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NASA Policy Directive

NPD 5000.2DEffective Date: August 12, 2016
Expiration Date: August 12, 2021**COMPLIANCE IS MANDATORY**[Printable Format \(PDF\)](#)

Request Notification of Change (NASA Only)

Subject: Small Business Subcontracting Goals

Responsible Office: Office of Small Business Programs

1. POLICY

a. It is NASA's policy to establish recommended small business (SB) subcontracting goals in solicitations that require subcontracting plans, pursuant to Federal Acquisition Regulation (FAR) Clause 52.219-9. These numerical goals shall be expressed as percentages of total contract value.

b. This Directive establishes steps to ensure that maximum practicable subcontracting opportunities are provided to SBs, Small Disadvantaged Businesses (SDBs), Woman-Owned Small Businesses (WOSBs), Veteran-Owned Small Businesses (VOSBs), Service-Disabled Veteran-Owned Small Businesses (SDVOSB), Historically Underutilized Business Zone concerns (HUBZone), Historically Black Colleges and Universities (HBCUs), and Minority Serving Institutions (MSIs).

2. APPLICABILITY

a. This NASA Policy Directive (NPD) is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This directive applies to contractors only to the extent specified or referenced in applicable contracts.

It applies to procurements (including new work modifications) for contracts that are expected to exceed \$50 million in estimated value, including options, and require a subcontracting plan. For procurements that will result in multiple contract awards, the \$50 million threshold pertains to the value of individual awards, rather than the aggregate of all awards. Thus, use of the NPD is not required if none of the contracts in a multiple-award procurement is individually expected to exceed \$50 million.

b. Use of this NPD is optional, but not required, for solicitations for Commercial Items under FAR Part 12.

c. Use of this NPD is recommended for acquisitions that are less than \$50 million, in which case approval remains at the Center level, rather than at the OSBP level.

d. In this directive, all mandatory actions (i.e., requirements) are denoted by statements containing the term "shall." The terms: "may" or "can" denote discretionary privilege or permission, "should" denotes a good practice and is recommended, but not required, "will" denotes expected outcome, and "are/is" denotes descriptive material.

e. In this directive, all document citations are assumed to be the latest version unless otherwise noted.

3. AUTHORITY

United States Code (U.S.C) - Commerce and Trade, as amended, 15 U.S.C. § 644.

4. APPLICABLE DOCUMENTS AND FORMS

a. Federal Acquisition Regulation (FAR), Parts 1, 12, 19, 26, and 52.

b. NASA FAR Supplement, Part 1819.

c. Subcontracting Plan Requirements 48 CFR 19.704 - FAR 19.705-2.

5. RESPONSIBILITY

a. The Contracting Officer shall:

(1) Lead the Acquisition Team as defined in FAR Part 1, consisting of the necessary stakeholders in the acquisition process, including:

- a. Contracting Officer.
- b. Cognizant technical representative.
- c. Center Small Business Technical Advisor.
- d. Center Small Business Specialist(s)(SBS).
- e. Small Business Administration's Procurement Center Representative, as needed.

(2) Issue a Sources Sought Notice which will include the following statement: "NASA is seeking capabilities from all categories of Small Businesses and HBCU/MSIs for the purpose of determining the appropriate level of competition and/or Small Business and HBCU/MSI subcontracting goals for this requirement." The Sources Sought Notice should allow a minimum of ten business days for small businesses to respond.

The Sources Sought Notice should be tied to the Work Breakdown Structure (WBS) and the Statement of Work (SOW) functional areas. Review Attachment A for guidance.

b. The Acquisition Team shall:

(1) Review the statement of work and conduct and analyze market research for the purpose of identifying the proposed effort that can be subcontracted to each small business category. Market research methods include (but are not limited to) the following:

- (a) Analysis of capability statements received in response to the Sources Sought Notice.
- (b) Review of the System for Award Management, Small Business Administration's Dynamic Small Business Search, Department of Veteran Affairs Vendor Information Pages (VIP), Federal Business Opportunities (FedBizOpps), and The Federal Procurement Data System - Next Generation (FPDS-NG) databases.
- (c) Review of the NASA Vendor Database and any database created or maintained by the Centers.
- (d) Analysis of similar type work, if applicable.

(2) Prepare a document entitled "Recommended Subcontracting Goals," with the title of the procurement in the title line. The document details the analysis that establishes the NASA Recommended Subcontracting Goals and shall include:

- (a) Procurement Details.
 - (i) Purpose of Acquisition.
 - (ii) Estimated Value.
 - (iii) Contract Length.
 - (iv) Contract Type.
- (b) Identify the North American Industry Classification System (NAICS) Code and Size Standard (if the NAICS code for Research & Development services or Engineering services is used, identify the exception and associated size standard, if applicable).
- (c) Identify the Acquisition Team Members.
- (d) Describe the history of the procurement: Discuss whether the procurement is a new requirement or a repeat requirement. If the procurement is bundled (as defined in FAR 2.101), reference the separate Bundling Determination documentation.
- (e) As a result of market research analysis, explain the decision to use full and open competition.
- (f) Establish recommended subcontracting goals that:
 - (i) Are developed for the overall small business category as well as for each subcategory of small businesses listed above in Section 1 Policy, paragraph (b).

