



# Federal Small Business Contracting Programs

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# Certifications

- Self-Certification
  - Small Business
  - Women Owned Small Business (WOSB)
  - Economically Disadvantage WOSB
  - Service Disabled Veteran Owned Small Business
  - Small Disadvantaged Business (SDB)
- Formal Certification
  - 8(a) Business Development Program
  - Historically Underutilize Enterprise Business Zone (HUBZone)

# Advantages of Certification

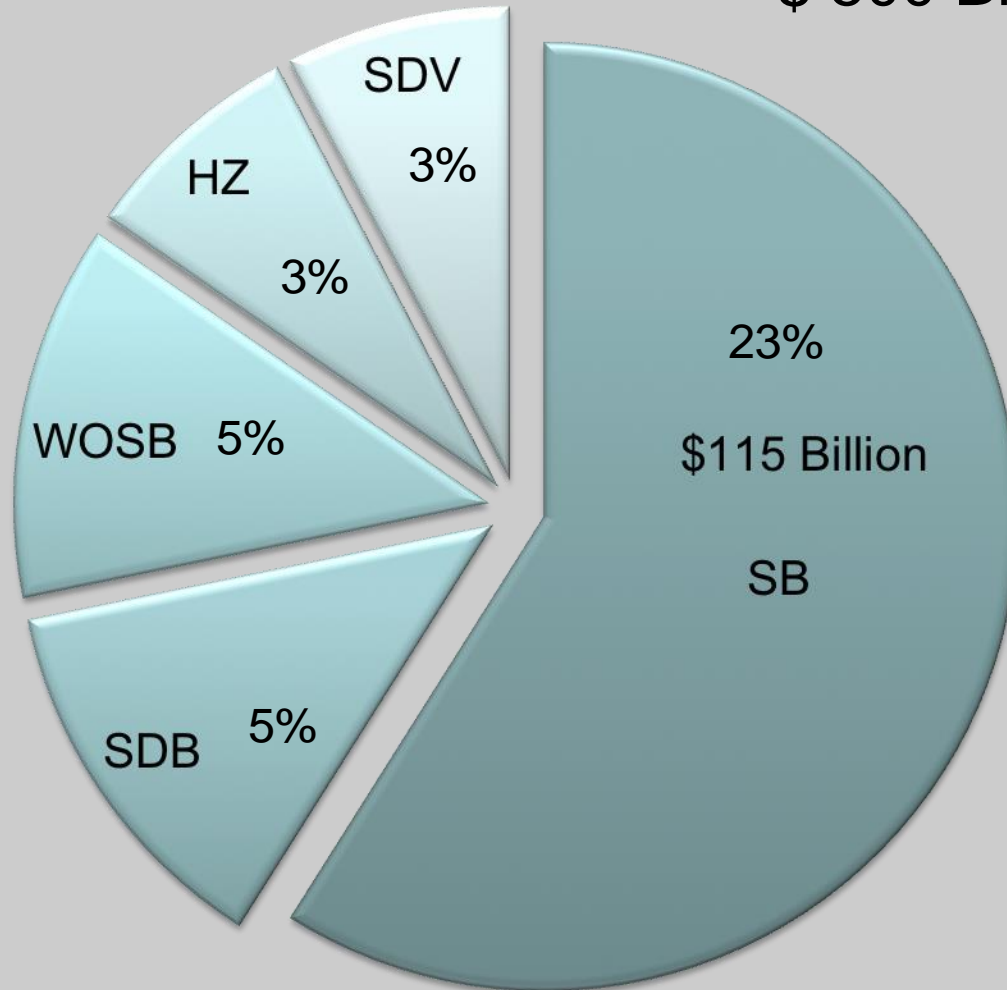
- Level the playing field
- Help small businesses gain access to government contracts
- Limit and/or restrict competition
- Prime contractor on **Small Business Set-aside** opportunities

**Set-Aside** is the reserving of an acquisition exclusively for participation by a category of small business concerns.

# Procurement Goals

3%

\$ 500 Billion



# A Common Denominator: Size

- The SBA defines a "small business" either in terms of the **average number of employees** over the past 12 months, or **average annual receipts** over the past three years.

North American Industrial Classification System Code

**13 Code of Federal Regulations 121**

# Federal Small Business Contracting Certifications

- Self-Certification & Representation Categories of Size & Socio-Economic Status
  - Small Business (13 CFR 121)
  - SDB (13 CFR 124.1001)
  - WOSB/EDWOSB (13 CFR 127)
  - SDVOSB (13 CFR 125.8)
  - VOSB\*
- SBA's Formal Certification Programs:
  - 8(a) Business Development (13 CFR 124)
  - HUBZone (13 CFR 126)

\* Self-Certified except for VA Contracts – [www.vetbiz.gov](http://www.vetbiz.gov)

# Small Business

(13 CFR 121)

- A concern that:
  - Is organized for profit
  - Has a place of business in the US
  - Operates primarily within the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor
  - Is independently owned and operated
  - Is not dominant in its field on a national basis

- 51% Unconditional Owned
- Control and Management
- U.S. Citizen
- Social Disadvantage
- Economic Disadvantage
  - Personal Net Worth <\$750
- Full-time Devotion
- Size

