**Guidance on Small Business Subcontracting Plans**

The Federal Acquisition Regulation (FAR) governs the Federal government’s acquisition of services and supplies. It provides rules for the submission of proposals and for the post-award management of contracts in the acquisition environment. Many of the funding opportunities to which CMU faculty submit proposals are governed by the FAR as are the subsequent contract awards.

[Section 19.7](https://acquisition.gov/far/current/html/Subpart%2019_7.html) of the FAR requires contractors like CMU to prepare a document called a “Small Business Subcontracting Plan.” Small Business Subcontracting Plans typically are required when submitting a proposal under a solicitation governed by the FAR when the budget is anticipated to be or contains options providing the potential for funding amounts of $650,000 or above and the budget contains opportunities for small and/or disadvantaged businesses to participate in the award. When the budget contains line items such as materials and supplies, travel, and other direct costs, there may be an opportunity to utilize small businesses to obtain these supplies and services in order to address the Small Business Administration’s FAR requirements under such award.

Small Business Subcontracting Plans come in two varieties – institution-wide plans and specific contract plans. CMU maintains an institution-wide plan or “Master Subcontracting Plan” that includes an “Individual Subcontract Goals Attachment” that is project specific. The Master Subcontracting Plan when utilized in combination with a completed Individual Subcontract Goals Attachment constitutes a complete “Individual Subcontract Plan.” The Master Subcontracting Plan and Individual Subcontract Goals Attachment can be found at <http://www.cmu.edu/finance/procurementservices/policies-procedures/subcontracting-plans.html>. CMU also maintains information regarding contracting with small businesses at <http://www.cmu.edu/finance/procurementservices/additional/index.html>.

When a funding solicitation requires the submission of a Small Business Subcontracting Plan, as referenced by FAR 52.219-9, the CMU business manager and the Principal Investigator (PI) will work together to develop an appropriate Individual Subcontract Plan (the “Plan”). The Plan requires the PI to set project expenditure goals as a percentage of the project budget to obtain services and supplies from small and/or disadvantaged businesses. The PI is required to sign their Plan to certify his or her intent to meet the goals outlined in the Plan.

Specific Plans are usually prepared and submitted with the project proposal. Please provide a copy of the required Plan signed by the PI to the Office of Sponsored Programs (OSP) at the time of proposal submission along with the SPEX routing sheet and other proposal documentation.

If a contract is awarded to CMU, OSP will send a copy of the Plan to Sponsored Projects Accounting (SPA) with the award and all supporting documentation. If at the time of award OSP has not yet received a copy of the Plan, or if the Plan has been revised, the award and supporting documentation will not be sent to SPA until the most recent copy of the Plan signed by the PI has been received.

Semi-annual or annual (dependent upon the sponsoring agency) reporting regarding status of goal attainment is a requirement of FAR 52.219-9. These reports are prepared by SPA and reviewed with the Procurement Office. Please note that the PI will be asked to provide a short narrative explanation if small business accomplishments included in the report fall below that which would be expected using a straight-line projection of goals through the period of contract performance, as is required submitted by the FAR. Any goals not met at project end will also need to include a similar narrative.

For assistance with the Small Business Subcontracting Plan process, please contact [Shawn Fronzaglia](mailto:sgfronza@andrew.cmu.edu) in Procurement Services at 8-4309. For assistance with proposal submission questions related to Small Business Subcontracting Plans, please contact [Robert Kearns](mailto:rk2a@andrew.cmu.edu) at 8-5837. For questions related to Small Business Subcontracting Plan post-award reporting, please contact [Teri McCort](mailto:teriz@andrew.cmu.edu) at 8-3730.