

**SECTION J**

**APPENDIX K**

**SMALL BUSINESS SUBCONTRACTING PLAN**

**(Added: 0045-FY15 Goals; 0052-FY16 Goals; 0084-FY17 Goals)**



**Department of Energy  
National Nuclear Security Administration  
Production Office**



P.O. Box 2050  
Oak Ridge, Tennessee 37831

P.O. Box 30030  
Amarillo, Texas 79120

November 14, 2016

Mr. B. (Skip) Skelton  
Director, Supply Chain Management  
Consolidated Nuclear Security, LLC  
P.O. Box 2009  
Oak Ridge, Tennessee 37831-8004

Dear Mr. Skelton:

**CONTRACT NO. DE-NA0001942, APPROVAL OF FISCAL YEAR 2017 SMALL BUSINESS SUBCONTRACTING GOALS**

Reference: Letter from Richard K. Atwood to Frank G.E. Cruz, subject, Contract DE-NA0001942, Fiscal Year 2017 Small Business Subcontracting Goals, dated October 25, 2016

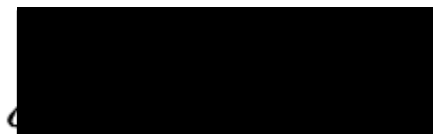
The National Nuclear Security Administration (NNSA) reviewed the Consolidated Nuclear Security, LLC (CNS), Fiscal Year (FY) 2017 Small Business Subcontracting Goals, and concludes the intent of this agreement is not to reduce small business goals when a company has consistently performed higher than the overall goal. Therefore, NNSA approves the CNS FY 2017 Small Business Subcontracting Goals based on the procurement base of \$475M as indicated below:

SB Program	FY 2017 Goals
Small Business	60%
Small Disadvantaged Business	12%
Woman-Owned Small Business	12%
HUBZone	4%
Veteran-Owned Small Business	6%
Service Disabled Veteran-Small Business	4%

CNS shall comply with the small business policy in accordance with FAR Part 52.219-8(b) & (c) to award subcontracts to the fullest extent consistent with efficient contract performance based on the approved FY 2017 goals indicated above.

If you have any questions, please contact me at (806) 477-6699.

Sincerely,



Frank G.E. Cruz  
Contracting Officer

cc:

Dan Saiz, NA-APM-131

Christopher Duran, NA-APM-131

Gregory Gonzales, NA-APM-1

Gary Lyttek, NA-APM-1

Lloyd DeSerisy, NPO-50

Becky Tracy, NPO-50

Janice Brashears, NPO-50

Jill Albaugh, NPO-50

Connie Bayless, NPO-50

Justin Higdon, NPO-50

Belynda Thompson, NPO-50

Michael Bocskovits, UPO

Phil Kirby, UPO



**Department of Energy  
National Nuclear Security Administration  
Production Office**



P.O. Box 2050  
Oak Ridge, Tennessee 37831

P.O. Box 30030  
Amarillo, Texas 79120

December 14, 2015

Mr. B. (Skip) Skelton  
Director, Supply Chain Management  
Consolidated Nuclear Security, LLC  
P.O. Box 2009  
Oak Ridge, Tennessee 37831-8004

Dear Mr. Skelton:

**CONTRACT NO. DE-NA0001942, FISCAL YEAR 2016 SMALL BUSINESS SUBCONTRACTING GOALS**

The Consolidated Nuclear Security, LLC (CNS) Fiscal Year (FY) 2016 Small Business Subcontracting goals are approved based on the procurement base of \$425M. CNS shall comply with the small business policy in accordance with FAR Part 52.219-8(b) & (c) to award subcontracts to the fullest extent consistent with efficient contract performance based on the approved FY 2016 Goals indicated below:

<u>SB PROGRAM</u>	<u>FY 2016 GOALS</u>
Small Business	55%
Small Disadvantaged Business	10%
Woman-Owned Small Business	10%
HUBZone	3%
Veteran-Owned Small Business	4%
Service Disabled Veteran Small Business	3%

If you have any questions, please contact me at (806) 477-6699.

