

U.S. Department of Energy
and
The Trustees of Princeton University

ATTACHMENT J.8

APPENDIX H
SMALL BUSINESS SUBCONTRACTING PLAN

**Applicable to the Operation of
The Princeton Plasma Physics Laboratory**

Contract No. DE-AC02-09CH11466

Modification No. 0147

Small Business Subcontracting Plan

CONTRACTOR: The Trustees of Princeton University
ADDRESS: Princeton, New Jersey 08544
CONTRACT NUMBER: DE-AC02-09CH11466
ITEM/SERVICE: Operation of Single-Purpose National
Laboratory
TOTAL AMOUNT OF CONTRACT: \$433,534,917.91 (through Mod. 143)
(Including Options)
PERIOD OF CONTRACT PERFORMANCE: 10/01/2013—9/30/2014
(Day, Month, and Year)

A. INTRODUCTION

This plan documents the commitment of the Trustees of Princeton University (Princeton University) to utilize, to the greatest extent possible, 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 in the execution of the Princeton University contract for operation of the Princeton Plasma Physics Laboratory (PPPL). PPPL is a recognized leader among Department of Energy (DOE) science laboratories in subcontracting goods and services to the small business community, having received the U.S. Small Business Administration (SBA) Award of Distinction in 1998 and 2005. In 1999, PPPL received the SBA's most prestigious prime contractor honor, the Dwight D. Eisenhower Award. PPPL's success and participation was further recognized by the Department of Energy's "M&O Small Business Special Recognition Award" presented to PPPL at the 12th Annual DOE Small Business Conference in May 2011. In its operation of PPPL, Princeton University is committed to the mission of stimulating the U.S. economy through its contributions to the growth, vitality and diversity of the small business community.

B. POLICY STATEMENT

Princeton University has an established, sound small business program that fully complies with Public Law 95-507; FAR 52.219-8, "Utilization of Small Business Concerns"; 52.219-9, "Small Business Subcontracting Plan"; all prime contract requirements; and current DOE policies and practices. The following policy statement from the Laboratory Director illustrates PPPL's commitment to its small business subcontracting program:

“In the spirit of President Woodrow Wilson’s vision of ‘Princeton in the Nation’s Service,’ we recognize the contributions of small businesses to our local, regional, and national economy, and we gladly acknowledge and accept our contractual duty to foster and sustain a vibrant and diverse small business supplier community. It is the policy of Princeton University in its operation of PPPL that the maximum practicable opportunities for subcontracting shall be extended to small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business, and service disabled veteran-owned small business. All PPPL personnel who have a role in the decision process for creating and approving any subcontracts will be directly responsible for expending best reasonable efforts to achieve our small business goals.”

PPPL maintains a highly aggressive strategy to maximize the use of small businesses of all socio-economic categories in contracting opportunities. Our small business suppliers are being encouraged to participate in a wide range of subcontracting activities.

PPPL continues to benefit greatly from the success of the Mentor Protégé Agreement with Zenex Precision Products, a woman-owned small business. Zenex provides machining and fabricated parts and assemblies. This firm has established a growing reputation throughout the DOE complex, and among PPPL’s domestic and international collaborators as a highly competent and reliable supplier. In Fiscal Year (FY) 2013, PPPL awarded more than \$997,000 to Zenex. With the approval of the DOE-OSDBU, PPPL’s agreement with Zenex was extended through August 26, 2016.

Another beneficial teaming relationship was the Laboratory’s Mentor Protégé Agreement with A. Pomerantz & Company (Pomerantz), a service disabled veteran-owned small business located in a HUBZone. Pomerantz provides ergonomic furniture, flooring, window treatments and associated design services to the Laboratory. Pomerantz has made significant contributions to the success of the Laboratory’s sustainability and Leadership in Energy and Environmental Design (LEED) initiatives. In FY 2013, PPPL awarded more than \$60,000 to Pomerantz. The Laboratory’s Mentor-Protégé Agreement with Pomerantz expired on March 31, 2013 and the current blanket purchase agreement expired on December 31, 2013. PPPL is pursuing a mentor-protégé teaming opportunity with an onsite service provider, and hopes to have an agreement in place during this fiscal year.

1. TYPE OF PLAN *(please check one)*

- Individual Contract Plan** -- Individual Contract Plan, as used in this subpart, means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror's planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.

