

SMALL BUSINESS PROGRAMS AT-A-GLANCE

PROGRAM TYPES

8(a)

SMALL DISADVANTAGED BUSINESS (SDB)

HUBZone

SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS (SDVOSB)

VETERAN-OWNED SMALL BUSINESS (VOSB)

WOMEN-OWNED SMALL BUSINESS (WOSB)

NATIVE AMERICAN SMALL BUSINESS (NASB)

*RULE OF TWO

Program Benefits	General Eligibility Requirements	Size Requirements	Additional Requirements	Certification Process	Recertification/Maintenance	Relevant Regulations
<ul style="list-style-type: none"> Access to sole-source contracts, up to \$4M for goods/services and \$6.5M for manufacturing. Access to 8(a) set-asides through "Rule of Two". Participation in 8(a) Mentor-Protégé Program. Ability to create 8(a) joint ventures. Eligible for assistance in accessing surplus government property/supplies, SBA-guaranteed loans, and bonding assistance. 	<ul style="list-style-type: none"> 51% or more ownership by individual(s). Individual(s) must be U.S. citizens. 2 years in business in primary NAICS code. Individual(s) controlling and managing the firm on a full-time basis must meet the SBA requirement for disadvantage, by proving both social and economic disadvantage. Principals must demonstrate potential for success. Principals must show good character. Net worth must not exceed \$250K, excluding an individual's equity in both the firm and the primary residence. 	<ul style="list-style-type: none"> Must be defined as a small business determined by averaging 3 years of the business' receipts or number of employees. Must be small at the time of application and throughout participation in the 8(a) program. SBA determines size by looking at contractual relationships, prior relationships, family ties, & common investments. Use the SBA Size Standards Tool to gauge eligibility. 	<ul style="list-style-type: none"> SBA may waive two-year rule of demonstrating potential for success if a business/owner demonstrates: <ul style="list-style-type: none"> Substantial business management experience. Technical expertise. Adequate capital to sustain its business plan. Successful performance record on contracts from governmental and nongovernmental sources in the primary industry category. Ability to obtain personnel, facilities, equipment and other requirements needed to perform such contracts. Special ownership/control requirements apply to small businesses owned by Indian tribes, Alaska Native Corporations, Native Hawaiian Organizations, & Community Development Corporations. 	<p>Submit electronic application through SBA's BDMIS system (hardcopy applications also available).</p>	<p>SBA District Offices monitor and measure progress of 8(a) businesses through annual reviews, business planning, and systematic evaluations demonstrating maintained:</p> <ul style="list-style-type: none"> Balance between commercial and government business \$100M limit or 5 times the value of primary NAICS code on total dollar value of sole-source contracts received Economically disadvantaged and small business status Fiscal responsibility Ownership and control requirements. 	<p>Size - 13 C.F.R. § 121.601</p> <p>Social Disadvantage - 13 C.F.R. § 124.103</p> <p>Economic Disadvantage - 13 C.F.R. § 124.104</p> <p>Ownership - 13 C.F.R. § 124.105</p> <p>Control - 13 C.F.R. § 124.106</p> <p>Affiliation - 13 C.F.R. § 121.103</p>
<ul style="list-style-type: none"> Eligibility for special bidding benefits. Increased subcontracting opportunities with prime contractors that gain evaluation credits through subcontracting SDBs. Price evaluation adjustment for SDBs. 	<ul style="list-style-type: none"> 51% or more unconditional and direct ownership by at least one socially & economically disadvantaged individual. Individual(s) must be U.S. citizens. Principals must show good character. Personal Net Worth must be less than \$750,000, excluding primary residence and business' equity. 	<p>Must be defined as a small business according to size standard determined by the NAICS code assigned to a particular procurement.</p>	<ul style="list-style-type: none"> To qualify as socially disadvantaged, individuals must have been subjected to racial/ethnic prejudice or cultural bias by American society due to his or her affiliation with a specific group. To qualify as economically disadvantaged, socially disadvantaged individuals must have a diminished ability to compete in the free enterprise system due to decreased credit and capital opportunities as compared to non-socially disadvantaged counterparts. 	<p>Self-certification through registration in SAM.</p> <p>Note: 8(a) Business Development Program participants are automatically considered to be SDBs.</p>	<p>Maintain updated information in SAM, ensuring continued qualification for the SDB program.</p>	<p>Certification - 13 C.F.R. § 124.1003</p> <p>Qualification Requirements, Size, and Ownership - 13 C.F.R. § 124.1002</p> <p>Continuing Eligibility - 13 C.F.R. § 124.1005</p> <p>Protests - 13 C.F.R. § 124.1010</p> <p>Benefits - FAR 19.304</p> <p>Affiliation - 13 C.F.R. § 121.103</p>
