

**This document is provided for reference purposes only.**

**Subcontracting plans are completed within the eOffer system. Submission of a separate subcontracting plan document will not be accepted.**

**However, the subcontracting plan in eOffer does not have a mechanism for you to sign your plan. Therefore, after completing the subcontracting plan in eOffer, you will need to download the plan, complete the signature block (page 14 of this model plan) and upload the signed plan as an attachment to your offer.**

## COVER PAGES

### MODEL SUBCONTRACTING PLAN TEMPLATE

*Remove these pages before submitting your completed subcontracting plan to the contracting officer*

**Notice to Offerors:** GSA provides this model plan as a tool to be used by prime Contractors and subcontractors required to submit subcontracting plans. The plan is **NOT** a fill-in-the-blank form, nor does it replace the FAR requirements listed in the solicitation/contract. This is a tool to guide you through FAR subpart 19.7, *The Small Business Subcontracting Program*.

#### **Before submitting subcontracting plans:**

- Thoroughly review the requirements set forth in FAR 19.704, *Subcontracting Plan Requirements*, and FAR clause 52.219-9, *Small Business Subcontracting Plan*.
- Understand the statutory requirements in FAR 19.702:
  - o Any contractor receiving a contract for more than the simplified acquisition threshold must agree in the contract that SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns will have the **maximum practicable opportunity** to participate in contract performance consistent with its efficient performance.
  - o It is further the policy of the United States that its prime contractors establish procedures to ensure the **timely payment** of amounts due pursuant to the terms of their subcontracts with SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns.
  - o Each contract modification that causes the value of a contract without a subcontracting plan to exceed \$700,000 (\$1.5 million for construction), shall require the Contractor to submit a subcontracting plan for the contract, IF the Contracting Officer determines that subcontracting opportunities exist.
  - o The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the Offeror ineligible for award of a contract
- **Separately address subcontracting** with small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including ANCs and Indian Tribes), and women-owned small business concerns.
- Choose the best type of plan for your company: commercial, individual, or master (See the Description of the Types of Plans)

- Follow the instructions for calculating small business subcontracting goals, ensuring estimated dollars are applied against all socio-economic categories represented by the small business (e.g. same dollars for multiple designations)
- Understand the reporting requirements for the type of subcontracting plan selected as noted in FAR 52.219-9 and the ATTACHMENT<sup>1</sup>.
- Adapt the Model Plan to fit your subcontracting situation, while reflecting best faith efforts and realistic **stretch** goals. Note: This model does not establish minimum requirements for an acceptable plan. It reflects objectives GSA encourages Contractors to adopt. Don't merely repeat the GSA target goals, but put thought into maximum practicable opportunities that might be possible and achievable.
- Remove these instructional pages and the instructional language (in **blue**) throughout the Model Subcontracting Plan Template before submitting to the contracting officer for review and approval.

## Description of the Types of Plans:

### COMMERCIAL SUBCONTRACTING PLAN

- This type of plan includes the Offeror's (or Contractor's) planned subcontracting **for both commercial and government business**, rather than solely to a single government agency or contract.
- This is the **preferred** type of subcontracting plan for Contractors furnishing commercial items and services<sup>2</sup>.
- A commercial plan:
  - Covers only the **company's fiscal year (12 month period MM/DD/YY stated on the plan)**
  - Applies to the purchasing to support the entire production of commercial items sold by the entire company or is limited to a portion thereof (e.g. division, plant, or product line). Please indicate such a statement in the commercial plan, whether it applies company-wide or is a limited plan.
  - Must include indirect costs (i.e. general and routine commercial purchases)
  - If the commercial plan encompasses more than one company within the corporation, identify in the plan the companies covered and include the DUNS number for each.
- **The approved commercial plan remains in effect during the Contractor's fiscal year for all Government contracts in effect during that period. Once a Contractor's commercial plan has been approved, the Government shall not require another subcontracting plan from the same Contractor while the plan**

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<sup>1</sup> After November, 2017, contractors will be required to report subcontracting achievements at the order level under task/delivery order contracts in accordance with the Federal Acquisition Circular (FAC) 2005-89.

<sup>2</sup> FAR 19.704(d) and clause 52.219-9(g)

**remains in effect, as long as the product or service being provided continues to meet the definition of a commercial item (i.e. only one commercial plan per Contractor annually).**

- To submit a commercial plan:
  - Complete Section I. *Identification Data* in the Model Template and check “Commercial Plan” under Section II, *Type of Plan*
  - List the annual goals (or spend) for each socio-economic category listed in the commercial plan format provided under Section III, *Goals*.
  - Delete pages 4 through 9 (Tables 1 through 6 and the instructions for the individual plan).
  - Complete Sections IV through XV, ensuring a company official signs the plan under XVII.
  - Submit the commercial plan to either the first Contracting Officer (of any agency) awarding a contract subject to the plan during the Contractor’s fiscal year, or if the Contractor has ongoing contracts with commercial plans, to the Contracting Officer responsible for the contract with the latest completion date. That Contracting Officer shall negotiate the commercial plan for the Government covering that 12 month period. Again only one plan per Contractor to cover all contracts during the same fiscal year.
  - **When the new commercial plan is approved, provide a copy of the approved plan to each Contracting Officer responsible for an ongoing contract that is subject to the plan.**
  - Be sure to submit a new commercial plan, **30 working days** before the end of the Contractor’s fiscal year (i.e., plan expiration date) to the Contracting Officer responsible for the uncompleted Government contract with the latest completion date. Provide to each Contracting Officer responsible for an ongoing contract subject to the plan, the identity of the Contracting Officer that will be negotiating the new plan.
  - After award, submit the required annual Summary Subcontracting Report (see the ATTACHMENT) to the contracting officer who approved the plan **for all contracts (Government and commercial) covered by the commercial plan.**

#### **INDIVIDUAL SUBCONTRACTING PLAN**

- Applies to a **specific federal agency (GSA) single contract**
- Covers the **entire contract period, including all options whether exercised or not**
- Contains goals that are based on the offeror’s planned **subcontracting (and purchasing)** in support of the specific contract
- Indirect costs incurred for common or joint purposes may be included in the plan, allocated on a prorated basis to the contract. If included in the plan, indirect costs must be included in the reports after award.
- For contracts with option periods, the individual plan will include separate

**sections with goals and estimated value** (or sales) for the base period and separate goals and estimated value for each option period, plus a sum total of all periods for the entire contract term.

