

# 52.219-9 Small Business Subcontracting Plan.

As prescribed in 19.708(b), insert the following clause:

Small Business Subcontracting Plan (Sep 2023)

(a) This clause does not apply to small business concerns.

(b) *Definitions.* As used in this clause—

*Alaska Native Corporation (ANC)* means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native *Claims Settlement Act*, as amended (43 U.S.C. 1601, *et seq.*) and which is considered a minority and economically disadvantaged concern under the criteria at 43 U.S.C. 1626(e)(1). This definition also includes ANC direct and indirect subsidiary corporations, joint ventures, and partnerships that meet the requirements of 43 U.S.C. 1626(e)(2).

*Commercial plan* means a subcontracting plan (including goals) that covers the *offeror's* fiscal year and that applies to the entire production of *commercial products* and *commercial services* sold by either the entire company or a portion thereof (*e.g.*, division, plant, or product line).

*Commercial product* means a product that satisfies the definition of “*commercial product*” in Federal Acquisition Regulation (FAR) 2.101.

*Commercial service* means a service that satisfies the definition of “*commercial service*” in FAR 2.101.

*Electronic Subcontracting Reporting System (eSRS)* means the Governmentwide, electronic, web-based system for small business subcontracting program reporting. The eSRS is located at <http://www.esrs.gov>.

*Indian tribe* means any *Indian tribe*, band, group, pueblo, or community, including native villages and native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native *Claims Settlement Act* (43 U.S.C. 1601 *et seq.*), that is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs in accordance with 25 U.S.C. 1452(c). This definition also includes Indian-owned economic enterprises that meet the requirements of 25 U.S.C. 1452(e).

*Individual subcontracting plan* means a subcontracting plan that covers the entire contract period (including *option* periods), applies to a specific contract, and has goals that are based on the *offeror's* planned subcontracting in support of the specific contract, except that *indirect costs* incurred for common or joint purposes *may* be allocated on a prorated basis to the contract.

*Master subcontracting plan* means a subcontracting plan that contains all the required elements of an *individual subcontracting plan*, except goals, and *may* be incorporated into *individual subcontracting plans*, provided the *master subcontracting plan* has been approved.

*Reduced payment* means a payment that is for less than the amount agreed upon in a *subcontract* in accordance with its terms and conditions, for *supplies* and services for which the Government has

paid the prime contractor.

*Subcontract* means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for *supplies* or services required for performance of the contract or *subcontract*.

*Total contract dollars* means the final anticipated dollar value, including the dollar value of all *options*.

*Untimely payment* means a payment to a subcontractor that is more than 90 days past due under the terms and conditions of a *subcontract* for *supplies* and services for which the Government has paid the prime contractor.

(c)

(1) The *Offeror*, upon request by the *Contracting Officer*, shall submit and negotiate a subcontracting plan, where applicable, that separately addresses subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*. If the *Offeror* is submitting an *individual subcontracting plan*, the plan must separately address subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*, with a separate part for the basic contract and separate parts for each *option* (if any). The subcontracting plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the *Contracting Officer*. Failure to submit and negotiate the subcontracting plan shall make the *Offeror ineligible* for award of a contract.

(2)

(i) The Contractor may accept a subcontractor's written representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business if the subcontractor represents that the size and socioeconomic status representations with its *offer* are current, accurate, and complete as of the date of the *offer* for the *subcontract*.

(ii) The Contractor may accept a subcontractor's representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business in the *System for Award Management (SAM)* if-

(A) The subcontractor is registered in SAM; and

(B) The subcontractor represents that the size and socioeconomic status representations made in SAM are current, accurate and complete as of the date of the *offer* for the *subcontract*.

(iii) The Contractor may not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a *subcontract*.

(iv) In accordance with 13 CFR 121.411, 126.900, 127.700, and 128.600, a contractor acting in good faith is not liable for misrepresentations made by its subcontractors regarding the subcontractor's

size or socioeconomic status.

(d) The *Offeror's* subcontracting plan shall include the following:

(1) Separate goals, expressed in terms of total dollars subcontracted, and as a percentage of total planned subcontracting dollars, for the use of small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* as subcontractors. For *individual subcontracting plans*, and if required by the *Contracting Officer*, goals shall also be expressed in terms of percentage of *total contract dollars*, in addition to the goals expressed as a percentage of total *subcontract* dollars. The *Offeror* shall include all *subcontracts* that contribute to contract performance, and may include a proportionate share of *products* and services that are normally allocated as *indirect costs*. In accordance with 43 U.S.C. 1626:

(i) *Subcontracts* awarded to an ANC or *Indian tribe* shall be counted towards the subcontracting goals for small business and *small disadvantaged business concerns*, regardless of the size or Small Business Administration certification status of the ANC or *Indian tribe*; and

(ii) Where one or more subcontractors are in the *subcontract* tier between the prime Contractor and the ANC or *Indian tribe*, the ANC or *Indian tribe* shall designate the appropriate Contractor(s) to count the *subcontract* towards its small business and small disadvantaged business subcontracting goals.

