

DyNet 2014

**U. S. Small Business Administration
Office of Government Contracting**

Barbara Weaver, CPCM, PCR-CMR



Why we love DyNet . . .

*It is the policy of the Government to provide **maximum practicable opportunities** in its acquisitions to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business. Such concerns must also have the **maximum practicable opportunity** to participate as subcontractors.*

FAR 19.201

Why SBA Supports Small Business

- **They represent 90% of all U. S. business – over 21,000,000.**
- **They deserve it -- they're agile, smart, and productive, passionate.**
- **They represent 50% of the Gross National Product.**
- **They are excellent at innovation and exporting.**
- **They fare better with strong advocacy.**

Duties of SBA Area Office

CMR

- Provides assistance to small businesses in obtaining subcontracts and to large businesses in helping meet their goals
- Performs reviews of large business to identify opportunities
- Ensures that primes meet small business subcontracting goals

PCR

- Represent SBA at federal agencies and train on small business requirements.
- Perform reviews of agency small business programs
- Assist in identifying small business set-asides
- With District Office staffs, advocate for small businesses experiencing performance challenges

Small Business Goals

%	Small Business	8(a)	SDB	HBZ	WO SB	SD Vets
Minimum Statutory Goals	23.0	3.0	5.0	3.0	5.0	3.0
Actual	23.39	1.2	6.8	2.04	4.4	2.9

Note: Agency goals are negotiated annually with SBA.

Business Parity

8 (a)

HZSB

SDVOSB

WOSB

Parity exists among:

**8(a), HUBZone, Service Disabled Vet, and
Woman-Owned Small Businesses**

**The Contracting Officer has the latitude to
select set-aside type. These four categories
have priority over a small business set-aside**

Subcontracting Requirements

- **Large Prime Contracts** valued over \$650,000 [\$1.5 M – construction] must include a small business subcontracting plan .
- **Plan becomes part of the prime contract.**
- **Periodic reporting thru eSRS is mandatory.**
- **Failure to show good faith effort in meeting goals and complying with the plan could result in Termination for Default or liquidated damages.**

Regs Governing Subcontracting

- **PL 85-536 – 1958**, instituted a voluntary subcontracting plan
- **PL 95-507 – 1978**, instituted a mandatory subcontracting program for contracts valued over \$650,000 or \$1.5 million for construction [Thresholds amended 2010.]
- **PL 98-577 – 1984**, provided max opportunity for small and SDB in subsystems, assemblies, components, services for major systems and instituted timely payment provisions
- **PL 99-661, 1987**, established set-asides and 5% goal for prime and subcontracts
- **PL 100-180, 1988**, called for increase of defense awards to small and SDB's
- **PL 100-656, 1988**, established the 8(a) program, created annual goals at 20% for SB and 5% SDB, and added liquidated damages for large primes not meeting plans and goals
- **PL 103-355, 1994**, established small, SDB and WOB Government wide goals for primes/subs
- **PL 106-50, 1999**, established goal for service-disabled veteran-owned small business of 3%
- **The Jobs Act, 2012**, tightened requirements on prime contractors and their Subcontracting Plans.

Review of Reports

- **Government reviews:**
 - **Prime Individual Subcontracting Report**
 - **Prime Summary Subcontracting Reports**
- **Prime Contractors reviews:**
 - **Lower-Tier Individual Subcontracting Reports**

Small Business Compliance Review

- **Formal Evaluation of Compliance with Subcontracting Plans**
- **Validation of Business Type Certifications**
- **Analysis of Goals and Five-Year Trends**
- **Review of Second Tier Subcontract**
- **Follow-up on Prior Recommendations**

Compliance Review

- Is prime contractor providing **maximum practicable opportunities** to small businesses?
- How did prime contractor do on actual achievements, regulatory compliance, and proactive efforts?
- Were there material breaches of contract that need to be referred to the Contracting Officer?
- Does prime contractor pay its subs timely?

Trends going forward . . .

- More desk reviews and fewer compliance reviews
- Increased pressure on agencies to ensure their prime contractors meet their small business goals and pay contractors timely
- Impact on future contractor selection decisions

How to “do” DyNet . . .

Small Businesses

- Present your company succinctly to primes and contractors
- Leave some documentation for later review
- Follow-up within 7-10 days
- Continue to learn about target companies and agencies
- Include them in your development plans

Primes and Agencies

- Sincerely search among the small business gems for a perfect fit with your organization
- Consider ways you can strengthen selected small businesses – mentor-protégé arrangements or joint ventures
- Make small business part of your organization’s success story



Barbara Weaver, PCR-CMR
U. S. Small Business Administration
Area 2 – Office of Government Contracting

barbara.weaver@sba.gov