

# WA State and Federal Certifications

Presented by

Jeannet  
Santiago  
*Washington PTAC*



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# Today's Presentation

- Introduce you to the basics of government certifications
- Help you decide which certifications are for you
- Next Steps and Resources
- Q & A

# **But first: What is a PTAC?**



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# Procurement Technical Assistance Center

# Washington PTAC Program offers:

Assistance to small businesses who wish to sell to federal, state and local governments.

- ✓ Finding opportunities to bid
- ✓ Interpreting solicitations and regulations
- ✓ Certifications & registrations
- ✓ Marketing to government buyers

...and much more

We provide these services through:

- ✓ Workshops
- ✓ One-on-one Counseling Sessions
- ✓ Matchmaking events
- ✓ Optional Bid Match service (fee-for service)



# Basics of Government Certifications



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# Federal Law states that....

- 23% of all federal purchases go to qualified small businesses - *Small Business Act of 1977*
- Federal agencies have internal goals to meet for disadvantage businesses that include:
  - 5% Women Owned Businesses
  - 5% Small Disadvantage Business (8(a))
  - 3% Service Disabled vet
  - 3% HUBZone
- The Small Business Administration (SBA) is responsible for the oversight and establishment of these goals

**Small Business Procurement - FY2021 Small Business Goals - as of 12/15/2020**

AGENCY NAME	Prime Contract Goals	Prime Small Disadvantaged Business	Prime Service-Disabled Veteran-Owned Small Business	Prime Women Owned Small Business	Prime HUBZone Small Business	Subcontract Goals
DEPT OF DEFENSE (9700)	21.95%	5.0%	3.0%	5.0%	3.0%	32.25%
ENERGY, DEPARTMENT OF (8900)	14.00%	5.0%	3.0%	5.0%	3.0%	50.00%
HEALTH AND HUMAN SERVICES, DEPARTMENT OF (7500)	21.80%	5.0%	3.0%	5.0%	3.0%	33.25%
VETERANS AFFAIRS, DEPARTMENT OF (3600)	28.45%	5.0%	3.0%	5.0%	3.0%	16.00%
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (8000)	15.75%	5.0%	3.0%	5.0%	3.0%	32.60%
HOMELAND SECURITY, DEPARTMENT OF (7000)	33.25%	5.0%	3.0%	5.0%	3.0%	42.50%
GENERAL SERVICES ADMINISTRATION (4700)	30.00%	5.0%	3.0%	5.0%	3.0%	20.00%
AGRICULTURE, DEPARTMENT OF (1200)	49.50%	5.0%	3.0%	5.0%	3.0%	20.00%
JUSTICE, DEPARTMENT OF (1500)	31.25%	5.0%	3.0%	5.0%	3.0%	39.50%
INTERIOR, DEPARTMENT OF THE (1400)	50.00%	5.0%	3.0%	5.0%	3.0%	43.25%
STATE, DEPARTMENT OF (1900)	23.50%	5.0%	3.0%	5.0%	3.0%	38.25%
COMMERCE, DEPARTMENT OF (1300)	33.00%	5.0%	3.0%	5.0%	3.0%	30.00%
TREASURY, DEPARTMENT OF THE (2000)	36.00%	5.0%	3.0%	5.0%	3.0%	26.00%
TRANSPORTATION, DEPARTMENT OF (6900)	30.07%	5.0%	3.0%	5.0%	3.0%	45.25%
OFFICE OF PERSONNEL MANAGEMENT (2400)	30.00%	5.0%	3.0%	5.0%	3.0%	50.00%
LABOR, DEPARTMENT OF (1600)	37.75%	5.0%	3.0%	5.0%	3.0%	60.50%
ENVIRONMENTAL PROTECTION AGENCY (6800)	37.00%	5.0%	3.0%	5.0%	3.0%	59.00%
EDUCATION, DEPARTMENT OF (9100)	14.00%	5.0%	3.0%	5.0%	3.0%	39.00%
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (8600)	5.00%	5.0%	3.0%	5.0%	3.0%	35.00%
SOCIAL SECURITY ADMINISTRATION (2800)	28.00%	5.0%	3.0%	5.0%	3.0%	50.00%
AGENCY FOR INTERNATIONAL DEVELOPMENT (7200)	12.51%	5.0%	3.0%	5.0%	3.0%	16.00%
NATIONAL SCIENCE FOUNDATION (4900)	15.00%	5.0%	3.0%	5.0%	3.0%	32.00%
NUCLEAR REGULATORY COMMISSION (3100)	40.00%	5.0%	3.0%	5.0%	3.0%	40.00%
SMALL BUSINESS ADMINISTRATION (7300)	75.00%	5.0%	3.0%	5.0%	3.0%	39.00%

