

UNLV Procedure for Federal Small Business Subcontracting Plans (Applicable only to sponsored projects funded by federal contracts over \$550,000)

I. Overview

This procedure is provided with the goal of complying with federal regulations designed to promote the use of small businesses by those conducting research with federal contract funds. Federal Contracts or subcontracts for amounts greater than \$550,000 require that a Small Business Subcontracting Plan be drafted and submitted. The subcontracting plan will become part of the Contract itself. The Small Business Subcontracting Plan must comply with the requirements contained in Federal Acquisition Regulation (FAR) [Subpart 19.7](#).

The specific spending goals of the Small Business Subcontracting Plan encompass UNLV's direct spend with collaborators (vendors and suppliers that can provide a specific good or service) and the purchase of supplies, technical services, chemicals, and equipment made directly by UNLV representatives. For those commodities or services that are integral to the successful completion of the prime federal contract or UNLV's subcontract with the prime that exceed UNLV's bidding requirement limit, a formal solicitation will need to be drafted by the Purchasing and Contracts Department in accordance with Nevada System of Higher Education regulations.

As the Small Business Subcontracting Plan will eventually become a part of UNLV's federal contract or UNLV's subcontract with the recipient of the prime federal contract, it is very important that cross-department cooperation – Office of Sponsored Programs, Faculty or Staff, and Purchasing – take place early to identify the specific project requirements and to denote opportunities to incorporate small businesses into the Small Business Subcontracting Plan.

It is important to formulate a realistic Small Business Subcontracting Plan and execute to its budgeting details. There are potential monetary penalties for not meeting goals. Moreover, non-compliance issues, such as not meeting goals set in the Small Business Subcontracting Plan, are documented by the federal agencies and will affect all future funding applicants at UNLV.

Finally, the government defines “fair market price” as a price based on reasonable costs under normal competitive conditions and not on lowest possible cost.

II. Instructions

Step 1: Notifying the Office of Sponsored Programs (OSP)

When a federal contract, or subcontract, is awarded the faculty or staff member directing the project shall contact the Office of Sponsored Programs to alert them to the possible need to draft a subcontracting plan. If it is determined that a subcontracting plan must be completed, it is the responsibility of the department to make available a contact person (usually the faculty member coordinating the project) who has in-depth technical

knowledge of the requirements of the project. This is critical as the faculty contact will have the knowledge necessary to create a plan. Once the requirements are clarified, the OSP staff will work with the faculty contact to create a subcontracting plan.

The detailed technical information provided by the staff contact is also vital in locating vendors that can provide the needed service or product. By providing as much information about the technical qualifications of the services and products required of a vendor, the OSP and Purchasing staff will be in better position to locate an eligible vendor.

Step 2: Detailing a Budget

The Office of Sponsored Programs will assist the faculty member or staff contact in creating a plan that is responsive to the goals of the project. Key to this is the budget allocations to small businesses. All spending percentage goals in the subcontracting plan will be made with faculty contact input. All budgets in the Small Business Subcontracting Plan must be reviewed and approved by the Office of Sponsored Programs.

Any anticipated spending for a specific product or service that will exceed multiple quote or bidding limits must comply with the below requirements:

Commodity and Service Purchases
\$0 - \$25,000 - One Written Quote
\$25,001 - \$50,000 - Minimum of Two Written Quotes
Over \$50,000 - Must be Competitively Bid

It is important that any aspect of the project requiring a formal competitive bid be brought to the attention of the Purchasing staff as soon as possible. Ample time must be given to the Purchasing staff to compose the bid and to identify eligible vendors. The Purchasing Office requests six weeks lead time for development of competitive bids.

If bidding is required, it will be the Purchasing staff's responsibility to ensure that they insert clause [52.219-8](#) and/or [52.219-9](#) as required in [Subpart 19.708](#) and as applicable.

Step 3: Identifying Vendors

Once the list of goods and services needed is ready, the faculty contact can locate a suitable vendor in two ways:

(1) Search UNLV's Supplier Diversity Database <http://apps.facilities.unlv.edu/SmallApps/SupplierDiversity> and set the search criteria to search by commodity and/or vendor class. The Small Business Administration's Dynamic Small Business database http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm should also be utilized.

(2) Contact Rolando Mosqueda at 895-2561 in the UNLV Purchasing and Contracts Office. Rolando has access to several other databases that may be useful in locating an eligible vendor.

The faculty contact is best qualified to recognize an eligible vendor. Hence, the faculty contact should call the vendors and verify the suitability of their products or services for the project. If the project is highly technical, it may be that small business vendors for only general items like lab supplies, office supplies, or travel arrangements can be identified. If this is the case, persons conducting the search for a vendor should make a reasonable effort to find vendors for some of the more specialized types of supplies and services. This effort should be documented so that a UNLV representative can demonstrate, if necessary, to the federal officer that UNLV has exhausted all present avenues available for finding suitable small business vendors for each of the specified categories.

As part of UNLV's good faith effort to use small business vendors whenever possible throughout the life of the contract, the faculty should be on the lookout for small business vendors that can meet their project's needs. Work with the Purchasing Office to have a vendor added to the database once one is located.

