

SECTION 6: FEDERAL/STATE SMALL BUSINESS PROGRAMS

SUBJECT: FEDERAL SMALL BUSINESS SUBCONTRACTING Procedure 6.1

POLICY:

The University of Washington, as a recipient of federal funding, agency of the State of Washington and a public institution seeks to utilize small and other under-utilized businesses in support of its educational, research, and public service activities whenever possible. The University is committed to providing the maximum practicable opportunities for all contractors and taking all legal affirmative steps necessary to ensure that diverse businesses are fairly utilized whenever possible.

PROCEDURES:

The list of federally designated small and under-utilized business concerns includes the following categories:

1. Small businesses, as defined by SBA size standards for each industry, and which may self-certify in the System for Award Management (SAM);
2. Small disadvantaged businesses, which must be federally certified;
3. Women-owned small businesses, meeting the SBA standards and which "self-certify" as to ownership;
4. Section 8(a) Business Development Program businesses, which must be federally certified;
5. Service-disabled veteran small businesses, also self-certify
6. HUBzone businesses, located in census tracts of low income/high unemployment, and which must be federally certified;
7. Minority Business Enterprises;
8. Historically Black Colleges and Universities (HBCUs) and Minority Institutions;
9. Veteran-owned small businesses, which self-certify.

10. Alaskan Native Corporations (ANCs) and Indian Tribes not certified by SBA
11. Alaska Native Corporations (ANCs) and Indian Tribes not small businesses

Small Business Subcontracting Plans: Federal contracts in excess of \$650,000¹ require subcontract plans for projections of business opportunities, and estimates of availability of SBCs to participate in purchase subcontracts. When a new plan is required Procurement Services Subcontract Plan Administrator works with the Principal Investigator and department to categorize purchase opportunities and search for potential SBC suppliers.

A Master Subcontract Plan commits the University to make its best efforts to utilize SBCs in accordance with this and related policies, to conduct outreach activities and training, to keep records of such efforts, and to report SBC utilization on a regular basis.

Federal contract awards to the University of Washington for over \$650,000 require the completion of an individual subcontract plan as part of the proposal. FAR 19.704 requires that the individual subcontracting plan address:

1. The total estimated dollar value of **all** planned subcontracting
2. The total estimated dollar value and percentage of planned subcontracting with any type of **small business** (including ANCs and Indian Tribes)
 - a. The total estimated dollar value and percentage of planned subcontracting with **small disadvantaged businesses** (including ANCs and Indian Tribes)
 - b. The total estimated dollar value and percentage of planned subcontracting with **woman owned small businesses**

¹ FAR [19.702](#), [19.704](#)

- c. The total estimated dollar value and percentage of planned subcontracting with **HUBZone small businesses**
 - d. The total estimated dollar value and percentage of planned subcontracting with **veteran owned small businesses**
 - e. The total estimated dollar value and percentage of planned subcontracting with **service-disabled veteran-owned small businesses**
3. The total estimated dollar value and percentage of planned subcontracting with **other than small businesses**;
 4. A description of what will be subcontracted and which subcontracted goods and services will be subcontracted to the above businesses;
 5. Descriptions of the methods used to develop the goals and identify sources for solicitations;
 6. Disclosure of whether indirect costs were included in subcontracting goals and what percentage was allocated to the above businesses;
 7. Identification of official responsible for small business plan;
 8. A description of the efforts to be made to ensure the above businesses have equitable opportunities to compete for subcontracts;
 9. A statement that UW will include FAR clause 52.219-8 in all subcontracts that offer further subcontracting opportunities and that all non-small business subcontractors receiving subcontracts over \$650,000 will adopt a subcontracting plan that complies with FAR 52.219-9;
 10. Assurances that UW will participate in any required programs and submit required reports
 11. A description of the records to be maintained to ensure compliance with the requirements and goals of the plan

Depending on the funding agency, University of Washington individual subcontracting plans may also address

