

INSTRUCTIONS FOR SUBCONTRACTING CHECKLIST

A. Definitions

A "subcontract" is any agreement (other than one involving an employer-employee relationship) entered into by a prime contractor or subcontractor for supplies and/or services required for performance of a contract, modification or subcontract. Some agreements for purchase of insurance, bonding and other general business services, and deposits in financial institutions are also considered subcontracts for the purpose of meeting subcontracting goals.

"Commercial item" is a product or service in regular production that is sold to the general public and/or industry for non-governmental purposes. It also means a product or service which, in the opinion of the contracting officer, differs only insignificantly from the contractor's commercial product or service. For example, a product which is ordered in a special color but is otherwise identical to off-the-shelf products would still be considered a commercial item.

B. Types of Subcontracting Plans

1. Individual Plans

An individual plan contains separate dollar and percentage subcontracting goals with all administrative elements developed for the specific contract. Each item of the plan must be negotiated and approved by the contracting officer prior to award. The plan applies to the contract for its entire life.

2. Master Plans with Individual Contract Goals

A master subcontracting plan contains the repetitive policy and administrative information required for subcontracting plans (see FAR 19.704(b)). Contractors may establish master plans on a plant or division-wide basis. The master plan shall be effective for a 3-year period after approval by the contracting officer; however, it is incumbent upon contractors to maintain and update master plans. The master plan does not include goals; therefore, when it is presented by a prime contractor, the contracting officer must negotiate separate dollar and percentage goals for SB, SDB and WOB participation. A listing of the items and services to be subcontracted under the plan, and descriptions of the method used to develop the goals, and subcontracting source lists and to allocate the overhead to the subcontracting plan must also be obtained. In accordance with FAR 52.219-9(f), the contracting officer may negotiate any deviations from the master plan that are necessary to tailor it for a specific contract.

When a master plan is accepted, the contracting officer must also obtain a copy of the lead agency contracting officer's approval of the master plan. (A lead agency is the first Federal agency to award a contract to a vendor in a given fiscal year). After goals are negotiated and combined with the master plan to form a total plan, it becomes an "individual" subcontracting plan. Once incorporated into the individual contract, the plan is valid for the life of that contract.

3. Commercial Plans

Commercial plans may be submitted when a vendor sells products or services in regular production that are sold to the general public and/or industry for non-governmental purposes. This type of plan contains administrative elements and goals developed and approved on a company-wide basis. Individual contract goals are not required.

Commercial plans are negotiated and approved by the first Federal Government agency to award a contract to that vendor in a given fiscal year, and apply to all contracts awarded during that year for the products and/or services covered by the plan. A copy of the plan and the lead agency contracting officer's approval of the plan must be obtained. The plan must cover the products and services being purchased under the VA contract. If it does not, an individual plan must be negotiated.

Commercial plans are valid only for the year in which they are approved. Therefore, a current plan must be obtained and approved prior to modifying or exercising options to contracts containing commercial plans.

C. Government-wide Goals:

The Government-wide goals are listed below. Please note that this is for guidance purposes. If less than the government-wide goals is approved, the Contracting Officer must document this in writing and insert a copy of the justification into the contract file. This office suggests the Contracting Officer insert these goals into the solicitation as an informational source for the offeror.

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|---------------------|-----|
| Small Business: | 20% |
| Small Disadvantaged | 5% |
| Women-Owned | 5% |

Note: Each percentage is a total of ALL subcontracting dollars.

5. Is there a description of the method used to identify potential sources for solicitation purposes (e.g. Pro-Net, National Minority Purchasing Council Vendor Information Services, etc.?)

___YES ___NO

6. Is there a statement as to whether they included indirect costs in establishing subcontracting goals and a description of the method used to determine the proportionate share of indirect costs to be incurred with small, small disadvantaged, women-owned small business concerns and HUBZones?

___YES ___NO

7. Does the plan have the name of an individual who will administer the subcontracting program included?

___YES ___NO

8. Is there a description of the duties of that individual included?

___YES ___NO

9. Does the plan include a description of the efforts to ensure that small business concerns, small disadvantaged business concerns, women-owned small business concerns and HUB Zones will have a equitable opportunity to compete for subcontracts?

___YES ___NO

10. Does the plan include assurances that lower tier subcontractors will comply with the clause at 52.219-9 requiring further subcontracting opportunities?

___YES ___NO

11. Does the plan have assurances that the firm will cooperate in any studies or surveys as may be required?

___YES ___NO

12. Agree to submit periodic reports in order to allow the Government to determine the extent of compliance by the contractor with the subcontracting plan?

___YES ___NO

13. Does the plan indicate that they will submit SF 294's 295's in accordance with the instructions on the forms as well as to ensure that its subcontractors agree to submit the SF 294's and 295's?

___YES ___NO

14. Does the plan indicate agreement to maintain the minimum amount of records to document compliance and a description of the records including establishing source lists, organizations contacted; and a description of the efforts to locate small, small disadvantaged, women-owned small business concerns and HUBZones and to award subcontracts to them?

YES NO

15. As well as their outreach efforts (trade associations, organizations, conferences, workshops, and seminars)?

YES NO

16. Whether small, small disadvantaged, women-owned small business concerns and HUBZones were solicited for any subcontracting opportunity over \$100,000 and if not, why not?

YES NO