

Programs and services to help you start, grow and succeed

What does the SBA do in Tennessee...

***Disaster Recovery
Capital Access
Entrepreneurial Development
Government Contracting***

**Energy, Technology and Environmental Business Association
June 2010 Membership Meeting**

Walter Perry, SBA Tennessee District Director
Saundra Jackson, Senior Area Manager



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Disaster Recovery is Working



May Flooding in Nashville

Disaster Loans for

- Homeowners,
- Renters,
- Businesses
- Non Profits

Tennessee May Floods
total as of June 24:

\$88 million

Apply for SBA Assistance by July 6 at www.disasterassistance.gov or 1-800-659-2955



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SBA Loans Are Available

- Lending is up thanks to the Recovery Act...

Tennessee	FY 2010 YTD as of 5-31-10	FY 2009 Total
Loans	462	554
Dollars	\$134 million	\$131 million

Source: SBA Tennessee District Office FY 10 YTD Lending Data based as compared with FY09 Total

- 100 active SBA lenders in Tennessee, the largest by volume:

Lender Name	HQ Location	# Approvals	FY 10 Gross Approved
• SUPERIOR FINANCIAL GROUP, LLC	Danville, CA	173	\$1,682,500
• SUNTRUST BANK	Richmond, VA	27	\$7,625,500
• BORREGO SPRINGS BANK, N.A.	LaMesa, CA	16	\$3,138,300
• U.S. BANK NATIONAL ASSOCIATION	San Diego, CA	14	\$727,000
• BRIGHTBRIDGE, INC	Chattanooga, TN	13	\$6,635,000
• AREAWIDE DEVEL CORP	Alcoa, TN	12	\$9,134,000
• FIRST VOLUNTEER BK - TENNESSEE	Chattanooga, TN	12	\$6,121,700
• BRANCH BANKING & TRUST	Atlanta, GA	11	\$2,034,900
• LIVE OAK BANKING COMPANY	Wilmington, NC	10	\$9,325,000

Source: SBA Tennessee District Office Lending Data for period October 1, 2009 to May 31, 2010



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Health Care Reform is Now Law

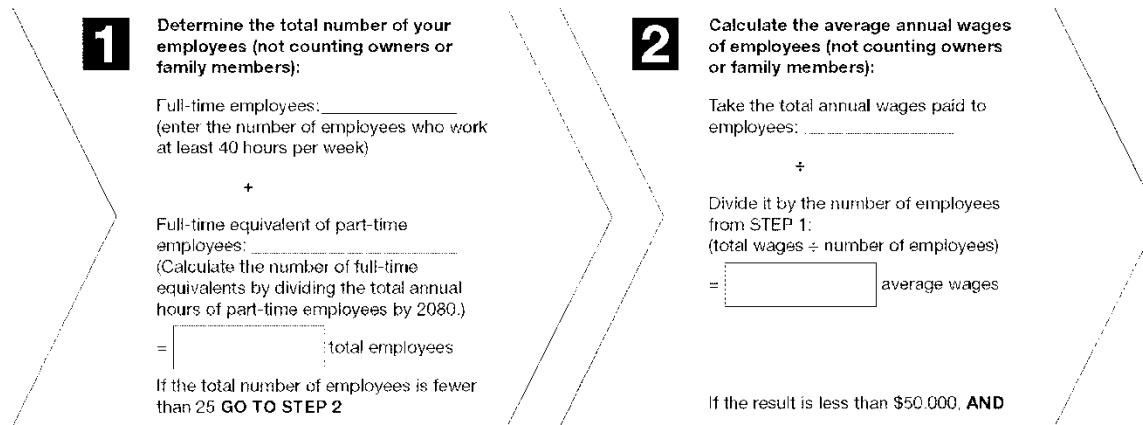
- **Affordable Care Act**

- Does not include an employer mandate – exempts all firms with less than 50 employees
- Health Care Tax Credit can cover up to 35% of the premiums a small business pays to cover its workers effective immediately. In 2014, this rate increases to 50%.
- Dental and vision coverage qualifies in addition to traditional health insurance coverage.
- More information in IRS Notice 2010-44 at <http://www.sba.gov/healthcarereform/>

