



## MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

**FROM:** IRIS B. COOPER, Acting for:  
SENIOR PROCUREMENT EXECUTIVE,  
OFFICE OF THE PROCUREMENT EXECUTIVE

AND

JOSE L. ARRIETA,  
DIRECTOR,  
OFFICE OF SMALL AND DISADVANTAGE BUSINESS UTILIZATION

**SUBJECT:** Amendment to DTAP subpart 1019.7-The Small Business Subcontracting Program

**1. Purpose:** This Acquisition Procedures Update (APU) is issued to amend the Department of Treasury Acquisition Procedure (DTAP) October 2016 edition version 1.0 for the purposes of addressing new subcontracting plan requirements related to the subject DTAP subpart.

**2. Effective Date:** November 1, 2016

**3. Expiration Date:** Until otherwise canceled, superseded or included within a future edition of the DTAP.

**4. Background:** Federal Acquisition Circular 2005-89 was issued on July 14, 2016 and included the final rule for FAR Case 2014-003, Small Business Subcontracting Improvements. The purpose of this final rule is to amend the Federal Acquisition Regulation (FAR) to incorporate regulatory changes made by the Small Business Administration (SBA) in its final rule at 78 FR 42391, dated July 16, 2013. Among other things, SBA's final rule implemented the requirements established in Sections 1321 and 1322 of the Small Business Jobs Act of 2010 (Pub. L. 111-240). This amendment to the FAR takes effect November 1, 2016.

In review of this final rule it was determined that the DTAP needed to be amended, specifically subpart 1019.7-The Small Business Subcontracting Program in order to address the new requirements resulting for this FAR rule. For example, Treasury Standard Form (SF) 1019A, Subcontracting Plan needed to be revised to add new subcontracting plan requirements. Overall, the Director, of the Office of Small Disadvantaged Business Utilization (OSDBU) and the Senior Procurement Executive (SPE) have determined that the issuance of an amendment to the DTAP is necessary.

## Acquisition Procedure Update No. 17-01

**5. Department of the Treasury Acquisition Procedures:** The DTAP is amended as follows:

**A. Revise Treasury Standard Form (SF) 1019A, Subcontracting Plan as follows<sup>1</sup>:**

**FROM:** Treasury Standard Form (SF) 1019A, Subcontracting Plan version 3/16

**TO:** Treasury Standard Form (SF) 1019A, Subcontracting Plan version 11/16

**B. Revise Treasury Standard Form (SF) 1019B, Subcontracting Plan Review Checklist as follows<sup>1</sup>:**

**FROM:** Treasury Standard Form (SF) 1019B, Subcontracting Plan Review Checklist version 3/16

**TO:** Treasury Standard Form (SF) 1019B, Subcontracting Plan Review Checklist version 11/16

**C. Revise Treasury Standard Form (SF) 1001, Contracting Officer Representative designation, appointment and authority letter as follows<sup>1</sup>:**

**FROM:** Treasury Standard Form (SF) 1001, Contracting Officer Representative designation, appointment and authority letter version 10/16

**TO:** Treasury Standard Form (SF) 1001, Contracting Officer Representative designation, appointment and authority letter version 11/16

**D. Add 1019.301-2 as follows:**

**“1019.301–2 Rerepresentation by a contractor that represented itself as a small business concern.**

(e) The CO shall notify the Bureau SBS of the potential for a subcontracting plan to be required due to a change in the prime contractor’s size status (i.e. from small to other than small) as a result of a size rerepresentation. The Bureau SBS will assist the CO in making the determination if a subcontracting plan will be required. See 1019.705-570 for the procedures for contract actions involving subcontracting plans.”

**E. Add 1019.702 as follows:**

**“1019.702 Statutory requirements.**

(a)(3) The CO shall notify the Bureau SBS when they determine that subcontracting possibilities exist as a result of a contract modification that meets the thresholds prescribed by [FAR 19.702\(a\)\(3\)](#). The Bureau SBS will assist the CO in establishing the subcontracting plan. See 1019.705-570 for the procedures for contract actions involving subcontracting plans.”

