

SBA Government Contracting & 8a Certifications

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SBA 8a Program Overview

SBA Started With Small Business Act of 1953

23% Small Business Set Aside Goal

NC Contracting = \$4.4B in 2018

Total NC Small Business Contracting = \$750M

2018 = SBA \$430M in NC

8a = \$305M (66 firms)

HUBZone = \$125M (197 firms)

SBA is 58% of all Small Business Contracting

2017 = SBA \$465M in NC



AGENCY & LARGE PRIME GOALS (MINIMUMS)

- ✓ **23% - Small businesses (total)**
- ✓ **7% - Small/SD/ED Business**
- ✓ **5% - Minority Owned Business**
- ✓ **5% - Woman-owned**
- ✓ **3% - HUBZone**
- ✓ **3% - Service-Disabled Veteran owned**

- Are you small?
www.sba.gov/size
- Obtain a free Data Universal Number System (DUNS) Number
www.dnb.com/us
- Know your NAICS Codes – up to 20 for SAM.gov

www.census.gov/epcd/www/naics.html





SIZE STANDARDS

www.sba.gov/size

North American Industry Classification System-NAICS Region IV Size Standard Specialist (404) 331-7587

GENERAL EXAMPLES – MUST BE LOWER THAN:

Manufacturing	500 employees*
Wholesale Trade	100 employees*
Agriculture	\$7.0 million
Retail Services	\$7.0 million**
Construction	\$33.5 million**
Specialized Construction	\$14 million**
Architects & Engineering	\$4.5 million**

* Based on average over previous 12 months

**Based on average over previous 3 fiscal year



Register Your Business

- Keep Current (Update yearly at minimum)
www.sam.gov
- Online Representations and Certifications Application (ORCA)
<https://orca.bpn.gov/>



8(a) BUSINESS DEVELOPMENT

www.sba.gov/8abd



▪ **Formal SBA Certification Programs**

- ✓ 8(a) Business Development
- ✓ HUBZone Empowerment

▪ **Self-Certifications**

- ✓ Small business
- ✓ **Small Disadvantaged Business (SDB)**
- ✓ **Woman-owned business**
- ✓ Minority-owned business
- ✓ Veteran-owned business
- ✓ **Service-disabled owned business**



8(a) BUSINESS DEVELOPMENT

www.sba.gov/8abd

- ✓ Nine (9) Years
- ✓ U.S. Citizen or:
Indian Tribe, Alaskan Native Corporation or
Native Hawaiian Origin
- ✓ Good character
- ✓ Potential for Success
- ✓ Small business: www.sba.gov/size
- ✓ At least 51% owned and controlled by Socially
and Economically Disadvantaged individual(s)

8(a) BUSINESS DEVELOPMENT BENEFITS

- ✓ Special Government Contracting Opportunity (Sole Source)
- ✓ **Business Development Specialist (BDS)**
- ✓ Two-year track record prior to application
- ✓ **Joint Venture/Mentor Protégé Opportunities**

8(a) REQUIREMENTS

8a is a self contained program ... what happens in 8(a)...Tends to Stay in 8a

- ✓ Firms wishing to leave 8a must request release
- ✓ SBA approves/declines
 - Mediate/assist in Contracts
 - Help Buying Agency Find another 8(a) firm
 - Release to another District/State
 - Release due to poor performance, size

REPORTING REQUIREMENTS

- ✓ **Firms Must Sign Participation Agreement**
- ✓ **Must Develop A Competitive Business Mix**
 - Year 5 = 15% Year 6 = 25% Year 7=35%
 - Year 8 = 45% Year 9 = 55%+
- ✓ **Annual Reviews – No Ownership Changes**
- ✓ **Financial Statements & Tax Returns**
 - ✓ **Must Meet Applicable Program Size Standards**

- ✓ **Racial or ethnic prejudice**
- ✓ **Cultural bias**
- ✓ **Presumption on the following groups:**
African American, Asian Pacific American,
Hispanic American, Native American, &
Subcontinent Asian American

- ✓ **Proof of disadvantage status for non-designated groups:**
 - **Objective features - color, ethnic origin, gender, physical handicap or geographic environment - personal experiences only in America**
 - **Personal Experience**
 - **Experiences in American Society**
 - **Substantial and chronic (quality and quantity)**
 - **Negative Impact (entry & advancement in business world)**
 - **SBA considers education, employment and business history, where applicable in each case**

**Personal Adjusted Net Worth may not exceed
\$250,000 for 8(a) Program and \$750,000 for SDB
Program and **Total Assets cannot exceed \$4MM****

NET WORTH

<i>Less</i>	<i>equity in primary residence</i>
<u><i>Less</i></u>	<u><i>equity in business</i></u>
Equals	adjusted net worth

- **Adjusted gross 2-year income NTE \$350k**
- **Fair market value of all assets**
- **Access to credit and capital**
- **Financial condition of the applicant firm**
- **Assets transferred to immediate family for less than market value (within two years)**



SERVICE DISABLED VETERANS

www.sba.gov/vets





SERVICE DISABLED VETERAN- OWNED SMALL BUSINESS BENEFITS

- ✓ Office of Small and Disadvantaged Business Utilization (SADBU)
- ✓ Size Standards Apply
- ✓ 51% Owned and Controlled
- ✓ 3% Goal (procuring agencies & prime contractors) service-disabled only
- ✓ Sole Source (service-disabled only)
- ✓ Self-Certification Process

