



**Department of Energy
Acquisition Regulation**

**No. AL-2006-01
Date 10/27/05**

ACQUISITION LETTER

This Acquisition Letter is issued under the authority of the DOE and NNSA Procurement Executives.

Subject: Electronic Subcontracting Reporting System (eSRS)

References:

FAR Subpart 19.7 The Small Business Subcontracting Program
DEAR 919.705-6 Postaward responsibilities of the contracting officer
AL 2005-07 Small Business Procurement Goals

What is the Effective date of this Acquisition Letter (AL)?

This AL is effective immediately after the eSRS goes online.

When does this AL Expire?

This AL remains in effect until superseded or canceled.

What are the Points of Contact?

Contact Stephen Zvolensky, Department of Energy (DOE) Office of Procurement and Assistance Policy, at (202) 287-1307, stephen.zvolensky@hq.doe.gov, or Gary Lyttek, National Nuclear Security Administration (NNSA) Office of Acquisition and Supply Management, at (202) 586-8304 or gary.lyttek@nnsa.doe.gov, Yosef Patel, OSDDBU Associate Director, at (202) 586-7377 or Yosef.Patel@hq.doe.gov.

What is the Purpose of this AL?

The purpose of this AL is to make available guidance on implementing the new electronic Subcontracting Reporting System.

What is the Background?

As part of the President's Management Agenda for Electronic Government, the Small Business Administration (SBA), the Integrated Acquisition Environment (IAE) and a number of Agency partners collaborated to develop an internet-based tool for collecting subcontracting accomplishments, known as

the electronic Subcontracting Reporting System (eSRS). This tool will streamline the process of reporting and provide agencies with access to analytical data on subcontracting performance. The eSRS eliminates paper submission and processing of the SF 294, Individual Subcontracting Report (ISR), and SF 295, Summary Subcontracting Report (SSR), replacing them with an electronic process to collect the data. In the initial release of eSRS, Contractors and their subcontractors will need to report data through a web browser, which requires logging on to this site and reporting accomplishments using a data entry process. Future plans, under full operational capability, include the development of a back office interface for those businesses that collect their accomplishments electronically.

When eSRS is fielded, Government contractors and subcontractors will have an easier process to report their subcontracting activity. This process will give timely and transparent visibility into subcontract awards to small businesses.

Initial Operational Capability (IOC) is expected in the near future. Full Operating Capability is scheduled for eight weeks after IOC. The eSRS web site is www.esrs.gov.

What are the eSRS Reporting Features?

Contracting Officers (COs), federal and contractor Small Business Program Managers (SBPMs) and the Office of Small and Disadvantaged Business Utilization (OSDBU) staff will be able to log on to the eSRS to view contractors' subcontracting reports and run comprehensive subcontracting reports for achievements. The system will provide a variety of standard reports, including *Analysis of Subcontracting Plan Goal Attainment* (SBA Form 1907), as well as ad hoc reporting tools for users who wish to design their own reports. DOE will not prepare a subcontracting achievements report for SBA. Instead, SBA will run a report from eSRS annually that will provide subcontracting achievements government-wide. It is important that all SSRs are reviewed in the system prior to SBA running the achievements report. If these reports are not reviewed, then the subcontracting achievements on those reports will not be counted towards DOE subcontracting goals.

The eSRS will automatically remind contractors when reports are due and generate delinquent notices when contractors fail to submit reports by the due date. These notices can only go out to contractors registered in the system, with identified contracts for that reporting period, which are missing reports in their eSRS contract worklist. This reminder feature will be most effective once the system has experienced its first reporting period and has the necessary data to send out notices.

What is the Guidance?

Contractors will be responsible for entering accurate and complete reports into eSRS. In addition, prime contractors are responsible in passing down subcontracting reporting requirements to their subcontractors and lower tier subcontractors, as appropriate.

The standard timeframe for subcontracting reports to be submitted by the contractors to the government is 30 days after the close of each reporting period. For the first reporting period under the new system, contractors will have 60 days, after the launch of eSRS, to submit their data for the following periods:

- 1) FY04 - SF 295s only. Even if previously submitted in paper copy, contractors must enter the data into eSRS.
- 2) FY05 - SF 295s.
- 3) FY05 [September 30th report]- SF294s.

Contracting Officers and Small Business Managers will have 30 days beyond the 60-day contractor reporting period to review the reports. There will be no extensions thereafter.

Since eSRS pulls select information from the Central Contractor Registration (CCR) database, contractors need to verify that their CCR information is accurate. If it is not, that misinformation will follow into eSRS. Additionally, contractors will need to use the appropriate DUNS and related contract number to enter the ISRs.

