

MEMORANDUM

TO: UMBC Principal Investigators and Business Managers

FROM: UMBC Office of Sponsored Programs

RE: Small Business Subcontracting Plans Under Federal Contracts

48 CFR Part 19 Section (7) of the Federal Acquisition Regulations (FAR) entitled *The Small Business Subcontracting Program*, outlines several requirements with regard to Small Business Subcontracting Plans under Federal contracts :

- **For federal contracts in excess of the Simplified Acquisition Threshold (\$150,000):**
 - All contractors must “agree in the contract that small business (SB), Veteran-owned small business (VOSB), Service-Disabled Veteran-Owned Small Business (SDVOSB), HUBZone Small Business (HUBZone), small disadvantaged business (SDB), and women-owned small business (WOSB) concerns will have the maximum practicable opportunity to participate in contract performance consistent with its efficient performance” (FAR 19.702)

- **For Federal contracts in excess of \$650,000:**
 - All contractors must submit a formal Small Business Subcontracting Plan to the contracting officer (FAR 19.702), for the use of the above mentioned Small Business concerns in their research project.
 - Depending on the RFP, the Small Business Subcontracting Plan will be required at the proposal stage and/or before the contract award is made to UMBC

****These requirements apply to both contracts awarded directly to UMBC and those received indirectly through a pass-through entity (delivered to UMBC as a Subaward)****

Implications for UMBC Faculty and Department Business Personnel:

- When responding to an RFP for a federal contract, first verify with OSP whether a Small Business Subcontracting Plan is required with the proposal
- When a Small Business Subcontracting Plan is required (for federal contracts in excess of \$650,000), the PI/business administrator should:
 - Establish reasonable goals for use of SB,SDB, WOSB, HUBZone, VOSB, and SDVOSB concerns
 - Determine appropriate percentage goals and dollar amounts to be allocated to the above small business concerns
- Submit a draft plan to UMBC Procurement at least (3) weeks prior to the proposal deadline, for review, approval, and signature.

*****For proposals that require a Small Business Subcontracting Plan, the routing materials should include a copy of the Subcontracting Plan, signed by UMBC Procurement. For assistance with development of the Small Business Subcontracting Plan, please contact UMBC Procurement at 5-2273***

******Please continue to page (2) for further information on a Small Business Subcontracting Plan***

Small Business Subcontracting Plan - Quick Reference Guide and Additional Resources

Acronyms:

(SB) - Small Business

(VOSB) - Veteran Owned Small Business

(SDVOSB) - Service-Disabled Veteran-Owned Small Business

(HUBZone) - Historically Underutilized Business Zone Small Business

(SDB) - Small Disadvantaged Business

(WOSB) - Women Owned Small Business

Contents of a Small Business Subcontracting Plan

As described in FAR 19.704, Small Business Subcontracting Plans must include the items below as well as additional administrative information (see FAR prescription or contact UMBC Procurement):

- Separate percentage goals for using SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB small business concerns
- A statement of total dollars planned to be subcontracted and a statement of total dollars to be subcontracted to SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB small business concerns
- A description of the principal types of supplies and services to be subcontracted and an identification of types planned for subcontracting to SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB small business concerns
- A description of the method used to develop the subcontracting goals
- A description of the method used to identify potential sources for solicitation purposes

UMBC Principal Investigators and Department Business Personnel can search and verify the eligibility and organizational status of potential small business entities online via:

- System for Award Management (SAM): www.sam.gov
- [Reference guide on searching for small business by NAICS on SAM](#)
- [Reference guide on searching for socio-economic categories of small business on SAM](#)

Additional Notes:

- Small Business Subcontracting plans should specify entity names and the dollars to be allocated to each in order to meet the goals of the plan. This detail will be essential in tracking your progress in the event the contract is awarded.
- Once the contract is awarded, it is the PI's responsibility to help ensure the goals outlined in the Small Business Subcontracting Plan are met.
- If using Procurement Cards to purchase items, PI's and Department Business Personnel must actively seek small business concerns to meet the goals.
- The identification of potential small business concerns should be included when submitting requisitions for procurements under the contract. Contact UMBC Procurement for assistance if needed
- Once a contract is awarded that includes a Small Business Subcontracting Plan, there will be mandatory reporting requirements. Upon request from UMBC Procurement, PI's must provide a completed SF-294 or SF 295 Form. These reports will then be submitted by UMBC Procurement to the Small Business Administration.

For further questions on the development or management of a Small Business Subcontracting Plan contact UMBC Procurement at ext. 5-2273