

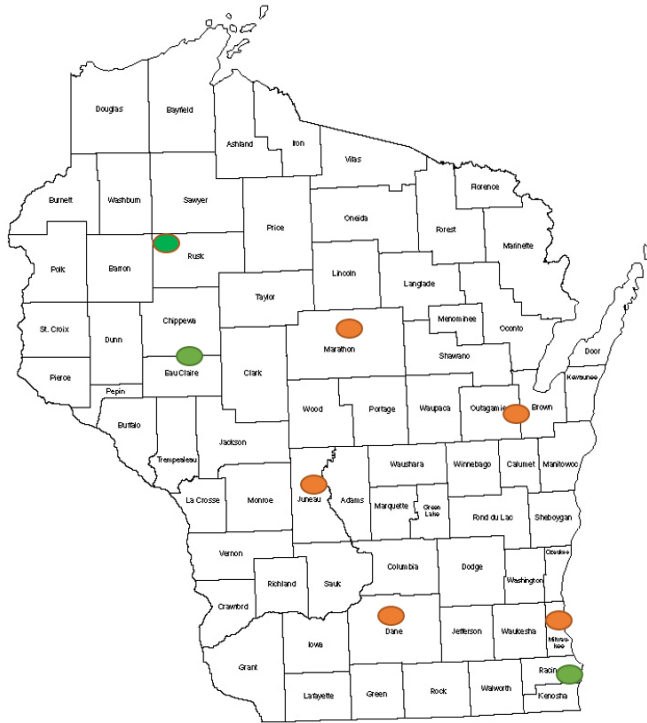


A Procurement Technical Assistance Center (PTAC)

# THE SBA 8(A) CERTIFICATION PROGRAM

January 25, 2017





## LOCATIONS:

- **Primary office – Milwaukee** - Technology Innovation Center
- **Staffed Satellite offices**
  - Madison** (FEED – Food Enterprise & Economic Development / MEC – Madison Enterprise Center)
  - Camp Douglas** (Juneau County Economic Development Corporation)
  - Wausau** (Wausau Region Chamber of Commerce)
  - Appleton** (Fox Valley Technical College)
- **Active Partnerships**
  - Racine** – LaunchBox
  - Eau Claire** - Western Dairyland
  - Ladysmith** – Indianhead Community Action

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## MY ACCOUNT

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### Current Opportunities [View All](#)

- 1. Olbrich Botanical Gardens Education Center and Production Greenhouse Construction - September 21, 2016** Architectural Consulting Services for Olbrich Botanical Gardens Education Center and Production Greenhouse
- 2. Milwaukee County Zoo planning \$44.6 million in exhibit upgrades - September 1, 2016** The Milwaukee County Zoo plans to spend about \$44.6 million on exhibit upgrades and construction projects over the next five years, according to an economic impact study completed this summer by a University of Wisconsin-Milwaukee economics professor. The study does not say how the projects will be paid for.  
  
The study, which was commissioned by the zoo to measure its annual economic impact on the four-county Milwaukee metropolitan area, includes a rough outline of planned construction projects through 2021.
- 3. Milwaukee County - Acquisition and Development of a Commercial/Building - August 15, 2016**  
Milwaukee County  
Request for Proposals  
Acquisition and Development of a Commercial/Industrial Building at 9150 Watertown Plank Road, Wauwatosa, WI 53226  
(Taxkey # 3729999017)  
RFP # 7131  
Issue Date: August 4, 2016

### Latest Newsletters [View All](#)

**WPI Acquisition Alert**  
September 6th 2016

### Latest Presentations [View All](#)

**A Winning Approach to Contract Award: Preparation, Lead Generation, Follow-Up and Closing The Deal**

# US Small Business Administration

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## *8(a) Business Development Program*



# 8(a) BD Program

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***What is the 8(a) Business Development Program?***

# 8(a) BD Program

- 8(a) BD Program began as a public law and was named after Section 8(a) of the Small Business Act of 1953 (Section 204 of Public Law 100-656)
- The 8(a) BD Program is governed by 13 CFR § 124.100
- The 8(a) BD Program was incorporated in Part 19, Small Business Programs of the Federal Acquisition Regulations (FAR) in 1984

# Term of Participation

Start = date of approval

- Developmental Stage - year 1 through year 4
- Transitional Stage – year 5 through year 9

Continuation in the program is dependent on the firm's continuing eligibility as a socially and economically disadvantaged owned/operated firm and continued compliance with the 8(a) BD participation agreement

# Eligibility Criteria

- The business must be majority-owned (51 percent or more) and controlled/managed by socially and economically disadvantaged individual(s)
- The individual(s) must be an American citizen, by birth or naturalization

