

implementation of a Federal Acquisition Computer Network (hereinafter referred to as FACNET) which allows electronic interchange of procurement information between the private sector and the Federal Government and among Federal agencies. Specific functions of FACNET are set forth under Section 30 of the Act.

Regulatory coverage on FACNET is included under FAR Subpart 4.5—Electronic Commerce in Contracting. FAR section 4.503 requires contractors to provide registration information to the Central Contractor Registration in order to conduct business through electronic commerce (EC) with the Federal Government. Contractor registration information is collected electronically as a prerequisite for conducting EC with the Federal Government. The process for collection of contractor information uses the Federal Implementation Conventions ANSI X12, Trading Partner Profile, in accordance with the Federal Information Processing Standards 161 (FIPS). These standards are published by the National Institute for Standards and Technology (NIST). The information required to be submitted as part of contractor registration is the same as that currently provided by the SF 129, Solicitation Mailing List Application; the SF 3881, ACH vendor/Miscellaneous Payment Enrollment Form for paper transactions. In addition, information pertaining to a contractor assignment of commercial and Government entity (CAGE) code (where applicable); electronic data interchange (EDI) capabilities, including ANSI X12 transaction set and version number status for production, testing, sending and receiving; and the registrant's value added network (VAN) or value added service (VAS) electronic communications number also needs to be provided as part of the registration process. Requiring information consistent with the existing forms that Government contractors are familiar with simplifies the process of gathering current, factual data to input into the Registration System. The additional information is information contractors should have readily available when they have established EC/EDI capability.

The information submitted by contractors will permit the Central Contractor Registration to establish a central repository for all vendors doing business with the Federal Government, information that is accessible by all Government contracting activities

## B. Annual Reporting Burden

Public reporting burden for this collection of information is estimated to average 15 minutes per response,

including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The annual reporting burden is estimated as follows: Respondents, 100,000; responses per respondent, 1; total annual responses, 100,000; preparation hours per response, .25; and total response burden hours, 25,000.

## C. Annual Recordkeeping Burden

The annual recordkeeping burden is estimated as follows: Recordkeepers, 100,000; hours per recordkeeper, .25; and total recordkeeping burden hours, 25,000.

### Obtaining Copies of Proposals

Requester may obtain a copy the justification from the General Services Administration, FAR Secretariat (MVRS), Room 4037, 1800 F Street, NW, Washington, DC 20405, telephone (202) 501-4755. Please cite OMB Control No. 9000-0137, Simplified Acquisition Procedures/FACNET, in all correspondence.

Dated: March 20, 1998.

**Sharon A. Kiser,**

*FAR Secretariat.*

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## DEPARTMENT OF DEFENSE

### Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans

**AGENCY:** Department of Defense (DoD).

**ACTION:** Notice of test program.

**SUMMARY:** The Department of Defense is amending its Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans to implement Section 822 of the National Defense Authorization Act for Fiscal Year 1998.

**EFFECTIVE DATE:** March 26, 1998.

**FOR FURTHER INFORMATION CONTACT:** Mr. Ivory Fisher, Office of Small and Disadvantaged Business Utilization, OUSD (A&T) SADB, 3061 Defense Pentagon, Washington, DC 20301-3061, telephone (703) 697-1688, telefax (703) 693-7014.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

In accordance with Section 834 of Public Law 101-189, as amended, the Department of Defense (DoD) established a Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans (the

Program) to determine whether the use of comprehensive subcontracting plans on a corporate, division, or plant-wide basis would increase subcontracting opportunities for small business concerns. DoD is amending the Program to implement the requirements of Section 822 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85). The amendments (1) provide for subcontracts that are awarded by participating contractors performing as subcontractors, under DoD contracts, to be included in comprehensive small business subcontracting plans, and (2) extend the Program through September 30, 2000.