(A) In most cases, the appropriate Contractor is the Contractor that awarded the *subcontract* to the ANC or *Indian tribe*.

(B) If the ANC or *Indian tribe* designates more than one Contractor to count the *subcontract* toward its goals, the ANC or *Indian tribe* shall designate only a portion of the total *subcontract* award to each Contractor. The sum of the amounts designated to various Contractors cannot exceed the total value of the *subcontract*.

(C) The ANC or *Indian tribe* shall give a copy of the written designation to the *Contracting Officer*, the prime Contractor, and the subcontractors in between the prime Contractor and the ANC or *Indian tribe* within 30 days of the date of the *subcontract* award.

(D) If the *Contracting Officer* does not receive a copy of the ANC's or the *Indian tribe's* written designation within 30 days of the *subcontract* award, the Contractor that awarded the *subcontract* to the ANC or *Indian tribe* will be considered the designated Contractor.

(2) A statement of-

(i) Total dollars planned to be subcontracted for an *individual subcontracting plan*; or the *Offeror's* total projected sales, expressed in dollars, and the total value of projected *subcontracts*, including all *indirect costs* except as described in paragraph (g) of this clause, to support the sales for a commercial plan;

(ii) Total dollars planned to be subcontracted to small business concerns (including ANC and *Indian tribes*);

(iii) Total dollars planned to be subcontracted to veteran-owned small business concerns;

(iv) Total dollars planned to be subcontracted to service-disabled veteran-owned small business;

(v) Total dollars planned to be subcontracted to *HUBZone* small business concerns;

(vi) Total dollars planned to be subcontracted to *small disadvantaged business concerns* (including ANCs and *Indian tribes*); and

(vii) Total dollars planned to be subcontracted to *women-owned small business concerns*.

(3) A description of the principal types of *supplies* and services to be subcontracted, and an identification of the types planned for subcontracting to-

(i) Small business concerns;

(ii) Veteran-owned small business concerns;

(iii) Service-disabled veteran-owned small business concerns;

(iv) *HUBZone* small business concerns;

(v) *Small disadvantaged business concerns*; and

(vi) *Women-owned small business concerns*.

(4) A description of the method used to develop the subcontracting goals in paragraph (d)(1) of this clause.

(5) A description of the method used to identify potential sources for *solicitation* purposes (*e.g.*, existing company source lists, SAM, veterans service organizations, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, *HUBZone*, small disadvantaged, and women-owned small business trade associations). A firm *may* rely on the information contained in SAM as an accurate representation of a concern's size and ownership characteristics for the purposes of maintaining a small, veteran-owned small, service-disabled veteran-owned small, *HUBZone* small, small disadvantaged, and women-owned small business source list. Use of SAM as its source list does not relieve a firm of its responsibilities (*e.g.*, outreach, assistance, counseling, or publicizing subcontracting opportunities) in this clause.

(6) A statement as to whether or not the *Offeror* 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-

(i) Small business concerns (including ANC and *Indian tribes*);

(ii) Veteran-owned small business concerns;

(iii) Service-disabled veteran-owned small business concerns;

(iv) *HUBZone* small business concerns;

(v) *Small disadvantaged business concerns* (including ANC and *Indian tribes*); and

(vi) *Women-owned small business concerns*.

(7) The name of the individual employed by the *Offeror* who will administer the *Offeror's* subcontracting program, and a description of the duties of the individual.

(8) A description of the efforts the *Offeror* will make to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* have an equitable opportunity to compete for *subcontracts*.

(9) Assurances that the *Offeror* will include the clause of this contract entitled "Utilization of Small Business Concerns" in all *subcontracts* that *offer* further subcontracting opportunities, and that the *Offeror* will require all subcontractors (except small business concerns) that receive *subcontracts* in excess of the applicable threshold specified in FAR 19.702(a) on the date of *subcontract* award, with further subcontracting possibilities to adopt a subcontracting plan that complies with the requirements of this clause.

(10) Assurances that the *Offeror* will-

(i) Cooperate in any studies or surveys as *may* be required;

(ii) Submit periodic reports so that the Government can determine the extent of compliance by the *Offeror* with the subcontracting plan;

(iii) After November 30, 2017, include subcontracting data for each order when reporting subcontracting achievements for indefinite-delivery, indefinite-quantity contracts with *individual subcontracting plans* where the contract is intended for use by multiple agencies;

(iv) Submit the Individual *Subcontract* Report (ISR) and/or the Summary *Subcontract* Report (SSR), in accordance with paragraph (l) of this clause using the *Electronic Subcontracting Reporting System (eSRS)* at <http://www.esrs.gov>. The reports *shall* provide information on *subcontract* awards to small business concerns (including ANCs and *Indian tribes* that are not small businesses), veteran-owned small business concerns, service-disabled veteran-owned small business concerns, *HUBZone* small business concerns, *small disadvantaged business concerns* (including ANCs and *Indian tribes* that have not been certified by the Small Business Administration as small disadvantaged businesses), *women-owned small business concerns*, and for NASA only, Historically Black Colleges and Universities and *Minority Institutions*. Reporting *shall* be in accordance with this clause, or as provided in agency regulations;

(v) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;

(vi) Provide its prime contract number, its *unique entity identifier*, and the e-mail address of the *Offeror's* official responsible for acknowledging receipt of or rejecting the ISRs, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their ISRs; and

(vii) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own *unique entity identifier*, and the e-mail address of the subcontractor's official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans.

