

# Federal Contracting Certifications



*What certifications should I get?*

*What can they do for my business?*

*Why are they important?*

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



# U.S. Small Business Administration

- Created in 1953 – to aid, counsel, assist and protect small business
- 28 million small businesses in the U.S. – **335,000 small businesses** here in OR.
- District Office covers Oregon and SW Washington
  - [sba.gov/or](https://sba.gov/or)
- Helps small businesses through Counseling, Capital, Contracting, Advocacy and Disaster Assistance

# Small Business Counseling and Technical Assistance

- Counseling, Mentorship and Technical Assistance
- Nationwide network of Resource Partners in SBA Portland District:
  - 21 **S**mall **B**usiness **D**evelopment **C**enters
  - 5 **SCORE** Chapters
  - **W**omen's **B**usiness **C**enter
  - **V**eterans **B**usiness **O**utreach **C**enter
- 739,616 clients were counseled and trained across the country – More than **9,000** individuals in OR and SW WA.

# Small Business Capital

- Not a direct lender – guarantees portions of loans for lenders
- \$30.3 billion supporting 609,437 jobs
- In the district, back-to-back record years in lending – 835 loans totaling \$428 million
- 60 active lenders in the district
- Technical assistance and support with the loan process

# The Affordable Care Act was enacted on March 23, 2010

## Before ACA, Small Employers Faced Many Obstacles to Covering Workers

- Too few choices
- Higher premiums and unpredictable rate increases
- Higher rates for groups with women, older workers & those with chronic health concerns or high-cost illnesses, in most states
- Waiting periods or no coverage for individuals with Pre-Existing Conditions

## Today, under ACA, insurance companies:

- Face limits on administrative spending – Most insurers must now spend at least 80 percent of consumers' premium dollars on actual medical care
- Must disclose and justify proposed rate hikes of 10% or more, which states or the federal government may review

# Understanding How the Affordable Care Act Affects You, Your Business, and Your Employees

Is my business, or one of my employees, eligible for a tax credit?

Am I, or my employees, eligible to purchase plans through the new Health Insurance Marketplace?

How do I know if I am subject to the employer shared responsibility provisions that took effect in 2015?

What does it mean if I have 50 or more employees and am subject to the employer shared responsibility provisions?

# Small Business Resources for the Affordable Care Act

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

[business.USA.gov/healthcare](http://business.USA.gov/healthcare)

[healthcare.gov](http://healthcare.gov)

[wahbexchange.org](http://wahbexchange.org)

# **Federal contracts**

## **– a large potential source of work**

**In FY2015, \$350 billion nationwide,  
\$1.17 billion in Oregon**

**Top 5 Federal agencies buying in Oregon:**

*~Data in progress~*



# Federal Agencies prioritize buying from Small Businesses

Mandated by Congress, regulation and agency policies

- At least 23% of contracts must go to small businesses
- Annual goals for various small businesses of certain socio-economic groups (e.g., HUBZone, 8(a), Women-Owned, Service-Disabled Veterans )
- Goals similar to those in the State and local government sectors.
- Agencies must set aside certain contracts for only small businesses or HUBZone businesses (allows these firms to compete in a smaller pool)
- 8(a), HUBZone and WOSB certified firms can potentially be awarded contracts non-competitively

# ***HOW TO do business with the Federal government***

1. Determine which agencies buy your product or service.
2. Obtain a Dun & Bradstreet number.
3. Register your firm on [www.SAM.gov](http://www.SAM.gov).
4. Obtain any **certifications** you are qualified for (Women-Owned, Small Disadvantaged Business, Veteran Owned Small Business, HubZone, etc.) Visit [www.sba.gov/WOSB](http://www.sba.gov/WOSB), [/SDB](http://www.sba.gov/SDB), [/VOSB](http://www.sba.gov/VOSB), etc.
5. Market your firm with agencies that buy your product or service.
6. Seek bidding opportunities on [www.fbo.gov](http://www.fbo.gov).