Step 4: Tracking Subcontracting Plan Spending

As departmental progress is made on the project, it is required that the faculty contact track spending that aligns with the goals set for in the subcontracting plan. It is highly encouraged that the [Cost Distribution of Products and Services](#) template is used to help in tracking the spending with small business. A sample cost distribution can be viewed at:

<http://research.unlv.edu/docs/sample.doc>

Please Note: Some vendors can be counted in more than one category. For example, if a business is a small business AND minority owned AND women owned, you can count the dollars spent with that vendor in all three categories on the tracking template. Some minority-owned businesses are also federally certified small disadvantaged businesses. The specific certification held by a vendor is something that should be verified with each vendor. If the Purchasing database does not correctly categorize a vendor, please notify the Purchasing Office so that the appropriate modification can be made. If you have trouble verifying a vendor's certification status, use the Small Business Administration's Dynamic Small Business database http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm or call Rolando Mosqueda in the Purchasing Office to assist in gathering this information.

Critical to the successful completion of the Small Business Subcontracting Plan is the ability to accurately report the spend totals for each of the small business categories in the plan. This information must be maintained by the persons coordinating the purchases for

the project, updated accurately, and made available to the Program Administrator throughout the project and as the project nears conclusion and reporting is required.

Step 5: Writing a Justification

It is VERY important that if the goals of the Small Business Subcontracting Plan have not been met, that a thorough and detailed justification for the failure be submitted. Under [Subpart 19.705-7](#) the university could be subject to monetary damages if the faculty contact does not show that s/he made a good faith effort to spend the allotted totals in the budget section of the subcontracting plan. The responsibility for writing this justification will be the faculty contact with guidance from OSP and the Purchasing Office.

As a rule, zero percentages in any category are not acceptable. Due to the very technical nature of research, zero or low percentages are at times unavoidable. The faculty contact must make every effort to find vendors, with the assistance of the Purchasing Office, and utilize these vendors for every category in the subcontracting plan even if they are not the least expensive source.

If the spend total in a given category is extremely low and did not meet the target, this will need to be justified in detail. Keep in mind that an extremely low total, however small, is far better than zero because it shows a good faith effort was made. In sum, the justification should include the following specific information:

- If your service/product can only be purchased from a large business, detail a technical reason why that is not based solely on cost.
- If no small business vendor could be located, detail the methodology and efforts taken to locate an eligible vendor.
- The specific circumstances under which a small business vendor was located but stated they could not provide the goods or services requested.
- Concise detail as to the acute technical nature of the project that required a specific vendor, other than a small business, to be chosen.
- Any and all information that would speak as to why the small business spending targets were not met and that demonstrates your good faith effort to execute to the subcontracting plan.
- Your justification should be concise, but provide sufficient technical detail to allow the federal Small Business Officer to fairly evaluate the subcontracting plan.

Step 6: Reporting and Documentation

The reporting aspect of the Small Business Subcontracting Plan is extremely important and dependent on the diligence taken by the faculty contact in Step 4. Using this information, OSP and Purchasing will work together to ensure that [Standard Form 294 \(SF294\)](#) and [Standard Form 295 \(SF295\)](#) are filled out and submitted to the administrative contracting officer semi-annually, during contract performance for the periods ending March 31st and September 30th. A separate report is required for each contract at contract completion. Reports are due 30 days after the close of each reporting period unless otherwise directed by the contracting officer. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or since the previous report.

Additional reporting is required under [Subparts 19.704](#) and [19.706](#). These reporting requirements, if requested, will be handled by the Purchasing staff. All pertinent and relevant information and documentation must be maintained by the faculty contact to help satisfy these additional reporting requirements. All documentation regarding vendor contacts, subcontracting plan spend, and project status will be needed to meet federal reporting standards.

**TEMPLATE: DISTRIBUTION OF PROPOSED PRODUCT/SERVICE FOR
SUBCONTRACTING PLAN**

Contract No.:
Contract Name:
University of Nevada Las Vegas

Product/Service	Designated Subcontract Spend Amount	Amount Spent Pursuant To Subcontracting Plan						
		Large	Small	HZSB	SDB	WOSM	VOSB	SDVO SB
<i>Insert Product/Service</i>	\$	\$	\$	\$	\$	\$	\$	\$
<i>Insert Product/Service</i>	\$	\$	\$	\$	\$	\$	\$	\$
<i>Insert Product/Service</i>	\$	\$	\$	\$	\$	\$	\$	\$
TOTALS	\$	\$	\$	\$	\$	\$	\$	\$
PURCHASE ORDER or P-CARD TRANSACTION NUMBER								

* Amounts include purchases from the same businesses.

Large: Large Business
 Small: Small Business
 HZSB: Hubzone Small Business Concern
 SDB: Small Disadvantaged Business Concern
 WOSM: Woman Owned Small Business Concern
 VOSB: Veteran Owned Small Business Concern
 SDV: Service Disabled Veteran Owned Small Business Concern

SAMPLE: DISTRIBUTION OF PROPOSED COST ELEMENTS FOR SUBCONTRACTING

Contract No. FAKE123-00-5555D
 Contract Name: "Go Runnin Rebels"
 University of Nevada Las Vegas

Product/Service	Designated Subcontract Spend Amount	Amount Spent Pursuant To Subcontracting Plan						
		Large	Small	HZSB	SDB	WOSM	VOSB	SDVO SB
<i>Equipment/Install/Warranty</i>	\$25,000	\$12,500	\$0	\$0	\$450	\$3,000 *	\$3,000 *	\$0
<i>Travel Services</i>	\$5,000	\$0	\$0	\$0	\$00	\$0	\$0	\$0
<i>Consulting</i>	\$10,000	\$3,200	\$750 *	\$0	\$750 *	\$0	\$0	\$0
TOTALS	\$40,000	\$15,700	\$750 *	\$	\$1200 *	\$3000 *	\$3000 *	\$0
PO or P-CARD TRANSACTION NUMBER		PO 2080044 PCard 2PC000111	PO 200041		PO 2080041 PCard 2PC00012	PO 2080048	PO 2080048	

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