- **Master Plan** -- Master Plan, as used in this subpart, means a subcontracting plan that contains all of the required elements of the individual plans, except goals, and may be incorporated into individual contract plans, provided the master plan has been approved.
- **Commercial Products Plan** – Commercial Products Plan, as used in this subpart, means a subcontracting plan that covers the offeror's fiscal year and that applies to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line). The contractor must provide a copy of the approved plan.
NOTE: A commercial plan is the preferred type of subcontracting plan for contractors furnishing commercial items.

2. GOALS

State separate dollar and percentage goals for Small, Small Disadvantaged, Women-Owned Small Business, HUBZone Small Business, Veteran-Owned Small Business, and Service Disabled Veteran-Owned Small Business concerns, as subcontractors, for the basic and each option year, as specified in FAR 19.704.

- a. Total estimated dollar value of all planned subcontracting, i.e., with types of concerns eligible for Small Business subcontracting under this contract in FY 2014 is \$45,172,000.
- b. Total estimated dollar value and percent of planned subcontracting with small business concerns (includes Small Disadvantaged Businesses, Women-Owned Small Businesses, HUBZone Small Businesses, Veteran-Owned Small Business concerns, and Service Disabled Veteran-Owned Small Business concerns): \$12,086,000 and 26.8%
- c. Total estimated dollar value and percent of planned subcontracting with self-certified Small Disadvantaged Businesses: \$1,208,600 and 2.7%
- d. Total estimated dollar value and percent of planned subcontracting with Women-Owned Small Businesses: \$1,208,600 and 2.7%
- e. Total estimated dollar value and percent of planned subcontracting with SBA certified HUBZone Small Businesses: \$725,160 and 1.6%
- f. Total estimated dollar value and percent of planned subcontracting with Veteran-Owned Small Businesses: \$725,160 and 1.6%
- g. Total estimated dollar value and percent of planned subcontracting with Service Disabled Veteran-Owned Small Businesses: \$725,160 and 1.6%
- h. Total estimated dollar value and percent of planned subcontracting with LARGE BUSINESSES: \$33,086,000 and 73.2%

To achieve the above stated goals, PPPL will employ the following subcontracting strategies:

- Preference will be given to small business for purchases with an estimated value greater than \$3,000, up to \$150,000, where there is a reasonable expectation that offers, competitive as to price, quality, and delivery will be obtained from two or more responsive small business concerns.
- For awards in excess of \$150,000, every effort will be made to utilize small business concerns. See paragraph 11.C. for documentation of awards to large business with a value of \$150,000 or more.
- To further facilitate the Small Business Program, PPPL will, in accordance with Chapter 19 of the DOE Acquisition Guide, without further sole source documentation to the file, and based upon its unilateral discretion, utilize the option of making awards without competition: (1) for purchases valued up to \$150,000 to small business concerns; or (2) for purchases valued at \$6.5 million or less to registered SBA8(a) Pilot Program firms. PPPL shall assure that awards are to be made at fair market prices.
- PPPL will utilize HUBZone set-asides and sole source methodologies in the award of subcontracts provided the acquisition meets requirements of FAR 19.1305 and FAR 19.1306(a).
- PPPL will utilize service disabled veteran-owned small business set-asides and sole source methodologies in the award of subcontracts provided the acquisition meets requirements of FAR 19.1405 and FAR 19.1406(a).
- PPPL will foster its long-term business relationship with Zenex Precision Products under the DOE Mentor-Protégé Program to the extent permitted by available resources, and in so doing, in accordance with the provisions of DEAR 919.70, award noncompetitive subcontracts, of any dollar value, to its Protégé, subject to the best commercial practices and procedures required by DEAR 970.4402-2(d). PPPL will also pursue DOE's approval of an additional Mentor-Protégé Agreement with an additional small business machine shop and environmental services provider.
- PPPL will utilize small business or small disadvantaged 8(a) set-asides in the award of all subcontracts for construction services with an estimated value less than \$3.5 million.
- PPPL will employ, to the maximum extent practical, leveraged purchasing agreements awarded by the DOE Contractor Integrated Contractor Purchasing Team (ICPT) to small business, or those ICPT agreements which allow for the participation of small business partners as value added resellers. PPPL will issue single source awards to the protégés of official DOE approved Mentor-Protégé Agreements.
- As a part of the White House Small Business initiative and at the invitation of the DOE-OSDBU, PPPL will attend at least one of the Department's Business Opportunity Sessions (BOS).

