

Managed Care Support (MCS), North

Small Business Subcontracting Plan

Submitted to:
Department of Defense
TRICARE Management Activity/AM&S
16401 E Centretch Parkway
Aurora, CO 80011-9066

In Response to Solicitation Number:
H94002-07-R-0007

Submitted by:
Health Net Federal Services, LLC
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1 SUBCONTRACTING PLAN

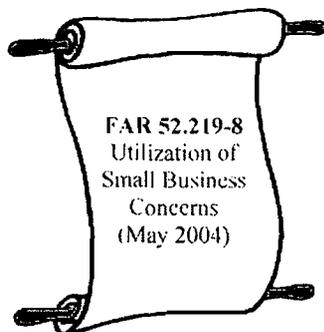
1.1 INTRODUCTION AND CONTRACT CLAUSES

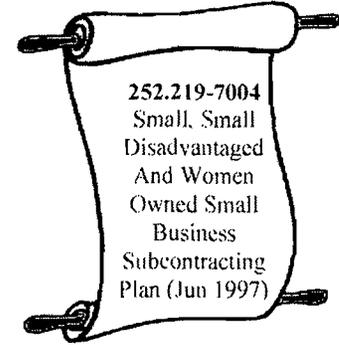
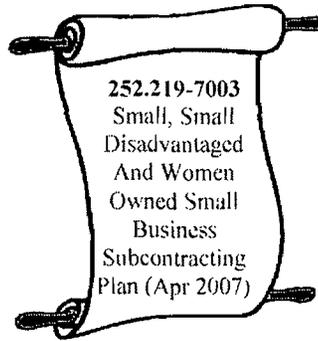
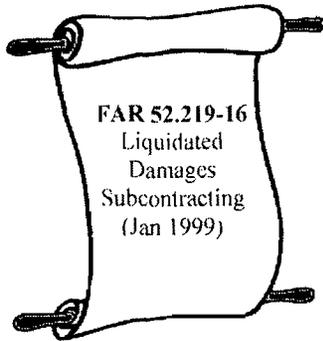
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This Individual Contract Plan has been developed in accordance with the following Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulations (DFAR) requirements:





1.2 DEFINITIONS

As used within the Plan, the following terms are defined as follows:

“HUBZone Small Business Concern”: A Small Business concern that appears on the list of qualified HUBZone Small Business Concerns maintained by the Small Business Administration.

“Service Disabled Veteran-Owned Small Business Concern”: (1) A Small Business concern which is (a) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and, (b) Whose management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran. (2) “Service-Disabled Veteran” means a veteran, as defined in 38 U.S.C. 101 (2), with a disability that is service-connected as defined in 38 U.S.C. 101 (16).

“Small Business Concern”: A Small Business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

“Small Disadvantaged Business Concern”: A Small Business concern that represents, as part of its offer, that (1) it has received certification as a small disadvantaged business concern consistent with 13 CFR, Part 124, Subpart B; (2) No material change in disadvantaged ownership and control has occurred since its certification; (3) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104 c (2); and (4) It is identified, on the date of its representation, as a certified small disadvantaged business in the database maintained by the Small Business Administration (PRO-Net) or the Central Contractor Registration (CCR) database.

“Veteran-Owned Small Business Concern”: A Small Business concern (1) not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and, (2) the management and daily business operations of which are controlled by one or more veterans.

“Women-Owned Small Business Concern”: A Small Business concern (1) that is at least 51 percent owned by one or more women, or in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more women.

The term **“SBI”** (Small Business Inclusive) is used in this plan to collectively refer 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. SBI is used to improve the ease of reading this Plan. Despite using this collective term, Health Net recognizes the individual socio-economic distinctions applicable to these business classifications.

1.3 GOALS EXPRESSED IN PERCENTAGES

Goals expressed in terms of percentages of total planned subcontracting dollars are depicted in Section 2: Subcontracting Percentage Goals and Dollars.

1.4 TOTAL DOLLARS PLANNED TO BE SUBCONTRACTED

Total dollars planned to be subcontracted to SBI concerns are depicted in Section 2: Subcontracting Percentage Goals and Dollars.

1.5 DESCRIPTION OF SUPPLIES/SERVICES TO BE SUBCONTRACTED

The principal types of supplies and services planned to be subcontracted and the classification of the potential business concern are as follows:

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1.6 METHODS OF DEVELOPING GOALS

This Plan includes goals for subcontracting with business concerns in accordance with FAR 52.219-9 (Apr 2008), expressed in both dollars and percentages. Goals are established based on the nature of contractual requirements and the availability of qualified sources, with due regard to satisfying the requirements of the Health Net contract.

