

Modification 264

Subcontracting Plan, is modified by deleting the existing information and substituting the plan included as Attachment 2 to this modification

Modification 237

Subcontracting Plan, is modified by deleting the existing information and substituting the plan included as Attachment 3 to this modification

Modification 209

Appendix B – Subcontracting Plan, is modified by deleting the chart on page 13 and substituting the following chart in lieu thereof:

Modification 137

Appendix B – Subcontracting Plan, is modified by deleting the chart on page 13 and substituting the following chart in lieu thereof:

Modification 121

Part III, *List of Documents, Exhibits, and Other Attachments*, Section J, *List of Attachments*, Appendix B, *Subcontracting Plan*, is modified by deleting the existing plan and substituting the plan included as Attachment 2 to this modification.

Modification A024

Contract Number DE-AC52-06NA25946

PART III – SECTION J

APPENDIX B - SUBCONTRACTING PLAN

NATIONAL SECURITY TECHNOLOGIES LLC

**MASTER SUBCONTRACTING PLAN FOR SMALL BUSINESS, SMALL
DISADVANTAGED BUSINESS, WOMEN-OWNED SMALL BUSINESS,
HISTORICALLY UNDERUTILIZED BUSINESS (HUB) ZONE SMALL BUSINESS,
VETERAN-OWNED SMALL BUSINESS AND SERVICE-DISABLED VETERAN-
OWNED SMALL BUSINESS**

EFFECTIVE DATE: 01 OCTOBER 2015 TO 30 SEPTEMBER 2016

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1.0 Introduction & Company Policy

At National Security Technologies, LLC (NSTec) we have made a strong commitment regarding the utilization of Small Businesses (SB), Small Disadvantaged Businesses (SDB), Women-Owned Small Businesses (WOSB), HUB Zone Small Businesses (HUB), Veteran-Owned Small Businesses (VOSB) and Service-Disabled Veteran Owned Small Businesses (SDVOSB). This Master Plan details the methods and procedures as to how NSTec's parent companies, Northrop Grumman, AECOM, CH2M Hill, and Babcock & Wilcox, will implement not just the letter of current regulations, but the spirit behind it. Notwithstanding the requirement for the establishment and utilization of Small Businesses, it is the policy of NSTec to support all Small Business concerns where possible. This Plan is submitted in accordance with Sections 52.219-8, 52.219-9 and 19.704(b) of the Federal Acquisition Regulations (FAR) and PL 99-661.

1.1 Corporate Commitment

NSTec is committed to providing a fair and competitive environment for all Small Business Concerns. The company places great importance upon the competitiveness of the marketplace and the timely procurement of products and services that meet the highest standards of quality and reliability.

This Plan represents NSTec's "Good Faith Effort" regarding its commitment to actively supporting the Federal Government initiatives and laws established to enhance and increase the participation of Small Businesses, Small Disadvantaged Businesses, Women-Owned Small Businesses, Veteran-Owned Small Businesses, Service-Disabled Veteran Owned Small Businesses and Historically Underutilized Business Zone Small Businesses, in the subcontracting process. The goals and objectives of the NSTec programs will continue to remain an essential part of our parent company's commitment.

2.0 Definitions

SAM (System for Award Management): <https://sam.gov> A national internet database administered by the Small Business Administration that contains supplier profiles of Small, Small Disadvantaged, 8(a), Women-Owned, HUB Zone, Veteran-Owned and Service-Disabled Veteran-Owned small businesses.

HUB Zone Small Business (HUB): A small business that is owned and controlled only by US citizens with the principal office located in a HUB Zone and at least 35% of the employees must reside in the HUB Zone. HUB Zone small business concern means a small business concern that appears on the List of Qualified HUB Zone Small Business Concerns maintained by the Small Business Administration

Individual Subcontracting Plan: A subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on planned subcontracting dollars or contract value in support of the specific contract.

Master Plan: A subcontracting plan that contains all the required elements of an individual contract plan, except goals, and may be incorporated into individual contracting plans, provided the master plan has been approved.