- To submit an individual plan:
  - Complete Section I, *Identification Data*, and check “Individual Plan” under Section II, *Type of Plan*
  - Include **separate** goals, expressed in terms of total dollars subcontracted, and as a percentage of total planned subcontracting dollars. *Note: If required by the Contracting Officer, also express goals in terms of percentage of total **contract** dollars, **in addition to** the goals required as a percentage of total **subcontracted** dollars*<sup>3</sup>.
  - Complete the Tables under Section III of the Template for an Individual Plan and remove page 10 which only applies to commercial plans. Each table must correspond to each period of the contract.
  - Complete the Total Table 6 (NEW), summarizing the base period goals plus all options (which figure the CO will include on the transmittal Checklist for Review)
  - Complete Sections IV through XV, ensuring a company official signs the plan under XVII.
  - If the company has an approved Master Plan used to develop and incorporate the individual plan, provide a copy of the approved Master plan, including evidence of a Government Contracting Officer’s approval.
  - Submit cumulative, semi-annual Individual Subcontract Reports (ISR), and the annual Summary Subcontract Report (SSR) using the Electronic Subcontracting Reporting System ([eSRS website](#)) as required. Refer to clause 52.219-9 and the ATTACHMENT.
  - **A contract may not have more than one subcontracting plan**<sup>4</sup>. When a contract modification exceeds the subcontracting plan threshold (see 19.702(a)) or an option is exercised, the **goals** of an existing subcontracting plan shall be amended to reflect any **new** subcontracting opportunities not envisioned at the time of contract award. **These goal changes do not apply retroactively.**
  - If a subcontracting plan has been added to the contract due to a **modification or a size re-representation**, the subcontracting goals apply from the date of incorporation of the subcontracting plan into the contract. The Contractor’s achievements must be reported on the ISR on a cumulative basis from the date of incorporation of the subcontracting plan into the contract.

#### **MASTER SUBCONTRACTING PLAN:**

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<sup>3</sup> FAC 2005-89

<sup>4</sup> FAR 19.705-2(e)

- This type of plan may be established on a plant or division-wide basis,<sup>5</sup> when all elements of the plan are standard to the company with the exception of the goals
- Contains all the required elements of an individual subcontracting plan, **except** goals. Must include the list of supplies/services the company typically subcontracts, which will cover any specific project or acquisition that comes up
- Must first be approved by a contracting officer before using to craft an individual plan for a specific acquisition
- Shall be effective for a 3-year period after approval of a government Contracting Officer
- Changes required to update Master subcontracting plans are not effective until approved by the Contracting Officer
- May be incorporated by reference as a part of the individual subcontracting plan **provided the Master plan has been approved**
- Becomes an individual plan once goals are added for a specific acquisition. Then, the individual plan applies to the contract for the life of the contract.
- To submit a Master plan for GSA approval<sup>6</sup>
  - Complete Section I, *Identification Data*, and check “Master Plan” under Section II, *Type of Plan of the Model Subcontracting Plan Template*
  - Complete Sections IV through XV, ensuring a company official signs the plan.
- To use an approved Master plan with goals for a specific acquisition:
  - Add goals specific to that acquisition to the approved Master plan.
  - Provide evidence of prior Master plan approval by a government contracting officer.
  - Submit the approved Master plan, with evidence of approval with specific goals to the appropriate contracting officer
  - Once approved by the contracting officer, the plan becomes an individual plan and is incorporated into the contract.
- **Remember to:**
  - Update the Master plan every 3 years and provide copies of the approved Master plan, including evidence of its approval, to the Contracting Officer.
  - Assign goals and document any deviations from the approved Master subcontracting plan when using the Master plan as part of an individual subcontracting plan submitted in response to a specific acquisition.

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<sup>5</sup> FAR 19.704(b) and 52.219-9(f)

<sup>6</sup> Master plans are rare at GSA. Often master plans have been pre-approved by the Department of Defense.

## **INSTRUCTIONS FOR COMPUTING SUBCONTRACTING GOALS**

***(How to do the math tips)***

***The GSA subcontracting goals are provided for your information and are subject to change<sup>7</sup>. The following tips are offered to assist you with calculating the subcontracting plan goals (Section III of this template):***

- Decide what your company can provide internally, then determine what is left to outsource
- Estimate total subcontracting dollars (“outsourcing,” “purchases” or “spend”) planned to both small and “other than small” business (OTSB)<sup>8</sup> concerns over the period(s) covered by the type of plan selected:
  - For an Individual subcontracting plan, list the total dollars (small and large/OTSB) estimated for subcontracting under the **specific contract**, including all option periods broken out separately for each period plus a summary of all periods for the total contract term;
  - For a Commercial subcontracting plan, list the total value of all projected subcontract dollars (small and large/OTSB) to include routine and general support for the **company-wide annual sales**.
- Separately identify the dollars that will be subcontracted to both large/OTSB and to small businesses, which when added together make up the total dollars subcontracted to all concerns and 100%. Percent goals for each subcategory must be expressed as a percentage of the **total** subcontracting dollars to all concerns (both OTSB and small)<sup>9</sup> **See next page**
- Apply the subcontracted dollars towards **all** small business socio-economic categories applicable to your suppliers. For example, a \$30,000 subcontract awarded to a woman-owned, HUBZone, service-disabled veteran owned small business:
  - apply \$30,000 against WOSB

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<sup>7</sup> The goals are negotiated with the Small Business Administration (SBA) annually based on recent agency achievements. SBA is responsible for the Federal Government Goaling Program. Information on the goaling process which includes subcontracting can be found at: [SBA Goaling Process](#).

<sup>8</sup> The term “other than small business” is used to indicate all other certifications that are not small. Examples include non-profits, universities and educational institutions, utilities, state and local governments.

<sup>9</sup> For individual subcontracting plans **only**, a Contracting Officer **may** also require the goals to be calculated as a percentage of total **contract** dollars, in addition to the goals required as a percentage of subcontracted dollars (FAC 2005-89).



- o apply \$30,000 against HUBZone
- o apply \$30,000 against SDVOSB
- o apply \$30,000 against VOSB (since a SDVOSB is a VOSB)
- o apply \$30,000 against small business since WOSB, HUBZone and SDVOSB are socioeconomic small business subcategories.

**Note: This is not double/triple counting, but ensures credit is given to all socioeconomic categories represented by the small business**

- The **small** business dollar amount must include all small business socioeconomic subcategories; i.e., VOSB, SDVOSB, HUBZone, SDB, WOSB, (plus any "other small" businesses that do not fall within one of these specified subgroups).

Note: include Alaskan Native Corporations (ANCs) and Indian tribes are included in both the SDB and total small business amounts.

