



DCMA Manual 2302-01

CONDUCTING INDIVIDUAL (PREAWARD) SUBCONTRACTING PLAN REVIEWS

Office of Primary Responsibility	Contractor Effectiveness Capability
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Incorporates and Cancels:	DCMA-INST 119, "Small Business Process," February 10, 2014
Internal Control:	Process flow and key controls are located on the Resource Page
Labor Codes:	Located on the Resource Page
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Approved by:	David H. Lewis, VADM, USN, Director

Purpose: This issuance, in accordance with the authority in DoD Directive 5105.64:

- Establishes the process and procedure DCMA General Order No. FY05-11.
- Establishes the process and procedure DoD Instruction 4205.01.
- Establishes the process and procedure for Pre-Award individual, commercial, and master subcontracting plan reviews.
- Implements policy established in DCMA Instruction 2302, "Small Business."

TABLE OF CONTENTS

SECTION 1: GENERAL ISSUANCE INFORMATION	3
1.1. Applicability	3
1.2. Policy	3
SECTION 2: RESPONSIBILITIES	4
2.1. Director, DCMA	4
2.2. Head of the Contracting Activity (HCA)	4
2.3. Small Business Director	4
2.4. Small Business Compliance Center Assistant Director (AD)	5
2.5. Small Business Professionals	5
2.6. Small Business Performance Analyst (SBPA)	5
SECTION 3: PROCESS	7
3.1. Introduction	7
3.2. Incoming Reviews	8
3.3. Conducting Reviews	8
3.4. Conclusion of Review	8
GLOSSARY	10
G.1. Acronyms	10
REFERENCES	11
TABLES	
Table 1. Pre-Award Subcontracting Plan Reviews	9

SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance applies to all DCMA activities unless higher-level regulations, policy, guidance, or agreements, that delegate to DCMA, submit a request to conduct an individual (Pre-Award) subcontracting plan review.

1.2. POLICY. It is DCMA Policy to:

a. Establish and maintain procedures that the Small Business Center and Division must follow in the review of Pre-Award small business subcontracting plans.

b. Establish and maintain review of individual, commercial and master small business subcontracting plans.

c. Execute this manual in a safe, efficient, effective, and ethical manner.

SECTION 2: RESPONSIBILITIES

2.1. DIRECTOR, DCMA. The DCMA Director will:

- a. Implement small business program policy as set forth in DoDI 4205.01, “DoD Small Business Programs.”
- b. Disseminate the Agency goals as established by DoD Office of Small Business Programs (OSBP).
- c. Appoint one full time Small Business Director responsible for Agency small business policy, programs, and procedures.

2.2. HEAD OF THE CONTRACTING ACTIVITY (HCA). The HCA will:

- a. Monitor Agency small business achievements including socio-economic categories to ensure Agency small business goals assigned by DoD OSBP are achieved.
- b. Provide guidance and direction to the Small Business Compliance Center (SBCC) in executing small business policy, as necessary.

2.3. SMALL BUSINESS DIRECTOR. The Small Business Director will:

- a. Represent the Agency Director on all Small Business matters.
- b. Serve as the Agency’s Small Business Ombudsman.
- c. Support Agency initiatives such as the Service Acquisition Review Board, Corporate Assessment Initiative.
- d. Advise and assist the Contracts Directorate, Program Managers, and requirements personnel on all matters that affect small businesses throughout the acquisition process.
- e. Administer the March 2, 2018 Memorandum of Understanding (MOU) between DCMA and DoD OSBP.
- f. Establish Agency policies, guidance and procedures for the small business programs and for the selection and appointment of Small Business Professionals as appropriate.
- g. Plan and manage the Agency’s small business programs.
- h. Advise cognizant DoD Components of any significant event or situation that may affect accomplishments, either positively or negatively, of contract small business subcontracting goals.

i. Annually assess the small business programs and provide a report of the results to the DCMA Director and HCA.

j. Routinely brief the DCMA Director, HCA, and Senior Leaders on the Agency small business program status, to include the Small Business Compliance Center, who implements DoD Small Business programs, such as the DoD Mentor Protégé Pilot Program, the Comprehensive Subcontracting Plans (CSP), and contractor subcontracting program compliance reviews for the Military Components on behalf of the Administrative Contracting Officer (ACO).

k. Provide advice to the HCA on all small business matters as required.

2.4. SUPERVISORY PROCUREMENT ANALYST PERFORMING AS ASSISTANT DIRECTORS (AD) WITHIN THE EAST AND WEST GROUP SMALL BUSINESS COMPLIANCE CENTER (AD). The AD will:

a. Manage Small Business Professionals and associated initiatives within the Small Business Compliance Center.

b. Maintain small business data and metrics.

c. Maintain internal and external working relationship with DoD OSBP as a representative to special meetings and subcontracting working groups.