# Find out who buys your product/service

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



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



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



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



# 8(a) Business Development Program



*A 9-year business assistance program to help entrepreneur gain access to the economic mainstream of US society and gain a foothold in government contracting.*

# 8(a) Program Eligibility Criteria

- 2 Years in Business
- Be a Small Business
- Owner is Socially & Economically Disadvantaged
- U.S. Citizen
- 51% or More Ownership
- Good Character

# Firms with less than 2 Yrs. in Business may still qualify if:

- Have substantial and demonstrated business management experience;
- Demonstrated technical expertise;
- Adequate capital to carry out its business plan;
- Successful performance on contracts from governmental and nongovernmental;
- Ability to obtain personnel, facilities, equipment, and any other requirements needed to perform such contracts.

# What is a “Small Business”?

Size is determined either by:

- **average annual receipts over the last 3 years (service/construction) or**
- **# of employees (manufacturers, dealers, wholesalers)**

*See [www.census.gov/eos/www/naics](http://www.census.gov/eos/www/naics) for a list of industries and their small business size standards.*



## **Socially Disadvantaged Individuals:**

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.





# Socially Disadvantaged groups as defined for SBA programs:

- 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.**

## What is “Preponderance”?

Substantial proof that the individual experienced prejudice or bias due to their identity as a member of a group. Females working in a male-dominated industry can often demonstrate a preponderance of evidence.



# Determining Factors of “Preponderance”

- Disadvantage may stem from race, ethnic origin, gender, physical handicap, long term environmental isolation, or other similar causes;
- Must have personally suffered disadvantage in the United States;
- Must be substantial & chronic;
- Must have negatively impacted on business advancement

# Economically Disadvantaged



Economically Disadvantaged individuals are socially disadvantaged persons whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit.

# Net Worth Criteria

After excluding the individual's equity in the firm and equity in the primary residence, net worth may not exceed **\$250,000.00**

## Assets

Minus

- Equity in Business
- Equity of Primary Residence
- Retirement accounts having penalty for removal

Equals

Net Worth (Not to exceed \$250,000)



# The Disadvantaged Individual must:

- Hold the position of President or Chief Executive Officer, Managing Partner or LLC Managing Member
- Be the highest compensated individual
- Have managerial/technical expertise
- Have the ability to:
  - Hire and Fire
  - Set Policies
    - Commit firm to contracts
    - Control Budget and Financial Disbursement
- Devote Full-time to the operation

# Benefits of the 8(a) Business Development Program

- **Business Development Assistance**
- **Sole Source & Competitive 8a Contracting Opportunities**
- **Mentor/Protégé Opportunities**
- **Joint Venturing Opportunities**

# Small Disadvantaged Business (SDB) Program





# What is the Small Disadvantaged Business Program?

Program created to provide help to businesses owned by socially disadvantaged individuals in obtaining Federal contract work, including opportunities with larger Prime Contractors.



Firms can **Self-Certify** their SDB status provided they meet the eligibility requirements.

# SDB Eligibility Criteria

Firms must be -

- A Small Business
- Owned by Socially & Economically Disadvantaged individual(s) (personal net worth less than \$750k)
- Owned by U.S. Citizen(s)
- Owner must have 51% or more ownership
- Owner must have Good Character

# Benefits of the SDB Program

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- Federal Agencies & Prime Contractors use goals to promote subcontracting opportunities to SDB firms.
- Large Federal Prime Contractors with subcontracting plans will receive credit when using SDB certified firms as subcontractors.

# HUBZone Certification Program

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# What is the HUBZone Contracting Program?