- Once the dollars have been assigned to each socioeconomic category, calculate the percentage for each category separately against the "Total dollars to be subcontracted."

**\* Caution: Only the OTSB total plus the small business total should equal the total dollars to be subcontracted in both dollars and percent.** See calculation "notes" within Section III of this template for further assistance. Do **not** add together the small business socioeconomic subcategories to reach the total **small** business figure, as the same dollars should already be included in the small total.

Planned Subcontracting by Business Size	Sample Dollars	GSA Goal (FY 2017)
Total Subcontracted Dollars	\$1,000,000	100%
Other than Small Business (OTSB/Large)	\$710,000	71%
All Small (includes Veteran-Owned Small, Service-Disabled Veteran-Owned Small, HUBZone small, Small Disadvantaged Business, Women-	\$290,000	29%



<b>Owned Small, and other small business concerns, i.e. ANCs, etc.</b>		
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**The Total dollars to be subcontracted will be used as the denominator in calculating the percentages for each socio-economic category.**

**\*NOTE:** The total \$290,000 to all Small businesses already includes each subcategory (small, VOSB, SDVOSB, HUBZone small, SDB, and WOSB, ), plus other small businesses such as ANCs, that are only small and do not fall into a specified category.

**Identify subcontracts awarded to the small business socio-economic subcategories and calculate the percentages using the total subcontract dollars as the denominator:**

<b>Planned Subcontracting by Business Size</b>	<b>Sample Dollars</b>	<b>GSA Goal (FY 2017)</b>
<b>Veteran-Owned Small Business</b>	<b>\$30,000</b>	<b>3%</b>
<b>Service-Disabled Veteran-Owned Small Business<sup>10</sup></b>	<b>\$30,000</b>	<b>3%</b>
<b>HubZone Small Business</b>	<b>\$30,000</b>	<b>3%</b>
<b>Small Disadvantaged Business</b>	<b>\$50,000</b>	<b>5%</b>
<b>Women-Owned Small Business</b>	<b>\$50,000</b>	<b>5%</b>

<sup>10</sup> SDVOSB should always be less than or equal to VOSB which includes both veteran and service-disabled veteran owned small businesses.

**Subcontracting Plan Template**  
**[INSERT COMPANY NAME]**  
**SMALL BUSINESS SUBCONTRACTING PLAN**

**I. IDENTIFICATION DATA:**

**Address:** \_\_\_\_\_

**Date Prepared:** \_\_\_\_\_

**Description of Types of Supplies/Services:**

**Solicitation Number:** GS-\_\_\_\_\_ *(for Individual Plans only)*

**Contract Number:** \_\_\_\_\_ *(Mark N/A or delete for commercial plans)*

***If submitting an Individual subcontracting plan, insert duration or dates below for each period of the contract if known (or insert N/A if that period has passed, or the contract does not include a specific or additional option period).***

**Individual Plan Period(s):**

Base: Date of Award thru X? *(5 years-for Multiple Award Schedules (MAS) or other)*

Option 1: (1 year, 5 years for MAS or other if non-MAS)

Option 2: (1 year, 5 years for MAS)

Option 3: (1 year, 5 years for MAS)

Option 4: (1 year, N/A for MAS (delete))

**Estimated Contract Value:** *(Provide separate estimate for basic contract and each option)*

Base Period: \$ \_\_\_\_\_

Option Period 1: \$ \_\_\_\_\_

Option Period 2: \$ \_\_\_\_\_

Option Period 3: \$ \_\_\_\_\_

Option Period 4: \$ \_\_\_\_\_ *(if applicable and N/A delete for MAS)*

Include sum Total value (expected sales) of all periods for entire contract term:

\$ \_\_\_\_\_

**Place of Performance:** \_\_\_\_\_ *(“Multiple” or leave blank for commercial plans)*

**DUNS Number:** (under the contract awarded or pending award)

***If submitting a Commercial subcontracting plan, insert company Fiscal Year (FY)***

***begin and end dates and projected annual sales below:***

**Commercial Plan Period:** (Contractor's 12-month dates including year covered M/D/Y)

**Projected annual sales (Company-wide):** \$\_\_\_\_\_

**II. TYPE OF PLAN: FAR 19.701 (For description of these plans, see Cover Page and FAR clause 52.219-9). Choose one:**

\_\_\_\_\_ **Commercial**

\_\_\_\_\_ **Individual**

\_\_\_\_\_ **Master**

**III. GOALS:**

*FAR clause 52.219-9(d) states that the subcontracting plan shall include the following:*

*(1) Separate goals, expressed in terms of total dollars subcontracted, and as a percentage of total planned subcontracting dollars, for the use of small business (including ANCs and Indian tribes), veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including ANCs and Indian tribes) and women-owned small business WOSB concerns as subcontractors.*

*For **individual** subcontracting plans, **and 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. The Offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs.*

*(2) A statement of total dollars planned to be subcontracted for an individual subcontracting plan; or for a commercial plan, the Offeror's total projected sales, expressed in dollars, and the total value of projected subcontracts to support the sales for a commercial plan; and, total dollars planned to be subcontracted to SB concerns, VOSB, SDVOSB, HUBzone, SDB, and WOSB concerns.*

***Remember:***

- ***Commercial plans will always reflect annual company-wide goals***
- ***Individual plans will reflect contract-specific goals, including all options. The individual plan shall contain separate statements and goals for the basic contract (period) and for each option (period) remaining.***
- ***Do not include goals for initial Master plans submitted for approval.***
- ***Dollars and percentages to OTSB and total small businesses (including all socioeconomic subsets) must equal the total subcontracted to both categories in dollars and percentages.***
- ***Goals will only reflect percent of total contract value (optional) for***

*individual subcontracting plans IF required by the Contracting Officer.*

*Each contractor is expected to offer the maximum practicable opportunities to each type of small business concern, consistent with their best faith efforts and supported by their reports and records of actual achievements.*

*Note that “zero” is not considered a “positive” goal to strive for, which the FAR requires, and additional steps plus justification will be needed if a contracting officer plans to accept any category that lacks a goal.*

**COMPLETE THE GOAL FORMAT BELOW ONLY IF SUBMITTING AN INDIVIDUAL SUBCONTRACTING PLAN.** *The tables are provided to assist in computing the total subcontract dollars and percentages, including all options. First, complete the table for the base period of the contract and each option period, if any, “A contract may have no more than one subcontracting plan.”*

*(If submitting a commercial plan, please remove the following sample pages, for base and option goals, before submitting your plan.)*