Service Disabled Veteran Owned Business (SDVOSB): Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

Small Disadvantaged Business (SDB): A Small Business that is at least 51% owned by an individual who is both a US citizen and considered socially and economically disadvantaged, as defined by the Small Business Administration (SBA), with the majority of earnings directly accruing to such individuals. Social disadvantage must include at least one objectively distinguishing feature that has contributed to social disadvantage such as race, ethnic origin, gender, physical handicap, long term residence in an environment isolated from the mainstream of American society. Social disadvantage is a non-designated group and must establish individual social disadvantage based on a preponderance of evidence. Economic disadvantage is defined as net worth below \$750,000 minus equity in primary residence and the applicant's ownership interest.

Small Business (SB): A business concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria in 13 CFR Part 121

Summary Subcontracting Report: This report collects prime and subcontractors' subcontract award data for a specific Federal Government agency when a Prime/Subcontractor: (a) holds one or more contracts over \$700,000 (over \$1,500,000 for construction of a public facility); and (b) is required to report subcontracts awarded to Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HUB Zone Small Business (HUB Zone SB), Veteran-Owned Small Business (VOSB), Service-Disabled Veteran-Owned Small Business (SDVOSB), Alaskan Native Corporations (ANC) and Indian tribes concerns under a subcontracting plan with the Federal Government.

Women Owned Small Business (WOSB): A small business concern that is at least 51% owned by one or more women and in the case of any publicly owned business, at

least 51% of the stock is owned by one or more women. One or more women must control the management and daily business operations.

Veteran-Owned Small Business (VOSB): A small business that is at least 51% owned by one or more veterans and in the case of any publicly owned business, at least 51% of the stock is owned by one or more veterans. One or more veterans must control the management and daily business operations.

Service-Disabled Veteran-Owned Small Business (SDVOSB): A small business that is at least 51% owned by one or more service-disabled veterans and in the case of any publicly owned business not less than 51% of the stock is owned by one or more service-disabled veterans. The management and daily operations must be controlled by one or more service-disabled veterans in the case of a veteran with permanent and severe disability the spouse or permanent caregiver of such veteran shall manage.

3.0 Principal Supplies/Services to be Subcontracted [FAR 52.219-9 (d)(3)]

The principal supplies and services to be subcontracted are listed below. NSTec's goal is to subcontract with all small business concerns in all potential North American Industry Classification System (NAICS) categories to the maximum extent possible. The principal supplies and services to be subcontracted are as listed below

Commodity/Service NAICS Code	SB	SDB	WOSB	HUB	VOSB	SDVOSB
Aircraft Parts - 336412	X	X	X	X	X	X
Automotive Supplies - 441310	X	X	X	X	X	X
Chemicals - 325110	X	X	X	X	X	X
Communication Equipment/Supplies - 334210	X	X	X	X	X	X
Computer hardware/Software - 423430	X	X	X	X	X	X
Construction Services - 236210	X	X	X	X	X	X
Electronics and Electronic Supplies - 423610	X	X	X	X	X	X
Engineering Services - 541330	X	X	X	X	X	X
Facility/equipment rentals/leases - 531120	X	X	X	X	X	X
Machinery - 333120	X	X	X	X	X	X
Metals -331111	X	X	X	X	X	X
Office Equipment and Supplies - 423420	X	X	X	X	X	X
Personal Protective Equipment - 812332	X	X	X	X	X	X
Staffing Services - 561320	X	X	X	X	X	X
Tools - 332212	X	X	X	X	X	X

4.0 Goal Development

A review of outreach efforts, procurement documents, past performance, and/or possible new suppliers will be performed to determine subcontract opportunities for Small Businesses so that comprehensive and achievable goals may be established and incorporated into individual subcontracting plans.

Goals are established to comply with the provisions of FAR 52.219-8, 52.219-9, and FAR Subpart 19.7 and other federal agency clauses and as governed by certain public laws such as Public Law 95-507 (1978) which requires prime contractors with subcontracts in excess of the threshold as prescribed in the FAR, to establish a subcontracting plan to enhance the use of small/small disadvantaged businesses.

5.0 Identification and Development of Potential Sources

NSTec will build upon Northrop Grumman's long-established tradition of working with local sources such as Chambers of Commerce, small business development organizations and trade associations through its outreach program in an effort to develop a valid and dynamic source list of qualified small businesses.

