



DCMA Manual 2302-01

Small Business Programs Administration

Office of Primary Responsibility	Contractor Effectiveness Capability
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Approved by:	David G. Bassett, LTG, USA, Director

Purpose: This issuance, in accordance with the authority in DoD Directive 5105.64, “Defense Contract Management Agency (DCMA)”:

- Implements policy established in DCMA Instruction 2302, “Small Business,” as amended

- Implements the process and procedure in accordance with the current DoD Instruction 4205.01, “DoD Small Business Programs”

SUMMARY OF CHANGES

This Manual has been rewritten to incorporate all separate small business manuals into a single, overarching manual. Therefore, Agency users and stakeholders should read this Manual in its entirety. The following identifies the most notable changes:

- Section 1: Policy was updated to capture the policy information from DCMA Manuals 2302-01, 2302-02, 2302-03, and 2302-04
- Section 2: The title of the Small Business Director was changed to Subcontracting and Small Business Director; the roles of the Subcontracting and Small Business Director, Small Business Assistant Directors, Small Business Professional, and the Small Business Performance Analyst were updated; the role of the Mentor Protégé Team Lead was added
- The following Sections were added to this manual: Section 4: Administration Of The DoD Mentor Protégé Pilot Program, Section 5: Test Program For Negotiation Of Comprehensive Small Business Subcontracting Plans (CSP), Section 6: Subcontracting Oversight And Compliance, and Section 7: Records Management
- Overview of DCMA Manual 2302-01, “Conducting Individual (Preaward) Subcontracting Plan,” February 14, 2019, is captured in Section 6 in this Manual
- Overview of DCMA Manual 2302-02, “Small Business Subcontracting Test Plan Program,” February 23, 2019, is captured in Section 5 in this Manual
- Overview of DCMA Manual 2302-03, “Administration of the DoD Mentor Protégé Pilot Program,” February 14, 2019, is captured in Section 4 in this Manual
- Overview of DCMA Manual 2302-04, “Conducting Contractor Small Business Subcontracting Program Compliance Reviews,” February 14, 2019, is captured in Section 6 in this Manual

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance applies to DCMA organizational units, Military Departments, Defense Agencies, and DoD Field Activities that choose to delegate small business administrative functions and small business (SB) subcontracting compliance to DCMA unless higher-level regulations, policy, guidance, or agreements take precedence.

1.2. POLICY. It is DCMA policy to provide clarity and consistency within DCMA's Subcontract and Small Business Compliance Center (SSBCC) as it relates to:

a. The performance of SB contract administration services in compliance with Federal Acquisition Regulation (FAR) 19.7, 42.302 (a)(52) through (55) and 52.219, Defense Federal Acquisition Regulation Supplement (DFARS) 219, and other applicable regulations, supplements, and directives in accordance with (IAW) DCMA Instruction 2302, "Small Business."

b. The review of SB subcontracting plans; to include individual, commercial and master subcontracting plans.

c. Administration of the DoD Test Program for the Negotiation of Comprehensive Subcontracting Plan.

d. Administration of the DoD Office of Small Business Programs (OSBP) Mentor Protégé (MP) Agreements.

e. Conducting SB subcontracting oversight and review for compliance of DoD prime contractors over which DCMA has been delegated contract administration authority.

f. Subcontracting compliance reviews will be performed IAW the Memorandum of Understanding (MOU) between DCMA and the Small Business Administration (SBA).

g. Executing this Manual in a safe, efficient, effective, and ethical manner.

SECTION 2: RESPONSIBILITIES

2.1. DIRECTOR, DCMA. The DCMA Director will:

- a. Implement SB program policy as set forth in DoD Instruction 4205.01, “DoD Small Business Programs.”
- b. Disseminate the Agency’s goals as established by DoD OSBP.
- c. Appoint one full time SB Director responsible for Agency SB policy, programs, and procedures.

2.2. EXECUTIVE DIRECTOR, CONTRACTS. The Contracts Executive Director will:

- a. Monitor Agency SB achievements including socio-economic categories to ensure Agency SB goals assigned by DoD OSBP are achieved.
- b. Provide guidance and direction to the SSBCC, as necessary, in executing SB policy.

