



**NCMA**

NATIONAL CONTRACT MANAGEMENT ASSOCIATION

**BOSTON**



# Introduction to SBA Certifications

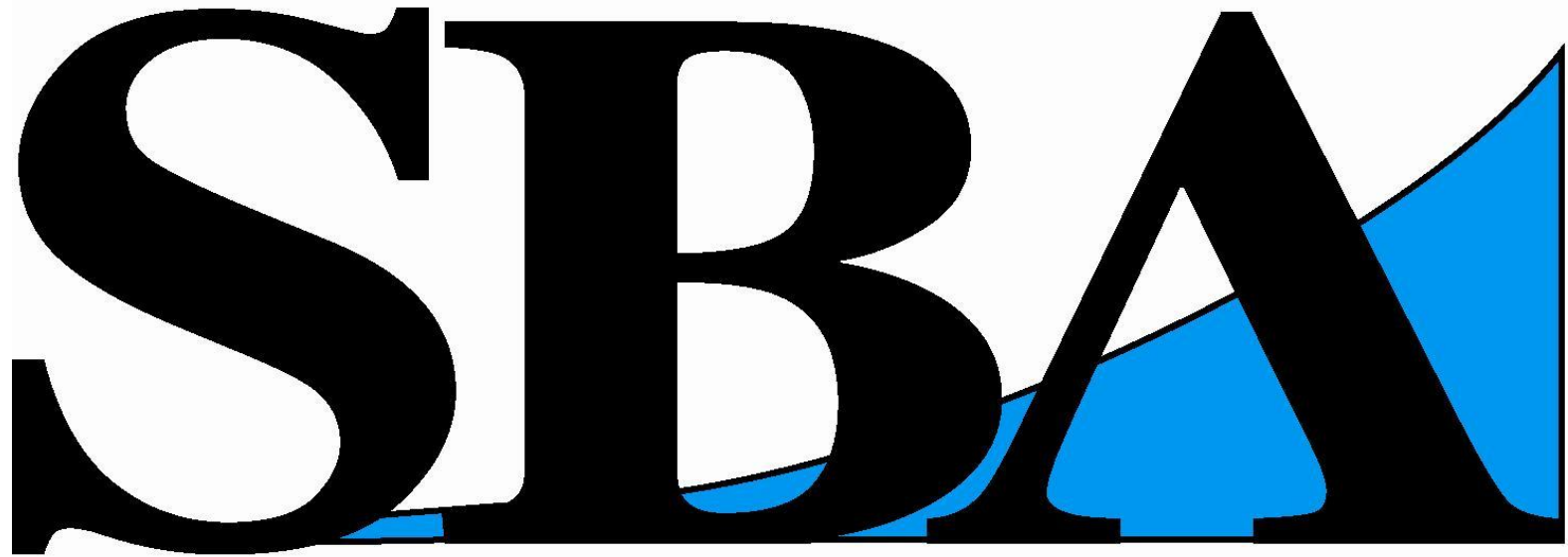
D. Polatin

16-March-2016

---

**U.S. Small Business Administration**

**SBA**

The letters 'SBA' are rendered in a large, bold, black serif font. A blue bar chart is integrated into the design, with the bars rising from the bottom of the letters 'B' and 'A'.

***Your Small Business Resource***



## Government Contracting

- Purchases by military and civilian installations exceeds \$400 billion/year
- 23% of all government dollars spent go to small businesses
- Contract goals for:
  - Women-owned businesses (5%)
  - Small disadvantaged businesses/8(a) (5%)
  - HubZone businesses (3%)
  - Service disabled veteran-owned businesses(3%)
  - Veteran (best effort)

# Getting Started

## *Registering in SAM*

---

- The **System for Award Management** is an online government-maintained database of companies wanting to do business with the federal government. FREE Registration
- Buying agencies can search the **database** for vendors.
- Creating and updating your small business profile in **SAM** gives your firm access to contracting opportunities.

