

University of Nebraska at Omaha DigitalCommons@UNO

White Papers

Nebraska Business Development Center

2016

# Is the Woman-Owned Federal Contracting Program a Good Choice for your Business?

Mary L. Graff University of Nebraska at Omaha, mgraff@unomaha.edu

Follow this and additional works at: https://digitalcommons.unomaha.edu/nbdcwhitepapers Part of the <u>Entrepreneurial and Small Business Operations Commons</u>

#### **Recommended** Citation

Graff, Mary L., "Is the Woman-Owned Federal Contracting Program a Good Choice for your Business?" (2016). *White Papers*. 2. https://digitalcommons.unomaha.edu/nbdcwhitepapers/2

This White Paper is brought to you for free and open access by the Nebraska Business Development Center at DigitalCommons@UNO. It has been accepted for inclusion in White Papers by an authorized administrator of DigitalCommons@UNO. For more information, please contact unodigitalcommons@unomaha.edu.



PUBLICATION OF THE NEBRASKA BUSINESS DEVELOPMENT CENTER

# nbdc<sup>®</sup>



# Is the Woman-Owned Federal Contracting Program a Good Choice for your Business?

Set-asides narrow the playing field down to fewer competitors. And, as we all know, the fewer the competitors, the greater the chance of winning.

The federal government's Woman-Owned Small Business Federal Contracting Program, under the jurisdiction of the U.S. Small Business Administration (SBA) went into effect in February of 2011. If you're a woman-owned small business, you might want to consider whether registering for this program would be advantageous for your business. The program is explained here with its advantages and disadvantages.

### Why Congress Created the Program

Statistics showed that women-owned small businesses were only getting a very small percentage of federal contract dollars awarded each year. While this issue was recognized more than 35 years ago, it took the U.S. Small Business Administration years to enact a program for women-business owners in an attempt to help them achieve parity with their male-owned counterparts.<sup>1</sup> As published in the Federal Register Vol. 71, No. 115, Thursday, June 15, 2006, the situation with women winning contracts stated: "Women-owned businesses have been regarded as the fastest growing segment of the business community in the United States. Although between 1997 and 2002 the growth rate in the number of women-owned small businesses (WOSBs) was almost twice that of all firms, WOSBs have not received a commensurate increase in their share of Federal contracting dollars."<sup>2</sup> Further, this article states that in 1979, when Executive Order 12138 charged federal agencies with the responsibility to provide procurement assistance to women-owned businesses, these same WOSBs were garnering only two-tenths of one percent of all federal contracting dollars.<sup>3</sup> The Federal Register also notes that nine years later the percentage of women-owned businesses receiving federal contracts had grown only one percent—still well behind their male-owned counterparts.

In 1988 the Women's Business Partnership Act (Public Law 100-588 – October 25, 1988) was enacted to help women start, manage and grow their businesses, but the effect on these same WOSBs in winning federal contracts was still seriously lagging their male-owned business counterparts. In an attempt to boost the number of WOSBs

1 Federal Register, Vol. 71, No. 115, Thursday, June 15, 2006/Proposed Rules, pg. 34550

- 2 Ibid.
- 3 Ibid.

that were getting government contracts, Public Law 103-355 (October 13, 1994) was enacted and known more commonly as the "Section 7106 of the Federal Acquisition Streamlining Act (FASA)", which established a target goal of five percent of all prime contracting and subcontracting dollars to be awarded to WOSBs.<sup>4</sup> The FASA also mandated that WOSBs be included in the subcontracting plans required under Section 8(d) of the FASA.<sup>5</sup>

Section 8(m) of the Small Business Reauthorization Act of 2000, Public Law 106-554 {15 U.S.C. 637(m)} created the Woman-Owned Small Business Federal Contracting program. The purpose of this program is to ensure that women business owners have an equal opportunity to participate in federal contracting opportunities. It also helps federal agencies to meet their goals to award contracts to "women owned small" businesses. This program took a long time to implement. The Rand Corporation was engaged to do a study of federal contracting dollars awarded to women-owned businesses. The results of that study determined the North American Industry Classification Code System (NAICS) codes where women were either under-represented or substantially under-represented in the federal marketplace. The Woman-Owned Federal Contracting Program was created based on the findings of the "Rand Study".