2.3. SUBCONTRACT AND SMALL BUSINESS COMPLIANCE DIRECTOR. The SSBCC Director will:

- a. Advise, represent, and assist the Agency Director, the Contracts Executive Director, Program Managers, and requirements personnel on all matters that affect SBs throughout the acquisition process.
- b. Execute oversight of the Agency’s SB administrative processes.
- c. Support Agency Initiatives.
- d. Provide guidance and direction to the SSBCC in executing SB policy.
- e. Administer the MOU between DCMA and DoD OSBP and the MOU between DCMA and the SBA.
- f. Assist and mentor the SB workforce with the implementation and execution of this Manual.
- g. Serve as the Agency’s SB Ombudsman.
- h. Monitor Agency SB awards, including socio-economic categories, to ensure Agency SB goals assigned by DoD OSBP are achieved.

2.4. SMALL BUSINESS ASSISTANT DIRECTOR(S) (AD(s)). The ADs for the SB Specialized Support Group (SSG) and the SB Compliance Group will:

- a. Ensure compliance with this Manual and other related issuances.
- b. Ensure training, guidance, and tools align with this Manual.
- c. Implement oversight of SB programs managed for DoD to include the Mentor-Protégé Pilot Program, the Test Program for the Negotiation of Comprehensive Subcontracting Plans Subcontracting Compliance IAW the MOUs between DCMA and DoD OSBP and between DCMA and the SBA.
- d. Establish, schedule, and maintain annual compliance review workload in coordination with regional support from Divisional Administrative Contracting Officers (ACO), SBA, and DoD OSBP.
- e. Resolve issues with internal and external customers that pertain to compliance and annual review results and other written reports.
- f. Maintain SB data and metrics.
- g. Support Agency initiatives.
- h. Serve as a representative of the Agency on varied SB related teams, meetings and working groups.
- i. Serve as the delegated signature authority for DoD Comprehensive Subcontracting Plans (CSP).

2.5. SMALL BUSINESS PROFESSIONAL (SBP). The SBP will:

- a. Comply with this Manual and other related issuances.
- b. Conduct subcontracting plan reviews.
- c. Conduct periodic contractor subcontracting compliance reviews.
- d. Execute the management and administration of DoD Mentor-Protégé Pilot Program and CSP Test Program.
- e. Prepare accurate and complete reviews as assigned, within the scope of the appropriate guidebook and job aid.
- f. Provide SB support when necessary on Agency reviews conducted by other Commands, Groups, or Divisions (e.g., for Procurement Technical Assistance Center, Contractor Purchasing System Reviews, Contractor Performance Assessment Reporting System, etc.).

2.6. SMALL BUSINESS PERFORMANCE ANALYST (SBPA). The SBPA will:

- a. Monitor, review, and evaluate SSBCC performance data.
- b. Provide the Return on Investment data to the SB Director and the Contracts Directorate.
- c. Serve as the Agency's SB Electronic Subcontracting Reporting System Representative to DoD OSBP.
- d. Advise the SB Director and Assistant Directors on analysis of SSBCC performance.
- e. Maintain and manage the DCMA SB internal and external webpages.

2.7. SMALL BUSINESS MENTOR PROTÉGÉ TEAM LEAD (MPTL). The MPTL will:

- a. Engage with all DoD MP Program Managers on changes to the program by representing DCMA at Monthly OSBP Program Managers Meetings.
- b. Meet with the other DoD MP Program Managers annually to evaluate the entries for the Nunn Perry Award.
- c. Distribute the post agreement workload on a bi-monthly basis and review any report submissions prior to distribution to OSBP.
- d. Accept new credit MP agreement proposals and assign to a DCMA SBP. The MPTL will be responsible for updating the DCMA Credit MP agreement application log with all incoming credit agreements located on the DCMA SB internal page.
- e. Coordinate all Corporate Management Council requests and support DCMA Headquarters Taskings.
- f. Support Agency and DoD MP Outreach and SB Events representing DCMA and OSBP.
- g. Develop the DoD Mentor Protégé Program (MPP) Executive Summary Report.
- h. Track Semiannual Report submissions and ensure that all documentation is uploaded to DCMA SB records holding site. Semiannual report review information is reported to OSBP.
- i. Conduct monthly staff meetings to discuss any program changes, workload questions, DCMA issues/concerns and general team discussions.
- j. Review DCMA MP Master Spreadsheet.
- k. Acknowledge and complete DCMA SB Director Requests.

l. Conduct quarterly program management reviews for tracking and reporting participation by the MP team members. Ensure quarterly reports are provided to the SSG AD.

m. Review and approve annual performance review reports completed by the MP team members. The MPTL must ensure the signed report with supporting documentation is uploaded into DCMA SB records holding site.

n. Review site visit requests from MP team members for approval and ensure funds availability on a quarterly basis.

