

Comparison of Federal Small Business Programs

As of June 2016

Program	How to Participate	Size Requirements	Ownership and Control Requirements	Other Requirements	Requirements for Maintaining Eligibility	Program Benefits	Status Protests?	Affiliation?	Relevant Regulations
8(a)	Submission of electronic application through SBA's BDMIS system, as well as submission of hardcopy application to SBA office in either Philadelphia or San Francisco (depending on the location of the applicant firm).	Must be small under the size standard applicable to the firm's primary NAICS code.	Must be 51% owned and controlled by a socially and economically disadvantaged individual who is a U.S. citizen. Ownership must be unconditional and direct. Control includes both the strategic policy setting exercised by boards of directors and the day-to-day management and administration of business operations. An applicant or participant's management and daily business operations must be conducted by one or more disadvantaged individuals who have managerial experience of the extent and complexity needed to run the concern (however, note that special ownership and control requirements apply to concerns owned by Indian tribes, Alaska Native Corporations, Native Hawaiian Organizations, and Community Development Corporations).	Must demonstrate good character, and must possess reasonable prospects for success in competing in the private sector if admitted to the 8(a) BD program. To do so, an applicant must have generated revenues in its primary industry classification for at least two full years immediately prior to the date of its 8(a) BD application (unless a waiver is granted).	Must submit annual reports to SBA; maintain economically disadvantaged status; remain small under size standard applicable to primary NAICS code; refrain from making excessive withdrawals (SBA may review firms suspected of failing to meet 8(a) requirements); and maintain ownership and control requirements.	Access to sole source awards; 8(a) set-asides; 8(a) Mentor-Protégé Program; and 8(a) joint venture opportunities.	No, but third parties may send information to SBA if they believe there is cause to question a firm's status, and the SBA may choose to investigate on its own.		13 C.F.R. § 121.601 (Size); 13 C.F.R. § 124.103 (Social Disadvantage); 13 C.F.R. § 124.104 (Economic Disadvantage); 13 C.F.R. § 124.105 (Ownership); 13 C.F.R. § 124.106 (Control); 13 C.F.R. § 121.103 (Affiliation).
WOSB	"Modified" self-certification. Upload eligibility documentation to WOSB Program Repository. Pending proposed rule to implement formal certification requirement.	Must be small under the size standard applicable to a particular procurement.	Must be 51% unconditionally and directly owned and controlled by one or more women who are U.S. citizens. To be considered unconditional, the ownership must not be subject to any conditions, executory agreements, voting trusts, or other arrangements that cause or potentially cause ownership benefits to go to another. To be considered direct, the qualifying women must own 51% of the concern directly. Control by one or more women means that both the long-term decision making and the day-to-day management and administration of the business operations must be conducted by one or more women. A woman must also hold the highest officer position in the concern and must have managerial experience of the extent and complexity needed to run the concern.	The owner(s) of a WOSB must dedicate full-time, normal working hours to the management of the business. To additionally qualify as an "Economically Disadvantaged" WOSB, the concern must be 51% unconditionally owned and directly controlled by one or more women who are economically disadvantaged. Proving economic disadvantage requires a showing that one's ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business.	For EDWOSBs, the owner must remain economically disadvantaged; woman or women must maintain ownership and control requirements.	Access to sole source awards; access to set-asides for WOSBs, in industries in which WOSBs are substantially underrepresented (92 industries in total) and for EDWOSBs, in industries in which WOSBs are underrepresented (21 industries in total).	Yes.	Concerns are affiliates of each other when one controls or has the power to control the other, or a third party or parties controls or has the power to control both. It does not matter whether control is exercised, so long as the power to control exists. Control may be affirmative or negative. Negative control includes, but is not limited to, instances where a minority shareholder has the ability, under the concern's charter, by-laws, or shareholder's agreement, to block action by the board of directors or shareholders. Affiliation may be found where an individual, concern, or entity exercises control indirectly through a third party. SBA will consider the totality of the circumstances when assessing affiliation.	13 C.F.R. § 127.200 (Size & Eligibility Requirements); 13 C.F.R. § 127.201 (Ownership); 13 C.F.R. § 127.202 (Control); 13 C.F.R. § 127.203 (Economic Disadvantage); 13 C.F.R. § 127.603 (Protests); 13 C.F.R. § 121.103 (Affiliation).
HUBZone	Submission of application through SBA's GLS system. Must be on approved list of HUBZone contractors.	Must be small under the size standard applicable to the firm's primary NAICS code prior to application; must be small under the size standard applicable to a particular procurement prior to contract award.	Must be at least 51% unconditionally and directly owned and controlled by a U.S. citizen. Control means both the day-to-day management and long-term decision-making authority for the HUBZone concern. (Special ownership and other eligibility requirements apply to concerns owned by Indian tribes, Alaska Native Corporations, and Community Development Corporations.)	Principal office must be located in a HUBZone, 35% of firm's employees must reside in a HUBZone, firm must "attempt to maintain" having 35% of its employees reside in a HUBZone during the performance of any HUBZone contract it receives. Must meet all eligibility criteria on both date of proposal submission and contract award.	Must undergo program reexamination every three (3) years.	Access to sole source awards; access to set-asides for HUBZone firms, and 10% price preference for federal contracts.	Yes.		13 C.F.R. § 126.203 (Size); 13 C.F.R. § 126.200 (Qualification Requirements); 13 C.F.R. § 126.201 (Ownership); 13 C.F.R. § 126.202 (Control); 13 C.F.R. § 121.103 (Affiliation).
