

US Army Corps of Engineers Tulsa District

Subcontracting Success

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US Army Corps of Engineers
BUILDING STRONG



Agenda

- Overview
- Small Business Participation Factor
- Small Business Subcontracting Plan
- Subcontracting Reporting
- CPARS Implications



Why the Emphasis on Subcontracting?

- FY09-Current – 96 Final Reports
 - 25 C-Type Contracts @ 86% of goals achieved (-\$581M)
 - 71 IDIQ Contracts @ 40% of goals achieved (-\$1.3B)
 - 10.4% met all 5 goals
 - Current SWT Cycle - Aggregate Goal \$266M, Current \$125M

- SBA performs compliance reviews
 - Reviews of ISR/SSR data in eSRS
 - Full On-Site Compliance Reviews
 - Contract Office Due Diligence



Subcontracting Overview

- Lots of Work to Subs
- Entry Ramp
- Corps contracts with the Prime
- Government Oversight Loosely Controlled

SB Participation Plan



CONTRACTOR PERFORMANCE
ASSESSMENT REPORTING
SYSTEM (CPARS)

SB Subcontracting Plan

Subcontracting Reporting



SB Participation Factor

- Regs (DFARS 215.304)
- Relative Weight (FAR 15.304-5)
- Goals (DFARS PGI 215.304)
 - Minimum w/ onus on contractor to use market research to determine best effort.
 - SB, SDB, HZ, WOSB, SDVOSB, HBCU/MI minimums presented as % of total contract value
- Submit
 - Large and Small (Unrestricted const over \$1.5M)
 - Any Verbiage with Small Business Participation Plan Form (Tab H, Army Source Selection Supplement (AS3))
- Criteria for Evaluation (DFAR 215.305 PGI)
 - The extent to which SB firms are **specifically identified** in proposals;
 - The extent of commitment to SB firms (for example, **enforceable commitments** are to be weighted more heavily than non-enforceable ones);
 - The **complexity and variety** of the work small firms are to perform;
 - **Past performance** of the offerors in complying with requirements of the clauses at FAR 52.219-8, Utilization of Small Business Concerns, and 52.219-9, Small Business Subcontracting Plan; and
 - The **extent of participation** of SB firms in terms of the value of the total acquisition and the extent of which the proposals meets or exceeds small business participation goals for this acquisition.
- Scoring: Outstanding, Good, Acceptable, Marginal, Unacceptable



SB Subcontracting Plan

- Regs (clause FAR 52.219-9)
- Goals
 - Generally reflect Districts goals (SB 43%, SDB 24%, HZ, 13%, WOSB 8%, SDVOSB 4%, HBCU/MI 2.5%)
 - Negotiable, however
 - IAW FAR 19.705-2(c) “If it is determined that there are no subcontracting possibilities, the determination must be approved at a level above the contracting officer and placed in the contract file.”
- Submit
 - To KO (SB gets copy)
 - IAW FAR 52.219-9(d) paragraphs (1) through (11)
- Criteria for Evaluation (AFARS 19.705, Appendix DD)
 - FAR 52.219-9(d) paragraphs (1) through (11)
 - Need 70/100 to be acceptable
 - Must reflect dollar values in proposal (SB Participation)
- Scoring: Acceptable, Unacceptable and 100 point scale
- Required prior to Award
- Not required by Small Businesses



Subcontracting Reporting

- Regs (DFARS 252.219-7003, Class Deviation 2008-O0008-eSRS (Feb 2009))
- Submit
 - Contractors submit Summary Subcontract Report (SSR) through eSRS to DCMA annually (30 OCT) (District does not see these)
 - Contractors submit Individual Subcontracting Report through eSRS to KO (30 APR & 30 OCT)
 - **Required** by if Subcontracting Plan is required
 - Must be coded as required in FPDS
 - Reports dollars subcontracted during fiscal year
 - Encompasses all subcontracting (in US/territories) under prime contracts and subcontracts with the awarding agency, regardless of \$ value
 - **Comments** provide guidance for the person reviewing the ISR
 - Don't just list outreach events; explain effort to meet goals
 - **Rejected** if dollars are not the same as in Subcontracting Plan
 - **Rejected** if no comments for categories where contractor entered zero
 - **Email address**, put KO and SB as minimum
 - **With IDIQs the process is an art**
- Receipt
 - Responsibility to acknowledge receipt of or reject ISRs resides with contracting office (acknowledge does not mean accept)
- SB Role
 - Rolls up, synopsis and forwards to KO and CORs with comments. Sends feedback to company subcontracting surveillance officer.