Sincerely,



Frank G. E. Cruz  
Contracting Officer

cc:

- Dan Saiz, APM-131
- Gregory Gonzales, NA-APM-1
- Gary Lyttek, NA-APM-1
- Michael Bocskovits, UPO
- Phil Kirby, UPO
- Lloyd DeSerisy, NPO-50
- Becky Tracy, NPO-50
- Janice Brashears, NPO-50
- Jill Albaugh, NPO-50
- Connie Bayless, NPO-50
- Justin Higdon, NPO-50



**U.S. Department of Energy**  
NNSA Production Office  
Post Office Box 2050  
Oak Ridge, Tennessee 37831-8009



October 16, 2014

Mr. B. (Skip) Shelton  
Director, Supply Chain Management  
Consolidated Nuclear Security, LLC  
P.O. Box 2009  
Oak Ridge, Tennessee 37831-8004

Dear Mr. Shelton:

**CONTRACT NO DE-NA0001942, FISCAL YEAR 2015 SMALL BUSINESS SUBCONTRACTING GOALS**

The Consolidated Nuclear Security, LLC (CNS) Fiscal Year (FY) 2015 small business subcontracting goals are approved based on the procurement based of \$400,000,000.

<u>FY 2015 Goals</u>	
Small Business	65%
Small Disadvantaged Business	10%
Woman-Owned Business	10%
HUBZone	4%
Veteran-Owned Business	4%
Service Disabled Veteran-Business	3%

If you have any questions, please contact me at (865) 241-3917 or at my alternate number at (865) 576-4220.

Sincerely,

Connie D. Bayless  
Contracting Officer  
NNSA Production Office

cc:  
Jill Albaugh, NPO-50  
Leticia Barela, APM-13.1, ALB  
Janice Brashears, NPO-50  
Michael Bocskovits, UPO  
Frank G.E. Cruz, NPO-50  
Phil Kirby, UPO  
Seb Klein, NPO-50  
Becky Tracy, NPO-50  
Tom Vereb, NPO-50

## Small Business Subcontracting Plan

FAR 19.708(b) prescribes the use of the Contract's Section I Clause entitled "FAR 52.219-9, Small Business Subcontracting Plan." The following is a suggested model for use when formulating such subcontracting plan. While this model plan has been designed to be consistent with FAR 52.219-9, other formats of a subcontracting plan may be acceptable. However, failure to include the essential information as exemplified in this model may cause a delay in plan review and approval. The use of this model is not intended to waive other requirements that may be applicable under the Contract's Section I Clause entitled "FAR 52.219-9, Small Business Subcontracting Plan." "Subcontract," as used in this clause, means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for supplies or services required for performance of the Contract or subcontract.

<b>Contractor</b>	<u>Consolidated Nuclear Security, LLC</u>
<b>Address</b>	<u>5275 Westview Drive, Frederick, MD 21703-8306</u>
<b>Solicitation Number</b>	<u>DE-SOL-0001458</u>
<b>Item/Service</b>	<u>Management and Operation of the Y-12 National Security Complex and Pantex Plant and associated activities</u>
<b>Amount of Contract for Fiscal Year 2013</b>	<u>Estimated \$1,300,000,000</u>
<b>Period of Contract Performance</b>	<u>FY12-FY22</u>

Type of Plan (Check One)

- Individual Plan (All elements developed specifically for this Contract and applicable for the full term of this Contract.)
- Master Plan (Goals developed for this Contract; all other elements standard; must be renewed every three years.) (See FAR 52.219-9(f)(1)-(3)).
- Commercial Plan (Contractor sells large quantities of off-the-shelf commercial items to many Government agencies. Plans/goals are negotiated by a lead agency on a company-wide basis rather than for individual Contracts. Plan effective only during the year for which it is approved. The Contractor must provide a copy of the lead agency approval). (See FAR 19.704(d) and 52.219-9(g)).

### I. Goals

The Contractor shall submit annual subcontracting goals 60 days prior to the beginning of each fiscal year during the term of this Contract, or by such other date as authorized in writing by the Contracting Officer. Small business subcontracting goals for the consolidated contract should reflect a positive impact on local geographic areas affected by the consolidation. Except for the initial plan submitted with the proposal, this plan and accomplishments will be submitted through the eSRS System.

This submittal shall include goals for Small Business concern (SB), Veteran-owned Small Business concern (VOSB), Service-disabled Veteran-owned Small Business concern (SDVOSB), HUBZone Small Business concern (HubSB), Small Disadvantaged Business

concern (SDB), and Women-owned Small Business concern (WOSB), collectively referred to as “small business concerns”. The goals will be negotiated once each fiscal year and will be set forth by letter as agreed to by the Contractor and Contracting Officer.

