

2.b Section 2 - SMALL BUSINESS SUBCONTRACTING PLAN

Our Small Business Subcontracting Plan establishes our commitment to exceeding USTRANSCOM's Small Business goals.

Menlo's comprehensive Small Business Subcontracting Plan (SBSP) makes available the largest possible pool of dollars for small business. It is based on (b)(4) award winning small business program and sets targets that exceed USTRANSCOM's requirements for DTCI. Our core team includes two small businesses and we have started our outreach program by working with numerous small business carriers.

Our SBSP addresses the requirement in Solicitation number HTC711-06-R-0001 and complies with FAR 19.704, Subcontracting Plan Requirements, 52.219-9, SBSP, and DFARS 52.29-7003, Small, Small Disadvantaged and Women-Owned SBSP (DoD Contracts).

Our Small Business Subcontracting Plan attracts and assists small business operators to participate in DTCI

- Based on CSC's award winning plan
- Ensures DTCI's small business goals are met
- Makes available a significant proportion of DTCI transportation budget for small businesses
- Integrates Small Business Subcontracting Plan with carrier management process
- Ensures continued opportunities for small businesses in DTCI
- Complies with FAR 19.704, 52.219-9 and DFARS 52.29-7003

Figure 2.b-1 illustrates how we integrate The SBSP with our carrier management process to ensure small businesses have every practicable opportunity to participate under DTCI.

As a non-asset based service provider, Menlo does not own and operate an expensive fleet. Our business model, created in 1990, requires us to use external assets to

Assessment of Opportunity	Out Reach Programs <ul style="list-style-type: none"> ■ Small Business Associations partnerships ■ Contact Business Development Organizations ■ Take part in Procurement Conferences ■ Utilize Minority and Veteran owned entrepreneurs organizations 		
Execution Program	Pre-Qualification <ul style="list-style-type: none"> ■ Established service history ■ Lane pricing ■ Ability to commit to capacity ■ Financial reviews ■ Driver recruiting programs ■ Security programs 	Generate Routing Opportunity <ul style="list-style-type: none"> ■ Routing criteria ■ Route placement ■ Pooling programs ■ Network visibility 	Carrier Assignment <ul style="list-style-type: none"> ■ Share Methodology ■ Weighted performance judging performance and costs ■ Provide value to our customers
Retention Program	Communication <ul style="list-style-type: none"> ■ Award and recognize performance ■ Provide Network Visibility for future opportunities ■ Progress Improvement Meetings ■ Continued education for small carriers, sharing industry success stories to increase carrier's productivity and financial opportunities ■ Scheduled Carrier performance reviews 	Metric Reporting <ul style="list-style-type: none"> ■ Shipment Activity report ■ Service Reporting ■ Network metrics ■ Carrier specific metrics 	Evaluation Process <ul style="list-style-type: none"> ■ Carrier Report Cards ■ CAR – Corrective Action Reports with action item compliance required

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Figure 2.b-1. Small Business Opportunities. Our carrier management process provides increased opportunities to small business subcontractors.

meet DTCI's transportation requirements. Menlo subcontracts all DTCI transportation and, thereby creates a significantly larger pool of funding for small businesses than traditional asset-based 3PLs.

For example, if a traditional asset-based 3PL retains 90% of the cost reimbursement transportation funding in CLIN 0002 and subcontracts the remaining 10%, then in Year 3, only 2.5% of the total DTCI cost reimbursement transportation budget is available to small businesses. The Menlo SBSP makes at least 25% of the total DTCI cost reimbursement transportation budget in Year 3 available to small businesses as shown in Figure 2.b-2.

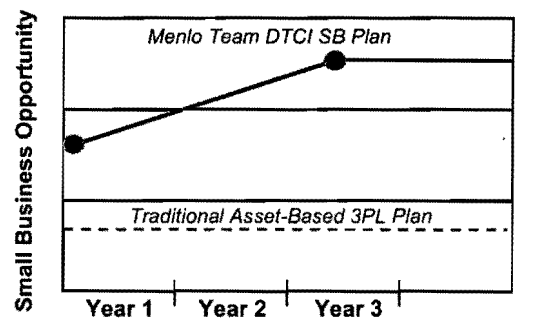
We base our plan on the award-winning Small Business Subcontracting Plan of our partner, (b)(4)

(b)(4) has twice received the prestigious Eisenhower Award of Excellence from the Small Business Administration (SBA). This award recognizes large business contractors that have excelled in their use of small businesses as subcontractors. This award signifies that (b)(4) was judged to be the most outstanding service company from SBA's portfolio of 2500 large business contractors.