Calculating the Credit

3 SIMPLE STEPS

If you are a small employer (business or tax-exempt) that provides health insurance coverage to your employees, determine if you may qualify for the **Small Business Health Care Tax Credit** by following these three simple steps:



3 You pay at least half of the insurance premiums for your employees at the single (employee-only) coverage rate, then

» you may be able to claim the **Small Business Health Care Tax Credit**.
Find out more information at [IRS.gov](https://www.irs.gov)



Federal Contracts are Available

- \$523 billion in FY 09 Federal contracting
- 23% of these dollars go to Small Businesses.
 - Small Disadvantaged Businesses (**includes 8a**): 5%
 - Women Owned: 5%
 - Service Disabled Veteran Owned: 3%
 - Hub Zone: 3%
- \$55 million was awarded to Tennessee 8a's in FY 09 through 241 federal contract actions with federal buying facilities.



8a Provides Recovery Act Opportunities

- 8a's in Tennessee : 87

- FY 2010 Recovery Act Dollars awarded to Tennessee 8a's:
 - **Approximately \$ 20 million**
 - **Represents 19 Tennessee 8a Firms receiving awards**

(Source: [www. USASpending.gov](http://www.USASpending.gov) data as of June 23, 2010)

- Agencies Awarding Recovery Act Contracts to Tennessee 8a's:
 - Department of Energy - Oak Ridge; Corps of Engineers – Multiple Districts; Veteran's Affairs – Multiple Locations; National Park Service; U.S. Fish and Wildlife Service, Department of Navy, Department of the Army; Indian Health Service; HHS Asst. Secretary for Health.

(Source: [www. USASpending.gov](http://www.USASpending.gov) data as of June 23, 2010)

Size Protests Rules are Specific

- Every small business has right of protest, except 8a. (13 CFR 124.517)
- Rule out for public comment through March 31, 2010 to change timeframe for small business consistent other SB programs (i.e. HubZone, SDB, Vets, etc.) from 10 to 15 days. If SBA cannot complete review in 10 days, we will go back to CO and request an extension.
- Non-Negotiated Procurements (i.e. sealed bids): 5 business day rule to protest (starts from moment of bid opening) (13 CFR 121.1004)
- Negotiated Procurements: 5 business day rule to protest (starts from moment of CO notifying firm they received bid) (13 CFR 121.1004)
- Protest must be specific (not general in nature). Sources to get specifics on firm you are protesting include CCR profile, Dun & Bradstreet, USASpending.gov.
- Contractors have 15 Day appeal for pending procurements on size determination and 30 days on non-pending procurements.

Prepare Before Protesting

- Pointers:
 - Be aware of Rules of Affiliation, particularly family “Identity of Interest” as all family members must be included in total revenues. (13 CFR 121.103)
 - Rules vary from program to program – check the regs for specifics (i.e. joint ventures, prime-sub relationships, etc). (13 CFR 125.25)

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Follow the Money on July 14

- **Tennessee Procurement Summit in Nashville at Tenn. State Univ. Downtown Campus**
- **The big federal agencies will be present...**
 - Energy - Oak Ridge
 - Veterans Affairs - Murfreesboro
 - Corps of Engineers - Nashville & Memphis
 - Department of Army – Ft. Campbell
 - TN National Guard – Nashville
 - General Services Administration – Nashville
- **Free Event**
- **Register at www.tsbdc.org**

Also Upcoming: 4th Annual East Tennessee Veterans Conference on Tuesday, August 3 at New Hope Center in Oak Ridge



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New rule for Women Owned SB

- SBA's woman-owned small business (WOSB) procurement program addresses the difficulties women-owned businesses have endured in competing for Federal procurement contracts.
- Current Rule issued March 4, 2010 with the comment period closed on May 3, 2010. 1,057 comments received.
- Awaiting Final Rule for implementation

Program Benefits

- Provide Contracting Officers with a tool to set aside specified contracting opportunities for WOSB's in industries where there is underrepresentation.
- Help WOSBs compete for and win federal contracts

Identifying and Defining Industries

- Numbers and Dollars Approach
 - **Dollar approach** – compares the proportion of the dollar value of contracts in a particular NAICS code awarded to WOSBs with the proportion of gross receipts (revenues) in that NAICS code earned by WOSBs.
 - **Numbers approach** - compares the proportion of contracts awarded to WOSBs in a particular NAICS code to the number of WOSBs in that code.