- PPPL will continue to partner with DOE to meet these goals and further increase small business outreach.

PPPL will foster financial stimulation to small businesses by incorporating Net 15 payment terms in all awards to small businesses.

3. DESCRIPTION OF PRINCIPAL TYPES OF SUPPLIES AND SERVICES

Provide a description of all the products and/or services to be subcontracted under this contract, and indicate the types of businesses supplying them, [i.e., SMALL BUSINESS (SB), SMALL DISADVANTAGED BUSINESS (SDB), WOMEN-OWNED SMALL BUSINESS (WOSB), HUBZONE SMALL BUSINESS (HUB), VETERAN-OWNED SMALL BUSINESS (VOSB), SERVICE DISABLED VETERAN-OWNED SMALL BUSINESS (SDV), and LARGE BUSINESS (LB)].

Subcontracted Supplies/Service	<u>SB</u>	<u>VOSB</u>	<u>SDV</u>	<u>HUB</u>	<u>SDB</u>	<u>WOSB</u>	<u>LB</u>
Apple™ Computer Supplies	✓			✓	✓		
Building Automation							✓
Cafeteria Services							✓
Computer Hardware/Software	✓	✓	✓	✓	✓	✓	✓
Construction	✓		✓	✓	✓	✓	
Diesel & Fuel Oil	✓			✓	✓	✓	
Electrical/Electronics	✓	✓	✓	✓	✓	✓	
Fabrications	✓		✓	✓	✓	✓	
Furniture & Fixtures	✓	✓	✓	✓	✓		
Janitorial Supplies	✓	✓	✓	✓	✓		
Laboratory Chemicals	✓		✓	✓	✓		
Medical Supplies							✓
Office Supplies	✓	✓	✓	✓	✓		
Optical Apparatus	✓						✓
Parcel Delivery Service	✓						✓
Safety Supplies	✓	✓	✓	✓	✓	✓	
Software Licenses	✓						✓
Super High Power Tetrode Vacuum Tubes							✓
Telecommunications	✓						✓
Temporary Help Services	✓				✓	✓	✓
Vacuum Supplies	✓	✓	✓	✓	✓	✓	
Wire and Cable	✓		✓	✓	✓		

4. METHOD USED TO DEVELOP SUBCONTRACTING GOALS

- (1) PPPL's overall small business goal of 26.8%, and its socio-economic category goals set forth below are based on the Laboratory's historical experience with each category and current need. Please see the attached addendum for an explanation of the significant impact of the Laboratory's FY 2014 anticipated expenditures in support of the US ITER Project (USIPO), the challenges these procurements will create for the Laboratory in meeting its goals, and the adjustment to DOE's recommended FY 2014 subcontracting goals that PPPL proposes in order to make the goals realistic and potentially achievable.
- (2) The self-certified Small Disadvantaged Business (SDB) subcontracting goal of 2.7% is based on the Laboratory's recent historical experience with this supplier category and the DOE's goal recommendation, adjusted to reflect the impact of anticipated USIPO awards.
- (3) The Woman-Owned Small Business goal of 2.7% is based on PPPL's recent experience with this supplier category and the DOE's goal recommendation, adjusted to reflect the impact of anticipated USIPO awards.
- (4) The SBA certified HUBZone goal of 1.6% is based on PPPL's recent experience with this supplier category and the DOE's goal recommendation, adjusted to reflect the impact of anticipated USIPO awards.
- (5) The Veteran-Owned Small Business goal and SBA certified Service Disabled Veteran-Owned small business goal of 1.6% is based on PPPL's recent experience with this supplier category and the DOE's goal recommendation, adjusted to reflect the impact of anticipated USIPO awards.

5. INDIRECT COSTS

Indirect costs have been have not been included in the dollar and percentage subcontracting goals stated above. *(Please check one.)*

6. PROGRAM ADMINISTRATOR

Name, title, and position within the Organization's structure, and the duties and responsibilities of the employee who will manage the contractor's subcontracting program.