(b)(4) has been awarded the DCMA Certificate of Achievement in each of the past 6 years for meeting all subcontracting goals with disadvantaged businesses. Also in 2005, (b)(4) was awarded the Center for Veterans Affairs Corporate Champions Award for exceeding service disabled veteran-owned business goals.

The core Menlo Team includes two small businesses. One Network Enterprises (b)(4) is a small business which provides supply chain business transactions technology solutions.

The Menlo Team also includes (b)(4) (b)(4) an 8a Alaska-village corporation, which provides program



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Figure 2.b-2. Small Business Opportunity.
Our plan provides greater opportunities for small businesses.

management and Small Business Plan expertise.

The SBSP reflects our commitment to use Small Businesses (SB), HUBZone firms, Veteran Owned, Service Disabled Veteran Owned Businesses (SDVOSB), Women Owned Small Businesses (WOSB), and Historically Black Colleges and Universities and Minority Institutions (HBCU/MI), especially those owned and controlled by socially and economically disadvantaged individuals, as subcontractors wherever practical in performance of the DTCI contract.

Menlo takes the small business subcontracting program very seriously and is proactive in developing relationships with small business carriers. For example, we have communicated with 15 small business carriers which are involved with Military Surface Deployment and Distribution Command's (SDDC) Tailored Transportation Contract #2 (TTC2) program. Through our industry knowledge we identified another 49 potential small business carriers which we will initiate agreements with prior to DTCI contract award. The core Menlo Team gives small business contracting under DTCI a very high priority.

**Menlo Worldwide
Small Business Subcontracting Plan
for USTRANSCOM
Defense Transportation Coordination Initiative (DTCI)
Solicitation HTC711-06-R-0001**

The following is hereby submitted as the Menlo Worldwide Government Services, LLC, Small Business Subcontracting Plan to satisfy the requirements set forth in FAR 19.704, Subcontracting Plan Requirements, FAR 52.219.9 Goals for Subcontracting Plan and DFARS 52.29-7003, Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DoD Contracts).

Definitions

Disadvantaged – the term “disadvantaged” as used herein, refers to “socially and economically disadvantaged” business (SDB) concerns as defined by Public law 95-507 and the Small Business Administration (SBA).

The term "HUBZone," as used herein, refers to those businesses that are covered by the Historically Underutilized Business Zone Act of 1997 (15 U.S.C. 631 note) and as defined by Public Law 105-135. HUBZone concerns are determined based on wages earned and unemployment rates within the zone. HUBZone Programs are designed to channel Federal Contract funds into selected areas of our nation's communities in order to stimulate economic development.

The term “Service Disabled Veteran Owned Small Business Concerns (SDVOSB)” means, with respect to disability or death, that such disability was incurred or aggravated or that death resulted from a disability incurred or aggravated in the line of duty in the active military, naval, or air service.

Veteran Owned Small Business – The term “Veteran Owned Small Business” (VOSB), as used, herein, refers to those businesses that are at least 51% owned by one or more veterans as defined as 38 U.S.C. 101(2). The term “Veteran” means a person who served in the military, naval, or air service, and who was discharged or released there from under conditions other than dishonorable.

The term “Women-Owned Small Business” (WOSB), as used herein, refers to those businesses that are at least 51% owned by a woman or women who also control and operate them. Executive Order 12138 directs agencies to take appropriate action to facilitate, preserve, and strengthen women’s business enterprise and to ensure full participation by women in the free enterprise system.

"Historically Black College or University" means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For DoD, NASA, and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

"Minority Institution" means an institution of higher education meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C. 1167k.), which includes a

Hispanic-serving institution of higher education as defined in Section 316(b)(1) of the Act (20 U.S.C. 1059c(b)(1)).