<ul style="list-style-type: none"> Access to Sole Source for buys up to \$5.5M (manufacturing) or up to \$3.5M (non-manufacturing). Access to set-asides through "Rule of Two". 10% Price Evaluation Preference in full and open contract competitions. 	<ul style="list-style-type: none"> 51% or more ownership/control by U.S. citizens, a Community Development Corporation, an Agricultural Cooperative, or an Indian Tribe. Individual(s) must be U.S. citizens. Principal office must exist in a "Historically Underutilized Business Zone" (e.g. "Indian Country" and military facilities closed by the Base Realignment and Closure Act). Minimum of 35% of employees must live in a HUBZone area. 	<p>Size is determined by the SBA, considering: contractual relationships, prior relationships, family ties, & common investments</p>	<p>Separate ownership/control requirements apply to small businesses owned by Indian tribes, Alaska Native Corporations, Native Hawaiian Organizations, and Community Development Corporations.</p>	<p>Submit electronic application through SBA's GLS system; must be on approved list of HUBZone contractors.</p>	<ul style="list-style-type: none"> Must undergo program reexamination every three (3) years. Must maintain compliance, adhere to regulations, and notify of any material changes. There is no time limit for qualifying as a HUBZone small business. 	<ul style="list-style-type: none"> Size - 13 C.F.R. § 126.203 Qualification Requirements - 13 C.F.R. § 126.200 Ownership - 3 C.F.R. § 126.201 Control - 13 C.F.R. § 126.202 Affiliation - 13 C.F.R. § 121.103
<ul style="list-style-type: none"> Access to set-asides for buys over \$3K, "Rule of Two", & no upward dollar limit. Access to Sole Source for buys up to \$6.5M (manufacturing) or up to \$4M (non-manufacturing). For contracts over \$100K, Prime Contractors are required to provide maximum opportunity possible for SDVOSBs/VOSBs to compete for subcontracts. 	<ul style="list-style-type: none"> 51% or more unconditional and direct ownership by the Service disabled veteran (SDV). SDV must control of management and daily operations of the business. SDV must hold the highest officer position in the business. SDV must have a service-connected disability as determined by the Department of Veteran Affairs or Department of Defense. 	<p>Must be defined as a small business according to size standard determined by the NAICS code assigned to a particular procurement.</p>	<ul style="list-style-type: none"> Center for Verification and Evaluation (CVE) must verify business. SDVOSB must demonstrate good character. 	<p>Self-certification, except certification with VetBiz for VA Procurements.</p>	<ul style="list-style-type: none"> Annually update business information in System for Award Management (SAM.gov). If verified through the Center for Verification and Evaluation (CVE), businesses will receive 2 additional years of eligibility with the Renewal process. 	<ul style="list-style-type: none"> Size - 13 C.F.R. § 125.11 Ownership - 13 C.F.R. § 125.9 Control - 13 C.F.R. § 125.10 Affiliation - 13 C.F.R. § 121.103
<ul style="list-style-type: none"> Access to U.S. Department of Veteran Affairs issued set-asides and sole source awards. For contracts over \$100K, Prime Contractors are required to provide maximum opportunity possible to VOSBs/SDVOSBs to compete for subcontracts. 	<ul style="list-style-type: none"> 51% or more unconditional and direct ownership of the business by one or more eligible veterans, service-disabled veterans or surviving spouses. Control of management and daily operations of the business by one or more veterans or service-disabled veterans with requisite management capabilities. 	<p>Must be defined as small under the size standard for the firm's VetBiz profile NAICS codes.</p>	<ul style="list-style-type: none"> Center for Verification and Evaluation (CVE) must verify business. VOSB must demonstrate good character. 	<p>Self-certification, though must certify with VetBiz for VA Procurements.</p>	<p>CVE may examine the verification of a VOSB upon receiving any plausible information questioning a VOSB's eligibility. If proven ineligible, CVE may revoke the VOSB's eligibility.</p>	<ul style="list-style-type: none"> Qualification Requirements - 38 C.F.R. § 74.2 Ownership - 38 C.F.R. § 74.3 Control - 38 C.F.R. § 74.4 Affiliation - 38 C.F.R. § 74.5 and 13 C.F.R. § 121.103