SECTION 3: SMALL BUSINESS PROGRAMS OVERVIEW

3.1. SUBCONTRACT & SMALL BUSINESS COMPLIANCE CENTER. The SSBCC is comprised of the Contractor Purchasing System Review Group, the Small Business Compliance Group and the Small Business Specialized Support Group. Guidance for the Contractor Purchasing System Review Group can be found in DCMA Manual (DCMA-MAN) 2301-01, “Contractor Business Systems.” The SB function of the SSBCC consists of the SB SSG and the SB Compliance Group (previously known as the East and West Groups). The SB Groups within the SSBCC provide oversight and administration of SB programs managed in support of the DoD to include the MPP, the Test Program for the Negotiation of CSP, and Subcontracting Compliance IAW the MOUs between DCMA and DoD OSBP and the SBA (found on the Manual’s Resource Page). The SB functional specialists of the SSBCC must perform the processes as defined within this Manual and all associating Guidebooks and Job Aids that are located on the Resource Page.

3.2. SMALL BUSINESS SPECIALIZED SUPPORT GROUP. This group administers and manages two congressionally authorized programs on behalf of the DoD OSBP.

a. MP Team. The DCMA MP Team monitors and reviews current MP agreements and post agreements for the DoD MPP. The DoD MPP was established November 5, 1990 (Section 831 of Public Law 101-510) in an effort to respond to concerns raised by DoD prime contractors: that many Small Disadvantaged Businesses (SDB) did not possess the technical capabilities to perform DoD subcontract requirements, making it difficult for these prime contractors to achieve their SDB subcontracting goals.

b. CSP Team. The CSP team negotiates CSPs with defense contractors participating in the program; reviews contractor performance to determine SB utilization to the maximum extent possible; and provides timely information to customers regarding the application, execution and sustainment of the program. The Test Program for the Negotiation of CSP was designed to determine whether CSPs will result in increased subcontracting opportunities for SBs while reducing the administrative burden on the prime contractor.

3.3. SMALL BUSINESS COMPLIANCE GROUP. This group performs subcontracting program compliance reviews of DoD prime contractors as well as subcontracting plan review recommendations.

SECTION 4: ADMINISTRATION OF THE DOD MENTOR PROTÉGÉ PILOT PROGRAM

4.1. DOD MENTOR PROTÉGÉ PROGRAM INTRODUCTION.

a. The purpose of the DoD MPP is to provide incentives to DoD prime contractors with approved Mentor-Protégé Agreements to assist SB firms and increase their overall participation as prime contractors and/or subcontractors. The program was established under Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510). This is accomplished through technical and developmental assistance from the Mentor to the Protégé. The DoD program and eligibility requirements are provided in Appendix I of the DFARS. This program helps to sustain a competitive supplier base which contributes to affordability in current and future Defense acquisitions.

b. Through the MPP, large firms (DoD Mentors) receive financial and credit incentives to provide technology transfer and business assistance to SDB, Women-owned Small Businesses, Economically Disadvantaged Women-Owned Small Business, Service-Disabled Veteran-Owned Small Businesses, Historically Underutilized Business Zone (HUBZone) firms, organizations employing severely disabled veterans and individuals, 8(a) or non-traditional defense contractors pursuant to Section 2302(9) of Title 10, United States Code and reference DFARS Appendix I-102(b). DCMA SSBCC, MP Team has been delegated authority on behalf of DoD OSBP to administer the MPP.

c. The DCMA MP Team must ensure that all DoD MP agreements awarded by the DoD Components are properly approved, managed, and reviewed IAW DFARS Appendix I and DFARS 219.71, "Pilot Mentor-Protégé Program."

d. The DCMA MP Team must provide the DoD OSBP and the cognizant DoD Components with administration of their MP agreements and an accurate determination of the performance level of each agreement to include the reported progress made by the protégé in employment, revenues, and participation in DoD contracting during the review period.

e. The DCMA MP team must work with the cognizant DoD Components in awarding hybrid and reimbursable agreements.

f. The MP Team must execute the processes cited in this manual and as defined in the Administration of the DoD Mentor Protégé Pilot Program Guidebook found on the Resource Page.