**Ivory Fisher,**

*Office of Small and Disadvantaged Business Utilization.*

The revised test plan is as follows:

### Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans

#### I. Purpose

This document implements Section 834 of Public Law 101-189, the National Defense Authorization Act for Fiscal Years 1990 and 1991, as amended. The primary purpose of the Comprehensive Small Business Subcontracting Plan Test Program (the Program) is to determine whether the negotiation and administration of comprehensive small business subcontracting plans will reduce administrative burdens on contractors while enhancing subcontracting opportunities for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals under Department of Defense DoD contracts.

#### II. Authority

The Program is established pursuant to Section 834 of the National Defense Authorization Act for Fiscal Years 1990 and 1991, as amended.

#### III. Program Requirements

A. The Program shall be conducted from October 1, 1990, through September 30, 2000.

B. The selection of contractors for participation in the Program shall be in accordance with Section 811(b)(3) of the National Defense Authorization Act For Fiscal Year 1996, Public Law 104-106. Eligible contractors are large business concerns at the major (total) corporate level that, during the preceding fiscal year:

1. Were performing under at least three DoD prime contracts; furnished supplies or services (including professional services) to DoD, engaged

in research and development for DoD, or performed construction for DoD; and were paid \$5,000,000 or more for such contract activities; and

2. Achieved a small disadvantaged business (SDB) subcontracting participation rate of 5 percent or more during the preceding fiscal year. However, this requirement does not apply to the eight original contractors accepted into the Program. Additionally, a large business with an SDB subcontracting participation rate of less than 5 percent during the preceding fiscal year may request, through the designated contracting activity, to participate in the Program if the firm submits a detailed plan with milestones leading to attainment of at least a 5 percent SDB subcontracting participation rate by September 30, 2000.

C. Contractors selected for participation shall:

1. Be eligible in accordance with paragraph III(B);
2. Establish their comprehensive subcontracting plans on the same corporate, division or plant-wide basis under which they submitted the Standard Form (SF) 295 during the preceding fiscal year, except that a division or plant that historically reported through a higher-level division, but would meet the criteria of paragraph III(B)(2), shall be permitted to participate in the Program if the lower-level division, plant or profit center can demonstrate a 5 percent or greater subcontract performance level with SDB concerns;
3. Have reported to DoD on the SF 295 for the previous fiscal year, except as provided in paragraph III(C)(2);
4. Accept an SDB goal for each fiscal year of not less than 5 percent, or an SDB goal that is in accordance with the milestone established under paragraph III(B)(2);

5. Comply with the requirements of Defense Federal Acquisition Regulation Supplement (DFARS) Section 215.605 for source selection purposes;

6. Offer a broad range of subcontracting opportunities;

7. Voluntarily agree to participate; and

8. Have at least one active contract that requires a subcontracting plan at the designated DoD buying activity responsible for negotiating the Comprehensive Subcontracting Plan.

#### IV. Elements of the Comprehensive Small Business Subcontracting Plan

A. The comprehensive small business subcontracting plan shall address each of the 11 elements set forth in paragraph (d) of the clause at FAR 52.219-9,

“Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan.”

1. The subcontracting plan, percentage and corresponding dollar goals for awards to small business, small disadvantaged business and women-owned small business concerns shall be developed by the contractor for its entire business operation in support of all DoD contracts and subcontracts under DoD contracts regardless of dollar value.

2. Participating contractors shall include separate specific goals and timetables for the awarding of subcontracts in two industry categories which have not historically been made available to small business and small disadvantaged business concerns. These industry categories will be recommended by the contractor and approved by the contracting officer. Subcontract awards made in support of the specific industry categories shall also count towards attainment of the overall small business and small disadvantaged business goals.

3. The subcontracting plan shall set forth the prime contractor's actions to publicize prospective subcontract opportunities for small business, small disadvantaged business and women-owned small business concerns.

