

Small Business Subcontracting Plan

Prepared for
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Small Business Subcontracting Plan

Introduction

The purpose of this plan is to outline the policies and procedures of DynCorp regarding our relationship to small, small disadvantaged, women-owned small business, and HUBZone small business concerns in the procurement process.

DynCorp's Corporate Policy Statement 230, "Procurement," and Policy Statement 241, "Use of Small and Disadvantaged Businesses," establishes the overall guidelines for procurement, control, and establishment of sources for materials, supplies, and services utilized in fulfilling our contract obligations. In accordance with the guidelines of this plan and the Corporate Policy Statement, policy letters from the DynCorp Technical Services (DTS) Purchasing Manager will be written stating that the company will actively seek small, small disadvantaged, women-owned small business, and HUBZone small business sources. Each of our procurement personnel will receive instruction in implementation of this policy and will be evaluated on their performance in meeting the contract goals and objectives relating to small, small disadvantaged, women-owned small business, and HUBZone small business concerns. A list will be maintained in the Purchasing Office of small, small disadvantaged, women-owned small business, and HUBZone small businesses whose capabilities might be utilized in the course of our activities. This list will be continuously updated.

A. Statement of Corporate Policy

It is the policy of DynCorp to actively seek small, small disadvantaged, women-owned small business, and HUBZone small business concerns in the conduct of business. DynCorp is committed to meeting the obligations as specified in Executive Order 11625, Public Law 95-507, Public Law 99-661, Section 1207, and Public Law 100-180, Section 806. The company will also ensure that the procurement personnel understand and satisfy the spirit and intent of these responsibilities.

It is the stated policy of the DynCorp Purchasing Manager that procurement activities will utilize small, small disadvantaged, and woman-owned small business concerns to the fullest extent practicable. These efforts will encompass all aspects of the procurement of supplies, equipment, construction, and services. The company recognizes that meaningful gains in the level of participation of the plan for small, small disadvantaged, women-owned small business, and HUBZone small business concerns can be achieved only with energetic enforcement of the plan and the commitment of our employees and subcontractors to the goals of equal opportunity in procurement activities.

The requirement for utilization of small, small disadvantaged, women-owned small business, and HUBZone small businesses is stated in FAR 52.219-8. This requirement is communicated through formal flow-down clauses to each of our subcontractors when procurements exceed the micro-purchase threshold.

B. Dissemination of Policy

In accordance with the commitment to these policies, the Purchasing Manager, Cheryl Dial, is Small Business Liaison Officer (SBLO), and will be the administrator of this Subcontracting Plan. In this capacity, she has the responsibility to ensure that this policy is enforced. From this position, she has management authority to exercise close control over the entire purchasing function. DynCorp's Standard Procurement Procedures are updated on a continuing basis, distributed electronically or in hard copy to personnel concerned with procurements, and specify:

"It is DynCorp's policy to allow and encourage the participation of small, small disadvantaged, women-owned small business, and HUBZone small business to participate as suppliers and/or subcontractors on Government contracts to the maximum extent possible."

Special effort will be taken to increase involvement of such business concerns in our projects by:

- Φ Facilitating the placement of small business, small disadvantaged business, women-owned, HUBZone small business, historically black colleges and universities, and other minority institutes on source lists to ensure that they are appropriately solicited
- Φ Counseling appropriate individuals and business concerns with respect to procurement policies and procedures and business opportunities so as to enhance their potential participation
- Φ Informing such individuals and business firms concerning subcontracting opportunities, including identification of other programs that might offer opportunity for participation

This policy reflects the socioeconomic intent to increase involvement in small, small disadvantaged, women-owned small business, and HUBZone small business concerns. When price, quality, delivery, reliability, and other factors are evaluated as equal in competition, the order will be awarded to the small, small disadvantaged, women-owned small business, HUBZone small business concern, labor surplus area, historically black college or university, or other minority institutes.

C. Responsibilities for Implementation

The DynCorp SBLO is assigned primary responsibility for the Small, Small Disadvantaged, Women-Owned Small Business, and HUBZone Small Business Development Program and will administer DynCorp's Subcontracting Plan presented herein. The SBLO will work closely with the local Business Manager who has purchasing responsibility at the site location. The DynCorp Business Manager will:

- Φ Ensure that this policy is implemented in all procurement-related activities.
- Φ Be responsible for the preparation and implementation of supplemental procedures regarding small, small disadvantaged, women-owned small business, or HUBZone small business in the DynCorp Standard Procurement Procedures.

