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## Sample Small Business Subcontracting Plan

### 1 Subcontracting Plan Outline

The following outline meets the minimum requirements of Public Law 95-507 and the Federal Acquisition Regulation (FAR) Subparts 19.7. It is intended to be a guideline. It is not intended to replace any existing corporate plan which is more extensive. If assistance is needed to locate small business sources, contact the Department of the Interior, Small Business Representative at 202-208-3493. Please note that the Department of Commerce, has subcontracting goals of 37% for small business; 5% for small disadvantaged business, 3% for HubZone certified, 5% for women—owned, and 3% for service disabled veteran owned small business for fiscal year 2015.

#### 1.1 Identification Data

|                             |  |                            |  |
|-----------------------------|--|----------------------------|--|
| <b>Company Name</b>         |  |                            |  |
| <b>Address</b>              |  |                            |  |
| <b>Date Prepared</b>        |  | <b>Solicitation number</b> |  |
| <b>Item/Service</b>         |  |                            |  |
| <b>Place of Performance</b> |  |                            |  |

#### 1.2 Type of Plan

*Check only one*

| Plan Type   | Plan Description   |
|---|--|
| <input type="checkbox"/> Individual Plan          | In this type of plan, all elements are developed specifically for this contract and are applicable for the full term of this contract.   |
| <input type="checkbox"/> Master Plan              | In this type of plan, goals are developed for this contract; all other elements are standard. The master plan must be approved annually. Once incorporated into a contract with specific goals, it is valid for the life of the contract.  |
| <input type="checkbox"/> Commercial Products Plan | This type of plan is used when the contractor sells large quantities of off-the-shelf commodities to many Government agencies. Plans/goals are negotiated with the initial agency on a company—wide basis rather than for individual contracts. The plan is effective only during year approved. The contractor must provide a copy of the initial agency approval, AND MUST SUBMIT A SUMMARY SUBCONTRACT REPORT (SSR) FOR “INDIVIDUAL” SUBCONTRACTING PLANS VIA THE ELECTRONIC SUBCONTRACTING REPORT SYSTEM (eSRS). |

#### 1.3 Goals

FAR 19.704(a)(1) requires separate dollar and percentage goals for using small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business concerns as subcontractors for the base year and each option year. Goals for subcontracts with small women-owned business concerns are encouraged.

1. Estimated dollar value of all planned subcontracting i.e., to all types of business concerns under this Contract is:

| Base | 1 <sup>st</sup> Option | 2 <sup>nd</sup> Option | 3 <sup>rd</sup> Option |
|------|------------------------|------------------------|------------------------|
| \$   | \$                     | \$                     | \$                     |

2. Estimated dollar value\* and percentage of planned subcontracting to small business concerns is: (\*This figure includes the amount in 3, 4, 5, and 6 below.)

| Base | 1 <sup>st</sup> Option | 2 <sup>nd</sup> Option | 3 <sup>rd</sup> Option |
|------|------------------------|------------------------|------------------------|
| \$   | \$                     | \$                     | \$                     |
| %    | %                      | %                      | %                      |

3. Estimated dollar value and percentage of planned subcontracting to small disadvantaged business concerns is:

| Base | 1 <sup>st</sup> Option | 2 <sup>nd</sup> Option | 3 <sup>rd</sup> Option |
|------|------------------------|------------------------|------------------------|
| \$   | \$                     | \$                     | \$                     |
| %    | %                      | %                      | %                      |

4. Estimated dollar value and percentage of planned subcontracting to small women-owned business concerns is:

| Base | 1 <sup>st</sup> Option | 2 <sup>nd</sup> Option | 3 <sup>rd</sup> Option |
|------|------------------------|------------------------|------------------------|
| \$   | \$                     | \$                     | \$                     |
| %    | %                      | %                      | %                      |

5. Estimated dollar value and percentage of planned subcontracting to HubZone certified business concerns is:

| Base | 1 <sup>st</sup> Option | 2 <sup>nd</sup> Option | 3 <sup>rd</sup> Option |
|------|------------------------|------------------------|------------------------|
| \$   | \$                     | \$                     | \$                     |
| %    | %                      | %                      | %                      |

