



# Subcontracting Policy

## Mid-Atlantic Regional Council Training Event

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

**July 2018**



# Agenda

- Resource Information
- Subcontracting Goals and Achievements
- Assessing Subcontracting Performance / Achievements
- FY 18 Subcontract Reporting Schedule
- Legislative and FAR updates
- DoD Regional Councils





# Resource Information



- Janice Buffler, Associate Director  
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<http://business.defense.gov/Acquisition/Subcontracting/Small-Business-Professionals-Government-and-Industry/>



# Subcontracting Goals and Achievements



# DoD Subcontracting History

(Goals and Achievements)

(\$ = Billions; rounded up) (\*unofficial)

<http://business.defense.gov/About/Goals-and-Performance/>



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	
		%	%	\$	%	%	\$	%	%	\$	%	%	\$	%	%	\$
2018		33.0			5			5			3			3		
2017	\$122.9	34.0	33.7*	\$41.3*	5	4.4*	\$5.3*	5	5.8*	\$7.1*	3	1.5*	\$1.8*	3	2.4*	\$2.8*
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



# **Assessing Performance/Achievements: Scorecards and Methodology**



# SBA's Methodology for Assessing Federal Agency SB Performance



<b>SBA Scorecard</b>	
<b>Prime</b>	<b>50%</b>
<b>Subcontracting (achievements)</b>	<b>20%</b>
<b>Peer Review</b>	<b>20%</b>
<b>Small Business Concerns Comparison</b>	<b>10%</b>



# Federal Agency Subcontracting Achievements

SBA Scorecard Methodology  
Subcontracting = 20% of Total Score

Summary  
Subcontract Report



Individual  
Subcontract Plan

Summary  
Subcontract Report



Commercial  
Subcontract Plan

Summary  
Subcontract Report



DoD Comprehensive  
Subcontract Plan



# DoD's Methodology for Assessing Departments/Agencies SB Performance



## DoD Internal Scorecard Beginning FY 18

**Prime Performance**

**50%**

**Socioeconomic Performance**

**20%**

**Subcontracting Performance**

**10%**

**SAT Threshold Performance**

**10%**

**Component SB Duties**

**5%**

**Self-Assessment of SB Initiatives**

**5%**



# How DoD Scores its 25 Components with Procurement Authority Beginning FY 18

Subcontracting = 10% of Total Score

Subcontracting Grade



Individual Subcontract Reports  
Approved in eSRS

Total # Individual Subcontract  
Reports in eSRs



# FY 18 Subcontract Reports Schedule





# DoD FY 18 Subcontract Report Schedule

DATE	REQUIRED ACTION
<b>Apr 30, 2018</b>	Due date for Contractors' ISRs/SF 294s
<b>June 15, 2018</b>	DoD completes review of ISRs/SF 294s
<b>June 30, 2018</b>	Dept / Agency Subcontracting Program Managers submit semi-annual eSRS Status Report to OSBP and DPAP
<b>Oct 30, 2018</b>	<b>Due date for Contractors' ISRs/SF 294s and SSRs</b>
<b>Dec 15, 2018</b>	DoD completes review of ISRs/SF 294s and SSRs
<b>Dec 30, 2018</b>	Dept / Agency Subcontracting Program Managers submit semi-annual eSRS Status Report to OSBP and DPAP



# Legislative and FAR Updates





## FAR Open Cases

### FAR Case 2018-003 (Proposed): Credit for Lower-Tier Small Business Subcontracting

Implements section 1614 of the NDAA for FY 2014, as implemented in the SBA regulations on 12/23/2016 (81 FR 94246)

Allows prime contractors to receive credit toward goals in their small business subcontracting plans for subcontracts awarded by their subcontractors

11/15/2017 DARC Director tasked Small Business team to draft proposed FAR rule. Report due 01/10/2018. Report due date extended to 07/11/2018.



# FAR Open Cases

## FAR Case 2016-011 (Proposed): Revision of Limitations on Subcontracting

Implements SBA's Final Rule (81 FR 34243) for section 1651 of the NDAA FY 2013 (P.L. 112-239), which revised the limitations on subcontracting and the non-manufacturer rule. Also implements SBA's regulatory clarifications concerning application of the limitations on subcontracting, non-manufacturer rule, and size determination of JVs.

04/20/2018 CAAC Chair sent draft interim FAR rule to OIRA. Converted to proposed rule. OIRA reviewing



## FAR Open Cases

### FAR Case 2016-002 (Proposed): Applicability of Small Business Regulations Outside the United States

Considers applicability of Small Business Regulations on contracts performed outside the United States

01/17/2018 DAR staff notified FAR staff that DARC agreed to draft proposed FAR rule. Awaiting CAAC concurrence.