(11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the *offeror's* efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* and award *subcontracts* to them. The records *shall* include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

(i) Source lists (*e.g.*, SAM), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*.

(ii) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, or *women-owned small business concerns*.

(iii) Records on each *subcontract solicitation* resulting in an award of more than the *simplified acquisition threshold*, as defined in FAR [2.101](#) on the date of *subcontract* award, indicating-

(A) Whether small business concerns were solicited and, if not, why not;

(B) Whether veteran-owned small business concerns were solicited and, if not, why not;

(C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;

(D) Whether *HUBZone* small business concerns were solicited and, if not, why not;

(E) Whether *small disadvantaged business concerns* were solicited and, if not, why not;

(F) Whether *women-owned small business concerns* were solicited and, if not, why not; and

(G) If applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact-

(A) Trade associations;

(B) Business development organizations;

(C) Conferences and trade fairs to locate small, *HUBZone* small, small disadvantaged, service-disabled veteran-owned, and women-owned small business sources; and

(D) Veterans service organizations.

(v) Records of internal guidance and encouragement provided to buyers through-

(A) Workshops, seminars, training, etc.; and

(B) Monitoring performance to evaluate compliance with the program's requirements.

(vi) On a contract-by-contract basis, records to support award data submitted by the *offeror* to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

(12) Assurances that the *Offeror* will make a good faith effort to acquire articles, equipment, *supplies*, services, or materials, or obtain the performance of *construction* work from the small business concerns that it used in preparing the bid or proposal, in the same or greater scope, amount, and quality used in preparing and submitting the bid or proposal. Responding to a request for a quote does not constitute use in preparing a bid or proposal. The *Offeror* used a small business concern in preparing the bid or proposal if-

(i) The *Offeror* identifies the small business concern as a subcontractor in the bid or proposal or associated small business subcontracting plan, to furnish certain *supplies* or perform a portion of the *subcontract*; or

(ii) The *Offeror* used the small business concern's *pricing* or cost information or technical expertise in preparing the bid or proposal, where there is written evidence of an intent or understanding that the small business concern will be awarded a *subcontract* for the related work if the *Offeror* is awarded the contract.

(13) Assurances that the Contractor will provide the *Contracting Officer* with a written explanation if the Contractor fails to acquire articles, equipment, *supplies*, services or materials or obtain the performance of *construction* work as described in (d)(12) of this clause. This written explanation *must* be submitted to the *Contracting Officer* within 30 days of contract completion.

(14) Assurances that the Contractor will not prohibit a subcontractor from discussing with the *Contracting Officer* any material matter pertaining to payment to or utilization of a subcontractor.

(15) Assurances that the *offeror* will pay its *small business subcontractors* on time and in accordance with the terms and conditions of the underlying *subcontract*, and notify the *contracting officer* when the prime contractor makes either a reduced or an *untimely payment* to a *small business subcontractor* (see [52.242-5](#)).

(e) In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor *shall* perform the following functions:

(1) Assist small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* by arranging *solicitations*, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business subcontractors* are excessively long, reasonable effort *shall* be made to give all such small business concerns an opportunity to compete over a period of time.

(2) Provide adequate and timely consideration of the potentialities of small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* in all "make-or-buy" decisions.

(3) Counsel and discuss subcontracting opportunities with representatives of small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business firms*.

(4) Confirm that a subcontractor representing itself as a *HUBZone* small business concern is certified by SBA as a *HUBZone* small business concern by accessing SAM or by accessing the Dynamic Small Business Search (DSBS) at [https://web.sba.gov/pro-net/search/dsp\\_dsbs.cfm](https://web.sba.gov/pro-net/search/dsp_dsbs.cfm).

(5) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, veteran-owned small business, *HUBZone* small, small disadvantaged, or *women-owned small business* for the purpose of obtaining a *subcontract* that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.

(6) For all competitive *subcontracts* over the *simplified acquisition threshold*, as defined in FAR [2.101](#) on the date of *subcontract* award, in which a small business concern received a small business

preference, upon determination of the successful *subcontract offeror*, prior to award of the *subcontract* the Contractor *must* inform each unsuccessful small business *subcontract offeror in writing* of the name and location of the apparent successful *offeror* and if the successful *subcontract offeror* is a small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, or *women-owned small business concern*.

(7) Assign each *subcontract* the NAICS code and corresponding size standard that best describes the principal purpose of the *subcontract*.

(f) A *master subcontracting plan* on a plant or division-wide basis that contains all the elements required by paragraph (d) of this clause, except goals, *may* be incorporated by reference as a part of the subcontracting plan required of the *Offeror* by this clause; provided-

(1) The *master subcontracting plan* has been approved;

(2) The *Offeror* ensures that the *master subcontracting plan* is updated as necessary and provides copies of the approved *master subcontracting plan*, including evidence of its approval, to the *Contracting Officer*; and

(3) Goals and any deviations from the *master subcontracting plan* deemed necessary by the *Contracting Officer* to satisfy the requirements of this contract are set forth in the *individual subcontracting plan*.

