

WELCOME

Small Business Participation Evaluation Factors vs. Subcontracting

Moderator: Jackie Hacker, Small Business Program Director, HDR

Speaker:

- **Jackie Robinson-Burnette**, Associate Director, Office of Small Business Programs, HQ USACE
- **Venece McNeley**, Director, NAVFAC Office of Small Business Programs, HQ NAVFAC

Small Business Participation versus Small Business Sub Contracting

Jackie Robinson-Burnette

Associate Director, Small Business Programs

HQ USACE Washington DC

Jackie.L.Robinson-Burnette@usace.army.mil



®

US Army Corps of Engineers
BUILDING STRONG®



Purpose

- To clarify that a request for a Small Business Participation Proposal is quite different than a request for a Subcontracting Plan; to explain how and why it's different.
 - ▶ Contractors and Government personnel are struggling to understand the unique differences.
 - ▶ Small Businesses don't understand how it benefits them as a prime offeror on an unrestricted solicitation.
 - ▶ Large Businesses still want to submit Subcontracting Plans in response to an Evaluation Factor for Small Business Participation. Or they want to fight against it to push for their Comprehensive Subcontracting Plan.



SB Participation vs. Subcontracting

Unrestricted Acquisitions >\$650K (or \$1.5M for Constructions)

Evaluation of SB Participation

- How will SB participate?
- FAR 15.304
- DFARS 215.304 PGI
- Applies to both LB and SB offerors
- % of total contract dollars
- Evaluation Factor
- Compliance check via QASP
- Market research based (10-15%)

- Best-Value Trade-Off source selections

Subcontracting Plan

- How will LB subcontract to SB?
- FAR 19.704
- DFARS 219.704
- Applies to LB offerors only
- % of subcontracted dollars
- Responsibility determination
- Compliance check via eSRS
- USACE SubKtg goal (o/a 50%)

- Best-Value Trade-Off, Lowest Priced Technically acceptable (LPTA), and Sealed-Bid

DFARS 215.304 Evaluation factors and significant subfactors.

- (c)(i) In acquisitions that require use of the clause at FAR 52.219-9, **Small Business Subcontracting Plan**, other than those based on the lowest price technically acceptable source selection process (see FAR 15.101-2), the extent of **participation of small businesses** and historically black colleges or universities and minority institutions in performance of the contract **shall be addressed in source selection**. The contracting officer shall **evaluate** the extent to which offerors identify and commit to small business and historically black college or university and minority institution performance of the contract, whether as a joint venture, teaming arrangement, or subcontractor.
- (C) **When an evaluation assesses the extent that small businesses** and historically black colleges or universities and minority institutions are specifically identified in proposals, the small businesses and historically black colleges or universities and minority institutions considered in the evaluation shall be listed in **any subcontracting plan submitted** pursuant to FAR 52.219-9.



SB Participation Factor Differences for **Large & Small** Business Offerors

- RFPs should be structured to allow small businesses to submit their own participation as a prime under the FAR Part 15 Evaluation Factor.
- A common mistake is asking (small and large businesses) to submit **SUBCONTRACTING** goals, because this requires a small businesses to **SUBCONTRACT** to attain the goal. Instead SBs should be allowed to submit their own **PARTICIPATION** as a PRIME. Therefore, under the SB Participation Factor, you should see “SB Participation Goals”...meaning...
 - ▶ **Large businesses** achieve the goals through subcontracting;
 - ▶ **Small businesses** can achieve goals through their own performance/participation as a prime ...without having to subcontract.



SB Participation Proposals have a relative order of importanceSubcontracting Plans don't!



Technical is the most important factor and is more important than all of the remaining factors combined. Technical is significantly more important than Past Performance. The Past Performance Factor is more important than the Cost Factor. The Cost Factor is more important than the **Small Business Participation Factor.**

Army Source
Selection Guide
EXAMPLE



Subcontracting Goal 20% versus SB Participation Goal 20%

Differences in Calculating on a \$1,000,000 Award

20% Subcontracting Goal = 20% of the **Subcontracted Dollars**

- SBs get 20% of the dollars '**available**' for subcontracting. If a LB decides to subcontract \$100,000, a small business will get 20% of the \$100,000.

SBs get 20% of subcontracted dollars = **\$20,000**



- 20% SB Participation Goal = 20% of **Total Contract Value**

SBs get 20% of total value = **\$200,000**



Here's why small business PRIME offerors benefit!!

EXAMPLE: Government 's SB Participation Goal is 20% (Mandatory)

a Large Business Proposes - 20% planned (they will do 80% themselves)

a Small Businesses Proposes - 40% planned (they will do 40% themselves)

The small business will receive a HIGHER rating on this one evaluation factor, because they get to add in the percentage work they will do themselves and it counts as Small Business Participation – because they are a small business.

