

DCMA Small Business Program Review (aka Form 640 Review)

April 19, 2017

Why does the Government Care?

- » Small business is a vital part of the US economy and their success is essential to economic growth and prosperity.
- » Small businesses are innovative and creativity
- » Small businesses create the most new jobs
- » Government spending needs to represent the taxpayer



So how does it all begin?

- » Notification Letter (email) received
 - › Contractor receives notification
 - › SBA is invited to attend the review
 - › Letter indicates the universe
 - › (i.e. October 1, 2015 to September 30, 2016)
- » Changes since 2015
 - › DCMA now sends a list of 37 items that are to be covered in a review
 - › DCMA no longer sends out the 640 form in advance



Clock starts ticking – there's not enough time!!!.....What shall we do?



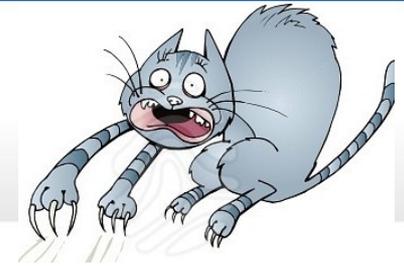
- » Take a deep breath, recover and hit the ground running.
- » Immediately start to gather the data called out in the letter.
 - › Some of the required information will take some time to gather.

What is in the letter – How do we prepare?

1. Provide Cage Code
2. Provide Name of SBLO contact information
3. Provide Alternate SBLO contact information
4. Provide date of last review
5. Provide rating of last review
6. Provide total annual sales within the specified review period.
7. Provide total dollar value of the DoD contracts within the specified review period.
 1. (including those without a subcontracting plan)
8. How many mentor-protégé agreements do you have
 1. Provide the number of agreements
 2. Provide the names of the protégés.
9. Explain how and provide supporting documentation on how the dollars on the Summary Subcontract Report were reported
10. Are indirect costs, on a prorated basis, included in your SSRs in accordance with 13 CFR 125.3?



How do we prepare - continued?



11. Explain and provide supporting documentation and of how dollars reported on Individual Subcontracting Reports
12. Provide SF 294s for all active and closed contracts for the review period
13. All current Department of Defense subcontract plans. Include all copies of any updated plans to the prime contract.
14. Provide records of source lists or database identifying all categories of small businesses
15. Provide description of organizations that are contacted by the firm in an attempt to locate sources that are small businesses
16. Provide description of source lists
17. Provide copy of the standard terms and conditions for purchase orders/subcontracts
18. Provide records on each subcontract solicitation resulting in an award of more than \$150,000- for each category did you solicit? If not why not?
- 19. Provide the records of outreach efforts with trade associations, business development organizations, conferences, trade fairs, veteran service organizations to locate small businesses.**

How do we prepare – continued?



20. Provide records of internal guidance and encouragement to buyers to buyers through
 1. Workshops, seminars, training
 2. Monitoring performance to evaluate compliance with program requirements
21. Provide the records the firm uses on a contract by contract basis
 1. Records to support award
 2. Data submitted by the offeror to the Government, including name, address and business size of each subcontractor
22. Provide copy of form utilized by the firm to provide notice to subcontractors concerning penalties and remedies for misrepresentation of business status as a small business for the purpose of obtaining a subcontract.
23. Provide contracts that include FAR 52.232-40 (Providing Accelerated Payments to Small Business Subcontractors)
24. Provide any Corrective Action Plans (proposed or implemented) – if applicable
25. **Provide company-wide small business policy statement issued by executive management.**
26. **Provide appointment letter of Small Business Liaison Officer – issued by CEO**

How do we prepare - continued?



27. Provide copy of the organizational chart showing where SBLO is positioned within the company.
28. Is senior staff management and staff briefed regularly on achievement and/or program deficiencies?
29. What does the SBLO do to improve subcontracting performance if goals are not being met?
30. Provide copy of subcontracting policies and procedures
31. Explain where SBLO has had success with initiatives to assist, promote, and utilize all SB concerns.
32. Explain how you complied with FAR 52.219-8 Utilization of Small Business Concerns.
33. Be prepared to explain if you exceeded any other small business participation requirements incorporated in the small business subcontracting plan or contract/order, including the use of small businesses in mission critical aspects of the program.
34. Provide a description of events and how they were a benefit to small business utilization
35. Provide subcontracts to large businesses over \$700,000. Also provide the subcontracting plans and ISRs associated with those subcontracts
36. List of purchase orders and supplier representation and certifications to validate ISR and SSR data
37. Other significant data which may affect overall compliance with FAR 52.219-9

Be prepared!



- » Document changes that have happened in your program (all improvements)
- » Gather all POs greater than \$150k that will be in the universe –
- » Review POs to large businesses that may require a plan based on the threshold at the time of the award (ie \$500k, \$550k, \$650k and/or \$700k)
- » Do you have your supplier subcontracting plans on file
 - › Did your SBLO review and approve the plan?
 - › ISR's and email reminders should be available.

Be prepared! continued



- » Make sure all of these POs \$150k have the small business outreach – did you solicit a small business – If not why not?
- » Have your reps and certs for each supplier that shows their business classification – should match the PO
 - › SBA likes to see “I certify under penalty of perjury that the information given in these Reps and Certs is current, complete and accurate”
 - Should there be any changes whatsoever to the business classification new reps and certs will be provided

Be prepared! - continued



- » Have a copy of your appointment letter
- » Print out your policy
- » Print out your Small Business Program (description and procedures)
- » Create your Org chart of where the SBLO is in the organization
- » Print out your ISRs and/or SF 294s for the audit period
- » Print out your SSR for the audit period
- » Have a copy of your Master SubK (if applicable)
- » Have copies of all the awards received

Be prepared - continued



- » Print out your 5 year trend
 - › Include the partial year if you can
- » Have copies of the SBLO (corporate) outreach
- » Have documentation of Supply Chain outreach
- » Have copies of training documentation that has been provided to Supply Chain
- » Have documentation on how the numbers that are reported in the ISR and SSR are gathered.
- » Be prepared to address any ISR/294 that is not meeting goals and what the company is doing about it.

Before Audit Prep

**LITTLE MISS
HELPFUL**
By Roger Hargreaves



- » Have Office with Internet and a Phone
- » Provide Office hours and housekeeping information
- » Provide local eateries and places to see while they are in town
- » Ensure Management is available for opening
 - › Important to have Senior and Executive management involved



Closing

- » DCMA will present a closing where they will address any deficiencies in the program
- » DCMA will email the final results to your organization within a couple of weeks.