*Note: If a subcontracting plan is being added to an existing contract due to a contract modification exceeding the plan threshold in 19.702(a), use clause 52.219-9 with the new Alternate IV to replace paragraphs (c) and (d). If re-representation of business size (no longer small) occurs, and a subcontracting plan is being added to the existing contract, please delete the appropriate section (Base Goals and any earlier option periods) which have already ended and submit separate sections and goals only for the remaining periods of the contract.*

*However, when an option period is being exercised under a contract with an existing subcontracting plan, a new subcontracting plan is not required. The goals of the pending option are added to those in the existing approved subcontracting plan. When the goals are amended, these goal changes do not apply retroactively, but from date of incorporation of the plan into the contract.*

*Then, complete the Total Goals (Sum of all periods) table which follows the individual period sections.*

**[Company Name]** provides the following separate dollar and percentage goals, which are a percentage of the total subcontracting dollars for each business category \*\*plus a percentage of total contract value (only IF required by the Contracting Officer for this contract):

**Table 1. Base Period Goals<sup>11</sup>**

<b>Planned Subcontracting by Business Size</b>	<b>Whole Dollars</b>	<b>Percent of Subcontracted Dollars</b>	<b>**Percent of Contract Dollars<sup>12</sup></b>
<b>Total Dollars to be Subcontracted<sup>13</sup></b>	\$	100%	
<b>Other than Small Business (OTSB/Large)</b>	\$		
<b>All Small Businesses (including ANC and Indian tribes)</b>	\$		
<b>Veteran-Owned Small Business (VOSB)</b>	\$		
<b>Service-Disabled Veteran-Owned Small Business (SDVOSB)</b>			
<b>HUBZone Small Business</b>	\$		
<b>Small Disadvantaged Business (SDB) (to include ANCs and Indian tribes)</b>	\$		
<b>Women-Owned Small Business (WOSB)</b>	\$		

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<sup>11</sup> Note: the base period for MAS contracts is five years.

<sup>12</sup> Complete this column only if required by the Contracting Officer.

<sup>13</sup> Total dollars subcontracted is the sum of “other than small business” and all small business.

**Table 2. Option Period I<sup>14</sup>**

<b>Planned Subcontracting by Business Size</b>	<b>Whole Dollars</b>	<b>Percent of Subcontracted Dollars</b>	<b>Percent of Contract Dollars<sup>15</sup></b>
<b>Total Dollars to be Subcontracted<sup>16</sup></b>	<b>\$</b>	<b>100%</b>	
<b>Other than Small Business (OTSB/Large)</b>	<b>\$</b>		
<b>All Small Businesses (including ANC and Indian tribes)</b>	<b>\$</b>		
<b>Veteran-Owned Small Business (VOSB)</b>	<b>\$</b>		
<b>Service-Disabled Veteran-Owned Small Business (SDVOSB)</b>			
<b>HUBZone Small Business</b>	<b>\$</b>		
<b>Small Disadvantaged Business (SDB) (to include ANCs and Indian tribes)</b>	<b>\$</b>		
<b>Women-Owned Small Business (WOSB)</b>	<b>\$</b>		

<sup>14</sup> Note: Option Period I is five years for MAS contracts.

<sup>15</sup> Complete this column only if required by the Contracting Officer.

<sup>16</sup> Total dollars subcontracted is the sum of “other than small business” and all small business.

**Table 3. Option Period II<sup>17</sup>**

<b>Planned Subcontracting by Business Size</b>	<b>Whole Dollars</b>	<b>Percent of Subcontracted Dollars</b>	<b>Percent of Contract Dollars<sup>18</sup></b>
<b>Total Dollars to be Subcontracted<sup>19</sup></b>	<b>\$</b>	<b>100%</b>	
<b>Other than Small Business (OTSB/Large)</b>	<b>\$</b>		
<b>All Small Businesses (including ANC and Indian tribes)</b>	<b>\$</b>		
<b>Veteran-Owned Small Business (VOSB)</b>	<b>\$</b>		
<b>Service-Disabled Veteran-Owned Small Business (SDVOSB)</b>			
<b>HUBZone Small Business</b>	<b>\$</b>		
<b>Small Disadvantaged Business (SDB) (to include ANCs and Indian tribes)</b>	<b>\$</b>		
<b>Hi All: On June 20, 2018, Sched ule 70's Solicitation Refre</b>			

<sup>17</sup> Note: Option Period II for MAS contracts is five years.

<sup>18</sup> Complete this column only if required by the Contracting Officer.

<sup>19</sup> Total dollars subcontracted is the sum of “other than small business” and all small business.



<p>sh #48 was published to Fedbizopps - see following <a href="#">REFRESH 48 LINK</a> or at <a href="http://www.fbo.gov/spg/GSA/FSS/FCI/FCIS-JB-980001-B/listing.html">http://www.fbo.gov/spg/GSA/FSS/FCI/FCIS-JB-980001-B/listing.html</a>.</p> <p><i>Note: The FAS Office of Policy and Compliance (QV) will issue the customized mass modification A653 for OLM to each existing vendor, once they accept the Commercial Supplier Agreement (CSA) mass modification A676.</i></p>			
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<p><b><u>What's New!</u></b></p> <p><b><u>Summary:</u></b></p> <p>The most significant change in this refresh is the incorporation of the final rule for GSAR Case 2016-G506 Federal Supply Schedule - Order-Level Materials (OLM) which was published on January 24, 2018. The final rule can be found here : <a href="#"><u>GSAR Case 2016-G506 Federal Supply Schedule - Order-Level Materials</u></a></p> <p><b><u>OLM TRAINING:</u></b></p> <p>"QV released it's a second training on the New Order Level Material - GSAR Rule - June 26, 2018, 2-4pm ET. This course will provide an overview of the authority</p>			
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to acquire Order-Level Materials under certain Federal Supply Schedules, to include how implementation at the FSS contract level will occur. How an Ordering Contracting Officer can properly acquire OLMs using the new authority and other OLM considerations including modifying an OLM order. <b>Course:</b> Implementation of Order-Level			
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<b>Materials Authority Under the FSS Program</b> <b>Dates:</b> June 26, 2018, 2:00- 4:00 pm ET <b>Location:</b> Virtual Class - Online <a href="#">Click here</a> to register for <b>FCL-GSA-0105, V83</b> by logging into <b>FAITAS</b> no later than June 25, 2018".			
<b>Women-Owned Small Business (WOSB)</b>	\$		

