



DoD Subcontracting Program

Mid-Atlantic Regional Council

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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

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