Eligible Industries

- ***Underrepresentation*** – 45 NAICS Codes
- ***Substantial Underrepresentation*** – 38 NAICS Codes
- NAICS Codes will be revised every five (5) years
- All industries to be posted at www.sba.gov on the Government Contracting page.

Eligibility Criteria

- To be eligible, a firm must be 51% owned and controlled by one or more women and primarily managed by one or more women.
- Must be a U.S. Citizen
- Must be “small” in its primary industry in accordance with SBA’s size standards.
- “Economically Disadvantaged” WOSB (**EDWOSB**) - must demonstrate economic disadvantage in accordance with SBA 8(a) Business Development current and proposed regulations.

Certification

- First, self-certify in the Online Representations and Certifications Application (ORCA), <http://orca.bpn.gov>, then submit documents to an online “document repository” to be maintained by the SBA. Each Agency ‘s Contracting Officer will have full access to this repository; or
- Be certified by a Federal Agency, a State government, or a national certifying entity approved by the Administrator of the SBA.

Program Features

- Authorizes a set-aside of federal contracts for WOSBs where the anticipated contract price does not exceed \$5 million in manufacturing and \$3 million in other contracts.
- Contracts over these amounts are not eligible for set-aside.

Restricted Competition

- ***EDWOSB Requirements*** (13 CFR 127.501)
 1. Two or more EDWOSBs will submit offers
 2. Anticipated award will not exceed \$5M in manufacturing NAICS codes, or \$3M in all other contracts, and
 3. Award at fair and reasonable price.

Restricted Competition

WOSB Requirements

1. NAICS Code in industry identified as substantially underrepresented by WOSBs.
2. Two or more WOSBs will submit offers
3. Anticipated award will not exceed \$5M in manufacturing NAICS Codes, or \$3M in all other codes
4. Award at fair and reasonable price.
5. Document contract file

Additional Requirements

8(a) BD Requirement

1. May not restrict competition if an 8(a) Business Development participant is currently performing the requirement under the 8(a) DB Program, or SBA has accepted for performance under 8(a) BD.
2. Acquisitions below SAT (\$100,000) but above \$3,000 can be set aside.
3. Acquisitions above SAT must be considered for 8(a) BD, HUBzone, SDVO SBC or WOSB before set –aside for small business (no order of preference).

Before Submitting an Offer

Before a EDWOSB or WOSB may submit an offer, it must be:

1. Listed in ORCA
2. “Small” in the NAICS Code for the requirement
3. No material change in eligibility
4. Can meet percentages of work requirement
(Limitations on subcontracting rule)

Non-Manufacturer Rule

- An EDWOSB or WOSB may submit an offer on an EDWOSB or WOSB contract for supplies, if it meets the requirements under the non-manufacturer rule set forth in 121.406(b).

Joint Ventures

- *Permitted if:*
 1. Combined revenues or employees meet NAICS Code size standard.
 2. JV must be designated in ORCA
 3. Must have written JV Agreement
 4. Must perform required percentage of work
 5. Contract can be in EDWOSB or WOSB or JV name

Fair and Open Competition for All

- **Contacting the SBA in Tennessee:**
 - Office and Mailing Address: 50 Vantage Way, Suite 201, Nashville, TN 37228
 - Main Telephone: 615-736-5881
 - Walter Perry, District Director, 615-736-5881, walter.perry@sba.gov
 - Sandra Jackson, Senior Area Manager, 901-526-9300, sandra.jackson@sba.gov
 - Website: www.sba.gov/tn

- **To Report Fraud in SBA Programs:**
 - Contact the Office of Inspector General at 1-800-767-0385
 - Website: www.sba.gov/ig for on-line complaint form
 - Complaints may be anonymous

