

Chapter 3

PROCUREMENT OPPORTUNITY PROGRAMS

Small Business Set-Asides (see also FAR Subpart 19.5)

Section 15 of the Small Business Act, as amended, requires the Federal Government to reserve a fair proportion of its total purchases and contracts for property and services for small business concerns. The Government does this by reserving, or “setting aside,” entire procurements or parts of procurements for small businesses. This does not guarantee that any particular small business will receive a contract. It means that only small businesses may compete for the contract (“total small business set-aside”) or the reserved portion (“partial small business set-aside”).

The Small Business Act also requires the Government to buy goods and services at competitive, fair market prices. Therefore, contracts are set aside only when at least two qualified small businesses are expected to submit offers that are competitive in terms of market prices, quality and delivery. In this context, “market price” means a price based on reasonable costs under normal competitive conditions, and not lowest possible cost (FAR 19.001).

The SBA establishes size standards defining small businesses on an industry-by industry basis. They are defined by dollar volume of sales, number of employees, or a combination of these factors. Size standards are published in FAR Subpart 19.1 and are also available online at SBA’s Internet site (see page 7). The size standard is particular to the supplies or services being procured, i.e., it varies by procurement.

Small Business Subcontracting Program (See also FAR Subpart 19.7)

Section 211 of Public Law 95-507 requires that the successful offeror or bidder on contracts valued at \$500,000 or more (\$1 million for construction of public facilities) must submit to the awarding agency an acceptable subcontracting plan that sets percentage and dollar goals for the award of subcontracts to small and small disadvantaged businesses. (NOTE: Small business concerns receiving prime contracts are exempt from this requirement.) The plan must be submitted and accepted before the contract may be awarded. All subcontracting plans submitted by prime contractors are reviewed by appropriate HUD staff (OSDBU, Small Business Specialists, Contracting Officers) to ensure compliance with the requirements of Section 211.

Small Disadvantaged Business Participation Program

(see also FAR Subparts 19.11 and 19.12)

Fort. Benning encourages the award of prime contracts valued at \$100,000 or more to small disadvantaged business (SDB) concerns (other than certified 8(a) firms) that are at least 51 percent owned and controlled by socially and economically disadvantaged individuals. As a means of ensuring SDBs the maximum practicable opportunity to compete for and receive Federal contracts, small businesses certified as SDBs can receive up price preference (currently 10%) or evaluation credit when competing for certain procurements. The Department of Commerce determines which industrial categories are eligible for the SDB contract price preference and evaluation credits. Businesses seeking certification as SDBs should contact the SBA for more information.

Section 8(a) Program (see also FAR Subpart 19.8)

Section 8(a) of the Small Business Act authorizes the SBA to enter into contracts with other Federal government agencies to supply needed goods and services. The SBA in turn subcontracts the actual performance of the work to small businesses enrolled in the SBA's 8(a) Program. The goal of the 8(a) Program is to help eligible small disadvantaged firms become independently competitive for Federal contracts.

The selection of an 8(a) subcontractor may be made on a sole source or competitive basis. Contracts under \$3 million (\$5 million for construction contracts) are normally awarded on a sole source basis. Contracts in excess of \$3 million must be competed among 8(a) firms. HUD has executed a memorandum of understanding with the SBA which allows it to directly award 8(a) contracts to 8(a) firms. This helps speed up the award of these contracts.

To be eligible for 8(a) Program participation, a small business must be at least 51 percent owned, controlled and daily operated by one or more socially and economically disadvantaged persons.

“Socially disadvantaged” individuals are those who have been subject to racial or ethnic prejudice or cultural bias because of their identification as members of certain groups. Black Americans, Native Americans, Hispanic Americans, Asian-Pacific Americans and Asian-Indian Americans have been officially designated as socially disadvantaged. Members of other groups must show proof of their socially disadvantaged status.

“Economically disadvantaged” individuals are socially disadvantaged individuals (as defined above) whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities. Economic disadvantage must be established for all applicants. The SBA determines eligibility on a case-by-case basis.

All applications for the 8(a) Program must be made directly to the SBA. If you are interested in the program, contact your nearest SBA office or HUD Small Business Specialist (see Exhibit 3).

Women-Owned Small Business Program (see also FAR Subpart 19.9)

Executive Order 12138 (“National Women’s Business Enterprise Policy”) directs all Federal agencies to take action to strengthen women-owned business enterprise and to ensure full participation by women in the free enterprise system. The Order does not permit HUD to set-aside procurements for women-owned businesses. HUD makes special efforts, though, to advise women business owners of contracting opportunities and to encourage their participation in HUD procurement. The FAR requires Federal agencies to actively encourage their prime contractors to use women-owned small businesses as subcontractors. All contracts valued at \$100,000 or more include a clause which requires the prime contractor to provide the maximum practicable opportunity to women-owned small businesses to compete for subcontracts.

A women-owned small business concern is defined as at least 51 percent owned by one or more women, or in the case of publicly owned businesses, at least 51 percent of the stock is owned by one or more women, and the management and daily operations of which are controlled by one or more women.

Service-Disabled Veteran-Owned Small Business Procurement Program (see FAR Subpart 19.14)

The Veterans Benefit Act of 2003 (15 U.S.C. 657f) created the procurement program for small business concerns owned and controlled by service-disabled veterans (commonly referred to as the “Service-Disabled Veteran-owned Small Business (SDVOSB) Procurement Program”). The purpose of the Service-Disabled Veteran-Owned Small Business Program is to provide Federal contracting assistance to service-disabled veteran-owned small business concerns.

