

APPENDIX I - SMALL BUSINESS SUBCONTRACTING PLAN

(See Modification No. M021, M043, M054, M070, and M088)

**CH2M HILL Hanford Group, Inc.
Prime Contractor**

SMALL BUSINESS SUBCONTRACTING PLAN

**Office of River Protection Project
Fiscal Year 2004**

CONTRACT: DE-AC27-99RL14047

CH2M HILL Hanford Group, Inc.
Prime Contractor

SMALL BUSINESS SUBCONTRACTING PLAN

Office of River Protection Project
Fiscal Year 2004

Contract: DE-AC27-99RL14047

SUBMITTED BY:

Signature: ORIGINAL SIGNED BY 10-30-03
M. W. Wells, Director Date
Procurement & Materials Management
CH2M HILL Hanford Group, Inc.

PLAN ACCEPTED BY:

Signature: ORIGINAL SIGNED BY 11-05-03
J. S. O'Connor, Contracting Officer Date
U.S. Department of Energy, Office of River Protection

PURPOSE

This CH2M HILL Hanford Group, Inc. (CH2M HILL) Small Business Subcontracting Plan promotes, develops, and implements a progressive small business (SB), small disadvantaged business (SDB), small women-owned business (SWOB), HUBZone small business (HUBZone), and veteran owned small business (VOSB), collectively referred to herein as SB, subcontracting program that maximizes business opportunities for small business concerns to the extent practicable to meaningfully contribute to the tank farm closure.

STRATEGY FOR SMALL BUSINESS INVOLVEMENT

A management philosophy of CH2M HILL is to be recognized as an industry leader in the incorporation and use of SB to gain overall project efficiency. Through various award winning and well-recognized SB programs on other projects, CH2M HILL has demonstrated an understanding of the valued aspects of an integral SB involvement strategy. Consistent with the U.S. Department of Energy's (DOE) vision and goals, diversity and commitment to small business subcontracting is a CH2M HILL management operating principle and a key element to our tank closure strategy. Through diversity in our SB subcontracting, we provide vital links to the local/regional community, increase our flexibility in meeting project goals and cost effectiveness, help strengthen the local economy, create new business opportunities, and represent best business practices.

CH2M HILL will afford SB maximum practical opportunity to compete for and furnish materials and services required within the SB demonstrated capabilities. This will be accomplished through evaluations of SB capabilities against specific procurement requirements, as well as through award of specific SB set aside contracts for goods and services. CH2M HILL will compile, maintain, and share small business source data with the DOE, the U.S. Department of Energy, Office of River Protection (ORP), and other Hanford contractors and with other CH2M HILL subcontractors to enhance increased opportunities for known, qualified firms. Where practical, CH2M HILL will combine project requirements and create bidding opportunities for small businesses.

SMALL BUSINESS REPORTING

CH2M HILL requires each prospective subcontractor to submit a Representation and Certification form denoting their business size, classification, and status (SB, SDB, SWOB, HUBZone, and VOSB). Prospective subcontractors are assigned a vendor code that includes their respective business size, classification, and status. Each CH2M HILL subcontract award includes a vendor code and monthly small business statistics are generated based on information contained within those codes.

CH2M HILL will measure awards to small businesses based on the total value of subcontracts and purchase orders placed during each fiscal year. CH2M HILL will report actual performance versus small business goals to the ORP on a quarterly basis.

1. & 2. GOALS – PERCENTAGES AND DOLLARS [FAR 52.219-9 (d) (1) & (2)]

CH2M HILL shall provide all materials, services, and supplies necessary to perform the statement of work as a prime contractor to the ORP. The following is based on fiscal year (FY) 2004 subcontract, staff augmentation, and material expenditures.

Total amount of planned subcontracting/materials:	\$165,230,000*
Percentage of total amount of planned subcontract	100%
Total planned for Small Business concerns:	\$ 79,310,400
Percentage of total amount subcontracted	48%
Total planned for Small Disadvantaged Business concerns:	\$ 15,862,080
Percentage of total amount subcontracted	9.6%
Total planned for Women-Owned Small Business concerns:	\$ 12,722,710
Percentage of total amount subcontracted	7.7%
Total planned for HUBZone Small Business concerns:	\$ 495,690
Percentage of total amount subcontracted	.3%
Total planned for Veteran-Owned Small Business concerns:	\$ 82,615
Percentage of total amount subcontracted	0.05%

*The basis of the planned subcontracts/materials/staff augmentation is the updated multi-year baseline planned expenditures as documented in Baseline Change Request RPP 04-001, submitted to the ORP on October 21, 2003, for approval. Award amounts, which are the basis for the actual performance, may vary from these values. Note that reported FY 2004 balanced scorecard results may include multiple small business calculations (i.e., including specific contracts or excluding them - depending on justification such as directed sources) to present a complete picture of activities for the fiscal year.

