



U.S. Small Business
Administration

SBA's Three Cs & a D

Capital

- Loan Guarantee Programs: 7(a) Loans & 504 Loans
- Small Business Investment Company (SBIC) Program
- Grants: Small Business Innovation Research (SBIR) & Small Business Technology Transfer (STTR) Programs
- Surety Bond Program

Contracting

- Small Business Contracting Support
- Socio-Economic Programs
- Size Standards
- Certificates of Competency Program (COC)

Counseling

- SBA Field Network
- Small Business Development Centers (SBDC)
- Women's Business Centers (WBC)
- SCORE
- Veteran's Business Outreach Center (VBOC)
- Procurement Technical Assistance Centers (PTAC)

Disaster

- Economic Injury Disaster Loans
- Business Physical Disaster Loans
- Home Physical Disaster Loans

8(a) Business Development Program

(Sec. 204 of Public Law 100-656)

- A nine year business development program created to help provide a level playing field for small businesses owned by socially and economically disadvantaged people or entities
- Benefits
 - Compete for set-aside and sole source contracts
 - Get a Business Opportunity Specialist to help navigate federal contracting
 - Form joint ventures with established businesses through the SBA's mentor-protégé program
 - Receive management and technical assistance, including business training, counseling, marketing assistance, and high-level executive development

8(a) Business Development Program Eligibility Requirements

- A small business per SBA size standards
- Not have already participated in the 8(a) Program
- 51% owned and controlled by both socially **and** economically disadvantaged individual(s) who are U.S. citizen(s)
- All of the firm's principals must demonstrate good character
- In business at least two years to demonstrate potential for success



Socially Disadvantaged

- Under federal law, socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identification as members of groups without regard to their individual qualities. These include:
 - Black American
 - Asian American/Pacific Islander
 - Hispanic American – includes Spanish & Portuguese descent
 - Native American
 - Subcontinent Asian American

Members of Non-Designated Groups

- Must establish social disadvantage on the basis of the “preponderance of the evidence” such as:
 - Rejection letters from job applications
 - Denials on credit applications
 - Rejection of contract offers, i.e. Bids Abstracts or Solicitations
 - Personnel Records
 - Payroll Records



Economically Disadvantaged

- Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities
- Economic Thresholds
 - Assets cannot exceed \$4 million
 - Personal income cannot exceed \$750,000, averaged over 3 years
 - Personal net worth must be less than \$750,000
 - Minus equity in primary residence
 - Minus equity in business
 - Minus eligible retirement accounts



8(a) Firm Ownership

- At least 51% unconditional ownership by the disadvantaged individual(s)
 - Partnership: Partnership agreement must reflect 51% unconditional ownership
 - Limited Liability Company: Operating agreement must show the disadvantaged individual(s) own(s) at least 51% of each class of member interest
 - Corporation:
 - Disadvantaged individuals must own at least 51% of each class of voting stock and at least 51% of all outstanding stock
 - Stock options held by non-disadvantaged individuals will be viewed as if they have been exercised

8(a) Firm Management & Control

- Partnership: Partnership agreement must reflect unconditional management by disadvantaged partner(s)
- Limited Liability Company: Operating agreement must demonstrate that one or more disadvantaged individuals serve as management members with unconditional control
- Corporation: One or more disadvantaged individuals must control the Board of Directors



What Constitutes Control?

- The disadvantaged individual(s) must:
 - Hold the highest position of President or Chief Executive Officer, Managing Partner, or LLC Managing Member
 - Be the highest compensated individual
 - Have the ability to hire and fire
 - Set policies
 - Have the ability to commit firm to contracts
 - Have the ability to the control budget and financial disbursement

Potential for Success

- Two Year Rule: proof of two full years of operations in the firm's primary industry as verified by revenues reported on the two most recent years of Federal business tax returns
- Financial capability: sufficient capital, financial performance, manageable debts, bonding capacity
- Managerial and technical experience of the firm's managers
- Performance on previous contracts
- Firm has the necessary personnel, licenses, certifications, facilities, equipment, etc. to perform on contracts

Application Process for the 8(a) Program

- Register in the System for Award Management (SAM), www.sam.gov
- Create an SBA account, <https://certify.sba.gov>
- Complete the online application
- Upload supporting documentation from the [8\(a\) Initial Documentation Checklist](#)
- Assistance Available
 - SBA District Offices
 - www.sba.gov/8a
 - Procurement Technical Assistance Center (PTAC)



