



POLICY FLASH 2007-08

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DATE: November 21, 2006

TO: Procurement Directors

FROM: Office of Procurement and Assistance Policy, MA-61
Office of Procurement and Assistance Management

SUBJECT: SBA Small Business Recertification Rule

SUMMARY: The Small Business Administration (SBA) amended its regulations to address the time at which size is determined for the purposes of long-term federal contracts including Government-Wide Acquisition Contracts (GWACs), the General Services Administration (GSA) Multiple Award Schedule (MAS) contracts and multi-agency contracts (MACs). SBA also amended its 8(a) Business Development regulations to address when a business concern may receive orders as an 8(a) program participant under GSA's MAS Program and other multiple award contracts.

The final rule can be found in the November 15, 2006 edition of the Federal Register:

<http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/pdf/E6-19253.pdf>

The purpose of the rule is to ensure that small business size status is accurately represented and reported over the life of long-term Federal contracts. It will be effective on June 30, 2007, and applies to solicitations and contracts issued after the effective date, as well as contracts and solicitations in existence at the time of the effective date.

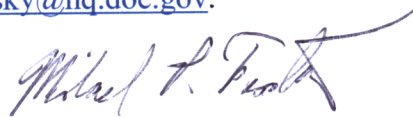
Currently, a small business firm keeps its size designation for the life of a contract. Under the new rules, contractors that are registered as small businesses will have to recertify their size status when they buy another company, are acquired by a company, or merge. Recertification also will be required after five

years of a long-term contract, and thereafter whenever an option is exercised or an order is placed against any multiple-award type contract. Agencies will be able to continue doing business with contractors that have outgrown their small business size status; however, they will not receive small business credit for these contracts.

Contracting officers should consider the possibility of a small business recertifying its size standard prior to the expiration of a contract when considering performance against small business goals.

This Flash will be available online within a day, at the following website:
<http://professionals.pr.doe.gov>.

Questions concerning this Policy Flash should be directed to Stephen Zvolensky at 202-287-1307 or Stephen.Zvolensky@hq.doe.gov.



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