



U.S. Small Business  
Administration

# Introductions

- National Rural Affairs Advocate Joe Knilans
- Manufacturing and Technology Advocate--Tom Rossomando
- Regional Administrator Rob Scott



- Regional Advocate Les Davies



# Meet Gwen Davis

## Procurement Center Representative for WI and MN



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# Capital: 7(a) loans

## Overview

- **SBA's primary loan program**
- **Maximum loan: \$5 million**
- **Guarantees: 85% <\$150,000; 75% > \$150,000;**
- **Maturities**
  - 5 – 10 years: working capital, machinery, equipment
  - Up to 25 years for real estate, construction
- **\$15 million tangible net worth;\$5 million net profits**

# Capital: 7(a) loans

## Express Loans

- **50% Guarantee**
- **Up to \$350,000**
- ***Includes Lines of Credit***
- **Lender makes credit decision**
- **Up-front guaranty fees waived for vets**

# Capital: 504 Loans

504/Certified Development Company

- **Maximum: \$5 million (\$5.5 million for manufacturing, energy savings)**
- **Financing:**
  - **CDC (w/SBA guarantee) finances 40%**
  - **Lender (bank) finances 50%**
  - **Equity (borrower) finances 10-20%**
- **Uses: long-term fixed assets**
- **Maturity: 10-20 years, 25 year debenture recently announced**
- **Interest: fixed rate established when debenture backing sold; some exceptions**

# Capital: Lending

Wisconsin 7(a) and 504 lending

FY2018 through 5/31

**929 total loans guaranteed**  
**\$380.5 million**

504: 92/\$64.9 million

7(a): 837/\$315.6 million

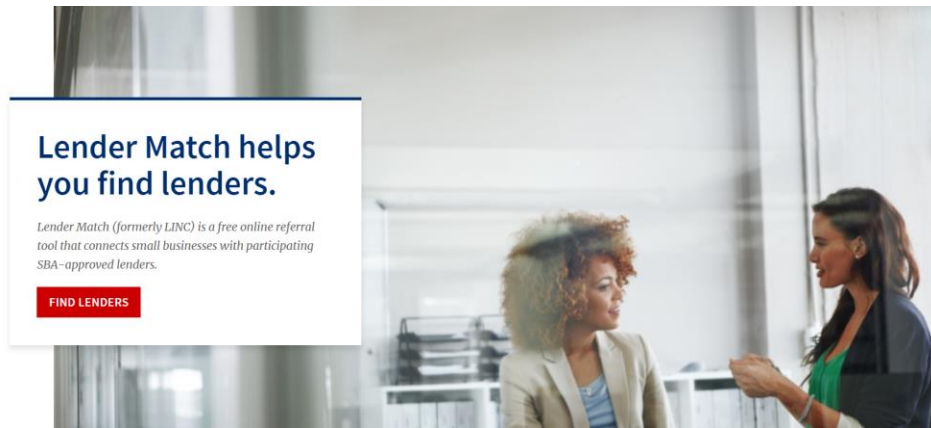
**555 startups/\$203 million**

Loans \$150,000 or under: 488/\$33.5 million

Loans to veterans: 44/\$11.8 million

Loans to women: 169/\$52.7 million

# LenderMatch



## Online tool connects prospective borrowers with lenders; Successor to LINC

- Prospective borrower answers 10 questions
- Lenders will respond within 48 hours if any interest; 800+ participating
- To apply: look for LenderMatch at [www.sba.gov](http://www.sba.gov)

# Surety Bonds

- **Bid Bond:** Guarantees that the bidder on a contract will enter into the contract and furnish the required payment and performance bonds if awarded the contract.
- **Payment Bond:** Guarantees that suppliers and subcontractors will be paid for work performed under the contract.
- **Performance Bond:** Guarantees that the contractor will perform the contract in accordance with its terms and conditions.\*  
(\*The term Final Bond means Payment Bond, Performance Bond or both Payment and Performance Bond.)

# Regulation Update

## SBA Direct Final Rule

**Simplified Acquisition Threshold  
increased to \$250,000 (From \$150K)**

**Micro-Purchase Threshold increased to  
\$10,000 (From \$3500)**

***Effective May 25, 2018***

***\*FAR has yet to be updated***

# Regulation Update

## SBA Direct Final Rule

### **§125.6 What are the prime contractor's limitations on subcontracting?**

(1) Small business set-aside contracts with a value that is greater than the micro-purchase threshold but less than or equal to the simplified acquisition threshold

*\*Limitations on Subcontracting and Non-Manufacturer Rule will not apply to small business set-asides below \$250,000*

# Contracting

Government-wide Small Business Contracting

Goals are a floor—not a ceiling!

