

N/MCI Contract N00024-00-D-6000
Awarded 6 October 2000



Attachment 11
Subcontracting Plan

Small and Small Disadvantaged Business Participation Plan

1.0 Introduction

This individual subcontracting plan is provided in accordance with Solicitation No. N00024-00-D-6000 and FAR 52.219-9 to demonstrate EDS' commitment to ensuring high levels of small business (SB), small, disadvantaged business (SDB), woman-owned small business (WOSB), and SBs located in Historically Underutilized Business Zones (HUBZones) participation in the Navy Marine Corps Intranet (NMCI) program. This plan is based on an innovative and proven management approach that delivers quality services and products to meet and/or exceed U.S. Navy and U.S. Marine Corps requirements.

EDS has developed a comprehensive methodology for ensuring the maximum participation of SBs on the NMCI project. The NMCI SB program will provide subcontracting opportunities for SBs as well as cultivate relationships with organizations that promote the development of SBs, including Historically Black Colleges and Universities (HBCUs) and Minority Institutions (MIs) and SBs owned by disabled individuals. Our outreach initiatives will stimulate long-term growth opportunities for SBs in local communities and in the national economy by facilitating their participation in the performance of Government contracts.

By using the SB subcontracting methodology defined in this plan, we will achieve an SB subcontracting objective of 40 percent of the total contract value, exceeding the mandatory SB requirement of the solicitation. We will meet the SB requirement by using direct (first-tier) subcontractors to EDS and by ensuring that SBs also participate in lower-tier subcontracting initiatives. The majority of our SB subcontracting achievements will result from the award of first-tier subcontracts to our small teaming partners and the subcontracts issued under competitive procurements conducted in the local communities in support of infrastructure initiatives. The majority of the SB requirement will be satisfied by subcontracts for infrastructure support, and we expect that these first-tier procurements will exceed 25 percent of the total contract value of the NMCI program. Lower-tier (second-tier and third-tier) subcontracting will contribute approximately 10 to 15 percent of the total contract value toward our SB objective. This SB strategy will facilitate attaining our first-tier subcontracting objectives, including the Government's minimum requirement of 10 percent to SBs.

The following paragraphs define our subcontracting objectives, methodology (specific attention being given to outreach and subcontracting initiatives), principal services and products to be procured, management of the NMCI SB program, and our corporate commitment to maximize SB participation.

Note: From this point in the plan, the term Small Business (SB) will refer to SB, SDB, WOSB, and HUBZone SBs, inclusively, unless otherwise indicated.

2.0 Subcontracting Requirements

The subcontract percentages are based on estimated activity through the life of the contract and demonstrate our commitment to maximizing SB participation in this program. In the following table, percentages are based on total contract value.

Subcontracting Requirements (Percentages are based on Total Contract Value)			
	Base Period Percentages	Option Period Percentages	Total Goal Percentages
SB Subcontracting*	40.0	40.0	40.0
SDBs	5.0	5.0	5.0
WOSBs	5.0	5.0	5.0
HUBZone SBs	1.5	1.5	1.5

* Of the SB subcontracting requirement, a minimum of 10 percent will be directed at first-tier subcontracting.

3.0 Methodology for Small Business Participation

Subcontracting Opportunities

A thorough examination of the NMCI program has indicated that we may provide subcontracting opportunities for SBs to achieve and exceed the SB subcontracting requirements specified in Section 6.9.1 of the solicitation. Each element of the program presents opportunities for SBs. Our analysis has defined areas where SBs will contribute to or provide primary support for an entire segment of the program. SBs will supplement the initiatives of EDS and other team partners in the areas of information security and telecommunications. We have located SB teaming partners that will provide essential support in the implementation of information security, particularly in the areas of certification and accreditation; telecommunications in the field of video teleconferencing; and a variety of services that compose infrastructure support.

