification.
- If you are excluding any costs from your *Subcontracting Report for Individual Contracts/Summary Subcontract Reports*, please provide a listing of these items.
- Explain how a size self-certification is received, tied to a subcontract, and tracked all the way to your *Subcontracting Report for Individual Contracts/Summary Subcontract Reports*. You may include your tabulation/print outs that you used to prepare your most recent *Subcontracting Report for Individual Contracts/Summary Subcontract Reports*.
- Provide an explanation of how a proportionate share of your indirect costs is applied to your *Summary Subcontract Reports and Subcontracting Report for Individual Contracts* (if applicable). Not applicable for companies with commercial Subcontracting Plans (applied at 100%).

C. Five Year Trend Analysis

An analysis of the last five years Summary Subcontract Report data reveals a trend. Ideally, this trend should be increasing slightly each year. However, the number of contracts, buying trends, and other factors often impact the trend.

- If your awards to SB, SDB, WOSB, HUBZone, VOSB, or SDVOSB have been decreasing or remained stagnant over the past five years, provide an explanation.

¹ "Subcontracts" is defined in FAR Part 19.701 as "any agreement (other than one involving an employer-employee relationship) entered into by a Government prime contractor or subcontractor calling for supplies and/or services required for the performance of the contract, contract modification, or subcontract."

- Are there any current practices in your company that are adverse for small business (ie. reducing supplier base, consolidating requirements)? If so, what measures are you taking to make sure that small businesses are not affected?

D. Overall Evaluation of the Subcontracting Program

D1. Management’s Support of the Program.

- Provide Policy Letter from CEO supporting the program.
- Provide an Organizational Chart (explain the access it provides the SBLO to administer the small business program and to obtain the cooperation of department heads and program managers).
- Explain how often and under what circumstances you meet with management regarding small business program goal accomplishment and other issues.
- Provide copies of your written Policies and Procedures providing guidance on small business utilization.

D2. Training.

- What small business training is provided to individuals at your company with purchasing authority (including those in off-site locations)? Include agendas/rosters, etc.
- Does your company have an incentive program to recognize buyers and other staff for outstanding utilization of small businesses? If so, explain.

D3. Outreach.

- Provide a listing of trade fairs and conferences for small business that you have attended or sponsored in the past year.
- Provide a list of local small business organizations and councils that you participate in.
- Describe any small businesses that you have found and utilized as a result of your outreach efforts.
- Describe your Mentor Protégé Program (8(a) or other).
- Describe how a small business is counseled when it contacts your company.
- Describe any workshops/symposiums that you have hosted for small businesses interested in doing business with your company.

D4. Assistance Provided to Small Businesses

- Provide examples of assistance you have provided to small businesses over the past year. Examples may include advance or partial payments, technical or quality assistance, equipment donations, obstacles that you have removed or waived for a small business, etc.

D5. Success Stories:

- Provide documentation of success stories such as those resulting in an award of a contract to a firm you met at an outreach activity, award of a contract to a company SBA referred (8a firm), removing an obstacle so a small business could participate on a bid, redirecting a subcontract from a large business supplier to a small business supplier, etc.

E. Subcontracting Plan Goal Analysis

- **If you have not previously provided GSA/NCR a copy of all *Subcontracting Reports for Individual Contract*, you should provide copies to GSA/NCR at least one week before the date of the review. You should also have a copy of each subcontracting plan available during the review.**
- Explain who formulates the goals in your subcontracting plan(s), your involvement, and how these goals are formulated.
- If any of your contracts are not meeting their goals, document the reasons why. Do you have corrective action plan for any goals that you are not currently meeting?
- Provide a list of Administrative Contracting Officers (name and addresses) for all of your GSA/NCR contracts with subcontracting plans.