CPARS

- Regs (FAR Part 42, FAR PART 15, FAR Subpart 42.1502).
- Prepared
 - Per Task Order
 - Interim at mid point of contracts 24 months or more
 - At End of Period of Performance
 - At Government's Discretion
- Evaluation
 - Unsat (noncompliant with FAR 52.2-9-8, 52.2-9-9, DFARS 252.219-7003 and any other SB participation requirements in the contract.
 - In SWT, SB Deputy will draft eval for COR based on eSRS reports.
 - Definitions for Outstanding, Above Average, Satisfactory, Marginal, Unsatisfactory



CPARS (FAR 42.1503 Table 42-2)

- Evaluation: Satisfactory:

Demonstrated a **good faith effort** to meet all of the negotiated subcontracting goals in the various socio-economic categories for the current period. Complied with FAR 52.219-8, Utilization of Small Business Concerns. Met any other small business participation requirements included in the contract/order. **Fulfilled the requirements of the subcontracting plan** included in the contract/order. **Completed and submitted Individual Subcontract Reports** and/or Summary.



CPARS (FAR 42.1503 Table 42-2)

- Evaluation: Very Good:

Met all of the statutory goals or goals as negotiated. Had significant success with initiatives to assist, promote and utilize SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB. Complied with FAR 52.219-8, Utilization of Small Business Concerns. Met or exceeded any other small business participation requirements incorporated in the contract/order, including the use of small businesses in mission critical aspects of the program. **Endeavored to go above and beyond** the required elements of the subcontracting plan. Completed and submitted Individual Subcontract Reports and/or Summary Subcontract Reports in an accurate and timely manner.

To justify a Very Good rating, **identify a significant event and state how they were a benefit to small business utilization.** Small businesses should be given meaningful and innovative opportunities to participate as subcontractors for work directly related to the contract, and opportunities should not be limited to indirect work such as cleaning offices, supplies, landscaping, etc. There should be no significant weaknesses identified.



CPARS (FAR 42.1503 Table 42-2)

- Evaluation: Very Good:

Exceeded all statutory goals or goals as negotiated. Had exceptional success with initiatives to assist, promote, and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business, veteran-owned small business (VOSB) and service disabled veteran owned small business (SDVOSB). Complied with FAR 52.219-8, Utilization of Small Business Concerns. Exceeded any other small business participation requirements incorporated in the contract/order, including the use of **small businesses in mission critical aspects of the program.** Went above and beyond the required elements of the subcontracting plan and other small business requirements of the contract/order.

To justify an Exceptional rating, **identify multiple significant events** and state how they were a benefit to small business utilization. A singular benefit, however, could be of such magnitude that it constitutes an Exceptional rating. Small businesses should be given meaningful and innovative work directly related to the contract, and opportunities should not be limited to indirect work such as cleaning offices, supplies, landscaping, etc. Also, there should have been no significant weaknesses identified.



Tips

- Communicate!
- Plan for Redundancy in each category based on expected Task Orders (show your work in SB Participation Factor verbiage)
- Show your market research that supports your goal formation:
 - DSBS
 - Your own experience with Subs in a particular area
- Show SB obligations based on construction schedule for “C” Contracts
- Show SB enforceable committment
- Helpful to show/provide outreach events, but that only shows intent, what shows proof?
- Show ISRs associated with Experience Factor (requested in SWT UR RFPs)



CPARS

- Recent Protest:

New Orleans District: "Marginal" rating on factor 5 was assessed based on record of poor performance as demonstrated in ESRS Individual Subcontracting Report, even though the company proposed to exceed SB goals in several categories. GAO agreed.



Questions?

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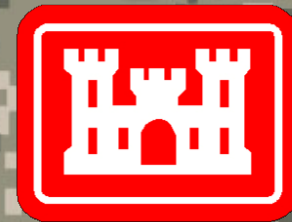
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