[https://www.sba.gov/sites/default/files/2021-01/FY21%20Final%20Goals%20Spreadsheet\\_508.pdf](https://www.sba.gov/sites/default/files/2021-01/FY21%20Final%20Goals%20Spreadsheet_508.pdf)



# SMALLGOVCON

Legal news and notes for small government contractors

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## White House Proposes Reforms to Increase Dollars to Underserved Small Businesses

Posted on [December 27, 2021](#) by [Shane McCall](#)

- ▶ ... Currently, the federal government has a goal to award 5% of its contracting dollars to SDBs. The White House is seeking to *triple* this number by 2025. The White House recently released a [Fact Sheet](#) as to how it intends to meet this goal...
- ▶ On June 1, 2021, the White House [announced](#) its plan to increase the share of contracts going to SDBs by 50 percent by 2025. This translates to the ambitious goal of awarding an additional \$100 billion to SDBs over the next five years...
- ▶ Federal agencies have actually been overshooting the existing statutory requirement of 5% of contracts to SDBs by nearly double over the last five years. On average, 9.8% of federal contracting dollars currently go to SDBs. A planned 50% increase would mean a new goal of nearly 15% of federal contracting dollars going to SDBs by 2025...

<https://smallgovcon.com/>

# Washington State Law says ....

All state agencies, boards, departments and commissions are prohibited from using any equal opportunity programs that grant preferential treatment in hiring. Initial consideration of race, sex, color, ethnicity or national origin may continue through outreach efforts. No comparable aggressive action to end equal opportunity programs that grant preferential treatment.

