

St. Paul District



**U.S. Army Corps of Engineers
Subcontracting Program**



FAR 19.7 The Small Business Subcontracting Program

Statutory - Any contractor receiving a contract over the simplified threshold shall agree to give small business the maximum practicable opportunity to participate in contract performance consistent with efficient performance.



U.S. Army Corps of Engineers

FY 2009 District Goals

Small Business Subcontractors	32.0%
Small Disadvantaged Business	18.0%
Women-Owned Small Business	5.8%
HUB Zone Small Business	10.0%
Service Disabled Veteran Owned	3.0%
HBCU/MI	13.0%



U.S. Army Corps of Engineers

FY 2009 Prime Contract Goals

Small Business Subcontractors	70.0%
Small Disadvantaged Business	6.2%
Women-Owned Small Business	7.0%
HUB Zone Small Business	9.8%
Veteran Owned Small Businesses	3.0%
Service Disabled Veteran Owned	.9%



Federal Acquisition Regulation Clauses

FAR 52.219-8 Utilization of Small Business Concerns (May 2004)

This clause must be in all solicitations/contracts over simplified acquisition threshold.

FAR 52.219-9 Small Business Subcontracting Plan (Nov 2007)

This clause must be in all solicitations/contracts expected to exceed \$500K, services and supplies, and \$1M in construction.

FAR 52.219-16 Liquidated Damages – Subcontracting Plan (Jan 1999)

This clause must be in all solicitations/contracts containing 52.219-9



**Section 8(d) of Small Business Act (15 U.S.C. 637(d))
imposes the following requirements**

- Small Business Subcontracting Plans**
 - over \$550,000 (services and supplies)**
 - over \$1,000,000 (construction)**
- Subcontracting plans not required**
 - small business**
 - personal services**
 - contracts or mods outside States
or Territories**
 - mods to contracts within scope that do not
contain the clause 52.219-8, Utilization of
Small Business Concerns or prior clauses**



FAR 19.704 Subcontracting Plan Requirements

- (1) Separate Percentage Goals for Small Business(SB), HUBZone(HZ), Small Disadvantaged (SDB), Women-owned (WO) and Service Disabled Veteran Owned small businesses.
- (2) Total dollars planned to be subcontracted; total dollars planned to subcontract to small business, HUB Zone, SDB, WOSB and SDV concerns.
- (3) Description of principal types of supplies and services to be subcontracted.
- (4) Description of method used to develop the subcontracting goals.



SUBCONTRACTING PLAN

- (5) Description of method used to identify potential sources.
- (6) Whether or not indirect costs in establishing subcontracting goals.
- (7) Name of individual employed who will administer the subcontracting program.



SUBCONTRACTING PLAN

(8) Description of efforts made to assure small business, HZ, SDB, WO small business had equal opportunity.

(9) Assurances that clause “Utilization of Small Business Concerns” will be included in subcontracts over threshold to large business subcontractors.

(10) Assurances that the offeror will (i) cooperate in studies and surveys, (ii) submit periodic reports, (iii) submit ISR and SSR, and (iv) ensure subcontractors submit their ISR and SSR reports.



SUBCONTRACTING PLAN

(11) Description of types of records that will be maintained, e.g.

- (i) Source lists (e.g., CCR, DSB, SUB-Net, guides and other data.
- (ii) Organization contacts in attempt to locate resources.
- (iii) Records on each subcontract solicitation.
- (iv) Records of outreach efforts.
- (v) Records of internal guidance.
- (vi) Contract-by-contract records to support award data.



REPORTS

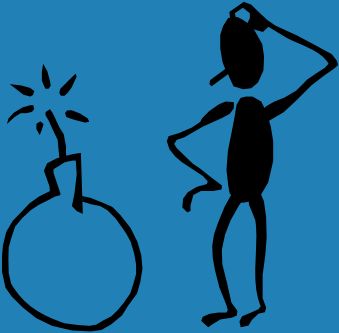
Individual Subcontracting Report (ISR) and
Summary Subcontract Report (SSR).

Semiannually (Oct. 1 – Mar. 31, Apr. 1 - Sep 30)
and at contract completion.

Due within 30 days after reporting period.

FAILURE TO COMPLY

SHALL BE A MATERIAL BREACH OF THE CONTRACT.