The most substantial area of SB participation will be infrastructure support activities, where SBs will be the primary source for this critical support element of the program. Infrastructure support will include activities ranging across the entire NMCI program, particularly Transition, Program Management Office Support, Enterprise Wide Support (Network Operation Centers and Help Desk), and Desk Side Support. Specific activities include transition planning and implementation, furnishing of equipment (such as hardware and software), engineering services, installation, testing, operations, and maintenance. Each of these areas represents a primary growth field for small companies, and EDS is committed to using SBs for the majority of the support requirements. EDS has specifically carved out the infrastructure support segment of the NMCI project to provide the maximum opportunity for SBs in the local communities to participate in this effort. We have intentionally reserved this portion of the program for SB subcontracting, and have minimal large business teaming partners to provide infrastructure support.

The following table provides a detailed description of the infrastructure services that will be competed largely amongst SBs.

INFRASTRUCTURE SUPPORT	
<i>Key to Abbreviations:</i>	
A Electronic Asset Management	M Maintenance (break-fix, MAC)
C Capacity Planning	O Operations (day-to-day)
E Engineering	P Performance Monitoring
FM Fault Management	S Security Operations
F Furnishing (acquisition of HW/SW/ODCs)	T Testing
I Installation	
Voice End User Services	
Switched Services	Includes ITOM of telephone switch services. Includes development and maintenance of telephone numbering plans.
Switched NOC Services	Includes ITOM of NOC to FCAPS of telephony systems to include user desktop systems.
Voice Mail Services	Includes ITOM of voice mail systems.
Automated Call Distribution (ACD) Integrated Voice Recognition (IVR) Services	Includes ITOM of ACD and IVR systems.
Desktop Services (voice)	Includes EFITM desktop telephone equipment.
Desktop Services (voice – red)	Includes OM of red switched services.
Operator Services	Includes ITOM of enterprise telephone operator services.
Teleconferencing Services	Includes ITOM of enterprisewide voice conferencing services.
Enterprise/ Installation Telephone Directories	Includes the developing FM of Navy telephone directory information. Product includes camera-ready products for enterprise, base, and command distribution as well as providing an electronic copy suitable for Web display by EDS.
Maintenance Support (Tier III Maintenance)	Provides M for all telephonic equipment. Interface with Help, CM and Asset Management systems.
End User Training	Provides end user training on all provided end user equipment. Coordinates activities with enterprise master training plans.
Transport Infrastructure Services	
Passive Plant Transition	Includes E required to assume control of entire base cable plant. Includes E to document cable records and ensure integration with asset and CM systems.
Passive Plant Upgrade	Includes EFIT required to upgrade all base level cabling to enterprise standards. Service must interface with asset and CM systems.
Active Electronics Transition	Includes E required to assume control of entire active base transport electronics. Includes E to architecture and ensures integration with asset and CM systems.
Active Electronics Upgrade	Includes IT required to upgrade/standardize all active base-level transport electronics to enterprise standards. Service must interface with asset and CM systems.
Active Electronics Maintenance (Tier III Maintenance)	Includes M of all active base-level transport including hubs, routers, switched, etc. Scope includes base OPO or MDF down to the wall plate. Service must interface with asset, help and CM systems. Responds to help desk.
NOC Transition	Includes E required to assume control of existing base NOC support providers.

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I Installation	
NOC Upgrade	Includes IT required to implement the final base-level NOC solution. Solution must interface with Help, CM, and asset management systems (final service not restricted to a Base).
NOC Service	Includes OM base-level data NOC support. Scope of services includes FCAPS and must interface with Help, CM, and asset management systems. Also includes availability and Capacity Management.
NOC Security Service	Includes OM of base level equipment that secures base area network (BAN) and local area network (LAN) devices.
Transition Help Services	Transitions various DoN help systems to common EDS systems.
Roll-Out Services	IT desktop equipment. Includes installation on LAN, testing, and conversion of old user data to new system. Includes feeding CM and Asset Mgt. Systems.
Desktop Support	M desktop systems. Provides Tier II remote support for desktop HW/SW configuration. Provides remote SW update support service. Must interface with CM, Help Desk, and Asset Management Systems.
Desktop Break/Fix and MAC Support	M desktop systems. Provides Tier III services. Must interface with CM, Help Desk, and Asset Management Systems.
Desktop Application Support	O Tier II remote applications support for the desktop. M (Tier III) desktop application support.
Joint Legacy Interfaces and Fleet Network Interoperability	
Interfaces	Includes EFITOM of military system interfaces, industry interfaces to military stems, and military systems connectivity to the Internet.
Pier Connectivity Services.	Includes ITOM of all Industry connectivity. Also includes security interface activity with enterprise security service.
STEP Interfaces	Includes ITOM of military system interfaces, industry interfaces to military systems, and military systems connectivity to the Internet.
Network Services	
Standardized E-mail System	OM of e-mail servers and work required to establish new users in the systems.
E-mail Gateway/ Conversion Services	OM of all e-mail gateway and/or other interface servers/systems.
VPN Enterprise Services	Includes OM of VPN services.
Encryption Device Services	Includes OM of Encryption services.