The proposed goals shall be based upon the estimated budget and commercial purchases, including those for Large Business concerns (LB), which will be derived from the current fiscal year budget. Goals may be changed within the first six months of each fiscal year by agreement between the Contracting Officer and the Contractor if there is a cancellation or an addition of program or project funding. Goals for the utilization of SB, VOSB, SDVOSB, HubSB, SDB, and WOSB subcontractors shall be submitted as follows unless otherwise required by the Contracting Officer.

The goals shall be expressed in both dollars and percentages for LB, SB, VOSB, SDVOSB, HubSB, SDB, and WOSB.

A. The following percentage goals (expressed in terms of a percentage of total planned subcontracting dollars) are applicable to the Contract period Year One.

1. The total estimated dollar value of all planned subcontracting (to all types of business concerns) under this Contract is \$ 400,000,000 (100%).

a. LB Concerns. Total estimated dollar value and percent of planned subcontracting with large businesses (all business concerns classified as “other than small”) (% of 1. above): \$ 140,000,000 and 35 %.

b. SB Concerns. Total estimated dollar value and percent of planned subcontracting with small businesses (include SB, VOSB, SDVOSB, HubSB, SDB, and WOSB concerns) (% of 1. above): \$ 260,000,000 and 65 %.

c. VOSB Concerns. Total estimated dollar value and percent of planned subcontracting with veteran-owned small businesses (% of 1. above): \$ 16,000,000 and 4 %. This amount is included in the amount shown under A.1.b, above, as a subset.

d. SDVOSB Concerns. Total estimated dollar value and percent of planned subcontracting with service-disabled veteran-owned small businesses (% of 1. above): \$ 12,000,000 and 3 %. This amount is included in the amount shown under A.1.b, above, as a subset.

e. HubSB Concerns. Total estimated dollar value and percent of planned subcontracting with HUBZone small businesses (% of 1. above): \$ 16,000,000 and 4 %. This amount is included in the amount shown under A.1.b, above, as a subset.

f. SDB Concerns. Total estimated dollar value and percent of planned subcontracting with small disadvantaged businesses (% of 1. above): \$ 40,000,000 and 10 %. This amount is included in the amount shown under A.1.b, above, as a subset.

g. WOSB Concerns. Total estimated dollar value and percent of planned subcontracting with small women-owned businesses (% of 1. above): \$ 40,000,000 and 10 %. This amount is included in the amount shown under A.1.b, above, as a subset.

B. A description of all the types of products and/or services that will be acquired under this Contract is necessary to determine how the subcontracted dollars are to be spent.

1. The following principal products and/or services will be subcontracted under this Contract, and the types of businesses supplying them are as follows:

Subcontracted Product/Service	Business Size							Subcontract %
	Other	SB	SDB	WOSB	HubSB	VOSB	SDVOSB	
A&E	■	■	■		■			2.0
Construction	■	■	■	■	■	■	■	10.0
Consultants	■	■	■	■				0.05
Equipment Maintenance/ Repair/ Calibration	■	■	■	■		■	■	0.5
General Commodities	■	■	■	■	■	■	■	25.0
General Services	■	■	■	■	■	■	■	30.0
Professional Services	■	■	■	■		■	■	35.0
Research and Development	■	■		■		■	■	0.5
Software Maintenance and Licensing	■	■	■	■	■	■	■	2.0
Training	■	■	■	■		■	■	0.1

2. Include a description of the method used to develop the subcontracting goals for SB, VOSB, SDVOSB, HubSB, SDB, and WOSB concerns; i.e., explain the method and state the quantitative basis (in dollars) used to establish the percentage goals; how the areas to be subcontracted to SB, VOSB, SDVOSB, HubSB, SDB, and WOSB concerns were determined; and how the capabilities of SB, VOSB, SDVOSB, HubSB, SDB, and WOSB were determined. Include any source lists used in the determination process.