4.2. AGREEMENT TYPES. The DoD MPP offers three types of agreements: Credit, Reimbursable, and Hybrid. Agreements are approved for 1 to 3 years. The cognizant Component Director may approve an extension of an additional 2 years, with an adequate justification detailing the unusual circumstances that warrant a term in excess of 3 years (Reference DFARS Appendix I -107(k)). The protégé is required to complete an annual post agreement report for 2 years following completion of an agreement showing performance in employment, revenue, and DoD contract participation.

a. Credit agreements are those in which the mentor receives credit toward their SB subcontracting goals based on the unreimbursed costs incurred in providing developmental assistance to the protégé. Credit agreements are approved and managed by the MPTL within DCMA.

b. Reimbursable agreements are those in which the mentor receives reimbursement for allowable costs of developmental assistance provided to the protégé. Reimbursable agreements are approved by the cognizant Component SB Director.

c. Hybrid agreements allow the mentor and protégé to take options from the two agreement types: credit and reimbursable; allowing the mentor to receive credit toward SB subcontracting goals and receive reimbursement for the cost of developmental assistance provided to a protégé with each agreement while stating the limitations on which costs will be reimbursed and which will be credited. The DCMA MP team works with the cognizant DoD Components in awarding hybrid and reimbursable agreements.

4.3. PROGRAM INITIATION.

a. The DoD MPP is initiated by the mentor completing the MPP Mentor Application Forms and submitting the application to DoD OSBP. DoD OSBP evaluates the application and sends acceptable mentors an approval letter.

b. Companies that have been approved as mentors in the Program and have identified a protégé firm must submit a signed MP agreement for each MP relationship to the Director, DoD OSBP. The MPP Agreement Template is located on the Resource Page along with the link to the list of DoD OSBP approved mentors.

4.4. CREDIT PROCESS.

a. The MPTL must retrieve the credit agreement proposals from the MP Inbox submitted by the mentor along with all the supporting documentation required to review the proposal.

b. The MPTL must utilize the credit application log to assign and track the incoming credit agreement proposals to an MP SBP for review.

c. The MP SBP must review the proposal using the Mentor Protégé New Agreement Checklist (located on the Resource Page) to determine mentor and protégé eligibility and to ensure an achievable agreement is proposed. If incomplete, the agreement will be returned to the mentor within 14 calendar days of receipt if any additional information is required.

d. After reviewing the agreement proposal, the MP SBP must provide a written recommendation to the MPTL for approval or denial into the program within 14 calendar days.

e. Upon approval of the agreement, the MPTL will issue a letter approving the credit agreement to the mentor and the protégé with a copy to DoD OSBP. The MP Team Lead then assigns the agreement to a MP SBP.

- f. Agreements that are denied are returned to the mentor to make the recommended changes.

4.5. HYBRID PROCESS.

- a. The mentor submits their proposal and all supporting documentation to the cognizant DoD Component.

- b. The mentor meets with the MPTL and the appropriate cognizant DoD Component SB manager to discuss the development of their proposed hybrid agreement.

- c. The mentor prepares the proposed hybrid agreement and submits it for review to the cognizant DoD Component and to the MPTL.

- d. Hybrid agreements begin as a credit agreement for year one. The MPTL assigns the proposal to an MP SBP to review. The proposal review process for hybrid agreements is the same process as credit agreement proposals, (see Paragraph 4.4.). While DCMA is reviewing the credit portion of the proposal, the cognizant DoD component initiates and secures funding for the reimbursable portion of the agreement.

- e. After completion of the proposal review, the MP SB must provide a recommendation to the MPTL for the credit portion of the agreement within 14 calendar days.

- f. The MPTL reviews the proposed agreement: if rejected, the MPTL returns it to the MP SBP with comments; if approved the MPTL provides the recommendation of approval to the cognizant DoD component in order to initiate the approval process for the reimbursable portion of the agreement. Proposed agreements that are not approved are returned to the mentor for revisions. While DCMA is reviewing the credit portion of the proposal, the cognizant DoD component reviews the reimbursable portion of the proposal and initiates/secures funding for the reimbursable portion of the agreement.

- g. The MPTL assigns the agreement to a MP SBP. Administration of a hybrid agreement remains with the same SBP throughout all phases of the agreement. Guidelines for agreement management are in the Administration of the DoD Mentor Protégé Pilot Program Guidebook which is located on the Resource Page.

- h. DCMA performs annual performance reviews and provides recommendations to cognizant DoD Components on the continuance of agreements. If continuance is recommended the agreements are converted to reimbursable for the remaining term. If DCMA does not recommend continuing the agreement, the MP SBP performs a closeout review and the agreement ends.

4.6. REIMBURSABLE PROCESS. Upon notification that a reimbursable agreement has been awarded by the cognizant DoD Component, the agreement is then assigned to a MP SBP by the MPTL to manage. The contracting officer of the cognizant DoD Component must provide a copy of the contract, which includes the approved MP agreement and all supporting

documentation to the MPTL, who forwards it to the MP SBP responsible for conducting the annual performance review.

