

Small Business Subcontracting Program

TVA strives to maintain diversity in its supplier base by providing opportunities for qualified small, minority-owned and woman-owned businesses. TVA establishes procurement goals for the utilization of diverse suppliers which includes subcontracting relationships. It is our policy that diverse suppliers shall have the maximum practical opportunity to participate in subcontracts.

TVA suppliers prove willingness to comply with the program by submitting a subcontracting plan and making good faith efforts to meet the plan. All TVA procurement requirements valued at \$550,000 or \$1,000,000 in the case of construction, are required to have a detailed subcontracting plan unless the requirement is to be performed by a small business or will be performed entirely outside the United States. The supplier receiving the award must agree to make provisions for subcontracting with small, minority, woman-owned, HUB Zone and Small Veteran-Owned firms in the plan. Each TVA solicitation meeting the above threshold should contain advisory goals for the suppliers' information.

In addition, TVA, in support of its Economic Development mission, promotes the use of Valley subcontractors and asks suppliers to report on subcontracting expenditures with Valley businesses and well as with small and diverse businesses.

Subcontracting Goals

TVA's commitment is to maximize participation through the development of mutually beneficial business relationships with diverse and Valley firms

TVA has targeted the following percentage goals for the participation of small, minority, and woman-owned businesses, as well as Valley businesses, as subcontractors:

Small Business	23 percent of contract expenditures
Small Minority Business	5 percent of contract expenditures
Small Woman-Owned Business	5 percent of contract expenditures
HUB Zone Small Business	3 percent of contract expenditures
Small Veteran-Owned	3 percent of contract expenditures
Small Service-Disabled	
Veteran-Owned Business	3 percent of contract expenditures
Valley Business	70 percent of contract expenditures

In order to capture TVA's subcontracting achievements against its established goals, suppliers are required to submit quarterly reports (unless an annual

commercial subcontracting report is approved) through the web-based Subcontract Reporting System (SRS).

Types of Subcontracting Plans

Most subcontracting plans fall into one of the following categories:

- **Individual Plan:** Makes provisions for the life of one specific contract, and includes goals by dollar amount and percentage for the prime's planned subcontracting efforts for small women-owned, HUBZone, small veteran -owned, and small service-disabled veteran-owned businesses. In addition to goals, the plan must also contain the other elements as required by Public Law 95-907 and FAR Subpart 19.7 as shown below in subcontracting plan requirements.
- **Commercial (Corporate) Subcontracting Plan:** An annual plan applying to all government contracts in the supplier's fiscal year and applies to the entire production of commercial items sold either by the company or a portion thereof (e.g. division, plant, or product line). It is preferred for commercial items. Plans and goals are negotiated with the initial agency on a company-wide basis rather than for individual contracts. The plan is effective only during the year approved, and must submit either quarterly reports or an approved commercial summary report annually as submitted in the eSRS to TVA with a breakout of subcontracting expenditures prorated for TVA. Suppliers must submit a new commercial/corporate plan on an annual basis. The subcontracting plan must be submitted at least 30 days prior to the expiration of the current subcontracting plan in effect.

Subcontracting Plan Requirements and Templates

To facilitate the completion of a subcontracting plan (when required) by FAR 19.702 (a) and FAR 19.704 a template is provided for both individual subcontracting plans and commercial (corporate) contracting plans. Nothing in these templates or instructions should be construed as waiving or modifying FAR or TVA contract requirements.

Individual Small Business Subcontracting Plan-Temple

Commercial Small Business Subcontracting Plan-Temple

Regardless of the type of subcontracting plan used, all subcontracting plans must contain elements as set forth in the FAR at subpart 19.704 and in the clause at 52.219-9 as described below:

- Percentage goals for the utilization as subcontractors of (1) small business concerns, (2) small business concerns owned and controlled by socially and economically disadvantaged individuals, (3) woman-owned businesses, (4) HUB Zone Small Businesses, and (5) Small Veteran-Owned Businesses to include:

- A statement of total dollars planned to be subcontracted, and the total dollars planned to be subcontracted to each category.
- A description of the principal types of supplies and services to be subcontracted and the types planned to be subcontracted to each category.
- A description of the method used to develop the subcontracting goals.
- The name of an individual within the employ of the offeror who will administer the subcontracting program of the offeror and a description of the duties of such individual.
- A description of the efforts the offeror will take to assure that small business concerns and small business concerns owned and controlled by the socially and economically disadvantaged individuals will have an equitable opportunity to compete for subcontracts.
- Assurances that the offeror will include the Small Business Policy clause in all subcontracts which offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) who receive subcontracts in excess of \$1,000,000 in the case of a contract for the construction of any public facility, or in excess of \$550,000 in the case of all other contracts, to adopt a plan similar to this plan.
- Assurances that the offeror will submit such periodic reports and cooperate in any studies or surveys as may be required by the Tennessee Valley Authority in order to determine the extent of compliance by the offeror with the subcontracting plan.
- Submission of quarterly performance reports as specified by TVA.
- A recitation of the types of records the successful offeror will maintain to demonstrate procedures which have been adopted to comply with the requirements and goals set forth in this plan, including:
 - Establishment of source lists of small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and woman-owned businesses; and efforts to identify and award subcontracts to such small business concerns.
 - Organizations contacted in an attempt to locate sources that are small, small disadvantaged or woman-owned business concerns.
 - Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating (1) whether small business concerns were solicited and if not, why not; (2) whether small disadvantaged business concerns were solicited and if not, why not; (3) whether woman-owned business concerns were solicited and if not, why not; and (4) if applicable, the reason award was not made to a small business concern.

- Records of any outreach efforts to contact (1) trade associations, (2) business development organizations, purchasing councils, and (3) conference and trade fairs to locate small and small disadvantaged business sources.
- Records of internal guidance and encouragement provided to buyers through (1) workshops, seminars, training, etc.; and (2) monitoring performance to evaluate compliance with the program's requirements.

Subcontracting plans shall be reviewed by the respective Contracting Department Manager for adequacy prior to acceptance by TVA. The Contracting Department Manager shall determine whether the plan is acceptable based on the negotiation of each of the elements of the plan.

The Contracting Department Manager should ensure that the goals offered are challenging and yet attainable in relation to:

- The contracting opportunities available to the supplier, commensurate with the efficient and economical performance of the contract.

The actual performance of such supplier in fulfilling the subcontracting goals specified in prior plans.