*Do not confuse with Disadvantage Business Enterprise (DBE)*



# WOSB Contracting Program

- WOSB
  - Must be small (13 CFR 121)
  - At least 51% Directly Owned, Control & Manage Daily Operations by Woman/Women (U.S. Citizens)
- Economically Disadvantaged EDWOSB
  - Same as WOSB, plus:
    - Net Worth < \$750,000;
    - Personal Income < \$350,000 (3 YR AVG)
    - Total Assets < \$6.0M

- The Service Disabled Veteran (SDV) must have a service-connected disability that has been determined by the Department of Veterans Affairs or Department of Defense
- Small Business
- 51% unconditionally owned by a SDV
- Must control the management and daily operations of the SDVOSBC
- The SDV must hold the highest officer position in the SDVOSBC

# Formal Certification Programs

- 8(a)BD and HUBZone
  - 8(a) BD
    - 9 year program (socially/economically disadvantaged)
    - Eligibility to receive competitive/sole source awards  
[www.sba.gov/8abd](http://www.sba.gov/8abd) 13 CFR 124 (see next slide)
  - HUBZone –
    - Principal place of business located in a HUBZone;
    - 35% of employees must reside in a HUBZone;
    - Eligible to receive competitive/sole source awards  
[www.sba.gov/hubzone](http://www.sba.gov/hubzone) 13 CFR 126

## Historically Underutilize Enterprise Business Zone (HUBZone)

- Size
- Ownership and Control:
  - At least 51% by U.S. citizen(s), Community Development Corporation, Agriculture Cooperative, Alaska Native Corporation, or Indian Tribal Governments or wholly owned corporations of Indian Tribal Governments.

## HUBZone, cont'd...

- Location:
  - “Principal Office” must be located in a HUBZone (may differ for tribally owned concerns).
- Employment:
  - At least 35% of employees must reside in a HUBZone (may differ for tribally owned concerns).

# 8(a) Eligibility Criteria

- Social Disadvantage
- Economic Disadvantage
  - Persona Income (\$250,000/\$350,000)
  - Net Worth (\$250,000/\$750,000)
  - Total Assets (\$4M/\$6M)
- Ownership (at least 51%)
- Control and Management
- Size
- Potential for Success



***Socially disadvantaged*** individuals are persons who have been subjected to racial or ethnic prejudice or cultural bias because of their identities as members of groups, without regard to individual qualities.



Individuals are presumed to be socially disadvantaged if they are a **U.S. Citizen** and are members of one of the following groups:

- Black American
- Asian Pacific American
- Hispanic American (*includes individuals of Spanish & Portuguese descent*).
- Native American
- Subcontinent Asian American





## Persons not members of designated groups must:

- Establish their case by a preponderance of the evidence;
- The disadvantage may stem from race, ethnic origin, gender, physical handicap, long term environmental isolation, or other similar causes;
- The applicant must have personally suffered disadvantage in the United States;
- The disadvantage must be chronic & substantial;
- The discrimination must have negatively impacted on business advancement.



## Net worth criterion:

After excluding the individual's equity in the firm and equity in the primary residence, net worth may not exceed

**\$250,000.00 for 8(a)**

### NET WORTH

less equity in primary residence  
less equity in business  
equals adjusted net worth





# Steps to Registering as a Federal Contractor & Certifying Your Business as Small

## 1. Obtain a D-U-N-S Number

- You will need to obtain a Dun & Bradstreet D-U-N-S® Number. This is a unique nine-digit identification number for each physical location of your business. The assignment of a D-U-N-S Number is free for all businesses required to register with the federal government for contracts or grants. Visit the [D-U-N-S Request Service](#) to register or read a quick [overview here](#).

## 2. Register your Business with the System of Award Management (SAM)

- You need to register your business with the federal government's [SAM](#), the primary database of vendors doing business with the federal government. This registration is sometimes referred to as "self-certifying" your small business. Federal Acquisitions Regulations (FAR) require all prospective vendors to be registered in SAM prior to the award of a contract, basic agreement, basic ordering agreement, or blanket purchase agreement.

### 3. Find the NAICS Codes for Your Company

- You may also find that you need a North American Industry Classification System (NAICS) code for administrative, contracting and tax purposes. The code classifies the economic sector, industry and country of your business. For Federal contracting purposes, you will need to identify in SAM all the NAICS codes (industries) applicable to your business. Read [Identifying Industry Codes](#) for more information.

# Items Needed for Registration

- Below are some of the items that you will need in order to complete registration processes.
  - Your [NAICS](#) codes
  - Your Data Universal Numbering System ([DUNS](#))
  - Your Federal Tax Identification Number (TIN or [EIN](#))
  - Your [Product Service](#) codes (optional but useful)
  - Your [Federal Supply Classification](#) codes (optional but useful)

# SBA Help You Become a Government Contractor

- Classes, workshops and counseling by SBA district offices and resource partners:
  - Small Business Development Centers (SBDC)
  - SCORE – Counselors to America's Small Businesses
  - PTAC – Procurement Technical Assistance Center
- Certification Workshop Schedule



# Local Certification Workshops

- **Fort Worth**
  - First Wednesday Every Month
    - (10:00 – 12:00)
- **Dallas**
  - First Monday Every Month
    - (10:00 – 12:00)
- **Collin County (Coming Soon)**
- **8(a) Application Process (Dallas)**
  - Four Day Class (February 2016)

# Stay Informed of Local News/Events

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[www.sba.gov](http://www.sba.gov)



federal government contracting  
small business opportunities  
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# Questions