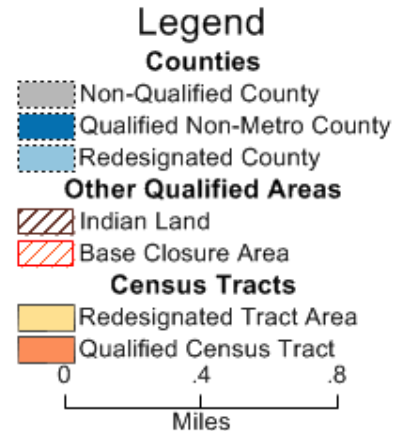
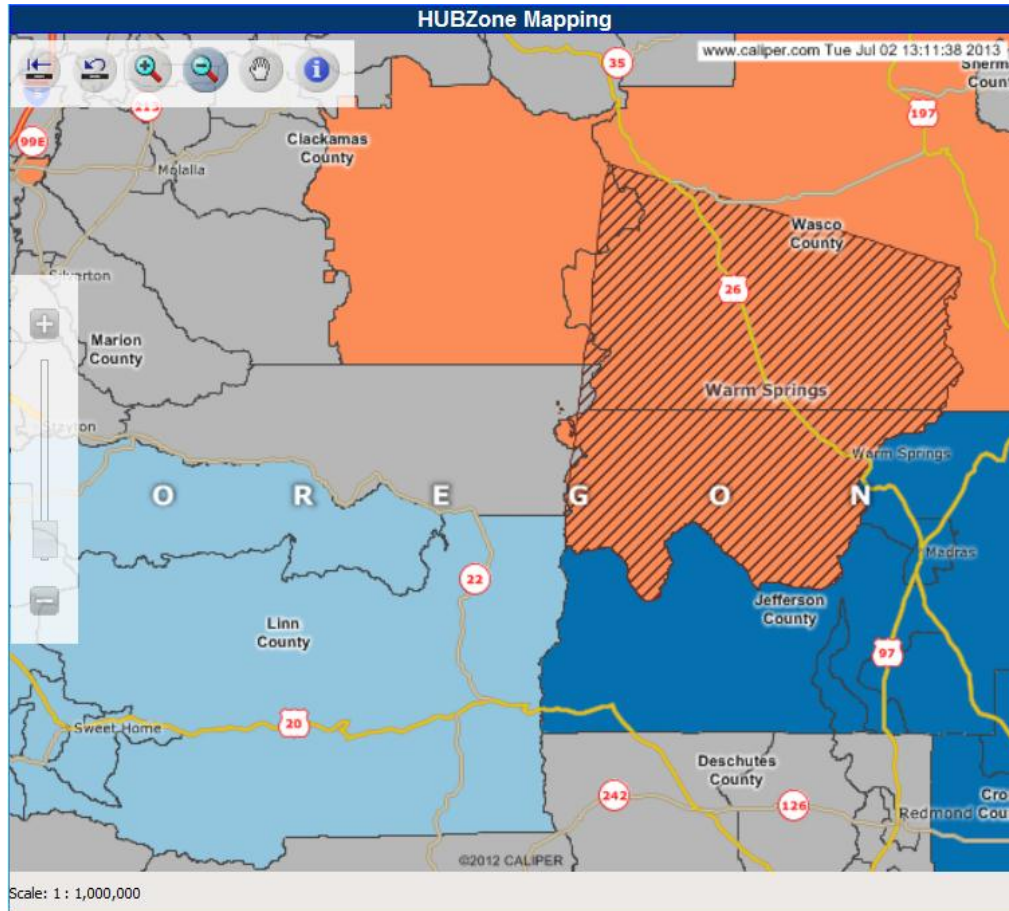
A certification program created to provide a smaller competitive pool for firms located in economically stressed areas. More Federal contract opportunities can lead to increased employment in urban and rural communities.



# HUBZone Eligibility Criteria

- Firm must be a Small Business;
- Owned & controlled by a U.S. Citizen
- Principal office must be located within a HUBZone, which includes lands on federally recognized Indian reservations;
- At least 35% of its employees must reside in a HUBZone (does not have to be the same HUBzone the firm is located in)

# Are You In a HUBZone?



Check the HUBZone maps at [www.sba.gov/hubzone](http://www.sba.gov/hubzone)

# Benefits of the HUBZone Contracting Program

- Federal contracting opportunities – Sole Source, Competitive, Full & Open, 10% Preference, and subcontracting opportunities.
- Eligible HUBZone firms may qualify for SBA-guaranteed surety bonds on construction and service contract bids.
- Firms in federal empowerment zones and enterprise communities may also benefit from various tax incentives.
- Large Federal Prime Contractors with subcontracting plans will receive credit when using HUBZone certified firms as subcontractors.