### Impact of National Defense Authorization Act of 2015

Then after the program was in place for nearly four years, the National Defense Authorization Act of 2015 required the SBA to conduct a new study of the WOSB Federal Contracting Program.<sup>6</sup> Thus, the SBA requested the Office of the Chief Economist at the U.S. Dept. of Commerce to conduct this new study for the WOSB Program. The new study identified additional industries where women-owned small businesses were under-represented or substantially under-represented, resulting in the addition of 92 industry NAICS groups to the WOSB program, which meant the addition of 113 NAICS codes effective on March 3, 2016.

Also, as a result of the National Defense Authorization Act (NDAA) of 2015, the SBA is required to allow sole sourcing of contracts when only one WOSB or EDWOSB qualified participant can be identified, provided the contract can be awarded at a "fair and reasonable price" to the government. However, the sole source authority is limited to opportunities valued at not greater than \$6,500,000 (including option years) for contracts with manufacturing NAICS codes and not greater than \$4,000,000 (including option years) for contracts assigned any NAICS code other than manufacturing. While the sole source authority seems like a great opportunity, its use is likely to be very limited since the contracting officer can only use the sole source award when it is proven that there are not two or more responsible WOSBs or EDWOSBs for the opportunity to be competed at the above stated dollar limits.

### Eligibility

To be eligible for the WOSB federal contracting program, a company must be 51% or more owned, controlled and operated by a woman or women on a full-time basis who are U.S. citizens. The company, of course, must be a "small" business according to its primary NAICS (North American Industry Classification System) code. The NAICS codes define the industry and segments of an industry for businesses. For every NAICS code, there is a corresponding size standard in the U.S. Small Business Administration's (SBA's) "Table of Size Standards" (which can be found at the SBA's website: https://www.sba.gov/content/small-business-size-standards). There, the size standards are expressed in either millions of dollars for service and construction businesses, or in numbers of employees for wholesale trade and manufacturing businesses. The size standards are very generous. As long as the woman-

4 Ibid.

5 15 U.S.C. 637(d)

<sup>6</sup> Federal Register, Vol. 81, No. 42, Thursday, March 3, 2016, pg. 11340



owned business's primary NAICS code does not exceed the size standard, it is a "small business."

The WOSB Federal Contracting program requires more than just ownership and control of the business by women. One of the quirks of this program is that unlike most other government set-aside contracting programs for which any business meeting the basic qualifications may apply regardless of the industry it is in, the WOSB program has only 330 specific NAICS codes that are eligible for participation, so some women-owned businesses may not qualify, depending upon their industry. The list of eligible NAICS codes can be found on the SBA's website at **http://www.sba.gov/wosb**. Another of the quirks of this program is that it doesn't just provide for self-certifying in one category, but for the possibility of self-certifying in either or both of two categories. These categories are the "woman-owned small business" or "WOSB" as it is referred to, or the "economically disadvantaged woman-owned small business" or "EDWOSB".

The Rand Corporation's study, "The Utilization of Women-Owned Small Businesses in Federal Contracting,"<sup>7</sup> identified those NAICS codes where businesses owned and operated by women traditionally were not getting their "fair share" of federal contracting dollars. Based on the results of this study, the Rand Corporation recommended (and the SBA determined) that the federal contracting program should allow set-aside contracts for women-owned businesses in only certain NAICS codes, as opposed to all the available NAICS codes. (Again, this is a basic departure from other federal set-aside contracting programs, where there are no limitations by NAICS code.) The study identified that there were some NAICS codes where women-owned businesses were "underrepresented" and some codes where women-owned businesses were "substantially underrepresented" in terms of the contracting dollars awarded. After this issue was uncovered by the Rand study, the SBA decided to make the woman-owned set-aside contracting program a two-tier program – whereby depending upon the NAICS code, the woman-owned small business would qualify as either "woman-owned small" (substantially underrepresented) or "economically disadvantaged woman-owned small" (underrepresented). Thus, the SBA created a two-tier self-certification process which is based on the pre-determined status of a business's NAICS codes.

