



U.S. Small Business  
Administration

# Government Contracting for Small Businesses

NDIA Gold Coast August 6, 2018

John Engstrom & Jane “Lucy” Leu

## Opportunities for Small Businesses

- How many small businesses would like to do business with the federal government?
- How many small businesses would like to do business with the State of California?
- Are there any federal small business reps, contracting officers or State of CA SB/DVBE advocates in the audience?

## Mission Statement

- The SBA was created to provide financial, technical and management assistance to help Americans start, run and grow their business.
- Started in 1953 during President Eisenhower's administration.
- Although SBA has grown and evolved in the years since it was established in 1953, the bottom line mission remains the same. The SBA helps Americans start, build and grow businesses. Through an extensive network of field offices and partnerships with public and private organizations, SBA delivers its services to people throughout the United States, Puerto Rico, the U. S. Virgin Islands and Guam.

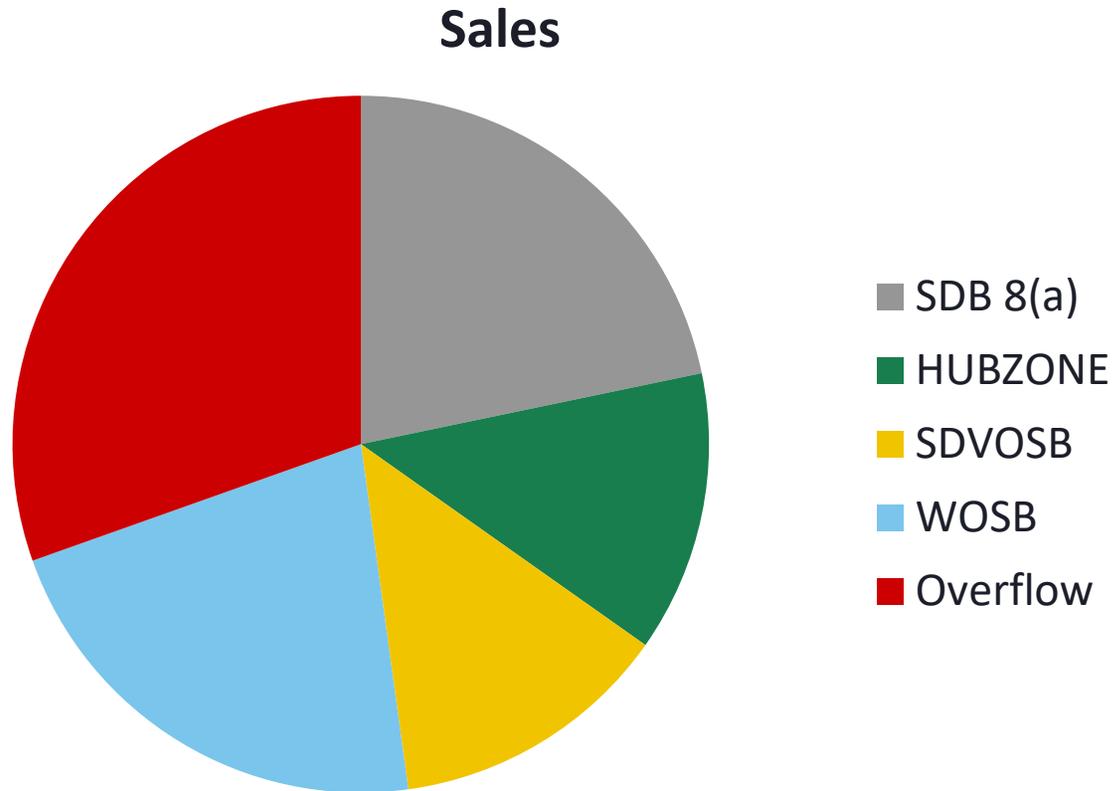
## Meet the San Diego BOS Team

- Carlos Liu – Lead BOS
- Merica Le – BOS
- John Engstrom - BOS

# SBA's Role in Government Contracting

- Work with federal agencies to award at least 23% of all prime government contract dollars to small businesses
- Help federal agencies to meet specific statutory goals for small businesses contracting programs – SDB, WOSB, SDVOSB and HUBZone
- Manage 8(a) Business Development Program