**[www.sam.gov](http://www.sam.gov)**

# Know your Certifications

---

## Self-Certification and Representation

- Small Business
- SDB
- WOSB
- EDWOSB
- SDVOSB – Self Certified except for VA Contracts
- VOSB – Self Certified except for VA Contracts

## SBA's Formal Certification Programs:

- 8(a) Business Development Program
- HUBZone Empowerment Contracting

# Self Certifications

---

These certifications provide eligibility to receive special procurement opportunities:

- Women-owned Small Business (WOSB) [www.sba.gov/wosb](http://www.sba.gov/wosb)
- Service-Disabled Veteran-owned Small Business [www.vetbiz.gov](http://www.vetbiz.gov)
- Veteran-owned Small Business (Veterans Administration has a certification) [www.sba.gov/vets](http://www.sba.gov/vets)
- Small Disadvantaged Business Certification Program (SDB) [www.sba.gov/SDB](http://www.sba.gov/SDB)



# The HUBZone Program

- Historically Underutilized Business Zone
- Census tracts
- Economic Development/Government contracting
- To qualify:
  - Must be a small business by SBA size standards;
  - Must have its principal office located within a Historically Underutilized Business Zone, including federally recognized Indian reservations;
  - Must be at least 51% owned and controlled by U.S. citizens, a community development corporation, an agricultural cooperative or an Indian tribe; and
  - Must have at least 35% of its employees residing in a HUBZone

# Program Purpose

---

- Provides federal contracting assistance to qualified small firms in designated HUBZones to:
  - Increase employment opportunities
  - Stimulate capital investment
  - Empower communities through economic leveraging