**\$105 Billion in Prime  
Contracts to Small  
Business in FY2017**

**\$75 Billion in subcontracts**

# Contracting

## What are the Government-wide Small Business Contracting Goals and Achievement?

Category	Goal	2013		2014		2015		2016		2017	
		\$(B)	%SB	\$(B)	%SB	\$(B)	%SB	\$(B)	%SB	\$(B)	%SB
Small Business	23%	\$83.1	23.4%	\$91.7	24.9%	\$90.7	25.7%	\$99.7	24.4%	\$105.7	23.8%
Small Disadvantaged Business	5%	\$30.6	8.6%	\$34.7	9.5%	\$35.4	10.1%	\$39.1	9.4%	\$40.2	9.1%
Service Disabled Veteran Owned Small Business	3%	\$12.0	3.4%	\$13.5	3.7%	\$13.8	3.9%	\$16.3	4.0%	\$17.9	4.1%
Women Owned Small Business	5%	\$15.4	4.3%	\$17.2	4.7%	\$17.8	5.1%	\$19.7	4.8%	\$20.8	4.7%
HUBZone	3%	\$6.2	1.8%	\$6.7	1.8%	\$6.4	1.8%	\$6.9	1.7%	\$7.3	1.7%

# History and Important Facts of SBA's Programs

## **Authorization - 2010 Jobs Act and 2013 NDAA**

SBA had a well-established mentor protégé program for SBA 8(a) certified firms; but lacked an MPP program for other small business concerns and specifically, one for specialized certified concerns such as WOSB, SDVOB, & HubZone businesses

## **Final Rule Published July 25, 2016**

Effective Date: August 24, 2016

Official Launch Date: October 1, 2016

## **Created One Government-wide program for all small businesses**

Revised rules for 8(a) MP program to make both programs more consistent, where practicable.

Instructed SBA to review all other Agency's MPPs and consolidate where practicable.

# The Mentor Protégé Concept

## Goals and Benefits

- Streamline access for Small firms to federal marketplace
- Enhance business capabilities and growth potential through mentoring with large (or small) experienced businesses
- Increase Protégé wealth and create jobs through gov't contracts
- Assist large mentor firms develop and increase supply chain through capable small business subcontractors
- Assist contracting officers meet Congressionally mandated set-aside goals

# Key Program Elements

- Centralized at SBA HQ
- Online Application through [Certify.SBA.gov](https://certify.sba.gov)
- 8-10 day average turnaround time
- Participants must be for-profit
- Protégés – maximum of two MPAs in lifetime
- Self-certifying small firms in primary NAICS
- A tutorial requirement
- Certification (SDVBO, WOSB, HUBZone, 8a) follows Protégé firm
- This is not a match-making program
- JV good for two years (up to 3 in 2)
- Federal Agency MPPs currently offer prime/sub MPA relationships
- SBA MPAs (8(a) and ASMPP offer additional step -

***Joint Venture capability with exclusion from affiliation***

# Comparison

# ASMP P and 8(a)

# MPP

## COMPARISON OF ALL SMALL MENTOR-PROTÉGÉ PROGRAM (ASMPP) AND 8(a) MENTOR-PROTÉGÉ PROGRAM (8a MPP)

	ASMPP	8(a) MPP
<b>Application</b>	Centralized Through Certify.sba.gov Easier Application Faster processing time (10 day average) Streamline Process (no financial statements)	Decentralized Application to District Office BOS Package of documents to submit Multiple levels of review (BOS, Lead BOS, District Counsel, District Director, HQ OMTA, back to BOS- then to applicant)
<b>Size</b>	Self-certify (SAM.gov)	8(a) eligibility requirements
<b>Areas of Assistance</b>	Management & Technical, Financial, Contracting, International Trade Education, Business Development, General and/or Administrative Assistance	Management & Technical, Financial, Contracting, International Trade Education, Business Development, General and/or Administrative Assistance
<b>Documentation Required</b>	Application, Business Plan, Tutorial Certificates, Mentor-Protégé Agreement	Mentor-Protégé Agreement, Business Plan and documents required by District Office
<b>Term</b>	3 years with 3 years renewal	3 years with 3 years renewal
<b>Protégé Limit</b>	Protégé may have up to 2 SBA MP relationships over firm's life time. 8a may transfer existing MPA to the ASMPP within 6 months of graduating.	Protégé may have up to 2 SBA MP relationships over firm's life time
<b>Mentor</b>	Mentor may have up to three protégés at any one time in the aggregate in SBA's MP Programs	Mentor may have up to three protégés at any one time in the aggregate in SBA's MP Programs
<b>Joint Venture Agreements</b>	Not reviewed or approved by ASMPP	District Office BOS approves 8(a) JVs only



