

## Welcome!

### The 8(a) Business Development Program

We will get started in a moment.

- You are muted.
- Please ask questions any time in the Q&A function.
- Agenda:
  - 8(a) Business Development Program Overview
  - SBA Region 10 Business Opportunity Specialist Introduction
  - Questions & Answers



Schedule a Meeting With Your PTAC.

[www.aptac-us.org](http://www.aptac-us.org)

No-Cost business advising on how to find government contracts, bid on them, and win!

PTACs are funded, in part, through a cooperative agreement with the Defense Logistics Agency.



Microsoft Teams

## Opening Remarks

2021-02-03 23:00 UTC

Recorded by

Peebles, Dr. Donna L.

Signed by

Peebles, Dr. Donna L.

# THE INS & OUTS OF THE 8(A) BD PROGRAM

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Office of Certification and Eligibility-San Francisco

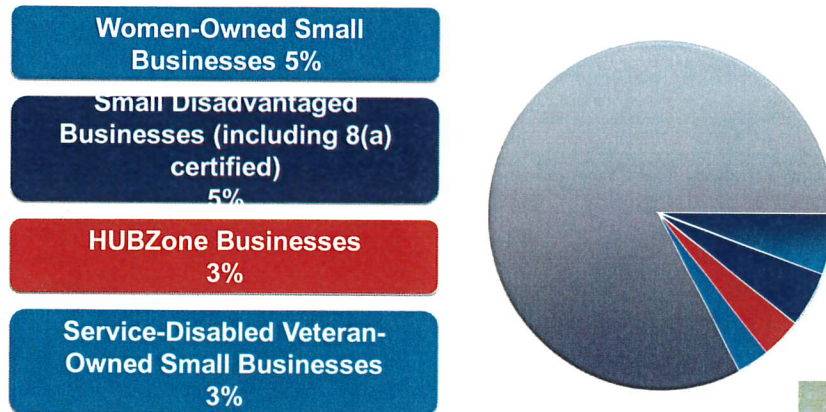


## Objectives

- What is the 8(a) Business Development (BD) Program?
- Am I eligible and ready for the 8(a) BD program?
- How can I submit a successful 8(a) application?



## Acquisition Goals



## 8(a) Business Development Program Goals

- Assist small businesses owned and controlled by socially and economically disadvantaged individuals compete in the Federal marketplace
- Build capacity, grow, gain foothold in government contracting
- Provide business development support





## Business Development Assistance Available to Program Participants

### Orientation

8(a) orientation upon approval  
into the program

### Referrals and Training

- Resource Partner referrals
- 7(j) Program with one-on-one counseling

### Marketing

Invitations to 8(a) business  
development events and other  
marketing assistance

### Surety Bonds

Increased contract value  
eligibility and assistance



## 8(a) BD Program Expectations

Is the program right for you?

- Is a business development program
- No guarantee of Federal contracts
- Self-marketing
- Not suited for all companies
- One-time 9 year program term



# Eligibility Criteria



## Social Disadvantage

### Designated Groups



### Non-Designated Groups

- Establish based on a preponderance of the evidence
- Stem from race, ethnicity, gender, physical handicap, long-term environmental isolation

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- Chronic and substantial
- Personally suffered in U.S.
- Negative impact to business advancement



## Economic Disadvantage



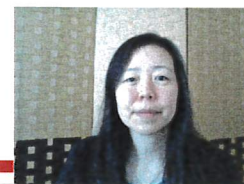
Personal net worth (assets minus liabilities) less than \$750,000



Three year average income is \$350,000 or less

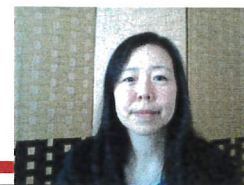


Fair market value of all assets is \$6 million or less



## Size

- Firm must be a small business (including affiliates)
- Based on firm's primary NAICS code
- Size standards based on average annual receipts or average number of employees



## Ownership

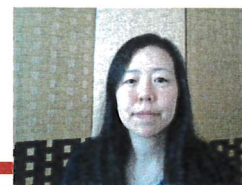
- At least 51% unconditional and direct ownership by one or more socially and economically disadvantaged individuals
- Verified through review business documents and Federal business tax returns



## Control and Management

Disadvantaged individual must:

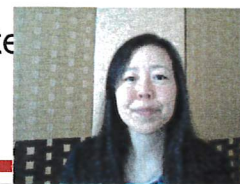
- Control all business decisions
- Hold highest position
- Be highest compensated individual
- Devote full-time to firm





## Potential for Success

- **Two Year Rule** – two most recent years of Federal business tax returns show revenue generation in the primary NAICS code
- **Financial capacity** – ability to perform on contracts of the size and scope of those in the 8(a) BD program
- **Managerial and technical experience** – prior work experience, licensing, etc.
- **Record of performance** – firm has previously completed in primary industry

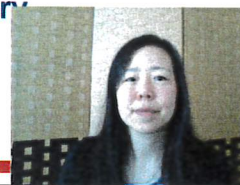


## Waiver of the Two Year Rule

**NOTE:** If the firm has not yet generated revenue, it cannot waive the Two Year Rule.

SBA MAY **WAIVE** THE TWO-YEAR RULE IF:

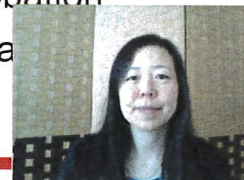
- ☒ Business management experience
- ☒ Technical expertise
- ☒ Adequate capital
- ☒ Successful past performance in primary industry
- ☒ Ability to obtain resources needed





