Awards for Woman Owned Small Businesses

By
Mary Love

During the last 30 days the Federal Government has awarded 5,587 contracts. 1,699 were awarded to Small Businesses. But only 21 were awarded as set-asides to Woman Owned (WOSB) and/or Economically Disadvantaged Woman Owned Small Businesses (EDWOSB).

Of the 14 contracts awarded to WOSB’s, all but two were for amounts less than $100,000.00 and one was for more than $1.7 million. Of the 8 contracts set aside and awarded to EDWOSB’s, three were in the half million dollar range, and one was for $10 million.

If your company is owned by a woman, please don’t let those paltry numbers dissuade you from getting your certification. I expect those numbers to climb as the year progresses and the Federal Agencies begin to focus on their 5% annual goals for this category of Small Business.

It’s even more important to understand the impact of too many businesses who have only “self-certified” when the requirement is for verifiable certification in order to qualify for either WOSB or EDWOSB set-asides. It’s not enough to check the block in SAM. Your business needs the third party certification, and your documents that validate your WOSB/EDWOSB status MUST be uploaded into the SBA repository prior to submitting your proposal on a set-aside.

Contracting officers want the assurance that your certification can withstand a protest. A recent Government Accounting Office (GAO) report indicated that approximately 40% of contracts awarded to woman owned businesses had not met the standard established by the Small Business Administration. At least in part, that accounts for the reluctance to set-aside requirements in this category. There seems to be a belief that too many businesses who self-certify are owned but not actually MANAGED by women. A set-aside requires a belief that at least two small businesses will bid, so the above mentioned GAO report puts additional onus on the contracting officers to verify the status of the awardee. Once GAO has investigated a situation, they will likely continue to monitor it to see that the recommended improvements are made.

Your business may bear a financial burden of somewhere between $300 and $800 for the initial third party certification, and then incur an annual fee as well. While it’s true that this is the only category of Small Business who must pay for certification, it’s a relatively small price if you receive even one small contract. (The smallest contract awarded to an EDWOSB in the past 90 days was for $4500.00.) But what is just as important as paying for the third party certification is making sure that your information is uploaded and maintained in the SBA repository. The government must be able to verify your status as a WOSB/EDWOSB prior to contract award. The best way to do that is electronically thru the repository. Everything is electronic these days, so this is just one more.

In effect, the 2015 NDAA (National Defense Authorization Act) eliminates WOSB/EDWOSB self-certifications by requiring a formal certification in order for a small business to be awarded a WOSB set-aside contract.
It amends the portion of the “(2) Authority to restrict competition: a contracting officer may restrict competition for any contract for the procurement of goods or services by the Federal Government to small business concerns owned and controlled by women, if...(E) each of the concerns is certified by a Federal agency, a State government, the Administrator, or a national certifying entity approved by the Administrator as a small business concern owned and controlled by women.”

This language appears to have been added late in the process, perhaps in response to a recent GAO report— and perhaps because of the underwhelming number of WOSB set-asides.

Another element of the final 2015 NDAA contains a provision authorizing contracting officers to award sole source contracts to WOSBs and EDWOSBs of up to $6.5 million for manufacturing, and up to $4 million for other industries. The NAICS code restrictions remain the same; sole source contracts are only authorized in the industries where WOSB or EDWOSB set-asides are currently allowed.

Unfortunately, the SBA, as well as many other government agencies, is often slow about updating its website. The latest information I could find there was when the SBA reported: “The enactment of the National Defense Authorization Act (NDAA) for 2013 removed the caps on the contract award size for which WOSB and EDWOSB concerns have been able to compete.”

The best part is that the federal government is a long way from meeting their annual goal of 5% all contract actions to WOSB/EDWOSB. However, if you have self-certified as a woman owned small business, please understand that you are not qualified to bid on set-asides for woman owned small business, any more than you would qualify for HUBzone or the 8(a) program set-asides without those specific formal certifications. To that end, APAC will be offering a class to address the certification process on April 23.
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