



APPENDIX I

SUBCONTRACTING PLAN OF LEVEL 3  
COMMUNICATIONS, LLC

## APPENDIX I: SUBCONTRACTING PLAN OF LEVEL 3 COMMUNICATIONS, LLC

### I.1 IDENTIFICATION DATA

<b>Company Name:</b>	LEVEL 3 COMMUNICATIONS, LLC
<b>Address:</b>	1025 Eldorado Blvd, Building 2000 Broomfield, CO 80021
<b>Date Prepared:</b>	April 19, 2007
<b>Solicitation Number:</b>	WTOC06RCN0001
<b>Item/Service:</b>	WITS 3
<b>Estimated Contract Dollar Value:</b>	To be negotiated (TBN) at contract award
<b>Period of Performance:</b>	Date of Award (DOA), through 12 month base period and seven 12 month option periods, for a total of 96 months
<b>Base Period:</b>	12 months
<b>Option Period:</b>	Seven 12 month option periods for a total of 84 months option

Table I.1-1: Identification Data

### I.2 INTRODUCTION

This Subcontracting Plan (“Plan”) is set forth in accordance with FAR 52.219-9, “Small Business Subcontracting Plan.” This Plan establishes the goals applicable to the Level 3 proposal submitted in response to Solicitation No. WTOC06RCN0001. This Subcontracting Plan covers the base period of 12 months base period and seven 12 month option periods for a total of 96 months.

The Level 3 Plan addresses the Federal Government policy that Small Business (SB) concerns, Small Disadvantaged Business (SDB) concerns, small Women-Owned Business (WOB) concerns, small Historically Underutilized Business Zones (HUBZones), small Service-Disabled Veteran (SDV)-owned businesses, and small Veteran-Owned (VO) businesses (collectively known as “SB/SDB/WOB/HUBZone/SDV/VO concerns”) shall have maximum opportunity to

participate in the performance of contracts awarded in support of the Federal Government agencies.

The mission of the Level 3 Small Business Program is also to counsel and assist SB/SDB/WOB/HUBZone/SDV/VO concerns and to promote awareness of the Small Business Program among Level 3 personnel. As part of our Small Business Program, Level 3 maintains written policies and procedures for subcontracting and for purchasing services, goods, and materials. Company policy with respect to SB/SDB/WOB/HUBZone/SDV/VO concerns is to give these businesses an equitable opportunity to compete for subcontracts and purchases. This policy is incorporated in the Level 3 *Procurement Manual*. All employees of the company responsible for or involved in the subcontracting and vendor selection processes are aware of this policy and are required to comply with the procedures contained in the manual.

The following sections demonstrate Level 3 commitment to fully satisfy Government requirements for a Subcontracting Plan under Solicitation No. WTOC06RCN0001.

### **I.3. TYPE OF PLAN**

The Subcontracting Plan represents an INDIVIDUAL PLAN, meaning all elements are developed specifically for this contract and are applicable for the full term of this contract. Total estimated contract price is To Be Negotiated (TBN) at contract award.

### **I.4. GOALS**

The Level 3 SB subcontracting goals for WITS 3 are set forth below. Level 3 has inserted percentage goals for all types of small businesses and intends to populate associated dollar goals for each upon contract award.

### I.4.1 Goals

- **Small Business Concerns (SB):** 40% of the total planned subcontracting dollars under this contract are targeted for subcontractors that are SB concerns.
- **Small Disadvantaged Business (SDB) Concerns:** 5% of the total planned subcontracting dollars under this contract are targeted for subcontractors that are SDB concerns owned and controlled by socially or economically disadvantaged individuals. This percentage is included as a subset within the SB percentage above.
- **Small Women-Owned Business (WOB) Concerns:** 5% of the total planned subcontracting dollars under this contract are targeted for subcontractors that are WOB concerns. This percentage is included as a subset within the SB percentage above.
- **Small HUBZone Businesses (HUBZone):** 3% of the total planned subcontracting dollars under this contract are targeted for subcontractors that are HUBZone concerns. This percentage is included as a subset within the SB percentage above.
- **Small Service-Disabled Veteran-Owned Business (SDV) Concerns:** 3% of the total planned subcontracting dollars under this contract are targeted for subcontractors that are SDV concerns. This percentage is included as a subset within the SB percentage above.
- **Small Veteran Owned Businesses (VO):** 5% of the total planned subcontracting dollars under this contract are targeted for subcontractors that are VO concerns. This percentage is included as a subset within the SB percentage above.