6. Estimated dollar value and percentage of planned subcontracting to service disabled veteran owned small business concerns is:

| Base | 1 <sup>st</sup> Option | 2 <sup>nd</sup> Option | 3 <sup>rd</sup> Option |
|------|------------------------|------------------------|------------------------|
| \$   | \$                     | \$                     | \$                     |
| %    | %                      | %                      | %                      |

**\*\*IF ANY CONTRACT HAS MORE THAN THREE OPTIONS, PLEASE ATTACH ADDITIONAL SHEETS SHOWING DOLLAR AMOUNTS AND PERCENTAGES**

7. Products and/or services to be subcontracted under this contract, and the types of businesses supplying them, are: *(Check all that apply).*

| SUBCONTRACTED PRODUCT/SERVICE | Business Category or Size |       |                     |             |                   |                                |
|-------------------------------|---------------------------|-------|---------------------|-------------|-------------------|--------------------------------|
|                               | Large                     | Small | Small Disadvantaged | Women Owned | HubZone Certified | Service Disabled veteran owned |
|                               |                           |       |                     |             |                   |                                |
|                               |                           |       |                     |             |                   |                                |
|                               |                           |       |                     |             |                   |                                |
|                               |                           |       |                     |             |                   |                                |
|                               |                           |       |                     |             |                   |                                |
|                               |                           |       |                     |             |                   |                                |
|                               |                           |       |                     |             |                   |                                |

***(ATTACH ADDITIONAL SHEETS IF NECESSARY.)***

8. Explain the methods used to develop the subcontracting goals for small, small disadvantaged, and small women-owned business concerns. Explain how the product and service areas to be subcontracted were established, how the areas to be subcontracted to small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone were determined, and how the capabilities of small, small disadvantaged and small women-owned businesses were determined. Identify all source lists used in the determination process.

9. Indirect and overhead costs  
 have been                       have not been  
 included in the dollar and percentage subcontracting goals stated above. *(Check one.)*

10. If indirect and overhead costs HAVE BEEN included, explain the method used to determine the proportionate share of such costs to be allocated as subcontracts to small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business concerns.

### 1.4 Program Administrator

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

| Program Administrator                                       |   |
|---|---|
| Name  |   |
| Title/Position  |   |
| Address   |   |
| Telephone   |   |
| Duties  | <i>Does the individual named above perform the following?</i>   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | A. Developing and Promoting company/division policy statements that demonstrate the company's/division's support for awarding contracts and subcontracts to small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business concerns |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | B. Developing and maintaining bidders' lists of small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business concerns from all possible sources   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | C. Ensuring periodic rotation of potential subcontractors on bidders' lists   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | D. Assuring that small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone are included on the bidders' list for every subcontract solicitation for products and services they are capable of providing                                 |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | E. Ensuring that subcontract procurement "packages" are designed to permit the maximum possible participation of small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone businesses   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | F. Reviewing subcontract solicitations to remove statements clauses, etc., which might tend to restrict or prohibit small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business participation                                    |

| Program Administrator                                       |  |
|---|--|
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | G. Ensuring that the subcontract bid proposal review board documents its reasons for not selecting any low bids submitted by small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business concerns   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | H. Overseeing the establishment and maintenance of contract and subcontract award records  |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | I. Attending or arranging for the attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | J. Directly or indirectly counseling a small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business concerns on subcontracting opportunities and how to prepare responsive bids to the company   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | K. Providing notice to subcontractors concerning penalties for misrepresentations of business status as small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone 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 |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | L. Conducting or arranging training for purchasing personnel regarding the intent and impact of Public Law 95-907 on purchasing procedures   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | M. Developing and maintaining an incentive program for buyers which supports the subcontracting program  |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | N. Monitoring the company's performance and making any adjustments necessary to achieve the subcontract plan goals   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | O. Preparing and submitting timely reports   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | P. Coordinating the company's activities during compliance reviews by Federal agencies   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | Q. Encouraging subcontracting in Labor Surplus Areas when consistent with the efficient performance of the contract  |

## 1.5 Equitable Opportunity

FAR 19.704(a)(8) requires a description of the efforts your company will make to ensure that small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone small business concerns will have an equitable opportunity to compete for subcontracts. *(Check all that apply.)*

