INDIVIDUAL SMALL BUSINESS SUBCONTRACTING PLAN INSTRUCTIONS

Notice to offerors: The Defense Commissary Agency provides this template as a tool. We advise you to adapt this template to fit your individual subcontracting plan situation. See FAR 19.704 for more information on individual subcontracting plans. Information in italics provides instructions, samples, and examples in developing the subcontracting plan and should be tailored for each requirement. The Contractor is responsible for completion of elements 1 through 15 IAW FAR 19.704/52.219-9 Small Business Subcontracting Plan and DFARS 219.704/252.219-7003 Small Business Subcontracting Plan (DoD Contracts).

***TITLE OF DOCUMENT***

**INDIVIDUAL SMALL BUSINESS SUBCONTRACTING PLAN**

***OFFEROR/CONTRACTOR NAME***

***ADDRESS***

DATE: (date of plan)

SOLICITATION/CONTRACT NUMBER:

NAME OF REQUIREMENT:

PERIOD OF PERFORMANCE/DELIVERY DATE:

***Type of Plan***

***“Individual Plan” means a subcontracting plan*** *(including goals) that covers one contract for the entire contract term, including separate goals for each option period.*

**INTRODUCTION**

*Enter a brief description of the offeror/contractor and what is being performed/delivered under the contract.*

SAMPLE: Company is a large business that manufactures widgets and provides repair and maintenance service for OEM products at commissaries nationwide. Company has a history of providing this service and meeting small business subcontracting goals on previous contracts. The past few years have been challenging in meeting small disadvantaged business goals due to supply chain issues and pandemic restrictions…etc.

*The following Individual Small Business Subcontracting Plan, together with any attachments, is submitted in accordance with the requirements of Federal Acquisition Regulation 19.704/52.219-9 and Defense Federal Acquisition Regulation Supplement 219-704/252-219-7003.*

**Element 1 Percentage Goals**

*For each of the socio-economic categories* *(small business (SB), veteran-owned small business (VOSB), service-disabled veteran-owned small business (SDVOSB), HUBZone small business (HUBZone), small disadvantaged business (SDB), and women-owned small business (WOSB)), provide separate goals, expressed in terms of total dollars subcontracted, and as a percentage of total planned subcontracting dollars, for the use of SB, VOSB, SDVOSB, HUBZone, SDB, WOSB concerns as subcontractors. If required by the Contracting Officer, goals shall also be expressed in terms of percentage of total contract dollars, in addition to the goals expressed as a percentage of total subcontract dollars.*

*An example of a worksheet to use for individual subcontract dollars and goals is available at the link* [***https://www.commissaries.com/business/subcontractplan.cfm***](https://www.commissaries.com/business/subcontractplan.cfm)***.*** *A separate worksheet must be provided for the base year and each option year of performance.*

*SAMPLE: The percentage goals for use of small business (SB), veteran-owned small business (VOSB), service-disabled veteran-owned small business (SDVOSB), HUBZone small business (HUBZone), small disadvantaged business (SDB), and women-owned small business (WOSB) concerns as subcontractors for the base and option years are as follows: (insert table(s))*

**Element 2 Total Dollar Value of Projected Subcontracts**

*For each of the socio-economic categories (**SB, VOSB, SDVOSB, HUBZone, SDB, WOSB), provide the Offeror's total dollars planned to be subcontracted.*

*If any socio-economic category has zero percentage (0%) for the goal, provide justification for the zero percentage goal.*

*An example of a worksheet to use for individual subcontract dollars and goals is available at the link* [***https://www.commissaries.com/business/subcontractplan.cfm***](https://www.commissaries.com/business/subcontractplan.cfm)

*SAMPLE: The total dollars planned to be subcontracted and the total dollars projected on subcontracting efforts for SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB concerns as subcontractors for the base and each option period are as follows: (insert table(s))*

*Due to the type of subcontracting opportunities to support the contract, Company has not been able to locate a SDB for the past X years. Company has requested support from the SBA and local Chamber of Commerce and they were not able to locate a qualified SDB. (include justification for 0% goals)*