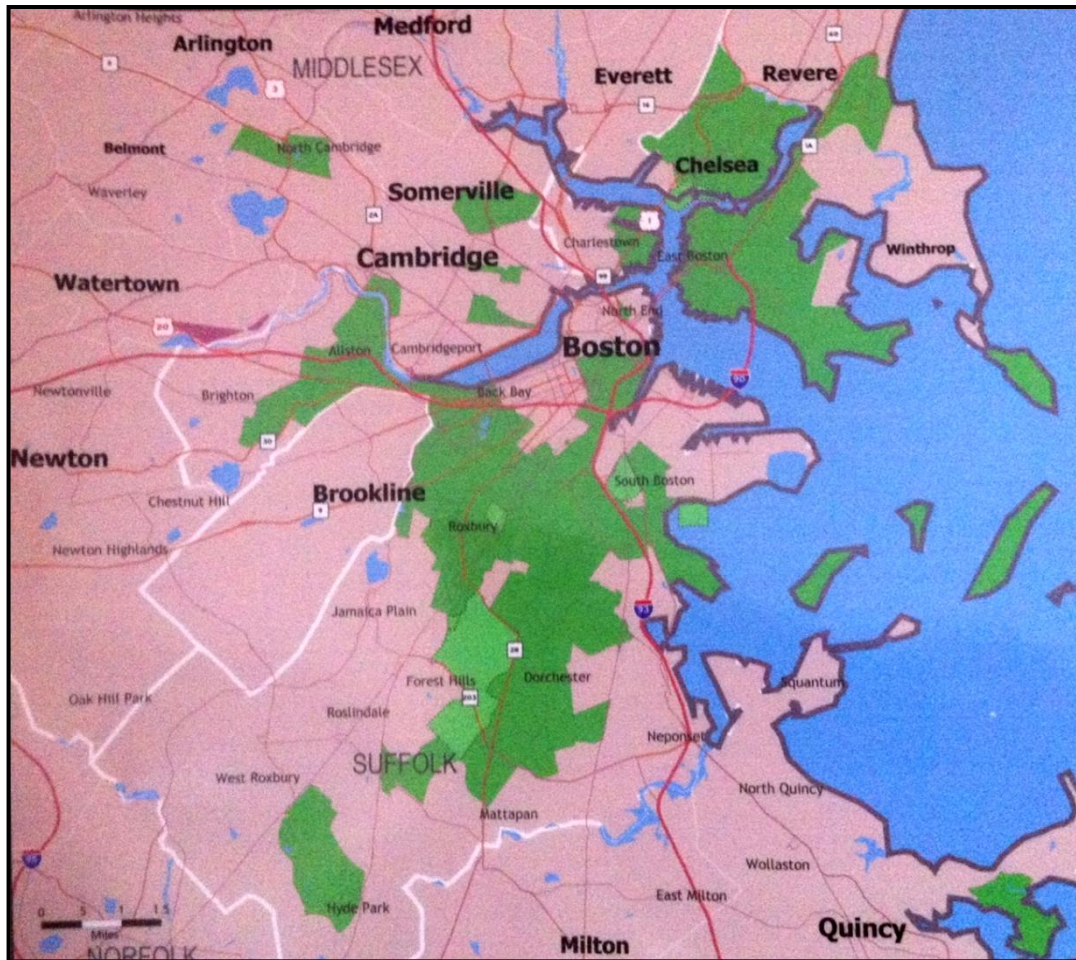


# How the Program Works

---

- SBA regulates and implements the HUBZone program
  - Determines which businesses are eligible
  - Maintains a listing of qualified HUBZone firms to fulfill procurement opportunities  
([http://dsbs.sba.gov/dsbs/search/dsp\\_searchhubzone.cfm](http://dsbs.sba.gov/dsbs/search/dsp_searchhubzone.cfm))
  - Adjudicates protests of eligibility regarding HUBZone contracts

# Boston Area HUBZones



# HUBZone Program

---

- Applies to purchases over \$3000;
- Must be certified by SBA - no term limits;
- Competitive and 'sole source' set-aside program benefits;
- Sole source: Up to \$6.5M (mfg) and \$4.0M (non-mfg)
- 10% price evaluation preference (on non set-asides)
- Principal office must be in a HUBZone
- 35% of employees must live in a HUBZone
- [FAR 19.13](#)



# The 8(a) Business Development Program

- Nine year program for socially and economically disadvantaged individuals
  - Black, Hispanic, Asian-American, and Native Americans -Designated
- Business must be owned, controlled and managed on a day to day basis by disadvantaged individual.
- Be in business for two years
- Adjusted net worth under \$250,000
- Sole source contracts under \$4.0 million



## 8(a) Basic Requirements

---

- The applicant firm:
  - must be a small business;
  - must be unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are of good character and citizens of the United States; and
  - must demonstrate potential for success.

# How does SBA view control of an applicant or 8(a) concern?

---

- Control is not the same as ownership although both control and ownership may reside in the same person.
- Control includes both:
  - strategic policy setting, and
  - day-to-day management and administration of business operations by disadvantaged individuals.

# Economic Disadvantage

---

## ■ Personal/Financial Condition

- **Adjusted Net Worth** must not exceed \$250,000 for initial eligibility or \$750,000 for continued eligibility.
- **Personal Income** must not exceed \$250,000 (averaged over three years) for initial eligibility or \$350,000 for continuing eligibility.
- **Total Assets** must not exceed \$4 million for initial eligibility and \$6 million for continued eligibility (allows for growth during the 9 year tem).

# Economic Disadvantaged-Married?

---

- SBA will consider a spouse's financial situation in determining an individual's access to credit and capital where the spouse
  - Has a role in the business (e.g., an officer, employee or director) or
  - Has lent money to, provide credit support to, or guaranteed a loan of the business.



Does SBA require the disadvantaged individual to have the technical expertise-and hold the critical license

---

- No. However, the disadvantaged individual must demonstrate that he or she has the ultimate managerial and supervisory control over those who possess the technical expertise or licensing.
- If the critical license is held by a non-disadvantaged individual who has an equity interest in the applicant firm, that non-disadvantaged individual may be found to control the firm.

# Can an individual who is not a member of a designated group claim social disadvantage?

---

- Yes. However, an individual who is not a member of a designated group must establish social disadvantage on the basis of a preponderance of the evidence.
- Generally, a preponderance is evidence of a quality and quantity which leads the decision maker to objectively conclude that the existence or truth of the fact(s) asserted is more probable than not.

# What evidence must an individual who is not a designated group member provide to show social disadvantage?

---

- Evidence of individual social disadvantage must include the following elements:
  - At least one objective distinguishing feature that has contributed to social disadvantage, such as:
    - race, ethnic origin, gender, physical handicap, long-term residence in an environment isolated from the mainstream of American society, or other similar causes not common to individuals who are not socially disadvantaged.