1. Goals

Separate goals, expressed in terms of percentage of total dollars subcontracted by Menlo under the DTCI contract, have been established for the program and are presented in Figure SBSP-1. The small business percentages shown are the minimums that Menlo intends to award to businesses of that scale while the large business percentages shown are the maximum to be awarded to businesses of that scale. To arrive at the goals for this Subcontracting Plan, Menlo has included all first tier subcontracts to be awarded in performance of this contract.

<i>Estimated Percentages of All Planned Subcontracting</i>					
<i>Business Size</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5-7</i>
Small	20%	23%	25%	25%	25%
Large	80%	77%	75%	75%	75%

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Figure SBSP-1. Estimated Percentages of All Planned Subcontracting. Increasing Small Business participation reflects Menlo's plan over time to meet and exceed USTRANSCOM's SBA commitment.

Figure SBSP-2 shows Menlo's commitment for Small Businesses, HUBZone Small Businesses, Service Disabled Veteran Owned Small Business Concerns, Small Disadvantaged Businesses, Women-Owned Small Businesses, Historically Black Colleges or Universities, expressed in percentages of the total dollars that are subcontracted. The percentages presented in Figure SBSP-2 exceed the category allocations specifically required by the PWS. It is important to recognize that because Menlo is a non-asset based business we use external assets exclusively to provide transportation services. As a result, we make available a larger pool of the cost reimbursement dollars in CLIN 002 to support small businesses than traditional asset based service providers.

<i>Subcontracting to Small Businesses</i>					
<i>Percentage Based On</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5-7</i>
All Small Business	20.00%	23.00%	25.00%	25.00%	25.00%
Veteran Owned Small Business	1.60%	2.10%	2.60%	3.10%	3.10%
Service Disabled Veteran Owned Small Business	1.60%	2.10%	2.60%	3.10%	3.10%
HUBZone Small Business	1.20%	1.30%	1.40%	1.50%	1.60%
Small Disadvantaged Business	5.50%	6.00%	6.50%	7.10%	7.70%
Women Owned Small Business	1.70%	1.90%	2.00%	2.20%	2.40%
HBCU / MI	0.00%	0.00%	0.00%	0.00%	0.00%
Percentage of Subcontracted Value	20%	23%	25%	25%	25%

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Figure SBSP-2. Subcontracting to Small Businesses. Our plan is structured to meet or exceed DTIC's stated subcontracting goals.

2. Total Dollars Planned for Subcontracting

FAR 19.704(a)(2) Subcontracting Plan Requirements, and FAR 52.219.9 Small Business Subcontracting, requires a statement by the Offeror of the Total Dollars Planned for Subcontracting. Figure SBSP-2a cites those dollar amounts based upon Menlo's estimated total contract value per contract year inclusive of all CLINs and SLINs.

Total Dollars Planned for Subcontracting to Small Businesses							
Percentage Based On	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total Contract Value (\$)	\$44,169,773	\$208,671,013	\$272,235,470	\$268,677,860	\$274,507,144	\$280,678,604	\$286,903,021
Total Dollars Planned for Subcontracting	\$37,323,458	\$198,863,475	\$263,251,699	\$259,542,813	\$264,899,394	\$270,854,853	\$276,861,415
All Small Business	\$7,464,692	\$45,738,599	\$65,812,925	\$64,885,703	\$66,224,849	\$67,713,713	\$69,215,354
Veteran Owned Small Business	\$597,175	\$4,176,133	\$6,844,544	\$8,045,827	\$8,211,881	\$8,396,500	\$8,582,704
Service Disabled Veteran Owned Small Business	\$597,175	\$4,176,133	\$6,844,544	\$8,045,827	\$8,211,881	\$8,396,500	\$8,582,704
HUBZone Small Business	\$447,881	\$2,585,225	\$3,685,524	\$3,893,142	\$4,238,390	\$4,333,678	\$4,429,783
Small Disadvantaged Business	\$2,052,790	\$11,931,809	\$17,111,360	\$18,427,540	\$20,397,253	\$20,855,824	\$21,318,329
Women Owned Small Business	\$634,499	\$3,778,406	\$5,265,034	\$5,709,942	\$6,357,585	\$6,500,516	\$6,644,674
HBCU / MI	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Figure SBSP-2a. Subcontracting to Small Businesses. Our plan and asset-lite business model are structured to maximize total dollars subcontracted to small businesses.