**Table 4. Option Period III<sup>20</sup>**

<b>Planned Subcontracting by Business Size</b>	<b>Whole Dollars</b>	<b>Percent of Subcontracted Dollars</b>	<b>Percent of Contract Dollars<sup>21</sup></b>
<b>Total Dollars to be Subcontracted<sup>22</sup></b>	<b>\$</b>	<b>100%</b>	
<b>Other than Small Business (OTSB/Large)</b>	<b>\$</b>		
<b>All Small Businesses (including ANC and Indian tribes)</b>	<b>\$</b>		
<b>Veteran-Owned Small Business (VOSB)</b>	<b>\$</b>		
<b>Service-Disabled Veteran-Owned Small Business (SDVOSB)</b>			
<b>HUBZone Small Business</b>	<b>\$</b>		
<b>Small Disadvantaged Business (SDB) (to include ANCs and Indian tribes)</b>	<b>\$</b>		
<b>Women-Owned Small Business (WOSB)</b>	<b>\$</b>		

<sup>20</sup> Note: Option Period III is five years for MAS contracts.

<sup>21</sup> Complete this column only if required by the Contracting Officer.

<sup>22</sup> Total dollars subcontracted is the sum of “other than small business” and all small business.

**Table 5. Option Period IV<sup>23</sup>**

<b>Planned Subcontracting by Business Size</b>	<b>Whole Dollars</b>	<b>Percent of Subcontracted Dollars</b>	<b>Percent of Contract Dollars<sup>24</sup></b>
<b>Total Dollars to be Subcontracted<sup>25</sup></b>	\$	100%	
<b>Other than Small Business (OTSB/Large)</b>	\$		
<b>All Small Businesses (including ANC and Indian tribes)</b>	\$		
<b>Veteran-Owned Small Business (VOSB)</b>	\$		
<b>Service-Disabled Veteran-Owned Small Business (SDVOSB)</b>			
<b>HUBZone Small Business</b>	\$		
<b>Small Disadvantaged Business (SDB) (to include ANCs and Indian tribes)</b>	\$		
<b>Women-Owned Small Business (WOSB)</b>	\$		

***The Total Goals (sum of all periods above) table below provides a comprehensive look at subcontracting opportunities for the entire contract. Add up the total dollars estimated for each period of the contract and socioeconomic category***

<sup>23</sup> Not Applicable for MAS contracts.

<sup>24</sup> Complete this column only if required by the Contracting Officer.

<sup>25</sup> Total dollars subcontracted is the sum of “other than small business” and all small business.

***and place the amounts in the spaces below. Then, compute the total percentages for the entire contract period of performance.***



**Table 6. Total Goals/Sum**

<b>Planned Subcontracting by Business Size</b>	<b>Whole Dollars</b>	<b>Percent of Subcontracted Dollars</b>	<b>Percent of Contract Dollars<sup>26</sup></b>
<b>Total Dollars to be Subcontracted<sup>27</sup></b>	<b>\$</b>	<b>100%</b>	
<b>Other than Small Business (OTSB/Large)</b>	<b>\$</b>		
<b>All Small Businesses (including ANC and Indian tribes)</b>	<b>\$</b>		
<b>Veteran-Owned Small Business (VOSB)</b>	<b>\$</b>		
<b>Service-Disabled Veteran-Owned Small Business (SDVOSB)</b>			
<b>HUBZone Small Business</b>	<b>\$</b>		
<b>Small Disadvantaged Business (SDB) (to include ANCs and Indian tribes)</b>	<b>\$</b>		
<b>Women-Owned Small Business (WOSB)</b>	<b>\$</b>		

<sup>26</sup> Complete this column only if required by the Contracting Officer.

<sup>27</sup> Total dollars subcontracted is the sum of “other than small business” and all small business.

**IF SUBMITTING A COMMERCIAL SUBCONTRACTING PLAN, COMPLETE THE FORMAT BELOW (Remove this page if submitting an individual plan using the above format).**

1. Estimated **TOTAL** dollars planned to be subcontracted **to all types of concerns** (generally for both commercial and government business, in support of commercial items sold during company fiscal year):

**Annual Commercial Purchases/Spend: \$ \_\_\_\_\_ = 100% subcontracted**

2. Total dollars planned to be subcontracted to those classified as **Other than small** business concerns:

**Annual Commercial Purchases/Spend: \$ \_\_\_\_\_ = \_\_\_\_ % of Total**

3. Total dollars planned to be subcontracted to **all Small** business concerns (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB small business concerns:

**Annual Commercial Purchases/Spend: \$ \_\_\_\_\_ = \_\_\_\_ % of Total**

4. Total dollars planned to be subcontracted to **veteran-owned small** business concerns (including service-disabled veteran-owned small businesses):

**Annual Commercial Purchases/Spend: \$ \_\_\_\_\_ = \_\_\_\_ % of Total**

5. Total dollars planned to be subcontracted to **service-disabled veteran-owned small** business concerns (**subset of VOSB above and cannot be higher than #4 above**):

**Annual Commercial Purchases/Spend: \$ \_\_\_\_\_ = \_\_\_\_ % of Total**

6. Total dollars planned to be subcontracted to **HUBZone small** business concerns:

**Annual Commercial Purchases/Spend: \$ \_\_\_\_\_ = \_\_\_\_ % of Total**

- Total dollars planned to be subcontracted to **small disadvantaged** business concerns (including ANCs and Indian tribes):

**Annual Commercial Purchases/Spend: \$ \_\_\_\_\_ = \_\_\_\_ % of Total**

- Total dollars planned to be subcontracted to **women-owned small** business concerns:

**Annual Commercial Purchases/Spend: \$ \_\_\_\_\_ = \_\_\_\_ % of Total**

**IV. PRINCIPAL TYPES OF SUPPLIES AND SERVICES TO BE SUBCONTRACTED:**

*FAR 19.704(a)(3) and the clause at 52.219-9(d)(3) requires a description of the principal types of supplies and services to be subcontracted and an identification of types of supplies or services planned for subcontracting to SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns.*

***Check all possible business categories that apply below, ensuring that at least one item is indicated for each column. If assistance is needed to locate small business sources:***

- *Contact your local Small Business Administration Commercial Market Representative via [www.sba.gov/localresources](http://www.sba.gov/localresources)*
- *Access the Dynamic Small Business Search database at [Link to Dynamic Small Business Search](#)*
- *Post solicitations for small business opportunities on SBA's SUB-Net at <https://eweb1.sba.gov/subnet/search/index.cfm>*

The principal types of supplies and/or services that [**Company Name**] anticipates to be subcontracted (outsourced) and the identification of the type of supply or service offered to each business concern are as follows:

Supplies/Services	Large	Small	VOSB	SDVOSB	HUBZone	SDB	WOSB

**ATTACH ADDITIONAL SHEETS IF NECESSARY**

**V. DESCRIPTION OF METHOD USED TO DEVELOP SUBCONTRACTING GOALS:**

*FAR 19.704(a)(4) and the clause at 52.219-9(d)(4) require a description of the method used to develop the subcontracting goals. Explain or state the basis for establishing your proposed goals (i.e. based on historical data and experience, market research, etc.) Provide a justification for any low goal(s) and other explanations for your*

challenges here.

