

FAIRFAX COUNTY, VIRGINIA

Federal Procurement for Minority- and Woman-owned Businesses



Each year, the U.S. government buys more than \$500 billion in goods and services from the private sector. Purchases are made in nearly every category of commodity and services imaginable. Federal policy actively encourages government agencies to give procurement preference to small, small disadvantaged and woman-owned firms by establishing annual procurement goals, contract set-asides, certifications and technical assistance programs. Many large prime contractors also set aside subcontracting opportunities for such firms. These efforts create distinct marketing advantages and business opportunities for small, minority- and woman-owned firms seeking to do business with the federal government. This report highlights federal programs and resources to help small, minority- and woman-owned businesses access the federal procurement market. For additional information on the federal procurement process, contact Karen Smaw, FCEDA's director of small and minority business development, at ksmaw@fceda.org.

Federal Procurement Goals

In order to ensure that small, minority- and woman-owned firms get their fair share of federal procurement dollars, the U.S. Small Business Administration (SBA) negotiates annual procurement goals with each federal agency and reviews each agency's results. Procurement goals are established in terms of percentage of annual expenditures.

GOVERNMENT-WIDE FEDERAL PROCUREMENT CONTRACT AWARD GOALS

- 23 percent of prime contracts for small businesses
- 5 percent of prime and subcontracts for small disadvantaged businesses
- 5 percent of prime and subcontracts for woman-owned businesses
- 3 percent of prime contracts for HUBZone small businesses (see page 2)
- 3 percent of prime and subcontracts for service-disabled veteran-owned small businesses

For additional information on small business prime and subcontracting goals by federal agency, visit www.sba.gov/aboutsba/sbaprograms/goals/index.html.

Federal Procurement Programs for Minority- and Woman-Owned Businesses

SMALL BUSINESS

Under the Small Business Act, federal government agencies may set aside procurements exclusively for small businesses. Announcements placed on FedBizOpps (www.FedBizOpps.gov), the federal government's online procurement portal for purchases over \$25,000, will indicate those solicitations that have been set aside for small businesses. To ensure adequate competition, set-asides are made only when enough qualified small businesses are expected to bid or offer services.

FEDERAL PROCUREMENT MARKETING "DOS" FOR SMALL, MINORITY- AND WOMAN-OWNED BUSINESSES

- Contact Offices of Small and Disadvantaged Business Utilization staff at the appropriate federal agencies.
- Register as a special-status firm on the Central Contractor Registration Web site (www.ccr.gov), an online federal procurement database of companies interested in doing business with the federal government.
- Check SBA's SUB-Net, an online database for subcontracting opportunities (<http://web.sba.gov/subnet>).
- Complete and submit a Standard Form 129/Solicitation Mailing List Application with all federal agencies.
- Check FedBizOpps (www.FedBizOpps.gov) for procurement solicitations, procurement forecasts and set-aside announcements.
- Identify top prime contractors by product category via the Federal Procurement Data System (www.fpds.gov/fpdsng-cms).
- Attend federal agency small business fairs and training opportunities that emphasize how to do business with the government and provide information on program activities.
- Network with agency project and program personnel.
- Give product catalogs and brochures to key procurement personnel within federal agencies.

Source: SBA

The SBA establishes small business size standards, based on employment and/or annual receipts, on an industry-by-industry basis. The standards apply for SBA program participation as well as all other federal government programs and actions where eligibility as a small business is a factor or a consideration. For more detailed information, visit www.sba.gov/size/.

continued >

SMALL DISADVANTAGED BUSINESS (SDB)

A federal designation, an SDB is a small business that is at least 51 percent owned, controlled and operated by one or more socially and/or economically disadvantaged individuals or stockholders.

Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identification as members of certain groups. Within the socially disadvantaged classification, economically disadvantaged individuals are those whose ability to compete in the economy has been impaired due to diminished capital and credit opportunities. Officially designated socially and economically disadvantaged groups include African-Americans, Native Americans, Hispanic Americans, Asian Pacific-Americans and Asian Indian-Americans.

Members of other groups must provide evidence that they are economically and socially disadvantaged. SBA determines eligibility on a case-by-case basis. The following programs can be especially helpful to socially and/or economically disadvantaged business owners:

8(a) Business Development Program

This program provides SDBs with technical and management assistance as well as access to the federal procurement market through sole-source, limited competition contracts and special procurement set-asides. All 8(a) firms must be unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are of good character and U.S. citizens. The 8(a) Program Web site, www.sba.gov/8abd, provides more detailed information on 8(a) program eligibility criteria, the application process, other resources and contact information.