(g) A commercial plan is the preferred type of subcontracting plan for contractors furnishing *commercial products* and *commercial services*. The commercial plan *shall* relate to the *offeror's* planned subcontracting generally, for both commercial and Government business, rather than solely to the Government contract. Once the Contractor's commercial plan has been approved, the Government will not require another subcontracting plan from the same Contractor while the plan remains in effect, as long as the product or service being provided by the Contractor continues to meet the definition of a *commercial product* or *commercial service*. A Contractor with a commercial plan *shall* comply with the reporting requirements stated in paragraph (d)(10) of this clause by submitting one SSR in eSRS for all contracts covered by its commercial plan. A Contractor authorized to use a commercial subcontracting plan *shall* include in its subcontracting goals and in its SSR all *indirect costs*, with the exception of those such as the following: Employee salaries and benefits; payments for petty cash; *depreciation*; interest; income taxes; property taxes; lease payments; bank fees; fines, *claims*, and dues; original equipment manufacturer relationships during *warranty* periods (negotiated up front with the product); utilities and other services purchased from a municipality or an entity solely authorized by the municipality to provide those services in a particular geographical region; and philanthropic contributions. This report *shall* be acknowledged or rejected in eSRS by the *Contracting Officer* who approved the plan. This report *shall* be submitted within 30 days after the end of the Government's fiscal year.

(h) Prior compliance of the *offeror* with other such subcontracting plans under previous contracts will be considered by the *Contracting Officer* in determining the responsibility of the *offeror* for award of the contract.

(i) A contract *may* have no more than one subcontracting plan. When a *contract modification* exceeds the subcontracting plan threshold in FAR [19.702\(a\)](#), or an *option* is exercised, the goals of the existing subcontracting plan *shall* be amended to reflect any new subcontracting opportunities. When the goals in a subcontracting plan are amended, these goal changes do not apply retroactively.



(j) Subcontracting plans are not required from subcontractors when the prime contract contains the clause at FAR 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders-*Commercial Products and Commercial Services*, or when the subcontractor provides a *commercial product* or *commercial service* subject to the clause at FAR 52.244-6, *Subcontracts for Commercial Products and Commercial Services*, under a prime contract.

(k) The failure of the Contractor or subcontractor to comply in good faith with (1) the clause of this contract entitled "Utilization Of Small Business Concerns;" or (2) an approved plan required by this clause, *shall* be a material breach of the contract and *may* be considered in any *past performance* evaluation of the Contractor.

(l) The Contractor *shall* submit ISRs and SSRs using the web-based eSRS at <http://www.esrs.gov>. Purchases from a corporation, company, or subdivision that is an affiliate of the Contractor or subcontractor are not included in these reports. *Subcontract* awards by *affiliates* *shall* be treated as *subcontract* awards by the Contractor. *Subcontract* award data reported by the Contractor and subcontractors *shall* be limited to awards made to their immediate next-tier subcontractors. Credit cannot be taken for awards made to lower tier subcontractors, unless the Contractor or subcontractor has been designated to receive a small business or small disadvantaged business credit from an ANC or *Indian tribe*. Only *subcontracts* involving performance in the *United States* or its *outlying areas* *should* be included in these reports with the exception of *subcontracts* under a contract awarded by the State Department or any other agency that has statutory or regulatory authority to require subcontracting plans for *subcontracts* performed outside the *United States* and its *outlying areas*.

(1) *ISR*. This report is not required for commercial plans. The report is required for each contract containing an *individual subcontracting plan*.

(i) The report *shall* be submitted semi-annually during contract performance for the periods ending March 31 and September 30. A report is also required for each contract within 30 days of contract completion. Reports are due 30 days after the close of each reporting period, unless otherwise directed by the *Contracting Officer*. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or the previous reporting period. When the *Contracting Officer* rejects an *ISR*, the Contractor *shall* submit a corrected report within 30 days of receiving the notice of *ISR* rejection.

(ii)

(A) When a subcontracting plan contains separate goals for the basic contract and each *option*, as prescribed by FAR 19.704(c), the dollar goal inserted on this report *shall* be the sum of the base period through the current *option*; for example, for a report submitted after the second *option* is exercised, the dollar goal would be the sum of the goals for the basic contract, the first *option*, and the second *option*.

(B) If a subcontracting plan has been added to the contract pursuant to 19.702 a)(1)(iii) or 19.301-2(e), the Contractor's achievements *must* be reported in the *ISR* on a cumulative basis from the date of incorporation of the subcontracting plan into the contract.

(iii) When a subcontracting plan includes *indirect costs* in the goals, these costs *must* be included in this report.

(iv) The authority to acknowledge receipt or reject the *ISR* resides-

(A) In the case of the prime Contractor, with the *Contracting Officer*; and

(B) In the case of a *subcontract* with a subcontracting plan, with the entity that awarded the *subcontract*.