SECTION 5: TEST PROGRAM FOR NEGOTIATION OF COMPREHENSIVE SMALL BUSINESS SUBCONTRACTING PLANS

5.1. PROGRAM INTRODUCTION.

a. The Test Program for Negotiation of CSP was established in 1990 IAW Section 834 of Public Law 101-189, as amended. The purpose of the CSP Test Program is to determine whether the negotiation and administration of CSPs, in lieu of individual subcontracting plans, will reduce the administrative burden on contractors while enhancing opportunities for SB concerns under DoD contracts. Companies that currently participate in the CSP Test Program have a corporate, divisional, or sector-level CSP encompassing prime contracts and subcontracts with DoD. The CSP Test Program has been extended through December 31, 2027. The DCMA SSBCC, CSP Team has been delegated authority on behalf of DoD OSBP to administer, negotiate, and manage the CSP Test Program.

b. The DoD Subcontracting Program authorizes the negotiation, administration, and reporting of subcontracting plans on a plant, division, or company-wide basis as appropriate. The purpose of the program is to determine whether CSPs will increase subcontracting opportunities for SBs while reducing the administrative burden on contractors.

c. The “Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans,” published in the Federal Register, Volume 65, No. 16 is the guide for preparing plans. The DCMA SBP evaluates the CSP Program proposed subcontracting plan IAW FAR 19.705-4 and DFARS 219.705-4. The MOU between DCMA and DoD OSBP further provides the governance structure and overall program management for contractor goal achievement subcontracting.

5.2. REQUESTING AND RECEIVING SUBCONTRACTING PROGRAM PLANS.

a. On behalf of DoD OSBP, the DCMA SSG AD must send a request for fiscal year (FY) plans to each CSP no later than July 1st each year. Each contractor is responsible for responding to the DCMA request for plans by the designated due date, usually August 15th of each year.

b. The SSG AD and the SBP must perform CSP FY activities IAW the CSP Negotiations Checklist and the FY DCMA CSP Timeline Of Events document located on the Resource Page.

5.3. ANALYZING AND NEGOTIATING COMPREHENSIVE SUBCONTRACTING PLANS.

a. The designated SBPs (reference “CSP Small Business Professional Designated Assignment List” located on the Resource Page) must prepare a negotiation memorandum IAW “CSP Negotiation Support Memorandum,” located on the Resource Page using the form and instructions that establish the government’s negotiation objectives. Before proceeding with negotiations, the memorandum must have initial approval by a warranted contracting officer in the SB Office. Normally this is the SSG AD, but could be the SB Director, or another warranted individual, designated by the SB Director, if the SSG AD is not available. The same

memorandum is used to document the results of the negotiation to include what the contractor proposed, the Government's position, and the negotiated amounts in dollars and goals.

b. All CSP negotiations with the program participant must be completed no later than September 15th annually. All FY CSPs must be negotiated and distributed no later than September 30th of each FY.

c. Final FY CSPs are signed by the Contractors' authorized official using the template "CSP FYXX Negotiation Signature Summary Page" located on the Resource Page. The plan must be signed by the SSG AD, and SB Director or other warranted contracting officer in the SB Office designated by the SB Director.

d. The SSG AD distributes the CSPs no later than September 30th to be effective October 1st. Distribution is made to the ACO, Corporate ACO, Divisional ACO, OSBP, and the DoD Components to include SB Offices and identified component contracting officers and IAW the "Internal Only CSP Distribution List" located on the Resource Page.

e. The SBP must upload all supporting documents in accordance with Section 7 of this Manual for each Contractor no later than 5 business days after signing of the plan. Uploaded documents include, but are not limited to, the request for plan, CSP Proposal, Negotiation Support Memorandum, and supporting documentation.

5.4. CONDUCTING COMPREHENSIVE SUBCONTRACTING PLAN COMPLIANCE REVIEWS.

a. Compliance reviews are scheduled, conducted, and completed between January 1st and March 31st of each year and IAW the CSP Management Cycle. (See the Resource Page.)

b. CSP reviews are performed annually, preferably onsite, at the CSP participant location. However, annual reviews may be performed virtually via video conference or teleconference. Results are provided to each CSP participant on or before April 15th using the template, "CSP Template for Compliance Review Results," located on the Resource Page.