**Element 3 Principal Types of Subcontracted Supplies/Services**

*List the supplies and/or services to be subcontracted, and the corresponding socio-economic status of the businesses projected to receive these subcontracts. If necessary, an attachment may be used to provide a more complete explanation. An example of a worksheet to use is available at the following link:*

***https://www.commissaries.com/business/subcontractplan.cfm***

*SAMPLE: The principal types of subcontracted supplies and services for LB, SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB concerns are as follows: (insert table)*

**Element 4 Method of Developing Goals**

*Describe the method used to identify potential subcontracting sources for purposes of this requirement (explain the method and state the quantitative basis).*

*Explain how the areas to be subcontracted were determined, and how the capabilities of small businesses were determined. (Examples: Analysis of current socio-economic subcontracting accomplishments, analysis of make or buy decisions, and analysis of indirect cost elements with subcontracting potential.)*

*SAMPLE: Company has calculated goal percentages based on our knowledge of small business suppliers currently available, reviewing goals set under previous years’ small business subcontracting plans and performance toward meeting those goals. Moreover, Company’s goal development included review and examination of the following:*

* *Analysis of historical purchases and future business needs*
* *Identification of major operating requirements*
* *Make or buy decisions*
* *Solicitation of bids*
* *Local business opportunities*
* *Analysis of historical socio-economic accomplishments.*

*Company will provide reasonable and good faith efforts to achieve or surpass these goals and identify possible new small business contracting opportunities to meet our needs in this new contract.*

**Element 5 Method of Identifying Sources**

*Describe the method used to identify potential subcontracting sources for solicitation purposes.*

*Examples: Possible methods include existing company source lists, SAM, 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, Local Chamber of Commerce, or small, HUBZone, small disadvantaged, and women-owned small business trade associations.*

*SAMPLE: Resources and methods used in identifying and reaching out to small business interests are:*

* *Current source lists*
* *Market Research*
* *Networking through business partners*
* *Procurement Technical Assistance Centers (PTAC)*
* *Small Business Administration (SBA)—Dynamic Small Business Search, local SBA office, Commercial Market Representatives, Women’s Business Centers*
* *System for Award Management database*
* *Local Chamber of Commerce*
* *Conferences, Trade Shows, Seminars, Associations, etc.*

**Element 6 Indirect Costs**

*If indirect costs were not included when subcontracting goals were established, no further action is required, except to stipulate this in the plan. If indirect costs were included when establishing subcontracting goals, provide sufficient details to show how indirect costs were proportioned among the socioeconomic categories (SB, VOSB, SDVOSB, HUBZone, SDB, WOSB).*

*NOTE: FAR 52.219-9(d)(1) permits the use of indirect costs in projecting socio-economic goals, so long as the indirect costs are apportioned.*

*SAMPLE: Indirect costs were not included when subcontracting goals were established.*

*OR*

*Indirect costs were included when subcontracting goals were established. The indirect costs were proportioned among the socio-economic categories based on Government sales in relationship to Company’s total sales, calculated on a prorated basis.*

**Element 7 Plan Administrator/Duties**

*Provide the name, title, address, telephone number, and e-mail address of the individual responsible for administration of this subcontracting plan.*

*Describe their duties (e.g., developing, preparing and executing individual subcontracting plans and monitoring performance relative to the requirements of this particular plan; monitoring purchasing activities; liaison with representatives of appropriate federal, state and local agencies; submitting required reports/records; attending workshops and seminars; etc.)*

*SAMPLE: John Smith*

*Small Business Program Administrator*

*1300 Main Street*

*Anytown, VA 23801*

*John.smith@offeror.com*

*123-456-7890*

*Mr. Smith has direct responsibility over the Small Business Subcontracting Program. The specific duties are as follows:*

* *Develop, implement, monitor, and report to ensure compliance with subcontract plan requirements.*
* *Conduct reviews with purchasing agents and program teams to ensure SB, VOSB, SDVOSB, HUBZone, SDB, WOSB concerns have an equitable opportunity for subcontracts.*
* *Seek opportunities to further the company’s outreach efforts to small business concerns through company attendance at workshops, seminars, virtual events, and local business events.*
* *Develop and maintain lists of small businesses.*
* *Etc.*

