

# SBA Small Business Contracting Programs

[WWW.SBA.GOV](http://WWW.SBA.GOV)

- 8(a) Business Development Program
- HUBZONE Program
- Other Contracting Programs

## **Self Certification:**

- Woman-Owned Small Business Program
- Economically Disadvantaged Woman-Owned

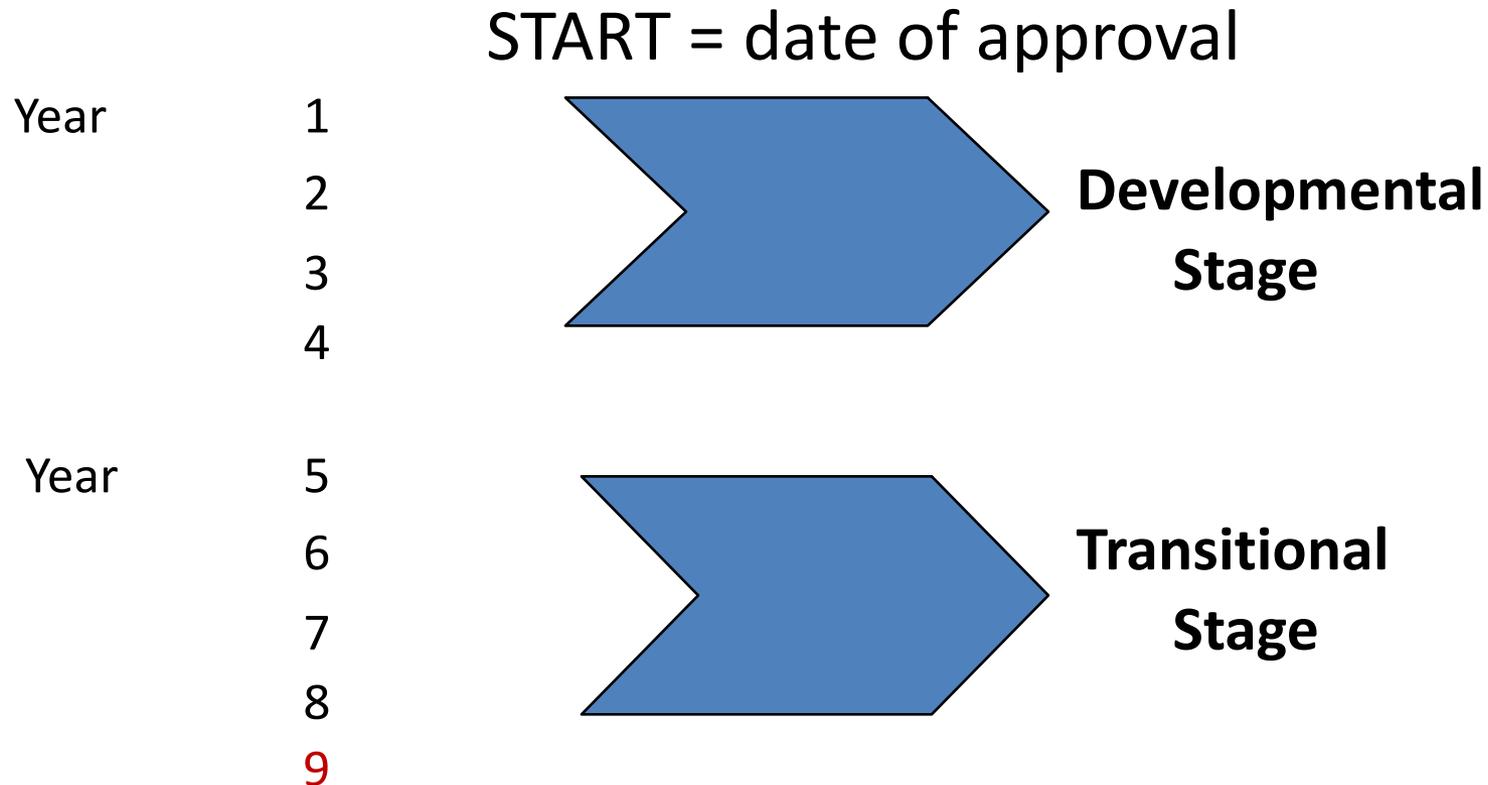
## **Serviced through the VA:**

- Veteran Owned Program
- Service Disabled Veteran Owned Program

# 8(a) BD Program Benefits

- Exclusive training opportunities
- Be eligible for 8(a) set-aside and sole source contracts
- Firms are assigned to a Business Opportunity Specialist to assist with firm growth and contracting needs
- 5% government-wide goal for prime contract dollars going to small disadvantaged businesses

# Term of Participation



Continuation in the program is dependent on the firm's continuing eligibility as a socially and economically disadvantaged owned and operated firm and continued compliance with the 8(a)BD participation agreement.