SECTION 6: SUBCONTRACTING OVERSIGHT AND COMPLIANCE

6.1. SUBCONTRACTING COMPLIANCE REVIEWS.

a. FAR Part 42.302 and DFARS Part 242.302 gives DCMA authority to perform Contract Administration Services, which includes the evaluation of DoD other than SB contractors' compliance with their subcontracting plans.

b. The SBP is responsible for evaluating, reviewing, and documenting contract performance to determine compliance with FAR 19.7, FAR clauses 52.219-8 and FAR 52.219-9, and DFARS 219.706(a)(ii) and the contractors' approved subcontracting plan. The SBP will achieve this by performing reviews of prime contractors' subcontracting compliance and assigning an overall performance rating IAW FAR 42.302(a)(55).

c. The SB subcontracting oversight and contractor compliance reviews must be conducted using the DCMA Form 640, "DCMA SB Subcontracting Program Compliance Review Form," (located on the Resource Page). The SBP will ensure that prime contractors comply with their SB subcontracting plans IAW FAR 52.219-9.

d. The SBP assists the contracting officer in their pre and post award roles by performing subcontracting plan reviews for elements required in FAR clause 52.219-9, Small Business Subcontracting Plan (References FAR clause 52.219-9, Small Business Subcontracting Plan, FAR 19.702, Statutory requirements, FAR clause 52.219-16, Liquidated Damages-Subcontracting Plan and DFARS PGI 219.201, General policy).

e. At midyear each calendar year, no later than July 15th, the SBC Group AD, the SB Director, and selected SBPs will meet to validate and assess workload assignments for the upcoming calendar year. This process validates workload assignments for each SB Professional within the SSBCC.

f. SBPs must conduct compliance reviews IAW the criteria and goals established each FY by the Agency and SB Directors. Compliance reviews are conducted for the upcoming calendar year IAW the Subcontracting Compliance Review Guidebook and all associated Job Aids.

6.2. SUBCONTRACTING PLAN REVIEWS.

a. In reviewing and providing assistance in negotiating subcontracting plans, SBPs must comply with regulatory authority set out in the FAR and the DFARS. This guidance is spelled out in the Code of Federal Regulations (CFR) and the FAR. The Basics of Subcontracting document, located on the Resource Page, provides information for reviewing subcontracting plans as prescribed by DoD OSBP. Title 13, CFR, is the set of federal regulations governing the standards for conducting business with the SBA and the FAR provides contracting officers guidance on implementing and enforcing these regulations. The most utilized legislation, regulation and policy of the subcontracting program can be found using the following FAR, DFARS, and CFR references:

(1) 48 CFR 19.7, The Small Business Subcontracting Program. This regulation provides various rules for the federal government's subcontracting program.

(2) FAR 19.704, SB Subcontracting plan requirements. This guidance identifies the 15 mandatory elements of a subcontracting plan.

(3) FAR 19.705, Responsibilities of the contracting officer under the subcontracting assistance program. This guidance provides the rules that identify the pre award and post award role of the contracting officers and the other than SB contractors.

(4) FAR 19.706, Responsibilities of the cognizant ACO. This guidance provides the rules that identify the pre and post award role of the contracting officers and the contractors.

(5) FAR 19.707, The SBA's role in carrying out the Subcontracting program. This guidance provides the rules that explain the roles and responsibilities of the SBA in the Subcontracting Program.

(6) FAR clause 52.219-8, Utilization of Small Business Concerns. This clause is added in solicitations and contracts when the contract amount is expected to exceed the simplified acquisition threshold, unless the acquisition is set aside or is to be accomplished under the 8(a) program.

(7) FAR clause 52.219-9, Small business subcontracting plan. This clause provides the rules for subcontracting plans and is included in solicitations and contracts that offer subcontracting possibilities.

(8) FAR clause 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).

(9) DFARS clause 252.219-7003, SB Subcontracting Plan (DoD Contracts). This rule identifies the requirements of the subcontracting plan.

(10) DFARS clause 252.219-7004, SB Subcontracting Plan (Test Program). This rule identifies the requirements of the subcontracting plan.

b. Within the SSBCC, the DCMA SBP acts on behalf of the ACO IAW FAR 42.302(a)(52), (53) and (54) by performing SB subcontracting plan reviews. The three types of subcontracting plans are:

(1) Individual Subcontracting Plan - 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. Indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

(2) Commercial Subcontracting Plan - a subcontracting plan (including goals) covering the offeror's FY and applying to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line).

(3) Master Subcontracting Plan - a subcontracting plan containing all required elements of an individual subcontracting plan, except goals. This plan may be incorporated into individual subcontracting plans, provided the master subcontracting plan has been approved.

c. Through the utilization of the DoD Subcontracting Plan Checklist, the SBP's recommendation of approval or disapproval is based on whether the contractor adequately addressed the requirements of FAR 19.704, FAR clause 52.219-9, and DFARS 219.705-4 in the subcontracting plan and in accordance with the current MOU between DCMA and DoD OSBP located on the Resource Page. The SBP's review provides the contracting officer with a recommendation of approval or disapproval of an Individual Subcontracting Plan or Commercial Subcontracting Plan. The SBP also provides to the DCMA ACO a recommendation of approval or disapproval of a Master Subcontracting Plan.

