Small Business Federal Government Contracting Certifications
Course Objectives

• Introductions
• 8(a) Business Development Program
• HUBZone Certification
• Woman-Owned Small Business (WOSB) Certification
• Other Programs
Federal Contracting Facts

✓ The world’s largest buyer of goods and services is the Federal Government

✓ Historically, The Federal Government purchases totaling an average of **$500 Billion Per Year**

✓ The government buys just about every category of commodity and service available

✓ Federal agencies are required to establish contracting goals, with at least 23 percent of all government buying targeted to small firms

✓ The government uses the North American Industry Classification System or NAICS codes to classify industries in which it buys goods and services
What is a Small Business?

The U.S. Small Business Administration defines a "small business“ in terms of…

North American Industry Classification System Code (NAICS): Small Business Size Standards

- The number of employees over the past year
- Average annual receipts over the past three years


www.sba.gov/size
Set-Aside for Certification Programs and Socio-Economic Categories

Targeted set-asides and acquisition goals:

- Women-Owned Small Businesses (5%)
- Small Disadvantaged Businesses (including 8(a) certified) (5%)
- HUBZone Businesses (3%)
- Service-Disabled Veteran-Owned Small Businesses (3%)

Set-asides are reserved for small business between $3,500 (Micro-purchase Threshold) to $250,000 (Simplified Acquisition Threshold)
Get Registered in SAM & DSBS

System for Award Management (SAM) - www.sam.gov

- SAM is the primary source for agencies to learn about prospective vendors
- Government maintained database by GSA
- A firm must register in the SAM to participate as a seller in the Federal space
8(a) Business Development Program
8(a) Business Development Program

Access to business development support

Build capacity and grow through contracts

Nine-year program available once per lifetime
Is the 8(a) Certification Appropriate for You?

- Commercial and government balance
- Marketing ability
- Proper NAICS codes
- Net worth requirements
- Diminished ability to compete
- Socially and economically disadvantaged

Net worth requirements

Net worth requirements

Diminished ability to compete

Socially and economically disadvantaged

Proper NAICS codes

Marketing ability

Commercial and government balance
Designated Socially Disadvantaged Criteria

Designated Groups

01
- Black American
- Asian Pacific American
- Hispanic American
- Native American
- Subcontinent Asian American

Non-Designated Group Criteria

02
- Preponderance of evidence
- Race, ethnicity, gender, physical handicap, long-term environmental issues
- Chronic and substantial
- Negative impact to business advancement
Economically Disadvantaged Requirements to Qualify

- Personal net worth (assets minus liabilities) less than $250,000
- Three year average income is $250,000 or less
- Fair market value of all assets is $4 million or less
Waiver of the Two-Year Rule

*SBA requires a business to be operating for 2 years in order to qualify for the 8(a) program.*

SBA MAY **WAIVE** THE TWO-YEAR RULE IF:

- Business management experience
- Technical expertise
- Adequate capital
- Successful past performance
- Ability to meet requirements
8(a) Application Process

BEFORE APPLICATION

• Register for a DUNS number
• Identify NAICS code(s)
• Register with SAM

APPLY FOR CERTIFICATION

• Review application guide
• Gather supporting documentation
• Apply online at certify.SBA.gov

RESOURCES

• Access resources on the Knowledge Base
• For assistance, contact certify.SBA.gov
SBA Certification Portal

SBA’s certification portal where businesses can submit documents to seek SBA certifications

Automatic Migration

Pulls business information from SAM.gov

Online Forms

Forms are completed online. No longer required to upload certain SBA forms
HUBZone Certification
Historically Underutilized Business Zone (HUBZone) Certification

Stimulate capital investment

Build capacity and grow

Access HUBZone set-aside contract dollars
HUBZone Program Purpose
(3% Goal)

What is a HUBZone?
Historically Underutilized Business Zone

EMPLOYMENT OPPORTUNITIES

CAPITAL INVESTMENT

ECONOMIC LEVERAGE

HUBZone
HUBZone Eligibility and Requirements

Ownership
51% owned by U.S. Citizens

Principal Office
Located in a HUBZone

35% Residency
35% of employees in HUBZone

Size
SBA size standards

HUBZone Location
Review HUBZone locations

https://maps.certify.sba.gov/hubzone/map
HUBZone Application Process

BEFORE APPLICATION

• View the HUBZone Primer
• Register for a DUNS number
• Identify NAICS code(s)
• Register with SAM

APPLY FOR CERTIFICATION

• Review application guide
• Gather supporting documentation
• Apply using the General Login System

DOCUMENTATION

• Verify requested information
• Submit supporting documentation
• Update SAM profile once approved
Woman-Owned Small Business (WOSB) Certification
Women-Owned Small Business (WOSB) Program

- Take advantage of annual prime contracting goals
- Build capacity and grow
- Access set-asides for WOSB and EDWOSB

(5% Goal)
Is the WOSB Certification Appropriate for You?