## I.4.2 Total Dollars Planned to Be Subcontracted

Upon contract award of specific WITS 3 task orders, Level 3 plans to negotiate the actual dollar amounts to populate Tables I.4-1 through I.4-7, based upon the percentages shown above under “Goals.”

Period	Yearly Amount
Base Period	TBN
Option Period 1	TBN
Option Period 2	TBN
Option Period 3	TBN

Table I.4-1: Total Dollars Targeted for Subcontracting, i.e.: to All Types of Business Concerns – TBN at Contract Award.

Period	Yearly Amount
Base Period	TBN
Option Period 1	TBN
Option Period 2	TBN
Option Period 3	TBN

Table I.4-2: Total Dollars Targeted for Subcontracting to Small Businesses (SB) – TBN at contract Award

Period	Yearly Amount
Base Period	TBN
Option Period 1	TBN
Option Period 2	TBN
Option Period 3	TBN

Table I.4-3: Total Dollars Targeted for Subcontracting to Small Disadvantaged Businesses (SDB) – TBN at Contract Award

Period	Yearly Amount
Base Period	TBN
Option Period 1	TBN
Option Period 2	TBN
Option Period 3	TBN

Table I.4-4: Total Dollars Targeted for Subcontracting to Small Women-Owned Businesses (WOB) – TBN at Contract Award

Period	Yearly Amount
Base Period	TBN
Option Period 1	TBN
Option Period 2	TBN
Option Period 3	TBN

Table I.4-5: Total Dollars Targeted for Subcontracting to Small Historically Underutilized Zones Businesses (HUBZone) – TBN at Contract Award

Period	Yearly Amount
Base Period	TBN
Option Period 1	TBN
Option Period 2	TBN
Option Period 3	TBN

Table I.4-6: Total Dollars Targeted for Subcontracting to Small Service-Disabled Veteran-Owned Businesses (SDV) – TBN at Contract Award

Period	Yearly Amount
Base Period	TBN
Option Period 1	TBN
Option Period 2	TBN
Option Period 3	TBN

Table I.4-7: Total Dollars Targeted for Subcontracting to Small Veteran-Owned Businesses (VO) – TBN at Contract Award

Level 3 has established subcontract agreements with many SB/SDB/WOB/HUBZone/SDV/VO firms that provide services enhancing or expanding upon Level 3 core capabilities.

## **I.5 SUPPLIES AND SERVICES TO BE SUBCONTRACTED**

The RFP Statement of Work (SOW) covers all services and supplies eligible for subcontracting, including (1) equipment, and (2) technical support services. Level 3 expects to subcontract services in support of WITS 3 and does not intend to limit subcontracting to any specific functional or technical area. Products and services to be subcontracted under this contract and the types of businesses supplying them are listed in Table I.5-1 below:

Projected Supplies/Services						
Source						
Targeted Supplies/Services	SB	SDB	WOB	HUBZone	SDV	VO
Design & Engineering Services	✓	✓	✓			✓
Field Services	✓	✓	✓	✓	✓	✓
Equipment	✓	✓			✓	✓

Table I.5-1: Listing of the Supplies and Services To Be Provided by the Categories of Small Business

## I.6 METHODS USED TO DEVELOP SUBCONTRACTING GOALS AND ESTABLISH SUBCONTRACTORS

Level 3 establishes subcontracting goals by looking first at the specific solicitation subcontracting requirements. Level 3 then reviews the services and materials to be provided under the solicitation and develops a best -estimate of the potential subcontracting activity for that specific solicitation. The determination of a need to subcontract, or to even set aside specific work or potential subcontracting opportunities, and the actual subcontractor selections are based on the specific requirements of the solicitation. Level 3’s corporate commitment to support the active participation of SB/SDB/WOB/HUBZone/SDV/VO concerns is always part of this process. Level 3 reviews the requirements and then determines what activities can or will be subcontracted and what type of business concerns . (SB/SDB/WOB/HUBZone/SDV/VO) are needed to fulfill these requirements. In some instances specific subcontractors are identified, with the use of various source lists; in other instances, competitive analyses and/or procurements are conducted. The above methods were used to develop the goals provided in this Plan.