The two lists can be found on the SBA's website at: http://www.sba.gov/wosb :1) a list which contains the codes eligible for women-owned small businesses (WOSB) that are "substantially underrepresented" under the program; and 2) a second list which contains codes for those women-owned small businesses that are considered to be "economically disadvantaged" and only "underrepresented" in winning federal contracts, which are thus designated as the "Economically Disadvantaged Woman-Owned Small Business" ("EDWOSB").

#### What If I'm Not Eligible?

If a woman business owner finds that the NAICS codes relevant to her business are not included in the WOSB Federal Contracting Program or if she cannot meet the criteria (i.e., she is not a small business) she may not participate in this program. For instance, if a woman does not run the business on a full-time basis, she doesn't qualify for the program. Or if the woman's income, net worth, and/or assets exceed the thresholds set by the program for the EDWOSB designation, then she can still register as a woman-owned business in the System for Award Management (SAM), but she may not apply to the EDWOSB program. In these instances, though, the woman owner is not eligible to bid on contracts set aside as either WOSB or EDWOSB, but that does not preclude her from bidding on contracts set aside for either small business or full and open competition.

In a situation where a woman-owned business is bidding on either a small business set-aside or in full and open

<sup>7 &</sup>quot;The Utilization of Women-Owned Small Businesses in Federal Contracting" authored by Elaine Reardon, Nancy Nicosia, and Nancy Y. Moore, Kauffman-RAND Institute for Entrepreneurship Public Policy.

competition, the contracting officer can still get credit for fulfilling the "woman-owned small business goal" (if the business is indeed "small" by SBA size standards) required of the agency if he/she awards the contract in either of these scenarios to a woman-owned business that is small. A woman-owned business bidding on a small business set-aside or in full and open competition may still have a slight advantage by virtue of being woman-owned, even if her business is not eligible for the WOSB or EDWOSB program. But of course, the advantage of the WOSB and EDWOSB set-aside contracting program is that a woman who is self-certified in this federal contracting program generally has fewer competitors in the bidding competition.

# To Which Program Do I Self-Certify?

So how is a woman-owned business to know which program she qualifies for or to which program she should self-certify? It's best to start by reviewing each list of NAICS codes to determine whether the business is eligible for either the WOSB or EDWOSB program. You can find the NAICS codes by going to the website: http://www.census. gov/eos/www/naics/ and begin selecting all the codes which represent what products or services your business sells. Then it is necessary to note which codes are WOSB or EDWOSB. (An important point here is to remember that the business owner doesn't get to choose to apply to be either WOSB or EDWOSB – well, not exactly. If all of the NAICS codes that a business has are designated as either/or WOSB or EDWOSB, fine. Then the business owner simply applies to the set-aside program for that designation. But the complexity comes in when the business owner has some codes that fall into each category – WOSB and EDWOSB. To which program does she apply? The rule is that if NAICS codes are in both categories (EDWOSB and WOSB), the business owner should apply for status as "EDWOSB." That is, of course, if she can meet the "other" guidelines for the EDWOSB, discussed later.

The EDWOSB designation allows a woman-owned business to bid on contracting opportunities set-aside not only for "EDWOSB" but also for those NAICS codes set aside as "WOSB". The reverse, however, it not true. If a woman with NAICS codes in both categories self-certifies only as "WOSB", her business is eligible to bid on only those contracting opportunities that are designated (i.e., "set aside") as "WOSB" not those designated as "EDWOSB". This issues arises because the EDWOSB designation carries more qualifiers with it: there are limits for maximum income, net worth and total assets.

