

Tips on Preparing a Subcontracting Plan

Except as stated in FAR [19.109\(b\)](#) (GSA Class Deviation RFO-2025-19), the contracting officer must require the Other than Small Business (OTSB) contractor to submit a subcontracting plan when a contract (with subcontracting opportunities) is expected to exceed the subcontracting plan threshold (see FAR [19.109\(a\)](#) (GSA Class Deviation RFO-2025-19)) [\$900k (\$2M for construction)] or when a contract modification causes the value of a contract (with subcontracting opportunities) without a subcontracting plan to exceed the subcontracting plan threshold.

Step 1. Read the key Federal Acquisition Regulation (FAR) clauses for subcontracting to know what is required and the consequences:

- a. [FAR 52.219-8 Utilization of Small Business Concerns \(Jan 2025\) \(Deviation - Nov 2025\)](#). Note in the clause that accepting the contract means you will implement the U.S. policy to maximize opportunities for SBs, SDBs, WOSBs, VOSBs, SDVOSBs and HUBZone SBs to the “**fullest extent**.”
- b. [FAR 52.219-9, Small Business Subcontracting Plan \(Jan 2025\) \(Deviation - Feb 2026\)](#) Identifies the required elements for a small business subcontracting plan and addresses mandatory requirements contractors must follow after award, such as “reports” and making “good faith effort” to comply with the plan.
 - i. Subcontracting plans are more than just goals and dollars. It tells the story on how you will ensure SBs, SDBs, WOSBs, VOSBs, SDVOSBs and HUBZone SBs will participate.
 - ii. Understand what is a “good faith effort.” “Good faith effort” is defined in paragraph (d)(3) of the Small Business Regulations [13 CFR 125.3](#). See FAR [19.302-2\(b\)](#) and (c) (GSA Class Deviation RFO 2025-19) for examples of “good faith effort”.
- c. [FAR 52.219-16 Liquidated Damages-Subcontracting Plan \(Sep 2021\) \(Deviation - Nov 2025\)](#). Consequences of failing to make a “good faith effort” as required by statute. See [19.302-2\(b\)](#) and (c) (GSA Class Deviation RFO-2025-19) for examples of “good faith effort” and see FAR [19.302-2\(c\)\(2\)](#) (GSA Class Deviation RFO-2025-19) for a (not inclusive) list of indicators of a failure to make a “good faith effort”.

Step 2. Determine what goods and services will be provided in-house and what will be purchased (subcontracted) from other sources.

Step 3. Seek socio-economic small businesses first (i.e., SDBs, WOSBs, VOSBs, SDVOSBs and HUBZone SBs) before small businesses in order to maximize small business participation and subcontracting credit.

- a. Look for subcontractors that can meet more than one small business definition. Ensure those dollars are credited against all applicable categories.

For example, a \$10,000 subcontract to a WOSB who is also SDVOSB is counted for in this way:

\$10,000 for WOSB

\$10,000 for SDVOSB

\$10,000 for VOSB, since by definition a SDVOSB is also a VOSB \$10,000 to SB since by definition this company is a SB, too!

b. Find potential small businesses:

i. Small Business Administration (SBA) Commercial Marketing Representative [SBA CMRs](#)

ii. List of small businesses from GSA eLibrary [website](#). Search by category. Check out other GSA contracts linked at this site to find small businesses providing services under other GSA contracts such as OASIS+, Alliant 3, VETS2, 8(a) STARS, for small business sources

iii. See if current suppliers meet the size status for the NAICS code that best describes the subcontract and the socio-economic definitions in FAR Part 2 and representation requirements listed in FAR [19.302-2\(a\)\(1\)](#) (GSA Class Deviation RFO-2025-19).