- 51% ownership requirements
- Highest officer position
- Proper NAICS codes
- Managerial experience
- Manage daily operations
- No minimum time in business
Economically Disadvantaged Requirements to Qualify

- Personal net worth (assets minus liabilities) less than $750,000
- Three year average income is $350,000 or less
- Fair market value of all assets is $6 million or less
WOSB Eligibility Process

- Register in SAM
- Update certify.SBA.gov
- Represent status
- Provide documentation
SBA Certification Portal
SBA’s certification portal where businesses can submit documents to seek SBA certifications

Automatic Migration
Pulls business information from SAM.gov

Online Forms
Forms are completed online. No longer required to upload certain SBA forms
WOSB and EDWOSB Set-Aside Contracts

**Industry**

**WOSB**
NAICS code assigned to contract is in an industry where WOSBs are underrepresented (364+80 NAICS Codes)

**EDWOSB**
NAICS code assigned to contract is in an industry where WOSBs are substantially underrepresented (364 NAICS Codes)

**Rule of Two**
Contracting officer has reasonable expectation that 2 or more WOSBs will submit an offer

**Award Price**
Contract must be awarded at fair market price
Other Programs

Service-Disabled Veteran-Owned Small Business
All Small Mentor-Protégé Program
Joint Ventures
Service-Disabled Veteran-Owned Small Business Program (SDVOSB)

Qualify for set-aside opportunities

Build capacity and grow

Establish joint ventures

(3% Goal)
Is the SDVOSB Certification Appropriate for You?

- 51% ownership requirements
- Highest officer position
- Proper NAICS codes
- Managerial experience
- Manage daily operations
All Small Mentor-Protégé Program (ASMPP)

- Access business development assistance
- Build capacity and grow
- Establish joint ventures
Is the All Small Mentor-Protégé Program Appropriate for You?

- Pre-identified Mentor
- Mentor requirements
- Protégé requirements
- Mentor-protégé limitations
- Required training
- NAICS codes and joint venture requirements
Getting the Most Out of the All Small Mentor-Protégé Program

Enables firms to form joint venture—helping agencies compete for government contracts

Facilitates development opportunities, training, assistance and additional financial support

Creates the opportunity to increase networks for future business growth
Affiliation
What is Affiliation?

- Concerns and entities are affiliates of each other when one controls or has the power to control the other, or a third party or parties controls or has the power to control both.

- SBA counts the firm’s annual receipts and its number of employees, together with the receipts and employees of any foreign or domestic affiliates – including for-profit and non-profit concerns – it may have.

- It does not matter whether control is exercised, so long as the power to control exists.

13 CFR121.103
Two Types of Affiliation

General Affiliation
- On-going basis
- Common ownership, common control, economic dependence, etc.
- Applies to the company in all business transactions

For a specific procurement
- Joint venture
- Non Manufacturer Rule requirements
- Applies only to the contract at hand
Factors that May Affect Control

- negative control
- potential control (need not be actual)
- stock ownership (a complex factor)
- stock options and convertible securities
- agreements to merge
- common management
- identity of interest
- economic dependence
- previous relationships or ties (e.g., spin-offs)
- franchises/licenses and joint ventures (require special attention)
- ostensible subcontracting
- *et cetera*
JV partners in a procurement are always affiliated with respect to that procurement, unless an exception to affiliation applies. 13 CFR 121.103(h)(2).

Exceptions, provided under 13 CFR 121.103(h)(3):

- A JV may be SB if EACH of the JV partners is small under the size standard of the NAICS assigned to the procurement (regardless of the dollar value of procurement); 121.103(h)(3)(i)
- A mentor-protégé relationship exists between the JV members and their JV agreement complies with JV regulations; 121.103(h)(3)(ii)
Federal Contracting Websites

- System for Award Management (SAM)
- Dynamic Small Business Search (DSBS)
- Fed Biz Ops www.fbo.gov
- USA Spending www.usaspending.gov
- FPDS https://fpds.gov/fpdsng_cms/
- Finding Small Business Representatives
  DOD; Army; Navy; Air Force; OSDBU
Resources

- **Procurement Technical Assistance Centers (PTAC)** - [www.aptac-us.org](http://www.aptac-us.org); [www.sbttdc.org/ptac](http://www.sbttdc.org/ptac)
- **Small Business & Technology Development Center** – [www.sbttdc.org](http://www.sbttdc.org)
- **SCORE** - [www.score.org](http://www.score.org)
- **VBOC** - Veterans Business Outreach Center - [www.fsuvboc.com](http://www.fsuvboc.com)
- **www.sba.gov**
- **Women’s Business Center** - [https://www.sba.gov/offices/district/nc/charlotte/resources/resources-women-business-owners](https://www.sba.gov/offices/district/nc/charlotte/resources/resources-women-business-owners) - locations in Fayetteville, Charlotte, Raleigh, Candler
- **Small Business Center(SBC)** - [www.ncsbc.net](http://www.ncsbc.net)
- **NCMBC** - North Carolina Military Business - [www.ncmbc.us](http://www.ncmbc.us)
- **MatchForce** - matches North Carolina businesses to government contracts, government purchasers to NC suppliers
8(a) Business Development Division

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