It is our intent not only to address the subcontracting requirements, but also to have a positive affect on the local economy of areas surrounding Navy and Marine Corps sites. During the early stages of the

transition process, EDS will solicit local SBs for acquisition professionals to assist in the review and analysis of existing Navy and Marine Corps contracts. To transition the contractors who currently provide information technology services and products to the Navy and the Marine Corps, EDS will follow our Transition Plan methodology and use a regional approach to review, base by base, the requirements of each command to determine which procurement strategies will be most efficient. When this analysis is complete and disposition of the service and product agreements has been defined, EDS will use a variety of procurement strategies to solicit SB participation for subsequent procurements. The following objectives will be pursued during the transition process:

- Existing relationships with SBs will be maintained or nurtured for new opportunities.
- In the event that the existing agreements should be terminated, the respective SBs will be provided an opportunity to participate in any resulting solicitation efforts.
- Procurement strategies such as SB set asides will be used to ensure a high level of SB participation in this project.

As mentioned previously, our intent is to use our small business teaming partners and to provide opportunities for other SBs in the areas around Navy and Marine Corps sites. Providing opportunities for local companies will help ensure that Navy and Marine Corps SB contractors are integrated into the NMCI implementation. The primary methodology for ensuring that existing Navy and Marine Corps SB contractors are integrated into the NMCI program is through our SB set-aside program. Based on the determinations made during the transition process, competitions will be used to address local base and Command-specific requirements as well as general requirements. Directed competitions such as set-asides will maximize the use of SBs while ensuring efficiencies throughout the NMCI program. Set-aside procurements will be employed for all SB categories where a significant number of companies (generally two or more from the respective categories) can be identified to provide adequate competition. Representatives of the EDS Small Business Office will participate on the Transition teams to conduct local outreach initiatives. An essential element of the outreach initiatives is the identification and review of the capabilities of existing Navy and Marine Corps providers. Once the review is complete, the appropriate companies will be provided opportunities to participate in the SB set-aside procurements. EDS will endeavor to ensure that existing Navy and Marine Corps SB contractors are integrated as subcontractors under the NMCI contract whether by inclusion in SB set-asides or retention of existing contracts with SB providers. The transition team will collaborate with the Navy and the Marine Corps throughout this process to guarantee a smooth transition of existing small contractors.

Although we have identified team members to participate in the infrastructure support initiatives, it is our intent to use principally SBs from the local communities surrounding Navy and Marine Corps sites. Providing long term opportunities for local SBs will establish them more securely in the community and as suppliers to the Federal Government. For this reason, we have not identified a complete listing of suppliers to fulfill the infrastructure support requirements. It is our intent to benefit from the SB talent currently used by the Navy and Marine Corps and simultaneously to conduct extensive searches for additional SBs in the local communities. Given our objective to use SBs as the main provider of infrastructure services, it is anticipated that the existing SB suppliers will experience a wider range of opportunities at Navy and Marine Corps sites.

To demonstrate our capability to attain our SB participation objectives and to exceed the mandatory SB requirement of 35 percent of the contract price, we have developed a model that indicates the levels of SB participation for the first 12 months of the program. As shown in the table below, the model details our SB participation objectives for the first 12 months, using the quantities indicated in the Service Price per Program Year Tables ("B Tables") of the solicitation as a basis for estimates. EDS will achieve an

objective of SB participation at 40 percent of the contract value, exceeding the solicitation minimum requirement of 35 percent and using SBs at the levels cited in the table below.