NAME: Rodney D. Templon
TITLE: Director of Procurement

ADDRESS: P.O. Box CN-17, MS 12
James Forrestal Campus
US Route 1 North at Sayre Drive
Princeton, NJ 08543

TELEPHONE: (609) 243-2443

Name, title, and position within the Organizations structure, and the duties and responsibilities of the employee who will administer the contractor's subcontracting program.

NAME: Arlene White
TITLE: Principal Buyer/Small Business Liaison Officer (SBLO)

ADDRESS: P.O. Box CN-17, MS 12
James Forrestal Campus
US Route 1 North at Sayre Drive
Princeton, NJ 08543

TELEPHONE: (609) 243-2080

Duties: The SBLO has general overall responsibility for the subcontracting program, i.e., developing, preparing, and executing subcontractor plans and monitoring performance relative to the requirements of this particular plan. These duties include, but are not limited to, the following activities:

- a. Developing and promoting policy initiatives that demonstrate the support for awarding contracts and subcontracts to small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business, and service disabled veteran-owned small business and assure that small business, small disadvantaged business, women-owned small business, HUBZone small business concerns and service disabled veteran-owned small businesses are included in the services they are capable of providing;
- b. Ensuring periodic rotation of potential subcontractors;
- c. Ensuring that procurement "packages" are designed to permit the maximum possible participation of small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business, and service disabled veteran-owned small businesses within procurement policies and procedures;
- d. Facilitating the utilization of various sources for the identification of small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business, and service disabled veteran-owned small businesses such as DSBS and the facilities of local small business, minority and women associations, and contact with federal agencies small business program managers;
- e. Overseeing the establishment and maintenance of contract and subcontract award records;

- f. Attending or arranging for the attendance of personnel at Small Business Opportunity Workshops, Minority and Women Business Enterprise Seminars, Trade Fairs, Procurement Conferences, etc.;
- g. Ensuring small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business, and service disabled veteran-owned small businesses are made aware of subcontracting opportunities as well as how to prepare responsive bids or offers;
- h. Conducting and arranging of training for purchasing personnel regarding the intent and impact of Public Law 95-507 on purchasing procedures;
- i. Monitoring performance, making senior management aware of actual performance against goals on a monthly basis and making any adjustments necessary to achieve the subcontract plan goals;
- j. Preparing and submitting required subcontract reports on a timely basis;
- k. Coordinating activities during the conduct of compliance reviews by federal agencies;
- l. Reviewing solicitation formats to remove statements, clauses, etc., which may tend to restrict or prohibit small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business, and service disabled veteran-owned small business concerns participation where possible;
- m. Ensuring that the reasons for not selecting low bids submitted by small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business, and service disabled veteran-owned small businesses are documented;
- n. Ensuring the establishment and maintenance of records of solicitations and subcontract award activity;
- o. Ensuring that Historically Black Colleges and Universities and minority institutions shall be afforded maximum practicable opportunity;
- p. Assisting program managers as early as possible in the development cycle of major system acquisitions and system programs as pertains to the Small Business program; and
- q. Advising potential suppliers as to how they can obtain information about business opportunities; and
- r. Periodically briefing the Director of Procurement and the Head, Business Operations, concerning the status of small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business, and service

disabled veteran-owned small business utilization in relation to goals and objectives established.

7. EQUITABLE OPPORTUNITY

In accordance with FAR 19.704 (a) (3), PPPL agrees to ensure that small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business concerns, and service disabled veteran-owned small businesses will have an equitable opportunity to compete for subcontracts.

These efforts include, but are not limited to, the following activities:

a. Outreach efforts to obtain sources

(1) Contacting small, small disadvantaged (minority) and women-owned small business, HUBZone small business, veteran-owned small business concerns, and service disabled veteran-owned small business through trade associations, such as:

- Chicago Minority Business Development Council
- Black Contractors United
- Mercer Regional Chamber of Commerce
- New Jersey Association of Women Business Owners (NJAWBO)
- The US Women's Chamber of Commerce
- National Center for American Indian Enterprise Development
- NJ/PA/DE Minority Purchasing Council
- NY/NJ Minority Purchasing Council
- National Minority Supplier Development Council, Inc. (NMSDC)
- National Veteran-Owned Business Association (NaVOBA)
- Hispanic Chamber of Commerce

(2) Contacting business development organizations such as:

- The National Center for American Indian Enterprise Development
- The New Jersey Small Business Development Center
- The Philadelphia and Delaware Valley Business Association
- The National Minority Supplier Development Council (NMSDC)
- The NJ Association of Women Business Owners
- The DOE OSDBU; and
- The Mercer County Small Business Administration.