(2) SSR.

(i) Reports submitted under individual contract plans-

(A) This report encompasses all subcontracting under prime contracts and *subcontracts* with an *executive agency*, regardless of the dollar value of the *subcontracts*. This report also includes *indirect costs* on a prorated basis when the *indirect costs* are excluded from the subcontracting goals.

(B) The report *may* be submitted on a corporate, company or subdivision (*e.g.* plant or division operating as a separate profit center) basis, unless otherwise directed by the agency.

(C) If the Contractor or a subcontractor is performing work for more than one *executive agency*, a separate report *shall* be submitted to each *executive agency* covering only that agency's contracts, provided at least one of that agency's contracts is over the applicable threshold specified in FAR [19.702\(a\)](#), and the contractand contains a subcontracting plan. For DoD, a consolidated report *shall* be submitted for all contracts awarded by military departments/agencies and/or *subcontracts* awarded by DoD prime contractors.

(D) The report *shall* be submitted annually by October 30 for the twelve month period ending September 30. When a *Contracting Officer* rejects an SSR, the Contractor *shall* submit a revised report within 30 days of receiving the notice of SSR rejection.

(E) *Subcontract* awards that are related to work for more than one *executive agency shall* be appropriately allocated.

(F) The authority to acknowledge or reject SSRs in eSRS, including SSRs submitted by subcontractors with subcontracting plans, resides with the Government agency awarding the prime contracts unless stated otherwise in the contract.

(ii) *Reports submitted under a commercial plan-*

(A) The report *shall* include all *subcontract* awards under the commercial plan in effect during the Government's fiscal year and all *indirect costs*.

(B) The report *shall* be submitted annually, within thirty days after the end of the Government's fiscal year.

(C) If a Contractor has a commercial plan and is performing work for more than one *executive agency*, the Contractor *shall* specify the percentage of dollars attributable to each agency.

(D) The authority to acknowledge or reject SSRs for commercial plans resides with the *Contracting Officer* who approved the commercial plan.

(End of clause)

*Alternate I* (Nov 2016). As prescribed in [19.708](#) (b)(1)(i), substitute the following paragraph (c)(1)

for paragraph (c)(1) of the basic clause:

(c)(1) The apparent low bidder, upon request by the *Contracting Officer*, shall submit a subcontracting plan, where applicable, that separately addresses subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*. If the bidder is submitting an *individual subcontracting plan*, the plan must separately address subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*, with a separate part for the basic contract and separate parts for each *option* (if any). The plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be submitted within the time specified by the *Contracting Officer*. Failure to submit the subcontracting plan shall make the bidder *ineligible* for the award of a contract

*Alternate II* (Nov 2016). As prescribed in 19.708 (b)(1)(ii), substitute the following paragraph (c)(1) for paragraph (c)(1) of the basic clause:

(c)(1) Proposals submitted in response to this *solicitation* shall include a subcontracting plan that separately addresses subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*. If the *Offeror* is submitting an *individual subcontracting plan*, the plan must separately address subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*, with a separate part for the basic contract and separate parts for each *option* (if any). The plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the *Contracting Officer*. Failure to submit and negotiate a subcontracting plan shall make the *Offeror* *ineligible* for award of a contract.

*Alternate III* (Jun 2020). As prescribed in 19.708 (b)(1)(iii), substitute the following paragraphs (d)(10) and (l) for paragraphs (d)(10) and (l) in the basic clause:

(d)(10) Assurances that the *offeror* will—

(i) Cooperate in any studies or surveys as *may* be required;

(ii) Submit periodic reports so that the Government can determine the extent of compliance by the *Offeror* with the subcontracting plan;

(iii) Submit Standard Form (SF) 294 Subcontracting Report for Individual Contract in accordance with paragraph (l) of this clause. Submit the Summary *Subcontract* Report (SSR), in accordance with paragraph (l) of this clause using the *Electronic Subcontracting Reporting System (eSRS)* at <http://www.esrs.gov>. The reports shall provide information on *subcontract* awards to small business concerns (including ANCs and *Indian tribes* that are not small businesses), veteran-owned small business concerns, service-disabled veteran-owned small business concerns, *HUBZone* small business concerns, *small disadvantaged business concerns* (including ANCs and *Indian tribes* that have not been certified by the Small Business Administration as small disadvantaged businesses), *women-owned small business concerns*, and for NASA only, Historically Black Colleges and Universities and *Minority Institutions*. Reporting shall be in accordance with this clause, or as provided in agency regulations; and

(iv) Ensure that its subcontractors with subcontracting plans agree to submit the SF 294 in

accordance with paragraph (l) of this clause. Ensure that its subcontractors with subcontracting plans agree to submit the SSR in accordance with paragraph (l) of this clause using the eSRS.