To establish goals and commitments, we gathered available CNS information, forecasted probable acquisition needs, and analyzed project estimates. We used procurement historical data and experience to determine potential requirements and contingencies. Our subcontracting goals are both realistic and attainable. We will continually identify and review potential sources of supplies and services including, but not limited to, the following:

- a) Government Central Contractor Registration (CCR) Dynamic Small Business Search database (formerly PRO-Net)
  - b) State and regional Small Business Administration (SBA) resources
  - c) National Minority Purchasing Council Vendor Information Service
  - d) Research and Information Division of the Minority Business Development Agency in the Department of Commerce
  - e) Trade associations for SB, VOSB, SDVOSB, HubSB, SDB, and WOSB concerns
  - f) Sponsorship of and/or participation in various local, regional, and national SB trade fairs and conferences
  - g) Membership in and coordination and cooperation with SB organizations, economic development organizations, and commercial and government organizations at the local, state, and national levels
3. Indirect cost have \_\_\_\_\_ have not X been included in the dollar and percentage subcontracting goals stated above. (Check one)
  4. If indirect costs have been included, explain the method used to determine the proportionate share of such costs to be allocated as subcontracts to SB, VOSB, SDVOSB, HubSB, SDB, and WOSB concerns.





- ◆ Coordinating contractors' activities prior to and during federal agency compliance reviews
- ◆ Mentoring SBs currently under subcontract and enhancing their ability to provide timely, cost-effective, and quality services
- ◆ Facilitating contact between SB suppliers and respective procurement and technical/program personnel
- ◆ Advising and training project management personnel on the purposes of the Small Business Subcontracting Plan and fostering their support of the plan
- ◆ Attending SB training and monitoring program changes to ensure compliance at CNS
- ◆ Reviewing, revising, and amending applicable procedures and instructions
- ◆ Verifying that subcontracts contain the flowdown clauses pertaining to SB concerns, when required, and maintaining the policies and procedures required by the prime contract
- ◆ Reviewing and approving small business subcontracting plans submitted by large businesses, where applicable
- ◆ Verifying that lower-tier large business subcontractors submit small business subcontracting plans (when applicable) and the required semi-annual and annual subcontracting reports, and verifying compliance
- ◆ Establishing and maintaining contacts and communication with our parent organizations and networking with other SB program advocates within these organizations to support, implement, or enhance the CNS SB program
- ◆ Maintaining good working relationships with SBA representatives to obtain assistance and coordination in finding capable SBs
- ◆ Maintaining a close working relationship with NNSA to ensure that our project objectives and activities are consistent with NNSA programs
- ◆ Submitting monthly progress reports to NNSA reporting on small business utilization

### III. Equitable Opportunities and Outreach Efforts

Describe efforts the offeror will make to ensure that SB, VOSB, SDVOSB, HubSB, SDB, and WOSB concerns will have an equitable opportunity to compete for and secure subcontracts. These efforts may include, but are not limited to, the following activities:

#### A. CNS outreach efforts to obtain sources:

- ◆ Provide a full-time onsite small business program manager who will serve as a liaison among the SB community, internal acquisition personnel, and the client
- ◆ Plan solicitations (including time for preparation and development of SOW, quantities, specifications, and delivery schedules) to facilitate SB participation in subcontracting opportunities and solicitation, offer, and proposal activities
- ◆ Establish and maintain contacts with SB trade associations and business development organizations
- ◆ Attend SB, VOSB, SDVOSB, HubSB, SDB, and WOSB business procurement conferences and trade fairs
- ◆ Conduct external workshops, seminars, and training programs to ensure SBs are familiar with the requirements for doing business at CNS
- ◆ Maintain an elective outreach program by sponsoring and attending regional procurement conferences, trade fairs, and other functions to locate additional qualified sources
- ◆ Implement an ongoing "in-reach" program that provides SBs access and exposure to key project planners and managers

- ◆ Request sources from the SBA commercial market representative and access the CCR Dynamic Small Business search database when needed
- ◆ Utilize newspapers and magazine ads to encourage small business participation
- ◆ Develop a comprehensive source list of SB on-site service providers that includes past performance and is easily accessible and useful to acquisition personnel
- ◆ Select and qualify SB concerns to perform specific scopes of work
- ◆ Structure the program to help develop the capabilities and quality of services provided by SB suppliers and subcontractors under contract
- ◆ Use book references, catalogs, source lists, or other reference material to identify SB, VOSB, SDVOSB, HubSB, SDB, and WOSB sources before the acquisitions are placed

