

Recipients and Sub-recipients of **Federal contracts** greater than **\$700,000** are required to develop and implement a "Small or Disadvantaged Business Subcontracting Plan" (SBSP or Plan) in accordance with the Federal Acquisition Regulations (FAR) 52.219. In short, the intent of the FAR requirements is to create "maximum practicable opportunities" for small/disadvantaged businesses (SBs) to participate during contract performance. The Federal definition of small and disadvantaged businesses include women-owned, veteran-owned, service-disabled veteran-owned, entities located in HUB Zones, and businesses that meet specific criteria for their industry.

A SBSP includes the amount of funds earmarked for the businesses, the method for determining the allocations, activities applicant use to engage the businesses, and more. SBSPs are prepared by the Manager of the Small Business and Diversity Initiative (SB Manager) and, in certain circumstances by a PNT GCO. SBSPs are required for proposal submission or during award negotiation.

This Job Aid is for Research Advancement staff and PNT Grant and Contract Officers to facilitate development of SBSPs.

Overview

1. SBSP required for **proposal submission**

1.1. If the budget package is completed more than seven (7) business days before sponsor deadline, GCO forwards the required materials to the SB Manager, who will prepare the SBSP.

1.1.1. Inform the Manager of sponsor deadline and request SB Manager completion no later than two business days before submission date. (Recommended: Contact SB&SP Manager by phone to request assistance; follow with email detailing request and materials and information attached.)

1.2. If required items are finalized seven days or less before submission deadline, GCO prepares the SBSP.

2. SBSP required as **post-submission action** prior to award execution

2.1. The SB Manager is responsible for developing the official SBSP.

2.1.1. GCO advises RA to provide SB Manager with the RFP and pages numbers of requirement (e.g., FAR clause, sponsor percentage goals), sponsor SBSP form, ASU project abstract, final budget and budget justification, RA's contact information, and other information SB Manager requests.

2.1.1.1. RA assists SB Manager with finalizing the plan, obtaining PI's signature, and forwarding finalized Plan to GCO who will submit to sponsor.

2.1.2. If GCO prepared the SBSP for proposal submission, GCO advises RA to provide materials above plus the Plan submitted with proposal.

PNT Develops SBSP -- RA and GCO Coordination

1. Department Research Advancement Staff Member
 - 1.1. The Research Administrator
 - 1.1.1. runs ERA activity "Notify PNT" to inform GCO of SBSP requirement and
 - 1.1.2. forwards project abstract, final budget-budget justification (BU-BJ) to GCO for processing.
2. Proposal and Negotiation Team Member
 - 2.1. Grant and Contract Officer
 - 2.1.1. reviews RFP requirements and skims ASU project abstract,
 - 2.1.2. evaluates BU-BJ for opportunities to engage small businesses during project implementation (e.g., travel agency services),
 - 2.1.2.1. If budget includes services or products identified as 'sole-source', review to determine if vendor meets Federal definition of small/disadvantaged business.
 - 2.1.3. contacts RA for additional information as needed,
 - 2.1.4. prepares the SBSP form provided by Sponsor, and
 - 2.1.4.1. If sponsor SBSP form is not available, use [Sample form](#). (The following steps are for preparing the Sample form; guidance can be adapted to Sponsor form.)
 - 2.1.5. provides a copy of the plan and related materials to SB Manager.

Subcontracting Goals

1. There are three sources of goals for subcontracting with small businesses, two are a top-down approach, dictated by the Federal Agency:
 - 1.1. Sponsor subcontracting goals specified in the funding announcement.
 - 1.2. Sponsor's general subcontracting goals published on Agency website and at the Small Business Administration website <http://www.sba.gov/content/small-business-goaling>.
2. The third approach is bottom-up, based on the specific project budget, and typically used to develop SBSPs for sponsored projects.
 - 2.1. Goals are calculated after proposal budget is finalized.
 - 2.1.1. Goals are calculated as a percentage **of total estimated dollar value of all planned subcontracting** with all types of entities involved with project performance. (Occasionally an Agency will use an alternate base, e.g., HBCU is subset of small and disadvantaged businesses).
 - 2.2. Keep in mind:

2.2.1. Federal Agencies expect subcontracting goals that are realistic but challenging and consistent with efficient performance of the contract. Agencies expect goals to reflect the “**maximum practicable opportunities**” for engaging small businesses in the proposed project;

2.2.2. Several sponsors accept 0% goals if opportunities for small businesses do not exist (some Department of Defense agencies will not accept 0% goals); and

