

**U.S. Small Business  
Administration**

**Southern California 8(a)  
Conference  
April 26, 2016**



# Office of Government Contracting Mission

To provide America's small businesses with the maximum practicable opportunity to participate in the federal procurement marketplace (\$400B market).



# Procurement Center Representative

- ❖ Work with Government Agencies
  - ❖ Review acquisitions and solicitations over \$10,000
    - ❖ Agencies cannot proceed without my signature
  - ❖ Recommend set-asides
    - ❖ Equal consideration given to all small businesses
    - ❖ SBA Recommendation (Form 70)
  - ❖ Assist agencies in meeting their goals
  - ❖ Review Subcontracting Plans

# Agencies I Oversee

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

And more....



# 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

# Procurement Center Representative

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



# Proposed Regulations

- ❖ Limitation on subcontracting (LOS)
  - ❖ National Defense Authorization Act (NDAA) of 2013
  - ❖ Changes performance requirements applicable to all SB and socioeconomic program set-aside contracts
  - ❖ Final rule will be published by end of 2016

# Limitation on subcontracting (LOS) Changes

- ❖ Intent: To ensure that contracts awarded, and the benefits of those contracts, flow to the proper beneficiaries
- ❖ Goal: To ensure that a certain amount of work is performed by a SB prime contractor that qualified for a SB program set-aside procurement due to its socioeconomic program status
- ❖ Does not apply to small business set asides below \$150,000





# Limitation on subcontracting (LOS) Changes

- ❖ Written agreement required identifying subs and forecasting percentage of work
- ❖ Whether specific firms performed forecasted amount is not material, as long as overall percentage was met on total contract value
- ❖ Only work performed by the subcontractor will count
  - ❖ Not third tier

# WOSB Program

- ❖ SBA is migrating everything to SBA ONE located at [certify.sba.gov](https://certify.sba.gov)
- ❖ All WOSBs will need to create a new login for the system
- ❖ Previously submitted documents should move to the new account and not require re-submission
  - ❖ Exception is new electronic Form 2413/2414



# WOSB Program

- ❖ Contracting Officer will **not** be able to view repository documents
  - ❖ SBA will review on behalf of CO
  - ❖ Only impacts firms directly in line for award
- ❖ New site supports self-certification until SBA finalizes new certification requirements
- ❖ New list of NAICS codes available

# WOSB Program Sole Source

- ❖ CO does not have reasonable expectation of receiving offers from 2 or more WOSBs or EDWOSBs
- ❖ Estimated price does not exceed \$4 million (\$6.5 million for manufacturing)
- ❖ Award can be made at fair and reasonable price
- ❖ FAR Interim Final Rule effective December 31, 2015 (80 FR 81888)



# Proposed Mentor-Protégé Program

- ❖ One new MP program available to all small businesses
- ❖ Patterned on existing 8(a) program
  - ❖ Designed as a business development tool to enhance protégé's capabilities
  - ❖ Would allow **all** small businesses to JV with their large business mentors
  - ❖ Mentor could own up to 40% of protege



# Proposed Mentor-Protégé Program

- ❖ Protégé eligibility
  - ❖ Must be small under primary NAICS code
  - ❖ Must be in need of mentoring (show positive impact on its business plan)
  - ❖ Must undergo a formal size determination as part of the application
  - ❖ Generally, may not have more than one mentor at a time
    - ❖ Exceptions for a unrelated, secondary NAICS



# Proposed Mentor-Protégé Program

## ❖ Mentor eligibility

- ❖ Must possess good financial condition

- ❖ Only for-profit firms

- ❖ Generally, no more than one protégé at a time

  - ❖ SBA may approve up to three protégés for the same mentor if there is no adverse impact

- ❖ A protégé cannot also be a mentor

# Proposed Mentor-Protégé Program

- ❖ SBA is proposing one office to receive applications from all businesses except 8(a)
  - ❖ Program office should be opening by end of 2016
- ❖ Participation period: up to three years in one agreement, maximum 6 years overall
  - ❖ Protégé may have two 3-year agreements with two different mentors or with the same mentor



# Proposed Mentor-Protégé Program

- ❖ Joint Ventures under MP Program
  - ❖ JV must be in writing
  - ❖ JV may not be populated (except with admin personnel)
  - ❖ Written agreement has to be approved by SBA
  - ❖ Annual reports required
    - ❖ SBA may not approve continuation
  - ❖ Size may still be protested
  - ❖ Voluntary suspension

# Proposed Mentor-Protégé Program

- ❖ Administrator approved the program on March 23
  - ❖ Headed to Office of Information and Regulatory Affairs for 90-day comment period

# Changes to 8(a) Program

- ❖ New rule would change how SBA assesses claim of social disadvantage
  - ❖ Would permit SBA to disregard claim if the applicant does not provide sufficient evidence to make his/her claim any more likely than a legitimate alternate reason for adversity
  - ❖ Overall, raises the burden on the applicant above the current preponderance of evidence

# Changes to 8(a) Program

- ❖ SBA would have discretion to change a participant's primary NAICS code based on plurality of firm's revenues over the most recent three years
- ❖ 8(a) firms could suspend their program term if they are located in a declared major disaster area or if there is a lapse in federal appropriations

# GSA Proposed Rule FAR Case 2014-004

- ❖ DOD, GSA, NASA proposed rule
  - ❖ Will require large primes to notify the contracting officer, in writing, IF:
    - ❖ Prime pays a reduced price to a SB sub
    - ❖ Payment to SB sub is more than 90 days late
- ❖ Comment period closed March 21, 2016

# FAR Case 2016-002

- ❖ Determines applicability of SB regulations outside of the US
- ❖ Report to Defense Acquisition Regulatory Council due May 25, 2016

# Contact Information

## Procurement Center Representative (PCR)

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A background of red theater curtains with a scalloped top edge. The curtains are illuminated from the side, creating a gradient of red light across the scene.

**THE END!**