



A Procurement Technical Assistance Center (PTAC)

THE SBA 8(A) CERTIFICATION PROGRAM

May 17, 2017



Webinar Etiquette



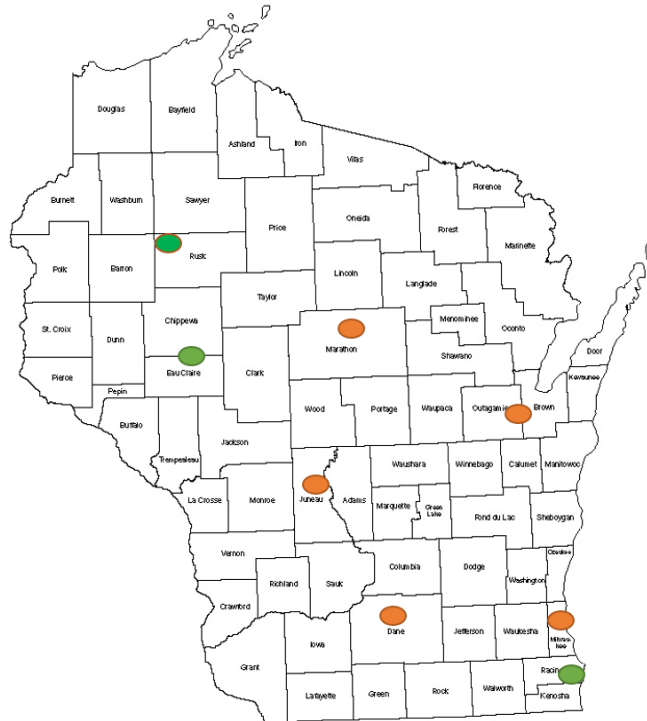
- Please
 - When logging into go-to-meeting, enter the name that you have registered with
 - Put your phone or computer on mute
 - Use the Chat option to ask your question(s): We will read them and our guest speaker will provide an answer to the group
- Thank you!



ABOUT WPI

Supporting the Mission

Assist businesses in creating, development and growing their sales, revenue and jobs through Federal, state and local government contracts.



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

MY ACCOUNT

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FROM OUR EXECUTIVE DIRECTOR

EVENT PRESENTATIONS

NEWSLETTER ARCHIVE

CURRENT OPPORTUNITIES

Current Opportunities [View All](#)

1. **SBA Seeks Funding Proposals from Non-Profits and Local Institutions to Provide Entrepreneurship Training for Service Members, Military Spouses and Veterans - January 18, 2017**
WASHINGTON – The U.S. Small Business Administration (SBA) is inviting funding proposals from non-profit organizations, state, local and tribal government agencies, and institutions of higher learning to provide “Boots to Business” entrepreneurship training to service members, military spouses, and veterans.

2. **Chicago Secures \$1 Billion in Federal Grant Funding for Rail Upgrades - January 10, 2017**
Chicago’s Transit Authority will receive nearly \$1.1 billion in federal grant funding to help pay for upgrades meant to expand rail capacity on the north side of the city, officials said Monday.

The money will go toward roughly \$2.1 billion of planned work on the city’s Red and Purple “L” lines. This will include improvements to track, stations, power and signal systems, and the purchase of 32 new railcars, according to the Federal Transit Administration.

3. **Secure That Smart Toaster and Win \$3,000- January 4, 2017** The Federal Trade Commission is offering up to \$25,000 in prize money for applications or tools that help people protect their smart home devices from hackers, according to a Federal Register notice.

The competition, which will announce winners in July, comes as the internet is creeping into more and more household devices ranging from baby monitors to toasters.

These internet-of-things devices are often less secure than traditional internet-connected devices such as laptops and smartphones. It’s also often more difficult to update the software in these devices to patch vulnerabilities, making

US Small Business Administration

8(a) Business Development Program



8(a) BD Program

***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*

Application Processing

- We recommend that you obtain and submit your 8(a) Program application electronically at 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

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

Or visit our office web site at www.sba.gov/wi

SBA - Wisconsin Offices

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

Federal Acquisition Regulations (FAR)

- A series of webinars on Wednesdays from 6.00pm to 7.00pm.
 - This introductory session of the FAR REVIEW series is geared towards those interested in becoming CFCM certified. Sessions of this FAR REVIEW series will cover all parts of the FAR and will be beneficial to current Federal contractors and subcontractors even if not intending to participate in the NCMA certification exam.
- Schedule listed below:
 - <https://www.wispro.org/wp-content/uploads/2017/02/FAR-Training-Webinar-Schedule.pdf>

Acquisition Hour Webinars

- May 17, 2017 – [Federal Certifications For Veteran And Service Disabled Veteran Owned Businesses](#) – Presented by WPI
- May 30, 2017 – [4 Issues Affecting Federal Construction Projects](#) – Presented by WPI
- June 13, 2017 – [Acquisition Hour: Maximizing FBO in your Market Strategies](#) – Presented by WPI
- June 14, 2017 – [Acquisition Hour: Understanding the Differences Between Federal Solicitation Types](#) – Presented by WPI

Upcoming WPI Events

- DOING BUSINESS WITH THE NATIONAL PARK SERVICE – June 14, 2017 – Ashland, WI
- 11TH ANNUAL VOLK FIELD SMALL BUSINESS CONFERENCE – June 27 – 28, 2017 – Camp Douglas, WI



QUESTIONS?

Continuing Professional Education



CPE Certificate available, please contact:

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SURVEY



Today's Presentation was done by

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US SMALL BUSINESS ADMINISTRATION

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