(I) The Contractor *shall* submit a SF 294. The Contractor *shall* submit SSRs using the web-based eSRS at <http://www.esrs.gov>. Purchases from a corporation, company, or subdivision that is an affiliate of the Contractor or subcontractor are not included in these reports. *Subcontract* awards by *affiliates shall* be treated as *subcontract* awards by the Contractor. *Subcontract* award data reported by the Contractor and subcontractors *shall* be limited to awards made to their immediate next-tier subcontractors. Credit cannot be taken for awards made to lower tier subcontractors, unless the Contractor or subcontractor has been designated to receive a small business or small disadvantaged business credit from an ANC or *Indian tribe*. Only *subcontracts* involving performance in the U.S. or its *outlying areas* should be included in these reports with the exception of *subcontracts* under a contract awarded by the State Department or any other agency that has statutory or regulatory authority to require subcontracting plans for *subcontracts* performed outside the *United States* and its *outlying areas*.

(1) *SF 294*. This report is not required for commercial plans. The report is required for each contract containing an *individual subcontracting plan*. For Contractors the report *shall* be submitted to the *Contracting Officer*, or as specified elsewhere in this contract. In the case of a *subcontract* with a subcontracting plan, the report *shall* be submitted to the entity that awarded the *subcontract*.

(i) The report *shall* be submitted semi-annually during contract performance for the periods ending March 31 and September 30. A report is also required for each contract within 30 days of contract completion. Reports are due 30 days after the close of each reporting period, unless otherwise directed by the *Contracting Officer*. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or the previous reporting period. When a *Contracting Officer* rejects a report, the Contractor *shall* submit a revised report within 30 days of receiving the notice of report rejection.

(ii)(A) When a subcontracting plan contains separate goals for the basic contract and each *option*, as prescribed by FAR 19.704(c), the dollar goal inserted on this report *shall* be the sum of the base period through the current *option*; for example, for a report submitted after the second *option* is exercised, the dollar goal would be the sum of the goals for the basic contract, the first *option*, and the second *option*.

(B) If a subcontracting plan has been added to the contract pursuant to 19.702(a)(1)(iii) or 19.301-2(e), the Contractor's achievements *must* be reported in the report on a cumulative basis from the date of incorporation of the subcontracting plan into the contract.

(iii) When a subcontracting plan includes *indirect costs* in the goals, these costs *must* be included in this report.

(2)SSR. (i)*Reports submitted under individual contract plans-*

(A) This report encompasses all subcontracting under prime contracts and *subcontracts* with an *executive agency*, regardless of the dollar value of the *subcontracts*. This report also includes *indirect costs* on a prorated basis when the *indirect costs* are excluded from the subcontracting goals.

(B) The report *may* be submitted on a corporate, company or subdivision (*e.g.*, plant or division operating as a separate profit center) basis, unless otherwise directed by the agency.

(C) If the Contractor and/or a subcontractor is performing work for more than one *executive agency*,

a separate report *shall* be submitted to each *executive agency* covering only that agency's contracts, provided at least one of that agency's contracts is over the applicable threshold specified in FAR [19.702\(a\)](#), and the contract contains a subcontracting plan. For DoD, a consolidated report *shall* be submitted for all contracts awarded by military departments/agencies and/or *subcontracts* awarded by DoD prime contractors.

(D) The report *shall* be submitted annually by October 30, for the twelve month period ending September 30. When a *Contracting Officer* rejects an SSR, the Contractor is required to submit a revised SSR within 30 days of receiving the notice of report rejection.

(E) *Subcontract* awards that are related to work for more than one *executive agency* *shall* be appropriately allocated.

(F) The authority to acknowledge or reject SSRs in the eSRS, including SSRs submitted by subcontractors with subcontracting plans, resides with the Government agency awarding the prime contracts unless stated otherwise in the contract.

(ii) *Reports submitted under a commercial plan-*

(A) The report *shall* include all *subcontract* awards under the commercial plan in effect during the Government's fiscal year and all *indirect costs*.

(B) The report *shall* be submitted annually, within 30 days after the end of the Government's fiscal year.

(C) If a Contractor has a commercial plan and is performing work for more than one *executive agency*, the Contractor *shall* specify the percentage of dollars attributable to each agency.

(D) The authority to acknowledge or reject SSRs for commercial plans resides with the *Contracting Officer* who approved the commercial plan.

*Alternate IV* (Sep 2023). As prescribed in [19.708](#) (b)(1)(iv), substitute the following paragraphs (c) and (d) for paragraphs (c) and (d) of the basic clause:

(c)(1) The Contractor, upon request by the *Contracting Officer*, *shall* submit and negotiate a subcontracting plan, where applicable, that separately addresses subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*. If the Contractor is submitting an *individual subcontracting plan*, the plan *shall* separately address subcontracting with small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*, with a separate part for the basic contract and separate parts for each *option* (if any). The subcontracting plan *shall* be incorporated into the contract. The subcontracting plan *shall* be negotiated within the time specified by the *Contracting Officer*. The subcontracting plan does not apply retroactively.

(2)(i) The prime Contractor *may* accept a subcontractor's written representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business if the subcontractor represents that the size and socioeconomic status representations with its *offer* are current, accurate, and complete as of the date of the *offer* for the *subcontract*.

