



JA White

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# Small Business Review Checklist



In life, change is inevitable.  
In business, change is vital.

Warren G. Bennis

“ quote fancy

# What are Checklists?

Comprehensive lists of crucial tasks that are completed in a specified order. Their purposes are to ensure no important steps are forgotten



Drive efficiency and compliance



Ensure consistency



Assist with change management and training



Help minimize mistakes

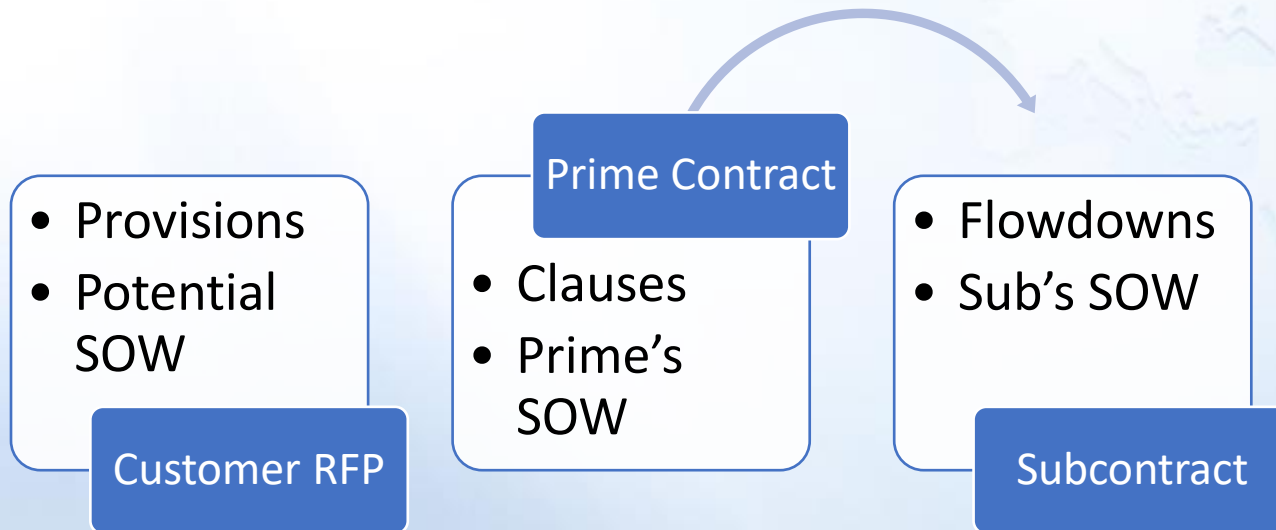


Manage Documentation

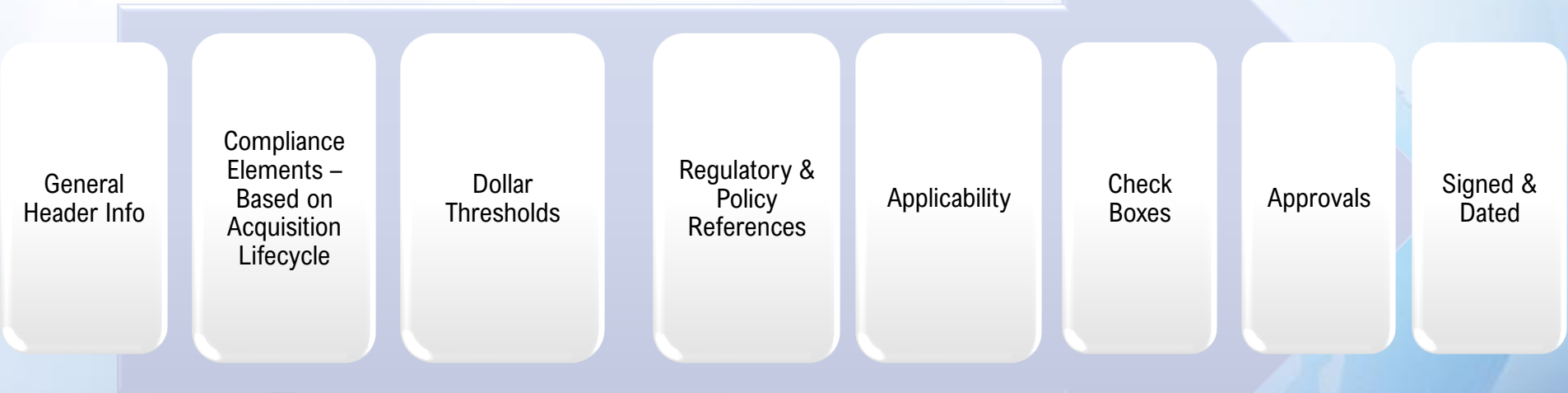


Are often used as an audit tool

# GovCon Compliance Drivers



# Typical Checklist Elements



# Keys to Compliant Documentation



# How to Create a Compliance Checklist



# Government Compliance-Related Oversight Environment

## Various Compliance Audits and Reviews

- Contractors Purchasing System Review
- Small Business Reviews
- Material Management Accounting System
- Property System
- Estimating Systems
- Accounting and Billing Systems
- GSA Audits
- DCAA Audits
  - Pre-Award Audits
  - Indirect Rate Audits
  - Cost Proposal Audits
  - Incurred Cost