Activity and SB Subcontractors	Percent of SB Requirement	Business Size
<p>TRANSITION</p> <p>Abbtech Staffing Services, Inc. Capstone Corporation Computer Technology Systems (CTS) MILVETS Systems Technology, Inc. Precise Systems Systems Integration & Research (SIR)</p>	40	<p>WOSB SDB WOSB SDB, HUBZone SB WOSB SDB</p>
<p>PROGRAM MANAGEMENT OFFICE (CFO AND CTO)</p> <p>Abbtech Staffing Services, Inc. Capstone Corporation Diversified Technical Services, Inc.</p>	10	<p>WOSB SDB SDB</p>
<p>ENTERPRISEWIDE SUPPORT (NOCs, HELP DESK)</p> <p>Access Systems AERA Diversified Technical Services, Inc. Systems Integration & Research (SIR)</p>	15	<p>WOSB SB SDB SB</p>
<p>DESK-SIDE SUPPORT</p> <p>AERA</p>	15	SB
<p>Computer Technology Systems (CTS) Engineering Services Consultants</p>		<p>WOSB SB (former EDS Protégé)</p>
<p>GLS Associates Multimax, Inc.</p>		<p>SDB (EDS Protégé) SDB</p>
<p>Precise Systems The MIL Corporation</p>		<p>WOSB SDB</p>
<p>AS-IS ENVIRONMENT</p> <p>EDS anticipates that NAVAIR, Patuxent River, may be the initial site implemented in the first phase of the program. The following SBs that are Strike Force team members currently provide services at NAVAIR:</p> <ul style="list-style-type: none"> • AERA • Capstone Corporation • Computer Technology Systems • MILVETS Systems Technology, Inc. • Precise Systems • The MIL Corporation. <p>EDS anticipates that other SBs that are currently supporting NAVAIR will be available to continue to support NAVAIR during and beyond the transition phase under the Strike Force SB set-aside program.</p>	10	<p>SB SDB WOSB SDB, HUBZone SB WOSB SDB</p>
<p>LOWER-TIER SUBCONTRACTING PARTICIPATION (Particularly in the areas of Transition and Desk-Side Support)</p>	10	

The above model demonstrates how we would exceed the SB requirement, even at the minimum quantities indicated in the Service Price per Program Year Tables (B tables) for the first 12 months of the program. As the model is based on the quantities in the B tables, it does not include the capabilities offered by all of our SB team members and most significantly by Dataline, a SDB that will provide voice services as a Tier I subcontractor to EDS and will contribute significantly to our SB achievements.

As the NMCI program progresses, the level of support within the categories will adjust accordingly. For instance, after the first 12 months, the level of SB participation in the program will decrease during transition activities, but will increase for Enterprise Wide Support and Desk Side Support. In addition, as transitions for other sites are implemented, the use of SB set-aside competitions will significantly increase.

NMCI Small Business Office

Because of the dynamic nature of the NMCI program, EDS will establish a dedicated NMCI Small Business Program Office to ensure that the program's SB requirements are fulfilled as well as to foster an environment of teamwork, cooperation, and respect among diverse EDS team members. The Small Business Advocate will manage the NMCI Small Business Program. The Small Business Advocate reports directly to the Program Executive to afford the NMCI SB program the visibility and authority necessary to ensure maximum participation of SBs. The Small Business Program is an integral part of the EDS NMCI Program Management Office and includes considerable participation in the subcontractor management function and the Subcontractor Council. For the tactical management of NMCI requirements, the Small Business Advocate will participate in the Subcontractor Management function, providing support to SBs during the procurement process and throughout performance under the program. Such participation will occur during the transition process and the follow-on procurement activity. The Small Business Advocate will participate in sourcing initiatives to develop set-aside procurements and to define sources for competitions. During contract performance, the Small Business Advocate will help to ensure that SB subcontractors are managed in accordance with the high-quality performance standards that EDS maintains for our own performance. We will monitor subcontractor performance according to the appropriate Service Level Agreements for small and large business subcontractors. However, SBs will be afforded the support of the Small Business Advocate. In addition, first-tier SB subcontractors will receive payments directly from the Government. The Small Business Advocate will participate on the Subcontractor Council (which will include representatives from our SB subcontractors) to address policy-level issues that may affect SB use relative to the overall management of NMCI. The Small Business Advocate, Gwen Johnson, will be responsible for administering the subcontracting plan for this project. The NMCI Small Business Advocate will have overall responsibility for the NMCI SB subcontracting program, conducting and coordinating the following activities:

- Participating in the transition process to ensure that existing Navy and Marine Corps SB contractors are integrated into the EDS NMCI solution
- Conducting local and national outreach projects to identify high-quality SBs
- Networking with associations to pursue opportunities for disabled individuals and for HBCUs and MIs
- Establishing and implementing procurement strategies targeted for SBs (that is, set-asides)
- Participating in sourcing and source selection processes to ensure that SBs are given an equitable opportunity to participate in the NMCI program

- Coordinating with Navy and Marine Corps SB offices to ensure alignment with their SB utilization objectives
- Advising potential SB suppliers about how to pursue business opportunities with EDS, assisting SBs during the procurement process, and providing post-award support
- Conducting, or arranging the conduct of, training for purchasing and program management personnel regarding EDS NMCI SB objectives and the intent and effects of Government SB initiatives
- Monitoring the program's SB subcontracting performance and making necessary adjustments to maximize subcontracting achievements
- Preparing and submitting accurate subcontracting reports
- Coordinating the conduct of SB program compliance reviews.

Outreach Initiatives

Outreach for the NMCI project is focused on two objectives: subcontracting opportunities and support of developmental assistance programs such as seminars, workshops, and other training initiatives. Initial outreach activities are currently in process as we continue to develop and maintain a database of SB suppliers that may contribute to EDS' NMCI solution, providing best-in-class support. In October 1999, EDS created an online database to collect data relevant to NMCI from companies interested in participating on the program. The database currently collects information for SBs that may be used in solicitation efforts to support infrastructure activities. This database will be maintained for use as an additional source list throughout the NMCI program. When the NMCI contract is awarded, outreach activities will be conducted in the local communities of Navy and Marine Corps base sites as part of the transition process. Such activities will be geared to locating qualified SBs for subcontracting opportunities that arise out of base infrastructure operations. The NMCI Small Business office will work with a variety of organizations that promote the use of SBs, SDBs, WOSBs, and HUBZone SBs. Relationships will be cultivated with organizations such as local offices of the SBA, Small Business Development Centers, Regional Minority Supplier Development Councils, various Chambers of Commerce, the National Association of Women Business Owners, the Disabled Businesspersons Association, and state and Federal legislative offices. Strategic alliances with these organizations will assist in locating qualified SBs for subcontracting objectives and provide opportunities for EDS to sponsor and participate in programs that provide developmental assistance, via workshops, seminars and so on, to a wide audience of SB entrepreneurs.

In particular, EDS will focus outreach efforts to facilitate opportunities for Indian-owned economic enterprises, SBs owned by disabled individuals, and HBCUs/MIs. Such outreach efforts have already begun for organizations that promote opportunities for disabled individuals. The EDS Federal Small Business Office is currently working with NISH (formerly known as National Industries for the Severely Handicapped) to develop a strong methodology for participation in the NMCI program of SBs that are owned and controlled by disabled individuals. NISH is assisting EDS to analyze developing potential opportunities to network with organizations for disabled individuals and businesses owned by disabled individuals.

The EDS Federal Small Business Program also is working with HBCUs/MIs for potential subcontracting and internship opportunities for students of HBCUs/MIs under the NMCI program. Subcontracting

opportunities for HBCUs/MIs may manifest in the areas of analysis, modeling, and simulation. EDS is in discussions with HBCUs/MIs—such as Clark College (Atlanta), Morris Brown College, and Norfolk State University—to distinguish subcontracting opportunities and develop a program to provide internships for qualified students working on computer science or related degrees to participate in the NMCI initiative. The internship programs will provide paid full- and part-time positions for students to gain hands-on experience in an information technology discipline. We anticipate that these internships will contribute to the students' career development and provide college credits toward an accredited degree program.

Outreach is a critical component of the NMCI SB program to ensure that we achieve our SB objectives. The aim of our outreach initiatives is to provide a resource of subcontracting opportunities in addition to establishing opportunities for EDS to participate in the formal development of SBs. Working with associations and other local organizations will provide such SB resources while also affording EDS the opportunity to positively contribute to the growth of SBs.

