



U.S. Small Business Administration Colorado District Office

- **8a Business Development Program**
- **Small Disadvantaged Business Program**
- **HUBZone Empowerment Contracting Program**



What is the 8(a) Business Development Program?

- Section 8(a) of the Small Business Act.
- A business development program created to assist small disadvantaged businesses compete in the American economy and access the federal procurement market.



Eligibility Criteria

- 2 Years in Business
- A Small Business
- Socially & Economically Disadvantaged
- U.S. Citizen
- 51% or More Ownership
- Good Character

SBA May Waive The Two-Year Rule If:

- Have substantial and demonstrated business management experience;
- Demonstrated technical expertise;
- Adequate capital to carry out its business plan;
- Successful performance on contracts from governmental and nongovernmental;
- Ability to obtain personnel, facilities, equipment, and any other requirements needed to perform such contracts.

*Firms must be small based on their
Primary NAICS Code, including affiliates*

Size is determined either by:

- **average 3 years revenues**
- **# of employees (manufacturers, dealers, wholesalers)**

*See 13 CFR 121 Size Regulations or visit our
website: www.sba.gov*



Socially Disadvantaged

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



*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
- Hispanic American (*includes individuals of Spanish & Portuguese descent*)
- Native American
- Subcontinent Asian American

Persons not members of designated groups must:

Establish their case by a **preponderance of the evidence.**



What is “Preponderance”?

Generally, preponderance is evidence of a quality and quantity which leads the decision maker to objectively conclude that the existence or truth of the facts asserted is more probable than not.



Determining Factors of “Preponderance”

- ✓ Disadvantage may stem from race, ethnic origin, gender, physical handicap, long term environmental isolation, or other similar causes;
- ✓ Must have personally suffered disadvantage in the United States;
- ✓ Must be substantial & chronic;
- ✓ Must have negatively impacted on business advancement

Economically Disadvantaged

individuals are socially disadvantaged persons whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit.

Net Worth Criteria -After excluding the individual's equity in the firm and equity in the primary residence, net worth may not exceed **\$250,000.00**

NET WORTH

less
less
equals

equity in primary residence
equity in business
adjusted net worth
(*which must not exceed \$250,000*)



Ownership, Control & Management

Whether a company is structured as a Partnership, Limited Liability Corporation, Corporation, or Sole-Proprietor,

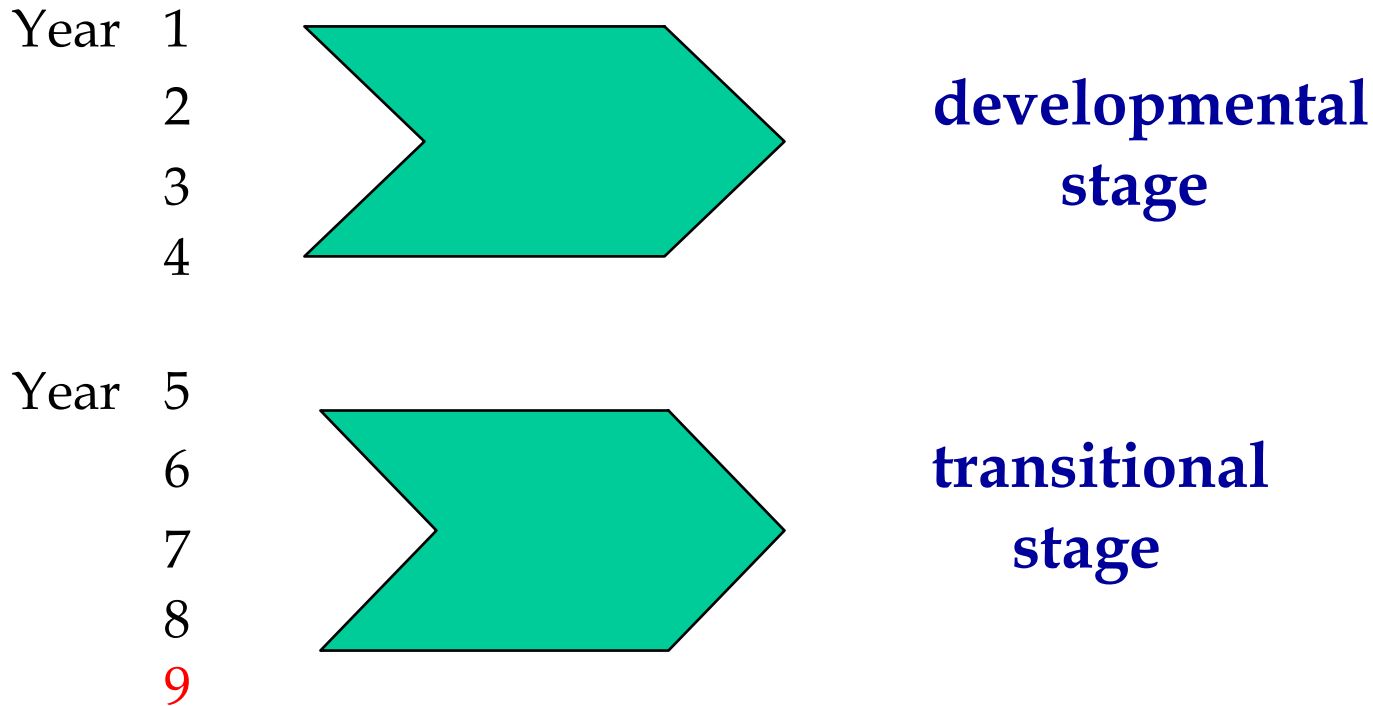
At least 51% must be owned and controlled by the disadvantaged person(s).