(ii) The Contractor *may* accept a subcontractor's representations of its size and socioeconomic status

as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, or a women-owned small business in the *System for Award Management (SAM)* if-

(A) The subcontractor is registered in SAM; and

(B) The subcontractor represents that the size and socioeconomic status representations made in SAM are current, accurate and complete as of the date of the *offer* for the *subcontract*.

(iii) The Contractor *may* not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a *subcontract*.

(iv) In accordance with 13 CFR 121.411, 126.900, 127.700, and 128.600, a contractor acting in good faith is not liable for misrepresentations made by its subcontractors regarding the subcontractor's size or socioeconomic status.

(d) The Contractor's subcontracting plan *shall* include the following:

(1) Separate goals, expressed in terms of total dollars subcontracted and as a percentage of total planned subcontracting dollars, for the use of small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* as subcontractors. For *individual subcontracting plans*, and if required by the *Contracting Officer*, goals *shall* also be expressed in terms of percentage of *total contract dollars*, in addition to the goals expressed as a percentage of total *subcontract* dollars. The Contractor *shall* include all *subcontracts* that contribute to contract performance, and *may* include a proportionate share of *products* and services that are normally allocated as *indirect costs*. In accordance with 43 U.S.C. 1626-

(i) *Subcontracts* awarded to an ANC or *Indian tribe* *shall* be counted towards the subcontracting goals for small business and *small disadvantaged business concerns*, regardless of the size or Small Business Administration certification status of the ANC or *Indian tribe*; and

(ii) Where one or more subcontractors are in the *subcontract* tier between the prime Contractor and the ANC or *Indian tribe*, the ANC or *Indian tribe* *shall* designate the appropriate Contractor(s) to count the *subcontract* towards its small business and small disadvantaged business subcontracting goals.

(A) In most cases, the appropriate Contractor is the Contractor that awarded the *subcontract* to the ANC or *Indian tribe*.

(B) If the ANC or *Indian tribe* designates more than one Contractor to count the *subcontract* toward its goals, the ANC or *Indian tribe* *shall* designate only a portion of the total *subcontract* award to each Contractor. The sum of the amounts designated to various Contractors cannot exceed the total value of the *subcontract*.

(C) The ANC or *Indian tribe* *shall* give a copy of the written designation to the *Contracting Officer*, the Contractor, and the subcontractors in between the prime Contractor and the ANC or *Indian tribe* within 30 days of the date of the *subcontract* award.

(D) If the *Contracting Officer* does not receive a copy of the ANC's or the *Indian tribe*'s written designation within 30 days of the *subcontract* award, the Contractor that awarded the *subcontract* to the ANC or *Indian tribe* will be considered the designated Contractor.

(2) A statement of-

(i) Total dollars planned to be subcontracted for an *individual subcontracting plan*; or the Contractor's total projected sales, expressed in dollars, and the total value of projected *subcontracts* to support the sales for a commercial plan, including all *indirect costs*, with the exception of those such as the following: Employee salaries and benefits; payments for petty cash; *depreciation*; interest; income taxes; property taxes; lease payments; bank fees; fines, *claims*, and dues; original equipment manufacturer relationships during *warranty* periods (negotiated up front with the product); utilities and other services purchased from a municipality or an entity solely authorized by the municipality to provide those services in a particular geographical region; and philanthropic contributions;

(iii) Total dollars planned to be subcontracted to veteran-owned small business concerns; (iv) Total dollars planned to be subcontracted to service-disabled veteran-owned small business; (v) Total dollars planned to be subcontracted to *HUBZone* small business concerns; (vi) Total dollars planned to be subcontracted to *small disadvantaged business concerns* (including ANCs and *Indian tribes*); and (vii) Total dollars planned to be subcontracted to *women-owned small business concerns*.

(3) A description of the principal types of *supplies* and services to be subcontracted, and an identification of the types planned for subcontracting to

(i) Small business concerns;

(ii) Veteran-owned small business concerns;

(iii) Service-disabled veteran-owned small business concerns;

(iv) *HUBZone* small business concerns;

(v) *Small disadvantaged business concerns*; and

(vi) *Women-owned small business concerns*.

(4) A description of the method used to develop the subcontracting goals in paragraph (d)(1) of this clause.

(5) A description of the method used to identify potential sources for *solicitation* purposes (e.g., existing company source lists, SAM, veterans service organizations, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, *HUBZone*, small disadvantaged, and women-owned small business trade associations). The Contractor *may* rely on the information contained in SAM as an accurate representation of a concern's size and ownership characteristics for the purposes of maintaining a small, veteran-owned small, service-disabled veteran-owned small, *HUBZone* small, small disadvantaged, and women-owned small business source list. Use of SAM as its source list does not relieve a firm of its responsibilities (e.g., outreach, assistance, counseling, or publicizing subcontracting opportunities) in this clause.

(6) A statement as to whether or not the Contractor 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-

(i) Small business concerns (including ANC and *Indian tribes*);

(ii) Veteran-owned small business concerns;

(iii) Service-disabled veteran-owned small business concerns;

(iv) *HUBZone* small business concerns;

(v) *Small disadvantaged business concerns* (including ANC and *Indian tribes*); and

(vi) *Women-owned small business concerns*.