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3. Description of Principle Types of Supplies and Services

The Menlo Team collectively reviewed the Small Business Subcontracting goals provided in the RFP. We have identified several areas to provide practicable opportunities for small businesses to participate in DTCI. Our good faith effort to meet the DTCI small business goals includes offering a larger portion of the services required by DTCI to small businesses.

Figure SBSP-3 reflects the collective opportunities that the Menlo Team considers as small business subcontracting opportunities. For each type of small business opportunity we have identified the target small business groups that will be offered those opportunities. We have highlighted Transportation Carriers as a particularly focused area of opportunity for Small Business Subcontracting that Menlo can engage because of its non-asset based business model.

Category of Small Business	Type of Service						
	Transportation Carrier *	Temporary Personnel	Implementation Training	Office Supplies	Engineering Analyst	Program / Project Management	Annual Surveys
Small Business	✓	✓	✓	✓	✓	✓	✓
HubZone	✓				✓	✓	✓
Veteran-Owned Small	✓		✓	✓	✓	✓	✓
Service Disabled Veteran Owned Small Business	✓		✓	✓	✓	✓	✓
Woman Owned Small Business	✓	✓	✓	✓	✓	✓	✓
Historically Black Colleges and Universities and Minority Institutions			✓				✓

Figure SBSP-3. Potential Small Business Subcontracting Opportunities. Diversified services opportunities will assist us in meeting DTCI-stated Small Business goals

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* Transportation carriers will be registered as The North American Industry Classification System (NAICS) code 488510, among others. Furthermore, Menlo will subcontract to small businesses meeting the size standards of \$6.5 million and 500 employees.

4. Method of Developing Goals

Because of the nature of this contract, Menlo has established percentage goals for large businesses and each small business category in accordance with Menlo's small business subcontracting policy and the goals established in the DTCI RFP. Menlo will continually monitor and manage our performance toward accomplishing these goals and will adjust goals as necessary to comply with Menlo and USTRANSCOM guidelines. Additionally, we will establish annual subcontracting dollar goals based on the projections of the total value of CLINs x001 Management Services, CLINs x002 Transportation Cost Reimbursement, and CLINs x004 Management Services, Surge, and the required percentages for the three year base period of the contract.

Menlo's goals are based upon an analysis of contractual requirements, expected shipments, the availability of qualified resources, and satisfying the efficient performance of the contract. To develop the proposed goals set forth in this subcontract plan, the scope of the efforts for each CLIN will be reviewed by the Program Manager and the DTCI Contracts Manager to establish potential areas of work to be subcontracted.

We have a structural Small Business Opportunity model for identifying service areas to be subcontracted. We establish Teaming and Subcontract Agreements with firms that complement Menlo capabilities in order to provide the best possible technical solution for the customer. We then evaluate and select the best qualified subcontractor to perform the work required.

The established subcontracting opportunities, where necessary, are further reviewed by the Menlo DTCI Program Management Executive, (b)(6) and the Contracts Manager, (b)(6) to determine the DTCI teammates that are technically competent in those areas specified by DTCI. Each year the expected shipment level and any new tasking will be distributed to each of our small business teammates to determine which firms have resources or personnel available to meet the annual shipment volume requirements or positions required. Menlo will then select the most highly qualified service providers or personnel nominated by our teammates to include in our technical plans. Menlo will prioritize shipping volumes and staffing selections based on our Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business goals.

Once the areas to be subcontracted are identified and potential subcontractors defined, past performance history will be checked and business reviews held to confirm that the management and skill sets of our identified subcontractor partners match the DTCI requirements. Menlo uses Dun and Bradstreet summaries to determine financial capability of these firms to perform once a subcontract is awarded. Menlo also consults current lists of suspended and debarred companies to ensure that none of our DTCI subcontractors are listed.