1. The total estimated dollar value and percentage of planned subcontracting with **ANCs and Indian Tribes not certified by SBA**
2. The total estimated dollar value and percentage of planned subcontracting with **ANCs and Indian Tribes not small businesses**
3. The total estimated dollar value and percentage of planned subcontracting with **HBCUs and Minority Institutions**

The University of Washington may rely upon supplier representations regarding their status as any one of the following businesses types:

1. Small Business Concern
2. Veteran-owned small business concern
3. Service-disabled veteran-owned small business concern
4. Small disadvantaged business concern
5. Women-owned small business concern

The University must confirm that subcontractors representing themselves as HUBZone small businesses are certified as HUBZone small business concerns by the SBA by:

1. Accessing the [System for Award Management \(SAM\)](https://www.sam.gov/portal/public/SAM/#1) <https://www.sam.gov/portal/public/SAM/#1> and verifying that the supplier is a HUBZone small business concern; or
2. Accessing the HUBZone small business database search at: http://dsbs.sba.gov/dsbs/search/dsp_searchhubzone.cfm

Small Business Subcontracting Reports:

In preparing periodic reports required by the Federal government, UW Procurement Service Subcontract Plan Administrator will monitor performance with the goals established for each contract. Comments regarding under-achievement of goals will be provided on the report form, and Subcontract Plan Administrator will follow up with the PI and department with departmental memo or email to identify efforts needed to achieve the goals.

The required reports are to be submitted using the Electronic Subcontracting Reporting System (eSRS) with the exception of DOD contract reports which are submitted to the cognizant administration office at the Office of Naval Research. An Individual Subcontracting Report (ISR)² is required for federal contract award for which a subcontracting plan was required. A Summary Subcontracting Report (SSR)³ is a summary report for each Federal agency that the University has received at least one federal contract award over \$650,000 during the reporting period. The SSR provides cumulative data regarding the University's for all federal contract awards for which a subcontracting plan was required during the reporting period.

The required report due dates are:

Oct 1-Mar 31 ISR (SF 294)/OF312 4/30

Apr 1-Sep 30 ISR(SF 294)/OF312 10/30

Oct 1-Sep 30⁴ SSR(SF 295) 10/30

On occasion, Federal contract awards are modified, and changes in authorized budgets may change the funds available for purchase subcontracts. UW Procurement Subcontract Plan Administrator will then work with the PI and department to determine what modifications need to be made to the small business subcontracting plan.

All subcontract plans, reports, certifications, records of outreach and training, and overall University purchasing practices with regard to SBC participation are subject to reviews by the Federal agencies, including the funding agency, the Small Business Administration, and the Office of Naval Research.

Small Disadvantaged Business (SDB) Participation Program

² A sample ISR is available at: http://www.esrs.gov/documents/Sample_Individual_Subcontract_Report.pdf

³ A sample SSR is available at: http://www.esrs.gov/documents/Sample_Summary_Subcontract_Report.pdf

⁴ SSR also submitted semi-annually for Period Oct 1-Mar 31 for those awards, such as Department of Defense (DOD), that require it.

Contracts that include FAR clause 52.219-25 include Small Disadvantaged Business (SDB) participation targets and require the preparation and submission of a Small Disadvantaged Business Participation Report.⁵ This report can be completed through the eSRS Small Disadvantaged Business Participation Report. If the contract also includes a Small Business Subcontracting Plan, reports should be submitted with the final ISR.

The University is required to obtain certifications from subcontractors through insertion of the following clause and by verifying that the business is, in fact, a small disadvantaged business in the SAM:

The offeror represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and that:

It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and

(A) No material change in disadvantaged ownership and control has occurred since its certification;

(B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(C) It is identified, on the date of its representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration

However, even if the subcontractor is not certified as an SDB by the SBA, UW must accept the subcontractor's written self-representation as and SDB unless UW has reason to question the self-representation.

⁵ FAR 52.219-25(c)