19.705-2 Determining the need for a subcontracting plan.

The *contracting officer shall* take the following actions to determine whether a proposed contractual action requires a subcontracting plan:

(a)

(1) Determine whether the proposed *total contract dollars* will exceed the subcontracting plan threshold in 19.702(a).

(2) Determine whether a proposed modification will cause the *total contract dollars* to exceed the subcontracting plan threshold (see 19.702(a)).

(b) Determine whether subcontracting possibilities exist by considering relevant factors such as-

(1) Whether firms engaged in the business of furnishing the types of items to be acquired customarily contract for performance of part of the work or maintain sufficient in-house capability to perform the work; and

(2) Whether there are likely to be product prequalification requirements.

(3) Whether the firm can acquire any portion of the work with minimal or no disruption to performance (with consideration given to the time remaining until contract completion), and at fair market value, when a determination is made in accordance with paragraph (a)(2).

(c) If it is determined that there are no subcontracting possibilities, the determination *shall* include a detailed rationale, be approved at a level above the *contracting officer*, and placed in the contract file.

(d) In *solicitations* for negotiated *acquisitions*, the *contracting officer may* require the submission of subcontracting plans with initial *offers*, or at any other time prior to award. In determining when subcontracting plans *should* be required, as well as when and with whom plans *should* be negotiated, the *contracting officer must* consider the integrity of the competitive process, the goal of affording maximum practicable opportunity for small business, veteran-owned small business, service-disabled veteran-owned small business, *HUBZone* small business, small disadvantaged business, and *women-owned small business concerns* to participate, and the burden placed on *offerors*.

(e) A contract *may* not have more than one subcontracting plan. However, a *contracting officer may* establish separate subcontracting goals for each order under an indefinite-delivery, indefinite-quantity contract (19.705-1(b)(2)). When a *contract modification* exceeds the subcontracting plan threshold (see 19.702(a)) or an *option* is exercised, the goals of an existing subcontracting plan *shall* be amended to reflect any new subcontracting opportunities not envisioned at the time of contract award. These goal changes do not apply retroactively.

(f) If a subcontracting plan has been added to the contract due to a modification (see 19.702(a)(1)(iii)) or a size re-representation (see 19.301-2(e)), the subcontracting goals apply from the date of incorporation of the subcontracting plan into the contract and the contractor's

achievements *must* be reported on the ISR (or the SF-294, if applicable) on a cumulative basis from the date of incorporation of the subcontracting plan into the contract.

Parent topic: 19.705 Responsibilities of the contracting officer under the subcontracting assistance program.