



DoD Subcontracting Program

Mid-Atlantic Regional Council

November 2017

**Janice Buffler, Acting Deputy Director
Subcontracting Policy and Regional Councils
DoD Office of Small Business Programs**

Changes Impacting Subcontract Reporting



- Changes to FPDS
 - V1.5 - Certification and Deployment Requirements, effective Oct 1, 2017
 - Changes contract numbering to include 13-character nomenclature for base contract and additional 13-character nomenclature for orders (BOAs, BPAs, IDIQ)



Changes Impacting Subcontract Reporting

- Changes to FPDS (May 2015) revised Contract Action Report (CAR) data element for “Subcontract Plan” to show types of subcontracting plans (Individual, Commercial and DoD CSP)

When coded as “**Individual Subcontract Plan**” we should expect to see an ISR in eSRS, except for orders under BOAs and BPAs, in which case the contractor submits SF 294

- eSRS “Batch Upload” functionality should be working
- eSRS allows contractors to show %’s to tenth decimal



Changes Impacting Subcontract Reporting

Changes to eSRS should allow reporting beginning April 1, 2018

- New FAR requirements as of January 2017 (applies only to Individual Subcontracting Plans)
 - 52.219-9(d)(10) (iii), after November 30, 2017, requires contractor to report subcontracting data for each order when reporting subcontracting achievements for IDIQ/IQIQ contracts intended for use by multiple agencies
 - 19.705-2(f) requires subcontracting plans even for modifications under the plan threshold if modifications would cause contract to exceed plan threshold or a size re-representation of a company from small to other than small.
 - 19.705-2(e), on IDIQ contracts, the Contracting Officer may establish subcontracting goals at the order level (but not a new subcontracting plan)



Changes Impacting Subcontract Reporting (red only)

- 52.219-9 (l)(2)(i), SSR submitted under Individual Subcontracting Plan
 - A. Encompasses all subcontracting under prime contracts and subcontracts with an executive agency, regardless of the dollar value of the subcontracts

Also includes indirect costs on a prorated basis when the indirect costs are excluded from the subcontracting goals (New requirement as of January 2017)
 - B. May be submitted on a corporate, company or subdivision (e.g. plant or division operating as a separate profit center) basis
 - E. Subcontract awards that are related to work for more than one executive agency shall be appropriately allocated

Policies Impacting Subcontracting



FAR 52.219-9 Highlights of Subcontracting Requirements

- Contractor may accept subcontractor's written representations of size status; may accept representation in government's System for Award Management (SAM) (c)(2)
- For Individual Subcontracting Plan, and if required by CO, goals shall also be expressed in terms of total contract \$, in addition to required goals in terms of total subcontract \$ (d)(1)
- Requires contractor to make good faith effort to utilize proposed SBs during contract performance (d)(12)
- Requires contractor to notify Contracting Officer in writing if contractor fails to use small businesses as proposed in the performance of the requirement (d)(13)
- Restricts prime contractors from prohibiting a subcontractor from discussing payment or utilization matters with the Contracting Officer (d)(14)

Policies Impacting Subcontracting



FAR 52.219-9 Highlights of Subcontracting Requirements

- Requires contractor to pay small business subcontractors on time and in accordance with terms/conditions of subcontract, and notify Contracting Officer when payment is reduced or untimely payment (d)(15)
- Requires contractor to assist small businesses by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns (e)(1)
- Requires contractor to provide adequate/timely consideration of the potentialities of small businesses in all "make-or-buy" decisions (e)(2)
- Requires contractor to counsel/discuss subcontracting opportunities with small businesses (e)(3)
- Requires contractor to confirm that a HUBZone subcontractor is certified as such by SBA (e)(4)

Policies Impacting Subcontracting



FAR 52.219-9 Highlights of Subcontracting Requirements

- Requires contractor to provide notice to subcontractors concerning penalties/remedies for misrepresentations of business status (e)(5)
- Requires contractor to provide the name, location and socioeconomic status of the subcontractor in the notification to unsuccessful offerors for subcontracts greater than \$150k in which SB received SB preference (e)(6)
- Requires contractor to assign NAICS codes to subcontracts (e)(7)
- Contracting Officer will consider prior compliance, of the offeror with other such subcontracting plans under previous contracts, in determining responsibility of the offeror for award of the contract (h)
- Requires prime contractor to resubmit a corrected subcontracting report within 30 days of receiving the contracting officer's notice of report rejection (l)(1)(i)



Policies Impacting Subcontract Reporting/Reviewing

- DoD Class Deviation 2016-O009: Required contractors to
 - ~~Submit SSR under Individual Subcontracting Plan (ISP) annually rather than biannually (FAR 52.219-9 (I)(2)(i)(D))~~
 - ~~Submit one consolidated SSR to DoD rather than multiple SSRs to multiple departments/agencies for construction and related maintenance-type contracts (FAR 52.219-9(I)(2)(C))~~
 - Submit SF 294 for orders against BOAs and BPAs
- DFARS
 - SSR Coordinator responsible for approving SSRs under Individual Subcontract Plan
 - Procuring contracting office responsible for approving ISR, even when contract administration has been delegated to the Defense Contract Management Agency or ONR