### **EDWOSB**

The woman with NAICS codes that fall under the EDWOSB designation must also meet the SBA's definition of "economically disadvantaged". To meet this designation, the woman-owner(s) must self-certify to three items, and must also complete the SBA's "Personal Financial Statement" Form 413 to support the self-certification. First, the woman must self-certify that her personal net worth does not exceed \$750,000, excluding the equity interest of her primary residence and her ownership interest in the business. Second, her adjusted gross income cannot exceed \$350,000, averaged over the preceding three years. Third and finally, the fair market value of all her assets (which includes the equity interest in the primary residence and the ownership interest in the business, but which excludes monies invested in Individual Retirement Accounts [IRAs] or other official retirement accounts) do not exceed \$6 million. Keep in mind that this definition is a very generous definition for being "economically disadvantaged." The woman or women owners don't need to be exceptionally poor or "living in poverty" as might be implied by the terminology of "economic disadvantage".

### What to Do Next - Scan Your Documents

Once the owner has established which category her company's NAICS codes fall in (WOSB versus EDWOSB or both), she can then begin scanning copies of each of the documents she will need to upload into the SBA's

Repository for the WOSB. The Repository is a confidential and safe website where the women owners participating in this program are required to submit certain documents for later viewing by SBA staff and/or government contracting officers. For each woman owner of the company, there is a list of documents that must be uploaded to the SBA's online "Repository" depending upon the business's structure. The lists of documents for each type of business structure are on the SBA's website when the woman completes the "Am I Eligible?" questionnaire. But at the minimum, the documents include the following: 1) either a birth certificate, Naturalization papers, or an unexpired passport; 2) if applying to the EDWOSB program, then the woman/women owners (and their spouses, if they are married) must also each provide a completed copy of SBA's Personal Financial Statement (SBA Form 413); 3) tax transcripts (IRS Form 4506-T); 4) three years of personal income tax returns (including all schedules); and 5) the three most recent W-2's for each woman (and her husband) claiming economic disadvantage. Regardless of your business's structure, you must have an active registration in the System for Award Management and provide the DUNS number and EIN number and provide a copy of your company's registration in the SAM, too.

The next step depends upon the company's legal structure in determining which other documents need to be scanned and uploaded to the SBA's repository.

For sole proprietors, the following documents must be scanned and uploaded to the SBA's Repository: 1) a copy of the partnership's assumed/fictitious name certificate, if applicable; and a signed copy of either the WOSB or ED-WOSB Program Certification, which is done electronically now at the website.

For Partnerships, the following documents must be scanned and uploaded to the SBA's Repository: 1) Partnership Agreement and any amendment(s), if applicable; 2) any joint venture agreements, if applicable; 3) a copy of the partnership's assumed/fictitious name certificate, if applicable; and a signed copy of either the WOSB or EDWOSB Program Certification, which is done electronically now at the website.

For Limited Liability Companies, the following documents must be uploaded: 1) Articles of organization (also known as certificate of organization or articles of formation) and any amendments to these initial documents; and 2) Operating Agreements and any amendment(s); (3) a copy of the LLC's assumed fictitious name certificate, if applicable; 4) a copy of any joint venture agreements, if applicable; and a signed copy of either the WOSB or EDWOSB Program Certification, which is done electronically now at the website.

For Corporations, there are several documents that must be scanned and included in the SBA Repository: 1) Articles of Incorporation and any amendment(s); 2) By-laws and any amendment(s); 3) All issued stock certificates, to include the front and back of each certificate, signed in accordance with the by-laws and copies of all cancelled stock certificates; 4) the Stock ledger; and 5) Voting agreements, if applicable; and a signed copy of either the WOSB or EDWOSB Program Certification, which is done electronically now at the website.

It's important to note that if the woman-owned business is an SBA 8(a) certified company, then the certification letter received from the SBA should also be scanned and uploaded to the SBA's Repository.

For any of the above legal structures, the woman/women owners must also include any "Assumed/Fictitious Name" (i.e., "doing business as") certificate(s) if they exist.