- Φ Assist in the preparation of adequate specifications and drawings in behalf of procurement requirements to encourage small, small disadvantaged, women-owned small business, and HUBZone small business concerns to compete on current and future acquisitions.
- Φ Participate in Government and industry conferences scheduled to assist small, small disadvantaged, women-owned small business, HUBZone small business, historically black colleges and universities, and other minority institutes. This also includes business opportunity/federal procurement conferences; small, small disadvantaged, women-owned small business, and HUBZone small business concern procurement seminars; and small, small disadvantaged, women-owned small business, and HUBZone small business opportunity committee meetings.
- Φ Evaluate acquisition requirements to determine those suitable for placement with small, small disadvantaged, women-owned small business, or HUBZone small business.
- Φ To review procurement requirements for possible breakout of items suitable for acquisition from small, small disadvantaged, women-owned small business, or HUBZone small business concerns.
- Φ Provide, upon request, counsel to small, small disadvantaged, women-owned small business, and HUBZone small business concerns in understanding requirements to enable qualification for future awards when a quote from a business in this classification has been rejected for non-responsiveness or non-responsibility.

The duties of the SBLO for the administration of this Subcontracting Plan are:

1. To maintain a program designated to locate capable small, small disadvantaged, women-owned small business, HUBZone small business, historically black colleges and universities, and other minority institutes for current and future acquisitions, through the Small Business Administration and use of other methods.
2. To coordinate inquiries and requests for advice from small, small disadvantaged, women-owned small business, HUBZone small business, historically black colleges and universities, and other minority institutes on acquisition matters.
3. To advise potential suppliers how they can obtain information about business opportunities available under this program.
4. To be responsible for developing an education and training program for personnel whose duties and functions are associated with procurement, detailing responsibilities and opportunities in subcontracting with small, small disadvantaged, women-owned small business, and HUBZone small business firms
5. To participate in all "make-or-buy" decisions in order to provide adequate and timely consideration of potential subcontracting opportunities with small, small disadvantaged, women-owned small business, and HUBZone small business.
6. To ensure that a listing is maintained of firms with which we do business. This listing will be reviewed for participation of small, small disadvantaged women-owned small business, and HUBZone small business in order to develop additional sources.

7. To ensure that participation of small, small disadvantaged, women-owned small business, and HUBZone small business concerns is accurately reported.
8. To maintain all administrative records to ensure adequate historical files and to demonstrate performance.
9. To establish reporting procedures to satisfy all requirements received through either the Contracting Officer and/or the Small Business Administration.
10. To establish a rapport with the Small Business Administration Advisor through full cooperation in administering all segments of this plan.

D. Establishment of Goals

The purpose of this plan is to establish reasonable goals and objectives relative to small, small disadvantaged, women-owned small business, and HUBZone small business concerns and also to identify those actions that we can implement to ensure achievement of those goals. DynCorp's subcontracting goals are based upon our experience on current aircraft maintenance contracts as well as previous experience at Holloman Air Force Base. We currently utilize SBA's Pro-net listings of small, small disadvantaged, women-owned small, and HUBZone small business sources. Based on our experience, we are confident of our ability to locate and develop small and small disadvantaged suppliers for the new contract.

DynCorp will comply with all applicable FAR clauses, including FAR 19.705-2 and 10 U.S.C. 2323 pertaining to establishment of subcontracting goals. Indirect costs were not included in the establishment of these goals.

The majority of DynCorp's subcontracting will be for:

- Φ Leased equipment
- Φ Equipment services
- Φ Safety equipment and supplies
- Φ Uniforms
- Φ Vehicles
- Φ Vehicle maintenance and operational supplies
- Φ Equipment and component repairs
- Φ Repair parts and other items as required to meet the requirements of the contract

We are committed to increasing subcontracts to small, small disadvantaged, women-owned, HUBZone small business concerns, historically black colleges and universities, and other minority institutes. Of the items listed above for subcontracting, all or part of each of the categories will be obtained from small, small disadvantaged, women-owned or HUBZone small business concerns, historically black colleges and universities, or other minority institutes.

DynCorp will continue to work to develop new sources throughout performance of this contract. The local Business Manager will work with the buyers and administrators to identify subcontracting opportunities that could be handled by small business, and will

maintain contact with the local SBA Office, Procurement Assistance Centers, and other resource organizations to communicate these needs. All buyers will have access to the Internet and will receive training in the use of SBA's Pro-net to assist in locating new suppliers.