Status as a service-disabled veteran-owned small business concern is determined in accordance with 13 CFR parts 125.8 through 125.13. At the time that a service-disabled veteran-owned small business concern submits its offer, it must represent to the contracting officer that it is a--

- (1) Service-disabled veteran-owned small business concern; and
- (2) Small business concern under the North American Industry Classification System (NAICS) code assigned to the procurement.

Historically Underutilized Business Zone (HUBZone) Program

(see FAR Subpart 19.13)

Created by the HUBZone Act of 1997, Title VI of Public Law 105135, this program provides Federal contracting opportunities for certain qualified small business concerns located in economically distressed communities. The goal of the HUBZone Program is to provide federal contracting assistance for qualified small business concerns located in HUBZone areas in order to increase employment opportunities, stimulate capital investments in those areas, and empower communities through economic leveraging. HUBZone areas are determined by various census data. To qualify as a HUBZone business, the business must be small, owned by a US citizen and have its principal office located in a HUBZone. At least 35% of the employees must reside in a HUBZone. The SBA formally certifies firms as HUBZone businesses. HUBZone businesses can receive sole-source or set-aside federal contracts or receive a price preference up to 10% when competing for full and open competition procurements.

For More Information....

[Where can I get more information about Fort. Benning programs and contracting and subcontracting opportunities?](#)

The U.S. Small Business Administration (SBA). The SBA offers a wide variety of services and assistance to small and small disadvantaged businesses. Government contracting offices work closely with the SBA in seeking small business suppliers. Local SBA offices frequently can direct firms to agencies that purchase products they offer. The SBA can also provide names and addresses of prospective military and civilian agency customers. Information about the SBA's programs and services is readily available from its Internet homepage at:

<http://www.sbaonline.sba.gov>

The SBA also posts small business size standards at:

<http://www.sba.gov/size/>

(NOTE: As of October 1, 2000, all small business size standards are based on the North American Industry Classification System (NAICS)).

Federal Business Opportunities (www.fedbizopps.gov)

FedBizOpps.gov is the single government point-of-entry (GPE) for Federal government procurement opportunities over \$25,000. Government buyers are able to publicize their business opportunities by posting information directly to FedBizOpps via the Internet. Through one portal - FedBizOpps (FBO) - commercial vendors seeking Federal markets

for their products and services can search, monitor and retrieve opportunities solicited by the entire Federal contracting community.

What other sources of information would be helpful?

The Commerce Business Daily (CBD). The CBD is published by the U.S. Department of Commerce every Federal business day. The CBD lists contracting opportunities with all Federal agencies. With few exceptions, notices of upcoming solicitations for new HUD contracts and purchases expected to exceed \$25,000 are published in the CBD. Notices of awards of contracts that have subcontracting opportunities are also published. The CBD can now be accessed via the Internet through the Government Printing Office's CBDNet located at:

<http://cbdnet.access.gpo.gov>.

Online access to the CBDNet is **free** and is linked to HUD's Internet contracting site (see above). The CBD is also available in most public and Federal libraries. You may also buy a hard copy subscription to the CBD (check with CBD for prices). To subscribe, contact the Superintendent of Documents, Government Printing Office, Washington, DC 20402-9371. You may also order the CBD via the Government Printing Office's Internet homepage located at: <http://www.access.gpo.gov>.

“U.S. Government Purchasing and Sales Directory, Revised 1994” is a comprehensive guide to the Government's purchasing and sales activities. The directory lists over 4,000 products and services purchased throughout the Government. It tells you what agencies buy and explains how to contact appropriate contracting offices. The directory also contains an overview of how the Government purchases goods and services and describes the types of assistance that the SBA provides to small businesses interested in Government contracting and subcontracting opportunities. Copies may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (Stock No. 045-000-00272-1) and may be ordered via the Government Printing Office's Online Bookstore at:

<http://bookstore.gpo.gov>

General Services Administration (GSA) Small Business Centers.

The GSA is the largest civilian Federal agency buyer of general supplies and services. It provides operational supplies and services to the civilian Federal agencies through its Federal Supply Service. Most of these supplies and services are furnished by independent contractors. The GSA Small Business Centers provide advice to small businesses about GSA's contracting opportunities. While these opportunities are not reserved exclusively for small disadvantaged businesses, they represent an important government resource available to them. Interested business concerns should contact their local GSA regional or area office for more information, or visit GSA's Office of Enterprise Development's Internet homepage at:

<http://www.gsa.gov/oed>

General Services Administration (GSA) Federal Supply Schedule (FSS). GSA awards contracts for a wide variety of supplies and services. Other Federal agencies may then order needed supplies and services directly from those contractors. GSA normally awards multiple contracts for each category of supplies or services. The FSS homepage is located at:

<http://www.fss.gsa.gov>

Defense Logistics Agency (DLA). The DLA provides supplies to the U.S. Military services. The DLA has numerous contracting offices that buy more than 4 million different items – everything from food to fuel. You can find out more about DLA's contracting opportunities at their Small and Disadvantaged Business Utilization Office Internet homepage at:

<http://www.dla.mil/db/>