The goals identified in this Plan reflect the overall program strategy and requirements for work during the transition and steady -state phases of the contract.



The decision to purchase supplies and services purchased from SBs will be based on cost, availability of SB to provide the item, and the ability of an SB to ensure the quality of its service.

Local loop access services will be procured under master agreements with large business network telecom providers. These agreements are not considered as subcontracting under this proposal. Additionally, the intended efforts of Level 3 to enhance participation are described in this Plan.

## **I.7 DETERMINATION OF CAPABILITIES AND FIT**

To determine the capability and fit of any potential subcontractor, Level 3 reviews the company's corporate qualifications and past performance and examines any prior experience of Level 3 with the subcontractor. Level 3 also runs Dun & Bradstreet reports on potential subcontractors and reviews vendor rating data on hand.

## **I.8 METHODS USED TO IDENTIFY POTENTIAL SOURCES**

Level 3 has several methods of identifying potential sources of subcontractors:

- A list of businesses is developed using vendor databases from various Level 3 business units, as well as SB/HZSB/SDB/WOSB/SDVOSB/ VOSB lists maintained in the Level 3 Purchasing Department files.
- Past performance on and participation in other Level 3 programs is examined to identify relevant capabilities.
- Level 3 personnel participate in and/or attend trade shows and conferences to identify SB/HZSB/SDB/WOSB/SDVOSB/VOSB companies.
- Lists of contractors are used to identify companies with relevant experience in addition to lists of SBs used by Federal Government agencies over the past five years.

Level 3 will coordinate the utilization of SB/SDB/WOB/HUBZone/SDV/VO companies under this Subcontracting Plan from sources developed through the Small Business Liaison Officer (SBLO) for this Plan, SBLOs for the various Level 3 business units, contract managers, buyers, and the Level 3 technical community. Further, as part of our commitment to provide subcontracting opportunities for SB/SDB/WOB/HUBZone/SDV/VO concerns, Level 3 will take the following steps:

1. Request, when appropriate, the assistance of the organizations listed below in establishing source lists for SB/SDB/WOB/HUBZone/SDV/VO organizations:
  - a) American Business Women Association
  - b) Asian Businessmen's Association
  - c) Black Business Association
  - d) Directory of Certified Minority Business Enterprises
  - e) Latin Business Association
  - f) Local/Regional Economic Development Agencies
  - g) Minority Business Development Agency
  - h) National Association of Minority Contractors
  - i) National Minority Business Associations
  - j) National Minority Purchasing Council
  - k) National Minority Supplier Development
  - l) Professional Services Council
  - m) Small Business Administration
  - n) United Indian Development Association
  - o) US Hispanic Chamber of Commerce
  - p) US Pan Asian-American Chamber of Commerce
  - q) Various Federal Offices of Small and Small Disadvantaged Business Utilization
  - r) Various Minority Chambers of Commerce

- s) US and Local Chambers of Commerce
  - t) Minority Business Development Agency
  - u) Alaskan Native Business Council
2. Collect and disseminate information, brochures, and catalogs received from SB/SDB/WOB/HUBZone/SDV/VO businesses looking for subcontracting opportunities. Any such information is kept on file by the SBLO, individual buyers, and/or the operating units.
  3. Maintain an ongoing list of SB/SDB/WOB/HUBZone/SDV/VO concerns that have provided satisfactory services or products to Level 3 in the past.

**I.9 INDIRECT COSTS**

No proportionate shares of indirect costs are included in the subcontracting goals provided herein. All percentage and dollar goals provided in this Subcontracting Plan relate to direct costs only.

**I.10 PROGRAM ADMINISTRATOR**

Name: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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Level 3 believes that the activities delineated above in this Plan for the SBLO and contract and procurement/buyer personnel shall help Level 3 ensure that SB/SDB/WOB/HUBZone/SDV/VO concerns will have an equitable opportunity to compete for subcontracts under WITS 3.