When the Program Manager and the Contracts Manager establish the total annual subcontracting dollars, the goals will be further divided into semi-annual and monthly goals. Actual subcontracted dollars will be dependent upon shipments booked and moved and management fees under the contract. Throughout the period of performance of the contract, Menlo's goal accomplishment will be reported as incurred. The actual performance of dollars spent against the goal will be tracked and reported internally on a monthly basis. Adjustments will be made to monthly goals based on previous months' actual performance to ensure that semi-annual and annual goals are exceeded.

Menlo ensures that the goals are exceeded by using the Small Business Opportunities Model, we presented earlier in this section. This model requires ongoing measurement and communication between the internal Menlo stakeholders that most directly affect goal accomplishment. The Menlo procurement team ensures that business is offered to small business carriers, operations ensures that the small business carriers perform according to required standards, and finance ensures that the contractors are paid timely.

In summary, Menlo presents an integrated goal-setting methodology that starts with annual goals. Next, it ensures that all internal stakeholders and DTCI team members are involved in goal accomplishment. Actual performance to the plan is monitored and managed to ensure that the established goals are exceeded.

5. Method Used to Identify Potential Sources

The core Menlo Team is an impressive team of large and small business subcontractors with skills and capabilities that address each of the services DTCI requires. Menlo has assembled an exclusive, highly capable team, which includes

(b)(4) Figure SBSP-4 highlights the experience of the Menlo team with specific emphasis on small business involvement. We will continue to add teammates with unique skills and qualifications to build the overall strength of the Menlo Team.

Large Business (b)(4)	(b)(4) maintains a long-standing relationship with the DoD. (b)(4) provides logistics and transportation experience including specific USTRANSCOM support in the areas of systems architecture, process analysis and portfolio management. (b)(4) provides extensive experience in Small Business Contracting. www.(b)(4).com
Small Business (b)(4)	(b)(4) provides logistics and comprehensive, integrated of supply chain management, transportation, warehousing, maintenance, and planning. (b)(4) has program management experience in small business operations. www. (b)(4) .com
SDB, 8(a), HUBZone, Native American	
Small Business (b)(4)	(b)(4) provides innovative, net-centric, process-driven, and proven solutions for managing collaborative, transaction-intensive, multi-enterprise operational processes. (b)(4) provides small business operations experience. www. (b)(4) .com

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Figure SBSP-4. Teammates. Our collaborative team reduces subcontracting risk and ensures that the Menlo Team exceeds the DTCI small business subcontracting goals.

In addition to our DTCI teammates, Menlo also maintains a categorized list of potential subcontractors/teammates with unique skills and capabilities with special identification of Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business firms. Menlo will contact these firms as requirements are further identified. We identified the following 15 firms as potential small business service providers from the TTC2 award list:

-
- (b)(4)
-

- _____

(b)(4)

- Contact minority and small business trade associations to identify small businesses that provide services required in the DTCI
- Research NAIC codes
- The Internet
- SBA Database for business, locations, and categories
- SBA Commercial Market Representative
- National Minority Purchasing Council Vendor Information Service
- ISM – Institute for Supply Management
- Use of State and Local Small Business development organizations
- Use of business directory publications

- Obtain the assistance of Transportation and Logistics trade associations such as the American Trucking Association (ATA) and the Council of Supply Chain Management Professionals (CSCMP)
- Attend Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business procurement conferences and trade fairs
- Establish a Small Business Program Advisory Council
- Support community organizations that work to increase opportunities for small businesses
- Advise Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns regarding methods to do business with the Menlo Team
- Provide Menlo Team and community resource information to Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns
- Develop formal and informal mentoring relationships with Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns

6. Inclusion of Indirect Costs in establishing Subcontracting Goals

Menlo has not included indirect costs in establishing Small Business Subcontracting goals.

7. Program Administration

Because Menlo is a non-asset based company, we have the opportunity to exclusively use external assets to provide transportation services. As a result, we can make at least 25% of the cost reimbursement dollars available to small businesses. Accomplishing that level of small business subcontracting requires a focused and well managed small business program. Menlo places the required attention for a successful program at the highest levels of the project team.