B. Subcontracting plans to be established under the Program shall be submitted each year by participating contractors to the designated contracting officer 45 days prior to the end of the Government's fiscal year (September 30). However, new contractors requesting participation under the Program shall submit subcontracting plans to the contracting officer as far in advance as possible to the beginning of the fiscal year in which the contractor proposes to participate.

#### V. Procedures

A. The Service Acquisition Executive within each military department and defense agency having contractors that meet the requirements of paragraphs III(B) and (C) shall designate at least three but more than five contracting activities to participate in the Program. In selecting the contracting activities to participate in the Program, the Service Acquisition Executive shall ensure that the designated activities cover a broad range of supplies and services.

B. The designated contracting activity will accomplish the following:

1. With the coordination of the Director, Office of Small and Disadvantaged Business Utilization, for their military department of defense agency, select as many eligible prime contractors (at least five) for

participation under the Program as deemed appropriate.

2. Establish a “Comprehensive Small Business Subcontracting Plan” negotiating team(s) composed as follows:

a. A contracting officer(s) who will be responsible for negotiation and approval of the comprehensive subcontracting plan(s) as well as the responsibilities at FAR 19.705.

b. The contracting activity's Small and Disadvantaged Business Utilization Specialist.

c. The Small and Disadvantaged Business Utilization Specialist of the cognizant administration activity that administers the preponderance of the selected prime contractor's contracts and/or the appropriate individual who will administer contractor performance under the test in accordance with FAR 19.706 and the provisions herein.

d. Production specialist, price analyst and other functional specialists as appropriate.

C. The designated contracting officer shall:

1. Encourage prime contractors interested in participating in the Program to enter the Program on a plant or facility basis.

2. Solicit proposed comprehensive subcontracting plans from selected contractor(s) as soon as possible and by July 1, annually thereafter.

3. By October 1, and annually thereafter, review, negotiate and approve on behalf of DoD a comprehensive subcontracting plan for each selected contractor.

4. Distribute copies of the approved subcontracting plan in accordance with paragraph VI(A).

5. Upon negotiation and acceptance of the comprehensive subcontracting plan, obtain from the contractor:

a. A listing of all active DoD contracts that contain individual subcontracting plans required by Section 211 of Public Law 95-507.

b. The listing shall include the following:

i. Contract number.

ii. Name and address of the contracting activity.

iii. Contracting Officer's name and phone number.

6. Upon receipt of the information provided by the participating contractor under paragraph V(C)(4), direct the designated administrative contracting officer to issue a comprehensive change order, which modifies all of the contractor's active DoD contracts that include subcontracting plans. The modification will substitute the contractor's approved comprehensive subcontracting plan for the individual

plans, will substitute the clause at DFARS 252.219-7004 for the clause at FAR 52.219-9, and will delete the clauses at FAR 52.219-10 and 52.219-16 and DFARS 252.219-7003 and 252.219-7005, as appropriate.

7. Review annually, with the contract administration activity, the contractor's performance under the plan. Document the review findings and distribute, in accordance with paragraph VI(A), within 45 days of the end of the fiscal year.

8. By November 15 of the year after acceptance, and annually thereafter, determine whether the contractor has met its comprehensive subcontracting goals. If the goals have not been met, determine whether there is any indication that the contractor failed to make a good faith effort and take appropriate action.

9. By December 15, 2000, prepare and submit a report on each participating contractor's performance which details the results of the Program. The report must compare the contractor's performance under the Program with its performance for the three fiscal years prior to acceptance into the Program. The report distribution will be in accordance with paragraph VI(A).

**D. Participating contractors:**

1. Shall establish their comprehensive subcontracting plans on the same corporate, division or plant-wide basis under which they submitted the SF 295 during the preceding fiscal year, except that those contractors that historically reported through a higher headquarters can elect to participate as a separate (lower-level) reporting profit center, plant or division if the contractor achieved an SDB subcontracting performance rate of 5 percent or greater in the preceding fiscal year.