3. POTENTIAL SUBCONTRACTING OPPORTUNITIES FOR SMALL BUSINESS [FAR 52.219-9 (d) (3)]

The following table lists the principal categories of subcontracting opportunities that will be made available for small business concerns. The categories are for general work groupings only. As additional opportunities are identified, the list will be expanded and revised accordingly.

Subcontracting Items	Large Business	Small Business	SDB	SWOB	HUBZone	Veteran
Office Supplies		X	X	X	X	
Technical Services	X	X	X	X	X	X
Office Equipment		X	X			
Construction Services	X	X	X	X		
Temp. Empl. Svcs.		X		X		
A/E Services	X	X				
Lab Services		X				
Safety Equipment	X	X	X	X		
Fuels		X	X		X	
Operating Materials	X	X	X	X	X	
Miscellaneous Svcs.	X	X	X	X	X	X

4. METHOD USED TO DEVELOP SMALL BUSINESS SUBCONTRACTING GOALS
[FAR 52.219-9 (d) (4)]

Our goals are challenging yet attainable. To establish the subcontracting goals, CH2M HILL reviews the forecast of probable acquisition needs for the tank farms and analyze project estimates. Goals are also developed based on:

- CH2M HILL Performance Assessment Results in FY 2003
- Establishment of blanket master agreements with preference given to small business concerns.

5. METHODS USED TO IDENTIFY POTENTIAL SOURCES FOR SOLICITATION
[FAR 52.219-9 (D) (5)]

CH2M HILL has won national recognition for their Small Business Program because they go the extra mile in identifying potential sources of supply. As described in this Plan, CH2M HILL will employ a Small Business Program Manager who will actively manage the program and will assist employees in developing new sources of suppliers. Below are some of the key methods and resources we will use:

- Existing CH2M HILL subcontractor source lists
- Existing relationships with local firms
- CH2M HILL and DOE-sponsored trade fairs and conferences designed to attract additional small businesses
- Strengthened relationships with the local Small Business Administration office and business development offices, resulting in the identification of the best local sources available
- Local Chamber, Small Business and Economic Development Office supplier lists
- U.S. Small Business Administration PRO-NET database
- National Minority Purchasing Council Vendor Information Service
- Procurement Technical Assistance Center
- Central Contractor Registration System
- PassPort Vendor Database
- National Contract Management Association
- National Association of Purchasing Management.
- Inclusion of small business goals in Procurement personnel appraisals, if applicable.

6. INDIRECT COSTS [FAR 52.219-9 (d) (6)]

Indirect costs are not included in the goals under this subcontracting plan.

7. ADMINISTRATOR OF SUBCONTRACTING PLAN [FAR 52.219-9 (d) (7)]

The following individual has been named to administer this Subcontracting Plan:

Name: Joy Turner*
Title: Small Business Program Manager
Address: Post Office Box 1500 MSIN: H6-16
Richland, Washington 99352
Telephone: TBD

(*Ms. Turner has accepted the offer of employment and will begin working for CH2M HILL on November 10, 2003.)

The Small Business Program Manager's specific duties as they relate to the CH2M HILL's small business subcontracting program are as follows:

- a. Monitor subcontracting goal progress on a monthly basis and provide assessment reports to the ORP Contracting Officer quarterly.
- b. Provide adequate and timely consideration of the potentialities of small business, small disadvantaged business, women-owned small business, HUBZone small business, and veteran owned small business concerns when working with CH2M HILL field personnel in determining "make-or-buy" decisions.
- c. Ensure, in the CH2M HILL's acquisition of goods and services that small business, small disadvantaged, women-owned small business, HUBZone small business, and veteran owned small business concerns are provided the maximum opportunity practicable to compete for subcontracted work and purchased materials within the framework of the CH2M HILL contract.
- d. Maintain an effective outreach program by sponsoring and attending regional and national procurement conferences and trade fairs to locate additional qualified small businesses. Increase community awareness through participation in and attendance at community organization meetings (i.e., Chambers' of Commerce, vendor forums and symposiums, etc.) and direct small business solicitations. Ensure vendor accessibility to future subcontracting opportunities by monitoring and updating the external CH2M HILL Procurement and Materials Management website.
- e. Interact with other CH2M HILL contractors, the U.S. Department of Energy, Richland Operations Office, the ORP, and Hanford Small Business Advocacy Offices. After meeting with vendors interested in subcontracting opportunities, forward vendor profiles to technical staff and buyers.