DOCUMENT REQUIRED	Sole Proprietorship	Partnership	Limited Liability Company	Subchapter S Corporation
Active Sam Registration	1	1	1	1
Proof of Citizenship	1	1	1	1
Copy of Assumed/ Fictitious Name Certificate	1	1	1	<ul> <li>Image: A start of the start of</li></ul>
Joint Venture Agreements if any	1	1	1	1
Articles of Organization/Formation and All Amendments			1	
By-Laws & All Amendments				1
Front and Back of All Current and Canceled Stock Certificates				<ul> <li>Image: A second s</li></ul>
Stock Ledger				<ul> <li>Image: A start of the start of</li></ul>
FOR EDWOSB ONLY: 3 Most Recent Personal Income Tax Returns, including All Schedules	·	1		
FOR EDWOSB ONLY: 3 Most Recent W-2's for Each Woman and Each Spouse	1	1	<i>✓</i>	<i>✓</i>
Form 413 — Personal Financial Statement for Each Woman and Spouse	1	✓	1	<ul> <li>Image: A second s</li></ul>

#### Summary of Documents Needed Depending on Business Structure

Each of the above files should be scanned separately and named separately – do not scan documents into a single huge file. For example, the birth certificate should be called precisely that when it is scanned so that it is easy to identify the file in the program's repository.

It's important to note that all documents must be scanned and saved as either ".pdf" or ".zip" file formats. No other file formats may be uploaded to the SBA's Repository. And of course, it's wise to open each file after it has been scanned and before it is uploaded to be sure that it is legible and correctly named.

### Get Ready, Upload!

To upload the files to the SBA's Repository, the woman or women must first each register with the SBA's "Certify SBA" at: https://certify.sba.gov where each woman creates a user name and password. Once the user name and password are created then the woman should click on the "Am I Eligible" link to be sure of her eligibility and this link will take her to the login page for the application process.

As the woman answers each question in the application for the program she is applying to (WOSB or EDWOSB),

the question will require the upload of the appropriate document. Information on the process can be found at the Certify SBA website or by asking for assistance from a Procurement Technical Assistance Center (PTAC) representative. The process is reasonably intuitive, but like all government systems, not quite as easy and logical as it should be.

Once uploaded to the Repository, the business owner should be able to view the list of all documents that were uploaded and be able to open and view each document as well. If after checking each document it is found that a document can't be viewed, then it should be corrected immediately – whether that means rescanning the document or just re-uploading a scanned document.

It's important to note here that once a document is uploaded and "saved" to the Repository, the file cannot be deleted from the Repository. So if for some reason there is a problem with the quality of the document (which is why it is better to check for legibility/readability before uploading each file), or if an incorrect file was inadvertently uploaded and saved, the action to take is to just upload the corrected document. Each document file in the Repository is shown with a date and time stamp when it was uploaded, so an SBA staffer or contracting officer viewing the documents will be able to view the most current version of any given document.

### **Third-Party Certifiers**

An interesting aside to this "do it yourself" approach to scanning and uploading documents to the repository is that the SBA's WOSB Federal Contracting Program also allows women to use the services of a third-party certifier. There are four approved third-party certifiers (only these "approved" entities may be used by women who do not wish to do the self-certification themselves). These third-party providers are: 1) **El Paso Hispanic Chamber of Commerce** (2) **National Women Business Owners Corporation**, 3) **US Women's Chamber of Commerce** (and 4) **Women's Business Enterprise National Council (WBENC)**. While the third-party certifiers might seem like a quick and easy method to get into the SBA's WOSB program, the truth is that the owner(s) still needs to gather copies of all the paperwork to provide to the third-party certifier, so she might just as easily do it herself.

Third party providers charge a fee, and it isn't cheap! The fees vary by organization and may be in addition to the regular membership fee.

For example, the U.S. Women's Chamber of Commerce charges \$350. Interestingly enough, the Women's Business Enterprise National Council (WBENC) will only certify an applicant for the WOSB, not an applicant for the EDWOSB program. Their explanation for this anomaly is that they only certify companies, not individuals, and the EDWOSB program is not just a certification of the company's ability to qualify for the program on the basis of the NAICS code, but also involves certification of the individual based on their income, personal net worth, and assets, which the WBENC says they cannot certify. Also, the WBENC charges it basic membership fee and then the WOSB certification is free based on that fee. The membership fees charged by WBENC vary by the geographical area of the country where the business is located and also depends upon the company's revenues. In Nebraska, for instance, the fee (depending upon the company's revenues) may vary from \$350 to \$950; but again, there is no additional charge for the WOSB certification process performed by WBENC staff.