(3) Attending small, small disadvantaged (minority) and women-owned small business, HUBZone small business, veteran-owned small business, and service disabled veteran-owned small business procurement conferences and trade fairs, including:

- National Reservation Economic Summit/American Indian Business Trade Fair (Las Vegas, NV – March 17-20, 2014)
- Chicago Minority Business Opportunity Fair (April 10-11, 2014)

- NJAWBO's 16 Annual Business Growth & Procurement Conference. (Edison, NJ – April 17, 2014)
 - The 10th Annual National Convention of Service Disabled Veteran and Small Businesses (Las Vegas, NV August 9-12, 2014)
 - Mercer County Small Business Week (Trenton, NJ – September 2014)
 - NMSDC Conference and Business Opportunity Fair (Orlando, FL – November 2-5, 2014)
- (4) Requesting sources from SBA's Dynamic Small Business Search (DSBS) site, DOE's Small Business Energy Contract Database, the VetBiz database, Fedbid and other electronic media.
- (5) Utilizing newspaper and magazine ads to encourage new sources when funds are available to do so.
- b. Internal efforts to guide and encourage purchasing personnel.
- (1) Presenting workshops and training programs;
- (2) Establishing, maintaining and using small business, small disadvantaged business, women-owned small business, HUBZone small business, veteran-owned small business, and service disabled veteran-owned small business source lists, guides, and other data for soliciting subcontracts such as:
- Set-Aside Alert
 - Guide to Women Contractors
 - Regional Directory of Minority- and Women-Owned Business Firms
 - Federal Suppliers Guide
 - Veterans Business Journal
 - Vetpreneur (Official Magazine of NaVOBA)
 - Minority Business Entrepreneur
 - The Bottom Line (Official Magazine of NJ Assoc. of Women Business Owners);
- (3) Monitoring activities to evaluate compliance with the subcontracting plan(s); and
- (4) Providing periodic updates to Laboratory senior management to track actual small business awards compared to small business subcontracting goals, and soliciting senior management support as required.
- c. Small, small disadvantaged, women-owned small business, HUBZone, veteran-owned small business, and service disabled veteran-owned small business source lists, guides and other data identifying small, small disadvantaged, women-owned small business, HUBZone, veteran-owned small business, and service disabled veteran-owned small business concerns will be maintained and utilized by buyers/subcontract specialists in sourcing suppliers.

8. FLOW-DOWN CLAUSE

PPPL agrees to include the provisions under FAR 52.219-8 entitled, "Utilization of Small Business Concerns," in all subcontracts in excess of the small purchase limitations that offer further subcontracting opportunities. All subcontractors, except small business concerns, that receive subcontracts in excess of \$650,000 (\$1,500,000 for construction of any public facility) that offer further subcontracting opportunities must adopt and comply with a plan similar to the plan required by FAR 52.219-9, "Small Business Subcontracting Plan." [FAR 19.704 (a) (4)].

Such plans will be reviewed by comparing them with the provision of Public Law 95-507, and assuring that all minimum requirements of an acceptable subcontracting plan have been satisfied. The acceptability of percentage goals shall be determined on a case-by-case basis depending on the supplies/services involved, the availability of potential small, small disadvantaged, women-owned small business, HUBZone small business subcontractors, veteran-owned small business, and service disabled veteran-owned small business, 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 subcontractor's facilities to review applicable records and subcontracting program progress.

PPPL understands that, as prescribed in FAR 19.301-1 (d), the U.S. Government may impose a penalty against any firm misrepresenting their business size as a small business, veteran-owned small business, service disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns status for the purpose of obtaining a subcontract.

9. TIMELY PAYMENTS TO SUBCONTRACTORS

PPPL agrees to ensure the timely payment of amounts due pursuant to the terms of the subcontracts with small business, veteran-owned small business, service disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns. On October 1, 2012, as requested by DOE, PPPL established a procedure for payment of proper invoices received from its small business suppliers within fifteen days of presentation, provided the invoiced goods or services have been received and are satisfactory.