**B. CNS's internal efforts to guide and encourage purchasing personnel:**

- ◆ Conduct internal workshops, seminars, and training programs to ensure that internal customers and acquisition personnel are acquainted with the Small Business Subcontracting Plan, our policies, and prime contract requirements
- ◆ Establish, maintain, and use SB, VOSB, SDVOSB, HubSB, SDB, and WOSB source lists, guides, and other data for soliciting subcontracts
- ◆ Monitor activities to evaluate compliance with the subcontracting plan
- ◆ Issue letter from the President and General Manager to show support for the SB program and to encourage the use of small businesses
- ◆ Establish and maintain CNS's Small Business Policy

#### **IV. Subcontracting Plan Flowdown**

The Contractor agrees to include the Contract's Section I Clause entitled "FAR 52.219-8, Utilization of Small Business Concerns", in all subcontracts that offer further subcontracting opportunities. All subcontractors, except small business concerns, which receive subcontracts in excess of \$650,000 (\$1,500,000 for construction) must adopt and comply with a plan similar to the plan required by FAR 52.219-9, Small Business Subcontracting Plan, (FAR 19.704). The prime Contractor cannot alter this requirement.

#### **V. Reports and Surveys**

The Contractor gives assurance of:

- A. Cooperation in any studies or surveys that may be required by the Contracting agency, or the U.S. Small Business Administration (SBA).
- B. Submission of periodic reports, which show compliance with the subcontracting plan.
- C. The Contractor shall submit the Individual Subcontracting Report (ISR) and Summary Subcontract Report (SSR) using the Government's Electronic Subcontract Reporting Systems (eSRS). The Contractor shall submit the ISRs and SSRs electronically to a single, Government wide system, which can be accessed at the following website: [www.esrs.gov](http://www.esrs.gov). The eSRS is a single reporting tool for all subcontracting plan accomplishments, will streamline the reporting process, and provide the Government with immediate access to the Contractor's subcontracting data. The Contractor shall be responsible for inputting accurate and complete reports into the eSRS. Contractor reporting of ISR and SSR accomplishments using the eSRS will commence upon receipt of written notification from the Contracting Officer's Representative.

- D. Ensuring that large business subcontractors with subcontracting plans agree to submit ISRs and SSRs as determined necessary by the Contracting Officer to comply with DOE/NNSA internal procedures/practices.

Reporting Period	Report Due	Due Date
October 1–March 31	ISR	April 30
April 1–September 30	ISR	October 30
October 1–September 30	SSR	October 30


Submittals: Except for the initial plan submitted with the proposal, this plan and accomplishments will be submitted through the eSRS in accordance with FAR 19.704, FAR clause 52.219-9, and clause H-5 of the RFP.

## VI. Records and Procedures

The following is a recitation of the types of records and procedures the Contractor will maintain to demonstrate compliance with the requirements and goals in the subcontracting plan. These records will include, but are not limited to the following:

- A. If the Prime Contractor is not using CCR as its source for SB, VOSB, SDVOSB, HubSB, SDB, and WOSB concerns, list the names of guides and other data identifying such vendors;
- B. Organizations contacted in an attempt to locate SB, VOSB, SDVOSB, HubSB, SDB, and WOSB sources;
- C. On a Contract-by-Contract basis, records on each subcontract solicitation resulting in an award of more than \$150,000 indicating whether SB, VOSB, SDVOSB, SDB, and WOSB concerns were solicited, and if not, why not; and if applicable, the reason that the award was not made to a small business concern;
- D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conferences and trade fairs;
- E. Records to support internal guidance and encouragement provided to buyers through (1) workshops, seminars, training programs, incentive awards; and (2) monitoring of activities subcontract award data including the name, address, and business size of each subcontractor (this item is not required on a Contract-by-Contract basis for company or division-wide commercial plans);
- F. On a Contract-by-Contract basis, records to support subcontract award data including the name, address, and the business size of each subcontractor (this item is not required on a Contract-by-Contract basis for company or division-wide commercial plans); and
- G. Additional Records

This subcontracting plan was submitted by:

Signed: 

Typed Name: Darrell Graddy

Title: Mission Support Manager

Date: March 9, 2012

Phone No.: TBD

PLAN CONCURRED ON BY: 

NNSA Small Business Program Manager

Date: 1-7-13

PLAN ACCEPTED BY: 

NNSA Contracting Officer

Date: 1-7-13