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<sup>1</sup> The latest version of these forms are also available on OPE’s SharePoint site at <https://thegreen.treas.gov/do/ope/Policy/Forms%20DTAP/Forms/Public.aspx>

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### F. Add 1019.703 as follows:

#### **“1019.703 Eligibility requirements for participating in the program.**

The CO shall notify the Bureau SBS of their intention to challenge a subcontractor’s size status representation or challenge a subcontractor’s small disadvantaged business representation as described in [FAR 19.703](#).”

### G. Add 1019.705-1 as follows:

#### **“1019.705–1 General.**

(a) The CO shall coordinate with the Bureau SBS prior to making the determination to use any type of contractual incentive provision that rewards a contractor monetarily for exceeding goals in the subcontracting plan.

(b)(2) The CO shall coordinate with the Bureau SBS prior to establishing small business subcontracting goals for an order.”

### H. Revise 1019.705-2 as follows:

**FROM:** “(c) The CO shall submit the determination that no subcontracting possibilities exist, through the Bureau SBS and SBA PCR, to the OSDBU for approval at least 10 working days prior to issuance of the solicitation.”

**TO:** “(b) The CO may request assistance from the Bureau SBS in making the determination whether subcontracting possibilities exist.

(c) The CO shall submit the determination that no subcontracting possibilities exist with respect to a contract action other than a contract modification through the Bureau SBS and SBA PCR, to the OSDBU for approval at least 10 working days prior to issuance of the solicitation. A determination that no subcontracting possibilities exist with respect to a contract modification shall be approved one level above the contracting officer within the contracting activity.”

### I. Revise 1019.705-570 as follows:

#### **1. Revise (a)(1) as follows:**

**FROM:** “The CO shall review subcontracting plans submitted by all offerors (see [FAR 19.705-4](#) for reviewing subcontracting plans).”

**TO:** “The CO shall review subcontracting plans according to [FAR 19.705-4](#). For new awards, the CO shall review all subcontracting plans submitted by all offerors. For such awards, only the apparent successful offeror’s subcontracting plan needs to be submitted to the Bureau SBS, SBA PCR and the OSDBU for review (see paragraphs (2) through (4) below).”

#### **2. Revise (a)(2) as follows:**

**DELETE** “submitted by all apparent successful offerors”

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### 3. Revise (a)(3) as follows:

**DELETE** “submitted by all apparent successful offerors”

### 4. Revise (a)(4) as follows:

**DELETE** “submitted by all apparent successful offerors”

### J. Revise 1019.705-6 as follows:

**FROM:** “eSRS registration is coordinated through the Agency Coordinator (AC), located in OSDBU. The AC has full access to all eSRS records for the Agency and has the ability to change registration levels.”

**TO:** “The CO can seek guidance from the Bureau SBS in performing the [FAR 19.705-6](#) responsibilities.

(f) For purposes of Treasury, eSRS registration is coordinated with the Treasury designated Agency Coordinator (AC), who is located in the OSDBU. The AC has full access to all eSRS records for Treasury and has the ability to change registration levels.”

### 6. **Required Bureau Actions:** Bureau Chief Procurement Officers shall—

- a. Ensure dissemination of this APU to all impacted personnel and
- b. Update any related Bureau policies and procedures impacted by this APU.

7. **Additional Information:** Points of contact for this APU are: Mrs. Pamela Wilson, OSDBU Business Analyst who may be reached at [pamela.wilson@treasury.gov](mailto:pamela.wilson@treasury.gov) and Mr. Thomas O’Linn, OPE Policy Analyst who may be reached at [thomas.olinn@treasury.gov](mailto:thomas.olinn@treasury.gov) / at [OfficeoftheProcurementExecutive@treasury.gov](mailto:OfficeoftheProcurementExecutive@treasury.gov).

### 8. **Attachments.**

- A. Treasury Standard Form (SF) 1019A, Subcontracting Plan version 11/16
- B. Treasury Standard Form (SF) 1019B, Subcontracting Plan Review Checklist version 11/16
- C. Contracting Officer Representative designation, appointment and authority letter version 11/16