

Introduction to Small Business Certification

Agenda

- Importance of Small Business Certifications
- Eligibility – The “BIG” Picture
- Federal: Small Business Self-Certification
 - 8(a) Certification
 - WOSB & EDWOSB Certification
 - VOSB & SDVOB Certification
 - HUBZone Certification
- Q&A

Training Limitations

- “Big Picture” training
- Touches on Major Benefits
- NOT a complete discussion of all requirements
- To learn more, contact PTAC

Importance of Small Business Certifications



\$ 1.1 Trillion +

Total spending (contract & non-contract) by
Federal, State & Local governments

Importance of Small Business Certifications



Federal Small Business **Goals**

- 23% to small businesses (SB)
- 5% to small disadvantaged businesses (SDB/8(a))
- 5% to woman-owned small businesses (WOSB/EDWOSB)
- 3% to service-disabled veteran owned small businesses (SDVOSB)
- 3% to historically underutilized business zones (HUBZone)

Importance of Small Business Certifications



Federal Small Business Achievements

- 26% to small businesses (\$286 billion)
- 10.54% to small disadvantaged businesses (\$30.14 billion)
- 4.85% to woman-owned small businesses (\$13.9 billion)
- 4.28% to service-disabled veteran owned small businesses (\$12.24 billion)
- 2.44% to historically underutilized business zones (\$6.98 billion)

Importance of Small Business Certifications



Contract

The government works to reach these goals by small business set asides and sole source contracts.

x *Uncle Sam*

Importance of Small Business Certifications



Major Federal Small Business Certifications

- Small Business
- 8(a) Business Development Program
- Woman Owned Small Business (WOSB)
 - Economically Disadvantaged Woman Owned Small Business (EDWOSB)
- Service-Disabled Veteran Owned Small Business (SDVOSB)
 - Veteran Owned Small Business (VOSB)
- Historically Underutilized Business Zones (HUBZone)

Importance of Small Business Certifications

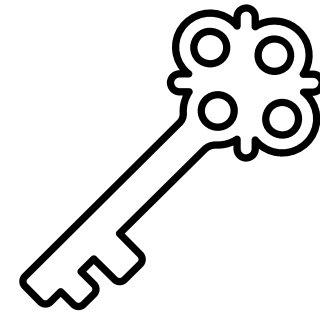
Importance for Small Businesses

1. Access to more opportunities
2. Less competition, including potential sole sources
3. Get noticed through federal, state & local vendor databases
4. Sought after by agencies and large Primes
5. Increased value to potential teaming partners

Eligibility – The Big Picture

“Small” is the Key

- A company must be a “small business”
- Small business =
 1. Organized for profit
 2. Place of Business in U.S.
 3. Makes significant contribution to U.S. economy
 4. Qualifies as small under appropriate size standards

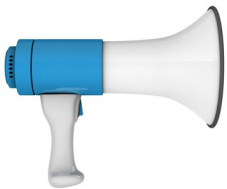


Eligibility – The Big Picture

Size Standards: Federal Contracting

- A size standard defines how large a company can be!
- Size standards vary by industry (NAICS)
- Size standards = avg. receipts or employees
- List of size standards:

<https://www.sba.gov/document/support-table-size-standards>



BE CAREFUL! May qualify as SB for Federal, but not for State

Small Business Self-Certification

Federal: Small Business-Certification

- A business *self-certifies* it's a small business in SAM.gov
- Size = Business avg receipts or employees
- Businesses must include all affiliates
- Avg. Revenues/employees compared to size standards under NAICS code
- Competitor, SBA or CO can challenge self-certification

8(a) Certification – The Big Picture

Federal: 8(a) Certification

- Formal “disadvantaged small business” certification awarded by the SBA
- Application process – detailed & intensive
- Nine-year program term; no extensions (except for some current participation received 10th year - COVID-19 relief).
- SBA Assistance

8(a) Certification

8(a) Certification Qualifications

- Small business
- Not have previously participated in the 8(a) program
- 51% or more owned and controlled by U.S. Citizens who are socially & economically disadvantaged
- Personal net worth of \$750 thousand or less, AGI of \$350 thousand or less, assets totaling \$6 million or less
- Demonstrate good character
- Business potential for success

8(a) Certification

8(a) Certification **Social Disadvantage**

- “Socially disadvantage individuals – subjected to racial or ethnic prejudice or cultural bias
- Members of some groups (e.g. Black Americans) presumed socially disadvantage; members of other groups (e.g. Caucasian women) must demonstrate personal experiences of bias/discrimination.

8(a) Certification

8(a) Certification **Economic Disadvantage**

- Three-year average AGI below \$350,000
- Three-year “adjusted” net worth must fall below \$750,000
- Three-year “unadjusted” net worth must fall below \$6 million

8(a) Certification

8(a) Certification Potential for Success

- Company in business for more than 2 full years
- SBA will also consider:
 1. Access to capital and credit
 2. Technical & Managerial experience
 3. Past Performance
 4. Company Licenses
 5. Business trends

Woman Owned Small Business Certifications



WOSB/EDWOSB Certifications **The Big Picture**

- A formal certification awarded by SBA
- Application process is detailed
- EDWOSBs are WOSBs – lower net worth & income thresholds
- Unlimited potential during program term

Woman Owned Small Business Certifications

WOSB/EDWOSB Certifications **Qualifications**

WOSB

- Be a small business
- 51% owned and controlled by women who are US citizens
- Day-Day operations managed by women

EDWOSB

- Meet all requirement of WOSB
- Personal net worth less than \$750,000
- AGI \$350,000 or less
- Personal assets \$6 million or less

Veteran Owned Small Business Certifications



VOSB/SDVOSB Certifications **The Big Picture**

- For non-VA contracts, self-certification program
- For VA contracts – SDVOSB is a formal certification (verification)
- VA is required to give top priority to SDVOSB/2nd to VOSBs
- VA only offers set-aside contracts and sole source contracts to VOSBs

Veteran Owned Small Business Certifications



VOSB/SDVOSB Certifications Qualifications

- Since 2018, SBA & VA – Same qualification rules
- An eligible SDVOSB/VOSB must be:
 - 51% owned & controlled by veterans
 - A small business
 - VA only: meet “good character” requirements
- No net worth or income restrictions

HUBZone Certification

HUBZone Certification **The Big Picture**

- A formal certification awarded by the SBA
- Application process – detailed & very intensive
- Unlimited potential during program term
- HUBZone entitled to 10% price preference when bidding on non-set-aside contracts

HUBZone Certification

HUBZone Certification Qualifications

- Be a small business
- 51% owned and controlled by U.S. citizens, CDC, AG Coop, Alaska Native Corp, a Native Hawaiian Org, Indian Tribe
- Have its principal office located in a HUBZone
- Have at least 35% of its employees living in a HUBZone
- HUBZone maps: <https://maps.certify.sba.gov/hubzone/maps>

Contact Information

Lillian Sunwall – Vice President
& Business Strategy

LSunwall@GrowGreatFalls.org

(406) 750-1253