



SmallBiz Newsletter

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Vol. 15

February 2012 – Second Quarter



Small Business Set-Asides

To help meet our FY12 small business goals, PPM can now use certain small business set-asides for awarding contracts to reliable small businesses. Our objective this year is to meet and exceed our goals for the HUB and SDVOB small business categories, while still meeting our other small business goals.

The following rules apply to all the new set-asides:

- A determination must be made to utilize a competitive or a non-competitive set aside. This **MUST** be stated in the solicitation (either verbally or in writing).
- Price justification IS required. This is no different from any standard BSA procurement procedures.

A non-competitive set aside can be utilized when the anticipated value of the contract is **UNDER** \$3.5 million (\$4 million for construction and \$6 million in the case of manufacturing NAICS codes–Attachment 1) unless the award is being made to an Alaska Native Corporation (ANC). There is no limit on the anticipated value of contracts awarded on a sole source (non-competitive) basis to an ANC.

- If the anticipated value of the contract is **ABOVE** \$3.5 million (\$4 million for construction and \$6 million in the case of manufacturing NAICS codes–Attachment 1) then a competitive set aside can be utilized.

- A Protégé of any DOE Prime Contractor can be awarded a contract on a non-competitive basis (the Protégé list is being updated and will be distributed).

FY12 Small Business Set-Asides: (per the FY12 BSA Subcontracting Plan)

1. Small Business (including ANCs and Indian Tribes) Set-Aside:
The above set aside rules apply.

Each acquisition of supplies or services with an anticipated dollar value exceeding the Micro-Purchase (\$3,000) but not over the Simplified Acquisition Threshold (\$150,000) (FAR 2.101) will be reserved exclusively for small business concerns (including ANCs and Indian Tribes) and shall be set aside for small business (including ANCs and Indian Tribes) unless there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery.

2. Construction Set-Asides:
The above set aside rules apply.

Acquisition of construction estimated to cost \$4 million or less, including new construction, and repair and alteration of structures, shall be a small business set-aside (including ANCs and Indian Tribes). For acquisitions in excess of \$4 million, small businesses (including ANCs and Indian Tribes) will be considered on a case-by-case basis.

3. Sole Source (non-competitive) Procurements:
The above set aside rules apply.

BSA may award contracts on a sole-source (non-competitive) basis to these types of small businesses (including ANCs and Indian Tribes):

- a. Small Business Administration (SBA) certified **8(a)** small businesses (including ANCs and Indian Tribes).
- b. SBA certified Historically Underutilized small Businesses (**HUB**).
- c. Service-Disabled Veteran-Owned small businesses (**SDVOB**).

Please utilize these set asides whenever & wherever possible.

Major Changes in the Historically Underutilized Business (HUB-Zone) Program:

Major changes (per the 2010 U.S. Census) took effect on 10/1/2011 these changes affect HUB-Zone eligibility.

The SBLO looked up the principal office of each BSA HUB-Zone firm on:
<http://map0.sba.gov:82/gis/esri/hubzone/index.html>.

The following seven (7) BSA HUB-Zone small businesses have principal offices that are NO longer considered to be in a HUB-Zone. Therefore, their HUB-Zone status has been deleted from the PeopleSoft database.

NO LONGER - HUB-Zone companies:

<u>VC's</u>	<u>Company Name</u>
38559	Accurate Circuit Engineering
30217	Bustin Industrial Products
92935	Ideal System Solutions, Inc.
96343	Ideal System Solutions, Inc.
97801	MAJR Products Corporation
96022	Sterling Computers
92670	Synergy Vacuum, Inc.
95612	Wells Technology, Inc.
97872	Wells Technology, Inc.

Note: They are still active BSA suppliers but they no longer have HUB status in their PeopleSoft profile.

What does this mean to BSA?

To get an idea of the impact, the SBLO calculated the total dollar awards to each of the above firms (from inception through 11/3/2011) and it totaled \$16.4M.

Our HUB-Zone goal for this year is 3% or \$ 9,630,000 of our total procurement spend. This means we could be in serious jeopardy of not meeting our HUB-Zone small business goals this year.

What can we do about it?

The answer is easy - carefully review the following suggestions, and place more contracts with HUB & SDVOB small businesses by:

1 - Utilize our existing HUB & SDVOB companies.

