EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

March 18, 2005

MEMORANDUM FOR: CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES
DIRECTORS, OFFICES OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

FROM: David H. Safavian
Administrator

SUBJECT: Update on Implementation Plan for the Electronic Subcontracting Reporting System

I am pleased to inform you that the contract for the Electronic Subcontracting Reporting System (eSRS) was awarded to Symplicity Corporation, a certified 8(a) firm based in Arlington, Virginia, on January 5, 2005. When fully implemented, eSRS will replace the paper SF-294, *Subcontracting Report for Individual Contracts*, and SF-295, *Summary Subcontract Report,* with an electronic business process supported by an easy to use state-of-the-art commercial service.

On October 18, 2004, we informed each agency about the status of the new eSRS and explained how we intended to use the new system for fiscal year 2004 subcontracting reports. We also indicated that the eSRS would replace the paper SF-294 and SF-295. We further indicated that agencies were authorized to extend the deadline for submission of all fiscal year 2004 subcontracting reports until February 28, 2005. The October 18, 2004 memorandum is attached.

Subsequently, there was a delay in awarding the new eSRS contract. As a result, the new eSRS will not be operational until the third quarter of fiscal year 2005. Accordingly, we are authorizing agencies to grant, at their discretion, an additional extension for all federal contractors not to exceed 60 days after the eSRS initial operating capability has been achieved. This extension may be applied to both the year-end reports for fiscal year 2004 and the semi-annual reports normally due on April 30, 2005, for the period ending March 31, 2005. During this period, agencies may continue to require SF-294 semi-annual reports. However, once initial operating capability is achieved, contractors meeting the subcontracting thresholds are required to begin reporting using the new eSRS. Agency CAOs, SPEs, and OSDBU Directors will be notified when eSRS obtains its initial operating capability as well as when full certification and accreditation is achieved.

We anticipate that training on the use of the eSRS will be made available to both Government employees and industry representatives. In addition, the eSRS will provide on-line help tools and other types of assistance. Training and any special announcements will be posted on the AcqNet website http://www.acqnet.gov until the new eSRS website (http://www.esrs.gov) becomes available.

We need your agency's full cooperation in planning for and facilitating an orderly transition to the new eSRS. Please contact the Small Business Administration at eSRS@sba.gov and copy the Integrated Acquisition Environment at integrated.acquisition@gsa.gov, if you have any questions or concerns.

Attachment

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OFFICE OF FEDERAL
PROCUREMENT POLICY

October 18, 2004

MEMORANDUM FOR CHIEF ACQUISITION OFFICERS
SENIOR PROCUREMENT EXECUTIVES
DIRECTORS, OFFICES OF SMALL AND
DISADVANTAGED BUSINESS UTILIZATION

FROM: Robert A. Burton
Associate Administrator

SUBJECT: Implementation Plan for the Electronic Subcontracting Reporting System

The contract for the Electronic Subcontracting Reporting System (eSRS) will be awarded October 2004. The eSRS will replace the paper Standard Form-294 (SF-294), *Subcontracting Report for Individual Contracts*, and Standard Form-295 (SF-295), *Summary Subcontract Report.*

Historically, government contractors submitted the SF-295 to the procuring agency, in most cases to the Offices of Small and Disadvantaged Business Utilization, which in turn provided the data to the Federal Procurement Data System (FPDS). Government contractors submitted the SF-294 for *specific contracts to the contracting office* and the data from those submittals was never consolidated government-wide. The eSRS, which is part of the integrated acquisition environment, will provide a paperless system allowing contractors to enter both of these reports into a web site (http://www.srs.gov). All contractors required to file both types of subcontracting reports will do so using the eSRS.

Since the original FPDS has been replaced by FPDS-Next Generation, which does not include subcontracting data, we want to make use of the improved functionality of eSRS for fiscal year (FY) 2004 subcontracting reports. Accordingly, we are extending the deadline for submission of all FY 2004 reports to February 28, 2005. This will allow the Small Business Administration to receive subcontracting data for FY 2004 in March 2005, several months earlier than they received the data from the FPDS.

Please notify contractors of this change immediately, so they do not begin preparing paper SF-294s and SF-295s. All contractors will be required to enter the data into the eSRS, and the government will not accept paper reports for the period ending September 30, 2004.

Training on the use of the eSRS will be provided to both government employees and industry representatives during the first quarter of FY 2005. In addition, the eSRS will provide on-line help tools and a fully staffed help desk. An application interface will be available so that contractors with their own automated system can download their data, in most cases, with little difficulty.

The eSRS will benefit us in many ways. In addition to eliminating tens of thousands of semi-annual paper reports, the eSRS will provide access to subcontracting data not previously available, including standard reports for determining contractor achievement of socio-economic goals and other analytical tools. The system will automatically generate delinquent notices to contractors that have not submitted timely reports and identify contractors who are delinquent on specific reports. The numerous other advantages and features will be demonstrated during the training sessions mentioned above.

Please direct any questions to Julie Basile of the Office of Federal Procurement Policy, jbasile@omb.eop.gov, or at (202) 395-4821.