2. Upon negotiation of an acceptable comprehensive subcontracting plan, shall be exempt from individual contract-by-contract reporting requirements for DoD contracts and subcontracts under DoD contracts unless otherwise required in accordance with paragraph III(C)(5).

3. Shall continue individual contract reporting on non-DoD contracts.

4. Shall comply with the flow-down provisions of Section 211 of Public Law 95-507 for large business subcontractors

which are not participating in the Program. Consequently, large business concerns which are not participating in the Program receiving a DoD subcontract in excess of \$500,000 (\$1,000,000 for construction) are required to adopt a plan similar to that mandated by the clause at FAR 52.219-9. Participating contractors are prohibited from flowing down the "Comprehensive" subcontracting deviation provisions of DFARS 252.219-7004. Accordingly, large business subcontractors to the participating contractors who themselves are not participating in the Program shall be required to establish individual subcontracting plans with specific goals for awards to small business, small disadvantaged business and women-owned small business concerns.

5. Upon expulsion from the Program or Program termination on September 30, 2000, shall negotiate and establish individual subcontracting plans on all future DoD contracts that otherwise meet the requirements of Section 211 of Public Law 95-507.

**VI. Monitoring and Reporting of Comprehensive Subcontracting Plans and Goals**

A. Upon negotiation and acceptance of comprehensive subcontracting plans and goals, the designated activity shall immediately forward one copy of the plan to each of the following:

1. Director, Office of Small and Disadvantaged Business Utilization, Office of the Deputy Under Secretary of Defense (Acquisition and Technology), 3061 Defense Pentagon, Room 2A338, Washington, DC 20301-3061.

2. Director, Small and Disadvantaged Business Utilization, for the military department or defense agency of the activity that negotiated and accepted the comprehensive subcontracting plan.

3. The cognizant contract administration office.

B. Each participating contractor shall complete the SF 295 "Summary Subcontract Report" in accordance with the instructions on the back of the form on a semi-annual basis, except as noted below.

1. One copy of the SF 295 and attachments shall be submitted to

Director, Office of Small and Disadvantaged Business Utilization, Office of the Deputy Under Secretary of Defense (Acquisition and Technology), 3061 Defense Pentagon, Room 2A338, Washington, DC 20301-3061.

2. Participating contractors shall enter in Item 14 "Remarks" block the annual corporate, division or plant-wide small business, small disadvantaged business and women-owned small business percentage and corresponding dollar goals.

3. Participating contractors shall also enter separately in Item 14 the percentage and corresponding dollar goals for each of the two selected industry categories (see paragraph IV(A)(2)).

4. Participating contractors shall also enter separately in Item 14 on a semi-annual cumulative basis the percentage and corresponding dollar amount of subcontract awards made in each of the two selected industry categories.

5. Participating contractors shall be exempt from the completion of SF 294 "Subcontract Report For Individual Contracts" for DoD contracts during their participation in the Program.

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**DEPARTMENT OF DEFENSE**

**Department of the Air Force**

**Air Force A-76 Initiatives Cost Comparisons and Direct Conversions (As of January 1998)**

Air Force is in the process of conducting the following A-76 initiatives. Cost comparisons are public-private competitions. Direct conversions are functions that may result in a conversion to contract without public competition. These initiatives were announced and in-progress as of January 1998, include the installation and state where the cost comparison is being performed, the total authorizations under study, public announcement date and anticipated solicitation date. The following initiatives are in various stages of completion.

**COST COMPARISONS**

Installation	State	Function(s)	Total authorizations	Public announcement date	Solicitation scheduled for
EIELSON AFB .....	AK	ADMINISTRATIVE TELEPHONE SWITCH-BOARD.	10	18-Oct-96 ...	01-Jul-98.
EIELSON AFB .....	AK	MILITARY FAMILY HOUSING MANAGEMENT ..	16	17-Nov-97 ..	17-May-98.