

2.1 Subcontracting Plan

Textainer does not qualify as a Small Business Concern under the parameters of solicitation DAMT01-02-R-0028 (NAICS code 56990), as it exceeds the qualification of average gross revenue of less than \$6 million, despite having less than 500 personnel employed.

2.1.A Objectives

To the maximum extent possible, it is Textainer's resolve to provide qualified Small Business Concerns with an equal opportunity to participate in subcontracts awarded under this contract. For those who could qualify, Textainer is equally committed to encouraging their participation once compliant.

By design, as explained in detail in this Section 2.1 and ensuing Section 2.2 (beginning on page 5) and Section 2.3 (beginning on page 10), Textainer anticipates employing subcontractors whose structure and/or ownership meets (and likely exceeds) the Department of the Army's sought percentage of a minimum involvement of 18% Small Business Concerns, of whom 5% are Small Disadvantaged Businesses, 5% Women-owned Businesses, 3% Service Disabled Veteran-owned Businesses, and 3% HubZone Businesses.

Textainer has not taken into account any indirect costs in establishing Subcontracting Goals.

2.1.B Introduction

Textainer would build and maintain a subcontracting plan to ensure it is in compliance with FAR 19 requirements as required by DAMT01-02-R-0028.

As part of its Subcontracting Plan, Textainer ensures it will:

- Include FAR clause 52.219-8 ('Utilization of Small Business Concerns') in all subcontracts, and to those subcontractors (excluding Small Business Concerns) receiving subcontracts in excess of \$500,000, require they adopt a similar subcontracting plan
- Cooperatively participate in any study, project or survey as requested by the U.S. Small Business Administration (SBA) or MTMC
- Upon request, provide regular and ad-hoc reports demonstrating utilization and compliance
- Submit SF 294 and SF 295 forms and require subcontractors to submit the same

A. Quality Control Plan

Textainer will also build a Quality Control Plan, which, in the form of a written manual, will standardize the corporate procedures in effect governing the Subcontracting Plan. Among the items to be included in the policies are: establishing source lists, and blank forms to be used to log efforts and attempts to locate Small Businesses.

B. Database (Development, Maintenance & Applications)

Textainer will design and maintain an internal database identifying Small Business Concerns, most likely using Microsoft Access. The purpose of the database is to maintain an active list of qualifying companies whose supplies or services could be employed on a subcontract basis. The database will contain data relating to past performances, identifying the historic utilization of Small Business subcontracting. In this electronic format, with simple statistical manipulation, report generation will be readily available, particularly on an ad-hoc basis. The growth of the database identifying qualifying companies will be a continuous work in progress.

C. Source Lists & Identification

Textainer intends to identify potential sources by liaising with the SBA, as well as making use of other tools such as the Internet. The nearest SBA office to Textainer's TM² focal Hackensack, NJ office is:

New Jersey District Office
Two Gateway Center, 15th Floor
Newark, NJ 07102
(973) 645-2434

Once identified, sources will be added to the Subcontracting Plan Database on an ongoing basis. During times of light day-to-day activity, the TM² team may use any free time to develop and identify new potential sources.

2.1.C Administration

Textainer's TM² Project Manager, Joseph Dymkowski, will administer its Subcontracting Plan program, including the Quality Control Plan and Database detailed in Section 2.1.B (page 4).

Record keeping relating to the Subcontracting Plan will be kept in Textainer's Hackensack, NJ office.

2.2 Applied Subcontracting

There are numerous work sectors that will support the TM² Program Management. Textainer will significantly rely upon third party subcontractors to assist in providing their respective supplies and services. Textainer will seek to utilize subcontractors who in the past have performed work for Textainer. Textainer's quality assurance processes ensure that the service provider's abilities are competent and commendable.

Below are the critical business sectors that will be employed under subcontracting, and are not a part of Textainer's core business services:

- Marine Equipment (supplementing Textainer's owned and managed fleet)
- Trucking
- Container Depot Handling
- Maintenance and Repair
- Inspection / Survey

In the past Textainer has not utilized any single subcontractor whose involvement exceeded 15%. Unless forced to do so to meet contract requirements, Textainer does not anticipate that it will employ any single subcontractor whose involvement will exceed 15% of Program Management Functions.

Notes 1 through 5 below provide a detailed narrative relating to the anticipated amount of subcontracting expected in the aforementioned five critical work sectors, summarized in *Figure 2.2.2* (page 9).

1. Marine Equipment

Although Textainer is the world's largest lessor of standard dry freight containers, it does not own or manage all of the solicited equipment types as prescribed in solicitation DAMT-01-02-R-0028.

When Textainer's fleet (owned and managed) does not fulfill a requirement, Textainer will extend subcontracts to both container leasing companies and shipping lines.

Volume I, Section 2.7 (beginning on page 38 of Volume I) discusses in detail the process that Textainer will employ to procure equipment to fulfill such requirements. Specifically, *Figure 2.7.1* in Volume I (page 40 of Volume I) provides a flowchart illustrating Textainer's intended process of procuring equipment.

Whether sourced by leasing company or shipping line, being that most container owners and managers are large international businesses, it is highly unlikely that they are candidates to qualify as Small Business Concerns.

