



Small Business Participation Goal and Subcontracting Goals

Presented by OSBP
January 2017



U.S. ARMY

Discussion Areas



- Purpose
- Differences
- Common Mistakes
- Additional Note to Large Businesses
- CPARS and Small Business Utilization



U.S. ARMY

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 difference;
 - Small Businesses don't understand how it benefits them as a prime offeror; and
 - Large Businesses still want to submit Subcontracting Plans in response to an Evaluation Factor for Small Business Participation.



U.S. ARMY



SB Participation Plan vs. Subcontracting Plan...

...not one in the same

❑ DFARS 215.304 Evaluation factors and significant subfactors.

- 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 to include service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns 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 performance of the contract, whether as a joint venture, teaming arrangement, or subcontractor.
- Proposals addressing the extent of small business performance shall be separate from subcontracting plans submitted pursuant to the clause at FAR 52.219-9 and [shall be structured to allow for consideration of offers from small businesses.](#)
- When an evaluation assesses the extent that small businesses are specifically identified in proposals, [the small businesses considered in the evaluation shall be listed in any subcontracting plan submitted pursuant to FAR 52.219-9 to facilitate compliance with 252.219-7003\(e\).](#)

❑ Subcontracting plans, required by FAR Part 52.219-9, need to be consistent with the SB Participation Plan.



U.S. ARMY



SB Participation Factor Differences for Large & Small Business Offerors

- The Small Business Participation Goals and Subcategory Small Business Goals percentages are based on market research.
- RFPs should be structured to allow small businesses to submit their own participation as a prime under the FAR Part 15 Evaluation Factor.
- DoD Source Selection Procedures Chapter 2.3, Develop the Request for Proposals, para 2.3.4.2.3, This may be accomplished by one of the following:
 - Establishing a separate Small Business Participation evaluation factor; or
 - Establishing a Small Business Participation subfactor under the technical factor; or
 - Considering Small Business Participation within the evaluation of one of the technical subfactors.



U.S. ARMY



SB Participation Factor Differences for Large & Small Business Offerors

- ❑ A common mistake is asking (small and large businesses) to submit SUBCONTRACTING goals, because this requires small businesses to SUBCONTRACT to attain the goal.

- ❑ SBs should be allowed to submit their own participation as a PRIME. Therefore, under the SB Participation Factor, you should see the “SB Participation Goals”...meaning...
 - **Large businesses** achieve the goals through subcontracting; and
 - **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 importance...
Subcontracting Plans don't!



Subcontracting Goal 20% vs 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 would 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**



U.S. ARMY

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 are specifically identified in proposals, the small businesses considered in the evaluation shall be listed in any subcontracting plan submitted.

- ❑ Small Business Subcontracting Plans will be evaluated on an ACCEPTABLE / UNACCEPTABLE basis in accordance with AFARS Appendix DD:
 - Does the Subcontracting Plan adequately respond to each of the required elements of FAR 52.219-9(d) paragraphs (1) through (11)?
 - Are the commitments in the Subcontracting Plan comparative to the commitments in the SB Participation Plan?



U.S. ARMY

CPARS Small Business Utilization



- ❑ CPARS Guidance April 2016 highlight...
 - Attachment 2-2&3, Evaluation Ratings Definitions (For the Small Business Evaluation Factor, when 52.219-9 is used)
 - Attachment 3.23, Instructions for Completing a Systems CPAR, Small Business Utilization
 - ✓ Does this contract include a subcontracting plan?
 - ✓ Date of last Individual Subcontracting Report (ISR) or SF294/Summary Subcontracting Report (SSR)
 - Attachment 3.30 – Utilization of Small Business
 - ✓ Assess whether the contractor provided maximum practicable opportunity for Small Business
 - ✓ Assess compliance with all terms and conditions in the contract/order relating to Small Business participation (including FAR 52.219-8, Utilization of Small Businesses and FAR 52.219-9, Small Business Subcontracting Plan) when required.



U.S. ARMY

OSBP Contact



- ❑ To learn more about PEO STRI's small business programs and contract opportunities contact OSBP
 - usarmy.orlando.peo-stri.list.office-of-small-business-programs@mail.mil
 - (407) 384-3656 (O) or (407) 384-3517 (O)