DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

Acquisition Procedures Update No. 26-01
November 7, 2025

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Alan J. Monico Jr.
Acting Senior Procurement Executive

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Date: 2025.11.07 19:06:18 -05'00'

SUBJECT: Acquisition Procedures Update (APU) No. 26-01, Mandatory Staffing Plan and Monthly Contractor Workforce reporting deliverables for all solicitations and awards set aside under any small business socioeconomic program authorized by the Federal Acquisition Regulation (FAR) Part 19.

1. **Purpose:** This APU establishes Department-wide policy requiring contracting officers to include two contractor workforce transparency deliverables— (1) an initial staffing plan and (2) a post-award monthly workforce report—in every solicitation, contract and ordering vehicle for services acquired through a set-aside program.

2. **Effective Date**: This policy is effective immediately upon issuance.

3. **Expiration Date**: Until otherwise canceled, superseded, or included within a future edition of the DTAP.

4. **Applicability:** This policy applies to all Treasury bureaus and offices and governs all small business set-aside acquisitions for services. It applies to all solicitations, contracts, task and delivery orders, and calls/orders set aside under any small business socioeconomic program authorized by the Federal Acquisition Regulation (FAR) Part 19.

5. **Background**: The Federal Acquisition Regulation (FAR) emphasizes strategic planning and effective management of service acquisitions to ensure performance, accountability, and prudent use of taxpayer resources. Enhanced visibility into contractor staffing supports performance management, strengthens quality assurance surveillance, and informs strategic sourcing and category management across Treasury.

   This policy reinforces compliance with FAR 52.219-14, *Limitations on Subcontracting*, which mandates that small business preference program prime contractors (8(a), WOSB, HUBZone, and SDVOSB firms) perform a prescribed percentage of work with their own personnel. Specifically, under FAR 52.219-14(e), a small business prime may not pay more than 50 percent of the amount paid by the government to subcontractors that are not similarly situated, depending on contract type. For service contracts, this ensures that the small business prime contractor retains meaningful control and participation in contract performance, preserving the integrity and intent of the small business programs.

   By requiring staffing plans and monthly workforce reporting, Treasury contracting officers

will be better equipped to assess compliance with these subcontracting limitations. The data collected will assist in verifying that the prime contractor maintains the appropriate labor mix, level of effort, and prime-to-subcontractor work-share ratio throughout performance. This transparency supports Treasury's small business utilization goals and mitigates risks of improper pass-through or 'front' contracting practices.

6. **Department of the Treasury Acquisition Procedures:** The following text in is hereby inserted into the Department of the Treasury Acquisition Procedures (DTAP) at 1037.71:

Subpart 1037.71—Contractor Staffing Plan and Workforce Reporting Requirements

1037.7100 Scope of Part.

This policy applies to all Treasury bureaus and offices and to all solicitations, contracts, task orders, and calls for services—including those awarded or set aside under any Small Business Preference Program, such as the 8(a), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), Historically Underutilized Business Zone (HUBZone), and Service-Disabled Veteran-Owned Small Business (SDVOSB) programs—whether issued under Treasury or other agency ordering vehicles.

1037.7101 Policy.

Contracting Officers (COs) shall include the deliverables discussed in this subpart in the format shown in Attachments 1 and 2 below (in Excel or Word table format) in every solicitation for services and incorporate them into the resulting contract or order.

(a) **Initial Staffing Plan (Proposal Deliverable).** Offerors shall submit an initial staffing plan using the template at Attachment 1 as part of the technical proposal. The plan shall reflect the proposed labor mix for the base and each option period and identify prime and subcontractor roles.

(1) **Prime Performance Threshold Certification.** In accordance with FAR 52.219-14, *Limitations on Subcontracting*, offerors shall certify in their initial staffing plan that the small business prime contractor will perform at least 51 percent of the cost of contract performance incurred for personnel with its own employees or those of other similarly situated small business concerns. The staffing plan shall include a clear breakdown of prime versus subcontractor labor hours and cost by labor category for the base and each option period. This information shall be used by the CO to verify compliance at award.

(b) **Post-Award Monthly Workforce Report (Recurring Deliverable)**. Contractors shall submit the workforce report using the template at Attachment 2 with each invoice submitted.

(1) **Monthly Prime Contractor Certification.** Contractors shall include with each monthly workforce report a certification signed by an authorized company officer affirming that, based on current performance data, the small business prime and its similarly situated subcontractors collectively performed at least 51 percent of the total contract cost for personnel during the reporting period. This information shall be used by the CO to verify compliance throughout performance.

(c) **Protection of PII and Use of Unique Identifier.** The monthly report adds limited personally identifiable information (PII) fields (last name, first name, employer name) solely for workforce accountability and access management. To uniquely identify individuals without collecting Social Security Numbers (SSNs), the report shall use a unique identifier to represent the Personal Identity Verification (PIV) card identifier or agency-assigned equivalent. Contractors shall safeguard all PII consistent with agency policy and OMB requirements; encrypt report files at rest and in transit; mark them "CUI//SP-PRVCY;" and limit distribution to the CO, Contracting Officer's Representative (COR), and designated security and human resource officials.

(d) **Timing of Deliverables.** COs shall insert the following templates into the solicitation/contract: the initial staffing plan template (Attachment 1) is required at proposal submission; the monthly workforce report template (Attachment 2) is required post-award monthly with each invoice submitted through the life of the contract/order.

(e) **Evaluation, Award, and Surveillance.** COs, in collaboration with the Treasury Chief Information Officer (CIO), shall evaluate the initial staffing plan for realism, balance, subcontract management approach, and compliance with FAR 52.219-14, *Limitations on Subcontracting*, consistent with the solicitation's evaluation criteria. The approved plan becomes a baseline for contract administration and Quality Assurance Surveillance Plan (QASP) monitoring. Material changes to labor categories, employer mix, or level of effort must be coordinated with the CO and documented. COs and CORs shall use the monthly workforce reports to monitor actual prime and subcontractor labor distribution to ensure that the small business prime maintains compliance with the 51 percent performance requirement. Any material deviation from the certified ratio shall be treated as a potential noncompliance with FAR 52.219-14 and addressed through corrective action or contract administration remedies.

(f) **Attachments Incorporation by Reference.** COs shall incorporate Attachments 1 and 2 by reference in Section J (or equivalent) and reference them in Section F (or equivalent) for delivery schedule.

(g) **Additional Information. PRIVACY & SECURITY CONTROLS:** Contractors shall limit the monthly report to the fields specified above; do not include SSNs, dates of birth, home addresses, or other unnecessary PII. Reports containing PII must be encrypted, access-controlled, and transmitted via approved secure channels. Mark files "CUI//SP-PRVCY." Limit distribution of files with PII to the Chief Operating Officer, Chief Financial Officer, CO, COR, and designated security and human resources officials. Any suspected or confirmed breach must be reported immediately to the CO and agency privacy/security officials in accordance with OMB Memorandum M-17-12 and bureau procedures.

7. **Point of Contact:** Questions may be addressed to the Office of the Procurement Executive at officeoftheprocurementexecutive@treasury.gov.

8. **Attachments:**
   Attachment 1: Initial Staffing Plan (Proposal Deliverable)
   Attachment 2: Monthly Workforce Report (Post-Award Contract Deliverable)