# Small Business Subcontracting Plan Requirements

**Dollar Threshold:** \$750,000 (1.5 mil for construction contracts)

**FAR Reference:** FAR 52.219-9 and FAR 19.7

▪ **Actions Required:**

- Obtain Subcontracting Plan
- Flowdown Clause – **FAR 52.219-9**
- If necessary, document rationale as to why it does not apply

▪ **Exceptions:**

- Not in the Prime Contract
- Small Business Concerns
- For Personal Services Contracts
- For Contracts or Contract Modifications that will be performed entirely outside of the United States and its outlying areas
- For Modifications to Contracts within the general scope of the contract that do not contain the clause at **52.219-8**, Utilization of Small Business Concerns (or equivalent prior clauses; *e.g.*, contracts awarded before the enactment of Public Law 95-507).

# Developing a Small Business Review Checklist

## Identify the Applicable Clauses

### **FAR:**

[52.219-8](#), Utilization of Small Business Concerns,  
[52.219-9](#), Small Business Subcontracting Plan  
[52.219-16](#), Liquidated Damages-Subcontracting Plan

### **DFARS:**

252.219-7003, Small Business Subcontracting Plan  
(DoD)

### **NFS:**

1852.219-75, Individual Subcontracting Reports



# Developing a Small Business Review Checklist

- Determine the Need for and Purpose of the Checklist
- Review Each Clauses for Actionable, Compliance-Related Items
- Review FAR Prescriptions for Actionable, Compliance-Related Items
- Review Internal and External Audit Programs and the Results of Previous Audit Reports



# Developing a Small Business Review Checklist

- Identify the Need for Documentation to Support Compliance:
  - Forms
  - Workflows
  - Reports
  - Audits
  
- Identify Specific Actionable, Compliance-Related Items and Audit Elements to Include within the Checklist
  
- Create the Checklist



# Small Business Review Checklist Elements

1. Does the contractor have a **Small Business Liaison Officer (SBLO)**?
2. Identified by Name with phone and email.
3. Does the contractor have **Alternate Small Business Liaison Officer (SBLO)**?
4. Identified by Name with phone and email
5. What was the date of the last review?
6. What was the rating assigned as the result of the last review?
7. Provide the total company annual sales within the specified review period.
8. Provide the total sales to DoD (or any other specific agency within the specified review period, including those without subcontracting plans.



# Small Business Review Checklist Elements

- How many mentor-protégé agreements do you have?
  - Provide the agreement numbers.
  - Provide the names of the protégés.
  - Period of Performance
  - Type of agreement – reimbursable or credit.
  
- Provide supporting documentation and an explanation of how dollars reported on the individual Summary Subcontract Report (SSR) and/or Commercial SSR (if applicable) were reported including credit card purchases.
  - Include documentation and an explanation of how purchase orders and subcontracts issued by your affiliates in support of your DoD prime and subcontracts are reported on your SSR.
  - Provide a copy of the SSR signed by the CEO.

# Small Business Review Checklist Elements

- Are indirect costs, on a prorated basis, included in your SSRs in accordance with **FAR 52.219-9(l)(2)(i)(A)**?
  - How are the reported dollars calculated?
  - If a commercial SSR is submitted are all indirect costs included?
- Provide supporting documentation and an explanation of how dollars reported Individual Subcontracting Reports (ISRs) including credit card purchases.
  - Include documentation and an explanation of how purchase orders and subcontracts issued by your affiliates in support of your DoD prime and subcontracts are reported on your ISR.
- Provide SF 294s for all active and closed contracts for the review period.



# Small Business Review Checklist Elements

- Provide a list of all current Department of Defense (DoD) prime contracts requiring subcontracting plans.
  - All current Department of Defense (DoD) prime subcontracting plans.
- Records of source lists or database identifying all categories of small businesses.
- Provide a description of organizations that are contacted to locate sources that are small businesses.
- A copy of your standard terms and conditions for purchase orders and subcontracts.
- If the contractor has any indefinite-delivery, indefinite-quantity contracts intended for use by multiple agencies, is subcontracting data for each order included when reporting subcontracting achievements?
  - If so, provide contract numbers.





# Small Business Review Checklist Elements

- Provide access to records on each subcontract solicitations resulting in award of more than the Simplified Acquisition Threshold, indicating on each solicitation whether each category of small business was solicited and if not, why not.
  - If applicable, the reason award was not made to a small business concern.
- Provide the records of outreach efforts with trade associations, business development organizations, conferences, trade fairs, and veteran service organizations, to locate small businesses.
- Provide the records of internal guidance and encouragement to buyers through-
  - (A) workshops, seminars, training, etc.
  - (B) monitoring performance to evaluate compliance with program requirements.
- Provide the records used on a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor.