Responsibility for the administration and implementation of the DTCI Small Business Subcontracting Program is vested in our Contracts Manager (b)(6). Additionally, the Small Business Manager, (b)(6) has responsibilities described in Sections 7 B and 7 C, respectively.

A. Small Business Management

The duties associated with this program include, but are not limited to, the following:

1. Developing and promoting Menlo's policy statements that demonstrate the Menlo support for awarding contracts and subcontracts to Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business.

2. Developing and maintaining bidders' lists of Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns from all possible sources.

3. Encouraging periodic rotation of potential subcontractors on bidders' lists.
4. Encouraging the procurement and operations staff to solicit Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business firms in conformance with Menlo procurement policies so that identified participants have an equitable opportunity to compete and adequate time for preparing quotes. Establishing quantities, specifications, and delivery schedules to facilitate the maximum practicable participation by these firms.
5. Ensuring that applicable Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business provisions are included in subcontracts, as required by federal regulations.
6. Ensuring that subcontract solicitations are reviewed to remove statements, clauses, etc. that might tend to restrict or prohibit Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concern participation.
7. Ensuring that "make-or-buy" decisions include adequate and timely consideration of the potentialities of Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns in accordance with solicitation evaluation criteria.
8. Overseeing the establishment/maintenance of contract and subcontract award records.
9. Attending or arranging for the attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.
10. Directly or indirectly counseling Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns in the techniques of bid preparation as appropriate.
11. Providing notice to subcontractors concerning penalties for misrepresentations of business status as Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Menlo's subcontracting plan.
12. Conducting or arranging training for operations personnel regarding the intent and impact of Public Law 95-907 and the FAR on subcontracting procedures.

13. Conducting periodic reviews of the progress toward accomplishing the plan with Menlo program/division management and suggests adjustments as necessary to achieve the subcontract plan goals.

14. Preparing and submitting timely reports.

15. Coordinating the company's activities during compliance reviews by Federal agencies.

B. Contracts Manager

The DTCI Contract Manager's duties include, but are not limited to, the following:

1. Ensuring that all DTCI subcontracting opportunities include adequate and timely consideration of the potentialities of Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns.

2. Ensuring that bidder lists for competitively bid items include small business firms whenever possible.

3. Assisting all categories of small businesses by coordinating program requirements for bid response time, specifications, delivery quantities and schedules to allow maximum participation without jeopardizing program commitments.

4. Conducting periodic reviews of the progress of the plan with Menlo program/division management.

5. Review the Menlo arrangements to ensure maximum participation of our small business teammates.

C. Small Business Manager

The Small Business Contract Administrator's duties include, but are not limited to the following:

1. Ensure that all applicable clauses are identified for flow down to subcontractors.

2. Ensure that all DTCI subcontract reports are submitted in a timely manner.

3. Revise and maintain this Subcontracting Plan.

4. Advising Managers regarding all contractual requirements to consider Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business. Prepare, identify changes in, and submit all subcontracting plans as required.

5. Ensure that all subcontractors submit timely reports.

6. Negotiate subcontracts to ensure that all applicable clauses are flowed down to subcontractors.

7. Work closely with the DTCI Contract Manager to ensure opportunities are given to small business teammates to participate on all DTCI Program subcontracting opportunities.

8. Equitable Opportunity

Menlo created a collaborative team comprised of our business partners to ensure Equitable Opportunity to compete for subcontracts will be provided to small businesses in accordance with FAR 19.704. Using our internal subcontractor list, our Outreach Program efforts described elsewhere in this plan, and our collaborative team, Menlo plans to exceed the goals established by USTRANSCOM for DTCI.

Menlo intends to use all reasonable and good faith efforts to award at least the stated subcontract percentages to Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business firms. The following steps shall be taken.

A. Issue and promulgate company-wide policy statements in support of the Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business firm effort, develop written procedures and work instructions, and assign specific responsibilities regarding requirements of the applicable Public Law.

B. Review each DTCI procurement action for possible teaming with our Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business teammates.

C. Demonstrate continuing management interest and involvement in support of this effort through such actions as regular reviews of progress and establishment of overall corporate and divisional goals and objectives.

