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Original Submitted date: November 30, 2019

Revised Submitted date: December 16, 2019

(b) (6)

NCS Small Business Liaison/Procurement and Resources Specialist

US Department of Veteran Affairs, VA National Acquisition Center (CCSA)

1st. Ave/. 1 Block North of 22 Street

Hines, IL 60141

Re: Revised 2020 Small Business Subcontracting Plan - **JUSTIFICATION LETTER**

Dear Ms. (b) (6)

AstraZeneca Pharmaceuticals LP ("AZ") hereby submits its 2020 Company-Wide Small Business Subcontracting Plan ("Plan"). This plan reflects the Company's dedication to providing opportunities to small businesses while also recognizing the unique nature of AZ services.

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In addition, in 2020, AstraZeneca will continue its Return to Growth strategy by focusing on driving growth by supplying medicines that can transform care and ensuring that they reach patients who need them in a way that brings wider benefits to society and the planet. To meet this demand, AstraZeneca is growing, our science is growing more complex, and our supply chains growing more global. To avoid our costs rising as fast as our sales, and to deliver our Return to Growth strategy, we are transforming everything we do by making our processes simpler and more streamlined. We are flattening our organizational structure to improve productivity, encourage accountability and improve decision-making and communication.

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will continue its path towards success.

Through our internal and external outreach efforts, business processes and continuous strive to identify and utilize small businesses, AZ will continue to strive for increased opportunities for small business engagements in our procurement processes. AZ detailed efforts towards identifying potential small businesses and assuring that they are given equitable opportunities to compete for subcontracts are outlined in the attached Small Business Plan, Section 5 and Section 8.

AZ will continue these efforts in 2020 and the Plan reflects the realistic opportunities for small businesses and diverse in 2020.

If you have any questions, please feel free to contact me.

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SMALL BUSINESS SUBCONTRACTING PLAN

(Model Outline* – Template Revised 4/1/2019)

* This template is a **suggested** model for use when formulating a subcontracting plan pursuant to the requirements at FAR 52.219-9(d). While this model plan has been designed to be consistent with FAR 52.219-9, other formats may be acceptable. However, failure to include the essential information as set forth in this model may be cause for either a delay in acceptance or the rejection of an offer where the clause is applicable. Further, the use of this model is not intended to waive other requirements that may be applicable under FAR 52.219-9 or that may appear in the Government's solicitation. "SUBCONTRACT," as used in 52.219-9, **refers to your external company spend**, meaning any agreement (other than one involving an employer-employee relationship) entered into by a federal government prime contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.

SUBCONTRACTING PLAN PERIOD: 01/01/2020 -12/31/2020

Individual plans should cover the entire period of performance, and commercial plans should coincide with the company's fiscal year. In the event your company's fiscal year is for a period that will end before the contract periods of any federal contracts you hold which include the requirement to have a small business subcontracting plan, **you will be required to submit a new subcontracting plan for approval thirty (30) days prior to expiration of the existing subcontracting plan.** In the event an acceptable plan cannot be negotiated prior to expiration of the existing subcontracting plan, your contract(s) may be terminated.

DATE SUBMITTED: November 30, 2019

REVISED DATE SUBMITTED: December 16, 2019

NAME OF PLANHOLDER: (b) (4)

SUBSIDIARIES INCLUDED: (b) (4)

ADDRESS: (b) (4)

ITEM/SERVICE TYPE: Global Biopharmaceutical Company

TYPE OF PLAN

Select only one of the following plan types (a or b), listing the total estimated dollar value of all planned subcontracting (to all types of business concerns, both **large and small**). Per 13 CFR 125.3(a)(1)(iii), **the following categories should not be included in the total subcontracting spend base in #1, the proposed goals in #2, nor in the categories of spend listed in #3:** internally generated costs such as salaries and wages; employee insurance; other employee benefits; payments for petty cash; depreciation; interest; income taxes; property taxes; lease payments; bank fees; fines, claims, and dues; Original Equipment Manufacturer relationships during warranty periods (negotiated up front with product); utilities such as electricity, water, sewer, and other services purchased from a municipality or solely authorized by the municipality to provide those services in a particular geographical region; and philanthropic contributions. Utility companies may be eligible for additional exclusions unique to their industry, which may be approved by the contracting officer on a case-by-case basis.