**Element 8 Equitable Opportunities**

*Describe efforts to ensure* *SB, VOSB, SDVOSB, HUBZone, SDB, WOSB have an equitable opportunity to compete for subcontracts.*

*Examples include: assisting small business concerns, providing counseling, participating in outreach programs, advertising, presenting workshops/seminars, establishing source list, attending small business conferences and trade fairs, etc.*

*SAMPLE: To ensure small business concerns have an equitable opportunity to compete for subcontracts, the Small Business Program Administrator will:*

* *Create, publish, and institute a company-wide policy outlining specific mall business outreach guidelines, company expectations, and compliance requirements.*
* *Routinely review purchasing decisions and business partnerships to ensure policy requirements are met*
* *Ensure company attendance at seminars, workshops, trade fairs to facilitate outreach and further understanding of the small business subcontracting requirements and opportunities*
* *Assist small business concerns in becoming a business partner*
* *Encourage procurement managers to identify opportunities to divide company-wide acquisitions of goods and services into smaller lots in order to allow greater participation by small businesses*

**Element 9 Subcontracting Clauses**

*Assurance from the contractor to include the clause FAR 52.219-8, “Utilization of Small Business Concerns” in all subcontracts that offer subcontracting opportunities, and that the offeror will require all subcontractors (except for small business concerns) that receive subcontracts in excess of $750,000 ($1,500,000 for construction) to adopt a plan that complies with the requirements of the clause at FAR 52.219-9, “Small Business Subcontracting Plan”.*

*SAMPLE: Company agrees to include the clause FAR 52.219-8, “Utilization of Small Business Concerns” in all subcontracts that offer subcontracting opportunities, and that the offeror will require all subcontractors (except for small business concerns) that receive subcontracts in excess of $750,000 ($1,500,000 for construction) to adopt a plan that complies with the requirements of the clause at FAR 52.219-9, “Small Business Subcontracting Plan”.*

**Element 10 Reporting Assurances**

*Provide assurances that the offeror/contractor will:*

*(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) After November 30, 2017, include subcontracting data for each order when reporting subcontracting achievements for indefinite-delivery, indefinite-quantity contracts with individual subcontracting plans where the contract is intended for use by multiple agencies, if applicable;*

*(iv) Submit the Individual Subcontract Report (ISR)/SF294, as required, using the Electronic Subcontracting Reporting System (eSRS) at http://www.esrs.gov;*

*(v) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;*

*(vi) Provide its prime contract number, its unique entity identifier, and the e-mail address of the Offeror’s official responsible for acknowledging receipt of or rejecting the ISRs, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their ISRs; and*

*(vii) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own unique entity identifier, and the e-mail address of the subcontractor’s official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans.*

*SAMPLE: Company agrees to (list items (i) through (vii), as applicable)*

**Element 11 Records Maintenance**

*List/describe the types of records that will be maintained to demonstrate compliance with the requirements and goals in the plan.*

*The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):*

*(i) Source lists (e.g., SAM), guides, and other data that identify SB, VOSB, SDVOSB, HUBZone, SDB, WOSB concerns.*

*(ii) Organizations contacted in an attempt to locate sources that are SB, VOSB, SDVOSB, HUBZone, SDB, WOSB concerns.*

*(iii) Records on each subcontract solicitation resulting in an award of more than $250,000 indicating whether SB, VOSB, SDVOSB, HUBZone, SDB, WOSB were solicited or not.*

*If applicable, the reason award was not made to a small business concern.*

*(iv) Records of any outreach efforts to contact Trade associations; Business Development organizations; Conferences and trade fairs to locate SB, VOSB, SDVOSB, HUBZone, SDB, WOSB sources; and Veterans Service organizations.*

*(v) Records of internal guidance and encouragement provided to buyers through Workshops, Seminars, Training, etc.; and Monitoring performance to evaluate compliance with the program’s requirements.*

*(vi) 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.*

*Examples: Organizations contacted to locate sources, outreach efforts (i.e., conferences, trade fairs, etc.), internal guidance to encourage efforts by buyers, workshops, records on subcontract solicitations resulting in award over $250,000, socioeconomic lists, etc*