D. Train and motivate Menlo personnel regarding the need for the support of Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business firms.

E. Assist Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns by arranging solicitations, allowing time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such firms to enable these firms to compete fairly.

F. Counsel and discuss subcontracting opportunities with representatives of Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business firms.

G. Execute Service Agreements, Teaming Agreements, and Subcontractor Agreements with qualified Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business firms, as required, in an attempt to ensure availability and usage of personnel from these companies to support Menlo's work efforts whenever possible.

H. Make available specifications and other relevant data so that qualified; known Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business firms have an equal opportunity in preparing bids.

I. Establish and maintain a categorized list of potential subcontractors with separate identification of Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns.

J. Ensure that subcontract procurement "packages" are designed to permit the maximum possible participation of Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concerns.

K. Review subcontract solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business participation.

As part of our commitment, and in order to ensure participation of small businesses at all levels, Menlo will flow down, where applicable, to its subcontractors our goal of at least 25% of all Menlo DTIC subcontracted work.

9. Clause Inclusion and Flow Down

Because the DTIC contract will be awarded under FAR 52.219-9, Menlo will ensure that all procurements that offer further subcontracting opportunities include FAR Clause 52.219-8.

Menlo will ensure that all procurements awarded to other than small businesses include the following clause whenever awarded under a U.S. government prime contract or subcontract containing FAR Clause 52.219-9 as follows:

“As prescribed in FAR Subpart 19.301(d), the U.S. Government may impose a penalty against any firm misrepresenting their business size as a Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business status for the purpose of obtaining a procurement that is to be included as part or all of a goal contained in a Menlo subcontracting plan.”

Menlo will ensure that prior to the award of any procurement in excess of \$500,000 (\$1M for construction) awarded to other than a small business under a U.S. government prime contract or subcontract containing FAR Clause 52.219-9, the seller adopts and submits a subcontracting plan similar to the plan agreed to by Menlo and agrees to submit Standard Forms 294 and 295 and a quarterly Small Business Interaction Report. Menlo agrees that the subcontract plans will be reviewed against the minimum requirements for such plans. The acceptability of percentage goals for small, small disadvantaged, women-owned small, HUBZone, small veteran-owned, and service-disabled veteran-owned business concerns must be determined on a case-by-case basis depending on the supplies and services involved, the availability of potential small, small disadvantaged, women-owned small, HUBZone, small veteran-owned, and service-disabled veteran-owned subcontractors and prior experience.

10. Reporting and Cooperation

Menlo Worldwide will (1) cooperate in any studies or surveys as may be required, (2) submit periodic reports which show compliance with the subcontracting plan; (3) submit Standard Form (SF) 294, "Subcontracting Reports for Individual Contracts," and SF 295, "Summary Subcontract Report," in accordance with the instructions on the forms; and a quarterly Small Business Interaction Report, and (4) ensure that subcontractors agree to submit SF 294 and SF 295 and a quarterly Small Business Interaction Report.

11. Recordkeeping

Menlo will maintain records to demonstrate the procedures adopted to comply with the requirements and goals in the subcontracting plan. These records will include, but not be limited to, the following:

A. Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business concern source lists, guides, and other data identifying such vendors.

B. Organizations contacted in attempts to locate Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business sources.

C. Records on all RFPs that indicate for each solicitation (1) whether small business concerns were solicited, and if not, why not; (2) whether small disadvantaged business concerns were solicited, and if not, why not; (3) whether women-owned small business concerns were solicited, and if not, why not; (4) whether HUBZone small business concerns were solicited, and

if not, why not; and (5) whether veteran owned small business concerns were solicited, and if not, why not; and (6) whether service-disabled veteran owned small business concerns were solicited, and if not, why not; and (6) if applicable the reasons for the failure of 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, business development organizations, veteran service organizations, attendance at Small Business, Small Disadvantaged Business, Women Owned Small Business, HUBZone, Veteran Owned Small Business, Service Disabled Veteran Owned Small Business procurement conferences and trade fairs.

E. Records to support internal activities to (1) guide and encourage purchasing personnel, e.g., workshops, seminars, training programs, incentive awards; and (2) monitor activities to evaluate compliance.