**Which translates to:** Washington State has no formal set aside programs in place.

**State and local agencies are encouraged to use SBEs**

# Myths About Certifications



You **have** to be certified to bid on solicitations. \*

✓ **It's a choice.**



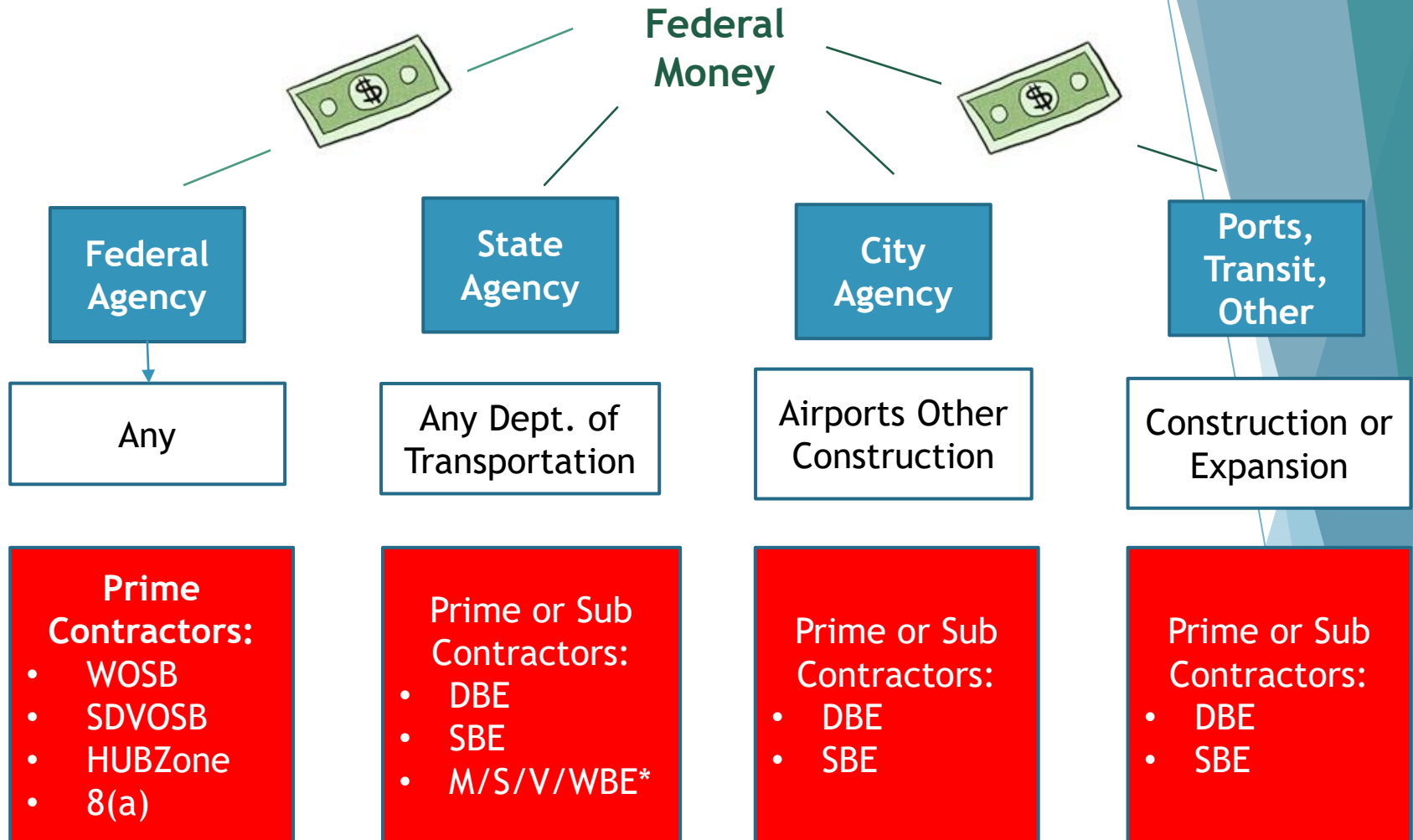
Certifications guarantee business



Regardless of certification, you still will need to market your services, seek solicitations, win and perform on contracts