- a) **Individual Plan** (This Contract Only) Contract #/Solicitation # _____
Total value of projected subcontracts (both **large and small** businesses)
Base Period \$ _____ 5-Year Option \$ _____
Total Contract Value (including options) \$ _____
*Separate goals **must** be included for each option period (see #2 and chart on last page)
- b) **Commercial Plan** (select one of the following plan types):



State separate dollar and percentage goals, expressed in terms of **percentages of the total available subcontracting dollars** listed in the previous section in #1.

Commercial plans must complete 2a below with 1-year goals, and individual plans must complete 2b below with two separate 5-year goals. Complete only 2a OR 2b, as applicable. Round percentage goals to one decimal place (X.x%).

2a. GOALS FOR COMMERCIAL PLANS (1-Year Goals)

Total estimated dollar value and percent of planned subcontracting with **small businesses (SB)** (including ANCs and Indian tribes), veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged (including ANCs and Indian tribes), and women-owned small business concerns: (b) (4) and (b) (4)

- b) Total estimated dollar value and percent of planned subcontracting with **veteran-owned small businesses (VO)**: (b) (4)
- c) Total estimated dollar value and percent of planned subcontracting with **service-disabled veteran-owned small businesses (SDVO)** (Note: This is a subset of veteran-owned): (b) (4)
- d) Total estimated dollar value and percent of planned subcontracting with **small disadvantaged businesses (SDB)** (including ANCs and Indian tribes): (b) (4)
- e) Total estimated dollar value and percent of planned subcontracting with **women-owned small businesses (WO)**: (b) (4)
- f) Total estimated dollar value and percent of planned subcontracting with **HUBZone small businesses (HUB)**: (b) (4)

2b. GOALS FOR INDIVIDUAL PLANS (Two, Five-Year Goals)

- a) Total estimated dollar value and percent of planned subcontracting with **small businesses (SB)** (including ANCs and Indian tribes), veteran-owned small, service-disabled veteran-owned small, HUBZone small, small disadvantaged (including ANCs and Indian tribes), and women-owned small business concerns:
Base (5-years): \$ ____ & ____ % & 5-Year Option: \$ ____ & ____ %
- b) Total estimated dollar value and percent of planned subcontracting with **veteran-owned small businesses (VO)**:
Base (5-years): \$ ____ & ____ % & 5-Year Option: \$ ____ & ____ %
- c) Total estimated dollar value and percent of planned subcontracting with **service-disabled veteran-owned small businesses (SDVO)** (Note: This is a subset of veteran-owned):
Base (5-years): \$ ____ & ____ % & 5-Year Option: \$ ____ & ____ %
- d) Total estimated dollar value and percent of planned subcontracting with **small disadvantaged businesses (SDB)** (including ANCs and Indian tribes):
Base (5-years): \$ ____ & ____ % & 5-Year Option: \$ ____ & ____ %
- e) Total estimated dollar value and percent of planned subcontracting with **women-owned small businesses (WO)**:
Base (5-years): \$ ____ & ____ % & 5-Year Option: \$ ____ & ____ %
- f) Total estimated dollar value and percent of planned subcontracting with **HUBZone small businesses (HUB)**:
Base (5-years): \$ ____ & ____ % & 5-Year Option: \$ ____ & ____ %

3. PRODUCTS AND/OR SERVICES

The types of products and/or services to be subcontracted are:

Product/Service		SB	WOSB	SDB	VOSB	SDVOSB	HUBZone
Office/Lab supplies/equipment	LB (b) (4)						
Facility/Maintenance Services							
Safety supply for manufacturing facilities							
Engineering/IT services							
R&D							
Professional services							
Hypodermic Needles and Syringes, Hypak Sprayer Barrels							
Specific Pathogen Free Eggs							
Highly controlled and specialized clinical testings, global clinical research organizations (CROs)							

4. GOAL DEVELOPMENT

The following method was used in developing the subcontracting goals:

The following method was used in developing the subcontracting goals:

AZ subcontracting performance data and reports are generated using a centralized Enterprise Resource Planning (ERP) system. AZ develops its subcontracting goals after careful review of actual subcontracting performance in prior periods from its SAP system.