10. REPORTING AND COOPERATION

Princeton gives assurance of: (1) cooperation in any studies or surveys that may be required by the contracting agency or the SBA; (2) submission of periodic reports which show compliance with the subcontracting plan; (3) submission of timely Individual Subcontracting Report (ISR), Summary Subcontracting Report (SSR) and Small Disadvantaged Business Participation Report, in accordance with the requirements of the eSRS website (www.esrs.gov); and (4) ensuring that large business subcontractors with subcontracting plans agree to submit the Individual Subcontracting Report and Summary Subcontracting Report, in accordance with the requirements of the eSRS.

<u>Reporting Period</u>	<u>Report Due</u>	<u>Due Date</u>
Oct 1 – Mar 31	Individual Subcontracting Report	04/30
Apr 1 – Sept 30	Individual Subcontracting Report	10/30
Oct 1 – Sept 30	Summary Subcontracting Report	10/30
Oct 1 – Sept 30	SDB Participation Report	10/30

11. RECORD KEEPING

The following is a recitation of the types of records maintained to demonstrate the procedures adopted to comply with the requirements and goals in the subcontracting plan. These records will include, but will not be limited to, the following:

- a. PPPL utilizes the SBA’s DSBS as its primary source for identifying small business, small disadvantaged business, women-owned small business, HUBZone small business and service disabled veteran-own small business concerns. Small businesses are identified by codes and the codes are incorporated into the purchase order for tracking. Reports of purchases resulting from the on-line assistance of the FedBid reverse auctioning system are provided to PPPL monthly;
- b. Organizations contacted in an attempt to locate small business, small disadvantaged business, women-owned small business, HUBZone, and service disabled veteran-owned small business sources;
- c. On a contract-by-contract basis, records on all subcontract solicitations over \$150,000, which indicate for each solicitation: (1) whether small business concerns were solicited, and if not, why not; (2) whether HUBZone small business concerns were solicited, if not, why not; (3) whether small disadvantaged business concerns were solicited, if not, why not; (4) whether woman-owned small business concerns were solicited, and if not, why not; (5) whether veteran-owned small business or service disabled veteran-owned small or service disabled veteran-owned small business concerns were solicited, and if not, why not; and (6) the reason for the failure of solicited small, disadvantaged, woman-owned, HUBZone, veteran-owned small business, and service disabled veteran-owned small business concerns to receive the subcontract award;
- d. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conferences and trade fairs;
- e. Records to support internal guidance and encouragement, provided to buyers through workshops, seminars, training programs, incentive awards; and monitoring of activities to evaluate compliance; and
- f. On a contract-by-contract basis, records to support subcontract award data including the name, address and business size of each subcontractor.

12. MENTOR-PROTÉGÉ PROGRAM

In accordance with DEAR 19.70, PPPL established and continues to benefit from one official DOE approved Mentor-Protégé Agreement.

Zenex Precision Products of Paterson, New Jersey, a woman-owned small business (formerly a HUBZone small business) whose primary business is machining of parts. The initial agreement period (with options) expired. The OSDBU has approved an extension through March 25, 2016..

PPPL is in the process of evaluating and seeking DOE approval of an additional woman-owned small business to provide environmental services as PPPL's third Mentor-Protégé teaming arrangement. As PPPL has derived invaluable support and benefit from the relationship with Zenex, the Laboratory has a model and experience to aid in this process. PPPL does not foresee any barriers to successfully implementing this third Mentor-Protégé agreement.

As resources permit, PPPL will continue to seek opportunities for additional mentor-protégé agreements that support the Laboratory's needs and complement its research mission, including the identification of another eligible machine shop with capabilities that complement PPPL's fabrication needs and research mission.