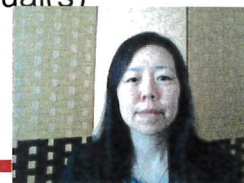
## Character

- Firm and all its principals must possess good character
- Lack of good character
  - Adverse information regarding criminal conduct
  - Debarred or suspended firms or individuals
  - Lack of business integrity – i.e. guilty pleas, convictions, civil judgments
  - Any principal who is incarcerated or on parole or probation
  - Knowingly submitting false information during application process



## Ineligibility

- **Federal Obligations** – any firm or its principals that fails to pay financial obligations to the Federal Government (past due taxes, unresolved tax liens, delinquent and defaulted Federal loans, etc.)
- **Ineligible Businesses** – brokers, debarred or suspended individuals or companies, nonprofit organizations
- **One-Time Eligibility** – one-time for the firm and the individual(s) who claimed disadvantaged status to qualify the firm



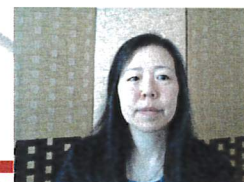
## When Should You Apply?

*Are You Ready...*

8(a) Is One-Time Only

- 01 Do you have the CAPACITY to deliver on federal contracts?
- 02 Do you have sufficient CASH FLOW?
- 03 Do you have demonstrated CAPABILITY (past performance)?
- 04 Can you demonstrate successful PAST PERFORMANCE?
- 05 Are you open to ADVICE on growing your business?

☐ Yes  
☐ No  
☐ Don't know



## SUBMITTING 8(a) APPLICATIONS in CERTIFY ...Helpful Tips



## Two primary issues with 8(a) applications:

- ▶ Firm is not eligible
- ▶ Application is incomplete



## COMPLETE APPLICATIONS





## The Application Process

Application process is entirely electronic at [certify.sba.gov](https://certify.sba.gov).

- 3 phases of processing:
  1. Prescreening (assembly of required documents)
  2. Screening (clarify/address potential issues of eligibility)
  3. Processing (determination eligibility)
    - 90 days



## The Application Process

### 90 Days to Process

- 90 days is the time allowed for SBA to review an application once it has been accepted as being complete by the assigned reviewer. This is the third and last phase of the process.

First Tip: Submit a complete application package



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## The Application Process

Conveyor Belt Diagram with 5 Products



Get Product Diagrams at [www.infoDiagram.com](http://www.infoDiagram.com)



## The Application Process

### Burden of Proof

- The burden of proof to demonstrate eligibility is on the applicant concern. If a concern does not provide requested information within the **allotted time** provided by SBA, or if it submits incomplete information, SBA may presume that disclosure of the missing information would adversely affect the firm or would demonstrate lack of eligibility in the area to which the information relates.

Second Tip: Submit a complete application package.



## The Application Process

### A complete application package

Ask yourself...

- Have I answered every question asked? (Note: "n/a" is not an answer)?
- Have I provided every document requested (or explained why not)?
- Have I anticipated potential issues/questions raised by my answers or documents which need clarification?
- Is my application well organized?

Third Tip: Submit a complete application package.



## The Application Process

### Naming Documents

- There is only one correct way to name a document...following the naming convention: FileName\_Year.  
For example: PersonalTaxReturn\_2020. Anything else is incorrect.
- The name should correspond to the exact name of the document requested.
- The document should be uploaded where it is requested.

Fourth Tip: Submit a complete application package.





## The Application Process

### Anticipate Issues

- Identify responses in your application which obviously require clarification or additional information.

Examples:

- A change in ownership where no consideration was paid.
- Business relationships which may raise questions of affiliation.

Fifth Tip: Submit a complete application package.



## The Application Process

### Common Errors

- Common errors add time to the processing of an application.
- Most common errors are due to an applicant's failure to read and follow instructions.



## The Application Process

### Examples of Common Errors

- The application requests applicants submit complete copies of his or her Federal income tax returns including all schedules and forms for the most recent three years.
  - The applicant uploads only 2 years of personal tax returns.
  - The applicant does not upload the most recent tax return or the request for an extension
  - The applicant uploads copies of the personal state tax returns (key here is that SBA requested only the Federal return)
  - The applicant does not upload copies of all schedule forms, most frequently, W-2s.



## Helpful Tips

Common sense always works!

- Minimize the time required to review your application:
  - **ANSWER ALL QUESTIONS ASKED**
  - Provide all documents/information requested
  - Anticipate issues which need further clarification, e.g. where a response of yes or no requires some clarification
- Do not provide information which is not requested or does not provide clarification to an issue of eligibility, e.g., copies of your WOSB or HUBZone certification; community awards; letters of reference; et. al.
- Give document files common sense names. Better yet, follow naming convention provided, e.g., Personal Taxes\_2018.



## Helpful Tips

Common sense always works!

- Review every document you upload to ensure the document in the file is the document you intended to upload.
- When you respond to a request for additional information, do not haphazardly upload documents. Provide a cover letter or transmittal memo explaining your response.
- Before you submit an application, review the application checklist.
- Also, review all uploaded files to ensure they are not password protected, are not upside down and are legible.
- And last but not least, **submit a complete application package**



## QUESTIONS

Contact:

Office of Certification and Eligibility

(415) 744-0328 – San Francisco

(610) 382-3062 – King of Prussia

[8aquestions@sba.gov](mailto:8aquestions@sba.gov)