SDVOSB	Self-certification.	Must be small under the size standard applicable to a particular procurement.	Must be 51% owned and controlled by a service-disabled veteran. A service-disabled veteran is a veteran with a disability that is service-connected. Ownership must be direct and unconditional. Control by one or more service-disabled veterans means that both the decision-making authority and the day-to-day management of business operations must be conducted by one or more service-disabled veterans (or in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran).	None.	Yearly update of company information through the System for Award Management (SAM.gov).	Access to set-asides and sole source awards for SDVOSBs apart from those issued through the U.S. Dept. of Veterans Affairs.	Yes.		13 C.F.R. § 125.11 (Size); 13 C.F.R. § 125.9 (Ownership); 13 C.F.R. § 125.10 (Control); 13 C.F.R. § 121.103 (Affiliation).
SDB	Self-certification (and 8(a) BD Program participants are automatically considered to be SDBs).	Must be small under the size standard applicable to the firm's primary NAICS code for SDB eligibility; must be small under the size standard applicable to a particular procurement to receive a particular contract award.	Must be at least 51% unconditionally owned by one or more socially and economically disadvantaged individuals who oversee the management and daily business operations of the concern. Ownership and control have the same meanings that apply to those terms for the purposes of participation in the 8(a) BD Program.	An individual who claims economic disadvantage must have a net worth of less than \$750,000 after taking into account the exclusions set forth in 13 C.F.R. § 124.104(c)(2). The 8(a) BD Program's ownership restrictions and "potential for success" requirements do not apply to SDB certification, and an SDB is considered to be managed on a full-time basis by a disadvantaged individual if such individual works for the concern during all of the hours the concern operates.	Certification lasts for a period of three years from the date of the certification. Certification will extend beyond three years where SBA finds the firm to be an SDB: (1) in connection with a protest challenging the firm's status; (2) in connection with an SBA initiated SDB determination; or (3) as part of an annual review. A firm that completes its nine year term in the 8(a) BD Program will continue to be a certified SDB firm for three years from the date of its last annual review.	Price evaluation adjustment for SDB concerns and an evaluation factor or subfactor for SDB participation.	Yes.		13 C.F.R. § 124.1003 (Certification); 13 C.F.R. § 124.1002 (Qualification Requirements, Size, and Ownership); 13 C.F.R. § 124.1005 (Continuing Eligibility); 13 C.F.R. § 124.1010 (Protests); FAR 19.304 (Benefits); 13 C.F.R. § 121.103 (Affiliation).
SBIR/STTR	Self-certification.	Together with all affiliates, must have fewer than 500 employees.	Must be more than 50% directly owned and controlled by one or more U.S. citizens or permanent resident aliens, other small business concerns (each of which is more than 50% directly owned and controlled by individuals who are citizens or permanent resident aliens), or any combination of these; or be more than 50% owned by multiple venture capital operating companies, hedge funds, private equity firms, or any combination of these; or be a joint venture in which each entity to the joint venture must meet the requirements set forth in paragraph (a)(1)(i) or (a)(1)(ii) of 13 C.F.R. § 121.702.	For SBIR, the small business must employ the primary researcher. For STTR, the small business need not employ the primary researcher; the nonprofit research entity must be located in the U.S.; and the nonprofit entity must be a college or university, a research organization, or a federally funded R&D center.	Must certify size for both Phase I and Phase II awards; must recertify within 30 days of a merger or acquisition; must recertify within 120 days of the exercise of an option under funding agreements of five (5) years or more.	Access to federal funding for research and development efforts geared towards commercialization; collaborative research opportunities for STTR participants.	Yes.	Affiliation may be based on ownership; stock options, convertible securities, and agreements to merge; common management; identity of interest; the newly organized concern rule; joint ventures; the ostensible subcontractor rule; and license agreements.	13 C.F.R. § 121.702 (Size, Qualification Requirements, and Affiliation).
CVE	Creation of VetBiz profile at http://www.VetBiz.gov and submission of application and supporting documentation to CVE for examination and evaluation.	Must be small under the size standard applicable to each NAICS code listed in the firm's VetBiz profile.	Must be 51% unconditionally owned and controlled by one or more eligible veterans, service-disabled veterans or surviving spouses. Ownership must be unconditional and direct, and the qualifying owner must be entitled to receive at least 51% of the participant's profits (or 51% of the net profits earned by a joint venture in which the applicant or participant is the lead concern). Control means both the day-to-day management and long-term decision-making authority for the concern by one or more veterans or service-disabled veterans who possess requisite management capabilities.	Must demonstrate good character and be verified by CVE.	CVE may initiate a verification examination whenever it receives credible information calling into question a participant's eligibility, and may revoke a firm's eligible status for good cause shown (e.g., making false statements, or failing to submit documentation in a timely manner).	Access to set-asides and sole source awards issued through the U.S. Dept. of Veterans Affairs.	Yes.	The U.S. Dept. of Veterans Affairs relies upon the SBA's regulations when determining whether a CVE firm is or may be affiliated with another concern.	38 C.F.R. § 74.2 (Qualification Requirements); 38 C.F.R. § 74.3 (Ownership); 38 C.F.R. § 74.4 (Control); 38 C.F.R. § 74.5 and 13 C.F.R. § 121.103 (Affiliation).

