

## How the SBA's 8(a) program works:

The 8(a) program is intended to benefit both the client as well as the contractor through processes that ensure quality performance. Prior to acceptance into the program, the contractor is subjected to a rigorous review of its ownership, daily management, operations, experience and financial status. Only those contractors that can document disadvantaged business status and demonstrate the sustainability and viability of the organization are accepted into the program. Once accepted, the contractor is required to provide the SBA with a detailed business plan that must be updated annually.

Upon acceptance into the SBA 8(a) program, each contractor is assigned NAICS codes based on the qualifications and experience of the company and key personnel. Performance of 8(a) contracts is then limited to those NAICS codes.

### Benefits of the Program:

Participants can receive sole-source contracts, up to a ceiling of \$3 million for goods and services and \$5 million for manufacturing. SBA encourages firms to participate in competitive acquisitions.

Federal acquisition policies encourage Federal Agencies to award a certain percentage of their contracts to SDBs. To speed up the award process, the SBA has signed Memorandums of Understanding (MOUs) with 25 Federal Agencies allowing them to contract directly with certified 8(a) firms.

Recent changes permit 8(a) firms to form joint ventures and teams to bid on contracts. This enhances the ability of 8(a) firms to perform larger prime contracts and overcome the effects of contract bundling, the combining of two or more contracts together into one large contract.

**Subcontracting:** One of the goals of the 8(a) program is to allow non-8(a) contractors to expand their scope of services. Therefore, the 8(a) contractor is permitted, with approval of the SBA, to subcontract a portion of this work to other qualified firms. While subcontracting is restricted to maintain the integrity of the program as an opportunity for disadvantaged businesses, subcontracting limits can be as high as 85 percent, depending on the industry. Contractors develop valuable relationships, while the client benefits from a qualified, experienced, well-rounded team.

### Opportunity 1: Sole-Source Directly to All-Pro Placement Service, Inc.

Any federal agency can identify work especially suited for an 8(a) firm and can set-aside the project without advertising in FedBizOpps. This allows the Federal Agency to directly award a professional service contract to this 8(a) firm without lengthy contracting delays.

If this option is chosen, the steps typically followed are:

1. The project manager or interested party identifies a statement of work, prepares a government estimate and earmarks funds.
2. The agency chooses All-Pro to perform the work

An authorization to negotiate is obtained from the SBA by filling out a Small Business Coordination Record form. The interested party may consult with their Small Business Program Office and/or the contracting office in order to complete the Business Coordination Record or a Procurement Request Form, depending on the agency. Federal departments have different forms; for example, the DOD and its agencies use DD Form 2579.

1. The prepared contract documents must include the following statement: "Request procurement be made pursuant to Section 8(a) of the Small Business Act 15 U.S.C. 637(a) and in accordance with FAR 19.8."
2. Once the procurement request has been made, the Small Business Deputy or the Contract Officer prepares an offer letter or a proposed project form (FAR 19.804-2).
3. After the offering information is received and processed by the SBA, the process returns to the Contracting Officer who submits the Scope of Work and Request for Quotation to All-Pro.
4. All-Pro submits its proposal and the package is evaluated and negotiated (if necessary) by the agency.
5. The contract is awarded.

### Opportunity 2: Sole-Source IDIQ for All-Pro Placement Service, Inc.

When an agency finds an 8(a) company that they would like to utilize on a regular basis, the agency might choose to award a sole-source Security Services IDIQ (Indefinite Delivery/Indefinite Quantity) contract. Preparation of this IDIQ is very cost-effective for the agency as it minimizes the length of time involved in contracting out individual task orders

and it is not as costly and time-consuming to award as a competitive IDIQ. This type of contracting mechanism can be awarded very much like the sole-source contracts described above.

**Opportunity 3: BOA with All-Pro Placement Service, Inc.**

A BOA (Basic Order Agreement) can also be awarded on a sole-source basis under the 8(a) program. A BOA is a written instrument of understanding, negotiated between an agency, contracting activity, or contracting office and a contractor, that contains the following items:

1. Terms and clauses applying to future contracts (orders) between the parties during its term.
2. A description, as specific as practicable, of supplies or services to be provided.
3. Methods for pricing, issuing, and delivering future orders under the Basic Ordering Agreement