# 8(a) BD Program Objectives

## 9 year business development program

- Socially Disadvantaged
- Economically Disadvantaged
- 51% Owned and Controlled by US Citizen
- “to promote the business development of small business concerns owned and controlled by socially and economically disadvantaged individuals...”
- “to promote the competitive viability of such concerns...”

# *8(a) Individual Eligibility Criteria*

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## *Socially Disadvantaged*

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.

# ***8(a) Individual Eligibility Criteria***

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

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

# What is “Preponderance”?

- To establish social disadvantage based on a preponderance of the evidence, several steps must be followed

# Steps for Preponderance Cases

- Identify at least one objective distinguishing feature that has contributed to social disadvantaged, such as race, ethnic origin, gender, physical handicap, long term environmental isolation, or other similar causes.
- Provide specific personal experiences of social disadvantage stemming from the objective distinguishing feature(s) occurring in the United States.
- The social disadvantage must be chronic and substantial, and must have negatively impacted entry and/or advancement in the business world.

# Steps for Preponderance Cases

- An individual's statement of personal experiences in combination with generalized evidence may be sufficient to demonstrate social disadvantage.
- SBA considers experiences in the areas of education, employment, and business history to determine whether the totality of circumstances demonstrates social disadvantage.

# ***8(a) Individual Eligibility Criteria***

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## ***Economically Disadvantaged***

Individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit.

# ***8(a) Individual Eligibility Criteria***

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## **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**

### **NET WORTH**

less equity in primary residence

less equity in business

equals adjusted net worth

*(which must not exceed \$250,000)*

# Other Factors

- Individuals may not have excessive personal income or personal assets.
- Individuals with an average three-year adjusted gross income over \$250,000 are not considered economically disadvantaged.
- Individuals with total personal assets over \$4 million are not considered economically disadvantaged. The only assets excluded are funds in qualified IRA or retirement accounts.

# ***What is a HUBZone?***

- Historically Underutilized Business Zone
- Program is designed to help small firms in certain communities gain access to federal contract opportunities
- HUBZone areas: typically areas of low median household incomes or high unemployment, or both
- At any given time, there are about 5,000 small firms certified in the HUBZone program

# Key Program Benefits

The government has a mandate of awarding 3% of all prime contract dollars to HUBZone firms.

Two mechanisms:

- Contract set-asides and sole source
- 10% price evaluation preference applied to full and open competition (only applies to the large business and not to the small business concern)

# 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

# HUBZone Maps

Maps - HUBZone Mapping - HUBZone Mapping - Microsoft Internet Explorer provided by SBA

http://map.sba.gov/hubzone/maps/

File Edit View Favorites Tools Help

Start Here: Is my location in a HUBZone?

Address City State ZIP Code Find Reset Coordinate Input

Eligibility Result

(Search County or All Counties)

State County Go Find HUBZone Counties Find Qualified Tracts Find Former Bases Find Indian Land

HUBZone Mapping

Legend

Counties

- Non-Qualified County
- Qualified Non-Metro County
- Redesignated County

0 400 800 Miles

Powered by Mapitude for the Web

Criteria for County HUBZone Designation

A Qualified Nonmetropolitan County is any county that is not located in a metropolitan area and that meets any of the following three criteria:

- the county's median household income is less than 80% of the nonmetropolitan state median household income, based on the most recent data available from the Census, or
- the county's unemployment rate is not less than 140 percent of the average unemployment rate for the United States or for the State in which such county is

Always check <http://www.sba.gov/content/hubzone-maps> for the latest updates on qualified areas!

# *Eligibility Requirements*

- Small business (by SBA standards)
- Owned and controlled by at least 51% U.S. citizens or a community development corporation, an agricultural cooperative, or an Indian tribe
- Principal office must be located within a designated HUBZone
- At least 35% of its employees must reside in a HUBZone
- **Note:** Different rules apply for Tribal Governments, Alaska Native Corporations, Community Development Corporations and small agricultural cooperatives. These are delineated in [Title 13 of the Code of Federal Regulations, Part 126](#)

# ***Eligibility Requirements, ownership by individuals***

- Business must be directly and unconditionally owned and controlled by at least 51% U.S. citizens - - - 13 CFR 126.200(b) (1)(i)
  - *Citizen* means a person born or naturalized in the United States. SBA does not consider holders of permanent visas and resident aliens to be citizens - - - 13 CFR 126.103
  - *Person* means a natural person - - - 13 CFR 126.103

# *Eligibility Requirements, Principal Office*

- Principal office must be located within a designated HUBZone
  - *Principal office* means the location where the greatest number of the concern's employees at any one location perform their work - - - 13 CFR 126.103
  - For concerns whose “primary industry” is service or construction, the determination of principal office excludes the concern's employees who perform the majority of their work at job-site locations to fulfill specific contract obligations - - - 13 CFR 126.103