8(a) = 8(a) BD Program; Woman-Owned Small Business = WOSB; HUBZone = Historically Underutilized Business Zone; SDVOSB = Service-Disabled Veteran-Owned Small Business; CVE = Center for Veterans Enterprise; SBIR = Small Business Innovation Research; STTR = Small Business Technology Transfer; SDB = Small Disadvantaged Business



Pilieromazza PLLC

Tel. 202.857.1000 | Fax 202.857.0200 | 888 17th St., NW, 11th Floor | Washington, DC 20006 | www.pilieromazza.com



PRACTICE AREAS



Government Contracts Law - Our in-depth experience with government contracts law helps clients benefit from the opportunities it provides while avoiding the consequences that may result from unfamiliarity with contract requirements and compliance issues. We help our clients navigate the complexities of doing business with the federal government. From initial bids and proposals through contract closeout, government contractors rely on our counsel and advice.

- Contract Negotiation and Formation
- Contract Administration and Disputes
- Regulatory Compliance
- Bid Protests
- SBA Protests
- SBA Programs

Corporate & Business Law - We provide businesses the full spectrum of legal advice and counsel they will need throughout a company's life cycle, beginning with decisions on entity formation and structure and bringing the business into legal existence, to drafting the documents that serve as the backbone for the company as it grows.

- Corporate Formation
- Business Counseling
- Employee Incentive Plans
- Mergers & Acquisitions
- Novations
- Corporate Governance

Small Business Programs - Our unique focus on small business procurement programs is unparalleled and sets us apart from other law firms that handle government contracts. Within our small business program practice, we represent a broad spectrum of small and mid-sized contractors. We assist our clients in becoming and staying eligible for the small business programs, from application assistance, compliance audits and assistance in responding to government inquiries.

- Program Applications
- Appeals
- Subcontracting
- Compliance
- Protests
- Joint Ventures
- Mentor-Protégé
- Growth & Planning

Labor & Employment Law - Business enterprises across the country are faced with workplace laws and regulations that are becoming increasingly complex and confusing. Given the myriad of issues confronting human resource departments, it is essential that employers have a solid understanding of labor and employment laws and how they impact the workplace. PilieroMazza's Labor and Employment Law Group consists of attorneys with extensive counseling, litigation and regulatory experience. They provide companies with tailored advice that minimizes the risk of expensive mistakes.

- Employment Law and Litigation
- Human Resource Policies
- Workforce Changes
- Employment Contracts
- Compliance
- Labor Relations

Litigation - At PilieroMazza, we are not reluctant to litigate when the need arises. However, due to the expense and uncertainty inherent in litigation, we usually find that our clients' interests are best served by exploring other options for dispute resolution prior to filing suit. Nonetheless, when litigation is necessary, we pursue our clients' interests skillfully, cost-effectively and with tenacious resolve.