# What evidence must an individual who is not a designated group member provide to show social disadvantage?

---

- Personal experiences -must have been substantial, chronic, and longstanding.
  - The applicant must have experienced a negative impact on entry into or advancement in the business world because of the disadvantage.
- SBA will consider any relevant evidence in assessing these elements.
- In every case, education, employment and business history

# Documentary evidence

---

- Personnel records
- Payroll records
- Rejection letters on job applications
- Denials of credit applications
- Documents relating to rejected contract offers, i.e., bid abstracts, solicitations, etc.
- Contemporaneous records memorializing meetings, conversations, negotiations,
- Telephone calls, etc.

# What businesses are ineligible for the 8(a) BD Program?

---

- Brokers are not eligible for the program.
- A broker is a concern that adds no material value to an item being supplied to a procuring activity or which does not take ownership or possession of or handle the item being procured with its own equipment or facilities.
- Debarred or suspended person or business
- Non-profits
- Previously certified businesses

# Benefits of the Program

---

- Participants can receive sole-source contracts, up to a ceiling of \$4 million for goods and services and \$6.5 million for manufacturing.
- Help 8(a) firms build their competitive and institutional know-how, encourages participation in commercial competitive acquisitions.
- Limited 8(a) Competition (\$4 million +)

# Benefits of the Program

---

- 8(a) firms are also able to form M/P Agreements and joint ventures and teams to bid on contracts.
- Enhances the ability of 8(a) firms to perform larger prime contracts and overcome the effects of contract bundling, the combining of two or more contracts together into one large contract.



# Women Owned Small Business

---

- The SBA does not certify companies into the program like it does for the 8(a)BD and HUBZone programs.
- Changes are coming to the program.
- A WOSB or EDWOSB must:
  - Register in the SAM.
  - Self-certify with documentation or certification through an SBA Approved Third-Party Certifier.
  - Provide documents supporting its status to an online document repository, called that the WOSB Program Repository. You can find more information on the repository at [www.sba.gov/wosb](http://www.sba.gov/wosb).
  - Certify to the Contracting Officer in ORCA at <https://orca.bpn.gov> that it meets all the requirements and has uploaded required documents in the WOSB Repository prior to submitting an offer on a requirement.

# Eligibility Requirements

---

- A firm must be at least 51% owned and controlled by one or more women, and primarily managed by one or more women.
- They must be US citizens.
- Must be “small” in its primary industry
- For a WOSB to be deemed “economically disadvantaged,” its owners must demonstrate economic disadvantage in accordance with the requirements set forth in the final rule.

# WOSB Program Third Party Certification – *Updated*

---

- The SBA has approved four organizations to act as Third Party Certifiers.
  - [El Paso Hispanic Chamber of Commerce](#)
  - [National Women Business Owners Corporation](#)
  - [US Women's Chamber of Commerce](#)
  - [Women's Business Enterprise National Council \(WBENC\)](#)

# The WOSB Contract Program

---

- 330 six digit NAICS codes for WOSB and EDWOSB
- WOSB can bid on WOSB
- EDWOSB can bid in both categories

# Contracts

---

- The enactment of the National Defense Authorization Act (NDAA) for 2013 removed the caps on the contract award size for which WOSB and EDWOSB concerns have been able to compete.
- Now, sole source set asides

# Procurement Technical Assistance Center

---

- Help businesses that want to sell to federal, state and/or local governments.
- Free service
- Free bid matching software

[www.msfdc.org/ptac](http://www.msfdc.org/ptac)

# SBA Websites

---

- How to apply for the SBA 8(a) Program:  
<http://www.sba.gov/content/8a-business-development>
- Small Business Certifications:  
<http://www.sba.gov/content/small-business-certification-0>
- Size Standards (NAICS):  
<http://www.sba.gov/content/table-small-business-size-standards>



- For more information:
  - David Polatin – 617-565-5562
  - Terry Mooers – 617-565-5604
  - SBA Website - [www.sba.gov](http://www.sba.gov)