# Federal Mandate 23% to Small Businesses



# Government Wide Contracting Goals

2017 Government-wide Small Business Goaling Report	Goal %	2017 - %	2017 - \$B	2016 - %	2016 - \$B	2015 - %	2015 - \$B
SB	23	23.88	105.7	24.34	114.8	25.7	90.7
SDB	5	9.1	40.2	9.53	39.1	10.05	35.4
WOSB	5	4.71	20.8	4.79	19.7	5.05	17.8
SDVOSB	3	4.05	17.9	3.98	16.3	3.9	13.8
HUBZone	3	1.65	7.3	1.67	6.9	1.8	6.4

## Government Contracting Dollars in 2017

- \$442.6 Billion in federal government contracts awarded
- 23.88% of that equated to \$105.7 Billion for Small Businesses
- 9.1% of that equated to \$40.2 Billion for Small Disadvantaged Businesses
- 4.71 % of that equated to \$20.8 Billion for Woman Owned Small Businesses
- 4.05% of that equated to \$17.9 Billion for Service Disabled Veteran Owned Small Businesses
- 1.65% of that equated to \$7.3 Billion for HUBZone Businesses

## What have the 8(a) firms in San Diego Accomplished in FY 2017?

- \$919,901,962 in federal government contracts were awarded to 8(a) firms within the San Diego District in FY 2017

# SBA and Small Business Size Standards

- Established numerical definitions or “size standards” for all for-profit industry
- Applies to SBA’s financial and federal government procurement programs
- Authorized by statute as the sole agency for final size determination
- Examines primary industrial and economic factors in developing and revising the size standards
- North American Industry Classification System Codes (NAICS)

## Online Training Resources

- Series of free on-line contracting courses designed to help prospective and existing small businesses understand the basis about contracting or looking for ways to compete in the Government Contracting market
- More than 20 self-paced 30 minute courses
- 15 monthly (3 hour) webinars for 8(a) and HUBZone firms

## SBA Dynamic Small Business Search (DSBS)

- A small business profile linked with System of Awards Management (SAM)
- A powerful tool contracting officers use to identify potential contractors
- Small Businesses can use DSBS to identify other small businesses for teaming, mentor/protégé and joint venture

# SBA Dynamic Small Business Search (DSBS)

- Your profile will be your resume
- Address and Contact Info
- Certifications
- Capabilities Narrative
- NAICS Codes
- Keywords
- Performance History

CHARLES PATE	<a href="#">410 CREELMAN LN RAMONA, CA 92065-3543</a>	
<a href="#">Mech One &amp; MTM Builders a Joint Venture</a>	Laura Geist	<a href="#">1480 Frontage Rd Chula Vista, CA 91911-3912</a>
<a href="#">Acc3 International Incorporated INTELLIGENCE-TACTICS- LOGISTICS (ITL)</a>	Christian Lopez	<a href="#">5752 Oberlin Dr STE 211 San Diego, CA 92121-1747</a> <p>ACC3 International (ACC3) is an 8(a) certified, Service Disabled Veteran Owned ("SVDO"), minority-owned small business with offices in Falls Church, VA, San Diego, CA and Atlanta, GA. Since our founding, ACC3 has been hard at work listening, assessing and delivering solutions or exceeding client and partner expectations. With over twenty-years of experience leading and organizing successful engagements, ACC3's leaders are excellent at forming the right team or teams to bring our clients' peace of mind. We maintain the highest professional, strategy and technological ethics while delivering innovative solutions to our Partners and Clients. ACC3 Core Competencies: -Program Management and Support -Agile Delivery Process -Business Transformation Solutions -Process Management -Increased Operational efficiency - Requirements Analysis -Staffing Solutions (Medical, IT and Engineering) -Teleradiology Services -Pega Systems Development</p>

## Primary NAICS Codes of Our 105 8(a) Firms

- 236220 – 18
- 541330, 541512 & 541611 – 7
- 238220 – 6
- 237310 & 238990 – 5
- 518210 & 541511 – 3
- 238210, 238350, 561210 & 541620 – 2