Small business subcontracting goals are projected based on factors including prior year achievements, the anticipated plan year subcontracting opportunities created through existing contract and/or planned enhancements in category management, as well as commitment to improvement.

AstraZeneca is confident that its methodology, which is more inclusive than its historical approach, results in greater accuracy and consistency in calculating the percentages and absolute dollars of indirect spend attributable to small businesses.

5. IDENTIFYING POTENTIAL SOURCES

The following methods were used to identify potential sources for solicitation purposes (See FAR 52.219-9(d)(5) for examples of methods that may be used.):

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6. INDIRECT COSTS

Indirect costs have have not been included in the dollar and percentage subcontracting goals stated above. (Check one.)

If "have been" is checked (and you are proposing an individual plan), explain the method used in determining the proportionate share of indirect costs to be incurred with small business (including Alaska Native Corporations and Indian tribes), veteran-owned small business, service-disabled veteran-owned small business, small disadvantaged business (including ANCs and Indian tribes), women-owned small business, and HUBZone small business concerns. *Note: Commercial planholders who choose to include indirect costs will not need to provide the aforementioned explanation because the costs will be applied at 100%.*

N/A

7. PROGRAM ADMINISTRATOR

The following individual will administer the subcontracting program:

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This individual's specific duties, as they relate to the firm's subcontracting program, are as follows:

Overall responsibility for the AZ small business program: the development and execution of program's strategy, aligned with AZ processes and methodologies, as well as monitoring the performance relative to contractual subcontracting requirements contained in this plan, including, but not limited to:

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8. EQUITABLE OPPORTUNITY

The following good faith efforts (internal and external) will be taken to ensure that small business, veteran-owned small business, service-disabled veteran-owned small business, small disadvantaged business, women-owned small business, and HUBZone small business concerns will have an equitable opportunity to compete for subcontracts:

AstraZeneca will leverage internal and external resources/databases to identify potential SBEs candidates.

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9. FLOW-DOWN CLAUSE

The offeror agrees that the FAR clause of this contract entitled "Utilization of Small Business Concerns" (52.219-8) will be included 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 \$700,000 (\$1.5 million for construction of any public facility) with further subcontracting possibilities to adopt a subcontracting plan that complies with the requirements of FAR clause 52.219-9 Small Business Subcontracting Plan.

NOTE: See exceptions listed in FAR 52.219-9(j).

10. REPORTING & COOPERATION

The offeror agrees to

- (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) After November 30, 2017, include subcontracting data for each order when reporting subcontracting achievements for indefinite-delivery, indefinite-quantity contracts with individual subcontracting plans where the contract is intended for use by multiple agencies;
- (iv) Submit the Individual Subcontract Report (ISR) and/or the Summary Subcontract Report (SSR), in accordance with paragraph (l) of FAR 52.219-9 using the Electronic Subcontracting Reporting System (eSRS) at <http://www.esrs.gov>. The reports shall provide information on subcontract awards to small business concerns (including ANCs and Indian tribes that are not small businesses), veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns (including ANCs and Indian tribes that have not been certified by SBA as small disadvantaged businesses), women-owned small business concerns, and for NASA only, Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with 52.219-9, or as provided in agency regulations;
- (v) Ensure that its subcontractors with subcontracting plans agree to submit the ISR and/or the SSR using eSRS;
- (vi) Provide its prime contract number, its unique identity identifier, and the e-mail address of the Offeror's official responsible for acknowledging receipt of or rejecting the ISRs, to all first-tier subcontractors with subcontracting plans so they can enter this information into the eSRS when submitting their ISRs; and
- (vii) Require that each subcontractor with a subcontracting plan provide the prime contract number, its own unique identity identifier, and the e-mail address of the subcontractor's official responsible for acknowledging receipt of or rejecting the ISRs, to its subcontractors with subcontracting plans.

11. RECORDKEEPING

The following is a description of the types of records that will be maintained concerning procedures that have been 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 award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

- (i) Source lists (e.g., SAM), guides, and other data that identify small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns.
- (ii) Organizations contacted in an attempt to locate sources that are small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, or women-owned small business concerns.