*SAMPLE: Company will maintain records to document and demonstrate the compliance and outreach efforts related to this small business subcontracting plan. Company will maintain records on each subcontract solicitation resulting in an award greater than the simplified acquisition threshold. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated): (list items (i) through (vi), outreach efforts, and any other records, as applicable)*

**Element 12 Small Businesses Used in Proposal Preparations**

*Provide assurances that the Offeror will make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns that it used in preparing the bid or proposal, in the same or greater scope, amount, and quality used in preparing and submitting the bid or proposal.*

*SAMPLE: In the event Company uses a small business concern in preparing a bid/proposal, Company will use good faith efforts to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concern that it used in preparing the bid/proposal, in the same or greater scope, amount, and quality used in preparing and submitting the bid/proposal.*

**Element 13 Explanation Why Small Businesses Were Not Used**

*Provide assurances that the Contractor will provide the Contracting Officer with a written explanation if the Contractor fails to acquire articles, equipment, supplies, services or materials or obtain the performance of construction work as described in the bid/proposal.*

*SAMPLE: In the event Company fails to acquire articles, equipment, supplies, services or materials or obtain the performance of construction work as described in the bid/proposal, as described in the previous paragraph, Company will provide the Contracting Officer with a written explanation describing why such items/work were not acquired from the small business within 30 days of contract completion.*

**Element 14 Subcontractor & Contracting Officer Discussion**

*Provide assurances that the Contractor will not prohibit a subcontractor from discussing with the Contracting Officer any material matter pertaining to payment to or utilization of a subcontractor.*

*SAMPLE: Company will not prohibit a subcontractor from discussing with the Contracting Officer any material matter pertaining to payment to or utilization of a subcontractor.*

**Element 15 Subcontractor Payments**

*Provide assurances that the offeror will pay its small business subcontractors on time and in accordance with the terms and conditions of the underlying subcontract, and notify the contracting officer when the prime contractor makes either a reduced or an untimely payment to a small business subcontractor.*

*SAMPLE: Company will pay its small business subcontractors on time and in accordance with the terms and conditions of the underlying subcontract. Furthermore, Company will notify the contracting officer in writing within 14 days when the Company makes either a reduced or an untimely payment to a small business subcontractor as required in FAR 52.242-5.*

**Facilitation of Plan Implementation**

*SAMPLE: In order to effectively implement this plan to the extent consistent with efficient contract performance, the Company 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 certified by SBA as a HUBZone small business concern in accordance with 52.219-8(d)(2).*

*(5) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as SB, VOSB, HUBZone, SDB, or WOSB for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Company’s subcontracting plan.*

*(6) For all competitive subcontracts over $250,000, in which a small business concern received a small business preference, upon determination of the successful subcontract offeror, prior to award of the subcontract the Company must inform each unsuccessful small business subcontract offeror in writing of the name and location of the apparent successful offeror and if the successful subcontract offeror is a SB, VOSB, SDVOSB, HUBZone, SDB, or WOSB concern.*

*(7) Assign each subcontract the NAICS code and corresponding size standard that best describes the principal purpose of the subcontract.*

**Contractor Submission Information**

*Provide the name, title, telephone number, and email address of the individual submitting the subcontracting reports in eSRS/SF294.*

*Provide the name, title, telephone number, date, signature, and email address of the individual submitting the subcontracting plan.*

*Provide name, title, department/agency contracting organization, date, signature and email of the person approving the plan.*

*SAMPLE:*

*The following individual will be submitting subcontracting reports in eSRS/SF294:*

*John Smith*

*Small Business Program Administrator*

*John.smith@offeror.com*

*This subcontracting plan is submitted by:*

*John Smith XX Month 20XX*

 *John Smith*

*Small Business Program Administrator*

*John.smith@offeror.com*

*123-456-7890*

*This subcontracting plan is approved by:*

*Mary Jones XX Month 20XX*

*Mary Jones*

*VP, Contracts*

*Mary.Jones@offeror.com*