## Only One of Our 8(a) Firms Have These NAICS Codes

- 236118, 236210, 237110, 238160, 238320, 238390, 238910, 323113, 323115, 332311, 334220, 423690, 424720, 425110, 442210, 444130, 453210, 532420, 541211, 541370, 541618, 541712, 541820, 541990, 561311, 561320, 561439, 561720, 561790, 562910, 611310, 712120, 713940, 722310, 811213, 811219

## What is the 8(a) Program?

- 9-year program that helps socially and economically disadvantaged small businesses obtain federal government contracts
- 1<sup>st</sup> 4 years are developmental
- Last 5 years are transitional where additional focus is placed on non 8(a) contracts.
- 15%, 25%, 35%, 45% and 55%

## How Can I Qualify for the 8(a) Program?

- Must:
- be a small business based on size by NAICS code and be in business for 2 years
- own at least 51% of business
- be U.S. citizen and business located in U.S.
- be determined to be socially disadvantaged 13 CFR 124.103 and economically disadvantaged 13 CFR 124.104 & Net worth < \$250K

# How to Certify for the 8(a) Program

- Before you can participate in the 8(a) business development program, you must be certified.
- To get certified as an 8(a) business, simply use the [certify.SBA.gov](https://certify.sba.gov) website. You'll need to have a profile at [SAM.gov](https://sam.gov) before you can use the certification website. The information you'll need to provide will vary based on your business structure and whether you're already participating in other SBA programs.
- After you successfully complete your certification process through [certify.SBA.gov](https://certify.sba.gov), you should update your business profile at [SAM.gov](https://sam.gov) to show contracting officers that your business is in the 8(a) program.
- You'll receive a letter in the mail informing you if your application was approved or not. If you're accepted into the program, your profile in the Dynamic Small Business Search will show your approval date and exit date for the program.
- Your certification will last for a maximum of nine years. You'll need to complete annual reviews to maintain your good standing in the program.

## How Can I Qualify for the HUBZone Program?

- Be a small business based on size by NAICS code and be in business for 2 years
- Owned & controlled at least 51%
- Be U.S. citizen and business located in U.S.
- Principal office must be located within a “Historically Underutilized Business Zone”
- At least 35% of its employees must reside in a HUBZone.

# How to Certify for the HUBZone Program

- Before you can participate in the HUBZone program, you must be certified by the SBA. Take these steps to get HUBZone certified.
- Make sure you have a [SAM.gov](#) account.
- Make sure you have a [General Login System](#) account.
- Apply for HUBZone certification using the [General Login System](#). Log in, select “Access” and then “HUBZone” before completing the prompts.
- Check your email for time-sensitive instructions to electronically verify your application within 10 business days.
- Submit any requested supporting documentation within 10 business days.
- Update your [SAM.gov](#) profile to indicate you are a HUBZone business after you get an email confirmation from the SBA.
- The information you’ll need to provide in the application will vary based on your business structure and whether you’re already participating in other SBA contracting programs. Read the instructions from the [General Login System](#) carefully to make sure you provide all the necessary information.
- You’ll need to re-certify for the HUBZone program every three years. There is no limit to the length of time a business can continue to re-certify as long as it continues to qualify.

## How to Become an SDVOSB

- Must be small based on NAICS code
- Must be at least 51% owned and controlled by one or more service-disabled veterans
- 1 or more SDV must manage daily operations of the SDVOSB & make long-term decisions
- Eligible veterans must have a service-connected disability

## How to Certify as an SDVOSB

- You can self-represent your business to the federal government as being owned by a service-disabled veteran. Simply update the socio-economic status section of your business profile at [SAM.gov](https://sam.gov).
- The Department of Veterans Affairs, which awards a large amount of contracts to veterans, [sets aside contracts](#) for veterans through their Veterans First Contracting Program. Their program is not the same as the SBA's program. To get access to set-aside Veterans Affairs contracts, your business must be verified through the [Vets First Verification Program](#).

## Types of Federal Veteran Owned Business Certifications

- VOB (federal) – Veteran Owned Business: No preference programs but can be used for marketing purposes and is self-certifying through SAM.
- VOSB (federal) – Veteran Owned Small Business: Preference program with the VA only and must be verified with the VA through VetBiz.
- SDVOSB (federal) – Serviced Disabled Veteran Owned Small Business: Preference programs with the federal government. Some agencies will require VA Verification through VetBiz.