(7) The name of the individual employed by the Contractor who will administer the Contractor's subcontracting program, and a description of the duties of the individual.

(8) A description of the efforts the Contractor will make to assure that small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* have an equitable opportunity to compete for *subcontracts*.

(9) Assurances that the Contractor will include the clause of this contract entitled "Utilization of Small Business Concerns" in all *subcontracts* that *offer* further subcontracting opportunities, and that the Contractor will require all subcontractors (except small business concerns) that receive *subcontracts* in excess of the applicable threshold specified in FAR 19.702(a) on the date of *subcontract* award, with further subcontracting possibilities to adopt a subcontracting plan that complies with the requirements of this clause.

(10) Assurances that the Contractor will-

(i) Cooperate in any studies or surveys as *may* be required;

(ii) Submit periodic reports so that the Government can determine the extent of compliance by the Contractor with the subcontracting plan;

(iii) After November 30, 2017, include subcontracting data for each order when reporting subcontracting achievements for an indefinite-delivery, indefinite-quantity contracts with *individual subcontracting plans* where the contract is intended for use by multiple agencies;

(iv) Submit the Individual *Subcontract* Report (ISR) and/or the Summary *Subcontract* Report (SSR), in accordance with paragraph (l) of this clause using the *Electronic Subcontracting Reporting System (eSRS)* at <http://www.esrs.gov>. The reports *shall* provide information on *subcontract* awards to small business concerns (including ANCs and *Indian tribes* that are not small businesses), veteran-owned small business concerns, service-disabled veteran-owned small business concerns, *HUBZone* small business concerns, *small disadvantaged business concerns* (including ANCs and *Indian tribes* that have not been certified by SBA as small disadvantaged businesses), *women-owned small business concerns*, and for NASA only, Historically Black Colleges and Universities and *Minority Institutions*. Reporting *shall* be in accordance with this clause, or as provided in agency regulations;

(v) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;

(vi) Provide its prime contract number, its *unique entity identifier*, and the e-mail address of the Contractor's official responsible for acknowledging receipt of or rejecting the ISRs, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when



submitting their ISRs; and

(vii) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own *unique entity identifier*, and the e-mail address of the subcontractor's official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans.

(11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the Contractor's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* and award *subcontracts* to them. The records *shall* include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

(i) Source lists (e.g., SAM), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns*.

(ii) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, or *women-owned small business concerns*.

(iii) Records on each *subcontract solicitation* resulting in an award of more than the *simplified acquisition threshold*, as defined in FAR [2.101](#) on the date of *subcontract* award, indicating-

(A) Whether small business concerns were solicited and, if not, why not;

(B) Whether veteran-owned small business concerns were solicited and, if not, why not;

(C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;

(D) Whether *HUBZone* small business concerns were solicited and, if not, why not;

(E) Whether *small disadvantaged business concerns* were solicited and, if not, why not;

(F) Whether *women-owned small business concerns* were solicited and, if not, why not; and

(G) If applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact-

(A) Trade associations;

(B) Business development organizations;

(C) Conferences and trade fairs to locate small, *HUBZone* small, small disadvantaged, service-disabled veteran-owned, and women-owned small business sources; and

(D) Veterans service organizations.

(v) Records of internal guidance and encouragement provided to buyers through-

(A) Workshops, seminars, training, etc.; and

(B) Monitoring performance to evaluate compliance with the program's requirements.

(vi) On a contract-by-contract basis, records to support award data submitted by the Contractor to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

(12) Assurances that the Contractor will make a good faith effort to acquire articles, equipment, *supplies*, services, or materials, or obtain the performance of *construction* work from the small business concerns that it used in preparing the proposal for the modification, in the same or greater scope, amount, and quality used in preparing and submitting the modification proposal. Responding to a request for a quote does not constitute use in preparing a proposal. The Contractor used a small business concern in preparing the proposal for a modification if-

(i) The Contractor identifies the small business concern as a subcontractor in the proposal or associated small business subcontracting plan, to furnish certain *supplies* or perform a portion of the *subcontract*; or(ii) The Contractor used the small business concern's *pricing* or cost information or technical expertise in preparing the proposal, where there is written evidence of an intent or understanding that the small business concern will be awarded a *subcontract* for the related work when the modification is executed.

(13) Assurances that the Contractor will provide the *Contracting Officer* with a written explanation if the Contractor fails to acquire articles, equipment, *supplies*, services or materials or obtain the performance of *construction* work as described in (d)(12) of this clause. This written explanation *must* be submitted to the *Contracting Officer* within 30 days of contract completion.

(14) Assurances that the Contractor will not prohibit a subcontractor from discussing with the *contracting officer* any material matter pertaining to the payment to or utilization of a subcontractor.

(15) Assurances that the *offeror* will pay its *small business subcontractors* on time and in accordance with the terms and conditions of the underlying *subcontract*, and notify the *contracting officer* when the prime contractor makes either a reduced or an *untimely payment* to a *small business subcontractor* (see [52.242-5](#)).

**Parent topic:** [52.219 \[Reserved\]](#)