***\*ONLY FOR FEDERAL SET-ASIDE SOLICITATIONS***

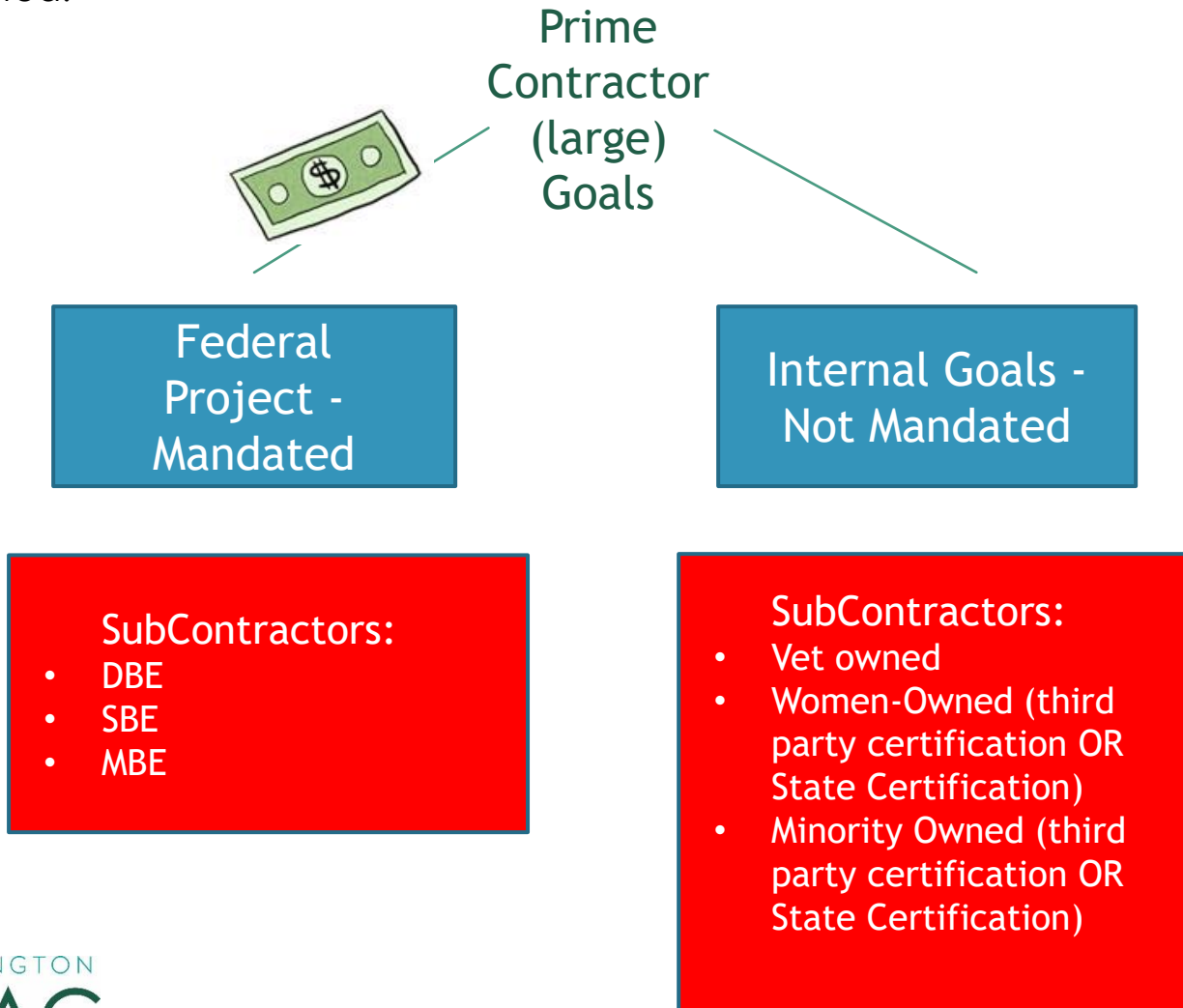
# Track Federal Spending



\* New program as of April 4th

<https://wsdot.wa.gov/sites/default/files/2021-10/OEO-Diversity-Roadmap-Update.pdf>

When spending the federal money local agencies and prime contractors are required to meet the 23% small business set aside, but are **not** required to hit the broken down goals of WOSB, etc. They may have internal goals they are striving for that are NOT federally mandated.



# **WOSB/EDWOSB Federal Certification**



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# Federal WOSB/EDWOSB Certification

- As of October 15, 2020, the self-certification option on the old [certify.sba.gov](https://certify.sba.gov) platform to the SBA's free online certification process for WOSBs and EDWOSBs on [beta.certify.sba.gov](https://beta.certify.sba.gov). The certification for Women-Owned Small Businesses (WOSBs) and Economically Disadvantaged WOSBs (EDWOSBs) changed in 2020 by SBA taking over the certification process.
- SBA allows continued participation from businesses that utilize approved Third-Party Certifiers (TPCs) to obtain WOSB or EDWOSB certification
- All WOSB firms need to take action in [beta.certify.sba.gov](https://beta.certify.sba.gov) in order to compete for WOSB Federal Contracting Program set-aside contracts (based on specifics in the following sections based on your status)

# Program eligibility requirements

- Be a small business according to [SBA size standards](#)
- Be at least 51% owned and controlled by women who are U.S. citizens
- Women manage day-to-day operations who also make long-term decisions and hold the highest rank
- Only certain NAICS codes are considered under represented and are ever set aside for Women owned businesses.



# QUALIFYING NAICS FOR WOMEN'S CONTRACTING PROGRAM

NAICS	DESCRIPTION	SET-ASIDE
236115	New Single-Family Housing Construction (except For-Sale Builders)	WOSB
236116	New Multifamily Housing Construction (except For-Sale Builders)	WOSB
236117	New Housing For-Sale Builders	WOSB
236118	Residential Remodelers	WOSB
236210	Industrial Building Construction	WOSB
236220	Commercial and Institutional Building Construction	WOSB
237110	Water and Sewer Line and Related Structures Construction	WOSB
237120	Oil and Gas Pipeline and Related Structures Construction	WOSB
237130	Power and Communication Line and Related Structures Construction	WOSB
238290	Other Building Equipment Contractors	WOSB

NAICS	DESCRIPTION	SET-ASIDE
238310	Drywall and Insulation Contractors	WOSB
238320	Painting and Wall Covering Contractors	WOSB
238330	Flooring Contractors	WOSB
238340	Tile and Terrazzo Contractors	WOSB

NAICS	DESCRIPTION	SET-ASIDE
238350	Finish Carpentry Co	WOSB
238390	Other Building Finis	WOSB
238910	Site Preparation Co	WOSB
238990	All Other Specialty	WOSB
237310	Highway, Street, and Bridge Construction	WOSB
237990	Other Heavy and Civil Engineering Construction	WOSB
238110	Poured Concrete Foundation and Structure Contractors	WOSB
238120	Structural Steel and Precast Concrete Contractors	WOSB
238130	Framing Contractors	WOSB
238140	Masonry Contractors	WOSB
238150	Glass and Glazing Contractors	WOSB
238160	Roofing Contractors	WOSB
238170	Siding Contractors	WOSB
238190	Other Foundation, Structure, and Building Exterior Contractors	WOSB
238210	Electrical Contractors and Other Wiring Installation Contractors	WOSB
238220	Plumbing, Heating, and Air-Conditioning Contractors	WOSB