4.0 Principal Services To Be Subcontracted

EDS will subcontract a mix of information technology services to provide total support under the NMCI program. Teaming arrangements have been initiated with the following companies.

Name	Company Type	Products/Services
MILVETS Systems Technology, Inc.	HUBZone, SDB	Information Security
GLS Associates (<i>an EDS protégé</i>)	SDB, 8(a)	Desk-Side Support
Multimax, Inc.	SDB, 8(a)	Desk-Side Support
The MIL Corporation	SDB, 8(a)	Desk-Side Support
York Telecom	SDB, 8(a)	Video Teleconferencing
Capstone Corporation	SDB	Transition, Network Operations
Diversified Technical Services, Inc. (DTSI)	SDB	Help Desk Support, Training
Dataline	WOSDB, 8(a)	Voice
Integrated Management Services, Inc. (IMSI)	WOSDB, 8(a)	Information Security
Abbttech Staffing Services, Inc.	WOSB	Transition, Network Operations Help Desk
Access Systems	WOSB	Help Desk Support
Computer Technology Systems (CTS)	WOSB	Transition, Desk-Side Support
EDIT, Inc.	WOSB	Training
Precise Systems	WOSB	Transition, Desk-Side Support
Wilson Scientific (<i>an EDS protégé</i>)	WOSB	Information Security
Adquidneck Management Associates (AMA)	SB	Network Operations, Desk-Side Support
Advanced Computer Services (ACS) (<i>an EDS protégé</i>)	SB	Hardware and Software Services
AERA	SB	Network Operations, Desk-Side Support
Engineering Services Consultants (ESC) (<i>an EDS protégé</i>)	SB	Desk-Side Support
Systems Integration and Research, Inc. (SIR)	SB	Help Desk Support, Training
Averstar	Large Business (LB)	Desk-Side Support
Cisco	LB	Hardware Support
Dell	LB	Hardware/Software Support
Dolch	LB	Ruggedized Computer Products
ManTech	LB	Desk-Side Support
MCI Worldcom	LB	Telecommunications
OAQ Corporation	LB	Help Desk, Training, Transition
Performance Engineering Corporation (PEC)	LB	Capacity Planning, Information Security, Transition
Raytheon	LB	Information Security
Tivoli	LB	Enterprise Network Management
Veridian	LB	Transition, Desk Side Support
WAM!NET	LB	Metropolitan Area Network (MAN)/Base Area Network (BAN) Services

All SB team partners may participate in categories infrastructure support to the extent possible.

Team members were selected for their proficiency, quality, and successful experience in providing products or services to the Government with an especial interest in those that have provided support to the U.S. Navy and the U.S. Marine Corps. Each partner is reputable in the information technology field and is financially stable.

5.0 Methods Used to Develop Subcontracting Requirements

The methodology used to develop the subcontracting requirements stated in this plan represents EDS' best estimate of the potential subcontracting activity anticipated for the NMCI program. As noted previously, EDS examined each task defined in the Request for Proposal to identify areas where EDS capabilities could be complemented or supplemented by subcontractors to provide optimum service for the client. The other major factor considered in the development of the subcontracting requirements was EDS' commitment to ensuring that SBs are provided an opportunity to participate in all of our Government programs. Particular attention was given to using qualified HUBZone SBs and SDBs that have been certified by the SBA.

6.0 Methods Used to Identify Potential Sources (Source Lists)

To identify SB, SDB, WOSB, and HUBZone SB concerns, EDS uses the following sources:

- PRO-Net, an online database maintained by the SBA
- Internal source lists such as the EDS Corporate SB databases
- Small Business Development Centers and Procurement Technical Assistance Programs
- Minority and woman-owned business associations such as the National Minority Supplier Development Council
- Various Federal agency SB offices.

7.0 Indirect Costs

EDS did not use any indirect costs in establishing the subcontracting requirements for this plan.

8.0 Equitable Opportunity

EDS provides an equitable opportunity for SB concerns to participate in the performance of our Government contracts. Our procurement staff, particularly the solicitation team, endeavors to include SBs in all competed procurements. The NMCI Small Business Advocate will work closely with the transition team to ensure the maximum participation of SBs in all procurement activities. Such involvement will include recommending that a variety of targeted procurement strategies, such as SB and HUBZone SB set asides, are implemented to ensure that SBs are provided the maximum opportunities in all solicited procurements.