2.2.3. If small business goals are not met during project implementation, the University may be penalized.

Steps for Preparing the Sample Form

1. Enter “Offeror Identification” information.
2. Check “Individual Contract Plan” under **Part 1 Type of Plan.**
3. Complete **Part 2 Goals**, Sections A based on evaluation of BU-BJ for opportunities to engage SBs.
 - 3.1. Dollar Value A. Total cost of products and services to be **procured from entities outside of ASU**. The FAR refers to such purchases as ‘subcontracting’ regardless of procurement vehicle (e.g., subcontract, purchase order, exchange transaction) and size or type of vendor.
 - 3.2. Dollar Value B. Total dollar value of planned procurements from **other than small business** (OTSB), i.e., large businesses, state and local governments, non-profit organizations, educational institutions, foreign entities.
 - 3.3. Dollar Value C. Total costs of planned subcontracting with all types of **small businesses**.
 - 3.4. Dollar Values Sections D-I. Based on analysis of BU-BJ for opportunities to engage SB, enter dollar values for each type of SB.
 - 3.5. Subcontracting Goals Sections D-I. Calculate goals based on total dollar value of planned subcontracting with all SBs, e.g., dollar value of planned subcontracting to veteran owned small business divided by total of all subcontracting with all types of small businesses.
4. Complete **Part 2, Section J**.
 - 4.1. Section J is prefilled with types of services and products that may be procured from non-ASU entities. Edit sample list to align with proposed project and mark if items are supplied by small or large business vendors.
5. Complete **Part 2, Section K**.
 - 5.1. The Sample form provides two fields for description of method used to develop subcontracting goals, as well as sample verbiage.

- 5.1.1. In first field explain actual method used to develop goals (e.g., goals specified in the FOA or on SBA website, goals based on project budget). If there are no known small businesses providing services/products required for proposed project, state that.
 - 5.1.2. The explanation presented in second field will apply to most ASU research projects; tailor as appropriate.
6. Obtain **Authorized Signatures**.
 - 6.1. Associate Director or Pre-Award GCO Principal signs SBSP prepared by GCO.
 - 6.1.1. In event of award, the SB Manager will finalize and sign the official plan.
7. GCO
 - 7.1. runs "Email RA" activity with completed SBSP attached and informs RA that plan is ready for inclusion in SB; and
 - 7.2. emails copy of completed plan, budget worksheet with basis of calculation, and relevant information to Manager of the SB for Purchasing Department records.
8. Note:
 - 8.1. If proposal budget is structured as base and option periods, goals must be calculated for each period.
 - 8.1.1. Sample form includes hidden rows for option periods, e.g., rows under "Period of Contract Performance" (Excel rows 17-23) and Part 2 'Goals' Subsections A – H (e.g., Excel rows 31-33, 36-38).
 - 8.2. Often travel costs are the only option in sponsored projects for subcontracting to small businesses.
 - 8.2.1. The value of subcontract to small travel business is five percent of the total travel cost.
 - 8.2.2. Section J on the draft Sample form may be prefilled to represent two travel agencies that qualify as small businesses used frequently by ASU.
 - 8.3. Occasionally equipment maintenance/repair services are offered by small businesses.
 - 8.4. Local HUBZones include south Phoenix, Casa Grande, and others published at <http://www.sba.gov/content/hubzone-maps#>.
 - 8.5. The US Small Business Administration provides subcontracting goals for federal agencies at <http://www.sba.gov/content/small-business-goaling>.
 - 8.6. The Department of Defense also provides goals at <http://www.acq.osd.mil/osbp/gov/sbProgramgoals.shtml>.
 - 8.7. US Small Business Administration, Office of Government Contracting publishes A Handbook for Small Business Liaison Officers useful for GCOs drafting SBSPs.

Steps for Processing Sponsor Post-Submission Request

1. GCO receives sponsor request and determines status of the SBSP, i.e., developed for proposal or not, developed by PNT GCO or by SB Manager.
2. SBSP not submitted with proposal, GCO follows guidance above.
3. SBSP submitted with proposal was developed by SB Manager or GCO, the GCO
 - 3.1. reviews budget referenced in contract for changes in the budget (annual or project total) or composition of the budget,
 - 3.1.1. If budget matches the proposed budget and SB Manager and PI signed the Plan, move to Step 4.
 - 3.1.2. If budget does not match the original, obtain the sponsor-approved BU-BJ, identify changes, and move to Step.
 - 3.2. notifies SB Manager that contract is in negotiation, include relevant information and materials, e.g., original SBSP, supporting information, changes in sponsor approved budget,
 - 3.3. requests completed SBSP within two business days (or appropriate timeframe), and
 - 3.4. confirms the completed, official SBSP is signed by PI and institutional official (SB Manager).
4. GCO submits the official SBSP to Sponsor POC.