WOMAN-OWNED BUSINESS





SMALL WOMAN-OWNED BUSINESS DEFINITION

At least 51% owned and controlled
Small business Standards

www.sba.gov/size/

Third Party Certificate (WBENC)

www.wbenc.com

Net worth NTE \$750k

Adjusted 2-year income NTE \$350k

Total market value assets NTE \$6M



HUBZONE PROGRAM

www.sba.gov/hubzone



HUBZone Program

- Applies to purchases over \$3,000;
- **Must be certified by SBA - no term limits**
- **Recertification required every 3 years;**
- 51% Owned by Native American, Certified Development Corporation, or US Citizen
- Competitive and sole-source program benefits;
- Principal office must be in a HUBZone
- **35% of employees must live in a HUBZone**
- FAR 19.13



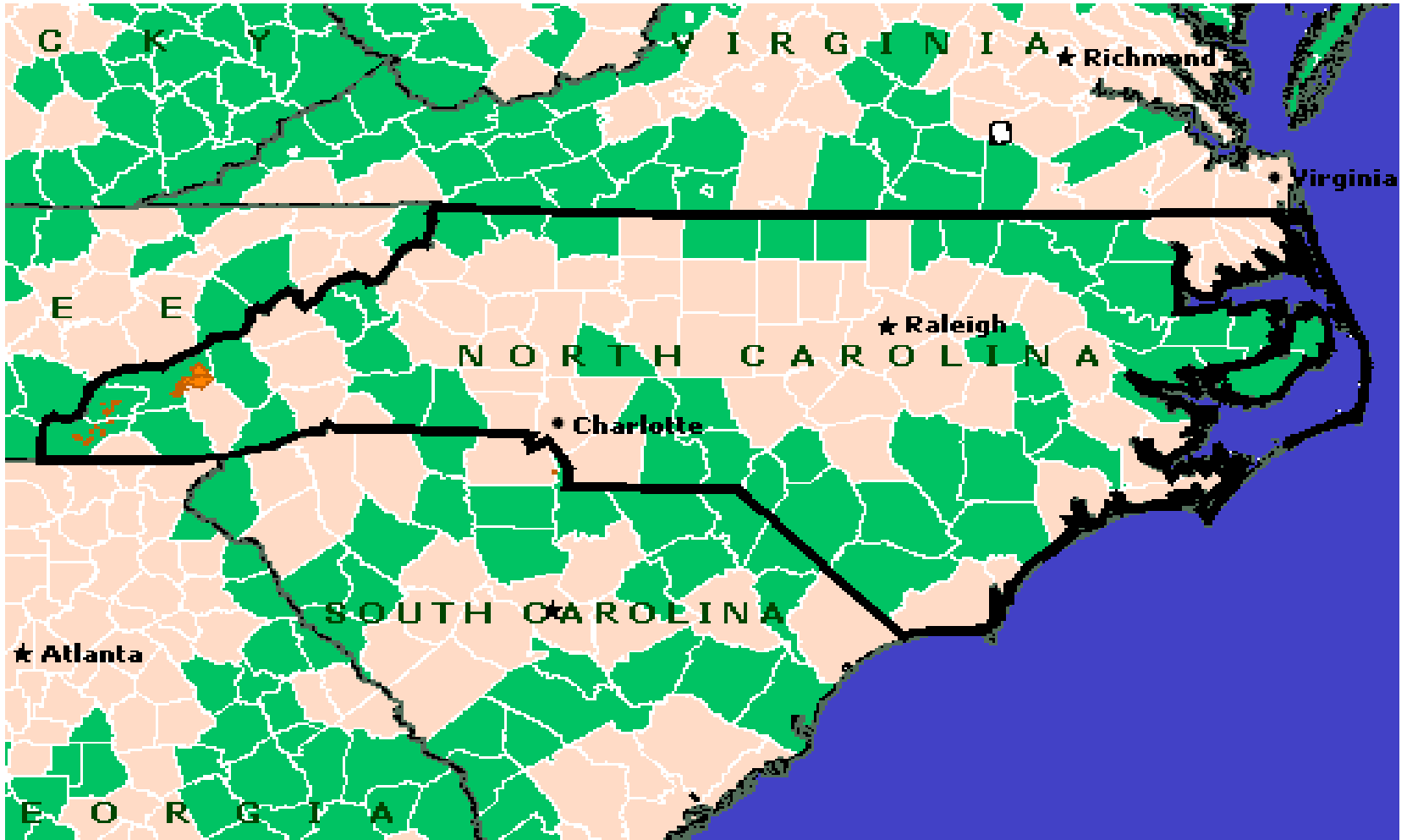
HUBZONE PROGRAM BENEFITS

- ✓ **Office of Small and Disadvantaged Business Utilization (SADBU)**
www.acqnet.gov/comp/procurement_forecasts/index.html
- ✓ **Sole Source Award***
- ✓ **Price Evaluation Adjustment (PEA)**
Up to 10%
- ✓ **3% Goal (Procuring agencies & Prime**
- ✓ **contractors)**
- **Are you in a HubZone? Check it at:**
- <https://eweb1.sba.gov/hubzone/internet/index.cfm>



U.S. Small Business Administration

HUBZone-Designated Areas





IMPORTANT INTERNET SITES

- ✓ **Federal Acquisition Regulations:**
www.arnet.gov/far
- ✓ **Code of Federal Regulations 13 Part 124**
www.gpoaccess.gov/cfr/retrieve.html
- ✓ **FedBizOpps:** www.fedbizopps.gov
- ✓ **SBA Homepage:** www.sba.gov
- ✓ **GSA Federal Procurement Data Center**
<https://www.fpds.gov/>
- ✓ **Agency SCORECARD:**
www.sba.gov/aboutsba/sbaprograms/goals/index.html

- Subcontracting Opportunities
Directory of Large Prime Contractors
www.sba.gov/aboutsba/sbaprograms/gc/contacts/index.html
- SUB-Net
web.sba.gov/subnet