



Electronic Subcontracting Reporting System (eSRS)

<http://www.esrs.gov>

Department of Defense Government Training



Subcontracting Program: The Basics

▶ Authority

- Section 8(d) Small Business Act – 15 USC 637 (d)
 - Specifies that small businesses will have maximum practicable opportunity to participate in contract performance consistent with its efficient performance
- Section 15 (g) Small Business Act – 15 USC 644 (g)
 - Specifies government-wide goals for contracts and subcontracts awarded to small business concerns

▶ Regulations

- FAR 19.7/DFARS 219.7, Small Business Subcontracting Program Requirements for Subcontracting Plans
- FAR 52.219-8, Utilization of Small Business Concerns
- FAR 52.219-9, Small Business Subcontracting Plan
 - Small businesses will have maximum practicable opportunity to participate in contract performance consistent with its efficient performance
 - Subcontracting Plan requirements
 - Comply in good faith with requirements of subcontracting plan
 - Imposition of liquidated damages



Subcontracting Program: The Basics - Regulatory Requirements

▶ A Subcontracting Plan is required when:

- Contracts > \$550 K (\$1M construction) AND subcontracting opportunities exist
- Modifications > \$550 K with new work AND subcontracting opportunities exist
- Contract is a multi-year contract

▶ A Subcontracting Plan is NOT required:

- When contract performance is entirely outside the United States and outlying areas
- For personal services contracts

NOTE: When a determination is made that there are no subcontracting opportunities, it must be approved ONE LEVEL ABOVE the contracting officer

- FAR 19.705-2(c)



Subcontracting Program: The Basics – Plan Types

▶ Individual

- 1 contract = 1 plan
- Covers entire contract period, including options
- Contains required elements (FAR 19.704)
- Individual Subcontracting Report (ISR) must be submitted by contractor semiannually
- Summary Subcontracting Report (SSR) must be submitted semiannually (DoD and NASA)
 - \$'s reported should be reported in the company's summary report

▶ Master

- Boiler plate plan
 - Contains the same mandatory elements as an individual plan minus the goals
- May be developed on a Plant/Division basis
- Effective for three years after approval of CO
- Contains required elements (FAR 19.704) except goals
- Goals negotiated for each applicable contract
- When incorporated into contract, must submit semiannual ISR and SSR
 - Total \$'s must be included in the SSR



Subcontracting Program: The Basics – Plan Types

▶ **Commercial**

- Preferred for commercial items
- Annual plan
- Based on contractor's fiscal year
- May be on a Plant/Division basis
- Contains required elements (FAR 19.704)
- Must submit SSR annually

▶ **Comprehensive Subcontracting Plan**

- DoD Test Program (DFARS 219.702 and associated PGI)
 - Expires 30 September 2010
- Annual Plan
- Based on government fiscal year
- Maybe be on a Plant/Division basis
- DCMA administers program
- Contains required elements (FAR 19.704)
- Submit SSR semiannually



Subcontracting Program: The Basics

▶ **Mandatory Elements Included in Subcontracting Plan**

- Goals (% based on total planned subcontracting \$)
- Total \$ to be subcontracted (overall and by category)
- Description of principal types of supplies/services to be subcontracted (total and by category)
- Description of method used to develop subcontract goals
- Description of method used to identify potential SB sources
- Indirect costs (included/not included) and description of methodology used to determine proportionate share of indirect costs incurred with each category
- Name of individual administering subcontracting program and description of duties
- Description of efforts to ensure SB has an equitable opportunity to compete for subcontracts
- Assurances
- “Flow down” Provisions
- Record keeping description/procedures/process



Subcontracting Program: The Basics – Small Business Definitions

- ▶ **Small Business (SB)** – For profit organizations located in the US that meet the Small Business Administration (SBA) size standards.
- ▶ **Historically Black Colleges & Universities/Minority Institutions (HBCU/MI)** – HBCU is an accredited institution established before 1964 whose principal mission is the education of black Americans. MI's are institutions meeting requirements of the Higher Education Act of 1965 and Hispanic-serving institutions.
- ▶ **Historically Underutilized Business Zone (HUBZone)** – A small business that is 51% owned and controlled by one or more US citizen and SBA certified that their principal office is located in an economically-distressed area and more than 35% of their employees live in a designated HUBZone.
- ▶ **Small Disadvantaged Business (SDB)** – A small business unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are in good character, citizens of the U.S. and SBA-certified.
- ▶ **Service-Disabled Veteran-Owned Small Business (SD-VOSB)** – A small business that is 51% veteran-owned by one or more service-disabled veteran(s) and has daily business operations managed by one or more service-disabled veteran(s). Or in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran can manage the business operations.
- ▶ **Veteran-Owned Small Business (VOSB)** – A small business that is at least 51% owned by one or more veteran(s) and has daily business operations managed by one or more veteran.
- ▶ **Woman-owned Small Business (WOSB)** – A small business that is at least 51% owned by one or more women and has daily business operations managed by one or more women.



Subcontracting Program: The Basics - Resources

- ▶ Department of Defense Office of Small Business Policy (OSBP)
 - <http://www.acq.osd.mil/osbp>

- ▶ Defense Acquisition University (DAU) Small Business Community of Practice
 - <https://acc.dau.mil/smallbusiness>

- ▶ Small Business Administration (SBA)
 - <http://www.sba.gov>