2.5. PROCUREMENT ANALYST PERFORMING DUTIES AS SMALL BUSINESS PROFESSIONALS. The Small Business Professionals will:

a. Execute Agency small business policies and procedures.

b. Conduct subcontracting plan reviews for DoD Components with administration assigned to DCMA.

c. Conduct contractor compliance reviews of the DoD contracts administered by DCMA with subcontracting programs requirements.

d. Provide small business support as necessary to Agency Administrative Grants Officers in the administration of Procurement Technical Assistance Centers (PTACs).

e. Support Regions, Contract Management Offices (CMO), and Divisions on Contractor Purchasing Systems Review (CPSR) procedures.

2.6. PROCUREMENT ANALYST PERFORMING DUTIES AS SMALL BUSINESS PERFORMANCE ANALYST (SBPA) LOCATED AT HEADQUARTERS (HQ). The SBPA will:

a. Manage the emails received in the Small Business Inbox.

- b. Update and maintain the SBCC assignment log.
- c. Send the requests received for subcontracting plan reviews to the AD of the cognizant SBCC.
- d. Update information with the correct Small Business Professional and ensure Small Business Professionals are listed in Agency system of record correctly for contractor viewing.
- e. Assist the ADs in ensuring the SBCC staff work assignments which are located on the Resource page.
- f. Track SBCC performance.
- g. Prepare internal quarterly performance reports to the DCMA Small Business Director and Assistant Directors.
- h. Assist in conducting oversight reviews.
- i. Review and evaluate data on small business compliance reviews.
- j. Advise the DCMA Small Business Director and Assistant Directors of analysis performed on reviews.
- k. Manage DCMA Small Business and SBCC Agency system of record on the Resource Page.
- l. Provide graphic and spreadsheet reports to the DCMA Small Business Director.

SECTION 3: PROCESS

3.1. INTRODUCTION.

a. In reviewing and providing assistance in negotiating subcontracting plans, DCMA Small Business Professionals should, when applicable, comply with regulatory authority set out in the FAR, the DFARS, and in Title 13, Code of Federal Regulations (CFR). This guidance is spelled out in the CFR and the FAR. The Small Business Subcontracting Program (SBSP), and the DoD OSBP information for reviewing Small Business Programs information for reviewing Small Business subcontracting plans provided at The Basics of Subcontracting (March 2018) located on Resource Page. Title 13, CFR is the statute that identifies the law and the FAR provides Contracting Officers guidance on how to carry out the law. The most utilized legislation, regulation and policy of the subcontracting program can be found using the following CFR references:

(1) 48 CFR 19.7, The Small Business Subcontracting Program. Under this regulation various rules for the federal government's subcontracting program such as:

(2) 48 CFR 19.704, Subcontracting plan requirements. In this regulation various policies and processes enforce the Federal Government's subcontracting program.

(3) DFARS 252.219-7003, SB Subcontracting Plan (DEVIATION). This identifies the requirements of the subcontracting plan.

(4) DFARS 252.219-7004, SB Subcontracting Plan (Test) (DEVIATION). This identifies the requirements of the subcontracting plan.

(5) 48 CFR 19.705, Responsibilities of the contracting officer under the subcontracting assistance program. These are the rules that identify the pre award and post award role of the contracting officers and the Other Than Small Business (OTSB) contractors.

(6) 48 CFR 19.706, Responsibilities of the cognizant administrative contracting officer. These are the rules that identify the pre and post award role of the contracting officers and the contractors.

(7) 48 CFR 19.707. The Small Business Administration's role in carrying out the Subcontracting program.

(8) 48 CFR 52.219-8, Utilization of Small Business Concerns. These are the rules that identify the utilization and payments of SBs.

(9) 48 CFR 52.219-9, Small business subcontracting plan. These are the rules about subcontracting plans amongst other regulations such as flow down.

(10) 48 CFR 52.219-16, Liquidated Damages – Subcontracting Plan. The Contracting Officer can require the Contractor to pay liquidated damages to the Government for failure to make a good faith effort to comply with its subcontracting plan(s).

b. Within the SBCC, the DCMA Small Business Professional acts on behalf of the Administrative Contracting Officer in accordance with FAR 42.302(a)(52),(53) and (54) by performing small business subcontracting plan reviews. The Small Business Professional must review small business subcontracting plans in accordance with the DoD Subcontracting Plan Checklist. This further supports the March 2, 2018 MOU between DCMA and DoD OSBP located on the resource page. This type of review provides recommendations only, except for Master Subcontracting Plan that must be signed by a DCMA ACO.