# Women-Owned Small Business (WOSB) Federal Contract Program



# What is the Women-Owned Small Business Program?

## *Overview*

The Women-Owned Small Business (WOSB) program authorizes Contracting Officers to **set aside certain federal contracts** for eligible:

- Women-Owned Small Businesses (WOSBs) or
- Economically Disadvantaged Women-Owned Small Businesses (EDWOSBs)

*The Federal government must award 5% of its prime contracting dollars to WOSBs*

## *Impact*

**Levels the playing field for WOSBs** to compete for and win federal contracts

- Provides **procuring agencies** a tool to help **meet their WOSB contracting goal**
- Ultimately, the program helps **create and retain more jobs for WOSBs**

# Eligibility Requirements for WOSBs

- ☐ Meet **small business size standard** for primary NAICS code and contract
- ☐ At least **51% unconditionally and directly owned by women** who are **U.S. citizens\***
- ☐ The woman must manage the **day-to-day operations**
- ☐ The woman must make the **long-term decisions** for the business
- ☐ A woman must **hold highest officer position**
- ☐ The woman must work at the business **full-time during normal working hours**
- ☐ **No minimum amount of time** the business has been operational

\*Community property laws are not considered when looking at ownership.

# WOSB Sole Source Contract Opportunities!

- **As of 10/1/15, Federal agencies have the authority to do sole source (non-competitive) contracts with WOSB firms.**
- Sole source contracts can be made for work in industries where WOSBs or EDWOSBs are underrepresented if 1) the WOSB/EDWOSB is a responsible contractor, 2) the agency does not have reasonable expectation that 2 or more WOSBs/EDWOSBs will submit offers, 3) the anticipated contract price is less than \$6.5 for manufacturing or \$4.0 for non-manufacturing work and 4) award is expected to be made at a fair & reasonable price.

# WOSBs & EDWOSBs are considered equal in priority to other SB groups



**Procurements valued between \$3,000 and the Simplified Acquisition Threshold (\$150,000)**

## **#1 Priority**

**Small business, which includes HUBZone or 8(a) or SDVO SB or WOSB/EDWOSB**

## **#2 Priority**

**Full and open competition (unrestricted; not set aside for one of the five major small business prime contracting programs)**

**Procurements valued over the Simplified Acquisition Threshold (\$150,000)**

## **#1 Priority**

**Consider HUBZone or 8(a) or SDVO SB or WOSB/EDWOSB first**

## **#2 Priority**

**Small business Set Aside**

## **#3 Priority**

**Full and Open competition (unrestricted; not set aside for one of the five major small business prime contracting programs)**

# Eligibility Requirements for EDWOSBs

Same requirements as WOSBs (on previous page) PLUS:

- ☐ **Personal net worth** (assets minus liabilities) **is less than \$750,000** excluding:
  - Ownership in business and primary personal residence
  - Income reinvested or used to pay taxes of business
  - Funds reinvested in IRA or other retirement account\*
  - Transferred assets within two years if to or on behalf of immediate family member for select purposes\*\*
- ☐ **Adjusted gross income average over three years is \$350,000 or less** excluding:
  - Income reinvested or used to pay taxes of business
- ☐ **Fair market value of assets is \$6 million or less** excluding:
  - Funds reinvested in IRA or other official retirement account



\* Must be IRA or other official retirement account that is unavailable until retirement age without significant penalty

\*\* Select purposes are for that individual's education, medical expenses or other essential support or to family member in recognition of special event

**Note:** SBA will look at a spouse's finances if the spouse has a role in the WOSB/EDWOSB, has lent money to or provided financial support (including credit or guarantee of loan) to the business. SBA may also look at spouse's finances if both spouses are in same or similar line of business and businesses share names, websites, equipment and employees.

