

**U.S. Small Business
Administration**

SBA Government Contracting Programs

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Federal Contracting Facts

- ❖ The world's largest buyer of Goods and Services is the "Federal Government," with nearly **\$500 billion purchased** each year and nearly **\$100 billion** in federal contracts going to small businesses.
- ❖ Contracts exist for every item imaginable, from paper clips to armored tanks.

Prime Contracting Government-Wide Procurement Goals

- ❖ Small Business (SB) – 23%
- ❖ Small Disadvantaged Business (SDB) – 5%
- ❖ Women-Owned Small Business (WOSB) – 5%
- ❖ Historically Underutilized Small Business Zone (HUBZone) – 3%
- ❖ Service-Disabled Veteran-Owned SB (SDVOSB) – 3%



Office of Government Contracting

❖ Four Programs

- ❖ Size Determination

- ❖ Commercial Market Representative – CMR

- ❖ Certificate of Competency – COC

- ❖ Procurement Center Representative - PCR

Size Determination

- ❖ SBA's size office maintains the list of NAICS codes and size standards
- ❖ SBA hears all size and status protests
- ❖ SBA is the final authority on all size related matters

Subcontracting

- ❖ If a **large business** receives a federal contract over \$700,000, they must prepare a small business subcontracting plan
- ❖ This plan explains what percentage of the contract will go to small businesses
- ❖ The mandatory goal categories are the same as the federal goals, but can be higher or lower
- ❖ Small business do not have to subcontract

Subcontracting

- ❖ Every large prime must have a designated “Small Business Liaison Officer”
- ❖ This person is in charge with doing small business outreach, developing subcontracting plans, reporting subcontracting dollars

Commercial Market Representative

- ❖ CMR are responsible for prime contractors subcontracting plans, for contracts over \$700,000 manufacturing and \$1.5M for construction.
- ❖ CMR make sure prime contractors meet their subcontracting goals.
 - ❖ Compliance Reviews
- ❖ Small businesses are not required to submit a subcontracting plan

Certificate of Competency

- ❖ Must be found non-responsible by Contracting Officer, not non-responsive
- ❖ Must be a small business
- ❖ Must be apparent low bidder on the solicitation or in line for award
- ❖ Referred to SBA by Contracting Officer
 - ❖ For either capacity, credit or integrity
- ❖ Contracting Officer must submit to SBA a written determination and finding of non-responsibility.

Certificate of Competency

- ❖ **Capacity** means the CO determines that the small business cannot perform on the solicitation. Cannot deliver on time, manufacture the part or for a variety of reason related to performance.
- ❖ **Credit** means the small business does not have the finances to perform on the contract
- ❖ **Integrity** – is debarred, not in good standing with the federal government, or has a criminal record

Procurement Center Representative

❖ Work with Government Agencies

- ❖ Review acquisitions and solicitations over \$10,000
- ❖ Agencies must provide all market research and acquisition planning
 - ❖ Agencies cannot proceed without my signature
- ❖ Recommend set-asides
 - ❖ Equal consideration given to all small businesses
 - ❖ SBA Recommendation (Form 70) – Formal appeal process
 - ❖ Can appeal all the way up to the secretary level
- ❖ Assist agencies in meeting their goals



Procurement Center Representative

- ❖ Dynamic Small Business Search
 - ❖ Primary tool for finding small business by NAICS, location, category
 - ❖ Keywords are important
- ❖ If I find two or more **QUALIFIED** small businesses, I can recommend a set-aside or file a Form 70
- ❖ How you can help me:
 - ❖ Respond to sources sought notices
 - ❖ Inform me or the cognizant PCR of solicitation notices on FBO that should be set-aside
 - ❖ Notify others in the small business community

Agencies I Oversee

- ❖ NASA Armstrong
- ❖ Edwards AFB
- ❖ NSWC Pt. Hueneme
- ❖ NAVFAC Pt. Hueneme
- ❖ NSWC Corona
- ❖ Ft. Irwin
- ❖ U.S. Army Corps of Engineers
- ❖ AF Space and Missile Center
- ❖ Vandenberg AFB
- ❖ NAVAIR China Lake

And more....



Procurement Center Representative

Most small businesses don't know what I do, they just see the results of what I do.