F. On a contract-by-contract basis, records to support subcontract award data including the name, address and business size of each subcontractor.

12. Active Small Business Subcontracting

Menlo currently utilizes small businesses as part of our subcontracted carrier network. In 2006 Menlo successfully engaged 94 carriers that were classified as small businesses per the CCR. Those carriers, collectively, received in excess of \$30 million in revenue from Menlo. Figure SBSP-5 lists those small businesses utilized as well as their categorization within the CCR.

Menlo Historically Used Small Business Carriers						
Name	8(a) Case Number	HUBZone Certification Date	Minority	Veteran	Service Disabled Veteran	Women- Owned Business (WOB)
(b)(4)				x		
				x		
			x			
				x		
				x		
						x
			x			x
	x					x
			x			
			x			x
			x			x
		x		x		x
						x
			x			
				x		x
			x			x

Figure SBSP-5. Menlo's 2006 Small Business Subcontracted Carriers

<i>Menlo Historically Used Small Business Carriers</i>						
<i>Name</i>	<i>8(a) Case Number</i>	<i>HUBZone Certification Date</i>	<i>Minority</i>	<i>Veteran</i>	<i>Service Disabled Veteran</i>	<i>Women- Owned Business (WOB)</i>
(b)(4)				x		
						x
						x
		x				x
			x	x		x
		x		x		
				x		
				x		
			x	x		
						x
						x

Figure SBSP-5. Menlo's 2006 Small Business Subcontracted Carriers

Menlo Historically Used Small Business Carriers						
Name	8(a) Case Number	HUBZone Certification Date	Minority	Veteran	Service Disabled Veteran	Women- Owned Business (WOB)
(b)(4)		x				x
			x			x
						x
			x			
			x			
			x			x
						x
			x	x	x	

Figure SBSP-5. Menlo's 2006 Small Business Subcontracted Carriers

13. Plan's Conformance to Prescribed Format

In developing our plan Menlo utilized the format and framework prescribed by FAR 19.702(a)(1) and (2) in order to ensure that our plan was comprehensive and conformed. Accordingly, the plan is designed to meet DTCI requirements. Figure SBSP-6 cross references Menlo's Small Business Subcontracting Plan against FAR 19.702(a)(1) and (2).

(a) Each subcontracting plan required under 19.702(a)(1) and (2) must include—	
FAR Requirement	Menlo Page Reference
(1) Separate percentage goals for using small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors;	2-140
(2) A statement of the total dollars planned to be subcontracted and a statement of the total dollars planned to be subcontracted to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns;	2-140a
(3) A description of the principal types of supplies and services to be subcontracted and an identification of types planned for subcontracting to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns;	2-141
(4) A description of the method used to develop the subcontracting goals;	2-142
(5) A description of the method used to identify potential sources for solicitation purposes;	2-143
(6) A statement as to whether or not the offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred 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;	2-145
(7) The name of an individual employed by the offeror who will administer the offeror's subcontracting program, and a description of the duties of the individual;	2-145
(8) A description of the efforts the offeror will make to ensure that small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts;	2-148
(9) Assurances that the offeror will include the clause at 52.219-8, Utilization of Small Business Concerns (see 19.708(a)), in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$550,000 (\$1,000,000 for construction) to adopt a plan that complies with the requirements of the clause at 52.219-9, Small Business Subcontracting Plan (see 19.708(b));	2-149
(10) Assurances that the offeror will— (i) Cooperate in any studies or surveys as may be required; (ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan; (iii) Submit Standard Form (SF) 294, Subcontracting Report for Individual Contracts, and SF 295, Summary Subcontract Report, following the instructions on the forms or as provided in agency regulations; and (iv) Ensure that its subcontractors agree to submit SF 294 and SF 295; and	2-150
(11) A description of the types of records that will be maintained concerning procedures adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and to award subcontracts to them.	2-150

SBSP-6. Cross Reference Menlo's Small Business Subcontracting Plan to FAR 19.702(a)(1) and (2). Menlo's Plan Follows Prescribed Format.