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Subcontracting, in this Plan, does not include institutional or non-institutional providers of health care. Institutional and non-institutional providers are those hospitals, physicians, laboratories, pharmacies or other entities as defined by 32 CFR 199.6 that provide care or services directly related to the delivery of health or mental care to TRICARE-eligible beneficiaries.

In developing our small business participation plan, Health Net has displayed its proposed goals inclusive of all subcontracts that contribute to contract performance. These percentage goals and dollars are located in Section 2 of this plan.

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1.7 IDENTIFICATION AND DEVELOPMENT OF POTENTIAL SOURCES

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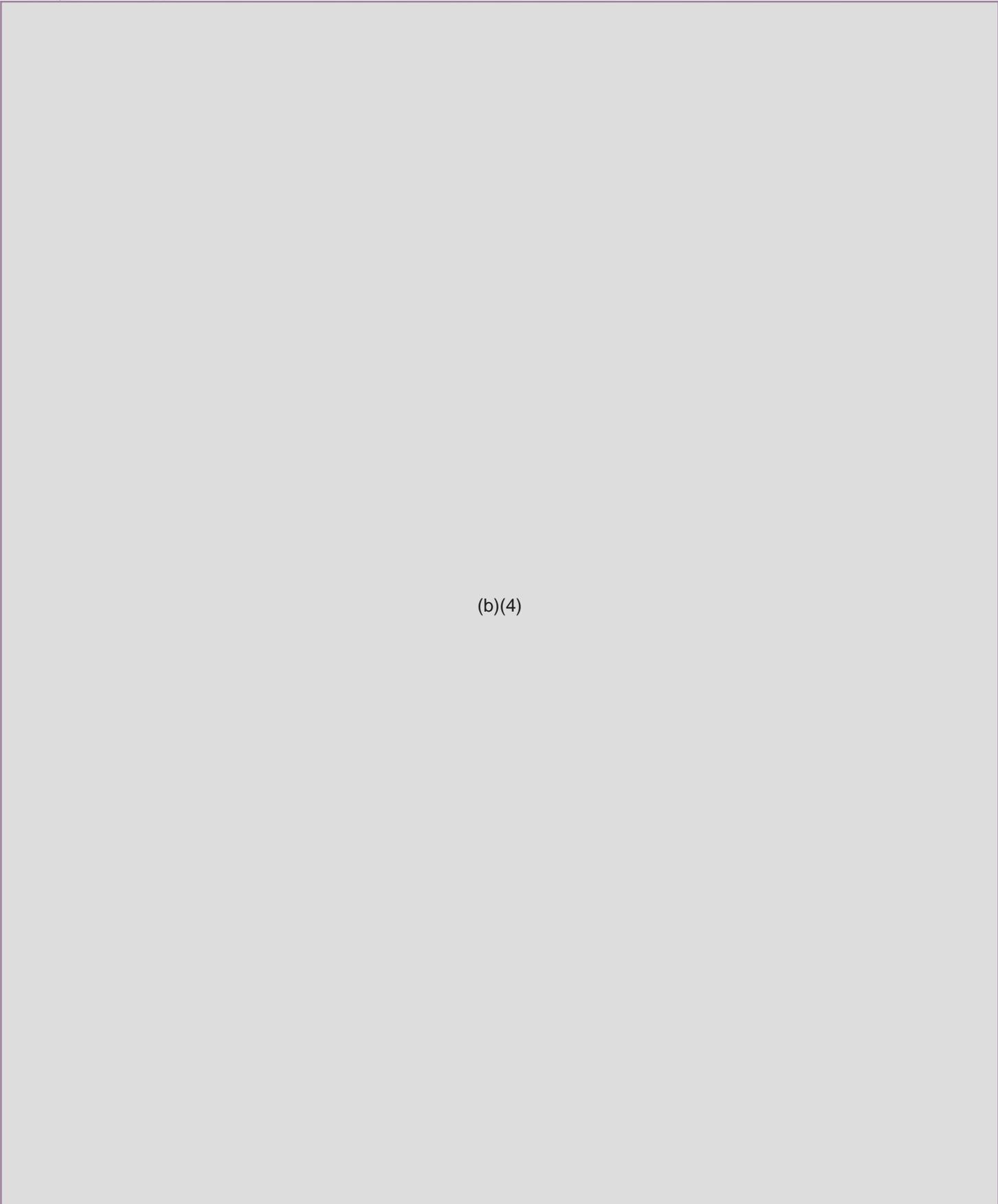
Health Net demonstrates commitment to this Plan, by describing the following efforts made during this proposal preparation period:

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1.10 EQUITABLE OPPORTUNITY

The Health Net Vice President, Operations Support, has issued several policies and procedures establishing directives to insure the advocacy of the Small Business Program.