To also ensure that SBs are provided an equitable opportunity to compete, EDS, as noted in the duties of the Small Business Advocate defined above, will conduct and/or participate in the following

outreach activities and internal efforts to promote the use of SBs. Such activities include contacting minority and SB trade associations and development organizations; participating in small and minority business procurement conferences and trade fairs; conducting workshops, seminars, and training programs; establishing and publishing source lists; and monitoring compliance with the NMCI SB subcontracting requirements.

When a proposal from an SB concern has been rejected for non-responsiveness or non-responsibility, EDS will counsel and assist the requesting firm to understand requirements for responsiveness and responsibility to enable the firm to be better qualified for future awards. Such efforts will be conducted to assist in the development of SBs as qualified Government contractors.

9.0 Flow-Downs to Subcontractors

The clause at FAR 52.219-8, "Utilization of Small Business Concerns and Small Disadvantaged Business Concerns," is included in subcontracts exceeding \$100,000 that offer further subcontracting opportunities. EDS incorporates FAR 52.219-9, "Small Business and Small Disadvantaged Business Subcontracting Plan," in all subcontracts expected to exceed \$500,000. In such procurements, subcontractors (except SB concerns) are required to submit and comply with a subcontracting plan defining how SBs will participate in that program. The subcontracting plans are reviewed and monitored. Periodic reports, including Standard Form (SF) 294 and SF 295, will be required to ensure compliance with subcontractor SB participation initiatives.

All subcontractors will be required to provide subcontracting opportunities to SBs and flow down these requirements to lower-tier subcontractors. EDS will also require all large business subcontractors to provide semi-annually reports detailing lower-tier SB subcontracting achievements. These statistics will be provided to EDS and the NMCI Procuring Contracting Office. Subcontractors also will be required to notify EDS and the PCO about the replacement or removal of any second-tier or third-tier SBs.

10.0 Reporting/Cooperation

EDS assures the DoN that we will cooperate in studies or surveys required by the Department of Defense (DoD), the DoN, and the SBA and will submit periodic reports to the appropriate offices. EDS reporting will incorporate socioeconomic category information (that is, Indian Owned Organizations) as applicable. In addition, EDS will provide the following reports for this subcontracting plan: SF 294, "Subcontracting Report for Individual Contracts," and SF 295, "Summary Subcontract Report." Notification of removal or replacement of any SB will be made to the PCO 30 days before the removal or replacement. EDS will further ensure that all lower-tier subcontractors provide small subcontracting achievement reports, including SF 294 and SF 295, and removal and replacement notifications as applicable.

11.0 Records

The EDS NMCI SB office will maintain the following types of records documenting efforts to provide the maximum opportunity for SB concerns to compete for subcontract awards.

- Source lists, guides, and other data identifying these types of concerns
- Lists of organizations contacted for SB sources
- Contract-by-contract records of subcontracting solicitations indicating how opportunities were provided to SB concerns; whether SB, SDB, WOSB, HUBZone SB concerns were solicited and if

not, why not; and when applicable, the reasons for the failure of a solicited SB, SDB, WOSB, HUBZone SB concern to receive the subcontract award

- Records to support other outreach efforts and contacts with minority/women-owned and SB trade associations and attendance at small and minority/women-owned business procurement conferences and trade fairs
- Records to support internal activities such as workshops, seminars, and training programs to guide and encourage buyers and those involved in procurements
- Records to monitor compliance with SB program requirements
- Contract-by-contract records to support subcontract award and payment, including the name, address, and business size of each subcontractor
- Records of contacts made with the organizations listed in this plan

Records on subcontract solicitations and active contracts are maintained as part of the EDS Contractor Purchasing System Review (CPSR) process. Records of outreach efforts to associations, business development organizations, conferences and trade fairs will be maintained by the NMCI Small Business Office. Additionally, EDS Federal's Small Business Liaison Office along with Government Procurement and Contracts and Legal Divisions, as appropriate, maintain records of internal guidance and encouragement.