## I.11 PROCUREMENT/BUYER PERSONNEL

Level 3's buyers and subcontract administrators will work closely [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- Develop and maintain bidders' lists of SB/SDB/WOB/HUBZone/ SDV/VO concerns from all possible sources .
- Ensure periodic rotation of potential subcontractors on bidders' lists.
- Review published source lists for solicitation purposes .
- Record and maintain a SB/SDB/WOB/HUBZone/SDV/VO business source file and Supplier Certification forms. Copies of this information are sent to the SBLO.
- Counsel and discuss subcontracting opportunities with representatives of SB/SDB/WOB/HUBZone/SDV/VO businesses.
- Review subcontract solicitations to remove statements, clauses, and other written material that might tend to restrict or prohibit the participation of SB/SDB/WOB/HUBZone/SDV/VO concerns.
- Ensure that the subcontract bid proposal review board documents its reasons for not selecting any low bids submitted by SB/SDB/WOB/HUBZone/SDV/VO concerns.
- Oversee the establishment and maintenance of contract and subcontract award records.

## **I.12 EQUITABLE OPPORTUNITY**

Level 3 believes that the activities delineated above in this Plan for the S BLO and contract and procurement/buyer personnel will help Level 3 ensure that SB/SDB/WOB/HUBZone/SDV/VO concerns will have an equitable opportunity to compete for subcontracts under WITS 3.

In addition to the above activities, Level 3 will undertake the following efforts, in providing subcontracting opportunities to SB/SDB/WOB/HUBZone/SDV/VO companies:

- Review task order proposals to identify those areas of expertise that can be provided by any of our SB/SDB/WOB/HUBZone/SDV/VO teaming partners .
- Identify portions of the SOW that can be set aside for subcontracting to SB/SDB/WOB/HUBZone/SDV/VO businesses.
- Evaluate every subcontracting opportunity for new or additional services to determine the possibility of increasing SB/SDB/WOB/HUBZone/SDV/VO participation.
- Draft and review vendor solicitations to ensure that the requirements are written so that SB/SDB/WOB/HUBZone/SDV/VO businesses have a fair and equal chance of competing, including adequate time to respond to proposal requests.
- Ensure that vendor competitions include a number of SB/SDB/WOB/HUBZone/SDV/VO concerns .
- Require program and/or purchasing personnel to explain and document, for each vendor procurement, the reasons for not requesting or selecting bids from SB/SDB/WOB/HUBZone/SDV/VO companies.

- Review subcontract awards in order to evaluate the number of awards to SB/SDB/WOB/HUBZone/SDV/VO businesses and establish whether our vendor procurements are indeed providing equitable opportunities to such businesses; if not, corrective actions shall be established and put into place .
- Meet with Level 3 technical personnel to educate them on the prime contract subcontracting goals and missions .
- Coordinate meetings with Level 3 technical personnel and SB/SDB/WOB/HUBZone/SDV/VO vendor representatives to educate technical personnel on the services the SB/SDB/WOB/HUBZone/ SDV/VO businesses may provide to the WITS 3.
- Hold quarterly meetings with all Level 3 business unit procurement and SB representatives to review subcontracting goals against actual subcontracting awards, taking corrective action if necessary.
- Perform the SB/SDB/WOB/HUBZone/SDV/VO business outreach efforts delineated in Section 5 (“Methods Used to Identify Potential Sources”) below:
  - Advise potential suppliers of how they can obtain information about business opportunities with Level 3.
  - Contact minority and small business organizations and trade associations .
  - Attend SB/SDB/WOB/HUBZone/SDV/VO business conferences and trade fairs.
  - Attend SB networking sessions to identify additional SB/SDB/WOB/HUBZone/SDV/VO businesses .

### **I.13 CLAUSE INCLUSION AND FLOW DOWN**

Level 3 will require all subcontractors (except SBs) that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction of any public facility) to adopt a



Subcontracting Plan that complies with the requirements of this Plan. All applicable flow-down clauses and requirements, such as submission of SF294s and SF295s, will be incorporated in such subcontracts.

The procurement manager and Level 3 procurement/buyer personnel shall be responsible for the review, approval, and monitoring of all Subcontracting Plans. Subcontracting Plans shall be reviewed for adherence to either the goals required in Level 3's prime contract or the goals provided by Level 3. Upon approval of the Plan, Level 3 shall require subcontractors to submit SF294s and SF295s demonstrating compliance with their proposed subcontracting goals. Level 3 shall monitor such compliance on an ongoing basis.