Like Northrop Grumman, NSTec will rely on the information contained in the System for Award Management (SAM) found at <https://sam.gov> as an accurate representation of a small business concern's size and ownership characteristics for the purposes of maintaining a small business source list.

In addition to the SAM website, NSTec will participate in outreach activities, provide assistance and counseling, and will publicize its subcontracting opportunities, by posting solicitations on Internet resources such as Federal Business Opportunities (FedBizOpps.gov) where possible. Through its relationship with Northrop Grumman, NSTec will also participate in socio-economic trade fairs when possible to identify new potential small business sources. This information will be pursued through Northrop Grumman small business resources such as databases, newsletters, websites and small business advocates.

Sources to be utilized to locate small business concerns by NSTec will include:

- Las Vegas Latin Chamber of Commerce
- North Las Vegas Latin Chamber of Commerce
- Las Vegas Asian Chamber of Commerce
- Las Vegas Women's Chamber of Commerce
- DOE Office of Small Disadvantaged Business Utilization (OSDBU)
- Clark County Business Development Division
- System for Award Management (sam.gov)
- Nevada Minority Supplier Development Council
- Nevada Minority Business Enterprise Improvement Committee
- Nevada Development Authority
- Henderson Chamber of Commerce
- Clark County Chamber of Commerce
- Pahrump Chamber of Commerce
- Northrop Grumman Corporation Small Business Website

6.0 Utilization of Indirect Costs

Indirect costs are not included in the goals for Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HUB Zone

Small Business (HUB), Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran Owned Small Business (SDVOSB) concerns.

7.0 Administration of the Master Subcontracting Plan

Northrop Grumman personnel have agreed to take an active role in working with the NSTec Procurement Department in administering NSTec's Small Business Subcontracting Plan. The position of Small Business Program Manager is responsible for ensuring the performance of the described tasks listed below:

7.1 Duties of the Administrator

- Works with contracts, purchasing, and marketing personnel to search for and develop qualified small business concerns as sources of supply.
- Works with and provides input to the Procurement Director, as deemed necessary, to properly administer this plan.
- Coordinates with the small business community, industry associations, and government.
- Assists small business concerns in meeting requirements of contracting in NSTec's business marketplace.
- Acts as an intermediary between customers, the Small Business Administration, and the NSTec management.

8.0 Efforts to Assure an Equitable Opportunity to Compete for Procurement Opportunities

NSTec assures that small business concerns will have an equitable opportunity to compete for subcontracts, by arranging solicitations, time for preparations of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of SB, SDB, WOSB, VOSB, SDVOSB, and HUB concern activities. NSTec personnel are encouraged to seek the use of approved small business sources and encouraged to develop new qualified sources on new business opportunities.

NSTec will publicize subcontract opportunities when possible through participation in small business publications, trade fairs, federal procurement conferences, industry conferences and local affiliations, such as the Las Vegas Chambers of Commerce. NSTec will be an active member of or collaborate with the following organizations:

- Las Vegas Latin Chamber of Commerce
- Las Vegas Urban Chamber of Commerce
- DOE Matchmaking Events
- North Las Vegas Latin Chamber of Commerce

- Las Vegas Asian Chamber of Commerce
- Las Vegas Women's Chamber of Commerce
- Clark County Business Development Matchmaking Events
- Nevada Minority Supplier Development Council

Through Northrop Grumman, NSTec will have access to various organizations supporting Small Businesses. In addition to participation in various outreach programs, NSTec will provide assistance to develop small business concerns in the following areas as appropriate:

- Bidders conferences to discuss and advise on specifications, statements of work and interpretation of requirements
- Site quality surveys to evaluate system and provide assistance to meet quality assurance requirements
- Post-award assistance to ensure requirements are fully understood and to assist in purchase order performance
- Financial assistance in the form of progress payments, where appropriate.
- In-house small business symposia attended by procurement, projects, engineering, and facilities, to discuss and advise on new programs and upcoming requirements
- One-on-One interviews with small businesses in-house and at small business conferences

NSTec's Small Business Office (within the purchasing organization) is fully integrated across project and functional management by which small business information is made available across the enterprise. Opportunities are also publicized at one-on-one counseling sessions and introductory meetings, trade fairs, federal procurement conferences, industry conferences, and local affiliations. Qualified vendors are also forwarded to procurement and pricing personnel for readily available access.

