



U.S. Small Business
Administration

Federal Contracting 101

Federal Contracting Facts

- The world's largest buyer of goods and services is the Federal Government, with purchases totaling more than \$500 billion per year.
- Contracts exist for every item imaginable, from paper clips to armored tanks.
- Federal agencies are required to establish contracting goals, with at least 23 percent of all government buying targeted to small firms.
- A product or service regularly purchased by the federal government. percent of all government buying targeted to small firms.

Prime Contracting Government-wide Procurement Goals

- Small Business (SB) - 23%
- Small Disadvantaged Business (SDB) - 5%
- Women-Owned Small Business - (WOSB)- 5%
- HUBZone Small Business – 3%
- Service-Disabled Veteran-Owned SB (SDVOSB) - 3%

First Things First– Get Registered

- **Obtain a Dun & Bradstreet (DUNS) Number**
 - www.Fedgov.dnb/webform
 - Unique nine-digit identification number for each physical location of your business
 - Free of charge
- **Register with the System of Award Management (SAM)**
 - www.sam.gov
 - SAM is a new database system where the following have been migrated:
 - Central Contractor Registry (CCR)
 - Federal Agency Registration (Fedreg)
 - Online Representations and Certifications Application (ORCA)
 - Excluded Parties List System (EPLS) Primary database of vendors doing business with the federal government
 - Marketing Tool
 - SAM allows Government agencies and contractors to search for your company based on your ability, size, location, experience, ownership, and more.
 - Refine & revise your profile regularly. Make sure you are “Active”.
 - You won't get paid without it

First Things First – Get Registered

- **North American Industry Classification System (NAICS Codes)**

www.census.gov/eos/www/naics

- The standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy
- Activity based
- Determines “size” standard
- Procurement contracting officers assign NAISC codes to their opportunities
- Register **ALL** the NAICS codes that describe what you do, can do, or would like to do as a prime or subcontractor

- **Prepare a Quality Capability Statement**

- Outlines your management, technical, and business strengths
- Specific capabilities & skills
- Past performance history
- Awards and recognition
- Resumes of key personnel
- Maintain it. Update it. Request feedback on it!!
- This is your “Elevator Speech” on paper

SBA Certifications

- **8(a) Business Development Program**
 - Electronic Application Process
- **Historically Underutilized Business Zone (HUBZone)**
 - Electronic Application Process
- **Service Disabled Veteran Owned Small Business (SDVOSB)**
 - Self-Certification in SAM
- **Women Owned Small Business (WOSB) Certification**
 - Self-Certification in Certify (www.certify.sba.gov) or Third Party Certifiers
- **Economically Disadvantaged Woman Owned Small Business (EDWOSB)**
 - Self-Certification in Certify (www.certify.sba.gov) or Third Party Certifiers

8(a) Business Development Program

• What is the 8(a) BD Program?

- www.sba.gov/8abd
- 9 year business development program
- Business assistance program for small disadvantaged businesses.
- Offers a broad scope of assistance to firms that are owned and controlled at least 51% by socially and economically disadvantaged individuals.

• Benefits of the Program

- Participants can receive sole-source contracts
 - \$4 million for goods and services
 - \$6.5 million for manufacturing
- Assists 8(a) firms in building their competitive and institutional know-how, they are also encouraged to participate in competitive acquisitions (www.fbo.gov).
- Specialized business training, counseling, marketing assistance, and high-level executive development provided by the SBA and our resource partners.
- 8(a) participants also may receive assistance in obtaining access to surplus government property and supplies, SBA-guaranteed loans, and bonding assistance for being involved in the program.

8(a) Business Development Program - Eligibility

- The individual(s) must be an American citizen, by birth or naturalization.
- At least 51% owned and controlled by socially and economically disadvantaged individual(s).
 - Socially disadvantaged groups include:
 - Black American, Hispanic American, Native American, Asian Pacific American, Subcontinent Asian American
 - Economically disadvantaged businesses must have:
 - Net worth below \$250K (excludes the individual's equity in the firm and in the primary residence)
- The business must be a small business.
- In business at least 2 years (to demonstrate potential for success)
- The principals must show good character.
- A product or service regularly purchased by the federal government.

Historically Underutilized Business Zone (HUBZone) Program

• What is the HUBZone Program?

- www.sba.gov/hubzone
- Provides “place-based” opportunities for federal prime contract and subcontract benefits.
- The program encourages economic development in historically underutilized business zones.

• Benefits of the Program?

