



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



MAY 9 1997

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
ATTN: SERVICE ACQUISITION EXECUTIVES
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Revised Test Program for Negotiation of
Comprehensive Small Business Subcontracting Plans

The Comprehensive Subcontracting Plan Test Program (test program), has been changed since its initial implementation. The original test program waived the requirement for negotiation, administration and reporting on an individual contract basis as required under section 211 of Public Law 95-507. In lieu thereof, the test program authorized the negotiation, administration and reporting of subcontracting plans on a plant, division, or company-wide basis as appropriate. The purpose of the test is to determine whether comprehensive subcontracting plans will result in increased subcontracting opportunities for small and disadvantaged businesses while reducing the administrative burdens on contractors. The test program, as changed, provides for an expansion in the number of contractors allowed to participate. Initially, only eight contractors participated in the test. Currently, 27 contractors are participating (attachment 1).

An important aspect of the test program that I believe offers significant potential is the ability to create a dialog between DoD and program participants on major small business issues facing us all. For FY 1998, I have identified the initiatives at attachment 2 to be discussed by contracting officers when negotiating with test program participants. I encourage a frank and open discussion to develop solutions and actions to address these issues. Agreed upon initiatives should be incorporated into the resultant comprehensive subcontracting plan, along with, to the extent possible, measurable metrics.

The Defense Contract Management Command (DCMC) has negotiated and is administering most of the comprehensive subcontracting plans that now exist. In view of DCMC's contract administration capabilities and the significant role that it has played in the negotiation of comprehensive subcontracting plans, DCMC is ideally situated to negotiate comprehensive subcontracting plans for most contractors from which your contracting activities may receive a request to participate in the test program. Therefore, your contracting officers may want to consider requesting DCMC support for these functions.

To ensure the quality of the comprehensive subcontracting plan, the contracting officer, whether at the designated contracting activity or, if delegated, at the cognizant contract administration activity, shall establish a comprehensive small business subcontracting plan negotiating team comprised of representatives identified at attachment 3.

Paul Kaminski

Paul G. Kaminski

Attachments

ORIGINAL COMPREHENSIVE SUBCONTRACTING PROGRAM PARTICIPANTS

ARMY

Textron Inc., Bell Helicopter Div, Fort Worth, TX (DCMD West)
McDonnell Douglas Helicopter, Mesa, AZ (now part of McDonnell Douglas Aerospace, St. Louis, MO)

NAVY

Litton Inc., Ingalls Shipbuilding, Pascagoula, MS (Navy)
Lockheed Martin Tactile Defense Systems, Great Neck, NY (formerly Unisys, Shipboard & Ground Systems Group (DCMD East))

AIR FORCE

*Boeing, Seattle, WA
*Martin Marietta, Aerospace Division, Orlando, FL (formerly Lockheed Martin)
*General Electric, Aircraft Engines Group, Cincinnati, OH
*Lockheed Georgia Company, Marietta, GA (formerly Lockheed Martin Aeronautical Systems)

DCMC NEGOTIATED AIR FORCE COMPREHENSIVE SMALL BUSINESS SUBCONTRACTING PLANS

DEFENSE CONTRACT MANAGEMENT DISTRICT EAST:

Sikorsky Aircraft Corp., Stratford, CT
AVCO Corp., Textron Inc., Textron Systems Division, Wilmington, MA
United Technologies Corp., Hamilton Standard Division, Windsor Locks, CT
Raytheon Company, Electronic Systems Division, Bedford, MA
United Technologies Corp., Pratt & Whitney, West Palm Beach, FL
Lockheed Martin Information Systems, Orlando, FL
Lockheed Martin Aeronautical Systems, Marietta, GA
Lockheed Martin Electronics & Missiles, Orlando, FL
Harris Corporation, Melbourne, FL
Northrop Grumman Corp., Electronic Sensors & Systems Division, Baltimore, MD
Honeywell Military Avionics, Clearwater, FL
General Electric Aircraft Engines, Cincinnati, OH

DEFENSE CONTRACT MANAGEMENT DISTRICT WEST:

McDonnell Douglas Aerospace, St. Louis, MO
Northrop Grumman, Electronics & Systems Integration Div., Rolling Meadows, IL
Boeing Company, Seattle, WA
Raytheon E-Systems, Greenville Division, Greenville, TX
Raytheon E-Systems, Garland Division, Dallas, TX
Lockheed Martin Tactical Aircraft Systems, Ft. Worth, TX
Lockheed Martin Vought Systems Corp, Dallas, TX
Rockwell International Corp., Collins Avionics & Communications Div, Cedar Rapids, IA
Rockwell International Corp., Communications Systems Division, Richardson, TX
TRW Space & Defense, Redondo Beach, CA
Hughes Electronics Corp., El Segundo, CA

** These contractors are now covered under the DCMC Negotiated Comprehensive Small Business Subcontracting Plans.*

Initiatives - Comprehensive Subcontracting Plans

- Soliciting at least one small disadvantaged business and one women-owned small business on every competitive solicitation.
- Establishing a home page dedicated to providing information, including procurement opportunities, to potential small business sources and to link this home page to the OUSD(A&T), OSADBU home page.
- Pursuing at least one new subcontract award with an eligible Indian-owned entity in accordance with the Indian Incentive program provisions of FAR Subpart 26.1.
- Entering into at least one new Mentor-Protégé agreement with an SDB that is not part of the program at this time.
- Pursuing at least one minority institution or historically Black college or university to perform as a subcontractor.

Negotiation Team Representatives - Comprehensive Subcontracting Plans

- The contracting officer who will be responsible for negotiation and approval of the comprehensive subcontracting plan as well as the responsibilities at FAR 19.705.
- The designated contracting activity's Small and Disadvantaged Business Utilization (SADBU) Specialist.
- The SADBU Specialist of the cognizant contract administration activity that administers the preponderance of the prime contractor's contracts and/or the appropriate individual who will administer contractor performance under the test.
- A price analyst, production specialist, and/or other functional specialist, as appropriate.
- Additionally, each of the Services that has contracts with the prime contractor should be invited to either participate in the negotiations or coordinate on the proposed plan.