For – Dry Van Containers, Open Tops & Flat Racks:

Under normal conditions covering routine day-to-day business as well as prepositioned container pools, Textainer will use its owned and managed fleet to satisfy requirements for the equipment types referenced in this subsection. Only under exceptional circumstances would it be necessary to procure equipment from a subcontractor. For these equipment types, under normal conditions, estimated subcontractor involvement is less than 5%.

Under extreme and/or expedited conditions, such as Assured Access, Textainer's first priority will be to use its own fleet, then subcontract with both leasing companies and shipping lines when and where necessary. For these equipment types, under extreme conditions, estimated subcontractor involvement is 25%, but could escalate to as much as 60% based upon the magnitude of the requirement. Assured Access, executed to its fullest, where 16 weeks of requirements call for 60,000 or more containers, would require subcontractor involvement likely exceeding 50%.

For – Chassis, Refrigerated Containers & Tanks:

Textainer does not currently own nor operate these equipment types. Textainer will rely exclusively on the resources of subcontractors. Their involvement would represent 100% for these equipment types.

2. Trucking

Textainer does not own nor manage any trucking entities, and it will rely 100% on third party providers to provide delivery and redelivery services.

Regardless of the conditions, subcontractor involvement will be 100%.

Many trucking companies and truck brokers are Small Businesses. It is highly likely that a large proportion qualify as Small Business Concerns.

As an example of its Subcontracting Plan, in this proposal, Textainer identifies 40 historically utilized trucking providers who will be used as subcontractors for transportation services.

Figure 2.2.1: Subcontracting Trucking Companies

SMALL BUSINESSES	WOMEN-OWNED BUSINESSES	VETERAN-OWNED BUSINESSES
<ul style="list-style-type: none"> • Adrian Carriers • Atlantic Trucking • Builders Transportation • Bulldog Hiway Express • Cappys Transport • Caribbean Trucking Express • Carolina National • Commercial Cartage • Crown Transportation • Day Star Agency • Denton Transportation • Dynasty Transportation • Falcon Express • Inland Container Express • Interstate Cargo Transport • InTransit • ITG Transportation Services • Link Trucking • M.E. Decker Transportation • Mason Dixon Lines • Matchmaker Transportation • Midwest Systems • O.S.T. Trucking • Picorp • S.R. Carr Logistics • Serv-U • Team Transportations • Western Freight Brokerage • Windsong • WTI 	<ul style="list-style-type: none"> • Adrian Carriers • Boyd Brother Transportation • Day Star Agency • Dynasty Transportation • Inland Container Express • Interstate Cargo Transport • M.E. Decker Transportation • S.R. Carr Logistics • Team Transportations • Western Freight Brokerage • Windsong 	<ul style="list-style-type: none"> • O.S.T. Trucking • Windsong

Figure 2.2.1 (page 7) displays the identities of trucking companies whom, in written replies to Textainer, represent themselves to be a Small Business Concern. The full-style contact information of the shown Small Business companies is shown Volume I, Appendix C.1, beginning on page 149 of Volume I.

Figure 2.2.1 Notes: Profiled companies have been advised by Textainer that the criteria for being classified as a Small Business is average gross revenues of less than \$21.5 million, as per NAICS codes 484110, 484121, 484122, 484210, 484220 and 484230, all of which have the same \$21.5 million criteria. Textainer has also advised that criteria for Women and Veteran-owned Businesses are a 51% or greater stake in ownership.

3. Container Depot Handling

Textainer does not own nor manage any proprietary container depot entities, and it will rely 100% on third party providers to provide container depot handling services.

Regardless of the conditions, subcontractor involvement will be 100%.

Many container depot handling companies are large businesses and are unlikely candidates to qualify as Small Business Concerns. However, some container depot handling and companies do qualify.

4. Maintenance and Repair

Textainer does not own nor manage any maintenance and repair entities, and it will rely 100% on third party providers to provide maintenance and repair services.

Regardless of the conditions, subcontractor involvement will be 100%.

Many container maintenance and repair companies are extensions of container depot handling companies and are unlikely candidates to qualify as Small Business Concerns. However, some maintenance and repair companies do qualify.

5. Inspection / Survey

Textainer does not own nor manage any inspection / survey entities, and it will rely 100% on third party providers to provide container inspection / survey services.

Regardless of the conditions, subcontractor involvement will be 100%

One predominant company performs the majority of container inspection / survey services, and they are not a Small Business Concern. As such, it is most unlikely that a container inspection / survey company qualifying as Small Business Concern could be employed.

Figure 2.2.2: Summary of Anticipated Subcontracting by Work Sector

SUPPLY OR SERVICE	CONDITION	ANTICIPATED SUBCONTRACTING
Marine Equipment (owned or managed in Textainer's Fleet)	Normal	less than 5%
	Assured Access	over 50%
Marine Equipment (NOT owned or managed in Textainer's Fleet)	Normal	100%
Trucking	ALL	100%
Container Depot Handling	ALL	100%
Maintenance & Repair	ALL	100%
Inspection / Survey	ALL	100%