# Eligibility Criteria

- The individual(s) controlling and managing the firm on a full-time basis must meet the SBA requirement for disadvantage, by proving both social disadvantage and economic disadvantage
- Under federal law, socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identification as members of groups without regard to their individual qualities

# Social Disadvantage

- For purposes of the 8(a) Business Development program, the following individuals are presumed socially disadvantaged (called “presumed groups”):
  - Black Americans
  - Hispanic Americans
  - Native Americans
  - Asian Pacific Americans
  - Subcontinent Asian American
- Other individuals may similarly be found socially disadvantaged and eligible for the program on a case-by-case basis

# Economic Disadvantage

- SBA cannot determine if an individual is economically disadvantaged unless SBA has already found the individual to be socially disadvantaged. The individual majority owner(s) must prove both social disadvantage and economic disadvantage
- According to SBA's regulations, "economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities."

# Determining Economic Disadvantage

•To determine if an individual is also economically disadvantaged, each socially disadvantaged individual must provide the following to SBA:

- Narrative statement of economic disadvantage
- Personal financial information (including tax returns and certain SBA forms)
- In every case, when married, the socially disadvantaged individual must submit separate financial information to SBA for his or her spouse (including tax returns and certain SBA forms)

# Eligibility Criteria

- The business must be a small business
- The business must demonstrate potential for success
- The principals must show good character

*\*Separate eligibility requirements exist for a business that is owned by American Indians, Native Alaskans, Native Hawaiians or Certified Development Companies*

# Good Character

## *What Shows a lack of good character?*

- Adverse information regarding possible criminal conduct by the applicant or its principals
- Violations of any SBA regulations
- Debarred or suspended individuals or firms
- Applicant firms and principals that lack business integrity as shown by an indictment, guilty plea or civil judgment
- Any principal who is incarcerated or on parole or probation
- Evidence that the firm knowingly submitted false information during the application process
- Any firm or any of its principals that fail to pay financial obligations to the Federal Government

# Potential for Success

- Must be in business in its primary NAICS code for at least two full years immediately prior to the date of its 8(a) application
- Proof of two years operation in the firm's primary industry as verified by revenues reported in business tax returns
- Financial capability: sufficient capitalization, financial performance, bonding capacity, manageable debts
- Managerial and Technical capability: performance on previous contracts, firm has the necessary personnel, licenses, certifications, facilities, and prior experience

# Waiver of the Two Year Rule

- The individual or individuals upon whom eligibility is to be based have substantial and demonstrated business management experience
- The applicant has demonstrated technical expertise to carry out its business plan with a substantial likelihood for success if admitted to the 8(a) BD Program
- The applicant has adequate capital to carry out its business plan as a Participant

# Ownership

- At least 51% unconditional ownership by the disadvantaged person(s)
- Partnerships: Agreements must reflect unconditional ownership
- Limited Liability Company: Disadvantaged individuals must own at least 51% of each class of member interest

# Ownership

## Corporations

- Disadvantaged persons must own at least 51% of each class of voting stock and at least 51% of all outstanding stock
- A Tribe must unconditionally own at least 51% of the aggregate of all classes of stock. For non-corporate entities, a Tribe must unconditionally own at least a 51% interest

# Control and Management

- **Partnerships:** Agreements must reflect unconditional management by disadvantaged partner(s)
- **Limited Liability Company:** One or more disadvantaged individuals must serve as management members with unconditional control
- **Corporations:** Disadvantaged directors of the board must control the board by actual number of votes and must be able to establish a quorum without the presence of non-disadvantaged directors

# What Constitutes Control?

The Disadvantaged Individual(s) must:

- Hold the position of President or Chief Executive Officer, Managing Partner or LLC Managing Member
- Be the highest compensated individual
- Have the ability to Hire and Fire
- Set Policies
- Have the ability to commit firm to contracts
- Have the ability to control the Budget and Financial Disbursement

# Eligibility Criteria

## Size

Firms must be small based on their primary NAICS Code, including affiliates

- Size is determined either by:
  - Average 3 years revenues (construction and services)
  - Number of employees (manufactures, dealers, wholesalers)

*\*See 13 CFR § 121 Size Regulations or visit our website:  
[www.sba.gov](http://www.sba.gov)*

# Application Processing

- We recommend that you obtain and submit your 8(a) Program application electronically at [SBA.gov](http://SBA.gov)
- For more information or questions call the Division of Program Certification & Eligibility at (202) 205-6417 or your local SBA district office

# Assistance Available to 8(a) BD Participants

- 7(j) Training
- 8(a) BD Contracting
- Finance
- Resource Partners
  - SCORE
  - SBDCs
  - Women's Business Centers

# Mentor/Protégé

- The purpose of the Mentor/Protégé program is to enhance the capabilities of 8(a) BD participants and to improve their ability to successfully compete for federal government contracts
- Mentors may provide the following forms of assistance to Protégés:
  - Technical and management assistance
  - Financial assistance, including equity investments and/or loans
  - Subcontracting support
  - Assistance in performing prime contracts through joint venture arrangements

# Joint Venture

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An agreement between an eligible 8(a) participant and one or more other business concerns to establish a new legal entity solely for the purpose of performing a specific 8(a) contract. The contract is then awarded to the Joint Venture entity rather than to one or more of the participants.

