

**Part III - Section J
Appendix E**

**Small Business and Small Disadvantaged
Business Subcontracting Plan
For
Sandia Corporation**

Period of October 1, 1998 through September 30, 2003

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

I. GOALS

A. The Contractor's proposed Small Business (SB) concerns, Hubzone Small Business concerns, Small Disadvantaged Business (SDB) concerns, and Woman-Owned Small Business (WOSB) concerns goals shall be submitted in writing each fiscal year during the term of this contract, or by such later date as the Contracting Officer may authorize in writing. The established goals will be incorporated into this Plan by letter and will not require contract modification.

The proposed goals shall be based upon an established percentage of estimated commercial purchases, excluding purchases on the Sandia National Laboratories (SANDIA) procurement card program, which will be derived from the current fiscal year budget. Goals may be changed within the first six months of each fiscal year with the approval of the contracting officer. 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 Supplier Relations. Goals for the utilization of SB, Hubzone SB, SDB, and WOSB subcontractors shall be submitted as follows unless otherwise requested by the Contracting Officer:

1. Total Dollar M&O Commercial Contract Awards to US Business Concerns
2. Total dollars and percentage planned to be subcontracted by SB concerns
3. Total dollars and percentage planned to be subcontracted by small business set-aside awards
4. Total dollars and percentage planned to be subcontracted to 8(a) concerns.
5. Total dollars and percentage planned to be subcontracted to SDB other than 8(a) concerns
6. Total dollars and percentage planned to be subcontracted to WOSB concerns.
7. Total dollars and percentage planned to be subcontracted to Hubzone SB Concerns.

B. PRODUCTS AND SERVICES

1. 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. Small Business, Hubzone Small Business, Small Disadvantaged Business, and Woman Owned Small Business concerns will generally supply a significant portion of the goods and services purchased. Examples of commodities are as indicated below.

Laboratory Equipment
Specialty/Promotional Items
Construction/Renovation
Safety Equipment
Office Supplies & Furniture
Mechanical Subassemblies
Engineering Services & Supplies
Computer Supplies & Equipment
Chemicals & Adhesives
Media Services and Supplies

Tools
Selected Services
Electronics
Electrical Components & Assemblies
Selected Services
Clothing
Computer and Office Supplies

2. Methodology for Determining Subcontracting Goals

Annual goals are developed, which are primarily based upon the previous years' records and experience. The anticipated needs and programs for the current year are also taken into consideration.

3. Methodology for Identification of Suppliers

Trade Fairs - The Contractor actively participates in Minority Business Opportunity Trade Fairs across the Southwest and across the United States. The Contractor shall participate in those trade fairs that will be most beneficial to the Contractor's efforts in identifying Small Businesses concerns, Hubzone Small Business concerns, Small Disadvantaged Business concerns, and Woman-Owned Small Business concerns.

PRO-Net - SBA's PRO-Net 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/SDB and WOSB suppliers to assess their capability, capacity, and potential to provide goods and services to the Laboratories.

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 woman-owned small business directories and associations.

4. Indirect costs have not been included in the dollar and percentage in subcontracting goals stated above.

II. PROGRAM ADMINISTRATOR

The Contractor's Manager of Supplier Relations, Cynthia Schneeberger, P.O. Box 5800 MS-0201, Albuquerque, NM 87187, (505) 845-8883, will be responsible for the administration of this Subcontracting Plan.

Responsibilities of the Manager of Supplier Relations, or her designee, include:

Assure success of the Plan by assisting Procurement in preparing directives and procedures.

Serve as the Contractor's Small Business (SB), Small Disadvantaged Business (SDB), and Woman-Owned Small Business (WOSB) Liaison Officer.

Search for SB, SDB, and WOSB sources for use by the Contractor in proposed procurements expected to exceed \$100,000.

