

DCMA Small Business Review Tips

Pre –Audit:

- Have available last audit report
- Review period is usually last full fiscal year prior to audit (both ISR periods and October SSR)
- Correct all previous corrective actions or recommendations now!
- Ensure **all** reportable contacts have been reported in eSRS or you provide a SF294 for the given reporting period. Copies will be provided to the auditor.
- Ensure you have copies of all SB Plans
- Copies of Terms and conditions for sample selected
- Provide records utilized to provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as a small business for the purpose of obtaining a subcontract
- Process/Procedures to ensure timely payments (invoice /evidence of date paid)
- Provide records utilized to provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as a small business for the purpose of obtaining a subcontract. The statement needs to match FAR exactly.
FAR 52.219-9(c)(2)(i)-Utilizing Subcontractor’s Written Representations for Size and Socioeconomic Status - Subcontractor’s shall verify that the size and socioeconomic status representations are “Current, Accurate, and Complete” as of the date of the offer for subcontract.
- Final ISRs are due with thirty (30) days of contract completion in accordance with FAR 52.219-9(l)(1)(i).
- **Provide evidence of FAR 52.219-9(e)-Assignment of NAICS code and Corresponding Size Standard to Each Subcontract** - Each subcontract shall be assigned a NAICS and Corresponding Size standard that best describes the principle purpose of the subcontract by the PRIME contractor. - Size Standards are number of employees or dollar value associated with each NAICS assigned.

Notification:

- 60 Days Prior - Standard Notification Letter for 640 Review will be sent
- 30 Days Prior - Provide to auditor a list of all purchase orders/subcontracts in support of DoD prime and subcontracts
- The auditor will select sampling and state what documentation you need to support
- 39 questions (for full audit) to answer for 640 Form

Review Items of Importance:

- Affiliate reporting
- Indirect Reporting formula / Credit Card additional spend and allocation
- Question 39 – Tell your story (Thank You's, Good News Stories, Program Highlights, Accomplishments, Awards)
- Show passion in your writing

Ratings:

- If a contractor receives an Exceptional Rating - Two (2) years without a 640 review
- If a contractor receives a Satisfactory Rating - One (1) year without a 640 review
- If a contractor receives Marginal/Unsatisfactory - Expect an annual 640 review

Next DCMA training:

- June 24, 2021: In-depth Training on Small Business Subcontracting Program Compliance Review, DCMA Form 640
- September 23, 2021: Subcontracting Plan Training • TENTATIVELY December 16, 2021-TBD