F. Subcontracts to Large Business

- **Prior to the review date, send GSA/NCR a list of subcontracts over \$150,000 awarded to large businesses, issued over the last year. The list should include the date of the subcontract, subcontract number, large business that received the subcontract, and dollar value. From this listing, GSA/NCR will randomly select some files to review. On the review date, please have the actual subcontract file available.**
- **Prior to the review date, send GSA/NCR a list of any blanket purchasing agreements, corporate-wide purchasing agreements, or similar agreements that were established during the past year by this company/division. Any agreement that requires a particular large business to be used for repetitive purchases should be included in the listing (For example, a corporate purchasing agreement for Office Supplies).**
- Provide a sample of your blank subcontract justification sheet (FAR 52.219-9(d)(11) requires each subcontract awarded to a large business over \$150,000 to explain whether SB/SDB/WOSB/HUBZone/VOSB/SDVOSB was solicited and if not why not – and the reason award was not made to a SB).
- Enclose the document your company uses to flow-down FAR 52.219-8 in every subcontract with subcontracting opportunities. This requirement, as prescribed by the FAR clause at 52.219-9(d)(9), is applicable to all types of subcontracting plans.
- Describe how your company requires subcontract plans from your subcontractors with subcontracts over \$650,000 or \$1.5 million for construction. Explain how this plan is reviewed and monitored. A random sampling of subcontracting plans and *Subcontracting Reports for Individual Contracts* will also be conducted during the review.

G. Rating (For informational purposes only – no documentation required)

A summary of GSA/NCR’s review findings, including recommendations, will be prepared and sent to your CEO/President. You will be assigned a rating based on the following²:

Outstanding – Exceeded all negotiated goals or exceeded at least one goal and met all of the others.³ Has exceptional success with initiatives to assist, promote and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone, veteran-owned small business (VOSB), and service-disabled VOSB (SDVOSB).⁴ An outstanding rating signifies that the company has an exemplary program that could be used as a model by other contractors in similar industries.

Highly Successful – Met all of its negotiated goals in the traditional socio-economic categories (SB, SDB, and WOSB) and met at least one of the newer socio-economic goals (HUBZone, VOSB, and SDVOSB) for each contract that contains two or more of those goals. Has significant success with initiatives to assist, promote and utilize SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB. Makes an effort to go above and beyond the required elements of the program and can provide documentation and success stories to support such efforts.

Acceptable – Demonstrated a good-faith effort to meet **all** of its goals, but has not met the rigorous criteria for a *Highly Successful* or *Outstanding* rating. Fulfills the requirements of its subcontracting plan and the regulations. *Subcontracting Report for Individual Contracts* and *Summary Subcontract Reports* are complete and accurate.

Marginal – Deficient in meeting key subcontracting plan elements, the *Subcontracting Report for Individual Contracts* and/or *Summary Subcontract Reports* are not correct, or the contractor has failed to satisfy one or more requirements of a corrective action plan currently in place. However, contractor’s management does show an interest in bringing its program to an acceptable level and has demonstrated a commitment to apply the necessary resources to do so. A corrective action plan is required, and the Administrative Contracting Officer(s) must be notified.

Unsatisfactory – Noncompliant with the contractual requirements of DFARS and FAR 52.219-8 and 52.219-9. Contractor’s management shows little interest in bringing its program to an acceptable level or is generally uncooperative.⁵ A corrective action plan is required, and the Administrative Contracting Officer(s) must be notified.

² For rating purposes, the sample should include all contracts completed during the past 12 months, or, for companies with a Commercial Plan or in the DOD *Test Program for Comprehensive Subcontracting Plans*, it should include the results of the most recent fiscal year ended September 30th (or other period ending date, if so authorized). **Note:** If a contractor with individual plans has no contracts that were completed during the past 12 months, the rating will be determined by contracts that are active, giving greater weight to those that are nearest to completion.

³ “Negotiated goals” refers to the dollar and percentage goals in the approved subcontracting plan. (For rating purposes, the reviewer will compare the percentage goals to the percentage achievements.)

⁴ Examples of such initiatives include, but are not limited to, participating in a Mentor-Protégé program, performing compliance reviews at subcontractors’ sites, administering a buyer incentive program, participating in trade fairs, promoting registration in *PRO-Net* or the CCR, and contacting suppliers to encourage SDB and HUBZone certification.

⁵ For example, recommendations made by SBA or DCMA on previous reviews have never been implemented.