Contractors must know the appropriate DOE contracting officer or SBPM who will review their reports as well as their correct email addresses. These addresses will be used within eSRS for notification purposes.

Currently FAR requires contractors to submit the SF 294 and SF 295 in accordance with paragraph (j) of FAR 52.219-9 and ensure that its subcontractors agree to submit SF 294 and SF 295. SBA will submit a formal case to the FAR Council to revise the paragraphs and clauses in the FAR that need to be changed. Until FAR 52.219-9 is modified to require eSRS requirements, Contracting Officers should include a clause similar to the sample one attached to this AL in all solicitations and contracts where a subcontracting plan is contemplated.

How are Problems Handled?

If contractors have any issues with their CCR data, they should contact the CCR Assistance Center at 888-227-2423. Issues pertaining to the data in FPDS-NG (i.e., eSRS not locating the contract number entered for reporting purposes) should go to the Contracting Officer for that contract. Only Contracting Officers can enter the data in FPDS-NG, and thus they are the only ones who can correct it. Any issues concerning eSRS functionality should go to the eSRS Helpdesk, which will be identified on the eSRS site. Policy issues for the ISRs should be directed to Steve Zvolensky, Department of Energy (DOE) Office of Procurement and Assistance Policy, at (202) 287-1307 or stephen.zvolensky@hq.doe.gov. Questions concerning the SSR should be directed to John Shea, DOE Office of Small and Disadvantage Business, at 202-586-7898 or john.shea@hq.doe.gov. Contracting officials that have issues with registering in eSRS should contact the eSRS point of contact for their particular Head of Contracting Activity (HCA).

What are the DOE Roles and Responsibilities under eSRS?

A. **Contracting Officers** are responsible for reviewing the ISR that relates to the contract they administer. It is their responsibility to ensure that contractors are aware of their subcontracting reporting requirements and that they properly and timely enter their reports into eSRS. COs must inform contractors who will be reviewing their ISRs and SSRs of the email address for that reviewer. The

contractor must enter that address on the report in order that eSRS will properly notify the report's reviewer.

B. Small Business Program Managers, designated by the HCA, should review all SSRs. The SBPM will be the eSRS Point of Contact (POC) and approve all registrations for their HCA and the affiliated contracting offices. SBPMs will report to OSDDBU any issues concerning the SSRs.

C. The Office of Small and Disadvantaged Business Utilization has the overall responsibility for the SSRs. OSDDBU shall ensure that the SBPMs review the SSRs for completeness and accuracy prior to the SBA extracting the government-wide subcontracting goal report.

D. The Head of Contracting Activity should ensure that proper quality control systems are in place to ensure reporting and accuracy of subcontracting reports. This will require accurate data in FPDS-NG, since eSRS relies on this data for its reports.

What Training is Required?

The initial DOE training for eSRS will be provided by Mara Grissom. She can be reached at (202) 287-1769 or mara.grissom@hq.doe.gov. For those who did not participate in the October 25th eSRS training, another video conference will be held on Thursday, November 10th from 2pm to 4pm eastern standard time. All SBPMs, Contract Specialists and COs and OSDDBU staff must attend training sessions. After the initial training sessions, the eSRS point of contacts that have been established at each HCA will be responsible for training their contracting offices.

The SBA's Commercial Market Representatives (CMRs) will offer training for contractors. The CMR listing is at <http://www.sba.gov/GC/cmr.html>. Contractors using eSRS with policy questions should call their nearest CMR.

Contract Clause

Currently FAR requires contractors to submit the SF 294 and SF 295 in accordance with paragraph (j) of FAR 52.219-9 and ensure that its subcontractors agree to submit the SF 294 and SF 295. SBA will submit a formal case to the FAR Council to revise the paragraphs and clauses in the FAR that need to be changed. Until FAR 52.219-9 is modified to address the eSRS requirements, COs should include a clause similar to the sample one attached to this AL in all solicitations and contracts where a subcontracting plan is contemplated.

Electronic Subcontracting Reporting System

The requirement for the submittal of paper versions of the Standard Form (SF) 294, Subcontracting Reports for Individual Contracts, and SF 295, Summary Subcontract Reports, as provided in FAR 52.219-9(j) is hereby deleted and is replaced with the electronic submittal of data under the Electronic Subcontract Reporting System (eSRS).

The offeror's subcontracting plan shall include assurances that the offeror will (1) submit the Individual Subcontracting Reports and Summary Subcontracting Reports under the eSRS and (2) ensure that its subcontractors agree to submit Individual Subcontracting Reports and Summary Subcontracting Reports at all tiers, in eSRS.

The contractor or subcontractor shall provide such information that will allow applicable lower tier subcontractors to fully comply with the statutory requirements of FAR 19.702.