Listings of small, small disadvantaged, women-owned, HUBZone small business concerns, historically black colleges and universities, and other minority institutes will be shared between various DynCorp Purchasing Offices in order to allow multiple offices to use good, responsible suppliers developed at other sites. Communications will flow through the SBLO so that all DTS Purchasing Offices will have this wide range of information to draw from.

HUBZone Goals

Federal provisions regarding the utilization of HUBZone small businesses became effective in January 1999. Based on the newness of the program and availability of SBA identified HUBZone small businesses, DynCorp agrees to put forth a good faith effort in working with SBA to develop HUBZone small business sources throughout the performance of this contract. In the event the SBA is unable to qualify and identify sufficient SBA HUBZone small business to meet the goals set forth for HUBZone small business subcontracting, DynCorp requests favorable consideration for our good faith effort in complying with the goals set forth in the Small Business Reauthorization Act of 1997. This statute sets the goal for HUBZone contracts as follows: 1999 —1%; 2000 — 1.5%; 2001 —2%; 2002 —2.5%; 2003 and each year thereafter —3%.

Subcontracting Goals

The following table presents a summary by amount and percentage and type of business concern for the basic contract and for each option year.

Subcontracting Goals

Base Period	Dollars	% of Total
Total to be subcontracted	\$650,000	100%
a. To Large Business	\$325,000	50%
b. To Small Business	\$325,000	50%
i. To Small Disadvantaged Business	\$32,500	5%
ii. To Women-Owned Small Business	\$32,500	5%
iii. To HUBZone Small Business	\$6,500	1%
First Option Year	Dollars	% of Total
Total to be subcontracted	\$520,000	100%
a. To Large Business	\$260,000	50%
b. To Small Business	\$260,000	50%
i. To Small Disadvantaged Business	\$26,000	5%
ii. To Women-Owned Small Business	\$26,000	5%
iii. To HUBZone Small Business	\$7,800	1.5%

Second Option Year	Dollars	% of Total
Total to be subcontracted	\$522,000	100%
a. To Large Business	\$261,000	50%
b. To Small Business	\$261,000	50%
i. To Small Disadvantaged Business	\$26,100	5%
ii. To Women-Owned Small Business	\$26,100	5%
iii. To HUBZone Small Business	\$10,440	2%

Third Option Year	Dollars	% of Total
Total to be subcontracted	\$553,000	100%
a. To Large Business	\$276,500	50%
b. To Small Business	\$276,500	50%
i. To Small Disadvantaged Business	\$27,650	5%
ii. To Women-Owned Small Business	\$27,650	5%
iii. To HUBZone Small Business	\$13,825	2.5%

Fourth Option Year	Dollars	% of Total
Total to be subcontracted	\$545,000	100%
a. To Large Business	\$240,500	50%
b. To Small Business	\$240,500	50%
i. To Small Disadvantaged Business	\$24,050	5%
ii. To Women-Owned Small Business	\$24,050	5%
iii. To HUBZone Small Business	\$16,350	3%

Fifth Option Year	Dollars	% of Total
Total to be subcontracted	\$408,000	100%
a. To Large Business	\$204,000	50%
b. To Small Business	\$204,000	50%
i. To Small Disadvantaged Business	\$20,400	5%
ii. To Women-Owned Small Business	\$20,400	5%
iii. To HUBZone Small Business	\$12,240	3%

Sixth Option Year	Dollars	% of Total
Total to be subcontracted	\$400,000	100%
a. To Large Business	\$200,000	50%
b. To Small Business	\$200,000	50%
i. To Small Disadvantaged Business	\$20,000	5%
ii. To Women-Owned Small Business	\$20,000	5%
iii. To HUBZone Small Business	\$12,000	3%

E. Action-Oriented Programs

To fulfill the intent of Public Law 95-507, the development of source reference data shall be coupled with an action-oriented involvement with vendor and community contact. The SBLO will provide a focal point for inquiry concerning purchase requirements. Active involvement with community groups and a visible point of contact for those concerns seeking business opportunities under the Government subcontract program should provide an open door for those interested in providing supplies and/or services.

