

SBA 8(a) Program: Simplifying Contracting

Accelerate the Contracting Process While Reducing Cost & Effort

What is the Small Business Administration (SBA) 8(a) Program?

The SBA 8(a) Business Development (BD) Program was designed to simplify the federal procurement process for certified business participants. The 8(a) BD Program was developed to enable federal government Program Managers to save time, effort, and cost in the procurement process and to protect the interests of small business concerns. Overall, this program serves to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation.

With projects of up to \$7 Million / \$4 Million (Manufacturing / all other NAICS, respectively), the 8(a) BD Program allows for direct contracting without a lengthy competitive process. This allows a project to begin in a timely manner. Bottom line: time sensitive projects can get started in days instead of months.

Why use an 8(a) contract vehicle?

Choosing an 8(a) Firm allows your organization to work directly with a company that is both experienced and efficient in consulting to develop and implement business, technology and engineering initiatives. The benefits of using an 8(a) contract vehicle include:

- Significantly faster procurement process – start the project in days instead of months
- Ability to procure both goods and services
- Streamlined approach to the project - due to reduction in bureaucracy

Decide on an 8(a) contractor? Here's what to do next:

- **Step 1: Agency Offering** ([FAR 19.804-2](#))
 - Send a Letter of Intent that follows the guidelines provided in FAR 19.804-2.
 - Email your letter of intent to award procurement to the SBA for acceptance: RDOfferLetters@sba.gov
- **Step 2: SBA Acceptance** ([FAR 19.804-3](#) & [13 CFR 124.503\(a\)](#))
 - SBA's Letter of Acceptance will be responded to within the following timelines:
 - Within 2 working days of receipt
 - » Contracts less than \$550K
 - Within 5 working days of receipt
 - » Contracts between \$250K and \$4.0M
 - Within 10 working days of receipt
 - » Contracts greater than \$4.0M

Need more information?

Staff Training Contact our office to schedule your next group training session. This training is geared towards helping your team understand how to best utilize this program in accordance with your acquisition strategy. It is completely customizable to your agency's needs and requirements.



SBA 8(a) Business Development Program

Contract Award Cheat Sheet

Acquisitions valued at or below (SAT)	Sole Source Procurements	Competitive Acquisitions
\$10,000 – \$250,000	Up to \$4,000,000 or \$7,000,000 (manufacturing)	Greater than \$4,000,000 or \$7,000,000 (manufacturing)
<ul style="list-style-type: none"> No offering and acceptance required. Agency can directly award a firm a requirement that is at or below the Simplified Acquisition Threshold (SAT). 	<ul style="list-style-type: none"> Offering and acceptance is required. Allow 10 working days at District office level. On 6th day acceptance may be assumed with the exception for provision of FAR 19.808-1 for 8(a) sole-source procurements that exceed \$22 million.* 	<ul style="list-style-type: none"> Offering and acceptance is required. Allow 10 working days at District Office level. If necessary, 5 working days at Associate Administrator Level; on 11th day acceptance may be assumed.
Must obtain an eligibility determination from Servicing SBA District Office .	Offer and acceptance serves as an eligibility determination.	Must obtain an eligibility determination prior to award.

**The SBA may not accept for negotiation a Sole Source 8(a) contract that exceeds \$22 million unless the requesting agency has completed a justification accordance with the requirements of FAR 6.303.*



ABC Procuring Agency
Department of EFG
Federal Building, Suite 123
Richmond, VA 23219-4829

May 30, 2018

The 8a Firm's Servicing SBA District Office
Attn: Business Opportunity Specialist (if known)
Street Address
City, State Zip Code
Sent via email:

Subject: 8(a) Sole Source Offer Letter for XYZ Company, LLC (DUNS: 123123123)

Dear Point of Contact,

This letter is to offer an 8(a) sole source contract in accordance with the signed Partnership Agreement between ABC Agency and the Small Business Administration.

- (1) A description of the work to be performed or items to be delivered, and a copy of the statement of work, if available.
ABC Agency has a requirement for the construction of a training room in the Federal Building located in Richmond, Virginia. Please see attached SOW for detailed information on this requirement.
- (2) The estimated period of performance.
All work on this contract is to be completed within 150 days after receipt of the Notice to Proceed.
- (3) The NAICS code that applies to the principal nature of the acquisition.
236220 Commercial and Institutional Building Constructions with size standard \$36.5 million
- (4) The anticipated dollar value of the requirement, including options, if any.
\$1,235,000.00 including all options.
- (5) Any special restrictions or geographical limitations on the requirement (for construction, include the location of the work to be performed).
Richmond, Virginia
- (6) Any special capabilities or disciplines needed for contract performance.
General Construction capabilities.
- (7) The type of contract anticipated.
Firm Fixed Price



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- (8) The acquisition history, if any, of the requirement, including the names and addresses of any small business contractors that have performed this requirement during the previous 24 months.
Not applicable, this is a new requirement.
- (9) A statement that prior to the offering no solicitation for the specific acquisition has been issued as a small business, HUBZone, service-disabled veteran-owned small business set-aside, or a set-aside under the Women-Owned Small Business (WOSB) Program, and that no other public communication (such as a notice through the Governmentwide point of entry (GPE)) has been made showing the contracting agency's clear intention to set-aside the acquisition for small business, HUBZone small business, service-disabled veteran-owned small business concerns, or a set-aside under the WOSB Program.
No solicitation has been prepared for this specific acquisition for any other concern.
- (10) Identification of any particular 8(a) participant designated for consideration, including a brief justification, such as—
- a. The 8(a) participant, through its own efforts, marketed the requirement and caused it to be reserved for the 8(a) program; or
 - b. The acquisition is a follow-on or renewal contract and the nominated 8(a) participant is the incumbent.
- XYZ Company, LLC (DUNS: 123123123)*
1234 Construction Way
Virginia Beach, VA 23456
The 8(a) participant, through its own efforts, marketed the requirement and caused it to be reserved for the 8(a) program.
- (11) Bonding requirements, if applicable.
The bidder shall furnish a bid guarantee in the form of a firm commitment, e.g., bid bond supported by good and sufficient surety or sureties acceptable to the Government, postal money order, certified check, cashier's check, irrevocable letter of credit, or, under Treasury Department regulations, certain bonds or notes of the United States.
- (12) Identification of all 8(a) participants which have expressed an interest in being considered for the acquisition.
Not applicable.
- (13) Identification of all SBA field offices that have asked for the acquisition for the 8(a) program.
Not applicable.



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- (14) A request, if appropriate, that a requirement with an estimated contract value under the applicable competitive threshold be awarded as an 8(a) competitive contract (see [19.805-1\(d\)](#)).
- (15) A request, if appropriate, that a requirement with a contract value over the applicable competitive threshold be awarded as a sole source contract (see [19.805-1\(b\)](#)).
Not Applicable.
- (16) Any other pertinent and reasonably available data.
No other information pertinent to this requirement.

If you have any questions or concerns, please contact the below signed Contracting Officer or Specialist at XXX-XXX-XXXX or email@email.com.

Sincerely,

Connie Contracting
Connie Contracting
Contracting Officer