SDB Certification

Businesses receiving small disadvantaged business certification from the SBA are eligible for special federal contract bidding benefits and set-asides; 8(a) firms automatically qualify for SDB certification. To receive SDB benefits as a prime contractor, a business must either be SDB-certified or have a completed SDB application pending at the SBA or through a private certifier at the time of its offer. A company may self-certify as an SDB during the subcontracting process. For more information, visit www.sba.gov/content/small-business-certification-0.

Federal agencies are authorized to set aside competitions solely for SDBs. These competitions are announced on FedBizOpps as set-asides for SDBs. An agency may issue solicitations that give up to a 10 percent price evaluation preference to such businesses.

WOMAN-OWNED BUSINESS

A business is defined as woman-owned if it is at least 51 percent owned and controlled by a woman or women who are U.S. citizens. Further, a woman must manage the day-to-day operations, make long-term decisions, hold the highest officer position and work at the business full-time. There is no formal woman-owned business certification program for the federal government procurement process. Instead, firms self-certify their businesses or are certified by an SBA-approved third-party certifier.

Women-Owned Small Business Federal Contract 8(m) Program

The Women-Owned Small Business Federal Contract Program allows agency contracting officers to set aside certain federal contracts for eligible women-owned small businesses or economically disadvantaged women-owned small businesses in designated

industry categories. For additional information on this program and steps on how to participate, visit www.sba.gov/content/contracting-opportunities-women-owned-small-businesses.

HUBZONE BUSINESS

SBA's Historically Underutilized Business Zone (HUBZone) Empowerment Contracting Program gives federal contracting preferences to certified small businesses in targeted urban and rural locations. Certification is awarded to small businesses that are owned and controlled by one or more U.S. citizens and have a principal office located in a HUBZone.

Additionally, at least 35 percent of a certified firm's employees must reside in a HUBZone. In Fairfax County, designated HUBZones are located in the southeastern part of the county along the Richmond Highway Corridor. SBA's HUBZone Web site (<https://eweb1.sba.gov/hubzone/internet>) provides more details on this program.

SERVICE-DISABLED VETERAN-OWNED BUSINESS

A business can claim service-disabled veteran-owned small business status if it is 51 percent owned by one or more service-disabled veterans, and the management and daily business operations are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran. A service-disabled veteran means a veteran with a disability that is service-connected.

There is no formal certification program for service-disabled veterans. A veteran or a service-disabled veteran self-certifies his/her status when he/she responds to a government solicitation. A Department of Defense Form 214 and a Veteran's Administration certified letter as to disability can serve as proof of service-disabled veteran status. For more information, visit www.sba.gov/aboutsba/sbaprograms/ovbd/index.html or www.vetbiz.gov.

Subcontracting: Marketing to Federal Prime Contractors

The Small Business Act requires prime contractors awarded federal contracts valued at \$500,000, or over \$1 million for construction projects, to establish plans and goals for subcontracting with small, small disadvantaged and woman-owned firms. Prime contractors must submit subcontracting plans to a federal agency's Office of Small and Disadvantaged Business Utilization, which sets subcontracting percentage and dollar award goals for contracts.

Small, small disadvantaged and woman-owned businesses must actively market their capabilities to win subcontracting business from prime contractors. Tools that assist with this process include:

CENTRAL CONTRACTOR REGISTRY

The Central Contractor Registry (CCR) (www.ccr.gov) is the primary vendor database for the federal government. Both current and potential government vendors must register in CCR in order to be awarded federal government contracts. Federal agencies use the CCR to help assemble source lists for upcoming solicitations and procurements. Prime contractors routinely search the CCR to identify potential small business contractors, subcontractors and special-status firms (e.g., 8(a), SDB, HUBZone, woman-owned, etc.) to assemble teams for upcoming procurement opportunities.

continued >

FAIRFAX COUNTY

ECONOMIC DEVELOPMENT AUTHORITY

FEDBIZOPPS

FedBizOpps (www.FedBizOpps.gov) allows small firms to research contract solicitations and awards as well as identify prime contractors to partner with on federal contracts.

SUB-NET

Prime contractors use SUB-Net (<http://web.sba.gov/subnet>) to post subcontracting solicitations and notices seeking teaming partners and subcontractors for future contracts. Federal agencies, state and local governments, nonprofit organizations, universities and foreign governments also post contracting notices on SUB-Net.