## I.14 REPORTING AND COOPERATION

Level 3 agrees to perform the following activities :

- Cooperate in any studies or surveys as may be required
- Submit periodic reports in order to allow the Government to determine the extent of compliance by Level 3 with the Plan
- Submit Standard Form (SF) 294, "Subcontracting Report," for Individual contracts, and SF 295, "Summary Subcontract Report," on schedule and in accordance with the instructions on the forms (see Table I.14-1)
- Ensure that its subcontractors agree to submit Standard Forms 294 and 295

Calendar Period	Report Due	Date Due	Send Report To
10-01/03-31	SF294	4-30	Contracting Officer
04-01/09-30	SF294	10-30	Contracting Officer
10-01/09-30	SF295	10-30	Contracting Officer/Director, Office of Small Business Development

Table I.14-1: SF 294 and SF 295 Reports Will Be Submitted on Schedule

## **I.15 RECORDKEEPING**

Level 3 will maintain the following records to document efforts to provide the maximum opportunities for SB/SDB/WOB/HUBZone/SDV/VO businesses to compete for subcontract awards:

- Source lists, guides, and other data that identify SB/SDB/WOB/HUBZone/SDV/VO companies.
- Organizations contacted in an attempt to locate sources that are SB/SDB/WOB/HUBZone/SDV/VO organizations.
- Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating (1) whether SB/SDB/WOB/HUBZone/SDV/VO concerns were solicited, and, if not, why not; (2) reasons for not making a subcontract award to the SB/SDB/WOB/HUBZone/SDV/VO business .
- Records of any outreach efforts to contact trade associations, business development organizations, and conferences, trade fairs , and veterans service organizations to locate SB/SDB/WOB/HUBZone/SDV/VO business sources.
- Records of internal guidance and encouragement provided to buyers through workshops, seminars and training programs; and monitoring performance to evaluate compliance with the program's requirements.
- On a contract-by-contract basis, records to support award data, including the name, address, and size status of each subcontractor .

## **I.16 TIMELY PAYMENTS TO SUBCONTRACTORS**

Level 3 has established procedures to ensure timely payment to all SB/SDB/WOB/HUBZone/SDV/VO companies, and specific payment terms are negotiated with them. These payment terms are entered on each purchase order

issued to the concern and forwarded to Accounts Payable to ensure compliance. The buyers and subcontract administrators work closely with a company if any payment issues arise. All SB organizations may submit invoices twice a month (instead of just monthly), and if necessary can be paid on a three -week cycle.

## **I.17 DESCRIPTION OF GOOD FAITH EFFORT**

Level 3 is committed to meeting the subcontracting goals included in this Subcontracting Plan. To further ensure our commitment and compliance, Level 3 will do the following:

- Continue to meet with and identify additional SB/SDB/WOB/HUBZone/SDV/VO businesses for potential subcontracting with Level 3.
- Commit to holding quarterly meetings with our Program Team in the Program Management Office (PMO) to review our compliance with subcontracting goals and establish any corrective action plans if the goals are not being met.
- Identify technical areas that can be subcontracted to SB/SDB/WOB/HUBZone/SDV/VO concerns .
- Review each task order for possibilities of subcontracting to SB/SDB/WOB/HUBZone/SDV/VO concerns .
- Actively encourage our SB/SDB/WOB/HUBZone/SDV/VO teaming partners to seek work and tasks under other active Level 3 contract vehicles.
- Provide assistance to our SB/SDB/WOB/HUBZone/SDV/VO subcontractors in responding to task order requests, proposal preparation, marketing and meeting with Government representatives .
- Track the achievements of our Subcontracting Plans to determine compliance across all contracts.

- Track and report the addition of any new SB/SDB/WOB/HUBZone/ SDV/VO companies to our subcontractor base .

**I.18 CONCLUSIONS**

This Subcontracting Plan reflects Level 3’s commitment and support of the Federal Government’s policy that SB/SDB/WOB/HUBZone/SDV/VO concerns shall have the maximum opportunity to participate in the performance of contracts awarded by Federal Government agencies.

Level 3 will accept a contract incorporating this Subcontracting Plan.

**I.19 SIGNATURES REQUIRED**

This subcontracting plan was SUBMITTED by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

This subcontracting plan was REVIEWED by:

Signature: \_\_\_\_\_

Typed Name:  \_\_\_\_\_

Title:  \_\_\_\_\_

Date: \_\_\_\_\_

This subcontracting plan was ACCEPTED by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: Contracting Officer \_\_\_\_\_

Date: \_\_\_\_\_