



THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



SEP 21 1998

ACQUISITION AND
TECHNOLOGY

MEMORANDUM FOR COMPONENT ACQUISITION EXECUTIVES
DIRECTOR, DEFENSE LOGISTICS AGENCY

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

The Comprehensive Small Business Subcontracting Plan Test Program (the test program), required by section 834 of Public Law 101-189 waives the requirement for negotiation, on a contract-by-contract basis, of subcontracting plans, as required under paragraphs (4) and (5) of section 8(d) of the Small Business Act (15 U.S.C. 637(d)), for contractors that have negotiated a comprehensive subcontracting plan under the test program. The purpose of the test program 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.

Section 822 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) extended the test program through September 30, 2000. Section 822 also provides for use of comprehensive small business subcontracting plans by participating contractors when performing as subcontractors under DoD contracts. With the exception of revisions to incorporate these legislative modifications, the DoD test plan, and the initiatives to be discussed by contracting officers when negotiating with test program participants (attachment 1), are unchanged from those identified for FY 1998.

A comprehensive small business subcontracting plan must be negotiated each fiscal year for contractors selected to participate in the test program. The Defense Contract Management Command (DCMC) has negotiated and is administering most of the comprehensive subcontracting plans that now exist. You should consider delegating to DCMC authority to negotiate comprehensive subcontracting plans for the remainder of the test program.

To ensure the quality of the comprehensive subcontracting plan, the contracting officer, shall establish a comprehensive small business subcontracting plan negotiating team comprising representatives identified at attachment 2. In addition, the Department or Agency Director of Small and Disadvantaged Business Utilization (or his or her designee) shall coordinate on comprehensive plans prior to acceptance by the contracting officer. Such Director or designee shall also play an active role in the administration of the plan, including participation in periodic performance reviews, and shall provide the contracting officer with information on the adequacy of the contractor's compliance with the obligations of the plan.

Dave Oliver
Principal Deputy

Attachments
As stated

Initiatives - DoD Comprehensive Small Business Subcontracting Plan Test Program

- 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-Protege 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 and for discharging the responsibilities at FAR 19.705.
- | The designated contracting activity's Associate Director of Small and Disadvantaged Business Utilization or his designee.
- The SADBUs 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, the Director of Small and Disadvantaged Business Utilization of the department or agency that negotiates the plan (or designee) shall review and coordinate on the proposed plan prior to its acceptance by the contracting officer.