DynCorp will participate in procurement seminars conducted by local and Government agencies, including professional associations such as the National Association of Purchasing Managers (NAPM), DAR Council Committee, and the National Contract Management Association. DynCorp will maintain an active, ongoing program for the identification of eligible sources for supplies and services among small, small disadvantaged, women-owned small business, and HUBZone small business concerns. This program includes the following:

- ⊕ Reference to the Small Business Administration, Pro-net, an Internet listing of Small Business concerns whose services might be applicable to procurement requirements.
- ⊕ Recourse to those agencies listed through the Chamber of Commerce, community development agencies, and professional/fraternal organizations.
- ⊕ Libraries will be established containing directories and source information to facilitate locating small, small disadvantaged, women-owned small business, HUBZone small business, historically black colleges and universities, and other minority institutes.
- ⊕ The position of SBLO has been established to provide experienced insight and knowledge for all phases of our acquisition process.
- ⊕ Playing an active role in small, small disadvantaged, women-owned small business, and HUBZone small business development.

F. Internal Audit and Reporting

The SBLO will audit proposals, major subcontracts, and other acquisition actions on a continual basis to measure the strength and direction of our performance and effectiveness against established goals. The Small Business Subcontracting Program is under continual review by the Small Business Administration, DCMC-DAL-DM, and other DoD agencies.

The SBLO prepares the Summary Subcontract Report, Standard Form (SF) 295, of commitments to small, small disadvantaged women-owned small business, and HUBZone small business concerns semi-annually and distributes as required on the reverse of the form. The SF 295 report summarizes the cumulative fiscal year's subcontracting activity. The dollar amounts and percentages of business conducted with large and small, small disadvantaged, women-owned small business, HUBZone small business concerns, historically black colleges and universities (HBCU), and minority institutions (MI) is identified in this report. This information is accumulated as

required and is available for review by DCMC Dallas, or any other appropriate Government agency.

The Subcontracting Report for Individual Contracts, SF 294 is also prepared semi-annually. This report gives dollar amounts and percentages of subcontracting activity with small business, large business, small disadvantaged, women-owned small business, and HUBZone small business concerns for the reporting period and gives cumulative totals by type for the contract. The original copy of SF 294 is provided to the Contracting Officer as required on the reverse of the form. Copies of the report are distributed as required by the individual contract.

Reports will be filed and permanently retained. The administrator of this plan will work in full cooperation with the Small Business Administration with any follow-on studies and/or projects.

Administrative records will be maintained, including proposals, to ensure adequate historical files and to demonstrate performance. Reporting procedures are established and continually updated to ensure all requirements received through either the Contracting Officer and/or the Small Business Administration are readily satisfied.

DynCorp's procurement system will provide the information summarized as follows:

- Φ Awards to small, small disadvantaged business, women-owned small business, HUBZone small business, historically black colleges and universities, and other minority institutes:
 - Γ Number and value of purchases under \$100,000 to small, small disadvantaged business, women-owned small business, and HUBZone small business concerns
 - Γ Number and value of purchases \$100,000 and up to small, small disadvantaged, women-owned small business, HUBZone small business, historically black colleges and universities, and other minority institutes to include the number and each type of business solicited
- Φ Awards of purchases \$100,000 and up to other than small, small disadvantaged, women-owned small business, and HUBZone small business
- Φ Number and value of purchases over \$100,000 to each small, small disadvantaged, women-owned small business, historically black colleges and universities, and other minority institutes solicited including the following data:
 - Γ No offers received
 - Γ Number of offers received but not low
 - Γ Number of offers low but ruled out for justifiable reasons
 - Γ Small, small disadvantaged, women-owned small business, historically black colleges and universities, and other minority institutes not solicited because:
 - No such source(s) known
 - Known but ruled out for justifiable reasons
 - Limited source/specified source

G. Flow-Down Clause, \$500,000 Subcontract or Over

When awarding subcontracts over \$500,000, the flow-down clause will be included, which will require our large business subcontractor(s) to furnish a Small Business Plan in accordance with FAR 52.219-9(d)(9).

H. Summary

The SBLO will be charged with responsibility to ensure the commitments of this plan are effectively carried out. She will coordinate all procurement activities and will be the single interface point with vendors and the Government concerning all aspects of this plan. She will fully cooperate in the support of any Government or SBA survey or audit programs. We consider our efforts in this regard to be a critical contract responsibility and we pledge our cooperation with the Small Business Administration for matters relative to the compliance of this plan.

The goals we have provided are realistic, challenging, and attainable based on our experience during our past years in Government contracting.

I. Past Performance

DynCorp has an in-depth understanding of Holloman Air Force Base requirements—based on actual experience—to establish and meet or exceed subcontracting goals for this new contract.

Based on this experience at Holloman Air Force Base, and in Government contracting in general, our new goals are in line with previous contract goals. They are realistic, challenging, and achievable.