The Disadvantaged Individual must:

- **Hold the position of President or Chief Executive Officer, Managing Partner or LLC Managing Member**
- **Be the highest compensated individual**
- **Have managerial/technical expertise**
- **Have the ability to:**
 - **Hire and Fire**
 - **Set Policies**
 - **Commit firm to contracts**
 - **Control Budget and Financial Disbursement**
- **Devote Full-time to the operation**

Term of Participation

START = date of approval



Continuation in the program is dependent on the firm's continuing eligibility as a socially and economically disadvantaged owned/operated firm and continued compliance with the 8(a)BD participation agreement.

Benefits of the 8(a) Business Development Program

- Business Development Assistance
- Sole Source & Competitive 8a Contracting Opportunities
- Mentor/Protégé Opportunities
- Joint Venturing Opportunities

Where to Send Application

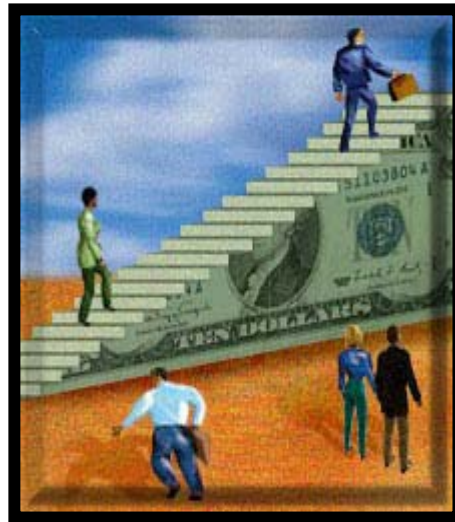
APPLICATION ARE ACCEPTED ON-LINE

www.sba.gov/8abd

?????QUESTIONS?????



Small Disadvantaged Business Program



What is the Small Disadvantaged Business Program?

Program created to assist small disadvantaged businesses benefit in Federal procurement and subcontracting with Prime Contractors.

**THIS PROGRAM IS NOW A
SELF-CERTIFIED PROGRAM**



Eligibility Criteria

- A Small Business
- Socially & Economically Disadvantaged
- U.S. Citizen
- 51% or More Ownership
- Good Character

THIS PROGRAM IS NOW A SELF-CERTIFIED PROGRAM

Eligibility Exception for SDB

- Personal Net Worth - \$750,000
- No Full-Time Devotion To Business
- 2-Year Waiver in Business Excluded

Benefits of the SDB Program

- Federal Agencies & Prime Contractors have established goals to afford subcontracting opportunities to SDB firms.
- Large Federal Prime Contractors with subcontracting plans will receive credit when using “certified” SDB’s as subcontractors.



HUBZone Empowerment Contracting Program



What is the HUBZone Empowerment Contracting Program?