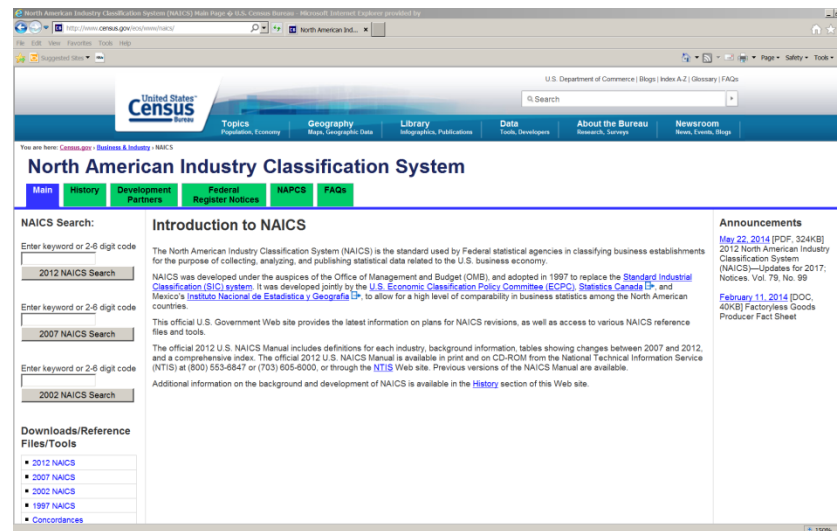
Why Sell to the Federal Government?

- The U.S. government is the largest single purchaser of goods and services in the world, awarding approximately \$500 billion in contracts every year
- 23% of prime contracts are designated for small businesses:
 - Small Disadvantaged Business/8(a) (SDB) - 5%
 - Small Women-Owned Business (WOB) - 5%
 - HUBZone Small Business – 3%
 - Service-Disabled Veteran-Owned Small Business (SDVOSB) - 3%



Define Your Products and Services

- The federal government uses the North American Industry Classification System (NAICS) to identify products and services, <http://www.census.gov/eos/www/naics/>
- The Department of Defense (DoD) uses the Federal Supply Group and Class (FSG/FSC), https://www.acquisition.gov/PSC_Manual



Marketing to Federal Agencies & Prime Contractors

- Identify your customers - who buys what you sell?
 - Federal Procurement Data System (FPDS), <https://www.fpds.gov/>
 - USA Spending, <http://www.usaspending.gov/>
 - Identify & build relationships with the agencies' procurement staff and small business specialists
 - Visit agency websites to learn how they do business, their mission, their small business goals, where they post their opportunities, etc.
 - Identify federal prime contractors
 - SBA's Sub-Net: https://eweb1.sba.gov/subnet/client/dsp_Landing.cfm
 - DoD Prime Contractors: <http://www.acq.osd.mil/osbp/sb/dod.shtml>
 - GSA Contractor List: <http://www.gsaelibrary.gsa.gov/ElibMain/contractorList.do>
 - Reach out to large prime contractor's for subcontracting opportunities
 - SAM Profile Government Business POC
 - Company Website: Small Business Liaison Officers (SBLO) or Diversity Manager

Prepare a Quality Capabilities Statement

- Outline your firm's management, technical and business strengths
- Statement should include:
 - Capabilities & skills – list your NAICS codes
 - Past performance history, customers and projects
 - Awards & commendations
 - Certifications
 - Contact Information
 - Photos (optional)
- Send out your Statement electronically – follow up with a phone call
- Update regularly



Find Contract Opportunities

- Identify Contract Opportunities:

-  for federal contracting opportunities:

- FedBizOpps: <https://www.fbo.gov> - utilized by all federal agencies for solicitations over \$25K
 - Look for set-aside contracts for which your firm qualifies
 - Respond to Sources Sought and Pre-Solicitations
 - FedConnect: <https://www.fedconnect.net> - utilized by DOE, DHS, HUD, DOI, EPA, SBA, & SSA

- For Smaller Requirements:

- Visit Acquisition Central's Business Zone for federal agency small business information, business opportunities & contracting forecasts, https://www.acquisition.gov/?q=Business_Zone
 - Contact federal agencies' Small Business Specialists at their Office of Small Disadvantaged Business Utilization (OSDBU)
 - Accept Government credit cards for micro-purchases
 - DoD Agencies = \$5K; \$10K for contingency ops, etc.
 - Civilian Agencies = \$10K; \$20K for contingency ops, etc.

U.S. Small Business Administration

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