# All Small Mentor Protégé Program Weekly Update

## June 11, 2018 – June 15, 2018

### Strategic Objective 2.1.3 and 1.3

Process	Policy	Advocacy
<ul style="list-style-type: none"> <li>Deliver an average turnaround time for processing MPAs in 8-10 working days (Strategic Goal 2.1.3)</li> <li>Annual Reporting Workflow (redesign) (Strategic Objectives 4.1.1 and 4.1.2) (partnership with PMO)</li> <li>Annual Report data “dump” from PMO contractor – complete</li> <li>JV template &amp; guidebook – on the web</li> </ul>	<ul style="list-style-type: none"> <li>ASMPP strategic 2018 work plan &amp; staff performance plans</li> <li>ASMPP/GCBD Goal Cascade</li> <li>SOP &amp; Notice Draft development - PMC</li> </ul>	<p>Upcoming:</p> <ul style="list-style-type: none"> <li>USAID Subcontracting Conference – June 28, 2018</li> <li>BOS Training/Leesburg Conf. Center – July 10,11,12, 2018</li> <li>Acquisition Gateway – Professional Services Hallway – July 19, 2018</li> <li>First Wednesday “ASMPP” - August 8, 2018</li> </ul>

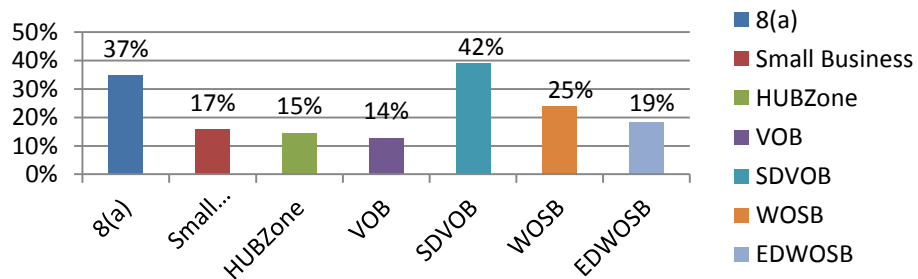
#### All Small MPP Application Status

	Last Week	This Week	FY/17 18 YTD
MPA New Agreements Approved	2	4	528
8(a) MPA Transfer Agreements Approved	0	0	23
Total Approved MPA Agreements	2	4	551
MPA Applications Pending	23	22	
MPA Agreements Declined	1	2	124
Annual Reports Submitted	0	0	104

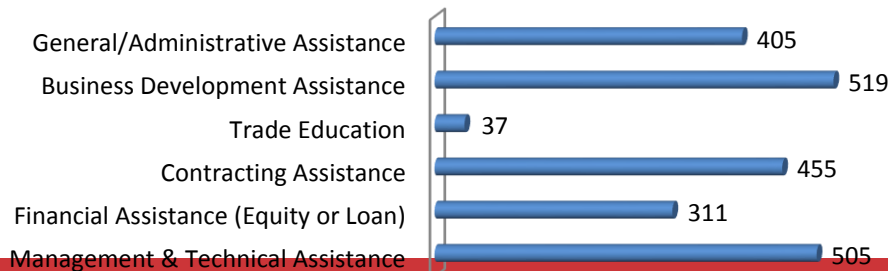
#### ASMPP DO Distribution

Alabama DO	22	Indiana DO	4	North Dakota DO	0	Syracuse DO	2
Alaska DO	12	Kansas City DO	11	North Florida DO	20	Tennessee DO	9
Arizona DO	11	Kentucky DO	4	Oklahoma DO	7	Utah DO	4
Arkansas DO	3	Los Angeles DO	4	Philadelphia DO	6	Vermont DO	0
Baltimore DO	36	Louisiana DO	4	Pittsburgh DO	5	West Virginia DO	1
Boise DO	4	Lower Rio Grande DO	0	Portland DO	3	Wichita DO	0
Buffalo DO	2	Lubbock DO	0	Puerto Rico DO	1	Wisconsin DO	2
Cleveland DO	2	Maine DO	1	Rhode Island DO	0	WMADO	131
Colorado DO	8	Massachusetts DO	5	Richmond DO	18	Wyoming DO	0
Columbus DO	5	Michigan DO	9	Sacramento DO	3		
Connecticut DO	0	Minnesota DO	3	San Antonio DO	20		
Dallas/Fort Worth DO	6	Mississippi DO	5	San Diego DO	12		
Delaware DO	1	Montana DO	3	San Francisco DO	4		
Des Moines DO	4	Nebraska DO	1	Santa Ana DO	4		
El Paso DO	2	Nevada DO	6	Seattle DO	10		
Fresno DO	2	New Hampshire DO	2	South Carolina DO	7		
Georgia DO	17	New Jersey DO	5	South Dakota DO	1		
Hawaii DO	6	New Mexico DO	11	South Florida DO	24		
Houston DO	6	New York DO	4	Spokane DO	0		
Illinois DO	7	North Carolina DO	12	St. Louis DO	3		

