



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, DC 20416

Re: Welcome to the Small Business Administration Subcontracting Program (SP)

Dear Sub Contractor:

Congratulations on your firm's recent subcontract award. Because your firm's subcontract award includes a Small Business Subcontracting Plan, you are now required to adhere to the U.S. Small Business Administration (SBA) Subcontracting Program (SP) rules and regulations. The SP ensures compliance with statutory obligations and gives SBA the authority to evaluate your company's compliance with its Subcontracting Plan.

The success of adhering to the SP regulations, processes and procedures and your Subcontracting Plan is critical to continue to obtain Federal Government prime or sub-contract awards.

**Please make a note of the following:**

- **Help:** For more information regarding the SP, please visit our website at <https://www.sba.gov/> (Click on *Contracting*, and under *Finding Government Customers* click on *Subcontracting*.) The Subcontracting Program website highlights a list of relevant regulations, training events, quick tips and tools to assist you in understanding your roles and responsibilities.
- **SubNet:** To help you meet your firm's subcontracting goals, the SBA's Subcontracting Network (SubNet) system allows prime and subcontractors to market SB Subcontracting Opportunities, Notices of Sources Sought and Outreach Events for small businesses at no cost. The SubNet system is located at <http://web.sba.gov/subnet/>. The use of SubNet shows a good faith effort to locate small business subcontractors.
- **Questions:** If you have any questions about your contract or subcontracting contact the firm that awarded you the contract.

- **Locating SB: Locating SBs:** A business can be small for one NAICS but large for another. Therefore, be sure that the business is small for the subcontract NAICS. To be clear, the firm must be a small business in the NAICS that you are issuing a subcontract.

If you are in need of locating a SB to fulfill your SB subcontracting goals we suggest:

- The SBA's Subcontracting Networking (SubNet) system allows prime and subcontractors to market small businesses Subcontracting Opportunities, Notices of Sources Sought and Outreach Events at no cost. The SubNet system is located at <http://web.sba.gov/subnet/>. The use of SubNet shows a good faith effort to locate small business subcontractors.
  - Conducting market research to locate SB subcontractors. The government has many on-line tools to assist you at no cost. You can locate many of them on the Subcontracting Program webpage at [www.sba.gov](http://www.sba.gov) (Click on *Contracting*, under *Finding Government Customers* click on *Subcontracting*; click *Other Than Small Business Resources*; and click *OTSB Tools*)
  - Host or attend outreach activities
- **Subcontract Reporting:** Unless otherwise directed, subcontract reports are entered into the Electronic Subcontract Reporting System (eSRS) at <https://www.esrs.gov/>, even if your subcontract awards are zero. Training material is available on the website.

**Individual Subcontracting Plan:** Requires three (3) reports annually, which includes two (2) Individual Subcontracting Reports (ISR) and one (1) Summary Subcontracting Report (SSR). They are due as follows:

**ISR:**

- Submitted to the Federal government agency who awarded the contract
- 1st reporting period ends March 30, and report is due April 30
- 2nd reporting period ends September 30, and report is due October 30

**SSR Individual:**

- Submitted to the Federal government agency who awarded the contract
- Reporting period ends September 30, and report is due October 30

- **Subcontractor's Compliance:** You are required to flow down subcontracting-related contract clauses when required, obtain an acceptable flow down subcontracting plan and ensure lower-tier other than small business (OTSB) subcontractors adhere to the requirements of subcontracting-related contract clauses, including monitoring and enforcing compliance with flow down clauses, subcontracting plans, subcontract reporting, and meeting subcontracting goals
- **Commercial Market Representatives (CMR)** The CMR manages Subcontracting Compliance and are SBA's first line of contact in the field for matters concerning the Subcontracting Program as they are tasked with providing an understanding of the program and assessing compliance. The CMR is the Subcontracting Program subject matter expert who is the primary point of contact to our customers. The CMRs can also assist you with locating a SB. The CMRs are assigned to an SBA Area Office (AO) by state and can be located at <https://www.sba.gov/contracting/resources-small-businesses/cmr-directory>

We wish you great success!

Sincerely,

*SBA's Subcontracting Program*