# *Eligibility Requirements, employee residence*

- At least 35% of its employees reside in a HUBZone
  - Employee means all individuals employed on a full-time, part-time, or other basis, so long as that individual works a minimum of 40 hours per month. This includes employees obtained from a temporary employee agency, leasing concern, or through a union agreement or co-employed pursuant to a professional employer organization agreement --- 13 CFR 126.103
  - Volunteers ( *i.e.*, individuals who receive deferred compensation or no compensation, including no in-kind compensation, for work performed) are NOT considered employees --- 13 CFR 126.103
  - When determining the percentage of employees that reside in a HUBZone, if the percentage results in a fraction, round up to the nearest whole number --- 13 CFR 126.200
  - SBA defines *reside* means to live in a primary residence at a place for at least 180 days, or as a currently registered voter, and with intent to live there indefinitely --- 13 CFR 126.103

# ***Maintaining HUBZone Certification***

- 1. Notify SBA of any material change that may affect the firm's HUBZone status.**
  - a. Change in the firm's ownership
  - b. Change in the firm's business structure
  - c. Change in the firm's principal office
  - d. Change in the firm's 35% HUBZone residency status
  
- 2. Recertify HUBZone status every 3 years**

Although there is no limit to the length of time a firm may qualify as a HUBZone firm, the certification is not a lifetime certification. Every HUBZone firm must recertify every three years to SBA, indicating that it remains a "qualified" HUBZone SBC, 13 CFR § 126.500

**NOTE: SBA will initiate the recertification action.**

# Resources and Tools

Resources & Tools	Resources & Tools
<a href="#">HUBZone Maps</a> , 35% and PO calculator tool	<a href="#">13 CFR – Part 126 HUBZone Program</a>
<a href="#">SBA District Offices</a>	<a href="#">Small Business Development Centers (SBDC)</a>
<a href="http://WWW.SBA.gov/HUBZone">WWW.SBA.gov/HUBZone</a>	<a href="#">Procurement Technical Assistance Centers (PTAC)</a>
<a href="#">Electronic HUBZone Application</a>	<a href="#">SBA Size Standards</a>
<a href="#">GLS Registration</a>	<a href="#">Supporting Documentation</a>
<a href="#">SCORE</a>	<a href="#">HUBZone Certification</a>

# *Resources and Tools*

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# DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

## DLA Land and Maritime

# 8(a) and HUBZone Contracting at DLA Land and Maritime

The logo of the Defense Logistics Agency (DLA) is centered in the background. It features a bald eagle with its wings spread, perched atop a shield with vertical red and white stripes. Above the eagle is a yellow banner with the word "LOGISTICS" in blue. The entire emblem is set against a light blue globe with a grid of latitude and longitude lines. The globe is partially obscured by the large text in the foreground.



# DLA Land and Maritime HUBZone 100 Program



- **HUBZone 100 Project begin FY16 - intensive outreach effort identifying 100 new HUBZone companies**
- **The Office of Small Business Programs works with HUBZone firms to:**
  - *Increase our HUBZone Industrial Base*
  - *Identify National Stock Number (NSNs) of interest*
  - *HUBZone Set-asides <http://www.dla.mil/LandandMaritime/Business/Small-Business/>*
  - *Understand the acquisition process*
  - *Subcontracting opportunities*
- **HUBZone questionnaire “HUBZone Talkback:**
  - *Establish excellent customer relations*
  - *Permits feedback areas of concern / Rate how we are doing*
- **Training:**
  - *PTAC (Procurement Technical Assistance Centers)*
  - *TKO (Training Knowledge and Opportunities) (<http://www.dsccl.dla.mil/news/events/tko>)*
  - *Webinars: F.A.T, DIBBs RPPOB*
- **HUBZone Supplier Expectations:**
  - *Meet the requirements of drawing and specifications*
  - *PPIRS (Past Performance Information Retrieval System) [www.ppirs.gov](http://www.ppirs.gov)*
  - *Quote fair and reasonable prices*



# HUBZone



**HUBZone 3% Goal**



# The 8(a) Program



- **Introduction: New 8(a) Contractor:**
  - Use a check list to ask questions i.e. manufacturer or dealer
  - Type of machines, make sure it's understand vendors are to be small businesses, etc.
- **Graduated 8(a) Contractors**
  - Dynamic Small Business Search, NAICS codes, market research
- **8(a) Spreadsheet**
  - 8(a) contractor and their cage code, AMC/AMSC code, nomenclature, certifications
  - Open 8(a) NSNs
  - Small Business web site (<http://www.dla.mil/LandandMaritime/Business/Small-Business/>)
  - Other tabs
- **Dummy Solicitation in cFolders to View Drawings**  
(OPEN8ANSNS72015\*/all in CAPS)
- **Coordinate with Small Business Technical Advisor**
  - Coordinate with first line supervisors and directors for that NSN
  - Put NSN in the 8(a) spreadsheet and put data trailer sheet.
- **Site Visits**
  - Coordinate with the Industrial Specialist
- **Training: 8(a), 2579s**



# Thank You!



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