12.0 Payments

In accordance with FAR 19.702, EDS has established procedures to ensure the timely payment of amounts due pursuant to the terms of our subcontracts with SB concerns. In accordance with the requirements of the solicitation, first-tier SB subcontractors will receive payments directly from the Government. For first-tier SBs, EDS will provide SB invoicing information and adequate verification to the Government.

13.0 Good Faith Commitment

EDS is committed to providing SB, SDB, WOSB, HUBZone SB concerns the maximum opportunity to participate in the performance of our Government contracts. The EDS Federal Small Business Policy and related procedures clearly define our commitment to Federal SB statutes and regulations, promoting consideration of SB, SDB, WOSB and HUBZone SB concerns in all competed procurements.

To further this commitment to SB subcontracting and development, EDS management has established a proactive SB program. The EDS Federal Small Business Program mission is to: promote the use of SBs with external and internal outreach activities; to counsel and assist SBs about EDS subcontracting opportunities; and to coordinate potential teaming relationships between EDS and SBs. The EDS Federal Small Business Program is managed by a full time SBLO and was described in the definition of the SBLO function discussed earlier in this subcontracting plan.

The EDS Federal Small Business Program is active in local and national SB communities. We participate in conferences and seminars as panelists and speakers; are involved in organizations, trade fairs, and conferences designed for SB outreach and development; and assist other prime contractors to enhance their outreach programs. The following are a few of the activities in which EDS participates:

- Sponsorship, committee membership, and trade fair participation in the annual National Minority Enterprise Development Week (MED Week) Conference since 1992
- National and Regional Memberships in the National Minority Supplier Development Council
- Participation with the Fairfax County Chamber of Commerce Small Business Matchmaker initiatives
- Membership in the Fairfax County Business Partnership - Minority Business Organization
- Membership on the Information Technology Association of America (ITAA) Small Business Enterprise Committee.
- Membership of the National Defense Industrial Association (NDIA) Small Business Committee (TRIAD).
- Membership of the AFCEA Small Business Committee.

Also as a part of the continued commitment to the development of SBs, EDS is an active participant in the DoD and Department of Treasury Mentor-Protégé program. Through this program, EDS provides developmental assistance to three SDBs in an effort to improve their ability to compete equitably in the marketplace. Such assistance extends to the development of business, marketing and/or strategic plans, and improvement of the firm's infrastructure, proposal and program management training, Web site creation, and development of marketing collateral. EDS' commitment to this developmental program provides management support to work with each protégé to ensure long-term partnering relationships. Two of our current protégés and two former protégés from the Mentor-Protégé program will participate to provide support for our NMCI initiatives.

Our commitment to promoting subcontracting opportunities for SBs is demonstrated by historical achievement of Federal agency SB contracting goals. For more than 6 years, EDS Federal has exceeded the Government-wide goal for SB and SDB concerns. As reported on the respective SF 295 forms, our 1999 subcontracting efforts for the DoD and the General Services Administration are shown in the following tables. (All percentages are based on total subcontracting dollars.)

1999 Subcontracting Activity for Department of Defense Programs		
Small Businesses	\$ 27,858,910	34.7%
Small Disadvantaged Businesses	\$ 10,556,612	13.1%
Women-Owned Small Businesses	\$ 1,699,375	2.1%

1999 Subcontracting Activity for General Services Administration Programs		
Small Businesses	\$ 34,761,396	48.3%
Small Disadvantaged Businesses	\$ 5,203,806	7.2%
Women-Owned Small Businesses	\$ 6,095,720	8.5%

In addition to our overall SB subcontracting statistics, EDS' commitment is further demonstrated by the continued approval given by the SBA and the Defense Contract Management Command (DCMC) for the EDS Small Business Program.

14.0 Summary

Through its increased cultivation of the SB community and proactive outreach efforts, EDS will continue to do its part to ensure that the SB community remains a strong and viable component of the economy. This NMCI Subcontracting Plan not only reflects EDS' commitment and support, but it is also backed by a solid SB program and a successful track record of meeting and exceeding subcontracting requirements. Implementation of this plan will ensure maximum use of SBs, including the integration of existing SB contractors, under the NMCI initiative consistent with the requirements of the U.S Navy and the U.S. Marine Corps.