- f. Meet one-on-one with vendors. Communicate information to procurement specialists and management in the field related to the vendor's area of expertise.
- g. Ensure the establishment and maintenance of records of the total dollar value of solicitations and awards to small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran owned small business concerns, and total solicitations and awards.
- h. Prepare and submit semi-annual reports (SF294 & SF295) as required by FAR 52.219-9 on direct procurements to the ORP Contracting Officer.

8. EQUITABLE OPPORTUNITY [FAR 52.219-9 (d) (8)]

Other efforts that will be conducted to ensure that small business concerns have an equitable opportunity to compete for subcontracts include:

- a. Compile solicitations to facilitate small business participation in subcontracting opportunities. Assure small business concerns have an equitable opportunity to compete for subcontracts.
- b. Working with CH2M HILL team and local/regional small business advocate organizations, develop and maintain a comprehensive source list of small business, small disadvantaged business, women-owned small business, HUBZone small business, and veteran owned small business concerns for use by the projects in supporting preparation of site bidders lists for solicitations of goods and services.
- c. Participate, or ensure participation of company representatives in small business, small disadvantaged business, women-owned small business, HUBZone small business, and veteran small business trade associations, seminars, business opportunity workshops, and outreach programs.
- d. Conduct workshops and training programs to ensure that internal buyers are familiar with small business policies established in the prime contract, as well as externally, so that small businesses are familiar with how to do business with CH2M HILL.
- e. Strengthen relationships with small business and procurement trade associations and local/regional business development organizations including the Tri-City Industrial Development Council.
- f. Participate in the CH2M HILL/Bechtel Vendor Forums to showcase the CH2M HILL project and establish the foundation for a network of economic opportunity for small businesses.

9. FEDERAL FLOWDOWN COMMITMENT [FAR 52.219-9 (d) (9)]

CH2M HILL will include the flowdown requirements of FAR 52.219-9 (9) entitled "Utilization of Small Business Concerns" in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction) to adopt a plan similar to the plan that complies with the requirements of this clause.

10. REPORTING [FAR 52.219-9 (d) (10)]

CH2M HILL will:

- (i) Cooperate in any studies or surveys or submission of reports as may be required by the U.S. Department of Energy or the U.S. Small Business Administration,
- (ii) Submit periodic reports so that the government can determine the extent of compliance by CH2M HILL with this subcontracting plan,
- (iii) Submit Standard Form 294 Subcontracting Report for Individual Contracts, Standard Form 295 *Summary Subcontract Report*, and
- (iv) Ensure that our subcontractors agree to submit Standard Forms 294 and 295 as required.

11. RECORDS [FAR 52.219-9 (d) (11)]

The types of records that will be maintained to demonstrate the procedures adopted to ensure compliance with the requirements and goals of this Subcontracting Plan include:

- (i) Source lists (e.g., PRO-NET), guides, and other data that identify small business, small disadvantaged business, women-owned small business, HUBZone small business, and veteran owned small business concerns;
- (ii) Organizations contacted in an attempt to locate sources that are small businesses, small disadvantaged business, women-owned small business, HUBZone small business, or veteran-owned small business or concerns;
- (iii) Records held by each buyer on every subcontract solicitation resulting in an award of more than \$100,000 indicating:
 - Whether small business, small disadvantaged business, women-owned small business, HUBZone small business, and veteran-owned small business concerns were solicited and, if not, why not;
 - If applicable, the reason award was not made to a small business concern.
- (iv) Records of any outreach efforts to contact
 - Trade associations
 - Business development organizations
 - Conferences and trade fairs to locate small, small disadvantaged, women-owned, HUBZone, and veteran organizations.
- (v) Records of internal guidance and encouragement provided to buyers through

- Workshops, seminars, training, etc. and
 - Monitoring performance to evaluate compliance with the program's requirements.
- (vi) 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.

12. PLAN IMPLEMENTATION [FAR 52.219-9 (e)]

CH2M HILL will perform the following functions to effectively implement this plan to the extent consistent with efficient contract performance:

- (i) Assist small business concerns by arranging solicitations, time for preparation of bids, quantities, specifications and delivery schedules so as to facilitate the participation by such concerns. CH2M HILL will make reasonable efforts to give as many small business concerns as possible an opportunity to compete over a period of time.
- (ii) Provide adequate and timely consideration for use of small business concerns when deciding if CH2M HILL should perform the work or procure it from another source.
- (iii) Counsel and discuss subcontracting opportunities with representatives of small business concerns.
- (iv) CH2M HILL will require and rely upon the subcontractor's business size certification for small business, women-owned small business, and veteran owned small business concerns. HUBZone small business and small disadvantaged business status will be verified by receipt of a SBA certification document or by accessing the list of certified HUBZone small businesses and small disadvantaged businesses maintained by the SBA in PRO-NET. Notice will be provided to subcontractors concerning penalties and remedies for misrepresentation of business status.