# How to Certify With Federal Government

- Successfully register in <https://www.sam.gov/> and update socio-economic status of your business profile
- Successfully register with <https://www.vip.vetbiz.gov/>
- Complete the certification application and upload the required documents in <https://www.vip.vetbiz.gov/>

## How to Become a WOSB

- Be a small business based on NAICS code
- Be at least 51% owned and controlled by women who are U.S. citizens
- Have women manage day-to-day operations and also make long-term decisions
- To qualify as an economically disadvantaged business within the women's contracting program, your business must:
- Meet all the requirements of the women's contracting program
- Be owned and controlled by one or more women, each with a personal net worth less than \$750,000
- Be owned and controlled by one or more women, each with \$350,000 or less in adjusted gross income averaged over the previous three years
- Be owned and controlled by one or more women, each \$6 million or less in personal assets

## How to Certify as a WOSB

- Before you can participate in the women's contracting program, you must be either self-certified or third-party certified. Both methods will require you to use the [certify.SBA.gov](https://certify.sba.gov) website. You'll need to have a profile at [SAM.gov](https://SAM.gov) before you can use the certification website.
- After you provide your certification information through [certify.SBA.gov](https://certify.sba.gov), you should update your business profile at [SAM.gov](https://SAM.gov) to show contracting officers that your business is in the women's contracting program. The SBA doesn't send letters of certification for the women's contracting program.
- You'll need to update your certification information through both [SAM.gov](https://SAM.gov) and [certify.SBA.gov](https://certify.sba.gov) once a year to maintain your status with the program.

## Resources for Subcontracting

- Subcontracting to a Prime Contractor is a great way to "get a foot in the door" of government contracting
- Subcontracting Opportunities Directory - SBA obtains listing from subcontracting plans that are submitted to the Government when a large business receives a Federal contract over \$700,000.
- Sub-Net Database - a listing of subcontracting solicitations and opportunities posted by large prime contractors and other non-federal agencies  
[https://eweb1.sba.gov/subnet/client/dsp\\_Landing.cfm](https://eweb1.sba.gov/subnet/client/dsp_Landing.cfm)
- Used by state and local governments, non-profit organizations, colleges and universities to post solicitations and identify small businesses.

## How to Place an Offer on a Federal Government Contract

- <https://www.fbo.gov/>
- Must be registered in U.S. General Services Administration Federal Government Computer System, System for Award Management (SAM) [www.sam.gov](http://www.sam.gov)
- Once registered in SAM, and offer is submitted on federal contract, firm needs to complete online Representations & Certifications Application in SAM

## How Can I Find Out About Previously Awarded Federal Government Contracts?

- [https://www.fpds.gov/fpdsng cms/index.php/en/](https://www.fpds.gov/fpdsng/cms/index.php/en/)
- The agency
- The award winner
- \$ value
- Terms of contract
- Type of award
- Expiration date

## Procurement Center Representative (PCR) Primary Responsibilities

- Authority:
- FAR 19.402 – The SBA assigns a PCR to the various federal contracting activities.
- DFAR 219.401 – The agencies Small Business Professional/Specialist (SBP/S)
- Work to ensure federal government contracting dollars are awarded to small businesses, included those owned by women, disadvantaged individuals, service-disabled veterans and firms in the 8(a) and/or HUBZone Programs
- Support those people who support small businesses (SBP, KO, CS, Buyers)
- Guide small businesses to ensure they are capable, responsive, competitive ... basically, ensure they are well prepared to compete in the federal market place

## PCR Specific Responsibilities

- Review Small Business Coordination Records (DD Form 2579)
- Review pre-solicitation documents when there is bundling or consolidation involved
- Perform additional market research as may be necessary to support a possible SB set-aside
- Promote other small business socioeconomic programs
- Participate in acquisition strategy early in the process
- Review and advise on subcontracting plans
- Participate in PC small business outreach events
- Provide training both formal and informal to PC
- Counsel SB on opportunities at PCs
- Lead or participate in SBA Surveillance Reviews

## SBA Resource Partners

- SCORE
- Small Business Development Center (SBDC)
- Veterans Business Outreach Center (VBOC)
- Procurement Technical Assistance Center (PTAC)
- San Diego Center for International Trade Development (CITD)
- San Diego and Imperial Women's Small Business Center (WBC)

