



**BROOKHAVEN**  
NATIONAL LABORATORY

# SmallBiz Newsletter

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## WELCOME TO ALL THE PPM NEW HIRES!!!



### SBA to stop certifying SDB's.

The Small Business Administration (SBA) will no longer verify the status of companies seeking certification as Small Disadvantaged Businesses (SDB), shifting the time-consuming and costly application process to the companies themselves.

Previously, only firms that applied to and were certified as SDBs by SBA could be considered SDBs for federal prime and subcontracts. The new rule, effective on 10/3/08, allows firms to self-represent their status for subcontracting.

The SDB firms and the 8(a) Business Development program firms that are presently SBA-certified will remain SDB/8a certified until their certifications would normally expire.

Congress's intension is to allow large business prime contractors to rely on the self

representations of subcontractors claiming to be SDBs, therefore:

For subcontracts, the rule permits a firm to represent that it qualifies as an SDB if it believes in good faith that it is owned and controlled by one or more socially and economically disadvantaged individuals.

Per the interim final rule published in the Federal Register on 10-3-08 (Vol. 73, No. 193).

## Small Business

### Basics

#### A mini-refresher course

#### What is a small business?

A small business is a business that is:

1. Organized for profit;
2. Has a place of business in the United States;
3. Makes a significant contribution to the U.S. economy by paying taxes or using American products, materials or labor; and
4. Does not exceed the numerical size standard for its NAICS code.

All types of Small Businesses self-certify their status (except for HUB-Zone small businesses which still require SBA certification). BNL suppliers self-certify their small business status by submitting AMS-FORM -010 – Representations and Certifications – Supplier Information (& AMS-FORM-009 when

applicable). These forms are available on the T drive, Forms, and then select the form number.

NAICS - North American Industrial Classification System (replaced the Standard Industrial Classification [SIC] Codes):

NAICS codes are industry codes according to either 1) number of employees or 2) the firm's annual receipts over a three year average. The classifications are determined by the Department of Commerce and are described in the NAICS manual:

<http://www.census.gov/epcd/www/naics.html>

The corresponding size standard for each NAICS code is published in a table by the SBA and can be found at <http://www.sba.gov/size>.

**Note:** I am available to help you and/or any supplier(s) identify a NAICS code(s). A company can have more than one NAICS code.

Set-Aside by NAICS Code:

All solicitations involving set-asides must be under \$3.5M (\$5.5 M for construction) and specify the applicable NAICS code/size standard for that specific procurement. This is because size standards vary by NAICS code; it is therefore possible for a business to be classified as small under one NAICS code but large on a different NAICS code.

**How many Small Business types are there?**

There are seven (7) small businesses types. BNL is only accountable for the first six (6) types:

- 1) Small Business (SB);
- 2) Small Disadvantaged Business (SDB);
- 3) Woman-owned small business (WOB);
- 4) Historically Underutilized small Business (HUB);
- 5) Veteran-owned small business (VOB);
- 6) Service-Disabled Veteran-owned small business (SDVOB);
- 7) Historically Black Colleges (BNL does NOT have a goal requirement for this category).

For detailed explanations of these categories go to:

<http://www.bnl.gov/ppm/SDB/DefinitionNAICS.asp>

**Note:** The section on SDB/8a on the web page still has to be updated to incorporate the new change explained on page 1.

**When is a Subcontracting Plans (SCP) required?**

A SCP is required on any contract or individual contract action that is over \$550,000 (or \$1,000,000 for construction). A SCP is a document that spells out how the contractor is going to meet the small business goals that they have stated in their SCP.

If a SCP is already in place and there is an individual contract action over \$550,000 (or \$1,000,000 for construction) then the contractor can EITHER submit a new SCP for the additional scope of work OR amend their original SCP.

Clause 52.219-8 – Utilization of Small Business Concerns in solicitations over \$550,000 (\$1,000,000 for construction) including options, should be inserted in any contract or individual contract action over the dollar threshold.

A sample SCP is available for you to send to the contractor (if requested). It is located on the T drive, standard documents, small business subcontracting plan template (dated 8/25/08).

**When is a Subcontracting Plan NOT required?**

AMS-FORM-001 – Subcontracting Plan Waiver must be executed if a SCP is NOT required. This form is available on the T drive, Forms, and then select the form number.

A SCP is NOT required if:

- 1) The Contractor is a small business concern (Vendor code must be indicated);
- 2) The contract is for personal services (FAR 37.104);
- 3) The contract including all subcontracts there under will be performed entirely outside of the United States, its possessions or territories, the District of Columbia, and the Commonwealth of Puerto Rico; or

- 4) The contractor has certified that subcontracting will not be conducted under this contract.