# EDWOSB Eligibility Requirements

- Meet all the requirements of the WOSB Federal Contracting program
- Be owned and controlled by one or more women, each with a personal net worth less than \$750,000
- Be owned and controlled by one or more women, each with \$350,000 or less in adjusted gross income averaged over the previous three years
- Be owned and controlled by one or more women, each \$6 million or less in personal assets

# Small Disadvantaged Business Certification 8(a)



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- Each year, the Federal Government awards about 10% of all federal contract dollars, or roughly \$50 billion in contracts, to 8(a) businesses.
- You may register your business as a Small Disadvantaged Business (8(a)) if you meet the following criteria set by the Code of Federal Regulations (CFR):
  - ✓ The firm must be 51% or more owned and controlled by one or more disadvantaged persons.
  - ✓ The disadvantaged person or persons must be socially disadvantaged and economically disadvantaged.
  - ✓ The firm must be small, according to SBA's size standards.

## § 124.103 Who is socially disadvantaged?

- ▶ (a) General. Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identities as members of groups and without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control.

## § 124.104 Who is economically disadvantaged?

- ▶ **Net worth.** The net worth of an individual claiming disadvantage must be **less than \$750,000**. In determining such net worth, SBA will exclude the ownership interest in the applicant or **Participant** and the equity in the primary personal residence (except any portion of such equity which is attributable to excessive withdrawals from the applicant or Participant). Exclusions for net worth purposes are not exclusions for asset valuation or access to capital and credit purposes.
- ▶ **(3) Personal income for the past three years.** (i) SBA will presume that an individual is **not** economically disadvantaged if his or her adjusted gross income averaged over the three preceding years **exceeds \$350,000**. The presumption may be rebutted by a showing that this income level was unusual and not likely to occur in the future, that losses commensurate with and directly related to the earnings were suffered, or by evidence that the income is not indicative of lack of economic disadvantage.
- ▶ **(4) Fair market value of all assets.** An individual will generally not be considered economically disadvantaged if the fair market value of all his or her assets (including his or her primary residence and the value of the applicant/Participant firm) **exceeds \$6 million**. The only assets excluded from this determination are funds excluded under **paragraph (c)(2)(ii)** of this section as being invested in a qualified IRA account.

# 8(a) Program

- ❑ The program tracks the individual owner - not the business. A person only gets ONE chance at participating in the program
- ❑ The program is 9 years long and requires applications, annual reviews and business planning
- ❑ The small business owner will be required to maintain both their commercial and government accounts throughout the program

# Federal Veteran Certification VOSB/SDVOSB



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# Veteran First Contracting Program-CVE

- ▶ The Vets First Verification Program verifies firms owned and controlled by Veterans and Service-disabled Veterans the opportunity to compete for VA set asides
- ▶ The CVE verification is necessary to sell to the VA and the FAA in order to take advantage of the Veterans First Initiative
- ▶ In order to qualify for participation in the Veterans First Contracting Program, eligible SDVOSBs/VOSBs must first be verified.

<https://www.va.gov/osdbu/verification/index.asp>

# Eligibility for CVE

1. The business must be **owned and controlled** 51% by a Veteran(s) or service disabled Veteran(s). The definition of a Veteran or Service-disabled Veteran as established in Title 38 CFR Part 74 or 13 CFR Part 125
  - A Veteran is a person who served on active duty and who was discharged or released under conditions other than dishonorable. Reservists or members of the National Guard also qualify as Veterans.
  - A Service-disabled Veteran is a Veteran who possesses either a disability rating letter issued by VA establishing a Service-connected rating between 0 and 100 percent, or a disability determination from the Department of Defense.
2. “**Good Character**” and be **registered with [www.sam.gov](http://www.sam.gov)** (System for Award Management)
  - Debarred or suspended concerns or concerns owned or controlled by debarred or suspended persons are ineligible for VIP Verification. Concerns owned or controlled by a person(s) who is currently incarcerated, or on parole or probation (pursuant to a pre-trial diversion or following conviction for a felony or any crime involving business integrity) are ineligible for VIP Verification. 48 CFR 9.406-2(b)(3)

# HUBZone Certification



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# The Historically Underutilized Business Zones