3.2. INCOMING REVIEWS. All requests for Individual Subcontracting Plan Reviews must be submitted to the DCMA Headquarters (HQ) Small Business Compliance Center using the e-mail address located on the resource page. The SBPA manages and maintains the Small Business Center assignment log. The SBPA must distribute a request for Individual Subcontracting Plan review to the appropriate Small Business Professional on a rotational basis by geographical location (East or West).

3.3. CONDUCTING REVIEWS. The Small Business Professional review must be conducted in accordance with DFARS 219.705-4 and the Subcontracting Plan Checklist, which can be found in the Subcontracting for Small Business and Contracting/Acquisition Professionals (Government and Industry) located on Resource Page.

3.4. CONCLUSION OF REVIEW.

a. Upon completion of the review, the Small Business Professional prepares a memorandum to the requester using the DCMA Pre-Award Subcontracting Plan Review Memorandum (located on the resource page) recommending:

- The SBSP be accepted, or
- The SBSP be disapproved. When the subcontracting plan is going to be disapproved, the Memorandum must include specific regulatory citations in the deficient areas, reference required goals, and suggest action to make the plan acceptable.

b. For Individual and Commercial Plans, the recommendation memorandum must be signed by the Small Business Professional and sent to the requester; a copy is also sent to the SBPA. Recommendations on Master Plans are reviewed by the AD prior to release.

- Individual Subcontracting Plan - means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror's planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

- Commercial Subcontracting Plan-means a subcontracting plan (including goals) that covers the offeror’s fiscal year and that applies to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line).
- Master Subcontracting Plan-means a subcontracting plan that contains all the required elements of an individual subcontracting plan, except goals, and may be incorporated into individual subcontracting plans, provided the master subcontracting plan has been approved.

Table 1 - Pre-Award Subcontracting Plan Reviews

Plan Type	Review Time	Approve Memo	Approve Plan	Duration
Individual	7 calendar days	N/A	Contracting Officer	One time
Commercial	7 calendar days	N/A	Contracting Officer	Annually
Master	7 calendar days	Assistant Director	Assistant Director/ Contracting Officer	3 years

c. The SBPA updates the assignment log with the review completion date and the review recommendation.

d. The Small Business Professional uploads the checklist and recommendation memorandum on located on Resource Page in accordance with DCMA Instruction (DCMA-INST) 809, “Records Management.”

GLOSSARY

G.1. Acronyms.

ACO	Administrative Contracting Officer
AD	Assistant Director
CFR	Code of Federal Regulations
CMO	Contract Management Offices
CMTview	Contract Management Team View
CPSR	Contractor Purchasing Systems Review
CSP	Comprehensive Subcontracting Plans
DCMA-INST	DCMA Instruction
DCMA-MAN	DCMA Manual
DFARS	Defense Federal Acquisition Regulation Supplement
FAR	Federal Acquisition Regulation
HCA	Head of the Contracting Activity
HQ	Headquarters
MOU	Memorandum of Understanding
OSBP	DoD Office of Small Business Programs
OTSB	Other Than Small Business
PTACs	Procurement Technical Assistance Centers
SB	Small Business
SBCC	Small Business Compliance Center
SBPA	Small Business Performance Analyst
SBSP	Small Business Subcontracting Program

REFERENCES

Code of Federal Regulations, Title 13
Code of Federal Regulations, Title 48
DCMA General Order No FY05-11, July 20, 2005
DCMA Instruction 809, "Records Management," May 1, 2011
Defense Federal Acquisition Regulation Supplement Subpart 219.705-4, "Reviewing the Subcontracting Plan"
Defense Federal Acquisition Regulation Supplement 252.219-7003, "Subcontracting Plan (Test)" April 2018
Defense Federal Acquisition Regulation Supplement 252.219-7004, "Subcontracting Plan" April 2018
DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
DoD Instruction 4205.01, "DoD Small Business Programs," June 8, 2016
Federal Acquisition Regulation Subpart 19.7, "The Small Business Subcontracting Program"
Federal Acquisition Regulation (FAR) 42.302, "Contract Administration Functions"
Federal Acquisition Regulation (FAR) 52.219-9, "Small Business Subcontracting Plan"
Memorandum of Understanding Between DCMA and DoD Office of Small Business Programs, March 2, 2018
Memorandum of Understanding Between DCMA and Small Business Administration, July 26, 2016
United States Code, Title 15