

You've no doubt heard of 8(a) contracts and know that your agency has a goal to award a certain percentage of contracts to 8(a) small businesses. But do you know how it works and how easy it is to use? NCN would like to offer some straight-forward information about the 8(a) contracting vehicle and how to make your acquisitions easier and more streamlined by sole sourcing to 8(a) companies.

What exactly is 8(a), anyway?

In order to help small, disadvantaged businesses compete in the marketplace, the Small Business Administration (SBA) created the 8(a) Business Development Program. The 8(a) program offers a broad scope of business assistance to firms that are owned and controlled by socially and economically disadvantaged individuals. The program is designed to help small businesses grow by providing support from the SBA. Companies are accepted into the SBA 8(a) Business Development (BD) program only after a rigorous certification process, whereby the SBA thoroughly vets the company to determine its ability to perform on government contracts through the 8(a) program. Every federal government agency has established percentages of their procurement dollars which must be awarded to 8(a) small businesses. Once companies are accepted into the 8(a) program, they remain in the program for only 9 years, when they then "graduate" from the program and will ideally have grown significantly by that time.

Because the SBA administers the 8(a) program and keeps a close watch on the health and growth of the companies in the BD program, they are also involved in the procurement process. Before an agency can award an 8(a) contract, the SBA reviews the opportunity first to make sure the selected company is capable of performing the work. This means that agencies can be confident about awarding 8(a) contracts because the firm has the backing and oversight of the SBA.

Agencies can award 8(a) contracts either through a competitive process open to 8(a) companies only, or by sole sourcing an award non-competitively if the total contract value is under \$4 million (for services) or under \$6.5 million (for supplies or manufacturing).

What are the benefits of sole sourcing an 8(a) contract?

- _The 8(a) contracting method allows Government Program Managers and Contracting Officers to **save substantial time, work, and cost during the procurement cycle** simply because **8(a) contracts can be acquired non-competitively** when the value of the contract does not exceed \$4 million (applicable to services.)

- _For sole source 8(a) set-asides, **synopsis in FedBizOpps is not required** (FAR 5.202(a)(4) and a

Justification and Approval (J&A) is not required (FAR 6.302-5(c)(2)(i)).

- _Every federal agency has percentage goals for 8(a) contracts to meet each year. **Sole sourcing an 8(a) contract will help meet your agency's goals.**

- _Once you do your first 8(a) sole sourced contract, you'll see just how **easy and convenient** it is and will be able to repeat the process for new opportunities, saving time and energy and **significantly shortening the procurement cycle.**

How does the 8(a) sole sourcing process work?

Specific steps and internal procedures will vary from agency to agency, but the basic flow of sole sourcing is described below:

1. The procurement need is identified as a set-aside for 8(a) and is established to be under \$4 million for total contract award.
2. An 8(a) firm capable of performing the work is identified.
3. The Program Manager and Contracting Officer coordinate on the DD Form 2579 (Small Business Coordination Record) and issue an Offering Letter to the Small Business Administration (SBA) district office that handles the selected 8(a) firm.
4. The SBA office reviews the Offering Letter and accepts (or declines, if the firm is deemed unable to perform the requirements) within five business days. (FAR 19.804-2)
5. Upon acceptance by the SBA office, the Contracting Officer can issue the solicitation to the 8(a) firm. (FAR 19.804-3)
6. The 8(a) firm then submits a proposal, any negotiation occurs, and the Contracting Officer makes the award.

This document is not intended to be a complete, official instructional guide, but rather general guidance and direction. Consult FAR and check with your agency's Contracting Department or call the SBA for additional information.

Advanced Business Software Consulting, LLC dba NCN Technology 8a Certified and Woman Owned Small Business (WOSB / EDWOSB)

Industry and Operation Codes

NAICS – 511210, 541511, 541512, 541519, 518210, 611420

SIC Codes – 7372, 7379

PSC Codes – U012, H170, L070, N070, H970 FSC Code - 7030

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