# How to Certify as a WOSB or EDWOSB

There are two ways:

## Self Certification

- Free, no cost
- You compile and upload all required documents to the SBA WOSB/EDWOSB repository
- Register in SAM as a WOSB or EDWOSB

## Third Party Certification\*

- Usually some cost involved, varies by the third party organization.
- Provide your documents/information to the third party certifier
- Obtain WOSB/EDWOSB certification from the third party certifier
- Register in SAM as WOSB or EDWOSB
- Compile and upload all required documents to the repository

# Third Party Certifiers for WOSB Certification

SBA only recognizes the four organizations below as WOSB/EDWOSB 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](#)

Firms may use a Third Party Certifier to demonstrate eligibility for the program, **or** may self-certify. Regardless of how a firm obtains the certification, firms are still subject to the same eligibility requirements to participate in the program.



# What documents do I need to upload in the WOSB Repository?

## Self Certification

- Birth certificates, naturalization papers, unexpired passports to verify U.S. citizenship
- Copy of JV agreement (if applicable)
- Copy of WOSB/EDWOSB Certification (OMB-approved form)
- DBA certificate (if applicable)
- Corporate information relating to verifying ownership by a woman or women
- EDWOSBs: All of above and SBA Form 413, Personal Financial Statement for the woman claiming economic disadvantage.

## Third Party Certification

- Copy of Third Party Certification from an SBA Approved Third Party Certifier
- Copy of JV agreement (if applicable)
- Copy of WOSB/EDWOSB Certification (OMB-approved form)

There is a Checklist in the back of the Contracting Officer's Guide that lists the documents to look for:

### WOSB Program Repository Checklist – WOSB Set-Aside

#### Has the Apparent Successful Offeror Provided the Following:

##### I. WOSBs/EDWOSBs – Third Party Certification

If the WOSB or EDWOSB has received a Third Party Certification then it must have provided the following to the WOSB Program Repository at the time of initial offer and prior to contract award.

1. Copy of the Third Party Certification showing it received the Third Party Certification prior to initial offer and that the Third Party Certifier is an approved SBA Third Party Certifier

Date initial offers due \_\_\_\_\_

Date of Third Party Certification \_\_\_\_\_

☐ Yes ☐ No

2. Copy of a joint venture agreement IF the offeror has submitted the offer as a joint venture

☐ Yes ☐ No ☐ N/A

3. Signed copy of the Women-Owned Small Business Program Certification (WOSB or EDWOSB)

☐ Yes ☐ No

##### II. WOSBs-Self Certification

If the WOSB or EDWOSB is self-certifying as a WOSB, then it must have provided the following to the WOSB Program Repository at the time of initial offer and prior to contract award. If the WOSB or EDWOSB has submitted a Third Party Certification then you do not need to complete this section – complete section I above.

1. Copies of birth certificates, Naturalization papers, or unexpired passports for owners who are women

The women owners are: \_\_\_\_\_

Documents have been provided for all of the above

# Apply for These Programs Online



[www.sba.gov/8a](http://www.sba.gov/8a)

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

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

# Need more help with certifications?

**Visit our website:** [www.sba.gov/contracting](http://www.sba.gov/contracting) for information and links to specific federal contracting programs, regulations and application/certification instructions.

**Visit or Contact a Local Small Business Resource:**

- ▶ Women's Business Center at Mercy Corps NW:  
<https://www.mercycorpsnw.org/business/womens-business-center/>
- ▶ Small Business Development Centers (SBDCs)
  - Find your local center at: <https://www.bizcenter.org/> in Oregon or
  - <http://wsbdc.org/> in Washington
- ▶ Procurement Technical Assistance Centers
  - In Oregon: [www.gcap.org](http://www.gcap.org)
  - In Washington: [www.washingtonptac.org](http://www.washingtonptac.org)

**Questions?**

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

# We Want You To Grow and Succeed



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