### 1. Outreach efforts to obtain sources:

|                          |   |
|--------------------------|---|
| <input type="checkbox"/> | Contacting minority, woman-owned, and small business trade associations   |
| <input type="checkbox"/> | Contacting business development organizations   |
| <input type="checkbox"/> | Attending small, woman-owned, and minority business procurement conferences and trade fairs   |
| <input type="checkbox"/> | Use the Business Partner Network (BPN). BPN is a procurement related Internet-based electronic search engine for locating SB, SDB, WOSB, HUBZ, SDVS, VOSB sources. BPN is a free electronic search mechanism that provides unprecedented views into several key databases across Federal Agencies. Another helpful Internet-based site is the Small Business Administration's Subcontracting Opportunities Directory. |

2. Internal efforts to guide and encourage purchasing personnel:

|                          |  |
|--------------------------|--|
| <input type="checkbox"/> | Presenting workshops, seminars and training programs   |
| <input type="checkbox"/> | SB, SDB, WOSB, HUBZ, SDVO, and VOSB concerns source lists, guides, and other data identifying SB, SDB, WOSB, HUBZ, SDVS, and VOSB concerns will be maintained and utilized by buyers in soliciting subcontracts. |
| <input type="checkbox"/> | Monitoring activities to evaluate compliance with the subcontracting plan  |

3. Additional efforts: (Please describe.)

## 1.6 Clause Inclusion and Flow Down

Far 19.704(a)(9) requires that your company to 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 \$650,000 (\$1,500,000 for construction) to adopt and comply with a plan similar to the plan required by FAR 52.219-9, “Small Business Subcontracting Plan.”

Your company agrees that the clause will be included and that the plans will be reviewed against the minimum requirements for such plans. The acceptability of percentage goals for small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business concerns must be determined on a case-by-case basis depending on the supplies and services involved, the availability of potential small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone subcontractors and prior experience. Once the plans are negotiated, approved, and implemented, the plans must be monitored through the submission of periodic reports, including the Individual Subcontract Report (ISR) and the Summary Subcontract Report (SSR) using the eSRS (<http://www.esrs.gov>).

## 1.7 Reporting and Cooperation

FAR 19.704(a)(10) requires that 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 the ISR, and SSR in accordance with the instructions at the eSRS (accessible at <http://www.esrs.gov>); and (4) ensure that subcontractors agree to submit the ISR and SSR.

## 1.8 Recordkeeping

FAR 19.704(a)(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. *(Check all that apply.)*

|   |  |
|---|--|
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | A. Small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business concern source lists, guides, and other data identifying such vendors  |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | B. Organizations contacted for small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business sources  |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | C. On a contract-by-contract basis, records on all subcontract solicitations over \$150,000 which indicate for each solicitation<br>(1) whether small business concerns were solicited, and if not, why not;<br>(2) whether small disadvantaged business concerns were solicited, and if not, why not;<br>(3) whether women-owned small business concerns were solicited, and if not, why not;<br>(4) whether veteran-owned small business concerns were solicited, and if not, why not;<br>(5) whether service disabled veteran-owned small business concerns were solicited, and if not, why not;<br>(6) whether HUBZone small business concerns were solicited, and if not, why not;<br>(7) reasons for the failure of solicited small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business concerns to receive the subcontract award |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conference and trade fairs   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | 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   |
| <input type="checkbox"/> Yes<br><input type="checkbox"/> No | F. On a contract-by-contract basis, records to support subcontract award data including the name, address and business size and ownership status (SDB, WOB, etc.) of each subcontractor (This item is not required for company or division-wide commercial products plans.)  |
|   | G. Other records to support your compliance with the subcontracting plan: (Please describe)  |
|   |  |

## 1.9 Timely Payment to Subcontractors

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

Please indicate if company has established and uses such procedures:

Yes       No

## 1.10 Description of Good Faith Effort

Maximum practicable utilization of small, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone 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, small disadvantaged, women-owned, veteran-owned, service disabled veteran-owned, and HUBZone business subcontracting goals, outline the steps your company plans to take. These steps will be negotiated with the contracting officer prior to approval of the plan.