



DGCA Breakfast Briefing

Small Business Contracting Plan

Background

A Small Business Contracting Plan (SBP) is a requirement by law to provide maximum practicable opportunity to Small Business Concerns (i.e. small business, veteran-owned, service-disabled, veteran-owned, HUBZone, disadvantaged business, and women-owned).

A Small Business Contracting Plan is required for proposals for federal contracts and subcontracts that exceed \$650,000.00 over the course of the contract.

Things to Know

- SBPs are negotiable in the proposal stage.
- Upon receipt of an award the proposed SBP becomes a contractual obligation subject to any of the normal federal procedures for non-performance.
- Small Business goals are expressed as a dollar amount and percentage of the proposed contract's budgeted external direct expenditures.
- If any additional funds are received for the specific federal contract, they too must be used with Small Business Concerns.
- SBP requirements "flows down" to any Subcontractor
- Consequences of non-compliance:
 - In the proposal stage, the contract will not be awarded without the submission of the SBP with the University's sign-off (RU Representative from Purchasing) for compliance.
 - After an award is received, failure to make a good faith effort to comply can result in individual and/or University-wide penalties, which may include loss of current and/or future funding.

Who is Involved?

- **Principal Investigator and Administering Unit Business Personnel**
 - Prepare and submit SBP to ORSP with proposal
 - Awareness of approved SBP and use of appropriate vendors when purchasing
 - Monitoring project expenditures towards approved SBP Goals
 - Obtains and reviews any approved subcontractor SBPs to ORSP with proposal (if applicable)
 - Provide feedback to University Procurement Services concerning vendor performance
- **University Procurement Services**
 - Assist PIs and Administering Units in identifying diverse suppliers for inclusion in SBP
 - Review and University Sign-off on Proposed SBPs
- **Office of Research and Sponsored Programs (ORSP)**
 - Review and Incorporate approved SBP into Business Proposal for submission to sponsor
 - Negotiate any changes to SBP
 - Notifies PI and Administering Unit when a contract requiring a SBP is awarded
- **Division of Grant and Contract Accounting (DGCA)**
 - Completion of Semi-Annual/Annual Reports to Sponsor's Contracting Officer

Steps in Creating a SBP

1. Based upon the proposal's detailed budget, identify the types of external products and services you will need to purchase over the course of the project. Break down travel costs into airfare, ground travel, lodging, etc.
2. Query University's Supplier Diversity Business Directory for possible suppliers
<http://purchasing.rutgers.edu/sdpsuppliers.html>
3. Contact University's Supplier Diversity Manager for further assistance in identifying possible suppliers:
Pamela Y. McMellon-Wells
Phone: 856/225-6140
E-mail: pmcwells@camden.rutgers.edu
4. Draft SBP with your PI (and obtain any subcontractor SBPs)
5. Provide draft SBPs to your ORSP Grants Specialist with your business proposal
 - Review for compliance and obtain University Procurement Services Approval
 - Submits all approved SBPs to Agency
 - Coordinates any revisions requested by Agency

The Contract has been Awarded!

Important Procurement Considerations:

- Be sure staff in your department responsible for ordering products and services related to the contract are aware of the SBP and the suppliers to be used for purchases at the start of the project. It's difficult to meet goals after the funds have been spent.
- Products and services from small business may be higher priced than what might be obtained through a large business or RU Exchange vendor. This, however is not an acceptable excuse for not purchasing through a small business unless the cost difference is significant.
- When a PI commits to the percentages and supplier sources identified in the SBP, the spending should be placed with those suppliers regardless of possible savings elsewhere
- Be diligent in monitoring progress toward meeting goals throughout project.

Resources and Templates

Rutgers Procurement Services

<http://purchasing.rutgers.edu/>

Rutgers University Supplier Diversity Initiative

<http://purchasing.rutgers.edu/sdp.html>

Small Business Contracting Plan Template

<https://www.rci.rutgers.edu/~orsp/downloads/Documents/SubcontractingPlanTemplate.pdf>