- Business & Commercial Litigation
- Appellate Practice
- Employment Litigation
- Alternative Dispute Resolution

Government Relations Services - Today, trade associations and their members, which include businesses of all sizes, are dramatically affected by rules, regulations and laws passed by the federal government. Yet, many small and medium-sized businesses know little or next to nothing about such developments until it is far too late to do anything about them. PilieroMazza's Government Relations Services can help to bridge the gap between businesses and the federal government.

- Membership
- Trade Associations
- Tax-Exempt Status
- Chapter Relations

Intellectual Property & Technology Rights - Protecting intellectual property as a valuable intangible asset has always been a critical part of a successful business. PilieroMazza devotes close attention to safeguarding our clients' intellectual property rights, confidential information, and trade secrets, helping ensure they receive the full measure of legal protection for these intangible assets. In the government contracts arena, we are experienced in helping clients interpret and understand data rights rules and regulations, draft intellectual property clauses for subcontracts, and navigate cybersecurity requirements, to provide maximum protection for intellectual property.

- Trademarks & Copyrights
- Data Rights Protection
- Cybersecurity
- Licensing
- Trade Secret Protection

Located in the nation's capital, PilieroMazza has earned a reputation as one of the country's most prominent law firms for companies doing business with the federal government. Our vast experience in government contracts law and Small Business Administration procurement programs, coupled with our full-service capabilities in the areas of corporate and business law, litigation, labor and employment, government relations, and intellectual property, distinguish us from others in the legal community.

We bring the versatility and insight that clients across the country seek and the responsive delivery they appreciate. We represent a broad range of businesses, trade associations and nonprofits—from startups with a single-market focus to publicly traded corporations doing business around the world—with the personalized service, experience and zeal that few law firms can match.

Our versatility and cross-practice collaboration is a major benefit to smaller companies that look to us to provide them with a virtual in-house counsel across all areas of our practice. For clients with in-house legal support, we also provide the high-value, in-depth experience general counsel demands. Whether assisting with mergers, acquisitions and corporate transactions; contract disputes; government investigations; labor and employment issues; regulatory compliance; or complex business litigation, PilieroMazza tailors service to clients of all sizes, in a wide range of industries.

PilieroMazza attorneys take pride in nurturing our clients' businesses and building long-lasting, personal relationships. Passionate in our representation, we go the distance not only to identify issues and obstacles, but also to develop practical, cost-effective approaches to overcome them. We're accessible to clients, whenever and wherever they need us, and ready to take on new challenges, strategize, digest late-breaking developments or simply listen to their concerns.

PILIEROMAZZA PUBLICATIONS

We keep our clients abreast of the issues that matter most to them through our blog, *PM Legal Minute*, our quarterly newsletter, *Legal Advisor*, as well as the *PilieroMazza Weekly Update*, *PilieroMazza Client Alerts*, and frequent informational webinars and seminars.

Our *PM Legal Minute* blog, allows our attorneys to provide updates and analysis of issues that our practice groups have encountered, as well as tips and practical advice for government contractors. View our blog by visiting www.pilieromazza.com/blog.

The *Legal Advisor* is our quarterly newsletter, written by PilieroMazza attorneys and guest columnists, to address current issues that are of concern to federal government contractors and commercial businesses nationwide. The articles focus on recent legal trends, court decisions, legislative and regulatory rule-making, as well as other newsworthy events. The articles also emphasize issues we see in all of our practice areas, and provide practical tips that businesses should consider in complying with recent changes in the law, as well as preventative measures that can be taken to minimize legal problems.

PilieroMazza's *Weekly Update* is emailed each Friday to recap any relevant actions taken by Congress, the Administration, or the courts. When government agencies propose significant changes to existing regulations or when Congress passes legislation of special interest to government contractors or the small business community, we provide a Client Alert with an analysis of the proposed changes and its likely impact on your business.

You may sign up for all of our publications and be notified of our seminars and webinars on the home page of our website at www.pilieromazza.com.

We offer monthly webinars on issues that matters most to your business. We have gained the reputation for providing easy-to-understand explanations to complicated issues. You may sign up for webinar notifications on our website and access our on-demand library of training on our YouTube channel at www.youtube.com/pilieromazza.



888 17TH STREET, NW, 11TH FLOOR
WASHINGTON D.C. 20006
PHONE 202 857-1000
FAX 202 857-0200
WWW.PILIEROMAZZA.COM

A COMPARISON OF FEDERAL SMALL BUSINESS PROGRAMS

8(a)
WOSB
HUBZone
SDVOSB
SDB
SBIR/STTR
CVE