# What is expected of 8(a) BD Program Participants?

- Maintain up-to-date SAM profile
- Self marketing to federal procurement agencies
- Submission and annual update of business plan
- Access to company records by the SBA
- Informing SBA of any changes affecting 8(a) BD eligibility, i.e. changes in business structure, ownership, etc.

# What is expected of 8(a) BD Program Participants?

- Submission of year end financial statements and annual tax returns
- Participation in business development training opportunities and networking offered by the SBA
- Keeping financial obligations to the Federal Government current

# Resources and Tools

- Federal Acquisition Regulations
  - <https://www.acquisition.gov/far>
- Acquisition Central
  - <https://www.acquisition.gov/>
- FAR Part 19 – Small Business Programs
  - <http://www.acquisition.gov/far>
- Code of Federal Regulations (13CFR)
  - <http://www.gpoaccess.gov/cfr/index.html>
- Federal Business Opportunities
  - <http://www.fbo.gov>
- SBA-Government Contracting
  - <http://www.sba.gov/aboutsba/sbaprograms/gc/index.html>

# SBA – Wisconsin District Office

For more information on SBA's programs and services  
Please contact:

Shane Mahaffy, Lead Business Opportunity Specialist

Telephone: 414-297-1455

Email: [Shane.Mahaffy@sba.gov](mailto:Shane.Mahaffy@sba.gov)

Or visit our office web site at [www.sba.gov/wi](http://www.sba.gov/wi)

# SBA - Wisconsin Offices

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## **Wisconsin District Office**

310 West Wisconsin Ave.

Suite 580W

Milwaukee, WI

Phone: 414-297-3941

## **Wisconsin District Office**

740 Regent Street

Suite 100

Madison, WI

Phone: 608-441-5261

## Upcoming WPI Events – Acquisition Hour Webinars

- January 25, 2017 – [Acquisition Hour – The SBA 8\(a\) certification program](#) - Presented by U.S SBA
- February 7, 2017 – [Acquisition Hour: The HUBZone Program – Certification Benefits and New Regulations](#) - Presented by U.S SBA
- February 7, 2017 – [Acquisition Hour: Overview of DIBBS](#) - Presented by WPI
- February 14, 2017 – [Acquisition Hour – The Contractor Purchasing System Review Series part 2 of 4](#) - Presented by Phil Bail, Phil Bail & Associates
- February 21, 2017 – [Acquisition Hour – The Contractor Purchasing System Review Series part 3 of 4](#) - Presented by Phil Bail, Phil Bail & Associates

# Other Upcoming WPI Events

- [US ARMY CORPS OF ENGINEERS HUNTSVILLE FACILITY SUPPORT INDUSTRY DAY WEBINAR](#) – February 2, 2017- Milwaukee
- [WHAT IT TAKES TO WIN – SELLING TO STATE AND LOCAL GOVERNMENTS](#) – February, 15, 2017 – Milwaukee
- [GROWING NEW CUSTOMERS WITH GOVERNMENT CONTRACTING – THE FEDERAL SMALL BUSINESS HUBZONE PROGRAM](#) – February, 28, 2017 – Milwaukee
- [GROWING NEW CUSTOMERS WITH GOVERNMENT CONTRACTING – THE FEDERAL SMALL BUSINESS HUBZONE PROGRAM](#) – March, 1, 2017 – Madison



# QUESTIONS?

# Continuing Professional Education



CPE Certificate available, please contact:

**Benjamin Blanc**

[benjaminb@wispro.org](mailto:benjaminb@wispro.org)

# SURVEY



# Today's Presentation was done by

Shane Mahaffy  
Lead Business Opportunity Specialist  
US SMALL BUSINESS ADMINISTRATION

For additional assistance, please contact Shane at

414-297-1455

[Shane.Mahaffy@sba.gov](mailto:Shane.Mahaffy@sba.gov)

# For Assistance or Additional Information contact

Wisconsin Procurement Institute (WPI)  
Benjamin Blanc

10437 Innovation Drive, Suite 320  
Milwaukee, WI 53226  
414-270-3600 or  
[benjaminb@wispro.org](mailto:benjaminb@wispro.org)