



SBTW★23

CONNECT.MENTOR.COLLABORATE

Driving Small Business Performance

JUNE 20-23, 2023 | BALTIMORE MD

Small Business Subcontracting Plans



Laura Robello

Small Business Professional, DCMA



June 21, 2023



SBTW²³
CONNECT.MENTOR.COLLABORATE
Driving Small Business Performance

Subcontracting Plans



Laura Robello

Small Business Professional, DCMA



June 21, 2023



SBTW★23
CONNECT.MENTOR.COLLABORATE
Driving Small Business Performance

DCMA Small Business Compliance Core Functions

- Subcontracting Plan Reviews (Individual, Commercial, and Master)
 - FAR 42.302(a)(52),(53),&(54).
- Subcontracting Program Compliance Reviews
 - FAR 42.302(a)(55)
 - Review compliance
 - FAR 52.219-8 Utilization of Small Business Concerns
 - FAR 52.219-9 Small Business Subcontracting Plan
 - Small Business Subcontracting Plans
- Administer DoD Mentor Protégé Pilot Program (MPP)
- Administer and Manage the Comprehensive Small Business Subcontracting Test Program (CSP)
- Small Business Ombudsman
- Procurement Center Support



Responsibilities of the ACO

19.706 Responsibilities of the cognizant administrative contracting officer.

The administrative contracting officer is responsible for assisting in evaluating subcontracting plans, and for monitoring, evaluating, and documenting contractor performance under the clause prescribed in [19.708\(b\)](#) and any subcontracting plan included in the contract. The contract administration office shall provide the necessary information and advice to support the contracting officer, as appropriate, by furnishing-

- (a) Documentation on the contractor's performance and compliance with subcontracting plans under previous contracts;
- (b) Information on the extent to which the contractor is meeting the plan's goals for subcontracting with eligible small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns;
- (c) Information on whether the contractor's efforts to ensure the participation of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns are in accordance with its subcontracting plan;
- (d) Information on whether the contractor is requiring its subcontractors to adopt similar subcontracting plans;
- (e) Immediate notice if, during performance, the contractor is failing to meet its commitments under the clause prescribed in [19.708\(b\)](#) or the subcontracting plan;
- (f) Immediate notice and rationale if, during performance, the contractor is failing to comply in good faith with the subcontracting plan (see [19.705-7\(b\)](#) for more information on the determination of good faith effort); and
- (g) Immediate notice that performance under a contract is complete, that the goals were or were not met, and, if not met, whether there is any indication of a lack of a good faith effort to comply with the subcontracting plan.



Subcontracting Plan Reviews

- DCMA reviews for compliance to:
 - ✓ FAR 52.219-9(d)(1)-FAR 52.219-9(d)(15)
 - ✓ DFARS 219.705-4(d)
- DCMA provides recommendations in accordance with DFARS 219.706(a)(ii)
- How to request a plan review from DCMA
 - ✓ Send an email to the DCMA Small Business Center Inbox at:
dcma.gregg-adams.hq.mbx.small-business-center-support@mail.mil
 - ✓ Include solicitation/contract number, CAGE Code, and if FMS requirement or not
- **DCMA does not approve or disapprove subcontracting plans**



Subcontracting Plan Reviews

- Subcontracting plans will be recommended for disapproval if they do not meet ALL of the elements of FAR 52.219-9(d) to include seven different assurances.
- DFARS 219.705-4(d)(i) Reviewing the subcontracting plan.
 - Challenge any subcontracting plan that does not contain positive goals.
 - A small disadvantaged business goal of less than five percent must be approved one level above the contracting officer



Subcontracting Plan Goals

FAR 52.219-9(c)

- There shall be goals for the base and each option
- There shall be goals separate for the base and each option.
- Subcontracting achievements by affiliates shall be included in subcontracting goals.



