

**U.S. Small Business  
Administration**

# **Government Contracting Initiatives**

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Presented by:

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# Office of Government Contracting

- ❖ In 1953 Congress passed the Small Business Act establishing the Small Business Administration
- ❖ This Act was to encourage and develop small business growth and to secure loans and management techniques.
- ❖ At the time of the Act almost all major government contracts went to large industrial and agricultural firms. SBA was charged with procuring top government contract for small businesses.



# Office of Government Contracting

## ❖ Four Programs

- ❖ Size Determination

- ❖ Commercial Market Representative – CMR

- ❖ Certificate of Competency – COC

- ❖ Procurement Center Representative - PCR



# Size Determination

- ❖ SBA hears all size and status protests
- ❖ SBA is the final authority on all size related matters

# Commercial Market Representative

- ❖ CMR are responsible for prime contractors subcontracting plans, for contracts over \$650,000 manufacturing and \$1.5M for construction.
- ❖ CMR make sure prime contractors meet their sub-contracting goals.
  - ❖ Compliance Reviews
- ❖ Small businesses are not required to submit a contracting 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 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
- ❖ Vandenberg 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
  - ❖ Comment period closed April 6, 2015

# 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
- ❖ Only work performed by the subcontractor will count
  - ❖ Not third tier

# Proposed Regulations

- ❖ Joint Venture – Any JV will be considered small as long as each member qualifies as small under size standard
  - ❖ but excessive JV between two firms can result in affiliation
- ❖ Recertification required where acquisition occurs after offer but prior to award
- ❖ Rebuttable presumption of affiliation among family members, firms which derive 70% of revenue from another firm

# Proposed Regulations

- ❖ Mentor-Protégé Programs
  - ❖ Small Business Jobs Act (SBJA) 2010
  - ❖ National Defense Authorization Act (NDAA) of 2013
  - ❖ Comment period closed May 6



# Mentor-Protégé (M-P) Programs

- ❖ Establish a Government-wide M-P Program for all small business concerns consistent with SBA's 8(a) BD M-P Program
- ❖ Makes minor revisions to SBA's 8(a) BD M-P Program so the two M-P programs are consistent
- ❖ Amends current JV regulations to clarify conditions when JV entities are eligible



# Mentor-Protégé (M-P) Programs

- ❖ JV must be in writing
- ❖ JV may not be populated (except with administrative personnel)
- ❖ Protégé must be small for primary industry
  - ❖ SBA will verify size and socioeconomic status
- ❖ Written agreement approved by SBA
  - ❖ Lasts up to 3 years, with one 3-year extension
  - ❖ Annual reports – SBA may not approve continuation

# Mentor-Protégé (M-P) Programs

- ❖ Size of an approved JV may still be protested
- ❖ Voluntary suspension – disaster, lapse in appropriation

# Advisory Size Decisions

- ❖ SBDCs and PTACs can provide advisory size decisions
- ❖ Businesses cannot be penalized if they rely, in good faith, on an advisory opinion
- ❖ Discretionary authority for PTACs and SBDCs

# Advisory Size Decisions

- ❖ PTACs and SBDCs must
  - ❖ submit a copy of each determination to SBA's Office of Procurement Law (OPL)
  - ❖ Provide a written analysis and include Form 355 and other evidence
- ❖ OPL may either refer for a formal determination or issue a decision within 10 days
- ❖ OPL must provide a copy back to the PTAC or SBDC



# Advisory Size Decisions

- ❖ SBC may rely on PTAC or SBDC decision that it is small until SBA issues a decision stating otherwise or there has been a change that affects its size
- ❖ Size status may still be protested on a procurement
- ❖ Any firm that receives a negative determination from a PTAC or SBDC may request a formal size determination



# WOSB Program

- ❖ Sole source authority
  - ❖ Same as HUBZone, SDVOSB
  - ❖ No reasonable expectation of receiving two offers
  - ❖ Contract value less than \$6.5 million for manufacturing, \$4 million for all others
- ❖ SBA must conduct new study of industries where WOSBs are underrepresented by January 2016

# Contact Information

## Procurement Center Representative (PCR)

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