# SCORE

- [www.score.org](http://www.score.org) 858-283-1100 8825 Aero Dr. 101
- Free small business advice
- Low, or no-cost classes
- Downloadable business plan templates
- <http://www.score.org/resources/tab-a>
- Veteran Fast launch Initiative
- [www.score.org/vetsfastlaunch](http://www.score.org/vetsfastlaunch)

## Small Business Development Centers (SBDC)

- Two locations: Southwestern College in National City & Mira Costa College in Carlsbad
- Mission is to build, sustain and grow small businesses; promote small business development; and enhance local economies by creating businesses and fulfilling its mission of creating jobs

## Veteran Outreach Business Center

- Located at Mira Costa College in Carlsbad
- Mission is to provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business
- Pre-business plan workshops, business plan preparation, concept assessment, counseling

## Procurement Technical Assistance Center (PTAC)

- Located at Southwestern College in National City
- Mission is to provide technical assistance to businesses that want to sell products and services to federal, state, and/or local governments.
- Can assist with 8(a) application, writing proposals, training, counseling

## San Diego Center for International Trade Development (CITD)

- Located at Southwestern College in National City
- Mission is to provide value-added assistance to businesses and entrepreneurs to increase their capacity to export or import
- Networks directly and through partnerships with state and federal agencies
- Trade missions and research, low cost training

## San Diego and Imperial Women's Small Business Center (WBC)

- Located at Southwestern College in National City
- Mission is to secure economic justice and entrepreneurial opportunities for women by providing training, mentoring, business development and financing opportunities to women entrepreneurs throughout San Diego and Imperial Counties.

## SBA Additional Assistance

- SBA guarantees a portion of loans
- 2017 50K+ loans \$22.5B 700,000 jobs
- Public Lender and Surety Bond List Available for San Diego
- SBA provides disaster assistance \$8.6B

## SBA Loans

- The SBA does not lend money, it guarantees the loan
- Approximately 50% of the 9,000 banks in the U.S. participate in the SBA Guaranteed Loan Program.
- The program operates through private-sector lenders that participate in the SBA programs.

## SBA Loans

- The loans are for small businesses that are not able to obtain credit elsewhere.
- Mitigates the bank's perceived risk
- Requires the 5 C's
- Credit, Collateral, Commitment, Character, Cash Flow

## SBA Loans For Veterans

- [www.sba.gov/vets](http://www.sba.gov/vets) for more information
- [Lender Match](#) to connect with lenders. In addition, the SBA makes special consideration for veterans through several programs.
- [SBA Veteran's Entrepreneurship Act of 2015](#). Reduces the upfront borrower fee to zero dollars for eligible veterans and military spouses for SBA Express loans up to \$350,000.

## Types of State of California Certifications

- DVBE (state) – Disabled Veteran Business Enterprise: Preference programs with the State of California. Requires certification through the State of California.
- SB (state) – Small Business Preference Program. Requires certification through the State of California.

# How to Certify With State of California

- Create an account in <https://caleprocure.ca.gov/pages/index.aspx>
- Complete the certification application and upload the required documents
- Search for “events”, SB/DVBE advocates, competitors, previously awarded contracts and subcontracting opportunities (25%)
- [Matthew.zweier@dgs.ca.gov](mailto:Matthew.zweier@dgs.ca.gov) Outreach Liaison, DGS General Services

## How to Register as a DVBE in State of California

- Must have 10% or more service connected disability
- SDV must own at least 51% of business
- If LLC SDV must own 100% of LLC
- DVBE certification is valid for 2 years
- DVBE should renew 90 days prior to expiration

# SB/DVBE First Priority in State of California

- Dept of General Services
- Dept of Veteran Affairs
- Dept of Public Health
- Dept of Consumer Affairs
- Franchise Tax Board
- CA Highway Patrol
- CA Dept of Technology
- CA Public Utilities Commission

# Government Contracting for Small Businesses

- Questions
- [John.Engstrom@sba.gov](mailto:John.Engstrom@sba.gov)
- [jane.leu@sba.gov](mailto:jane.leu@sba.gov)
- [www.sba.gov](http://www.sba.gov)