13. HISTORICAL PERFORMANCE DATA

	<u>FY 2013</u> <u>GOALS</u>	<u>FY 2013</u> <u>ACHIEVEMENTS</u>
Total Subcontract (\$)	\$ 25.464 million	\$ 21.004 million
Small Business (\$)	\$ 12.783 million	\$11.322 million
Small Business (%)	50.2%	53.91%
Small Disadvantaged (\$)	\$ 1.273 million	\$ 1.195 million
Small Disadvantaged (%)	5.0%	5.69%
Women-Owned (\$)	\$ 1.782 million	\$ 1.623 million
Women-Owned (%)	7.0%	7.73%
HUBZone (\$)	\$ 891,000	\$ 564,000
HUBZone (%)	3.5%	2.69%
Veteran-Owned (\$)	No Goal	\$ 1.505 million
Veteran-Owned (%)	No Goal	7.17%
Svc. Dis. Vet-Owned (\$)	\$ 764,000	\$ 617,000
Svc. Dis. Vet-Owned (%)	3.0%	2.94%

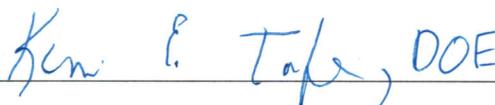
14. SUMMARY OF PROJECTED FY 2014 SMALL BUSINESS GOALS

	<u>FY 2014 GOALS</u>
Total Subcontract (\$)	\$ 45.172 million
Small Business (\$)	\$ 12.086 million
Small Business (%)	26.8%
Small Disadvantaged (\$)	\$ 1.209 million
Small Disadvantaged (%)	2.7%
Women-Owned (\$)	\$ 1.209 million
Women-Owned (%)	2.7%
HUBZone (\$)	\$ 725,160
HUBZone (%)	1.6%
Veteran-Owned (\$)	\$725,160
Veteran-Owned (%)	1.6%
Svc. Dis. Vet-Owned (\$)	\$ 725,160
Svc. Dis. Vet-Owned (%)	1.6%

This subcontracting plan was submitted by:

Signature: 
Typed Name: Rodney D. Templon
Title: Director of Procurement
Date Prepared: January 16, 2014
Phone No.: (609) 243-2443

Approval:

Agency: 
Typed Name: Kim E. Tafe
Title: Contracting Officer
Dated Prepared: January 16, 2014
Phone No.: (609) 243-3708

Addendum to PPPL FY 2014 Small Business Plan
Impact of ITER Award Projections on Small Business Goals

Based on a projection provided by the Laboratory's Budget Office, PPPL expects that its FY 2014 award dollars will total \$45,172,000. This amount includes \$21,000,000 in awards in support of PPPL's contributions to the US ITER Project (USIPO). See Figure 1 for the base calculations.

PPPL's ITER awards fall into two main categories: (1) Hardware fabrications for the ITER Steady State Electrical Network (SSEN), which will supply utility power to the ITER site in Cadarache, France; and (2) Development and fabrication of various diagnostic systems that will be used to measure and examine the plasmas created in the ITER device.

Both categories of ITER procurements create significant challenges for the PPPL small business subcontracting program.

The hardware being fabricated for the SSEN must be built to European Union or French utility safety standards and codes. This presents special problems for U.S. small businesses generally unfamiliar with the demands of the European power grid. Although PPPL has repeatedly advertised SSEN in the Federal Business Opportunities web page, and has received some inquiries from U.S. firms, to date no viable proposals have been received from U.S. domestic small businesses. With approximately 50% of the SSEN procurements solicited and awarded, it is unlikely that the situation for FY 2014 SSEN procurements will be substantially different from the pattern established in FY 2013. In fact, PPPL's FY 2013 small business subcontracting program results already reflect the initial impact of the first wave of ITER SSEN awards, with the overall small business awards percentage dropping from 64.16% in FY 2012 to 53.91%, and similar reductions occurring in all other categories.

The procurements for ITER diagnostics present a challenge of a different order which will be new for FY 2014, because no diagnostics development awards were made in FY 2013. While ITER diagnostics are for the most part assemblies combining specially fabricated items with commercial off-the-shelf (COTS) components, the highly specialized nature of the diagnostics requires that they be developed in an experimental environment that will allow extensive testing, calibration and optimization of their performance. In most (but not all) instances, this can only be accomplished by using the existing infrastructure of a research university, national laboratory or large business. Again, PPPL has advertised these requirements on the Federal Business Opportunities web site at each stage of their design in the hope of maximizing competitive interest. To date, the only inquiries received from small business are for the potential to network with research institutions or large companies as component suppliers.

