

**Part III - Section J
Appendix E**

**Small Business Subcontracting Plan
For
Sandia Corporation**

Period of October 1, 2003 through September 30, 2009

This Small Business Subcontracting Plan is submitted by Sandia Corporation (SANDIA) in accordance with Section 8(d) of Public Law 95-507. It is established between SANDIA and the Department of Energy (DOE) National Nuclear Security Administration (NNSA) under Prime Contract Number DE-AC04-94AL85000.

I. GOALS

A. BREAKDOWN AND PERCENTAGES

The Contractor's proposed Goals for Small Business concerns (SB), Service-Disabled Veteran-Owned Small Business concerns (SDVOSB), HUBZone Small Business concerns (HUBZone SB), Certified Small Disadvantaged Business concerns (SDB), Veteran-Owned Small Business concerns (VOSB), and Women-Owned Small Business concerns (WOSB) shall be submitted in writing during the month of August with final negotiations completed by mid-September. The established Goals will be incorporated into this Plan annually by letter and will not require contract modification.

The proposed Goals shall be based upon an established percentage of estimated commercial entities purchases, which will be derived from the current fiscal year budget. In the event that there is a significant funding reduction for a specific program/project at SANDIA, SANDIA shall be allowed to submit a request for goal adjustment. The request will be supported by a detailed justification and signed by the Manager of Supply Chain Resources and Development. Goals may be changed/re-negotiated with the approval of the Contracting Officer.

Goals for the utilization of SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB subcontractors shall be submitted as follows unless otherwise requested by the Contracting Officer:

1. Total Commercial Procurement dollars available for Subcontracting Concerns
2. Total dollars and percentage planned to be subcontracted to SB
3. Total dollars and percentage planned to be subcontracted to SDVOSB
4. Total dollars and percentage planned to be subcontracted to HUBZone SB
5. Total dollars and percentage planned to be subcontracted to SDB
6. Total dollars and percentage planned to be subcontracted to VOSB
7. Total dollars and percentage planned to be subcontracted to WOSB

B. EXCEPTIONS

The Contractor's proposed Goals for SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB shall not include the following:

1. Subcontracts involving performance outside the U.S. or its outlying area.
2. Purchases from a corporation, company, or subdivision that is an affiliate of the prime/subcontractor.

C. PRODUCTS AND METHODOLOGY

1. Principal Products and Services

The principal products and services to be obtained in support of this Plan are those generally associated with a multi-program science and engineering laboratory. SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB will generally supply a significant portion of the goods and services purchased. Examples of commodities are as indicated below.

Laboratory Equipment	Chemicals & Adhesives
Specialty/Promotional items	Media Services & Supplies
Construction/Renovation	Tools
Safety Equipment	Electronics
Office Supplies & Furniture	Electrical Components & Assemblies
Mechanical Subassemblies	Services
Engineering Services & Supplies	Clothing
Computer Supplies & Equipment	Computer & Office Supplies

2. Methodology for Determining Subcontracting Goals

Annual goals are developed based upon the previous years' records and experience as well as our acquisition forecasts for the next year. The anticipated needs and programs for the current year are also taken into consideration.

3. Methodology for Identification of Suppliers

NNSA Provided Tools – The Contractor is authorized to use NNSA provided resource tools in the identification of qualified Suppliers.

Trade Fairs - The Contractor actively participates in Minority Business Opportunity Trade Fairs across the Southwest and the United States. The Contractor shall participate in those trade fairs that will be most beneficial to the Contractor's efforts in identifying SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB concerns.

CCR – The Small Business Administration (SBA) Internet database may be used as a source of potential small business suppliers.

Supplier Facility Survey - The Contractor's buyers, engineers and other support personnel, as required, may visit selected facilities of prospective SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB suppliers to assess their capability, capacity, and potential to provide goods and services to the SNL.

National, Regional, and Local Business & Trade Organizations - The Contractor shall be an active member in those organizations that best meet SANDIA's requirements and are of benefit to the supplier community.

Other Sources of Information - Various local, regional, and national small, disadvantaged and women-owned small business directories and associations.

4. Indirect costs have been included in the dollar and percentages in subcontracting goals stated above.

II. PROGRAM ADMINISTRATOR

The Contractor's Manager of Supply Chain Resources and Development, Victor A. Chavez, Mail Stop 0113, Albuquerque, NM 87185, (505) 844-4220 will be responsible for the administration of this Subcontracting Plan.

Responsibilities of the Manager of Supply Chain Resources and Development, or their designee, include:

- Assure success of the Plan by assisting Procurement in preparing directives and procedures.
- Serve as the Contractor's SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB Liaison Officer.
- Search for SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB sources for use by the Contractor in proposed competitive procurements expected to exceed \$100,000.
- Review Large Business Subcontracting Plans for utilization of SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB subcontracting plans submitted to the Contractor in connection with supply and/or service subcontract awards of \$500,000 or greater (or \$1,000,000 or greater for construction), and assure that such plans are consistent with PL 95-507 requirements.
- Ensure flow down of appropriate clauses in subcontracts.
- Collect and prepare necessary data to submit reports to the Contracting Officer as required.
- Provide statistics to the Contractor's management on progress toward established goals and recognition of significant Buyer/Subcontract Specialist.
- Assure inclusion of SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB firms in solicitations where appropriate.
- Maintain business directories from national, regional, and local business and trade organizations, and other sources to expand and keep current listings of SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB sources.
- Participate as the Contractor's representative in SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB trade fairs, conferences, SBA and MED events specifically directed toward offering opportunities for participants to do business with the Contractor.
- Serve as the Contractor's representative to business and trade organizations and other appropriate organizations.
- Hold periodic training and other meetings with the procurement staff on the Socioeconomic Programs.
- Conduct periodic meetings and otherwise communicate with all Laboratories' organizational components regarding the Plan's goals and status.
- Support SBA activities.