**[Company Name]** used the following method to develop the subcontracting goals:

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**VI. DESCRIPTION OF METHOD USED TO IDENTIFY POTENTIAL SOURCES:** *FAR 19.704(a)(5) and clause 52.219-9(d)(5) require a description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the System for Award Management (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, or small, HUBZone, small disadvantaged, and women-owned small business trade associations). A firm may rely on the information contained in SAM as an accurate representation of a concern's size and ownership characteristics for the purposes of maintaining SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB source lists.*

**Note:** *Use of SAM as a source list does not relieve a firm of its responsibilities to identify potential small business sources by other means (e.g., outreach, assistance, counseling, or publicizing subcontracting opportunities) in this clause. FAR 19.703 adds that the prime contractor may not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a subcontract . . . and a prime contractor acting in good faith is not liable for misrepresentations made by its subcontractors regarding their size or socioeconomic status.*

**[Company Name]** identifies potential subcontractors using the following source lists and organizations (please list your sources used):

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**VII. INCLUSION OF INDIRECT COSTS IN ESTABLISHING GOALS:** *FAR 19.704(a)(6) and clause 52.219-9(d)(6) require a statement as to whether or not the Offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred*

*with SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns.*

**PER THE SBA, CONTRACTORS SUBMITTING COMMERCIAL PLANS SHOULD ALWAYS INCLUDE INDIRECT COSTS TO MAXIMIZE OPPORTUNITIES AND CAPTURE MAJOR COMPANY-WIDE EXPENSES.**

**NOTE: indirect costs represent the expenses of doing business that are NOT easily identified with a specific project (i.e. contract or grant) but are generally recognized as ordinary and necessary for the general operation of the Contractor's organization and the conduct of activities it performs. Types of indirect costs include routine supplies and general and administrative (G&A) expenses. However, fringe benefits (e.g. services or benefits provided to employees such as health insurance, payroll taxes, pension contribution, etc.), are NOT considered subcontracting and shall be excluded).**

Indirect costs \_\_\_\_\_ HAVE BEEN (or) \_\_\_\_\_ HAVE NOT BEEN included in the dollar and percentage subcontracting goals stated above.

*If indirect costs HAVE been included in individual subcontracting plans, provide the method used to determine the proportionate share of indirect costs to be incurred with small business concerns for your contract below. **Note: Since indirect costs not specific to the individual contract are prorated to performance under that contract, including such costs is sometimes not beneficial nor does it add any value to the goals. When a subcontracting plan includes indirect costs in the goals, these costs must be included in your reports submitted into eSRS.***

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**VIII. PROGRAM ADMINISTRATOR:** *FAR 19.704(a)(7) and clause 52.219-9(d)(7) require the name of the individual employed by the Offeror who will administer the Offeror's subcontracting program, and a description of the duties of the individual. Please add the contact information for this person (telephone number and email address), in case of questions, and provide an alternate point of contact, if applicable.*

Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Alternate POC with contact information:

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**Duties:** In accordance with clause 52.219-9(d)(11)(e), in order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:

1. Assist SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns by arranging solicitations, sufficient 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, SDVOSB, HUBZone, SDB and WOSB 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.
6. For all competitive subcontracts over the simplified acquisition threshold 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 contractor 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 SB, SDB, or WOSB concern.
7. Assign each subcontract the NAICS code and corresponding size standard that best describes the principle purpose of the subcontract.
8. Ensure periodic rotation of potential subcontractors on bidders' lists.
9. Ensure that SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns are included on the bidders' list for every subcontract solicitation for products and services they are capable of providing.

10. Ensure that subcontract procurement “packages” are designed to permit the maximum possible participation of SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns.
  11. Review subcontract solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns.
  12. Ensure that the subcontract bid proposal review board documents its reasons for not selecting any low bids submitted by SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns.
  13. Oversee the establishment and maintenance of contract and subcontract award records.
  14. Attend or arrange for the attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.
  15. Directly or indirectly counsel SB, VOSB, SDVOSB, HUBZone, SDB and WOSB concerns on subcontracting opportunities and how to prepare bids to the company.
  16. Conduct or arrange training for purchasing personnel regarding the intent and impact of Section 8(d) of the Small Business Act on purchasing procedures.
  17. Develop and maintain an incentive program for buyers that support the subcontracting program.
  18. Monitor the company’s performance and make any adjustments necessary to achieve the subcontract plan goals.
  19. Prepare and submit timely reports.
- Coordinate the company’s activities during compliance reviews by Federal agencies.
  - Additional Duties:

*IF YOUR COMPANY OR PROGRAM ADMINISTRATOR WILL PERFORM ADDITIONAL SUBCONTRACTING DUTIES NOT SHOWN ABOVE, PLEASE IDENTIFY THEM HERE:*

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**IX. EQUITABLE OPPORTUNITY:** *FAR 19.704(a)(8) and clause 52.219-9(d)(8) require a description of the efforts the Offeror will make to assure that SB, VOSB,*



*SDVOSB, HUBZone, SDB and WOSB concerns have an equitable opportunity to compete for subcontracts.*

**[Company Name]** will make every effort to ensure that all small business concerns have an equitable opportunity to compete for subcontracts. These efforts may include one or more of the following activities: *(please indicate which of the following apply or adapt the list to fit your company's efforts)*

- Outreach efforts to obtain sources:
  - \_\_\_ Contacting minority and small business trade associations
  - \_\_\_ Contact business development organizations
  - \_\_\_ Requesting sources from the SBA's Dynamic Small Business Search ([Link to Dynamic Small Business Search](#)) and/or the SAM.gov database
  - \_\_\_ Attend small and minority business trade fairs and procurement conferences
- Internal efforts to guide and encourage purchasing personnel:
  - \_\_\_ Present workshops, seminars and training programs
  - \_\_\_ Establishing, maintaining and using small, HUBZone small, small disadvantaged, women-owned small, veteran-owned small, and service-disabled veteran-owned small business source lists, guides, and other data for soliciting subcontracts
  - \_\_\_ Monitoring activities to evaluate compliance with the subcontracting plan
- Other Additional efforts: *(Please describe below.)*