Issues Impacting Subcontract Reporting/Reviewing

- **Issue:** SSRs under a Commercial Subcontracting Plan submitted to incorrect DoD organization
- **Recommendation:** Signature page should include
 - Company Information:
Name, title, phone # and email of the person within the company who is submitting the plan; company name; signature and date
 - DoD Contracting Organization Information:
Name, title, phone # and email of the person approving the plan; department/agency contracting organization name; signature and date
 - Company Information:
Name, title, phone # and email of the person within the company who is submitting the SSR



Issues Impacting Subcontract Reporting/Reviewing

- **Issue:** Administering Contracting Office and Awarding Contracting Office are different
- **Recommendation:** DoD uses a “work-around”
 - Create additional role in the eSRS registration of the awarding contracting official to be at Dept of Defense (9700)

DoD Subcontracting History

(Goals and Achievements)

(\$ = Billions; rounded up)



Fiscal Year	Total Subcont Dollars	SB Awards			SDB Awards			WOSB Awards			HubZone Awards			SDVOSB Awards		
		Goal	Achieved		Goal	Achieved		Goal	Achieved		Goal	Achieved		Goal	Achieved	
		%	%	\$	%	%	\$	%	%	\$	%	%	\$	%	%	\$
2017		34.0			5			5			3			3		
2016	\$123.5	34.5	33.9	\$41.8	5	4.4	\$5.4	5	5.7	\$7.0	3	1.4	\$1.8	3	2.1	\$2.6
2015	\$133.4	36.0	32.3	\$43.1	5	4.4	\$5.8	5	5.3	\$7.1	3	1.4	\$1.8	3	2.0	\$2.7
2014	\$133.8	36.7	33.2	\$44.4	5	4.6	\$6.2	5	5.7	\$7.7	3	1.5	\$2.0	3	2.1	\$2.8
2013	\$147.1	36.7	35.4	\$52.0	5	4.8	\$7.0	5	5.7	\$8.3	3	1.5	\$2.2	3	2.2	\$3.1



SBA Scorecard Methodology

Subcontracting = 20% of Total Score

- Subcontracting Performance -- based on dollars contained in accepted Summary Subcontract Reports (SSRs)
 - Individual Subcontract Plan: includes all subcontracting under prime and subcontracts with the awarding agency
 - Commercial Subcontract Plan: includes all subcontracting under the commercial plan, based on total \$ subcontracted under Federal government and non-Federal government contracts
 - DoD Comprehensive Subcontract Plan: includes all subcontracting under prime and subcontracts covered under comprehensive plan

How DoD Scores its 25 Components with Procurement Authority



Subcontracting = 10% of Total Score

- Subcontracting Performance -- based on Individual Subcontracting Reports (ISRs) in ESRS (Electronic Subcontracting Reporting System) as of December and June 15
- Subcontracting Calculation
 - *Subcontracting Performance* =
of approved ISRs
divided by
of ISRs in ESRS
 - *Subcontracting Grade* =
Subcontracting Performance
divided by
Subcontracting Performance Goal (100%)

OSBP Website Resources



- New guidance documents have been posted on new OSBP website

<http://business.defense.gov/Acquisition/Subcontracting/>

Click on “Subcontracting for Small Business and Contracting/Acquisition Professionals (Government and Industry)”

- “DoD Checklist for Reviewing Subcontracting Plans” (May 2017) (Nov 2017 revised version will be posted soon)
- “DoD Subcontracting Program – Business Rules and Processes for (1) Electronic Subcontracting Reporting System (eSRS) and (2) Preparing and Reviewing Related Subcontract Reports” with appendices (March 2017) (Nov 2017 revised version will be posted soon)

OSBP Website Resources



- The appendices in the “Business Rules and Processes” guidance document are also provided as separate documents (Nov 2017 revised version will be posted soon) <http://business.defense.gov/Acquisition/Subcontracting/>

Click on “Subcontracting for Small Business and Contracting/Acquisition Professionals (Government and Industry)”

- “DoD Subcontracting Program -- The Basics of Subcontracting” (March 2017)
- “DoD Subcontracting Program -- Guide to Preparing and Reviewing an Individual Subcontract Report (ISR) for an Individual Subcontracting Plan” (March 2017)
- “DoD Subcontracting Program -- Guide to Preparing and Reviewing a Summary Subcontract Report (SSR) for an Individual Subcontracting Plan” (March 2017)
- “DoD Subcontracting Program -- Guide to Preparing and Reviewing a Summary Subcontract Report (SSR) for a Commercial Subcontracting Plan” (March 2017)

Training Schedule for DoD



- 4 Dec: Training - Army NSRDEC – Natick, MA (teleconference)
- 17 Jan: Training – Army Contracting Command, Redstone -
Letterkenny Army Depot
- 16 Feb: Training - Army AMCOM – Huntsville, AL
- 20 Mar: Training – SBLO / SBA – Indianapolis, IN

POC Information:

Janice.l.buffler.civ@mail.mil

571-372-6333