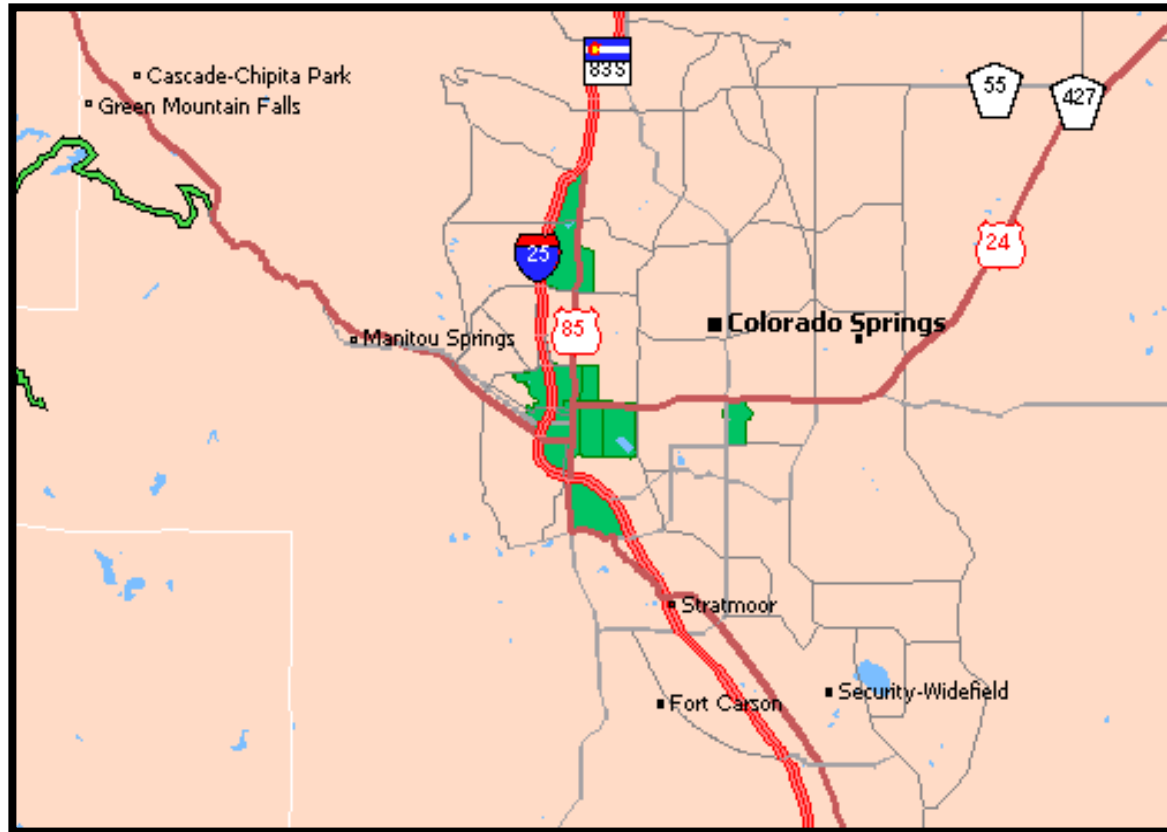
Created to stimulate economic development and create employment opportunity in urban and rural communities by providing contracting preferences to small businesses.



Eligibility Criteria

- A Small Business;
- Owned & controlled by a U.S. Citizen
- Principal office must be located within a HUBZone, which includes lands on federally recognized Indian reservations;
- At least 35% of its employee must reside in a HUBZone

Are You In a HUBZone?



Not Qualified Qualified Indian Country BRAC Former Military Base

www.sba.gov/hubzone

Benefits of the HUBZone Empowerment Contracting Program

- **Federal contracting opportunities - Sole Source, Competitive, Full & Open, 10% Preference, and subcontracting opportunities.**
- **Eligible HUBZone firms may qualify for SBA-guaranteed surety bonds on construction and service contract bids.**
- **Firms in federal empowerment zones and enterprise communities may also benefit from various tax incentives.**
- **Large Federal Prime Contractors with subcontracting plans will receive credit when using “certified” HUBZone subcontractors.**

Apply for These Programs On-Line



Carolyn.Terrell@sba.gov 303.844.2607 ext 260

?????QUESTIONS?????