6.3. INCOMING PLAN REVIEWS. The Procuring Contracting Officer owns the responsibility for negotiating and approving the individual and commercial subcontracting plan. However, requests to review the plan can come from the buying activity's contract specialist, procurement contracting officer, acquisition specialist, program manager, SB specialist or from a DCMA contract administrator, ACO, or Divisional ACO. Requests for Master Plan Reviews are submitted by an ACO. All requests for subcontracting plan reviews must be submitted to the DCMA Headquarters SSBCC using the email address located on the Resource Page. The SBPA will distribute the subcontracting plan review request to the appropriate SBP on a rotational basis based upon the SSBCC assignment log.

6.4. CONDUCTING PLAN REVIEWS. The SBPs review must be conducted IAW FAR 19.704, FAR clause 52.219-9, DFARS 219.705-4 and the DoD Subcontracting Plan Checklist, which can be found on the Resource Page. Once the SBP receives and opens the request to review a subcontracting plan via email from the SBPA, the SBP has 7 calendar days to provide a recommendation of approval or disapproval to the requestor. The recommendation is sent via email utilizing the DCMA Subcontracting Plan Review Memorandum (located on the Resource Page). The SBP will address the email response directly to the requestor with a copy to the DCMA Headquarters SSBCC, the SBPA, and all addressees in the initial email received from the SBPA.

6.5. CONCLUSION OF REVIEW.

a. Upon completion of the review, the SBP prepares a memorandum to the requester using the DCMA Subcontracting Plan Review Memorandum (located on the Resource Page) recommending:

- SBSP approval, or

- SBSP disapproval. When the subcontracting plan is going to be disapproved, the Memorandum must include specific regulatory citations in the deficient areas.

b. Review Distribution.

(1) Individual and Commercial Plans. The SBP must sign the recommendation memorandum and send to the requester along with a copy to the SBPA, the SB Center Inbox and all addressees in the initial email request.

(2) Master Plans. The SBP must sign the memorandum recommending approval of a Master Plan then submit to the AD for concurrence. The AD emails concurrence to the SBP. A memorandum of approval/disapproval is sent to the ACO by the SBP with a copy to the SBPA, the SB Center Inbox, and all addressees in the initial email request.

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

SECTION 7: RECORDS MANAGEMENT

7.1. RECORDS MANAGEMENT SYSTEM. The DCMA Records Management and Retention policy and procedures as identified under DCMA-MAN 4501-04, Volume 1, “Records and Information Management Program,” and DCMA-MAN 4501-04, Volume 2, “Records Retention Schedule,” provide an orderly system for organizing records for filing and eventual disposition. The responsibility for maintaining historical documentation of transactions that occur during a work process rests primarily with the functional specialist executing that process. The SBP and all specialists/analysts within the SSBCC will store official SB contract administrative files in the approved Agency document repository. Documents that would normally be filed in hardcopy folders, as referenced in the FAR, will be uploaded to the Agency-approved document repository after final approval of the action. SSBCC personnel will properly categorize documents for electronic retrieval and records retention purposes using specific metadata when uploading documents into the document repository.

7.2. SMALL BUSINESS RECORDS. The Electronic Document Records Management System is the Agency’s system of record for all DCMA records and will be used to the greatest extent possible. Any deviation from this requirement will be maintained IAW DCMA-MAN 4501-04, Volume 2. The SSBCC is in the process of obtaining access to the Electronic Document Records Management System; therefore, all documents will continue to be filed on the internal DCMA SSBCC page.

GLOSSARY

G.1. DEFINITIONS.

Economically disadvantaged women-owned small business concern. Means a SB concern that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States and who are economically disadvantaged IAW 13 CFR part 127.

HUBZone. An area located within one or more qualified census tracts, qualified nonmetropolitan counties, lands within the external boundaries of an Indian reservation, qualified base closure areas, or redesignated areas, as defined in 13 CFR 126.103.

HUBZone small business concern. Means a SB concern, certified by the SBA that appears on the List of Qualified HUBZone Small Business Concerns maintained by the SBA.

Return-on-Investment. The protégé provides a brief summary, along with supporting data, of the developmental assistance provided by the mentor; addressing whether participation in the MPP attributed to their ability to perform successfully under contracts and/or subcontracts within DoD and other federal agencies.

