



U.S. Small Business Administration

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Changes Effecting Small Business in Federal Contracting



- **New SBA Administration**
- **Proposed Changes to The 8a Program**
- **Women Owned Businesses**
- **HUBZone**
- **SBA Recovery Progerams**



8(a) Proposed Changes

- **Business Size for Primary Industry**
- **Joint Venture**
- **Economic Disadvantage**
- **Changes to Ownership and Control Requirements**
- **Changes Applying to Tribally-Owned Firms**
- **Excessive Withdrawals**
- **Changes to the Mentor/Protégé Program**

- **Joint Ventures**—quantifying that 8(a) firms are required to perform a significant portion of the work to ensure that these companies are able to build capacity;
- **Economic Disadvantage**—providing more clarification on economic disadvantage as it relates to total assets, gross income, retirement accounts and a spouse of an 8(a) company owner in determining the owner’s access to capital and credit;



Mentor-Protégé Program—requiring that assistance provided through the Mentor-Protégé relationship is directly tied to the protégé firm’s business plan;

Ownership and Control Requirements—providing flexibility in admitting individuals of immediate family members of current and former 8(a) participants;

Tribally-Owned Firms—seeking public comments on the best way to determine whether a tribe meets the criteria of being economically disadvantaged for the 8(a) program;



Excessive Withdrawals—amending regulations on what is considered excessive as a basis for termination or early graduation from the 8(a) program; and

Business Size for Primary Industry—requiring that a firm's size status remain small for its primary industry code during its participation of the 8(a) program.



Other 8(a) Proposed Changes

- Application of the Nonmanufacturer Rule
- How Benefits Flow to Intended Beneficiaries
- Applications to the 8(a) DB Program
- Competitive Threshold Amounts
- Competitive Business Mix
- Administration of 8(a) Contracts
- Exporting Requirements
- Follow-on 8(a) Requirements
- Multiple Award Contracts



Women Owned Businesses

Women-Owned Small Business (WOSB) Federal Contract Assistance Procedures published on October 1, 2008, by the Omnibus Appropriations Act, 2009, Div. D, title V, section 522 (Mar. 11, 2009).

SBA plans to withdraw this proposed rule and promulgate a new rule in order to establish and implement an effective WOSB procurement program.

SBA is committed to moving forward to implement a successful WOSB procurement program.



HUBZone and Government Contracting

13 CFR Part 126

ACTION: Final rule

Effective: May 3, 2010

- (1) Delete the full-time equivalency requirement;
- (2) specifically allow HUBZone small business concerns (SBCs) to count leased or temporary employees or employees obtained through a temporary agency, professional employee organization (PEO) arrangement or union agreement, as employees;
- (3) specifically state that SBA relies on the totality of circumstances as further defined by Size Policy Statement No. 1 when determining whether individuals are employees of a concern;
- (4) explain that volunteers are not employees;
- (5) define volunteers as those persons that receive no compensation; and
- (6) address the status of individuals that own all or part of the SBC but receive no compensation for work performed.



SBA Recovery Programs

- **Eliminating and reducing fees**
- **Raising to 90 percent the guarantee on 7(a) loans**
- **Doubling the surety bond guarantee**
- **The ARC loan program**
- **Providing refinancing opportunities**
- **Offering inventory financing**



Questions ??