Policies and procedures are established to ensure the timely payment of amounts due, pursuant to the terms of their subcontracts with small business concerns.

9.0 Subcontracts Flow-down Provisions

NSTec will include the following provisions in all applicable purchase orders and subcontracts issued except where such inclusions are exempted by the terms of the FAR:

- FAR 52.219-8: Utilization of Small Business Concerns.
- FAR 52.219-9: Small Business Subcontracting Plan. Applies to all purchase orders and subcontracts that exceed \$700,000 (\$1,500,000 for construction of any public facility).
- Subcontractors to NSTec (except small business concerns) that receive subcontracts in excess of \$700,000 (\$1,500,000 for construction of any public facility) are required to adopt a subcontracting plan that complies with the requirements of this clause.

10.0 Reports, Reviews, Studies and Surveys

NSTec will cooperate in any reports, studies or surveys as may be required and submit reports to allow the government to determine the extent of compliance with this subcontracting plan.

NSTec will submit an Individual Subcontract Report (ISR) and/or Summary Subcontracting Report (SSR) via the Electronic Subcontracting Reporting System (eSRS) per the FAR 52.219-9(d)(10)(iii) and ensure that all subcontractors (except small business concerns) that receive subcontracts in excess of \$700,000 (\$1,500,000 for construction of any public facility) adopt a subcontracting plan and agree to submit as required by FAR 52.219-9.

11.0 Records Maintained to Comply with the Requirements of the Plan

NSTec will maintain records consistent with the requirements of this Master Subcontracting Plan, company policies and procedures supporting implementation of one of the following, dependent upon the individual contract's applicability.

11.1 Records

Records will be maintained which demonstrate procedures that have been implemented to comply with the goals in the plan, including the establishment of source lists, as well as the efforts to locate small business concerns and award subcontracts to them. These records will include, but not be limited to, the following:

- Source lists, guides and other data that identify small business concerns
- Organizations contacted in an attempt to locate small business concerns sources
- Records for each subcontract solicitation under a government contract resulting in an award more than \$150,000 indicating whether small business concerns were solicited and if not, why, and if applicable, the reason award was not made to a small business concern
- Records of outreach efforts to contact trade associations, business development organizations, conferences and trade fairs to locate small business concerns
- Records of internal guidance and encouragement provided to procurement, engineering, business development and technical personnel through 1) workshops, seminars, training and award/recognition programs and 2) monitoring performance to evaluate compliance with the program's requirements
- Records on a contract-by-contract basis, records to support award data, including the name, address and business size of each subcontractor
- Records of assistance provided to small business concerns

11.2 Outreach Efforts

NSTec will endeavor to pursue trade associations, business development organizations, and conferences and trade fairs to cultivate small business concerns. NSTec intends to participate

in various local and regional trade fairs that present opportunities for small business networking and outreach.

11.3 In-House Training and Motivation

Internal training sessions and meetings will be made available for line, project, procurement, and staff managers at all levels of responsibility. These sessions will provide a means of orienting management, requirements, and acquisition personnel in the areas of government and company policies and procedures. The training will cover basic requirements and theory. In addition, specific case histories documenting company experience in implementing various small business concerns policies and procedures can be presented and discussed in an open forum. The intention of this information is to educate employees associated with the Procurement process on the requirements of NSTec's commitment to utilize small businesses in support of the Subcontracting Plan.

In addition to presenting information internally, NSTec procurement staff will seek additional learning opportunities provided through professional associations and symposia external to the company.

NSTec believes that a combination of internal and external training will be instrumental in providing our procurement staff with the specific professional knowledge and motivation that will result in a satisfactory record of achievement each year. We believe that this approach will be effective and intend to continue this program of personnel training and motivation, expanding it as necessary to meet any changing government requirements.

11.4 Assistance to Small Business Concerns

NSTec assists small business concerns by arranging solicitations, time for the preparation of bids, quantities, and specification and delivery schedules to facilitate participation by these concerns. All reasonable efforts will be given to all qualified small business concerns to compete over a period of time.

11.5 Misrepresentation

Notice will be provided to our subcontractors in general terms and conditions and internal procedures concerning penalties and remedies for misrepresentation of business status as SB, SDB, WOSB, VOSB, HUB, SDVOSB concerns for the purpose of obtaining a subcontract to be included as part or all of a goal contained in the subcontracting plan.