SB Ombudsman. The role of the SB Ombudsman is to receive and address inquiries and complaints from SB concerns that are contractors or subcontractors to contracts administered by DCMA.

SB concern. Means a concern, including its affiliates that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a SB under the criteria and size standards in 13 CFR part 121.

SB goals. The SBA negotiates with federal agencies to establish individual agency SB award goals that constitute government-wide goals. In addition, the SBA negotiates a SB subcontracting goal based on recent achievement levels. The SBA establishes the government-wide and agency socio-economic category goals at their statutory levels. DoD OSBP assigns SB goals to each DoD Agency.

Small disadvantaged business concern. Means a small business concern under the size standard applicable to the acquisition, that:

- (1) Is at least 51 percent unconditionally and directly owned by—
 - (i) One or more socially disadvantaged and economically disadvantaged individuals who are citizens of the United States; and
 - (ii) Each individual claiming economic disadvantage has a net worth not exceeding \$750,000 after taking into account the applicable exclusions; and
- (2) The management and daily business operations of which are controlled by individuals who meet the criteria in paragraphs (1)(i) and (ii) of this definition.

Socio-economic categories. The Small Business Act (Section 15(g), 15 United States Code 644(g) (1)) includes the various small business procurement goals to be applied to socially and economically SDBs, service-disabled veteran-owned small businesses (SDVOSB), woman-owned small businesses (WOSB), and small businesses in the HUBZone Program.

Subcontract. Means any agreement entered into by a prime contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services under a prime contract.

Subcontracting plan. A document required of prime contractors if they are an other than small business and the estimated dollar value of the base contract and all option periods exceeds, or is expected to exceed, \$750,000. The subcontracting plan must establish specific dollar and percentage goals for subcontracting to small, HUBZone small, small disadvantaged, small women-owned, Veteran-owned small, and service-disabled Veteran-owned small business firms. This plan must be in place prior to contract award.

Subcontractor. A contractor who enters into a contract with a prime contractor.

Veteran-owned small business concern. Means a small business concern-(1) Not less than 51 percent of which is owned by one or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and (2) The management and daily business operations of which are controlled by one or more veterans.

Women-owned small business concern. A concern eligible under the WOSB Program that is at least 51 percent directly and unconditionally owned by, and the management and daily business operations of which are controlled by, one or more women who are citizens of the United States IAW 13 CFR part 127.

GLOSSARY

G.2. ACRONYMS.

ACO	Administrative Contracting Officer
AD	Assistant Director
CFR	Code of Federal Regulations
CSP	Comprehensive Subcontracting Plan
DCMA Form 640	DCMA SB Subcontracting Program Compliance Review Form
DCMA-MAN	DCMA Manual
DFARS	Defense Federal Acquisition Regulation Supplement
FAR	Federal Acquisition Regulation
FY	fiscal year
HUBZone	Historically Underutilized Business Zone
IAW	in accordance with
MOU	Memorandum of Understanding
MP	Mentor Protégé
MPP	Mentor Protégé Program
MPTL	Mentor Protégé Team Lead
OSBP	Office of Small Business Program
SB	small business
SBA	Small Business Administration
SSBCC	Subcontracting and Small Business Compliance Center
SBPA	Small Business Performance Analyst
SBP	Small Business Professional
SDB	Small Disadvantaged Businesses
SSG	Specialized Support Group
WOSB	Women-owned small business

REFERENCES

- DCMA Manual 2301-01, "Contractor Business Systems," April 28, 2019
- DCMA Manual 4501-04, Volume 1, "Records and Information Management Program," April 16, 2021
- DCMA Manual 4501-04, Volume 2, "Records Retention Schedule," April 14, 2021
- Defense Federal Acquisition Regulation Supplement (DFARS), current edition
- DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013
- DoD Instruction 4205.01, "DoD Small Business Programs," June 8, 2016 (as amended)
- Federal Acquisition Regulation (FAR), current edition
- Federal Register, Volume 65, No. 31, "Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans," February 15, 2000
- Memorandum of Understanding between DCMA and the DoD Office of Small Business Programs, March 2, 2018
- Memorandum of Understanding between DCMA and the Small Business Administration, July 26, 2016
- Public Law 101-189, Section 834, "National Defense Authorization Act for Fiscal Years 1990 and 1991," as amended
- Public Law 101-510, Section 831, "National Defense Authorization Act for Fiscal Year 1991," November 5, 1990
- United States Code of Federal Regulations, Title 10
- United States Code of Federal Regulations, Title 13
- United States Code of Federal Regulations, Title 15