- (ii) Are published in NASA solicitations and expressed as a percentage of total contract value.
 - (iii) Show how each recommended subcontracting goal (that is, for each category) is mathematically calculated.
 - (iv) Are carried out to one decimal point.
- (3) The Work Breakdown Structure (WBS) can be used for an analysis of what portions of work can be subcontracted based upon responses to the Sources Sought Notice and other market research. WBS is the primary method of determining recommended subcontracting goals, especially for new work. Attachment A provides a generic example of a WBS analysis.
- (4) Determine goals by a review of the existing contract(s), goals contained therein, and actual subcontracting achievements for a follow-on procurement(s). In such cases, the Acquisition Team shall check to see whether the new contract provides for additional or different subcontracting opportunities. This method may not be useful for goaling categories that did not exist when the current contract was awarded.
- (5) Discuss phasing in of subcontracting goals; i.e., whether the solicitation will encourage offerors to submit phased goals in proposals.
- (6) Ensure that the SDB goal shall not be higher than 5.0 percent, as required by NASA FAR Supplement 1819 (although offerors may propose a goal higher than this).
- (7) Ensure that the VOSB goal will be higher than the SDVOSB goal.
- (8) Confirm that all goals are higher than "0". Goals of "0" (or "no goal") are not acceptable. If sources sought responses and other market research indicate minimal availability of any particular SB subcategory or HBCU/MSI, the category should not be listed in the RFP. However, the Recommended Subcontracting Goals document shall explain such instances.
- (9) Ensure that for all procurements valued at \$50 million or more, including new work modifications, the "Recommended Subcontracting Goals" is forwarded to Headquarters, OSBP, for review and concurrence at least two weeks in advance of either the Procurement Strategy Meeting (PSM), or if no PSM is held, approval of the written acquisition plan.
- (10) Reach agreement on the appropriate subcontracting goals with OSBP via signature prior to the PSM. If agreement cannot be reached, the issue shall be brought to the PSM for guidance.
- (11) Ensure that the Procurement Director/Officer, Contracting Officer, the Small Business Specialist, and the SBA Procurement Center Representative sign the Recommended Subcontracting Goals document for the Center. Other team members may sign at the Center's option.
- (12) Verify the signature page contains the title of the document and the title of the procurement at the top of the page.
- (13) Attest that the cognizant Headquarters Small Business Program Manager has provided comments as appropriate for OSBP and concurred by signature on the Recommended Subcontracting Goals document.
- (14) Upon request, the Contracting Officer can provide offerors with a list of potential SBs that have been identified through the Sources Sought Notice to facilitate subcontracting. Any such list of potential SBs shall contain the accompanying disclaimer: "Provision of this list is neither an endorsement nor representative of a preference, by NASA, for any of the listed companies."

6. DELEGATION OF AUTHORITY

None.

7. MEASUREMENT/VERIFICATION

The Acquisition Team will measure compliance with this directive:

At the PSM, if applicable, by providing the analysis used to develop the recommended subcontracting goals to the Source Selection Authority for approval.

8. CANCELLATION

NPD 5000.2C, Small Business Subcontracting Goals, dated November 16, 2011.

Charles F. Bolden
Administrator

ATTACHMENT A: WBS ANALYSIS

A.1 This Attachment is a generic example of a WBS Analysis. In Table A below, the first column lists the titles of each SOW Function. The second column lists the portion (in the format of a percentage) each function comprises of the entire scope of work. The third column is how much of each function the vendor is capable of performing, based on technical analysis. The fourth column is the product of the second and third columns, a weighted amount of work the vendor can perform. The fifth column is merely the fourth column rounded off to the nearest decimal. The fifth column is summed up at the bottom ("Grand Total" row) to arrive at a total percent of work the vendor can perform.

TABLE A

	A	B	C	D
SOW Functions	Percentage of total amount of work	Technical Analysis of percentage of work Vendor can Perform	Weighted Calculation of percentage of Work Vendor Can Perform (AxB=C)	Function Totals (Rounded Off Weighted Calculation)
SOW Function 1				
SOW Function 2				
SOW Function 3				
SOW Function 4				
SOW Function 5				
Grand Total	100			

A.2 Table B below is a summary of each vendor. The top row is the vendor name, while the second row is the vendor's size/socioeconomic classification. The first two columns are the same as in Table 1 above. The remaining columns are taken from Column 5 of Table 1 above for each vendor analyzed.

TABLE B

		Vendor 1	Vendor 2	Vendor 3	Vendor 4	Vendor 5	Vendor 6	Vendor 7
SOW Function	%	Large	Small	SDB	WOSB	HUBZone	VOSB	SDVOSB
SOW Function 1								
SOW Function 2								

SOW Function 3								
SOW Function 4								
SOW Function 5								
	100							

(URL for Graphic)

None.

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