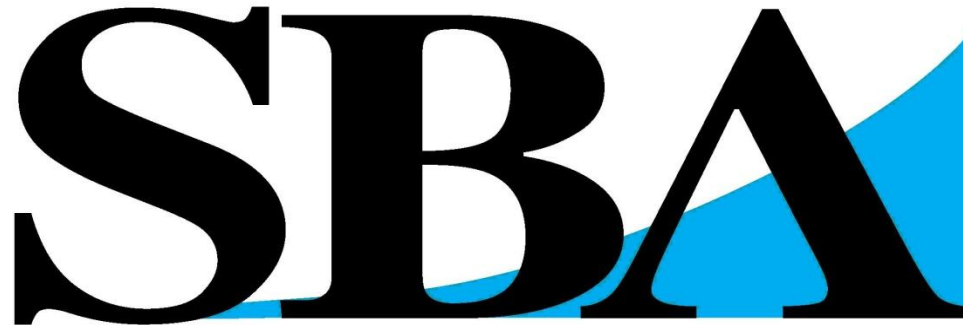


U.S. Small Business Administration



Your Small Business Resource

January 12, 2010

Business Assistance and Contracting Programs

1. 8(a) Business Development Program (8(a)BD)
2. HUBZone Empowerment Contracting Program

Small Business Goals

- Government-wide goals
 - 23% to Small Businesses (total expenditures)
 - 5% for women-owned small business
 - 3% for service-disabled veterans
 - 3% for HUBZone certified small businesses
- SBA negotiates specific goal accomplishments with each Federal agency

What is the 8(a) Business Development Program?

Business development program created to help small disadvantaged businesses compete in the American economy and access the federal procurement market.

Basic Eligibility Requirements for 8(a) Certification

The applicant firm:

- must be a small business
- must be unconditionally owned and controlled by one or more socially and economically disadvantaged individuals* who are of good character and citizens of the United States, and
- must demonstrate potential for success

* Small business concerns owned by Alaska Native Corporations, Indian Tribes, Native Hawaiian Organizations and Community Development Corporations may also be eligible

Note: Firm (certified by SBA) must maintain size, economic disadvantage and social disadvantage eligibility throughout the 9 year term of participation

For additional information go to www.sba.gov/8abd

Eligibility - Size

- Firm must be small based on their primary NAICS (North American Industry Classification System) sector, including affiliates.
- Size is determined either by:
 - average 3 years revenues
 - number of employees (manufacturers, dealers, wholesalers)

For additional information go to www.sba.gov/size

Social Disadvantage

Socially disadvantaged individuals are persons who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identities as members of groups, without regard to individual qualities.

Social Disadvantage

Individuals are presumed to be socially disadvantaged if they are a U. S. citizen and a member of one of the following groups:

- **Black American**
- **Asian Pacific American**
- **Subcontinent Asian American**
- **Hispanic American (includes individuals of Spanish or Portuguese descent)**
- **Native American (American Indians, Eskimos, Aleuts, and Native Hawaiians)**

Native Hawaiian Organization (NHO) Owned Company vs. Native Hawaiian Owned Company

- A “Native Hawaiian Organization” owned company is a for-profit business with majority interest held by a nonprofit community service organization defined in Section 8(a)(15) of the Small Business Act.
- A Native Hawaiian owned company is not defined by SBA but generally recognized as a for-profit business entity with majority interest held by Native Hawaiian(s). (May be defined in other statutes or regulations.)

What is a NHO?

Any community service organization serving Native Hawaiians in the State of Hawaii which:

- A. Is a nonprofit corporation that has filed articles of incorporation with the Hawaii Department of Commerce and Consumer Affairs;
- B. Is controlled by Native Hawaiians; and,
- C. Whose activities will principally benefit Native Hawaiians.

Additional statutory requirement

- NHO must be “economically disadvantaged” (§8(a)(4)(A) of the Small Business Act and 13 CFR §124.110(a))
- 13 CFR §124.110 provides that concerns owned by economically disadvantaged NHOs are eligible for participation in the 8(a)BD program provided they meet all eligibility criteria set forth in §§ 124.101 through 124.108 and §124.112 to the extent that they are not inconsistent with §124.110.

Economic Disadvantage - Factors Considered

- Adjusted personal net worth
- Disadvantaged individual's average two-year income
- Fair market value of all assets
- Access to credit and capital
- Financial condition of the applicant firm
- Assets transferred to another family member or trust for less than fair market value within 2 years from firm's application for participation in 8(a) program

8(a) Business Development Program - Program Benefits

- Access to contracts set aside by Federal agencies for 8(a) BD program
 - Sole Source or Competitive
- Specialized training, counseling
- Access to Federal surplus property
- Small Disadvantaged Business (SDB) certification
- Term of participation: 9 years

HUBZone Empowerment Contracting Program

- HUBZone - historically underutilized business zone
- Promote economic development and employment growth in distressed areas by providing preferences to HUBZone certified small businesses

HUBZone Empowerment Contracting Program - Access to Program Benefits

- Must be certified by SBA
- Following eligibility criteria must be met
 - Small business
 - Principal office* must be located in a HUBZone
 - Owned (51%) and controlled by U. S. citizens
 - At least 35% of total workforce must reside in a HUBZone

*Location where the greatest number of employees at any one location actually perform their work

HUBZone Empowerment Contracting Program- Program Benefits

- **HUBZone set aside contracts**
 - Sole source
 - Competitive
- **Full and open competition**
 - Price evaluation preference to qualified HUBZone small business concerns
 - Offer of HUBZone small business will be considered lower than offer of a non-HUBZone business provided that the offer of the HUBZone concern is not more than 10% higher
- **Subcontracting opportunities**

For additional information go to www.sba.gov/hubzone

Sole Source and Competitive Awards

- 8(a) Business Development
 1. Sole Source - Generally speaking, not to exceed \$3.5 million for services and \$5.5 million for manufacturing.
 2. Competitive – Generally speaking, when the anticipated award amount, including options, will exceed the above thresholds.

- HUBZone
 1. Competitive – at least two responsible qualified SBCs will submit offers
 2. Sole Source – Not to exceed \$3 million for services and \$5 million for manufacturing.

Contact Information

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