1. **Eligibility as a subcontractor:** Hubzone, WOSB, SDVOSB, VOSB

A. MUST be certified by SBA

B. Check certification at the [Small Business Search](#) (SBS)

2. Prime contractor cannot require subcontractor to register in System for Award Management (SAM), and may take subcontractor on self-attestation they meet the size standard

3. What's the difference between SAM and SBS?

A. SAM

i. Official registration database

ii. Every company that wants to do business with government as a PRIME contractor MUST register here

iii. Shows company's self-certification of small and socioeconomic small business

iv. Includes NAICS codes, Key contact information

B. SBS

i. Database for verifying small business details including SBA certifications such as: 8(a), HUBZone, WOSB, SDVOSB, and VOSB

ii. In addition to NAICS and Key contact info, it also shows company capabilities narratives

iv. Post subcontracting opportunities on SBA's Subcontracting database, [SUBNet website](#)

v. SBA's [Small Business Search](#)

vi. Contacting an [APEX Accelerator](#) (formerly known as Procurement Technical Assistance Center)

Step 4. Begin to craft the subcontracting plan. Remember: Goals + the Narrative =

Subcontracting Plan.

- a. Estimate the annual costs for all subcontracted purchases for the base and option period of the contract, from both large and small businesses
- b. Set goals for each small business category. Goals should be realistic yet provide a “stretch.”
- c. Check the math!! Make sure the percentages for SDB, WOSB, VOSB, SDVOSB and HUBZone are calculated using the **“Total Subcontracted Dollars”** as the denominator.
- d. Use GSA’s Model Subcontracting Plan - This will ensure you meet all of the required elements in the Plan. The Plan includes best practices, too! Use the ones that you do or plan to do.

Step 5. Draft the narrative of the plan, making sure you meet all of the requirements for the plan outlined in FAR 52.219-9. Ensure the narrative in the Plan supports the goals.

- a. Ensure there are no disconnects between the goals and the narrative supporting the goals. For example, do the goals proposed match the description of what supplies and services will be subcontracted?
- b. If there are any percentages proposed that are less than the statutory requirements outlined in the Small Business Act (e.g., for GSA FY26 -24% SB, 5% SDB, 5% WOSB, 5% SDVOSB and 3% HUBZone), explain why in the narrative of the plan. Be sure to explain how you will continue to make a good faith effort throughout the life of the contract to find those businesses where the percentages are less than statutory.
- c. It is important to identify who is responsible for administering the subcontracting plan. **Note:** This is a required element for a subcontracting plan and failing to appoint a company official may indicate a failure to make a good faith effort.
- d. Understand the reporting, recordkeeping requirements and the assurances required in the subcontracting plan.
- e. Understand the required actions listed in FAR 52.219-9(e). Including these in the subcontracting plan demonstrates the commitment to perform these actions.

USING GSA’S MODEL SUBCONTRACTING PLAN AS A TOOL IS OPTIONAL AND WILL ENSURE THE SUBCONTRACTING PLAN MEETS ALL OF THE FAR REQUIREMENTS. THE MODEL PLAN INCLUDES BEST PRACTICES THAT MAY ENHANCE DEMONSTRATION OF THE “GOOD FAITH EFFORT” THE COMPANY WILL TAKE TO MAXIMIZE OPPORTUNITIES FOR SBS, SDBS, WOSBS, VOSBS, SDVOSBS AND HUBZONE SBS TO PARTICIPATE AS SUBCONTRACTORS.

Finally, REMEMBER two key requirements when preparing a subcontracting plan:

- a. Agreement by the contractor to implement the statutory requirement to

“**maximize** practicable opportunities for SBs, SDBs, WOSBs, VOSBs, SDVOSBs and HUBZone SBs” to participate as subcontractors to the “**fullest extent**” (FAR 52.219-8). Subcontracting plans must **reflect maximum and not minimum goals**.

- b. The plan will be reviewed by the CO, the GSA Small Business Technical Advisor and the SBA Procurement Center Representative. Make sure your plan tells a good small business story!
- c. Contracting Officers are required to incorporate the negotiated plan as a **material part of the contract upon award**. This means failing to make a “good faith effort” will be treated the same way as failing to meet other requirements in the contract to perform and may put the company at risk for the assessment of liquidated damages (FAR 52.219-16).