**Small Business Subcontracting Program**

The Federal Government values and prioritizes participation by Small Business Concerns in government contracts and orders. The Small Business Subcontracting Program helps accomplish this.

Eligibility:

Despite what the name implies, Small Businesses are not subject to the Small Business Subcontracting Program requirements. Business concerns considered “Other Than Small Business” that hold a contract valued at $650,000 or more are obligated to participate.

What is “Other Than Small Business?”

The title “Other Than Small Business” (OTSB) is exactly what it sounds like—unless you are a Small Business, you fit within this category. This includes large businesses, state and local governments, non-profit organizations, public utilities, educational institutions, and foreign-owned firms that receive Federal contracts, if any portion of the contract is to be performed in the United States.

How is the $650,000 threshold determined?

At the time your contract is awarded, your GSA Contracting Officer will estimate the value of the contract. This contract value is to include any possible option periods. Note that the contract value does not represent the value of current or past orders under the contract—it is simply an estimate. FAS Instruction Letter 2011-16 advised Contracting Officers to place a contract value of at least $650,000 on any contract awarded to an OTSB. In summary, that means that unless you are a Small Business, you should expect to be obligated to participate in the Small Business Subcontracting Program.

Requirements:

The program requires OTSBs to ensure that Small Businesses receive the maximum practicable opportunity to participate in contract performance consistent with its efficient performance. Two elements help contractors and Contracting Officers ensure compliance with this requirement: 1) a Small Business Subcontracting Plan and 2) reports documenting subcontracting achievements.

 Small Business Subcontracting Plan:

GSA contractors are offered the choice of an Individual Subcontracting Plan or a Commercial Subcontracting Plan:

Commercial Plan:

* The preferred type of plan for contractors furnishing commercial items.
* Based on company-wide subcontracting activity (both commercial and government-related).
* Is negotiated annually based upon the company’s fiscal year.
* Satisfies plan requirements for all government contracts—only one plan is required regardless of the number of contracts held.
* In general, permits greater progress toward meeting subcontracting goal requirements.

Individual Plan:

* Must be negotiated for each contract awarded; if multiple contracts awarded, a separate plan must be negotiated for each.
* Based on subcontracting activity for that specific contract only.
* Is negotiated at the time of award for the entire contract period of performance (may or may not include option periods).
* Based on the supplies/services provided, may limit the amount of progress shown toward subcontracting goal requirements.

Progress Reports:

All reports must be submitted via the Electronic Subcontracting Reporting System: http://www.esrs.gov.

Summary Subcontracting Report (SSR):

* Submitted annually following the end of the government fiscal year.
* Shows subcontracting awards (subcontracting costs incurred by the contractor) during the fiscal year involved.
* Required for both Individual and Commercial plan holders
* For Commercial plan holders, shows all company-wide subcontracting costs.
* For Individual plan holders, shows subcontracting costs incurred in performance of the specific contract only. If multiple contracts are awarded by the same agency, the report shows subcontracting costs incurred in performance of all contracts for that agency.

Individual Subcontracting Report (ISR):

* Required of Individual plan holders only.
* Submitted semi-annually.
* Shows subcontracting costs incurred under the specific contract.
* Is a cumulative report, showing all costs incurred since inception of the contract.

Certifications:

Despite popular opinion, there is no formal process for becoming certified as a Small Business. The Small Business Administration (SBA) is the authority on business sizes, classifications, and size standards. To certify as a Small Business, a company simply “self-certifies.” This is typically accomplished by registering in the System for Award Management (SAM – <http://www.sam.gov>) and indicating the proper business size and category. Currently, the only socioeconomic category requiring formal SBA certification is for “Historically Underutilized Business Zone Small Business Concerns” (HUBZone).

Certification Resources:

Small Business Size Standards: a table of NAICS codes used to determine the threshold for small business size.

 <http://www.sba.gov/content/table-small-business-size-standards>

FAR Definitions: includes the definitions for each of the Socioeconomic categories.

 <https://www.acquisition.gov/far/current/html/Subpart%202_1.html>

HUBZone Certifications: includes certification process and HUBZone maps.

 <http://www.sba.gov/category/navigation-structure/contracting/working-with-government/small-business-certifications-audiences/hubzone-certification>

SBA Certifications site: includes links to various pages and general guidance.

 <http://www.sba.gov/category/navigation-structure/contracting/working-with-government/small-business-certifications-audiences>

Locating Subcontractors:

OTSBs looking to increase participation by Small Businesses should utilize as many resources as possible. There are many source lists available for this purpose. Some examples include:

Dynamic Small Business Search:

<http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm>

SBA SUB-Net

http://web.sba.gov/subnet

Women-Owned Small Business

[www.womenbiz.gov](http://www.womenbiz.gov)

<http://www.acq.osd.mil/osbp/programs/index.htm#wosb>

[www.nwbc.gov](http://www.nwbc.gov) (National Women’s Business Council)

 [www.wbenc.org](http://www.wbenc.org) (Women’s Business Enterprise National Council)

 [www.nwboc.org](http://www.nwboc.org) (National Women’s Business Owners Corporation)

GSA's Schedules eLibrary:

<http://www.gsaelibrary.gsa.gov/ElibMain/ElibHome>

GSA Advantage: <https://www.gsaadvantage.gov/advgsa/advantage/main/start_page.do>

National Center for American Indian Enterprise Development

http://www.ncaied.org

Veteran-Owned Small Businesses

[www.vetbiz.gov](http://www.vetbiz.gov)

 [www.asdv.org](http://www.asdv.org) (Association for Service Disabled Veterans)

Alaskan Native Corporations

www.lbblawyers.com/ancsa.htm#corpx

Other Resources:

The SBA Commercial Marketing Representative (CMR) can assist you with questions about the Subcontracting Program, as well as help you locate sources:

<http://www.sba.gov/content/government-contracting-field-staff-directory>

Procurement Technical Assistance Centers (PTAC) are staffed by individuals who are knowledgeable of procurement issues and can help you locate local sources. They also run local events involving small businesses:

<http://www.aptac-us.org/>