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**X. ASSURANCES OF CLAUSE INCLUSION AND FLOW DOWN:** *FAR 19.704(a)(9) and clause 52.219-9(d)(9) require assurances that the Offeror will include the clause at 52.219-8, Utilization of Small Business Concerns (see 19.708(a)), in all subcontracts that offer further subcontracting opportunities, and that the Offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$700,000 (\$1,500,000 for construction of any public facility) with further subcontracting possibilities to adopt a subcontracting plan that complies with the*

*requirements of this clause.*

**[Company Name]** agrees to include the FAR Clause 52.219-8, “Utilization of Small Business Concerns” in all subcontracts that offer further subcontracting opportunities, and will require all subcontractors (*except small business concerns*) that receive subcontracts in excess of \$700,000 (\$1,500,000 for construction of any public facility) to adopt a subcontracting plan that complies with the requirements of the clause at [52.219-9](#), Small Business Subcontracting Plan.

#### **XI. ASSIGNMENT OF SIZE STANDARDS TO SUBCONTRACTS**

**[Company Name]** agrees to assign North American Industry Classification System (NAICS) codes to subcontracts and further

agrees to provide the socio-economic status of the successful subcontractor in the notification to the unsuccessful offerors for the subcontracts.

**XII. REPORTING AND COOPERATION:** *FAR 19.704(a)(10) and clause 52.219-9(d)(10) require assurances that the offeror will do the following. Guidance is attached to the Model Subcontracting Plan Template on the ISR and SSR reporting requirements. Remove the ATTACHMENT before submitting the subcontracting plan and save the information as reference in order to comply.*

**[Company Name]** agrees to:

- Cooperate in any studies or surveys as may be required
- Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan
- After November 30, 2017, report subcontracting data for each order when reporting subcontracting achievements under task/delivery order contracts
- Submit the Individual Subcontract Report (ISR) and/or the Summary Subcontract Report (SSR), in accordance with paragraph (I) of FAR clause 52.219-9, using the Electronic Subcontracting Reporting System (eSRS) at [Link to eSRS](#) following the instructions in eSRS. Submit the SF294 (when Alternate IV is used).
- The reports shall provide information on subcontract awards to small business concerns (including ANCs and Indian tribes that are not small businesses) veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBzone small business concerns, small disadvantaged business concerns (including ANCs and Indian tribes that have not been certified by the SBA as small disadvantaged businesses), woman-owned small business concerns.
- Ensure that subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using the eSRS
- Provide prime contract number, the prime's DUNS number, 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.

- Require that each subcontractor with a subcontracting plan provide the prime contract number, its own DUNS number, 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.

Reports are to be submitted within 30 days after the close of each calendar period as indicated in the following chart:

**For Commercial Subcontracting Plans, only one Summary Subcontracting Report (SSR) is required for the calendar period October 1 through September 30. Enter the SSR in eSRS within 30 days after the end of the Government's fiscal year (and remove the Report Due dates lines below for ISR).**

**For Individual Subcontracting Plans, three reports are required each year (cumulative every 6 months) and one Final Report:**

<u>Calendar Period</u>	<u>Report Due</u>	<u>Due by</u>	<u>with email address for.</u>
10/01--03/31	ISR	04/30	Contracting Officer
04/01--09/30	ISR	10/30	Contracting Officer
10/01--09/30	SSR	10/30	Contracting Officer

**The final ISR is due within 30 days of contract completion.**

**Note:** for contracts awarded by GSA's Public Building Service (PBS), select PBS as the "agency to which the report is being submitted", code 4740, in eSRS.

**The contractor must correct and resubmit the report within 30 days of receiving notice of rejection by the contracting officer.**

**ASSISTANCE IN REPORT PREPARATION CAN BE FOUND IN THE ATTACHMENT, REPORTING INSTRUCTIONS FOR CONTRACTORS, or in guidance documents on the eSRS Home page, and from your local SBA Commercial Marketing Representative.**

**XIII. RECORDKEEPING:** *FAR 19.704(a)(11) and clause 52.219-9(d)(11) require a description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the efforts to locate SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns and to award subcontracts to them.*

**[Company Name]** will maintain records concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of efforts to locate SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

- Source lists (e.g., SAM), guides, and other data that identify SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns.
- Organizations contacted in an attempt to locate sources that are SB (including ANCs

and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), or WOSB concerns.

- Records on each subcontract solicitation resulting in an award of more than \$150,000, indicating:
    - (A) Whether small business concerns were solicited and, if not, why not
    - (B) Whether veteran-owned small business concerns were solicited and, if not, why not
    - (C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not
    - (D) Whether HUBZone small business concerns were solicited and, if not, why not
    - (E) Whether small disadvantaged business concerns were solicited and, if not, why not
    - (F) Whether women-owned small business concerns were solicited and, if not, why not
      - If applicable, the reason award was not made to a small business concern.
  - Records of any outreach efforts to contact:
    - (A) Trade associations
    - (B) Business development organizations
    - (C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, service-disabled veteran-owned, and women-owned small business sources
    - (D) Veterans service organizations
  - Records of internal guidance and encouragement provided to buyers through
    - (A) Workshops, seminars, training, etc.
    - (B) Monitoring performance to evaluate compliance with the program's requirements
  - 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. ***(Does not apply to commercial plans.)***
  - Other records to support your compliance with the subcontracting plan: ***(Please describe below.)***
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#### **XIV. ADDITIONAL ASSURANCES (NEW):**

- **[Company Name]** 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.
- **[Company Name]** 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 (d)(12) of FAR clause 52.219-9. This written explanation must be submitted to the Contracting Officer within 30 days of contract completion.
- **[Company Name]** will not prohibit a subcontractor from discussing with the Contracting Officer any material matter pertaining to the payment to or utilization of a subcontractor; and
- **[Company Name]** assures that the offeror will pay its small business subcontractors on time and in accordance with the terms and conditions of the subcontract, and notify the contracting officer if **[Company Name]** pays a reduced or an untimely payment to a small business subcontractor (see [52.242-5](#)).

