

11.0 SMALL BUSINESS PROGRAM (09/09)

11.1 Subcontracting Plan for Small Business Concerns - Coordination, Preparation and Administration

11.1.1 Policy

11.1.1.1 It is the policy of the United States (Public Law 95-507) that small business concerns shall have the maximum practicable opportunity to participate in the performance of contracts awarded by any Federal agency. (Utilization of small business concerns clause included in Federal contracts that exceeds the simplified acquisition threshold.)

11.1.1.2 In connection with each proposal to the Federal Government which exceeds \$500,000, the offeror (MIT) shall submit to and negotiate with the Federal agency a subcontracting plan which addresses separately purchasing and subcontracting with small business concerns, which shall be included in and made a material part of the resultant contract. (subcontracting plan clause included in Federal contracts that exceed \$500,000.)

11.1.1.3 Failure to submit and negotiate the subcontracting plan shall make the offeror (MIT) ineligible for award of a contract.

11.1.1.4 Following contract award, failure of the contractor (MIT) to comply in good faith with (i) the clause (of the contract) entitled "Utilization of Small Business Concerns", or (ii) the approved small business concerns subcontracting plan (of the contract) will be treated as a material breach of the contract.

This policy requires that:

11.1.1.5 For each Institute proposal to a Federal agency that exceeds \$500,000, a Subcontracting Plan shall be prepared, submitted, negotiated, implemented and administered in accordance with Federal contract requirements.

11.1.1.6 Prior to the award of a purchase order or subcontract/subaward which exceeds \$500,000 by the Institute under a Federal contract which includes the clause "Small Business Concerns Subcontracting Plan" to other than a small business concern, require that the intended subcontractor/subawardee submit a subcontracting plan for review, negotiation as required, and inclusion, with reporting requirements, in the resulting purchase order or subcontract/subaward.

11.2 Subcontracting Plan for Small Business Concerns – Coordination, Preparation and Administration

11.2.1 Coordination - OSP Research Subawards Team Assistant Director:

The OSP Research Subawards Team assistant director is designated as the Assistant Liaison Officer for the Subcontracting/Subawards Program with responsibility to:

- (1) Maintain liaison with the Government on small business reporting concerns matters.
- (2) Ensure that the Federal Procurement regulation clauses identified by title below are included in subcontracts/subawards issued under Federal contracts.

Subawards issued under a Federal Government Contract Prime Award that exceed the simplified acquisition threshold, to all concerns (large and small):

Clause: “Utilization of Small Business Concerns”

Subawards issued under a Federal Government Contract Prime Award that exceed \$500,000 to other than small business concerns:

Clause: “Small Business Subcontracting Plan”

- (3) Prepare procedures that govern Plan preparation, implementation and administration.
- (4) Coordinate activities between Procurement, Program Manager/Principal Investigator, Department/Laboratory Administrator, and Office of Sponsored Programs (OSP) Contract Representative to ensure timely submission of meaningful and appropriate Plans.
- (5) Maintain records and reports of compliance with and accomplishments under approved Plans as of March 31st and September 30th.
- (6) Submit reports of compliance and accomplishments under approved subcontracting plans to program managers/principal investigators, subcontracting plan administrators and cognizant Institute personnel.
- (7) Provide direction and assistance as necessary to elevate accomplishments under approved subcontracting plans.
- (8) Prepare and submit required reports of accomplishments under approved subcontracting plans to the contracting agencies.

(9a) Individual Subcontract Reports File ISR (Formerly Standard Form 294).

Submitted semi-annually for the periods ended March 31st and September 30th. Reports are due 30 days after the close of each reporting period. A separate report is required for each contract at contract completion.

Separate report required for each contract that contains a subcontracting plan.

Documents accomplishments under a subcontracting plan during the reporting period (6 months) and cumulatively, from contract commencement.

(9b) Summary Subcontract Reports File SSR (Formerly Standard Form 295)

Submitted semi-annually for the six months ended March 31st and the twelve months ended September 30th. Reports are due 30 days after the close of each reporting period.

Separate report required for each Federal department or agency (Dept. of Defense, Dept. of Transportation, Dept of Energy, NASA, etc.), which awarded at least one, contract which contains a Subcontracting Plan.

Documents cumulatively the distribution of business (procurements) to small business concerns under all active contracts awarded by the same Federal department or agency, whether or not each contract required a subcontracting plan.

Documents subcontracting plan accomplishments under all active contracts and contracts completed during the reporting period which were awarded by the same Federal department or agency.

11.2.2 Preparation - Program Manager/Principal Investigator, Department/Laboratory Administrator, OSP Contract Representative, OSP Research Subawards Team Assistant Director, Procurement Office

A. To be approved by the contracting agency, a subcontracting plan must:

(1) Provide the maximum practicable opportunity for small business concerns to participate in the performance of the contract. Accordingly, it is important that the details of the cost portion of the proposal be clearly broken out with respect to intended procurement of: subcontracts, subawards, equipment, materials, services, etc. Responsibility for this rests with the following:

Program Manager/Principal Investigator
Department/Laboratory Administrator
Procurement Office
OSP Contract Representative
OSP Subaward Administrator

(2) Reflect separate percentage goals in terms of percentage of total dollars planned for each category of procurement for awards to (i) small business concerns, (ii) small disadvantaged business concerns, and (iii) small women-owned business concerns. Procurement personnel will recommend sources of supply for this purpose.

B. Administration

The following shall be responsible for subcontracting plan administration and shall be referred to as Subcontracting Plan Administrators:

(1) Department/Laboratory Administrators - Departments, laboratories and centers that are serviced by the Procurement Office.

(2) Purchasing Managers/Purchasing Agents - for departments and laboratories that are serviced by a separate Purchasing Agency or Procurement Office.

C. Subcontracting Plan Administrator responsibilities:

(1) Maintain listings of small disadvantaged business concerns and their products, provided by the Director of Procurement.

(2) Review each request/requisition submitted under the contract to ensure that (i) business previously earmarked for small disadvantaged business concerns is directed to such firms, (ii) business not so previously earmarked which can be purchased from known small disadvantaged business concerns is directed to such firms.

(3) For all requests/requisitions submitted to the Procurement Office for processing under a contract with a subcontracting plan, mark each clearly SUBCONTRACTING PLAN to enable review by Procurement for consideration for award to a small disadvantaged business concern.

D. Subcontracting Plan Format:

(1) Use the “Subcontracting Plan for Small Business Concerns” Form 11.2C and Form 11.1A “Master Small Business Program” when executing a subcontracting plan.