III. OUTREACH EFFORTS

The following efforts shall be taken to assure that SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB will have an equitable opportunity to compete for subcontracts:

A. External Efforts

Attendance at national and local SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB procurement conferences and trade fairs, such as:

- Annual Small Minority Expos,
- Small Business Trade Fairs/Conferences,
- Annual Minority Business Enterprise (MBE) Trade Fairs,

- Small and Disadvantaged Business Utilization National Conferences.
- Women Owned Business Conferences
- Veteran Owned Business Events

Utilization of publications and directories to identify new SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB sources, including but not limited to:

- TRY US,
- SBA's CCR, and
- National, local, and regional business and trade organization directories.

In some instances, a Contractor engineer or other specialist may assist Procurement conducting an on-site survey of a SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB facility. These technical experts also assist (when needed) during subcontract performance.

The Contractor will maintain an active membership and representation on the Board of Directors of organizations that the Contractor may partner with for the mutual benefit of the Contractor and the supplier community.

Assist SB, HUBZone SB, SDB, VOSB, SDVOSB, and WOSB concerns whenever possible by counseling them on how to do business with Sandia.

B. Internal Efforts

Procurement activities shall be monitored to evaluate compliance with the Subcontracting Plan.

Procurement activity is monitored on a quarterly basis and reports are provided based on various criteria. A monthly-published procurement activity report is distributed to Procurement Management. The utilization of this report allows Procurement to forecast requirements necessary to accomplish SANDIA'S goals.

Every effort is made to ensure that adequate funding is available for participation in the various small and small business concerns business trade fairs, conferences, board meetings and various outreach/inreach activities. A separate annual budget is therefore established and approved during the beginning of the fiscal year, to be utilized strictly for socioeconomic outreach activities.

Issue and promulgate lab wide policy statement in support of Sandia's socioeconomic effort.

IV. SUBCONTRACTING PLAN FLOWDOWN

The Contractor agrees that the Contract's Clause entitled "Utilization of Small Business Concerns" (FAR 52.219-8) will be included in all subcontracts that offer further subcontracting opportunities. All subcontractors except small business concerns who receive subcontracts in excess of \$500,000 "or \$1,000,000 for construction of a public facility" will be required to adopt and comply with a Subcontracting Plan similar to this one. Such Plans will be reviewed by comparing them with the provisions of the clause, "Small Business Subcontracting Plan" (FAR 52.219-9), thus assuring that all minimum requirements of an acceptable subcontracting plan have been satisfied. The acceptability of percentage and dollar goals shall be determined on a case-by-case basis depending on the supplies/services involved, the availability of potential SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB subcontractors, and prior experience. Once approved and implemented, Plans will be monitored through the submission of periodic reports, and/or, as time and availability of funds permit, periodic visits to subcontractors' facilities to review applicable records and subcontracting program progress.

V. REPORTS AND SURVEYS

The Contractor shall submit reports to the NNSA, as requested, in a format agreed upon. The Contractor shall submit electronically into the Electronic Subcontracting Reporting System (eSRS) the semi-annual Individual Subcontracting Reports (formerly SF 294) and annual Summary Subcontracting Reports (formerly SF 295) and

cooperate in any studies or surveys as may be required by the Contracting Officer or the SBA in order to determine the extent of compliance by the Contractor with the Subcontracting Plan and with the clause entitled "Utilization of Small Business Concerns," contained in the Contract. The Contractor shall also ensure that its subcontractors agree to electronically submit Individual Subcontracting Reports (ISR) and Summary Subcontracting Reports (SSR).

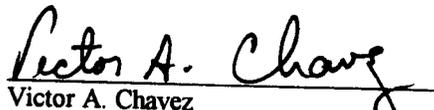
VI. RECORDS AND PROCEDURES

The Contractor shall maintain the following types of records to document compliance with this Subcontracting Plan:

- Procurement data, which is tracked by an automated system that provides historical data, related to each subcontract.
- Records to support other outreach efforts such as attendance at small and minority business procurement conferences and trade fairs.
- Records to support internal activities that guide and encourage buyers to support this Plan, such as workshops, seminars, training programs, award programs, as well as activities designed to evaluate compliance to the Plan.
- Records of organizations contacted in an attempt to locate SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB sources.
- Records on a contract-by-contract basis that support subcontract award data, which include name and address of subcontractor as well as the size and type of business that received the award.
- Records of SB, SDVOSB, HUBZone SB, SDB, VOSB and WOSB suppliers.

SUBMITTED BY
CONTRACTOR:

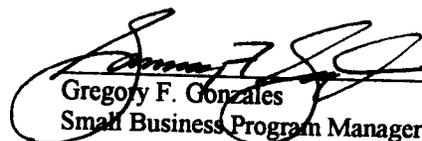
Sandia Corporation


Victor A. Chavez
Manager of Supply Chain Resources and Development

11/15/05
Date

PLAN CONCURRED IN BY:

NNSA Service Center – Albuquerque


Gregory F. Gonzales
Small Business Program Manager

11-23-05
Date

ACCEPTED BY:

NNSA Sandia Site Office

Lorraine Otero 11/20/05
Lorraine Otero Date
Contracting Officer