#### Approved Protégé Categories



#### ASMPP Assistance Requested



# Regulation Update

## SBA Proposed Rule

**SBA proposes to consolidate the All Small Mentor Protégé Program and the 8(a) Business Development Mentor Protégé Program into one program.**

***Comments can be made under RIN 3245-AG94***

# Contracting

## Small Disadvantaged Businesses (8(a))

- **Goal: 5% of all federal contracts**
  - **2017: 9.1%**
- **Socially and economically disadvantaged businesses, those in 8(a) assistance program**
- **8(a) provides development assistance with mentoring, training, matchmaking events—9 year program**

# Contracting

## Small Disadvantaged Businesses (8(a))

### Wisconsin 8(a) Contract Awards

#### TOTAL 8(A) AWARDS BY FISCAL YEAR

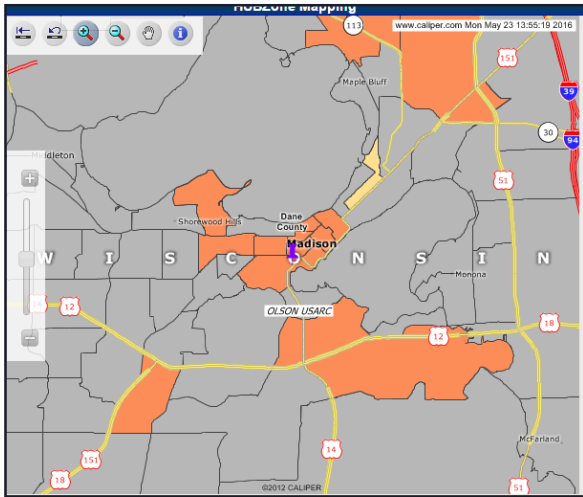
FY18	FY17	FY16	FY15	FY14	FY13	FY12	TOTAL
6,600,000.00	70,951,550.00	55,138,880.00	34,466,580.00	23,865,730.00	8,590,880.00	6,528,352.45	200,675,552.45

# Contracting HUBzones

➤ **Goal: 3% of all federal contracts**

➤ **2017: 1.7%**

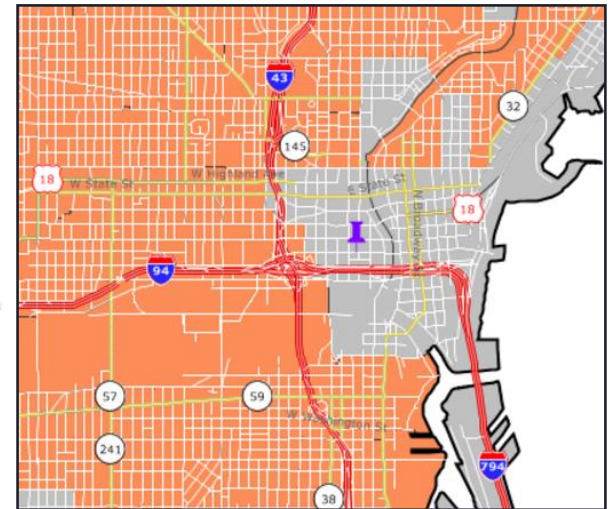
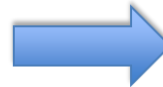
➤ **Businesses in distressed urban, rural areas**



Madison area HUBzones  
(reference point is SBA  
office, 740 Regent Street)