<ul style="list-style-type: none"> According to the "Rule of Two", Contracting Officers may set aside contracts for WOSBs that are substantially underrepresented & EDWOSB in underrepresented industries. Access to Sole Source for buys up to \$6.5M (manufacturing) or up to \$4M (non-manufacturing). Prime Contractors required for contracts over \$100K to provide maximum opportunity possible to WOSBs to compete for subcontracts. 	<p>WOSB Requirements:</p> <ul style="list-style-type: none"> 51% or more unconditional and direct ownership by woman (or women) who directly control(s) and manage(s) daily operations Woman (or women) must be a U.S. Citizen(s) Woman must hold the highest officer position. <p>Economically Disadvantaged WOSB (EDWOSB) must specifically demonstrate economic disadvantage:</p> <ul style="list-style-type: none"> Personal net worth less than \$750K Adjusted gross income averaged at \$350K or less Assets not exceeding \$6M. 	<p>Must be defined as small business under the size standard applicable to a particular procurement.</p>	<p>WOSB or EDWOSB are able to submit as a joint venture with another small business upon meeting the following requirements:</p> <p>EDWOSB/WOSB:</p> <ul style="list-style-type: none"> Must be managing business Employee must be project manager in charge of contract performance Must receive at least 51% of net profits. <p>The Joint Venture:</p> <ul style="list-style-type: none"> Combined annual receipts or employees of joint venture must meet contract's NAICS code Agreement must be written Must meet subcontracting limitations. 	<p>The FY 2015 National Defense Authorization Act (NDAA) Section 825 requires WOSB/EDWOSB firms to certify through a federal agency, state government, SBA, or a SBA-approved national certifying entity. However, SBA regulations to implement these statutory changes are currently being drafted.</p>	<ul style="list-style-type: none"> Woman (or women) must continue ownership and control requirements. EDWOSBs owners must maintain status as economically disadvantaged. 	<p>Qualification Requirements - 13 C.F.R. § 121.402</p> <p>Size - 13 C.F.R. § 127.200</p> <p>Ownership - 13 C.F.R. § 127.201</p> <p>Control - 13 C.F.R. § 127.202</p> <p>Economic Disadvantage - 13 C.F.R. § 127.203</p> <p>Protests - 13 C.F.R. § 127.600</p> <p>Affiliation - 13 C.F.R. § 121.103</p>
<ul style="list-style-type: none"> Qualification as socially and economically disadvantaged by the SBA, therefore eligible to apply for Small Disadvantaged Business (SDB) and/or 8(a) certification and receive SDB and/or 8(a) benefits. Through the Indian Incentive Program (IIP), increased subcontracting opportunities with prime contractors that gain a 5% rebate on the total amount subcontracted to NASBs. 	<ul style="list-style-type: none"> 51% or more unconditional and direct ownership by Native American individual(s) or Tribe. As long as Native American individual(s) or Tribe controlling and managing the firm on a full-time basis are Native American, SBA presumes the firm is both socially and economically disadvantaged. Native American individual(s) or Tribe must demonstrate potential for success and good character. 	<p>Must be defined as small business under the size standard applicable to the primary industry classification of the NASB.</p>	<p>SBA may waive two-year rule of demonstrating potential for success if a business/owner demonstrates:</p> <ul style="list-style-type: none"> Substantial business management experience Technical expertise Adequate capital to sustain its business plan Successful performance record on contracts from governmental and nongovernmental sources in the primary industry category Ability to obtain personnel, facilities, equipment and other requirements needed to perform such contracts. 	<p>8(a) certification - must submit electronic application through SBA's BDMIS system.</p> <p>SDB certification - self-certification through registration in SAM.</p>	<p>8(a) certification -</p> <ul style="list-style-type: none"> NASB must demonstrate requirements are still met during SBA's annual reviews, business planning, and systematic evaluations. NASB must also notify SBA if any changes occur affecting its eligibility. <p>SDB certification - NASB must maintain updated information in SAM, ensuring continued qualification for the SDB program.</p>	<p>Qualification Requirements - 13 C.F.R. § 124.3 and 13 C.F.R. § 124.103</p> <p>Size - 13 C.F.R. § 124.102</p> <p>Ownership - 13 C.F.R. § 124.105</p> <p>Control - 13 C.F.R. § 124.106</p> <p>Affiliation - 13 C.F.R. § 121.103</p> <p>Special Rules - 13 C.F.R. § 124.109 and 13 C.F.R. § 124.604</p>

Contracts expected to exceed \$150K must exclusively be a small business set-aside if there is a reasonable expectation that: (1) two or more small businesses will provide offers for requested products and services and (2) award will contain fair market prices.