## FAR Open Cases

### FAR Case 2015-005 (Final): System for Award Management Registration

Updates instructions for SAM registration requirements to correct an inconsistency with offeror representation and certification requirements.

07/03/2018: Draft final FAR rule. FAR analyst preparing to send to OFPP reviewing.



## FAR Open Cases

### FAR Case 2014-002 (Final): Set-Asides Under Multiple-Award Contracts

Implements SBA's final rule (78 FR 61114) for sections 1311/1331 of the SB Jobs Act of 2010 (P.L. 111-240), which provides Government-wide policy for partial set-asides and reserves, and setting aside orders for SB concerns under Multiple-award contracts.

06/20/2018: DARC agreed to draft final FAR rule from DAR staff processing.

# DFARS Open Cases



## DFARS Case 2017-D027 (Final): Micro-Purchase Threshold

Implements sections 217(a) / 821 NDAA FY 2017 (P.L. 114-328), which amends 10 USC to increase micro-purchase threshold to \$10k for research programs / entities and establish micro-purchase threshold at \$5k for most other DoD procurements.

05/30/2018: Posted Final and in effect.

# DFARS Open Cases



## DFARS Case 2017-D016 (Proposed): Mentor-Protégé Program Modifications

Implements section 1823 and paragraph (b) of section 1813 of NDAA for FY 2017 (Pub. L. 114328). Amend section 831 of the NDAA for FY 1991 (Pub. L. 101-510) regarding the Pilot Mentor-Protégé Program by revising the definition, revising requirements associated with affiliation between mentor firms and their protégé firms, and adding new types of assistance for mentors to provide to their protégés

05/04/2018: Published proposed DFARS rule in Federal Register (83 FR 19677). Public comment period ends 07/03/2018. DAR staff processing.



## DFARS Open Cases

### DFARS Case 2017-D005 (Proposed): Submission of Summary Subcontract Reports

Clarifies the entity to which Summary Subcontract Reports are to be submitted and the entity that acknowledges receipt of, or rejects, the reports

06/29/2018: Published proposed DFARS rule in Federal Register (83 FR 30661). Public comment period ends 08/28/2018



# Reminders





# Reminders

- **DoD Class Deviation 2018-00007**, Small Business Subcontract Reporting (12/13/2017): Allows contractors to submit SF 294, in lieu of submitting the ISR in eSRS for orders against BOAs and BPAs
- **FAR 52.219-9(I)(2)(D)**: Contracting official who approved the Commercial Subcontracting Plan is responsible for approving SSRs required by the plan; SSR submitted to that contracting office
- **19.704 (10)(iii) / 52.219-9 (d)(10)(iii) (Jan 2017)**: Subcontracting plan requirements. Contractors will report subcontracting **will** include **subcontracting data** for **each** order when reporting subcontracting achievements for indefinite-delivery, indefinite-quantity contracts intended for use by multiple agencies
  - Note: Beginning April 1, 2018, eSRS will allow “batch uploads” reporting on orders, not individual ISR reporting



# Reminders

- **19.704 (10)(iii) / 52.219-9 (d)(10)(iii) (Jan 2017),**  
Subcontracting plan requirements. Assurances that the offeror will --- After November 30, 2017, include subcontracting data for each order when reporting subcontracting achievements for indefinite-delivery, indefinite-quantity contracts intended for use by multiple agencies

Note: Beginning April 1, 2018, eSRS will allow “batch uploads” reporting on orders, not individual ISR reporting





# Reminders

## DFARS (Dec 2017)

- **DFARS 219.705-4 / DFARS PGI 219.705-4,**
  - When reviewing the subcontracting plan, contracting officers may use the document entitled “DoD Checklist for Reviewing Subcontracting Plans.” The document is available at <http://business.defense.gov/Acquisition/Subcontracting/>



# Reminders

## DFARS (Dec 2017)

- **DFARS 219.705-6 / DFARS PGI 219.705-6**
  - When reviewing subcontracting reports, contracting officers may use the document entitled “DoD Subcontracting Program—Business Rules and Processes for (1) Electronic Subcontracting Reporting System (eSRS) and (2) Preparing and Reviewing Related Subcontract Reports.” The document is available at <http://business.defense.gov/Acquisition/Subcontracting/>



# Reminders

March 2018, Version 3

- Appendices are also provided separate stand-alone documents:
  - “DoD Subcontracting Program -- The Basics of Subcontracting”
  - “DoD Checklist for Reviewing Subcontracting Plans”
  - “DoD Subcontracting Program -- Guide to Preparing and Reviewing an Individual Subcontract Report (ISR) for an Individual Subcontracting Plan”
  - “DoD Subcontracting Program -- Guide to Preparing and Reviewing a Summary Subcontract Report (SSR) for an Individual Subcontracting Plan”
  - “DoD Subcontracting Program -- Guide to Preparing and Reviewing a Summary Subcontract Report (SSR) for a Commercial Subcontracting Plan”

