

19.705-1 General.

(a) The *contracting officer* may encourage the development of increased subcontracting opportunities in negotiated *acquisition* by providing monetary incentives such as payments based on actual subcontracting achievement or award-fee *contracting* (see the clause at [52.219-10](#), Incentive Subcontracting Program, and [19.708\(c\)](#)). When using any contractual incentive provision based upon rewarding the contractor monetarily for exceeding goals in the subcontracting plan, the *contracting officer* must ensure that (a) the goals are realistic and (b) any rewards for exceeding the goals are commensurate with the efforts the contractor would not have otherwise expended. Incentive provisions *should* normally be negotiated after reaching final agreement with the contractor on the subcontracting plan.

(b)

(1) Except where a contractor has a commercial plan, the *contracting officer* shall require a subcontracting plan for each indefinite-delivery, indefinite-quantity contract (including task or *delivery order* contracts, FSS, GWACs, and MACs), when the estimated value of the contract meets the subcontracting plan thresholds at [19.702\(a\)](#) and small business subcontracting opportunities exist.

(2) *Contracting officers* placing orders may establish small business subcontracting goals for each order. Establishing goals shall not be in the form of a new subcontracting plan as a contract may not have more than one plan ([19.705-2\(e\)](#)).

Parent topic: [19.705 Responsibilities of the contracting officer under the subcontracting assistance program.](#)