- (iii) Records on each subcontract solicitation resulting in an award of more than \$150,000(*Note: As of the publication of this template, the threshold of \$150,000 has been revised by some agencies via a deviation to either reflect “\$250,000” or to reference “the simplified acquisition threshold” rather than referring to a specific dollar amount.*), indicating—
- (A) Whether small business concerns were solicited and, if not, why not;
 - (B) Whether veteran-owned small business concerns were solicited and, if not, why not;
 - (C) Whether service-disabled veteran-owned small business concerns were solicited and, if not, why not;
 - (D) Whether HUBZone small business concerns were solicited and, if not, why not;
 - (E) Whether small disadvantaged business concerns were solicited and, if not, why not;
 - (F) Whether women-owned small business concerns were solicited and, if not, why not; and
 - (G) If applicable, the reason award was not made to a small business concern.
- (iv) Records of any outreach efforts to contact—
- (A) Trade associations;
 - (B) Business development organizations;
 - (C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, service-disabled veteran-owned, and women-owned small business sources; and
 - (D) Veterans service organizations.
- (v) Records of internal guidance and encouragement provided to buyers through—
- (A) Workshops, seminars, training, etc.; and
 - (B) Monitoring performance to evaluate compliance with the program’s requirements.
- (vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.

12 & 13. UTILIZATION OF SMALL BUSINESS CONCERNS USED IN BID/PROPOSAL

12. The offeror agrees to make a good faith effort to acquire articles, equipment, supplies, services, or materials, or obtain the performance of construction work from the small business concerns that it used in preparing the bid or proposal, in the same or greater scope, amount, and quality used in preparing and submitting the bid or proposal. Responding to a request for a quote does not constitute use in preparing a bid or proposal. The Offeror used a small business concern in preparing the bid or proposal if—

- (i) The Offeror identifies the small business concern as a subcontractor in the bid or proposal or associated small business subcontracting plan, to furnish certain supplies or perform a portion of the subcontract; or
- (ii) The Offeror used the small business concern’s pricing or cost information or technical expertise in preparing the bid or proposal, where there is written evidence of an intent or understanding that the small business concern will be awarded a subcontract for the related work if the Offeror is awarded the contract.

13. The Contractor agrees to provide the Contracting Officer with a written explanation if the Contractor fails to acquire articles, equipment, supplies, services or materials or obtain the performance of construction work as described in (12) above. This written explanation must be submitted to the Contracting Officer within 30 days of contract completion.

14. SUBCONTRACTOR DISCUSSIONS WITH CO

The Contractor agrees not to prohibit a subcontractor from discussing with the Contracting Officer any material matter pertaining to payment to or utilization of a subcontractor.

15. PROMPT PAYMENT OF SMALL BUSINESS SUBCONTRACTORS

The Contractor agrees to pay its small business subcontractors on time and in accordance with the terms and conditions of the underlying subcontract, and notify the contracting officer when the prime contractor makes either a reduced or an untimely payment to a small business subcontractor (see FAR 52.242-5).

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**Please note that at this time we cannot accept any form of electronic or digital signatures. We require that your e-mailed plan submission be a scanned copy of a wet signature.*

Plan Approval Signature (Government Official)

Typed Name of Government Approver

Date Approved

(b) (6)

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COMMERCIAL PLANS: SUMMARY OF GOALS

This page is for **commercial plans ONLY.**

Entries below should match your responses in #1 and #2a at the beginning of the template.

Round percentages to one decimal place (X.x%) and dollar figures to the nearest whole dollar.

	<u>Prior Year Goals</u>	<u>Prior Year Achievements*</u>	<u>Current Goals</u>
1. Total Subcontracting Dollars (both large & small businesses)		(b) (4)	
2a. Small Business Dollars			
SB Percent of Line 1			
2b. Small Veteran-owned Dollars			
VO Percent of Line 1			
2c. Service-Disabled Veteran-Owned Dollars			
SDVO Percent of Line 1			
2d. Small Disadvantaged Dollars			
SDB Percent of Line 1			
2e. Small Women-owned Dollars			
WO Percent of Line 1			
2f. HUBZone Small Business Dollars			
HUB Percent of Line 1			

** If total prior year contract achievements are not available, use actual figures and estimate/prorate balance. Achievements based on Government's Fiscal Year while Goals are based on Company's Fiscal Year.*