See Attachments 2 & 3, which shows the product and/or service sold by each existing BSA HUB & SDVOB small business. Attachment 4 is a listing of SDVOB potential suppliers with what they sell.

Note: There are twenty-one (21) HUB and forty-six (46) SDVOB existing small businesses, so out of those we should be able to place more orders with our existing suppliers, since now you can see what they sell.

These Attachments will be emailed to you (to save paper). These lists will also be published on the INTERNAL Small Business Web Site so that Buyers/Contract Specialists as well as End Users can utilize them to find HUB & SDVOB small businesses.

2 - Search the BSA Self-Registration Database (see August 2011 Newsletter for instructions or ask the SBLO how to use this database).

3 - Ask the SBLO to research HUB-Zone & SDVOB companies for you based on the product and/or service you are looking to buy.

To do this, send the SBLO an email with a detailed description of what you are looking to buy and she will try to locate a HUB-Zone and/or SDVOB company(s) for you. Attachment 4 shows some possible new SDVOB small business suppliers and what they sell (the SBLO is working on a listing of HUB-ZONE Possible Suppliers).

4 - Utilize the HUB-Zone & SDVOB non-competitive set aside (as outlined above).

5 - Include in an over \$100K RFQ or RFP to a large business, one small business. If more than one small business is known then declare the RFQ or RFP a small business set-aside and don't include the large business.

6 - Think out-of-the-box, if you have an innovative ideas on how to increase awards to SBA Certified HUB-Zone and/or SDVOB firms (or any other small business category) advise the SBLO.

No longer 8(a) companies:

As of December 2011, the following two firms have graduated from the 8(a) program.

Their 8(a) status has been deleted from the PeopleSoft database.

NOTE: These companies automatically remain a Small Disadvantaged Business (SDB) for three more years. There is no change in the status of their other small business categories (if applicable) in their PeopleSoft profile.

S.W. Group, Inc. (VC 97592) and
Wells Technology, Inc. (VC 95612)

See Attachment 5 for a listing of BSA existing 8(a) suppliers and what they sell.

FANTASTIC JOB – TEAM PPM

Notification of the following awards to small businesses, over \$300,000, were received from:

Phil Bernath

Gatan, Inc. (VC: 39015), a small business was awarded a contract valued at \$ 446,857.

Elise Forrette

Weirich Consulting Services (VC: 97614), a small SDVOB/VOB business was originally awarded a contract valued at \$ 376,124.

Carol Pulley

SEK Solutions, LLC (VC 93364), a small, SDB, WOB firm was awarded three contracts valued at \$ 532,155.

Let me know of any small business awards you make that are over \$300,000 and I'll highlight you in the next SmallBiz Newsletter.

FY12 First Quarter results:

FY12 First Quarter Stats

Category	Goal	DOE Actuals
SB	45.00%	70.04%
SDB	5.00%	6.43%
WOB	5.00%	8.36%
HUBZone	3.00%	-0.04%
VOB	3.00%	3.40%
SDVOB	3.00%	1.65%

As predicted above, we are already having problems meeting our HUB & SDVOB goal.

Let's try harder to place more orders with (SBA certified) HUB and SDVOB's.

Interesting side note:

“Obama: Too Many Phones, Laptops, and Tee-Shirts”
(per the Set-Aside Alert, Vol. 19, No. 23
dtd 11/18/12)

President Obama is sweating the small stuff: excess mobile phones, use of government vehicles, travel, and tee-shirts and other “swag” bearing agency logos.

The President's Nov. 9th executive order mandates a reduction of 20% below 2010 levels in the 2012 budget, in the number of devices such as cell phones, smart phones, laptops and tablet computers that are issued to federal employees, which total millions of dollars.

New restrictions on travel will encourage teleconferencing or videoconferencing. And to reduce printing costs, agencies must “presume that information should be provided in an electronic form.”

SmallBiz Newsletter – Vol. 15 – February 2012 Attachments:

- 1 Manufacturing NAICS codes
- 2 Existing HUB-Zone Companies
- 3 Existing SDVOB Companies
- 4 SDVOB Possible Suppliers
- 5 Existing 8a Companies

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Let me know if you have any questions.