SBA SUBCONTRACTING DIRECTORY

SBA maintains lists, organized by state, of companies seeking subcontracting partners. For more information, visit www.sba.gov/aboutsba/sbaprograms/gc/contacts/gc_subcontracts_opportunities.html.

INDIVIDUAL AGENCY SUBCONTRACTING DIRECTORIES

The Offices of Small and Disadvantaged Business Utilization at many federal agencies maintain subcontracting directories that list prime and subcontractors on agency projects.

Procurement Resources

FEDERAL AGENCY OFFICES AND SPECIALIZED PROGRAMS

SBA Business Opportunities Web site (www.sba.gov/businessop/index.html) provides basic information on the federal procurement process.

SBA's Office of Government Contracting (OGC) administers programs and services designed to help small businesses meet various requirements to receive government contracts, either as prime contractors or subcontractors. The Office of Women's Business Ownership (www.sba.gov/aboutsba/sbaprograms/onlinewbc), located within OGC, provides procurement assistance specifically to woman-owned businesses. For more information, visit www.sba.gov/about-offices-content/1/2986.

Offices of Small and Disadvantaged Business Utilization (OSDBU)

OSDBUs within federal agencies are responsible for promoting the use of small, small disadvantaged and special-status businesses. They also assist such firms in obtaining agency contracts and subcontracts with agency prime contractors. For a listing of individual agency OSDBUs, visit www.osdbu.gov/offices.html.

Mentor-Protégé Program

The Mentor-Protégé Program is designed to encourage federal prime contractors to form partnerships and provide technical assistance to SBA-certified small disadvantaged firms, other small disadvantaged businesses, woman-owned small businesses and small businesses owned and controlled by service-disabled veterans. Mentor-protégé relationships are intended to enhance the capabilities of protégés and improve their ability to successfully compete for federal contracts. For a list of individual agency OSDBU offices, visit www.osdbu.gov/members.html.

Minority Business Development Agency

The Minority Business Development Agency (MBDA), part of the Department of Commerce, offers assistance to minority-owned

businesses of any size. The "Contracts" section of MBDA's Web site contains helpful information on government contracting. MBDA also maintains the Phoenix database of minority suppliers. Suppliers enrolled in the database receive notices and free referrals on federal and non-federal business opportunities via e-mail and fax. For more information, visit www.mbda.gov.

The Procurement Technical Assistance Program

Funded by the Defense Logistics Agency and George Mason University, the Procurement Technical Assistance Program (PTAP) seeks to increase contracting activity between small businesses, prime contractors and the government. Services offered by PTAP include marketing, technical consulting and training on government procurement processes. For more information, visit www.vaptap.org.

ADDITIONAL RESOURCES AND WEB SITES

Center for Veterans Enterprise—VetBiz

VetBiz (www.vetbiz.gov) provides information on programs and resources for veteran and service-disabled veteran-owned businesses. Such businesses can register on the new VetBiz Vendor Information Page (www.vetbiz.gov/vip/vip.htm) maintained by the Department of Veterans Affairs.

Hispanic Business Federal Procurement Guide

The Hispanic Business Federal Procurement Guide (www.hispanic-business.com/federalguide/procurement) provides information on 8(a) certification, procurement contacts within federal agencies, grant information, and current articles and market intelligence on federal procurement.

National Minority Supplier Development Council, Inc. (NMSDC)

The NMSDC provides a variety of services designed to increase procurement and business opportunities for minority businesses. The NMSDC network includes 3,500 corporate members, including most of the nation's largest publicly owned, privately owned and foreign-owned companies, as well as universities, hospitals and other buying institutions. Regional councils certify and match minority-owned businesses with member corporations purchasing goods and services. The Virginia Regional Minority Supplier Development Council (www.vmsdc.org) serves the northern Virginia area.

Online Women's Business Center—Government Contracting Page

The Online Women's Business Center (www.womenbiz.gov) provides many useful links to various programs and publications.

WomenBiz.gov

WomenBiz.gov (www.womenbiz.gov) is an online gateway for woman-owned businesses seeking to do business with the federal government. It provides information on federal government procurement programs that help woman- and minority-owned businesses win contracts; lists agency procurement contact information; and gives tips on how to research, identify and target federal procurement markets.

Women's Business Center of Northern Virginia

The Women's Business Center of Northern Virginia (www.cbponline.org) provides counseling and training in financing, management, procurement and marketing at minimal cost to clients.

November 2011

FAIRFAX COUNTY

ECONOMIC DEVELOPMENT AUTHORITY