Rating Scale with 20% goal:

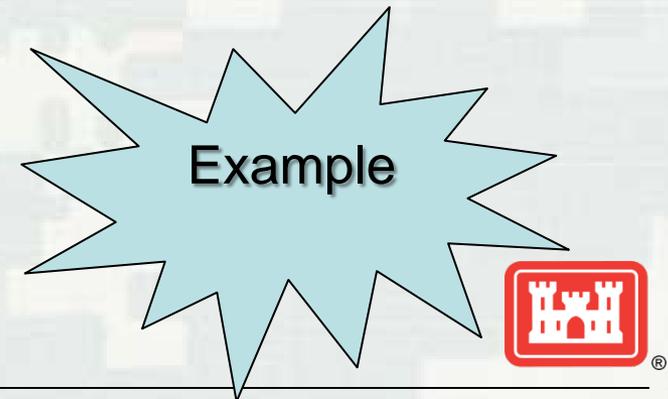
EXCELLENT GOOD ACCEPTABLE Unacceptable

Ratings Results: Large Business (ACCEPTABLE)
 Small Business (EXCELLENT)



SMALL BUSINESS PARTICIPATION FACTOR

- Small Business Participation -- All Offerors (**both large and small businesses**) will be evaluated on the extent of participation of small business concerns in performance of this contract opportunity.
- Offeror's proposal must meet the minimum mandatory Total Small Business Participation goal of 20% (through collective small business participation from any type of small business or sub-category small business). The subcategory small business goals are NOT mandatory. However, the Government will evaluate the proposals to determine which offeror(s) propose the best value in terms of meeting all the Small Business Participation goals herein. The work to be performed directly by a small business prime offeror will also be evaluated as Small Business Participation. The goals are:
 - Total Small Business (any type of small business) 20% of total contract value
 - Sub-Category Small Business
 - ▶ Hub-Zone Small 3%
 - ▶ Women Owned Small Business 4%
 - ▶ Service-Disabled Veteran 3%
 - ▶ Veteran Owned Small 1%
 - ▶ HBCU/Minority Institutions >0%



Instructions, Conditions, and Notices to Offerors

Separate from the Small Business Participation Plan, large business offerors must also submit a Subcontracting Plan (Individual Contract Plan) as required by FAR 52.219-9.

Large businesses will not be eligible for award if they fail to submit an acceptable Subcontracting Plan. Subcontracting Plans shall reflect and be consistent with the commitments offered in the Small Business Participation Plan. In accordance with DFARS 215.304 (c), when an evaluation assesses the extent that small businesses and HBCUs are specifically identified in proposals, the small businesses and HBCUs considered in the evaluation shall be listed in any subcontracting plan submitted.



End of Brief





SAME Small Business Conference

**NAVFAC SMALL BUSINESS
SOURCE SELECTION FACTOR**

**Venece McNeley
Director
Office of Small Business Programs**

- **Subfactor A- Past Performance (PP) in Utilization of Small Business (SB) Concerns.**
 - **Basis of evaluation:** Extent to which the proposal demonstrates the proposer's level of PP in utilizing SB, AbilityOne, Mentor-Protégé Agreements and other socio-economic programs in subcontracting.
 - **Submittals:**
 - Performance Evaluation ratings on the implementation of SB Subcontracting Plans.
 - Recently completed projects evaluations or interim ratings for projects 80% complete.
 - National and industry-issued awards on outstanding support.
 - Mentor Protégé agreements held.
 - AbilityOne subcontracting history.
 - SB Subcontracting history; Large Businesses submit Reports (ISRs, etc.); SB proposers submit subcontracting history.
 - Affiliate member company PP utilization information.

- **Subfactor B- Small Business Participation.**
 - **Basis of evaluation:**
 - Extent to which the proposal demonstrates maximum practicable participation of SBs in terms of the total value of the acquisition, including options.
 - Extent to which the proposal demonstrates a commitment to use SB concerns that are specifically identified in the proposal, including but not limited to the use of mentor protégé programs.
 - Extent to which the proposal demonstrates SB participation in a variety of industries expected during the performance of work.
 - The realism of the proposal to meet the proposed goals.
 - Large Businesses: Extent to which the proposal provides SB Subcontract goals that meet or exceed the minimum NAVFAC SB Subcontracting Targets, and utilization of AbilityOne CRP organizations.
 - Extent to which the proposers SB Subcontracting Plan establishes reasonable efforts demonstrating targets can be met during the performance of the contract.

- **Subfactor B- Small Business Participation.**

- **Submittals:**

- Identify in terms of dollar value and percentage of the total acquisition, the extent of work you will perform as the prime contractor. If a JV-identify the percentage of work each member will be responsible for and indicate the size status of each member.
- Large Business: submit a Small Business Subcontracting Plan for the project in the format provided.
- Small Business: a Subcontracting Participation breakdown in the format provided.
- Plans and breakdown may list all subcontractors by name.
- If proposed SB Subcontracting goals do not meet the minimum NAVFAC SB Subcontracting Targets, include a detailed explanation describing the actions taken to arrive at that determination, along with an explanation for the goals proposed.
- For design-build solicitations: the proposer must identify its designer/design team in its Subcontracting Plan or SB Participation Breakdown.
- For IDIQ solicitations: Provide a demonstration of firm commitments to multiple companies in planned subcontracts by listing multiple names of companies that will be used to support specific the small business categories.

Factor Evaluation



- **Factor is included in all unrestricted solicitations.**
- **SB Factor is weighted equal to the highest weighted technical factor.**
- **Sub Factors A & B are weighted equally.**
- **SB Subcontracting plan is evaluated and part of the factor rating.**
- **Provides competition at the Subcontracting Plan level.**
- **Provides for meaningful commitments.**
- **Fully negotiated plan on an equal level among proposers.**
- **Small Business Professional evaluates and rates the factor.**
- **Required evaluation in DFARS 215.304.**

QUESTIONS