- Participants can receive sole-source contracts
 - \$4 million for goods and services
 - \$6.5 million for manufacturing
- Participants can receive competitive contracts (www.fbo.gov).
- 10% price evaluation preference in full and open contract competitions, as well as subcontracting opportunities.
 - The offer of the HUBZone small business will be considered lower than the offer of a non-HUBZone/non-small business-providing that the offer of the HUBZone small business is not more than 10 percent higher.

Historically Underutilized Business Zone (HUBZone) Program Eligibility

- Must be a small business.
- Must be owned and controlled only by US Citizens, Community Development Corporation or Indian Tribes.
- The principal office must be located in a HUBZone.
 - High-unemployment, low-income areas in economically distressed communities, referred to as, to promote job growth, capital investment and economic development in these areas, including Indian reservations.
 - HUBZone Map: www.sba.gov/hubzone-maps
- At least 51% owned and controlled by US Citizens or an Indian tribe.
- At least 35% of the concerns employees must reside in any HUBZone.

Service-Disabled Veteran-Owned Small Businesses (SDVOSB)

- Self-Certification through SAM
 - DD 214
- VA determines Service Disability
 - SBA determines size, if protested
- No term limits – no need to apply or reapply
- Competitive and sole-source contracts

QUESTIONS?

- **Veterans Business Outreach Center (VBOC)**
Domonique Juleon, VBOC Project Director
Business Impact NW
1437 S. Jackson Street
Seattle, WA 98144
Tel: (206) 324-4330 ext. 139
Email: domoniqueJ@BUSINESSIMPACTNW.ORG or
info@businessimpactnw.org
<http://businessimpactnw.org/home/vboc/>

Women Owned Small Business (WOSB) Economically Disadvantaged Women Owned Small Business (EDWOSB)

• What is the WOSB & EDWOSB Contracting Program?

- www.sba.gov/wosb
- Self-Certification through www.certify.sba.gov or SBA approved 3rd party certification
- 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.

Women Owned Small Business (WOSB) Eligibility

- **WOSB Requirements:**

- Must be an American citizen, by birth or naturalization.
- At least **51% unconditionally and directly owned by women.**
- 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

Economically Disadvantaged Women Owned Small Business (EDWOSB) Eligibility

- **EDWOSB Requirements:**

WOSB Requirements Plus

- Net worth not to exceed \$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***
- Average three income not to exceed \$350,000 excluding:
 - Income reinvested or used to pay taxes of business
- Fair market value of assets not to exceed \$6 million excluding:
 - Funds reinvested in IRA or other official retirement account

QUESTIONS?

Email: wosb@sba.gov

How to Identify Contract Opportunities

- **Self Market**
- **Research Who Buys What You Sell**
 - www.usaspending.gov
 - www.fpds.gov
- **Federal Business Opportunities (FedBizOpps) (FBO):**
 - www.fbo.gov
 - Exclusive official source to identify federal contracts over \$25,000.
 - Increased use of Sources Sought Notices in the FBO – Become familiar with and Respond to these notices. Pay attention to what specifically the agency is asking for in the notice.
 - Large contract awards and special notices - (e.g., procurement conferences) are also publicized in the FBO.
- **Federal Office of Small and Disadvantaged Business Utilization Directors Interagency Council**
 - <http://www.osdbu.gov/members.html>
- **SUB-Net**
 - www.sba.gov/sub-net
 - Database of subcontracting solicitations and opportunities posted by large prime contractors and other non-federal agencies.
 - Used by state and local governments, non-profit organizations, colleges and universities to post solicitations and identify small businesses.

Seek Help From Resource Partners

- **Procurement Technical Center (PTAC)** - <http://www.washingtonptac.org>
 - Provides assistance to business firms in marketing products and services to the Federal, state and local governments available at no or nominal cost.
- **Small Business Development Centers (SBDC)** - <http://www.wsbdc.org>
 - Provides one on one management assistance to small businesses.
- **Women's Business Centers (WBC)** - <http://www.nwwbc.org>
- **SCORE** - www.seattlescore.org
 - Get free & Confidential small business mentoring and advice (online and in-person mentoring) from Successful Business Advisors.



SBA Seattle District Office:

Ana Singh: Ranvir.singh@sba.gov , 206-553-7080

Rick Raushenbach: frederick.rauschenbach@sba.gov, 206-553-7346

SBA Spokane Branch Office:

John Dicus: john.dicus@sba.gov, 509-353-2513