### Value of the Woman-Owned Small Business Program

Why should a woman participate in the WOSB program one might ask? It's simple. The WOSB program "sets-aside" contracting opportunities for women who meet the qualifications of the program by narrowing the competitors in the field of the acquisition. In federal government contracting, a "set-aside" is an opportunity that only a designated



socioeconomic category of businesses may bid. For example, a "small business set-aside" means that only small businesses (as defined by a company's NAICS code for the given category and the SBA's corresponding size standard for that NAICS code) may bid. The same is true for the WOSB/EDWOSB program. The bid opportunity must be designated as set-aside for either "WOSB" or "EDWOSB" and any business responding to that opportunity must have already self-certified as to the category of the set-aside to be eligible to respond to it. Simply put, large businesses cannot bid on "small business set-aside" opportunities. Likewise in the case of the WOSB/EDWOSB program, only women who have self-certified as either WOSB or EDWOSB may bid on the opportunity in the same category as their certification. Also, women who have either chosen not to participate in the WOSB program (i.e., they have elected not to register, scan and upload documents into the SBA's WOSB Repository) or who are ineligible for this program for another reason (there could be a number of factors why a woman is not eligible, such as she may not work full-time in the business, or in the case of the EDWOSB designation, her income/net worth/assets may exceed the thresholds set by the SBA), can't respond to a bid set aside as either WOSB or EDWOSB.

So "set-asides" narrow the playing field down to fewer competitors. As we all know, the fewer the competitors, the greater the chance of winning.

### Why Women-Owned Businesses?

Women-owned businesses and other businesses in special socioeconomic categories (all falling within the small business category) are part of the federal government's overall effort to insure that small businesses get their fair share of federal contracting dollars. As we said earlier, typically women-owned businesses have not won as many contracting dollars as have their male-owned counterparts.

Consequently the U.S. Small Business Administration has created minimum percentages for each socioeconomic group for all agencies. For instance, for HUBZone businesses, the goal is three percent of contracting dollars; and the goal is the same (three percent) for service-disabled veteran-owned small businesses, while for women- owned businesses, the minimum is five percent of contracting dollars. Again, the purpose of these goal percentages is to be inclusive of businesses in a variety of socioeconomic categories, especially small businesses that might otherwise find it difficult to compete with large businesses or even similar small businesses owned by the predominant groups in society.

### WOSB Program Benefits to the Agencies and Large Businesses

By establishing these special socioeconomic programs, such as the WOSB/EDWOSB Federal Contracting Program, small businesses can identify themselves and alert contracting officers and prime contractors to their existence, thus making it easier for the agency to find businesses whose profiles fit the specific goal category. The WOSB Federal Contracting Program also allows large prime contractors an opportunity to find as subcontractors women-owned small businesses. Large businesses are required to identify their small business subcontractors when performing work on large prime contracts that have a subcontracting plan. In this instance, the prime contractors are required to use women-owned small businesses to meet the percentage requirements of their subcontracting plan goals, although self-certification in the WOSB Federal Contracting Program is not required for a large prime to include a small, woman-owned business in its subcontracting plan to the government.

### When Should a Woman Apply for the WOSB/EDWOSB Designation?

As soon as a woman has her businesses legally organized, she may immediately apply for the WOSB/EDWOSB designation if her company's NAICS codes qualify her for the designation. But first, she must register in the federal government's "System for Award Management" (SAM) to offer her products or services to the government. After

nbdc<sup>•</sup>

she has completed her company's registration in the SAM and has received her CAGE code (her Entity Management Profile in the SAM has validated), then and only then is she eligible to apply to the WOSB/EDWOSB program, provided her company's NAICS codes fall within this program, and provided she can meet the special provisions for the EDWOSB designation described above.

