MEMORANDUM FOR COMPONENT ACQUISITION EXECUTIVES
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Revised Test Program for Negotiation of
Comprehensive Small Business Subcontracting Plans

The Comprehensive Small Business Subcontracting Plan Test Program
(the test program), required by section 834 of Public Law 101-189
waives the requirement for negotiation, on a contract-by-contract basis,
of subcontracting plans, as required under paragraphs (4) and (5) of
section 8(d) of the Small Business Act (15 U.S.C. 637(d)), for
contractors that have negotiated a comprehensive subcontracting plan
under the test program. The purpose of the test program is to determine
whether comprehensive subcontracting plans will result in increased
subcontracting opportunities for small and disadvantaged businesses,
while reducing the administrative burdens on contractors.

Section 822 of the National Defense Authorization Act for Fiscal
Year 1998 (Public Law 105-85) extended the test program through
September 30, 2000. Section 822 also provides for use of comprehensive
small business subcontracting plans by participating contractors when
performing as subcontractors under DoD contracts. With the exception of
revisions to incorporate these legislative modifications, the DoD test
plan, and the initiatives to be discussed by contracting officers when
negotiating with test program participants (attachment 1), are unchanged
from those identified for FY 1998.

A comprehensive small business subcontracting plan must be
negotiated each fiscal year for contractors selected to participate in
the test program. The Defense Contract Management Command (DCMC) has
negotiated and is administering most of the comprehensive subcontracting
plans that now exist. You should consider delegating to DCMC authority
to negotiate comprehensive subcontracting plans for the remainder of the
test program.

To ensure the quality of the comprehensive subcontracting plan, the
contracting officer, shall establish a comprehensive small business
subcontracting plan negotiating team comprising representatives
identified at attachment 2. In addition, the Department or Agency
Director of Small and Disadvantaged Business Utilization (or his or her
designee) shall coordinate on comprehensive plans prior to acceptance by
the contracting officer. Such Director or designee shall also play an
active role in the administration of the plan, including participation
in periodic performance reviews, and shall provide the contracting
officer with information on the adequacy of the contractor's compliance
with the obligations of the plan.

Attachments
As stated

Dave Oliver
Principal Deputy
Initiatives - DoD Comprehensive Small Business Subcontracting Plan Test Program

- Soliciting at least one small disadvantaged business and one women-owned small business on every competitive solicitation.

- Establishing a home page dedicated to providing information, including procurement opportunities, to potential small business sources and to link this home page to the OUSD(A&T), OSADBU home page.

- Pursuing at least one new subcontract award with an eligible Indian-owned entity in accordance with the Indian Incentive program provisions of FAR Subpart 26.1.

- Entering into at least one new Mentor-Protege agreement with an SDB that is not part of the program at this time.

- Pursuing at least one minority institution or historically Black college or university to perform as a subcontractor.

Attachment 1
The contracting officer who will be responsible for negotiation and approval of the comprehensive subcontracting plan and for discharging the responsibilities at FAR 19.705.

The designated contracting activity's Associate Director of Small and Disadvantaged Business Utilization or his designee.

The SADBU Specialist of the cognizant contract administration activity that administers the preponderance of the prime contractor's contracts and/or the appropriate individual who will administer contractor performance under the test.

A price analyst, production specialist, and/or other functional specialist, as appropriate.

Additionally, the Director of Small and Disadvantaged Business Utilization of the department or agency that negotiates the plan (or designee) shall review and coordinate on the proposed plan prior to its acceptance by the contracting officer.