#### **XV. DESCRIPTION OF GOOD FAITH EFFORT (Also, refer to 13 CFR 125.3(d), *Determination of Good Faith Effort*)**

*In order to demonstrate your compliance with a good faith effort to achieve the small business subcontracting goals, outline the steps below that your company plans to take (if any, in addition to the efforts already listed under the Equitable Opportunities Section IX, or explanations provided in Section IV.*

**[Company Name]** will take the following steps to demonstrate compliance with a good faith effort in achieving small business subcontracting goals:

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#### **XVI. STATUTORY REQUIREMENTS (FAR 19.702)**

- Any contractor receiving a contract for more than the simplified acquisition threshold must agree in the contract that SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns will have the **maximum practicable opportunity** to participate

in contract performance consistent with its efficient performance.

- It is further the policy of the United States that its prime contractors establish procedures to ensure the **timely payment** of amounts due pursuant to the terms of their subcontracts with SB (including ANCs and Indian tribes), VOSB, SDVOSB, HUBZone, SDB (including ANCs and Indian tribes), and WOSB concerns.

- Each contract modification that causes the value of a contract without a subcontracting plan to exceed \$700,000 (\$1.5 million for construction), shall require the Contractor to submit a subcontracting plan for the contract, IF the Contracting Officer determines that subcontracting possibilities/opportunities exist.

- The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the Offeror ineligible for award of a contract.

- Reminder: As stated in [15 U.S.C. 637\(d\)\(8\)](#), any contractor or subcontractor failing to comply in good faith with the requirements an approved subcontracting plan required by the clause of the contract “Utilization of Small Business Concerns” shall be a **material breach of the contract and may be considered in any past performance evaluation of the Contractor**. Further, [15 U.S.C. 637\(d\)\(4\)\(F\)](#) directs that a contractor’s **failure to make a good faith effort** to comply with the requirements of the subcontracting plan shall result in the imposition of liquidated damages.

**The above requirements will be negotiated with the Contracting Officer in the time specified and prior to plan approval and contract award or renewal. The Contracting Officer must ensure per FAR 19.705-5(a)(5) that an acceptable plan is incorporated into and made a material part of the contract.**

**XVII. SIGNATURE REQUIRED:** *Plan must be signed and dated by a company official.*

This subcontracting plan was SUBMITTED by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Company Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_



**Government Contracting Officer APPROVAL:**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Agency: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**ATTACHMENT**  
***(Remove these pages before submitting the subcontracting plan)***  
**FREQUENTLY ASKED QUESTIONS AND REPORTING INSTRUCTIONS**  
**FOR CONTRACTORS**

**Why are subcontracting reports important?**

Negotiated subcontracting plans become a **material part of the contract**. The reports monitor the progress against the plan. Failure to submit the reports as required under FAR 52.219-9 may negatively affect contractor performance evaluations or may indicate a lack of good faith effort to maximize practicable subcontracting opportunities for SBs, SDBs, WOSBs, VOSB, SDVOSBs and HUBZone small businesses as required by law.

**What should I know before submitting a report?**

- Understand the reporting requirements listed in FAR 52.219-9 and in the contract
- Review the subcontracting plan
- Understand the differences in the reports required for the type of subcontracting plan used
  - Commercial subcontracting plans
  - Individual subcontracting plans
- Do not include in the reports purchases from a corporation, company, or subdivision that is an affiliate of the Contractor or subcontractor
- Subcontract awards by the affiliates shall be treated as subcontract awards by the Contractor
- Subcontract award data reported by the Contractor and subcontractors shall be limited to awards made to their immediate next-tier subcontractors.<sup>28</sup> Credit cannot be taken for awards made to lower tier subcontractors, unless the Contractor or subcontractor has been designated to receive a small business or small disadvantaged business credit from an ANC or Indian tribe.
- Only include subcontracts involving performance in the United States or its outlying areas in these reports

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<sup>28</sup> In the future, other than small business contractors will be required to count lower tier subcontractors towards federal small business subcontracting goals and achievements. However, contractors must follow the current requirements until the FAR is changed to reflect the SBA Final Rule published in the Federal Register Notice (81 FR 94246 (12/23/16)), implementing Section 1614 of National Defense Authorization Act of 2014, 15 USC 637(d)(16).

- Avoid common mistakes (see below)

### What reports are required for a *commercial* subcontracting plan?

Only one report is required each year for a commercial subcontracting plan: **Summary Subcontracting Report (SSR)**. The report is due within 30 days of the end of the Government's fiscal year which ends on September 30 (due by October 30).

#### The **commercial plan SSR**:

- Summarizes all subcontract awards under the commercial plan in effect during the Government's fiscal year
- Includes all indirect costs
- Specifies the percentage of dollars attributable to each federal agency if the contractor is performing work for more than one executive agency
- Identifies the email address of the Contracting Officer who approved the commercial plan. The authority to acknowledge or reject SSRs for commercial plans resides with the Contracting Officer who approved the commercial plan.
- Needs a corrected report submitted within 30 days of receiving the notice of SSR rejection by the Contracting Officer

### What reports are required for an *individual* subcontracting plan?

There are two types of reports required for individual subcontracting plans:

- **Individual Subcontracting Report (ISR)** is contract specific.
  - Data presented in the ISRs are cumulative over the life of the contract
  - When a subcontracting plan contains separate goals for the basic contract and each option, the dollar goal inserted on the ISR shall be the sum of the base period through the current option. For example, for a report submitted after the second option is exercised, the dollar goal would be the sum of the goals for the basic contract, the first option, and the second option.
  - If a subcontracting plan has been added to the contract pursuant to 19.702(a)(3) or 19.301-2(e), the Contractors achievements must be reported in the ISR on a cumulative basis from the date of incorporation of the subcontracting plan into the contract.
  - Includes indirect costs in the report if the goals of the

subcontracting plan included indirect costs.

- Three ISRs are due within 30 days of the end of each reporting period:
  - ISR for the period ending March 31
  - ISR for the period ending September 30
  - Final ISR for the contract within 30 days of contract completion
- **Individual Plan Summary Subcontracting Report (SSR)** is agency-specific:
  - Encompasses all subcontracting under prime contracts and subcontracts the contractor has with an executive agency (GSA), regardless of the dollar value of the subcontracts.
  - If the Contractor or a subcontractor is performing work for more than one executive agency, a separate report shall be submitted to each executive agency covering only that agency's contracts, provided at least one of that agency's contracts is over \$700,000 (over \$1,500,000 for construction of a public facility) and contains a subcontracting plan.
  - Subcontract awards that are related to work for more than one executive agency shall be appropriately allocated.

**When do I begin reporting subcontracting achievements at the task order level?**

Not until after November, 2017 which will allow the government's reporting systems to be updated.