- HUBZone certification process was part of the Small Business Reauthorization Act of 1997
- The program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities.
- You can only get HUBZone certified by the SBA.
- You can find out more at [SBA.gov/HUBZone](https://www.sba.gov/HUBZone)

# Eligibility Requirements?

- Your firm's principal office must be located in a HUBZone (see [SBA.gov/HUBZone Map](https://www.sba.gov/hubzone-map))
- This certification is the only certification that offers a price advantage against large businesses.
- Most contracting officers are not meeting their HUBZone goals because of a shortage of HUBZone certified firms
- One main requirement of the HUBZone program is 35% of your employees must reside in a HUBZone

**Disadvantaged Business  
Enterprise (DBE)  
Small Business Enterprise (SBE)  
Certifications**



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# DBEs and SBEs (State/Local)

## Federal Certification

- Federal Certification is a program of the US Department of Transportation. The purpose of these certifications to increase the participation of certified business on projects funded by the US Department of Transportation and other federal sectors.
- Projects typically include heavy construction, such as building and designing roads, bridges, railroads, ports, and airports.

# DBEs and SBEs (State/Local)

## State Certification

- The purpose is to enhance business opportunities for certified businesses participating in state-funded projects or working with state agencies, local governments, school districts, and public universities.
- Projects include any work or product state agencies, or other entities, wish to buy from private companies (construction, consulting, training, translation services, supplies and equipment, other industries and services).
- Becoming state certified also makes you eligible to apply for the Linked Deposit Program which can decrease interest rates on small business loans up to 2%.



# What do I need to Know?

- You get DBE certified through your state's Department of Transportation. In Washington, that is the Office of Minority and Women's Enterprises, OMWBE
- This certification most beneficial to construction
- If you do not qualify as a DBE, you will qualify as an SBE, still allowing prime contractors to meet with goals
- Find out more at <https://omwbe.wa.gov/certification>

# Qualifications

- To qualify for certification, the primary owner(s) must own at least 51% of the company and control the business.
- The owner must be both socially and economically disadvantaged. In general this means that the owner must be a woman or a minority and have a personal net worth under \$1.32 million.
- The business must be small, and not have gross receipts of more than \$28.48 million.
- The chart below provides basic information on eligibility for each certification type.

	Qualifications by Certification Program		
	Small Business Enterprise (SBE)	State Certification (MBE / MWBE / WBE / SEDBE)	Disadvantaged Business Enterprise (DBE / ACDBE)
<b>The Business</b>			
Registered with the Washington Secretary of State	✓	✓	
Is a Washington business	✓		
Has 3-year average gross annual receipts of	≤\$28.48 Million	≤\$28.48 Million	≤\$28.48 Million or ≤\$56.42 Million for ACDBEs
Is 'for profit'	✓	✓	✓
Is certified in home state, if the business is not from Washington			✓

	Qualifications by Certification Program		
	Small Business Enterprise (SBE)	State Certification (MBE / MWBE / WBE / SEDBE)	Disadvantaged Business Enterprise (DBE / ACDBE)
<b>The Business Owner</b>			
Is a woman, minority, or can show social disadvantage		✓	✓
Is a U.S. citizen	✓		✓
Owens and controls ≥ 51% of company	✓	✓	✓
Controls and manages day-to-day operations	✓	✓	✓
Made capital contribution	✓	✓	✓
Has proper professional license(s)	✓	✓	✓
Has personal net worth	≤\$1.32 Million	≤\$1.32 Million	≤\$1.32 Million

# Which Certification is Right for You?



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# Self Assessment Time

- Do you know which agencies you want to sell to?
- Do you have past performance in the commercial or private sector so you can win contracts?
- Do you have the time and resources to commit to the process?

# Best Path For Success

- Create a solid business plan
- Have 2 years experience in the commercial market
- Create a government Target Market plan by answering:
  - Who am I selling to?
  - What do they buy?
  - How do they buy it?
- Have strong cash flow, line of credit, and/or loan in place (be able to cover expenses for 3-6 months)

# Next Steps



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# Contact your local PTAC Counselor or attend one of our advance trainings.

## Washington State PTAC

Jeannet Santiago

[swwa@washingtonptac.org](mailto:swwa@washingtonptac.org)

503-694-9403

<https://washingtonptac.org/webinars/>

## GCAP - Oregon PTAC

Dee Edwards

[dedwards@gcap.org](mailto:dedwards@gcap.org)

541-736-1088, ext. 104

<https://www.gcap.org/training>