Given the high probability that the entire \$21,000,000 in ITER awards will be made to entities other than small businesses, PPPL must make a realistic adjustment in its award projection base in order to ensure that possibility of meeting its subcontracting goals. As shown on the attached spreadsheet, PPPL proposes to accomplish this by applying DOE's recommended subcontracting goals for FY 2014 to its net procurement awards projections after the removal of the ITER

awards and using the resulting dollar projections to calculate percentage goals against the total FY 2014 base, including ITER awards. See Figure 2 for these calculations.

While the resulting adjusted percentages are significantly below the DOE's recommended percentages, they represent a realistic and potentially achievable goal for PPPL.

Thus, PPPL will report its actual dollars awarded to small business for each category as a percentage of the total award base, including ITER dollars. PPPL believes that this is the only possible course of action to preserve the integrity of its small business subcontracting program, since it is unlikely that that DOE would be able to permit the exclusion of ITER awards from the small business base dollars.

Attachments:

- Figure 1, Base Calculations
- Figure 2, Goal Calculations

Appendix H
 Modification No. 0147
 Contract No. DE-AC02-09CH11466

PPPL FY 2014 Small Business Subcontracting Plan Addendum
 Figure 1

Back up for FY14 Small Business Base for PPPL - Based on FY14 cost estimate of \$116M; assumes \$33M for ITER costs									
	SCL	Travel	Stockroom	Other ec38	Other ec39	M&S 41/48	CC ec43	ITER ec49	Passthru
Indirects cc 5x & 6x	179	433	210	52	2,110	6,137	433		
Less: Grad Tuition (in cc 6107)					(926)				
Less: Other Utilities excl Canal Water (wp in 6620)					(265)	(20)			
GSA Costs billed out (ec 81 in 653x)					(165)				
LDRD		82			-	256	48		
DOE Operating - Fusion	25	1,218	27	45	84	4,106	269	2,113	
DOE Operating - Non Fusion	51	46	-		6	335	1		
DOE Equipment Procurements						-			
DOE Fab Equipment	33	81	10		11	5,030	35		
DOE ITER	1,152	153	1	1	-	21,506	34	93	
WFOs		67	-			25	22	128	
Cafeteria Subsidy						-			
PU Labor/OIT Purchases/II's						(100)			
Total	1,440	2,080	248	98	855	37,275	842	2,334	
					Overbudgeting adjustment				
					Small Business Base for FY14			45,172	
								12/11/2013	
Source: PPPL Budget Office Projection dtd 12/11/2013 (Dollars in 000s)									

PPPL FY 2014 Small Business Subcontracting Plan Addendum
 Figure 2

Goal Percentage Calculations

Goal Category	DOE Proposed Goals	Dollars of Base	Dollars as a Percent of Net Other Base	DOE Goal Dollars for Net Other base	Net Other Base Dollars as a Percent of Base
Small Business	50%	\$ 22,586,000.00	93%	\$ 12,086,000.00	26.8%
SDV	5%	\$ 2,258,600.00	9%	\$ 1,208,600.00	2.68%
WOSB	5%	\$ 2,258,600.00	9%	\$ 1,208,600.00	2.7%
HUBZ	3%	\$ 1,355,160.00	6%	\$ 725,160.00	1.6%
SDVOSB	3%	\$ 1,355,160.00	6%	\$ 725,160.00	1.6%
Subcontract Base		\$ 45,172,000.00			
ITER Procurements		\$ (21,000,000.00)			
Net Other Base		\$ 24,172,000.00			

Assumptions:

1. Based on historical precedent and current market knowledge, virtually all ITER procurement dollars will be awarded to other than small business (i.e., large business, academic inst., foreign firm)
2. The real "opportunity" range is Net Other base Dollars (\$24.2 M, Cell B10), after deduction of ITER dollars (\$21 M, Cell B9)
3. Column B shows the DOE proposed subcontracting goals from the DeWittican Middleton email of November 1, 2013.
4. Column C shows the dollars of base (\$45.2 M, Cell B8) required to meet each DOE goal.
5. Column D shows the actual percentage of Net Other Base Dollars (\$24.2 M, Cell B10) that would have to be awarded in each category to achieve goals for the full \$45M base (Cell B9).
6. Column E shows the award dollars PPPL realistically expects to achieve by meeting the DOE goals out of Net Other Base Dollars.
7. Column F shows the Net Other Base Dollar Awards (Column E) as a percentage of Base Dollars (\$45.2 M, Cell B8).