

Set-Aside FAQs

Federal agencies are required by law to spend 23% of their purchases with small businesses. Further targets include:

- ◆ 5% or more for 8(a) small businesses
- ◆ 5% for veteran-owned small businesses
- ◆ 3% for service-disabled veteran-owned businesses
- ◆ 5% for women-owned businesses
- ◆ 5% for HUBZone businesses

Here are the answers to some frequently asked questions about these set-asides.

How does SBA ensure that agencies meet the government-wide 23% small business goal?

SBA negotiates with each agency mutually acceptable prime and subcontract goals for each small business category. SBA must ensure that the mutually established cumulative goals for all agencies meet or exceed the government-wide 23% small business goal. SBA cannot accept an individual agency's goal until the aggregated government-wide goal is established. Subsequently, SBA compiles and analyzes agencies' achievements against their individual goals and reports the results to the President.

Why doesn't SBA approve goals as soon as they are received?

SBA's responsibility under the Small Business Act 15(g)(1) is to ensure that the Government-wide goal for participation of small business concerns be established at not less than 23% of the total value of all prime contract awards for each fiscal year. The Women-owned Small Business (WOSB) goal is also required to be established at not less than 5%.

What are the due dates for all the goaling actions?

The goaling "Calendar of Events" established the dates on which actions are due on the part of each agency. It is updated for each fiscal year and listed in the Goaling Guidance.

Are there any rewards for a Federal Agency in exceeding its goals?

Yes. The Office of Government Contracting annually accepts nominations, including self-nominations, for the Gold Star Awards that are presented at the Annual Joint Industry/SBA Procurement Conference, Business Opportunity Expo and Awards Celebration, in Washington, D.C.

The Gold Star Awards were established to recognize the Federal personnel within the Office of Small and Disadvantaged Business Utilization (OSDBU) who have the primary responsibility for the aggressive goals and strategic initiatives that ensure small business a role in the Federal marketplace. The Gold Star Awards were established to recognize those Federal personnel for their exemplary performance. In addition, any Federal department or agency that has a winner of a Gold Star Award will receive a special agency award.

For SBA's goaling program, is there a minimum subcontract percentage that prime contractors must have when bidding or submitting a proposal for a Federal contract?

No. Prime contractors shall propose a subcontract percentage (or goal) on each contract that represents the maximum practicable opportunity for small businesses. This means that the prime contractors have to do

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to do market research to determine how many small businesses may be able to perform the subcontract requirements. Prime contractors shall propose as subcontractors, if available, small business concerns; small business concerns owned and controlled by service disabled veterans; qualified HUBZone small business concerns; small business concerns owned and controlled by socially and economically disadvantaged individuals; and small business concerns owned and controlled by women.

Can an agency count prime contract awards to small businesses toward more than one goal in the Goaling Program?

Yes. The Small Business (SB) Category shows the total procurement dollars to small businesses. All other categories are sub-sets of the SB Category. A procurement can be additionally counted in more than one sub-set category, as applicable. In fact, all prime contract awards to small businesses, women-owned small businesses, 8(a) firms, HUBZone small businesses, service-disabled veteran-owned small businesses all count toward the government-wide small business goal. For example, if a business is awarded a contract and they are an 8(a) business and a woman-owned small business, the agency counts the contract award in both categories that apply.

Can an agency get 8(a) credit for ordering from a Federal Supply Schedule from a company certified by SBA under the 8(a) program?

Yes, if the company has elected for its orders to be counted toward its 8(a) competitive mix and to allow for its orders to be counted as sales under the 8(a) program.

How are the GSA Federal Supply Schedules (FSS) counted in the goaling process?

Each individual agency included Federal Supply Service (FSS) Schedule buys as part of their estimate of all of their prime contracts and resultant goals. In addition, each individual agency's goal achievements included all of their FSS Schedule buys.

If a small business wins a procurement that was not "set-aside for small business competition" but rather under the "full and open" competition, does the Agency receive small business credit toward its small business goals?

Yes. The total dollars awarded to small business concerns are derived from the "type of contractor" they are not based on the solicitation procedures. As stated in the Goaling Guidance, the dollars awarded to Small Business Concerns will be derived from the SF-279 which the type of contractor should be a Small Business or from the SF-281 for a Small Business.

Which categories of small business must be certified by SBA, and must these companies be listed in PRO-Net?

HUBZone small business concerns and 8(a) firms must be certified by SBA. PRO-Net is the official SBA database for verifying their certification. Other categories, including small businesses, women-owned small businesses, veteran-owned small businesses, and service-disabled veteran small businesses may self-certify as to their status. PRO-Net may be used to verify their "self-certification" but they are not required to be listed in PRO-Net.

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When prime contractors submit their SF-294 and SF-295 reports to the Government, they are allowed to take credit for only those companies that are listed in PRO-Net. SBA also recommends that you use PRO-Net to also confirm the firms that “self-certify” that they are HUBZone certified as stated in the Federal Acquisition Regulations (FAR) 52.219-8(c)(2). Companies may accept self-certification for all the other categories.

Who do I call if I have questions on the Goaling Program?

Please contact goaling@sba.gov.

Can SBA approve the goals without all goals submitted?

SBA has the responsibility to ensure that agencies’ goals, in the aggregate, meet the Government-wide goals established at 15(g)(1) of the Act. This can only be done if SBA has received all the proposed goals to statistically calculate that we can achieve the Government-wide statutory goals.