**Note:** If number 4 above is checked then AMS-FORM-003 – Certification of No Subcontracting Opportunities must be filled out and attached to AMS-FORM-001 - Subcontracting Plan Waiver. These forms must be approved by the SBLO and the Procurement Operations Manager, **PRIOR** to contract award.

### **Who reviews the SCP?**

SCP'S must be reviewed by the Contact Specialist then given to the SBLO for approval, **PRIOR** to contract award – **NO EXCEPTIONS.**

The SBLO will review the SCP, in a timely manner, to ensure the submitted SCP covers the eleven (11) required elements.

The SBLO will either ask for clarification(s); note the elements that are missing or incorrect; or accept the plan.

### **What are the types of SCP's?**

- 1) Individual SCP
- 2) Commercial SCP  
**Note:** this type of plan should be used when commercial products and/or services are being procured.
- 3) Master SCP

BNL has an Individual SCP that we submit to DOE.

### **What are Liquidated Damages?**

When a contractor fails to make a good faith effort to comply with their SCP they can be assessed liquidated damages. The amount of damages shall be an amount equal to the actual dollar amount by which the contractor failed to achieve each subcontracting goal. (FAR 19.705 for Process of Assessing Liquidated Damages).

## **FY08 Final Stats**

<b>Category</b>	<b>Goal</b>	<b>Actuals</b>	<b>Diff</b>
SB	46.40%	60.09%	+13.69%
SDB	6.30%	9.28%	+ 2.98%
WOB	5.80%	14.14%	+ 8.45%
HUBZone	3.00%	4.63%	+ 1.63%
VOB	5.00%	3.56%	- 1.44%
SDVOB	3.00%	.88%	- 2.12%

## **You're a wonderful team!!!**

**You all did a great job on the SB, SDB, WOB and HUB-Zone categories, and we thank you!!!**

As you can see, we are severely lacking on SDVOB & VOB. So—oooo we are counting on **YOU** to make more awards to SDVOB suppliers in FY09.

### **Two tools you can use to help get our SDVOB actual awards higher:**

1. You can do a competitive set aside between SDVOB suppliers on your next purchase order/contract. Even if only one SDVOB supplier responds you can award the contract to them. If you use FedBizOpps, it assumes that there would be two or more SDVOB suppliers bidding, so you can award an order to the responsive bidder even if it's only one bidder.

**Note:** see page 4 – PPM outstanding efforts to award more contracts to SDVOB small business suppliers.

2. Once I receive and then assemble all the updated information from the other Battelle Labs, I will be sending you a updated spread sheet that will give you BNL's proven/reliable SDVOB suppliers, as well as the proven/reliable SDVOB suppliers used by our sister "Battelle Labs." Please remember to use the "Battelle Family of Labs" SDVOB Database to find proven/reliable SDVOB sources.

Above are just two ways we can improve our awards to SDVOB suppliers and meet our DOE contractual 3.00% goal.

Remember, if you have a commodity and/or service that you'd like to do a SDVOB set aside on, please contact me. I will do the work for you by trying to identify SDVOB sources for that commodity and/or service.

## **FYI**

### **These are our FY09 goals:**

<b>Category</b>	<b>Goal</b>
SB	46.40%
SDB	6.30%
WOB	5.80%
HUBZone	3.00%
SDVOB	3.00%
VOB	3.00%

### **PPM Outstanding Efforts**

**To award more contracts to SDVOB small business suppliers:**

#### **FANTASTIC JOB LISA:**

Lisa Kerr set up the vendor codes and placed the following orders with these small SDVOB businesses:

Four PO's with Tevet LLC (VC 96527) a **SDVOB**, VOB, & HUB small business.

Five PO's with RTL Networks (VC 96822) a **SDVOB**, VOB, & SDB small business.

One PO's with Four Points Technology (VC 96718) a **SDVOB**, VOB small business.

#### **FANTASTIC JOB PHIL G.:**

Phil Gardner is making an outstanding effort to do a set-aside for SDVOB's on upcoming requirements for a civil construction job.

Let me know of any SDVOB small business accomplishment that you have made and I'll highlight you in the next SmallBiz Newsletter.

### **Tell Me What You Want:**

Tell me what you would like to see in **YOUR** newsletter. What type of small business information will help you do your job better? Just ask me and I'll research it for you.

Any question's please call me on x3173 or email me at [clough@bnl.gov](mailto:clough@bnl.gov)

Thanks,  
Jill Clough-Johnston,  
Small Business Liaison Officer

Remember, I am available to help you with any of the above.