The general terms, conditions and internal procedures state that a firm's status to obtain a contract shall: 1) be punishable by fine, imprisonment, or both; 2) be subject to the

administrative remedies, including suspension and debarment; or 3) be ineligible for participation in programs conducted under the authority of the act.

11.6 Effective Period of the Master Subcontracting Plan

This Master Subcontracting Plan implements the provisions of FAR Subpart 19.7 and 52.219-9 as they apply to all categories of small business, including goals. Individual contract goals are also addressed in the individual subcontracting plan as submitted in eSRS.

NSTec will insure that the master plan is updated as necessary and will provide copies of the approved master plan, including evidence of its approval as required. Any goals and/or deviations from this plan deemed necessary by the customer to satisfy the requirements of the Prime Contract will be indicated in the individual subcontracting plan.

NSTec acknowledges that failure to comply in good faith with the clause of this contract entitled "Utilization of Small Business Concerns" or to submit an approved plan required by this clause is a material breach of the contract.

ATTACHMENT A TO MASTER SUBCONTRACTING PLAN

SMALL, SMALL DISADVANTAGED, WOMEN-OWNED,
HUBZONE, VETERAN-OWNED AND SERVICE-DISABLED
VETERAN-OWNED SMALL BUSINESS CONCERNS

INDIVIDUAL SUBCONTRACTING PLAN FOR NATIONAL SECURITY TECHNOLOGIES LLC

1.0 Direct And Indirect Goals Computations

The NSTec small business goals are expressed as percent of the total subcontracted dollar values as available to Small Businesses unless otherwise specified. All subcontracts and purchases that contribute directly or indirectly to contract performance will be included as part of commitment goals.

The approved FY16 Subcontracting goals are as defined in the below chart:

Socio-Economic Category	FY16 Approved Performance Plan	
	Forecast Subcontract Dollars	% of Total Subcontract Dollars
Total PO \$ Available to SB (Excludes Foreign and Inter-Company Dollars)	\$120,000,000.00	100.00%
Large Business Dollars	\$49,200,000.00	41.00%
Small Business Dollars	\$70,800,000.00	59.00%
Small-Disadvantaged Business	\$7,200,000.00	6.00%
Woman-Owned Small Business	\$7,200,000.00	6.00%
HUB Zone Business	\$2,400,000.00	2.00%
Veteran-Owned Small Business	\$12,000,000.00	10.00%
Service Disabled Veteran Business	\$2,400,000.00	2.00%

In accordance with the provisions of FAR 52.219-9, the following is a sampling of the principal types of supplies and services to be procured from subcontractors, as well as an identification of some of the types planned for subcontracting to Small, Small Disadvantaged, Women-Owned, HUB Zone, Veteran-Owned and Service-Disabled Veteran-Owned Small Business concerns.

Commodity/Service NAICS Code	SB	SDB	WOSB	HUB	VOSB	SDVOSB
Aircraft Parts - 336412	X	X	X	X	X	X
Automotive Supplies - 441310	X	X	X	X	X	X
Chemicals - 325110	X	X	X	X	X	X
Communication Equipment/Supplies - 334210	X	X	X	X	X	X
Computer hardware/Software - 423430	X	X	X	X	X	X
Construction Services - 236210	X	X	X	X	X	X
Electronics and Electronic Supplies - 423610	X	X	X	X	X	X
Engineering Services - 541330	X	X	X	X	X	X
Facility/equipment rentals/leases - 531120	X	X	X	X	X	X
Machinery - 333120	X	X	X	X	X	X
Metals -331111	X	X	X	X	X	X
Office Equipment and Supplies - 423420	X	X	X	X	X	X
Personal Protective Equipment - 812332	X	X	X	X	X	X
Staffing Services - 561320	X	X	X	X	X	X
Tools - 332212	X	X	X	X	X	X

2.0 Master Subcontracting Plan

The goals specified above will serve to augment the Master Subcontracting Plan for Small, Small Disadvantaged, Women-Owned, Veteran-Owned and Service-Disabled Veteran-Owned Small Business Concerns effective 01 October 2015 to 30 September 2016.

3.0 Program Administrator:

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