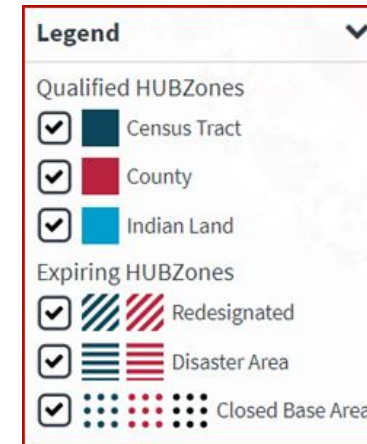
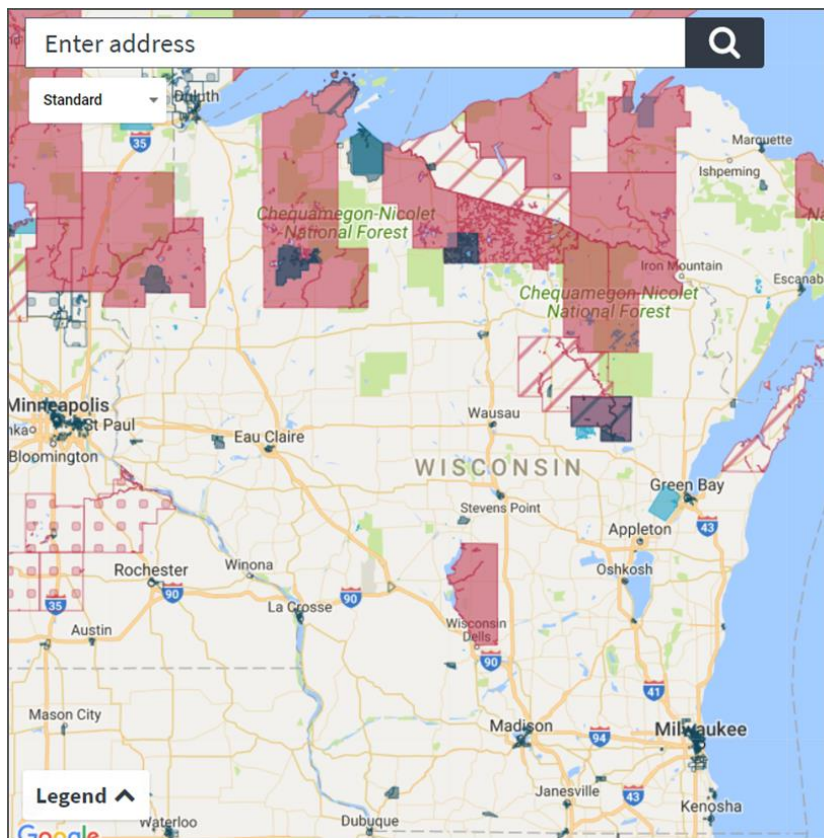


Milwaukee area  
HUBzones  
(reference point is SBA  
office, 310 W. Wisconsin)



[www.sba.gov/hubzone](http://www.sba.gov/hubzone)

# Contracting HUBzones throughout Wisconsin



Indian/tribal lands; parts of Milwaukee, Waukesha, Kenosha, Racine, Madison, Green Bay, Stevens Point, other communities throughout the state

[www.sba.gov/hubzone](http://www.sba.gov/hubzone)

NEW mapping tool as of 6/2017

# Counseling

- **SCORE – Counselors to America’s Small Businesses (7 chapters with 25+ locations)**
- **Women’s Business Centers (7 locations)**
- **Small Business Development Centers (SBDC)-14 locations plus Specialty Centers**
- **Veterans Business Outreach Center**
  - 12,213 Wisconsin residents were counseled or mentored by an SBA resource partner in FY2017***
- **Online Training SBA.Gov**
  - **More than 130 free courses and webinars**

# Counseling

## Women's Business Centers

- **Entrepreneur Fund's Women Business Center, MN and Superior, WI**
- **Western Dairyland Women's Business Center, Independence and Eau Claire**
  - **983 served**
- **WI Women's Business Initiative Corp. (WWBIC) Milwaukee, Madison, Kenosha and Racine (Just added Appleton)**
  - **4642 served**

**SBA OFFICE OF WOMEN'S BUSINESS OWNERSHIP**

# Counseling – Veteran Business Outreach Center

- ▶ WWBIC awarded for Wisconsin, Minnesota and Illinois on May 1, 2018.

# Stay in Touch with SBA in Wisconsin

- Website—e-news sign-up; business success stories, press releases, e-news updates, calendar of events, loan and program information, office staff and responsibilities, online resource guide.

[www.sba.gov/wi](http://www.sba.gov/wi)

- E-news--monthly and periodic updates; upcoming events and classes list sent monthly
- Social media
  - Twitter: @SBA\_Wisconsin (since 9/17) Follow us!
  - Facebook-U.S. Small Business Administration
- Resource Guide—Updated annually; available in hard copy and on the SBA Wisconsin website; new guide available August 2018



# Wisconsin SBA Contacts

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