Review SB, SDB 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 PL95-507 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 performance in this area.
- Assure inclusion of SB, SDB, and WOSB firms in solicitations where appropriate and cost efficient.
- Maintain business directories from national, regional, and local business and trade organizations, and other sources to expand and keep current listings of SB, SDB, and WOSB sources.
- Participate as the Contractor's representative in SB, SDB, and WOSB trade fairs, 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 Small Business Administration (SBA) activities.

III. OUTREACH EFFORTS

The following efforts shall be taken to assure that Small, Hubzone Small, Small Disadvantaged and Woman-Owned Small Business Concerns will have an equitable opportunity to compete for subcontracts:

A. External Efforts

Attendance at local SB, SDB, and WOSB procurement conferences and trade fairs. Some examples include: Annual Small Minority Expo; Small Business Government Trade Fair; Annual Minority Business Enterprise (MBE) Trade Fair, and the Office of Small and Disadvantaged Business Utilization National Conference.

Utilization of the following publications and directories to identify new SB, SDB, and WOSB sources:

TRY US

Thomas Register

Local, 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, Hubzone SB, SDB, 8(a), or 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.

B. Internal Efforts

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

The Contractor shall establish Department goals for SB, Hubzone SB, SDB, and WOSB procurement activity that are established annually. These goals are made part of the Manager's performance evaluation and are monitored by Senior Procurement Management.

Procurement activity is monitored on a quarterly basis and reports are provided based on various criteria. A Quarterly published procurement activity report is distributed to Procurement Management and buyers. The utilization of this report allows Procurement to forecast requirements necessary to accomplish its goals as a Laboratory.

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

IV. SUBCONTRACTING PLAN FLOWDOWN

The contractor agrees that FAR 52.219-8 entitled "Utilization of Small Business Concerns" will be included in all subcontracts which 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), and 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 small, Hubzone small, small-disadvantaged and woman-owned 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 DOE, as requested, in a format agreed upon. The Contractor shall submit semi-annual SF 294 reports and annual SF 295 reports 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.

VI. RECORDS AND PROCEDURES

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

Procurement data is tracked by automated system that provides historical data related to each subcontract.

On a contract-by-contract basis, records on all subcontract solicitations over \$100,000 will indicate on each solicitation (1) whether SB, Hubzone SB, SDB, or WOSB concerns were solicited, and if not, why not; and (2) reasons for the failure of solicited SB, Hubzone SB, SDB, or WOSB concerns to receive the subcontract award.

Records to support other outreach efforts: Attendance at small and minority business procurement conferences and trade fairs.

Records to support internal activities to guide and encourage buyers: workshops, seminars, training programs, award programs, etc. monitoring activities to evaluate compliance.

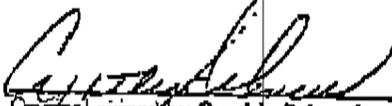
Organizations contacted in an attempt to locate small, Hubzone small, small-disadvantaged, and women-owned small business sources.

On a contract-by-contract basis, records to support subcontract award data to include name and address of subcontractor as well as the size and type of business that received the award.

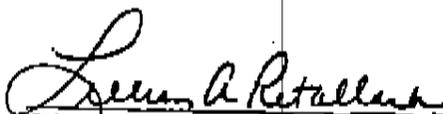
Sandia Corporation
Modification No. M140 to
Contract No. DE-AC04-94AL85000

Company:

Sandia National Laboratories

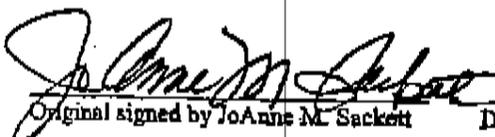

Original signed by Cynthia Schneeberger 11/13/00
Manager of Supplier Relations Date

PLAN CONCURRED IN BY:


Original signed by Lillian A. Retallack 11/13/00
Date

Lillian A. Retallack
Small Business Program Manager
Albuquerque Operations Office

ACCEPTED BY:


Original signed by JoAnne M. Sackett 10/14/00
Date

JoAnne M. Sackett
Contracting Officer
Albuquerque Operations Office