

Overview of Socio-economic Categories

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Welcome and Introduction

Welcome to the 3rd Annual Huntington Small Business Conference from all of us at the U.S. Army Corps of Engineers, Huntington District. It's a pleasure to have you here in our district.

My name is Eileen Hodges and I'm going to give a brief introductory overview to some of the different small business programs mandated by the U.S. Small Business Administration under the Small Business Act (15 U.S.C. §632).



Small Business Socio-economic Categories

The importance of small business to the United States' economy, is so great that Federal legislation has been enacted to ensure that small businesses have access to the Government-spending pie.



Small Business Socio-economic Categories

This legislation includes the requirement that Federal agencies meet goals established specifically for small business and for each socio-economic category. There is parity across all small business categories so that all have equal access to opportunities.

The overall Small Business goal is contributed to by each of the socio-economic categories, some of which overlap for firms with more than one designation.



Small Business Designations

- ▶ Based upon North American Industry Classification System (NAICS) codes, small business size is determined for:
 - Small business;
 - Small disadvantaged business concerns (SDB), including, 8(a) business development participants, which includes: Alaskan Native Corporations, Indian-Owned concerns; and Native Hawaiian Organization-Owned;
 - HUBZone small business concerns (HZ);
 - Veteran-owned small business concerns (VOSB);
 - Service-disabled veteran-owned small business concerns (SDVOSB);
 - Economically disadvantaged women-owned small business (EDWOSB) concerns;
 - Women-owned small business (WOSB) concerns eligible under the WOSB Program.
- ▶ The Federal Acquisition Register (FAR) at Part 19 implements the applicable sections of the Small Business Act pertaining to acquisition.



Small Business Socio-economic Categories

While there are several sub-categories of small business, there are also goals established that may influence set-aside status base upon socio-economic categories, including the following:

- HUBZone Small Business (HZ);
- Small Disadvantaged Business (SDB), which encompasses the 8(a) Business Development Program;
- Woman-Owned Small Business (WOSB);
- Service-Disabled, Veteran-Owned Small Business (SDVOSB)



Overview of Small Business Socio-economic Factors: Advantages

- While there are some considerations as to the level of effort to becoming designated in one or more of these socio-economic subcategories of small business, there are also advantages, including:
 - ▶ Use of set-asides by procuring agencies to narrow the competitive field when the “rule of two” is met;
 - ▶ Potential for Sole Source Contracting;
 - ▶ Additional tools and resources available through the SBA for your particular status to help start and grow your business; and,
 - ▶ For HUBZone firms, the potential for a 10% price evaluation preference in full and open contract competition, as well as subcontracting opportunities.



Overview of Small Business Socio-economic Factors: Obtaining Designation

- ▶ To qualify for a socio-economic designation, firms must be considered “small” in their primary NAICS code, and be at least 51% owned and controlled by the eligible person/entity.

- HUBZone: Certified by the U.S. Small Business Administration (SBA)
 - ▷ Your firm must have a principal office located within a Historically Underutilized Business Zone (this area may change depending upon census data.)
 - ▷ At least 35% of your firm’s employees must reside in a HUBZone.

- SDB: Self-certification via the System for Award Management (SAM), (www.SAM.gov), except for 8(a) Small Business Development Program SDBs
 - ▷ Must be able to provide documentation that qualifying individual/entity is both socially and economically disadvantaged.



Overview of Small Business Socio-economic Factors: Obtaining Designation

- *Note: Participation in the 8(a) Program requires application through the SBA. All 8(a) firms are considered Small Disadvantaged Businesses.
- WOSB: Self-certification* through SAM
 - ▷ *Note: Third party certification will be required pending new legislation. It is advised that WOSB's obtain third party certification now to avoid the rush.
- SDVOSB: Self-certification through SAM
 - Guidance for self certification, under the SDVOSB procurement program is contained in 13 CFR Part 125.8 and FAR Subpart 19.307; (Note, this is different from Veterans First Contracting Program which requires verification of veteran status and placement in VetBiz database.)
 - ▷ The Service Disabled Veteran (SDV) must have a service-connected disability that has been determined by the Department of Veterans Affairs or Department of Defense;
 - ▷ The SDVO must control the management and daily operations of the SDVOSBC; and,
 - ▷ The SDV must hold the highest officer position in the SDVOSBC.



Huntington District Small Business Goals for Fiscal Year 2016

The Huntington District has been charged with meeting the following socio-economic goals based upon total procurement dollars obligated:

OVERALL SB GOAL: 52.81%

- ▶ HUBZone – 25.02%
- ▶ Small Disadvantaged Business – 15.62%
- ▶ Woman-Owned Small Business – 7.09%
- ▶ Service-Disabled Veteran-Owned Small Business – 0.50%



Helpful Links

- Find resources by starting at <https://www.sba.gov>
- Helpful Links for HUBZone:
 - ▶ A HUBZone application guide can be accessed at https://www.sba.gov/sites/default/files/files/HUBZone_Application_Guide.pdf;
 - ▶ The HUBZone Primer, a 30-minute presentation provided at <https://www.sba.gov/media/training/hubzoneprimer/index.htm>;



Helpful Links

- More helpful links to see if your firm qualifies for Small Disadvantaged Business status:
 - ▶ Government Contracting 101, a Guide for Small Businesses, U.S. Small Business Administration, <https://www.sba.gov/sites/default/files/files/Work%20book%20gc%20101%20part%201.pdf>;
 - ▶ 8(a) Business Development Program Suitability Tool
<http://imedia.sba.gov/vd/media1/training/sbdtool/player.html>



Helpful Links

- WOSB Links:
 - ▶ The WOSB Advantage workshop guidebook:
 - [“https://www.sba.gov/sites/default/files/files/WOSB_workbook.pdf”](https://www.sba.gov/sites/default/files/files/WOSB_workbook.pdf)
 - ▷ The information contained in this guidebook is not up to date; however, it contains a lot of good information.
 - ▶ **NEW!! WOSB Portal! “Certify.SBA.GOV”**
 - The U.S. Small Business Administration (www.SBA.gov) has posted PowerPoint presentations to assist you with the WOSB Federal Contract Program repository process. In this new portal, WOSB business owners will be able to manage their documents, complete application forms online, and receive notices of upcoming deadlines. **Note**, as self-certification is still permitted while SBA develops new criteria, this modernized site supports those decisions. For technical questions email “certify@sba.gov”.
 - Follow this link to get to the presentations:
<https://sba.gov/contracting/government-contracting-programs/women-owned-small-businesses>:
 - 2016 WOSB Federal Contract Program Module 1 – Program Overview
 - 2016 WOSB Federal Contract Program Module 2 – System Walkthrough



Helpful Links

- SDVOSB Link:
 - ▶ SBA's workshop guidebook for Veteran Owned Small Businesses

https://www.sba.gov/sites/default/files/SDVOSB_workbook_0.pdf



It's all about opportunities...

- The office of small business programs concerns itself with making sure that small firms are given the opportunity to get a piece of the Federal spending pie.
- You have an opportunity here today to meet and exchange information with key personnel with the Huntington District and with other small and large firms who want to do business with US. Starting...NOW!