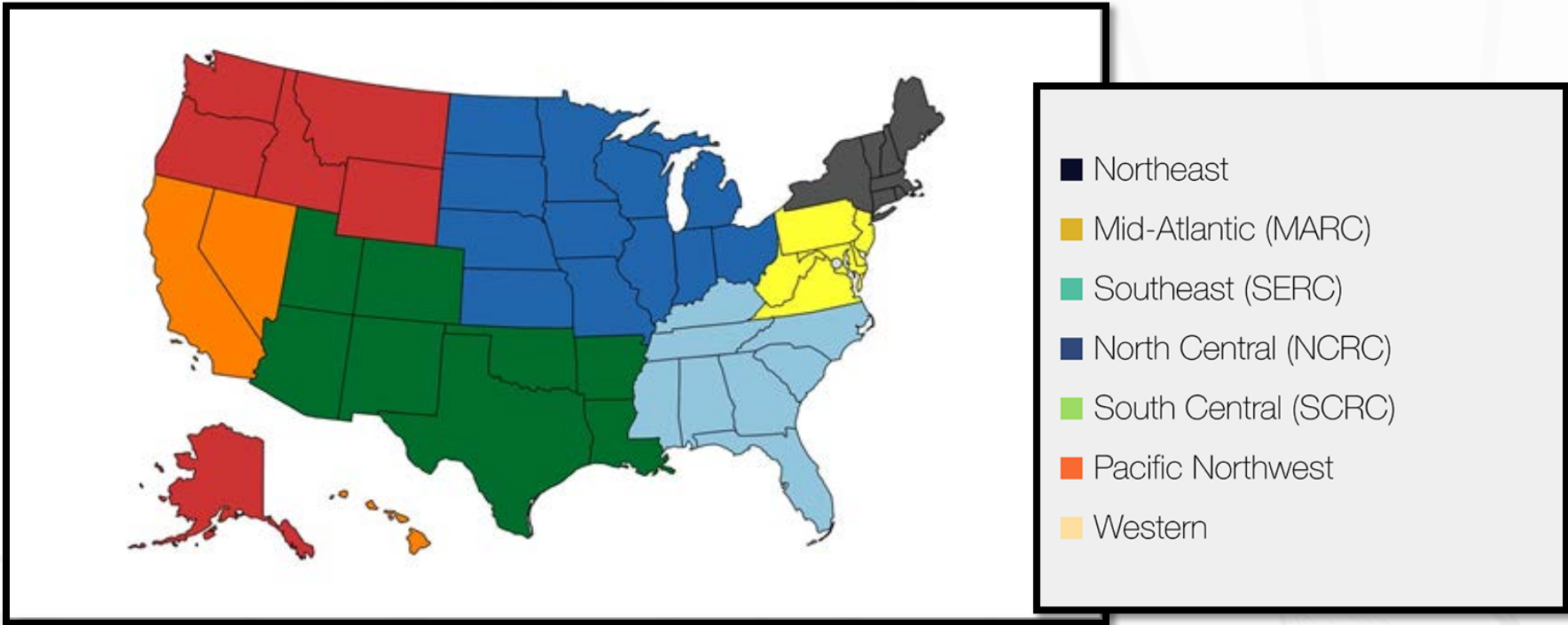


# DoD Regional Councils





# DoD Regional Councils



<http://business.defense.gov/Acquisition/DoD-Regional-Councils/>



# DoD Regional Council Board members

	Chair / Vice-Chair	Secretary / Treasurer
North East (NERC)	Eva D'Antuono (USACE) / <b>XX</b>	<b>XX / XX</b>
Mid-Atlantic (MARC)	<b>XX / XX</b>	Anita Perkins (DHS) / Debi Weems (Navy)
South East (SERC)	Marlon Snodgrass (USACE) / Karen Baker (USACE)	LaShone Goodman-Cooper (Army) / Deborah Crumity (SBA)
North Central (NCRC)	Jeanette Robinson (DAU) / <b>XX</b>	<b>XX / XX</b>
South Central (SCRC)	<b>XX / XX</b>	<b>XX / XX</b>
Pacific North West (PNWRC)	Kay Riplinger-Baltz (USACE) / Michael Gilbert (AF)	Dave Walz (Navy) / Jim Niles (Navy)
Western (WRC)	Derrick Hu (Navy) / Rowena Geyer (Navy)	Zack Zaccaria (Navy) / Pam Smith-Cressel (GSA)



# DoD Regional Councils

## Regional Council Charter

- Mission: Forum for Training
- Members: SB Professionals (gov't/ industry) & Resource Partners
- Officers
- Committees
- Training Schedule