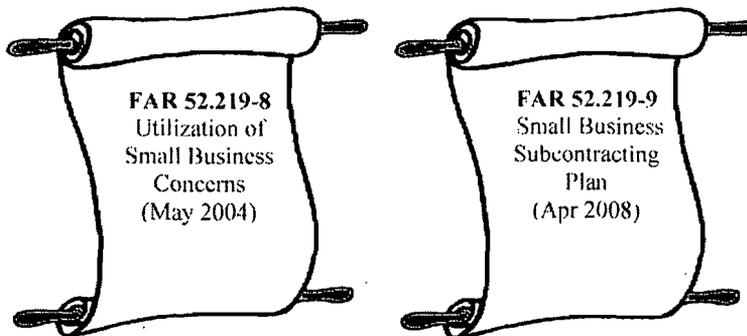
These include policies and procedures designed as directives to subcontract managers, purchasing agents and buyers requiring compliance with corporate policy. Health Net' goal is to support SBI participation to the maximum extent practicable.

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1.11 SUBCONTRACT FLOW DOWN PROVISIONS

Health Net includes the following provisions in all subcontracts issued in support of DoD and other federal agency contracts, except where not required by the terms of the affected clause:



Health Net will ensure and require all subcontractors (except small business concerns or those concerns exempted by the terms of FAR 52.219-9(J) that receive subcontracts in excess of \$550,000 to adopt a plan that complies with the requirements of the clause at 52.219-9, Small Business Subcontracting Plan.

1.12 SPECIAL STUDIES AND REPORTS

- Health Net will cooperate in any studies or surveys as may be required.
- Health Net will submit to the Contracting Officer semiannually and at contract completion the required periodic reports utilizing the Electronic Subcontracting Reporting System (eSRS). The reports will include:
 - Individual Subcontract Report (ISR) (formerly Standard Form 294)
 - Summary Subcontract Report (SSR) (formerly Standard Form 295), including a breakout of subcontract awards, in whole dollars, to SBIs by North American Industry Classification System (NAICS) Industry Subsector at the close of each fiscal year.
- Health Net will ensure that its subcontractors agree to submit these reports, when appropriate.
- Health Net will provide its prime contract number, subcontract number between the prime and subcontractor, prime contractor's DUNS number, and the email address of the Government and/or Contractor official responsible for acknowledging or rejecting reports, to all first-tier subcontractors with subcontracting plans so that it can be entered into the eSRS system. Health Net will continue to furnish this information to any new first-tier subcontractors with subcontracting plans in the future.
- Health Net will ensure, by written correspondence (to include a certification), that its subcontractors with subcontracting plans provide the prime contract number, its own DUNS number, subcontract number between the prime and subcontractor, and email address of the Government and/or Contractor official responsible for acknowledging or rejecting the reports, to its subcontractors with subcontracting plans.

1.13 RECORDS TO BE MAINTAINED

Health Net will maintain records to demonstrate that its Small Business Subcontracting Program policies and procedures have been implemented. Additionally, records will be maintained for each contract, to track actual subcontracted dollars as compared to planned subcontracted dollars with the goal of assuring compliance with the requirements of this Plan.

Examples of other records that are maintained are:

- SBI source lists, guides and other data, which enable procurement personnel to identify, develop and provide bid opportunities to such concerns.

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1.14 HEALTH NET FUNCTIONS CONSISTENT WITH EFFICIENT CONTRACT PERFORMANCE

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In accordance with FAR 52.219-9, this plan is respectfully submitted to the Contracting Officer for acceptance and approval.

Approved by:

Signature 

Name Bruce Mitterer

Title Contracting Officer

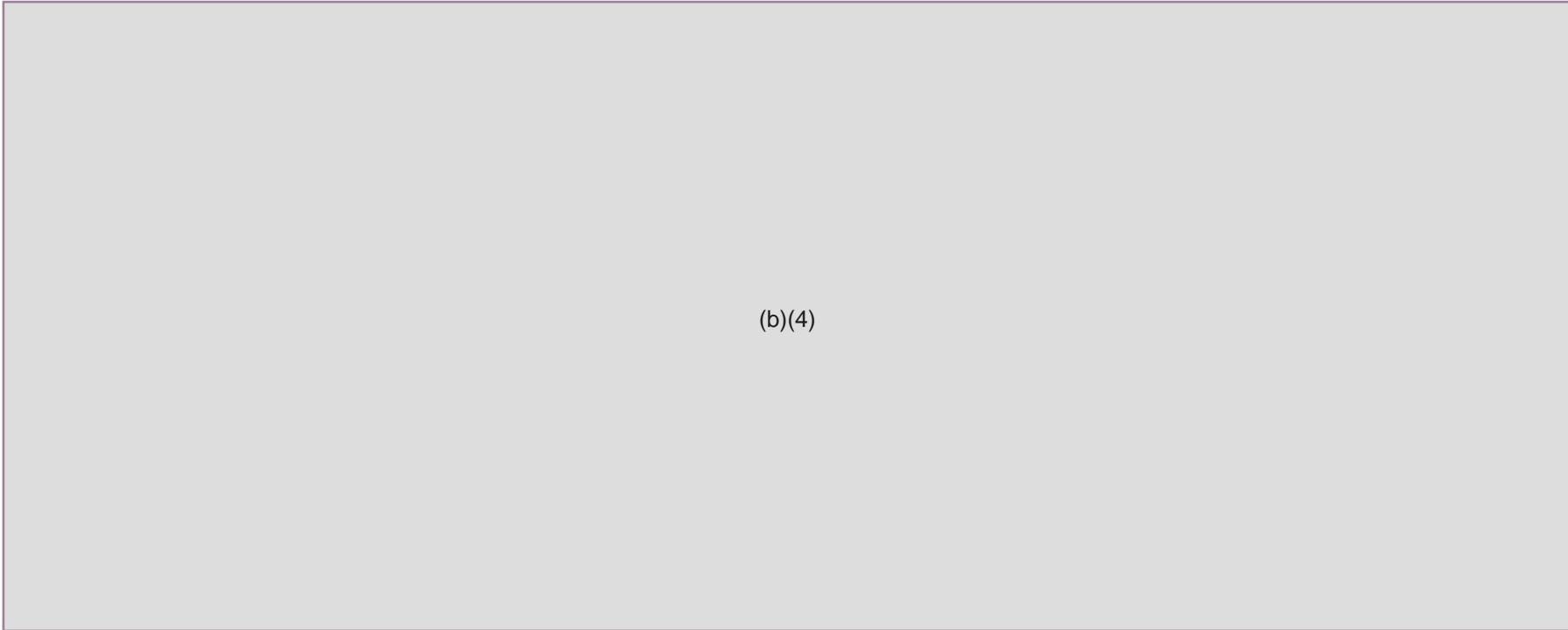
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2 Subcontracting Percentage Goals and Dollars

PERIOD	SUBCONTRACT AMOUNT	SMALL BUSINESS PERCENT	SMALL BUSINESS DOLLARS	VETERAN-OWNED SMALL BUSINESS PERCENT	VETERAN-OWNED SMALL BUSINESS DOLLARS	SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS PERCENT	SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS DOLLARS	HUB ZONE BUSINESS PERCENT	HUB ZONE BUSINESS DOLLARS	SMALL DISADVANTAGED BUSINESS PERCENT	SMALL DISADVANTAGED BUSINESS DOLLARS	WOMEN-OWNED SMALL BUSINESS PERCENT	WOMEN-OWNED SMALL BUSINESS DOLLARS
BASIC	(b)(4)												
OPTION 1													
OPTION 2													
OPTION 3													
OPTION 4													
OPTION 5													
TOTALS													

Note: Subcontracting dollars are derived from the direct costs Health Net proposes to incur plus a proportionate share of products and services Health Net includes in indirect costs.

Reconciliation of Subcontracting Dollars for T-3



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2.1 Small Business Subcontracting Goals Narrative:

Health Net is submitting this Small Business Subcontracting Plan tailored to the unique requirements of this individual contract. The Managed Care Support Services (T-3) contract is unique in that it is an extremely complex, atypical DoD service contract. In development of small business subcontracting goals the unique nature and requirements of the contract must be taken into consideration. When the uniqueness of this contract is considered, it becomes apparent that conventional DoD small business subcontracting goals are not realistically attainable. Therefore, the objective of this plan is to present the dollars available for subcontracts and a realistic goal for subcontract award to small businesses, along with a description of the actions Health Net will take over and above its on-going small business program.

For ease in presentation, this discussion of goals will focus on Option Period 1, recognizing that this is representative of recurring costs in Options Periods 1-5. The Base Period is for Transition-In and generally represents non-recurring start-up costs to be incurred by the same organizations and teaming partners performing work during the health care delivery periods of the contract. Consequently, opportunities for subcontracting with small businesses are limited.

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2.1.1 EXECUTION STRATEGY

Health Net is committed to actively pursue these goals by intensifying its good faith efforts to generate small business subcontracting activity across all socio-economic categories to achieve our goals. Examples of these good faith efforts include, but are not limited to, the following:

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Health Net is committed to full compliance with our subcontracting plan. We will work in good faith to attain our revised goals in a manner that does not significantly increase the Government's cost or introduce unnecessary performance risk under the contract.