Liquidated Damages

Withholding retainage

Unsatisfactory Rating

No new contracts



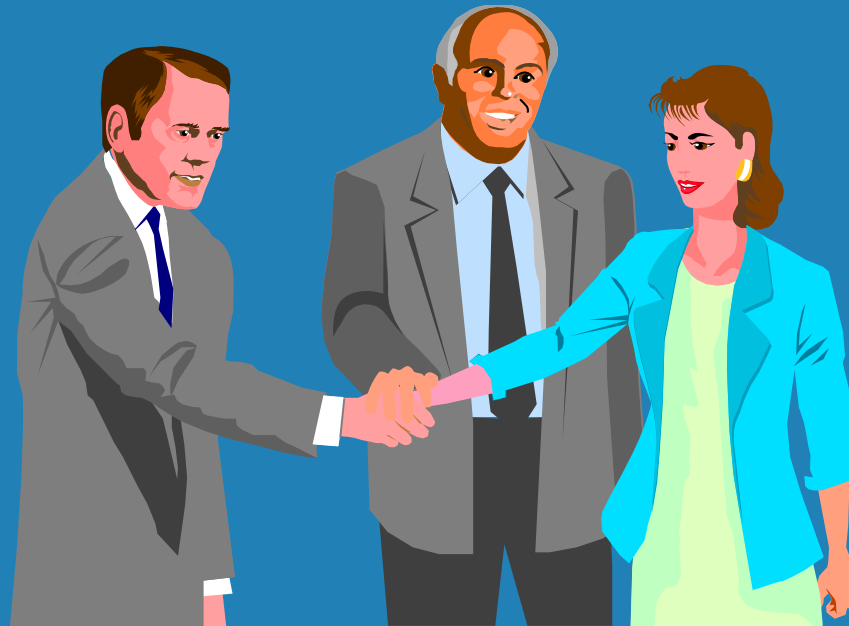
Compliance Reviews

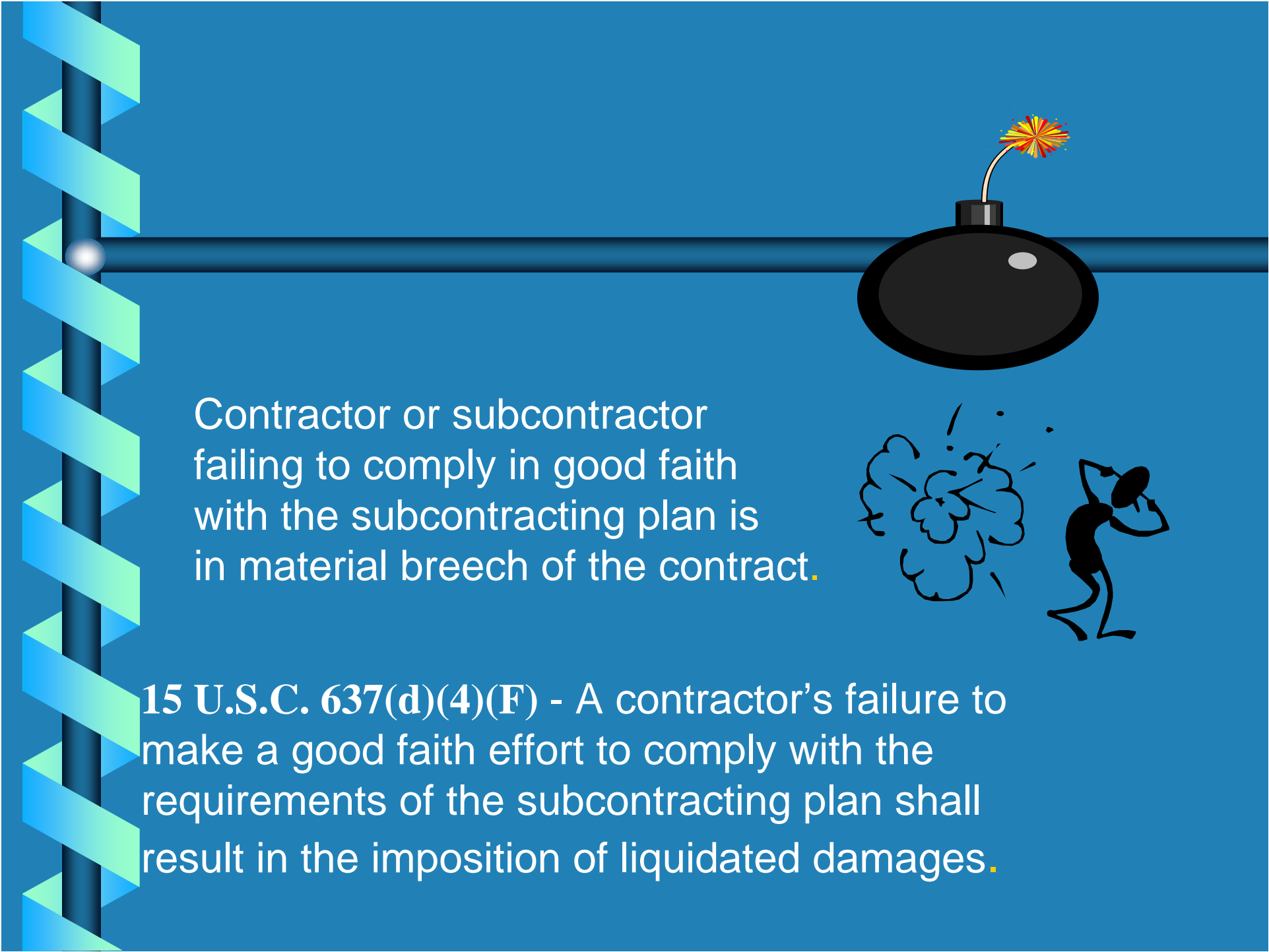


On-site Yearly Visits



Follow-up Reviews





Contractor or subcontractor failing to comply in good faith with the subcontracting plan is in material breach of the contract.

15 U.S.C. 637(d)(4)(F) - A contractor's failure to make a good faith effort to comply with the requirements of the subcontracting plan shall result in the imposition of liquidated damages.



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