# **Contracting Officer's Responsibilities**

So what happens when an opportunity set-aside for either a WOSB or EDWOSB is evaluated by the contracting officer and the contracting officer selects the "apparent successful offeror"? Recently a slight change has been made to the WOSB program. Previously, the contracting officer needed to contact the woman-owned business and notify the owner(s) that the business is the "apparent successful offeror" and must ask the owner for authorization to view the owners' documents in the SBA Repository. Currently, the contracting officer must contact the SBA and ask the WOSB program authorities to review the client's documents in the Repository for completeness. Then the SBA will notify the contracting officer that all required documents are in the Repository and the award can be made, or if the SBA's review reveals that the client's Repository lacks required documents, the contracting officer then must file a protest with the SBA. At that point, the SBA will notify the company's owner(s) of a pending examination or audit.

# What the WOSB Can Expect

When a woman-owned business self-certifies as part of the WOSB program, having completed uploading all of the required documents in the SBA's Repository as well as completing the application to the program – the woman will receive an on-screen notice that her application is successful.

### Withdrawing from the WOSB/EDWOSB Program

When should a woman withdraw her participation in the WOSB/EDWOSB program you might ask? This may seem to be a strange question to ask, but there are circumstances when it is appropriate to cease participation in the WOSB/EDWSOB program. Participation may no longer be feasible when a business has "outgrown" the size standards, for instance, and become a "large" business. At that time, the woman or women involved in the business should voluntarily "decertify" themselves by removing from their registration in the System for Award Management (SAM) their designation as a "WOSB" or "EDWOSB". Woman-owned business or "WOB" is still appropriate, of course, even if it is a large business with where women own 51% or more of the business.

### Where You Can Find More Information

You can find more information about the WOSB program by going to the SBA's website at http://www.sba.gov/wosb.

### The Future of the WOSB Program

The National Defense Authorization Act (NDAA)<sup>8</sup> of 2015 mandated that there should be a sole-source provision for the Woman-owned Small Business Federal Contracting program, whereby participating women-owned businesses may be awarded a contract without competition. However, with the addition of this provision for sole source authority is the stipulation that participating women-owned businesses must be certified (not self-certified) by the SBA. It appears that this provision will markedly change the WOSB program as it currently exists from a self-certification program to one of certification. We don't yet know when the change from a self-certification to a certifica-

<sup>8</sup> National Defense Authorization Act for Fiscal Year 2015, Public Law 113-291, 128 Stat. 3292 (December 19, 2014) (2015 NDAA).

tion program will occur, but the NDAA indicates that the sole source authority is in effect as of January 1, 2016. How quickly the U.S. Small Business Administration will respond to the requirement to change the WOSB program from one of self-certification to one of certification is hard to say. It remains to be seen. But if you are a womanowned business, be prepared to resubmit all the required documentation to a certifying body since SBA might require that all women owners currently in the repository will need to submit to the certification process – and that means reapplying. It will be interesting to see what other changes might be implemented for the WOSB program in the near future. So be prepared for change!



#### About the author

With extensive experience as a business and procurement consultant, Mary Graff has helped hundreds of companies find opportunities to do business with government agencies and prime contractors. A graduate of the University of Nebraska at Omaha, Graff is a Certified Contracting Assistance Specialist, Economic Development Finance Professional and Certified Verification Counselor.

#### About the Nebraska Business Development Center

NBDC is a cooperative program of the U.S. Small Business Administration (SBA) and the College of Business Administration at the University of Nebraska at Omaha (UNO). NBDC partners with the University of Nebraska at Kearney, Southeast Community College, Wayne State College, Mid-Plains Community College and Chadron State College to provide consulting and business support services from offices in Omaha, Lincoln, Kearney, Grand Island, North Platte, Wayne, Scottsbluff and Chadron.

#### NBDC provides a full suite of business services:

- Financial projections, planning and loan packaging
- Export consulting, market research and analysis
- Technology commercialization consulting
- Government sales consulting
- Business valuation and transition planning
- Project management and leadership training
- Process improvement and sustainability training
- Organizational development consulting and customized training
- For more information, nbdc.unomaha.edu



© 2016 Nebraska Business Development Center, Permission is given for reproduction of this whitepaper in whole or in part, provided that the copyright notice is preserved and that the author and the Nebraska Business Development Center are acknowledged