FAR 52.219-9(d)(9)

In accordance with FAR 52.219-9(d)(9) There must be assurances that the offeror will include the clause of this contract entitled “Utilization of Small Business Concerns” in all subcontracts that offer further subcontracting opportunities in accordance with FAR 52.219-9(d)(9).

- ✓ Assurances FAR 52.219-8 is flowed down at all dollar values not just over SAT
- ✓ If it states they will flow down in accordance with FAR 19.708(a) –recommended disapproval
- ✓ FAR 19.708(a) is the Government’s requirement, contractor’s requirement is different

In accordance with FAR 52.219-9(d)(9) There must be assurances that large business subcontractors will provide subcontracting plans when they receive subcontracts in excess of the applicable threshold specified in **FAR 19.702(a) on the date of subcontract award.**



Subcontracting Plans for IDIQs and BOAs

Indefinite Delivery Indefinite Quantity (IDIQ) contracts (“D” type)

- The threshold for “D” type contracts is the maximum amount/ceiling of the contract for the base and all options.
- Subcontracting plans for “D” type contracts are at the base level
- A contract shall have no more than one subcontracting plan in accordance with FAR 52.219-9(i).
- The subcontracting plan covers the entire contract to include all delivery orders.
- Contracting Officers may negotiate goals at the task order level but it is not in the form of a new subcontracting plan. FAR 19.705-2(e)

Basic Ordering Agreements (“G” type)

- For BOAs subcontracting plans at order level “F”
- The “F” order itself must be over the threshold to require a subcontracting plan
- Reporting ISRs/SF294s at the order level “F”



Joint Venture Subcontracting Plans

Joint Ventures (JV) are treated the same as a large prime

- One subcontracting plan per contract
- Contract awarded to JV not the contractors who formed the JV
- A contract shall have no more than one subcontracting plan in accordance with FAR 52.219-9(i)



Common Errors on Subcontracting Plans

Subcontracting goals are not computed correctly in accordance with FAR 52.219-9(1) and FAR 52.219-9(d)(2)

- Goals are to be computed based on the total to be subcontracted (or total contract value when required by contracting officer).

Subcontracting plan is not compliant to the current version of FAR 52.219-9(d)

Rationale for low or zero subcontracting goals is not provided



Templates

Beware of providing templates to offerors

- Although they may be accurate at the time, they become obsolete
- Offerors do not understand their duties and do not fulfill them
- Templates do not always meet the requirements of FAR 52.219-9(d)
- A lot of confusion with regard to commercial and individual subcontracting plans when utilizing templates



Subcontracting Goals

SBA negotiates goals with each federal agency annually

- FY 2023 subcontracting goals for DoD
 - ✓ SB: 30.0%
 - ✓ HUBZone: 3%
 - ✓ SDVOSB: 3%
 - ✓ SDB: 5%
 - ✓ WOSB: 5%
- DFARS 219.705-4
 - ✓ The contracting officer must challenge a subcontracting plan that does not contain positive subcontracting goals
 - ✓ A small disadvantaged business subcontracting goal of less than 5% must be approved one level above the contracting officer



Contact Information

Assistant Director, DCMA Small Business Compliance Group

Subcontracting Program Compliance and Plan Reviews

Dr. Sonny D. Hatcher

sonny.d.hatcher.civ@mail.mil

Assistant Director, DCMA Specialized Support Group

Comprehensive Subcontracting Test Program & Mentor Protégé Program

Ms. Luz Vasquez

luz.m.vasquez2.civ@mail.mil

Director, DCMA Subcontracting and Small Business Compliance Center

Small Business Ombudsman, Policy Matters, Customer Engagement

Ms. Kelli Ann Zagata

kelli.a.zagata.civ@mail.mil



SBTW²³
CONNECT.MENTOR.COLLABORATE
Driving Small Business Performance

Thank you.



SBTW[★]23
CONNECT.MENTOR.COLLABORATE
Driving Small Business Performance