Know the Federal Contract Certifications

“Self-Certification” Programs are:

- Small Business (SB);
- Small Disadvantaged Business (SDB);
- Women-Owned Small Business (WOSB);
- Economically-Disadvantaged WOSB (EDWOSB);
- Service-Disabled Veteran-Owned SB (SDVOSB)

“Formal Certification” Programs requiring SBA’s pre-approval:

- 8(a) Business Development (9-year program with annual reporting)
- HUBZone Empowerment Program (3-year re-certification)



Self-Certification

- ❖ Companies self-certify under penalty of perjury
- ❖ “Presumption of Loss”
- ❖ Criminal offense to misrepresent socioeconomic status to receive unentitled government benefits

SDB and SDVOSB

- ❖ Small Disadvantaged Business (SDB)

 - ❖ Must be a minority-owned business

 - ❖ There are no set-asides for SDB

- ❖ Service-Disable Veteran Owned Business (SDVOSB)

 - ❖ Must be a veteran of armed forces with at least 0% disability

The 8(a) BD Program

- ❖ Section 8(a) of the Small Business Act (15 U.S.C. 637(a) established this program
 - ❖ It is officially called the 8(a) Business Development Program
 - ❖ It used to be for strictly for minority owned business
 - ❖ Anybody can apply if they meet the eligibility criteria
- ❖ Every 8(a) firm is a Small Disadvantaged Business (SDB), but not every SDB is an 8(a)
 - ❖ SDBs must apply and be accepted

The 8(a) Program

- ❖ 8(a) program lasts only 9 years
 - ❖ Once a firm completes 9 years, they are finished and cannot reapply
- ❖ 8(a) program has unique benefits

Eligibility for 8(a) BD Program

- ❖ Must be a Small Business (SB)
- ❖ U.S. Citizen
- ❖ Reside in the United States
- ❖ 51% owned and controlled by socially and economically disadvantaged individuals who are of good character
- ❖ Net worth below \$250,000 (excludes equity in the firm and primary residence)
- ❖ In business at least two years (to demonstrate potential for success)

Eligibility for 8(a) BD Program

- ❖ **Socially disadvantaged** individuals are persons who have been subjected to racial or ethnic prejudice or cultural bias because of their identities as members of groups, without regard to individual qualities.
 - ❖ Minorities are presumed to be socially disadvantaged
 - ❖ Non-minority persons can apply, but must demonstrate that they are socially disadvantaged for other reasons
- ❖ **Economically disadvantaged** individuals are persons whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit.

Benefits of 8(a) BD Program

- ❖ Agencies may award sole source contracts to eligible 8(a) firms with no competition
 - ❖ The anticipated award price of the contract, including options, must not exceed \$6.5M for manufacturing NAICS codes and \$4M for all other contracts.
 - ❖ Above these thresholds, all 8(a) firms must compete
- ❖ “Once 8(a), always 8(a) Rule”

HUBZone

- ❖ HUBZone stands for Historically Underutilized Business Zone
 - ❖ Economically-depressed, low employment areas
- ❖ www.sba.gov/hubzone

Eligibility for HUBZone

- ❖ Must be a Small Business
- ❖ Concern must be 51% owned and controlled by U.S. Citizen
- ❖ **Principal office must be located in HUBZone** (high-unemployment, low-income areas, in economically distressed communities to promote job growth, capital investment and economic development in these areas)
- ❖ **At least 35%** of the concerns employees must reside in any HUBZone
- ❖ Must be certified by SBA (re-certify every 3 years)

Women-Owned Small Business (WOSB) Contracting Programs

Helps ensure a level playing field so WOSBs can compete for federal contracting opportunities in certain industries

WOSB

- ❖ Woman/Women directly own **51% or more**
- ❖ Control and manage daily operations
- ❖ Must be U.S. Citizens



Economically-Disadvantaged WOSB

Plus

- ❖ Net worth not exceeding \$750,000
- ❖ Income not exceeding \$350,000
- ❖ Assets not exceeding \$6.0 million

WOSB & EDWOSB Certifications

The SBA does **not certify** companies into the WOSB program like it does for the 8(a)BD and HUBZone programs. A WOSB or EDWOSB must:

- ❖ Register in SAM;
- ❖ **Self-certify** with documentation or certification through an SBA approved **Third-Party Certifier**;
- ❖ Provide documents supporting its status to an on-line WOSB repository
- ❖ www.sba.gov/wosb



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Questions?

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