# Small Business Review Checklist Elements

- Provide records utilized to provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as a small business for the purpose of obtaining a subcontract.
- Do you have any contracts that include **FAR 52.232-40** Providing Accelerated Payments to Small Business Subcontractors, and the government is issuing accelerated payments?
  - If so, provide prime contract number(s) and evidence of accelerated payments made to small business subcontractors.
- If applicable, any previous Corrective Action Plans (CAP) proposed and implemented.
- Explain where you had success with initiatives to assist, promote, and utilize small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business, veteran-owned small business (VOSB) and service-disabled veteran owned small business (SDVOSB).
- Provide procedures/process to ensure timely payments to subcontractors in accordance with **FAR 52.219-8(b)**.
  - Also, be prepared to provide invoices and evidence of date paid for the sampling of purchase orders/subcontracts requested by the Small Business Professional.



# Small Business Review Checklist Elements

1. 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.
2. Provide a description of event(s) and how they were a benefit to small business utilization.
3. Provide subcontracts to large businesses in excess of the threshold in accordance with **FAR 19.702(a)** (currently, over \$750,000 (\$1.5 million for construction of any public facility) with further subcontracting possibilities).
4. Provide the subcontracting plans and ISRs associated with those subcontracts and the notification required by **FAR 52.219-9(d)(10)(vi) and (vii)**.



# Small Business Review Checklist Elements

- Provide a list (preferably in Excel) of all purchase orders and subcontracts in support of DoD prime and subcontracts thirty (30) days before the review date to include date, amount, name of subcontractor, and size of subcontractor (LG, SB, SDB, WOSB, HUBZone, VOSB, SDVOSB). (The Small Business Professional will select a sampling for review.)
  - For the sampling selected all purchase orders/subcontracts with corresponding supplier representations and certifications in accordance **FAR 52.219-9(c)(2)(i)** and/or the subcontractor's representations in accordance with **FAR 52.219-9(c)(2)(ii)** if SAM is utilized for size certifications, and assignment in accordance with **FAR 52.219-9(e)(7)** will have to provided.
- Explain how you assign NAICS Codes and corresponding size standards to each subcontract.

# Small Business Review Checklist Elements

- Provide example(s) of documented successes and success stories that exceed the subcontracting plan requirements and how they were a benefit to small business utilization.
- Provide examples of how you provided the maximum practicable opportunity for small businesses to participate in performing contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems.
- Provide examples of assistance provided to small businesses relative to arranging solicitations, time for the preparation of bids, quantities, specifications and delivery schedules to facilitate the participation by small businesses.
- Describe, when the list of potential small business subcontractors is excessively long, the effort made to give all small business concerns an opportunity to compete over a period.

# Small Business Review Checklist Elements

- Describe how the counseling and discussing of subcontracting opportunities with small businesses is accomplished.
- Did you make a good faith effort to purchase goods and services from small business concerns used in preparing your bid or proposal?
  - If not, which contacts?
  - Provide the written explanation that was provided to the contracting officer within 30 days of contract completion.
  - For contracts open during the review period provide the participation plan(s) submitted.
  - Provide evidence a subcontract has been issued to each small business identified in the subcontracting plan and/or participation plan.
- Identify Other significant data which may affect overall compliance with **FAR 52.219-8 and FAR 52.219-9.**

# Checklist Take Aways?

- Comprehensive lists of crucial tasks are completed in a specified order. Its purpose is to ensure no important step is forgotten.
- Drive Efficiency and Compliance.
- Ensure consistency.
- Assist with Change Management and Training.
- Help minimize mistakes.
- Often used as an audit tool.

# Questions?





# About Us

Jeffery A. White

**Founder & CEO**

JA White & Associates, Inc.



As a leading Government Contracting, Compliance and Supply Chain Consulting firm for the last 27 years, J.A. White & Associates, Inc. combine deep functional industry experience with flexible engagement models. Our Subject Matter Experts seek to understand our client's requirements against the current legal and regulatory environment, marketplace best practices and business trends.

With countless successful Business System Reviews and implementations and an unprecedented track record, our tailored advisory services assist the GovCon Community in terms of Supply Chain compliance and risk mitigation, managing financial risks, leveraging technology, and optimize policy and procedures for effective expenditures of Government funds.

Through corporate offices in Columbia, SC, we support domestic and international clients, as well as Federal, State, and local Governments.

# Procurement Automation created by JA White!



## Company Benefits may include:

- Company Savings
- Improved Accuracy
- Process Time Reduction
- Compliant File Documentation

## For inquiries

<https://www.jawhite.com/cpsr-inquiry-form>

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# CONTACT US

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