



U.S. General Services Administration

Federal Acquisition Service

GSA Schedules and the Utilization of Small Business

This course is sponsored by the
GSA Federal Acquisition Service

in association with the Federal Acquisition Institute





Welcome!

- Introductions
- Housekeeping
 - ✓ Location of restrooms
 - ✓ Time schedules (breaks)
 - ✓ Refreshments
 - ✓ Facilities
- Ground rules
- Any questions?





Learning Objectives

Upon completion of this course, you should be able to:

- ❑ Define socioeconomics in the context of Government acquisition
- ❑ Identify the various small business types and how socio-economic objectives work within the Government
- ❑ Recognize FAR and the Small Business Act requirements as they apply to the Multiple Award Schedules (MAS) Program
- ❑ Learn how to conduct set-asides for both small businesses and subsets of small businesses, based on market research
- ❑ Identify contracting and competition requirements for the MAS Program, including getting agency credit for awards to small businesses



Topic 1:
Overview of Socioeconomics

What is Socioeconomics?



FAR Part 19: Small Business Programs

- ❑ FAR Part 19 is the primary regulatory guidance for the Government regarding small business classifications
- ❑ It provides guidance on small business programs that affect federal acquisitions, to include set-asides
- ❑ Per Small Business Administration's (SBA) guidance, FAR Part 19 historically applies to MAS contracts, **but not orders**, through procedures that balance the program needs of the SBA and Federal Government purchasing
- ❑ Section 1331 of the Small Business Jobs Act of 2010 (SBJA):
 - Led to changes in the FAR through an Interim Rule which became effective November 2, 2011
 - Contracting Officers can now, at their discretion, set aside orders and BPAs to small business or subset of small business [8.405-5(a)]



FAR Subpart 8.4

- ❑ FAR exempts Subpart 8.4 purchases from the mandatory preference programs of FAR Part 19, Small Business Programs:
 - A recent revision allows Contracting Officers to conduct set-asides at their discretion [8.405-5(a)]
 - Ordering activity receives socioeconomic credit [8.405-5(b)]
- ❑ Agencies are encouraged to consider at least one small business prior to placing an order [8.405-5(c)]
- ❑ If you have 2 quotes at the same delivered price that will satisfy the requirement, the CO should give preference to the quote from the small business [8.405-5(d)]



What is Considered a Small Business?

- ❑ SBA establishes small business size standards on an industry-by-industry basis
- ❑ Industries are classified using the North American Industry Classification System (NAICS) – there are separate NAICS codes for various products and services
- ❑ Small business size standards are applied by determining which industry NAICS code best fits the requirement, and then identifying the size standard SBA established for that NAICS code.
- ❑ For GSA Schedules, contractor size is determined at award of the schedule, not when a customer places an order

Socioeconomic Status of Schedule

- ❑ Ordering activities should rely on the small business representation made by Schedule contractors at the contract level
- ❑ GAO has upheld agencies' right to request a recertification of size at the order level
- ❑ The socioeconomic status of Schedule contractors may be viewed at www.gsa.gov/fas (Click on eLibrary)





Socioeconomic Credit

- ❑ SBA policy allows agencies to include in their procurement base and goals, the dollar value of orders expected to be placed against small business GSA Schedule contracts
- ❑ Actual Orders may be reported as accomplishments and credited toward ordering activities' small business goals
- ❑ GSA Advantage! and GSA eLibrary contain information on supplies and services offered by small businesses
- ❑ This information should be used as a market research tool to assist agencies in maximizing opportunities for small businesses

Set-Aside Special Item Numbers (SINs)

GSA does provide specific Special Item Numbers (SINs) within certain Schedules that are solely set aside for small business Schedule contractors

Schedule	SIN	Description
00CORP: The Consolidated Schedule	C 7125A	Shelving, Bookcases, Display Racks
	C 7460	Card Files, Cabinets
	C R422S	Marketing Research and Public Opinion Services
	C R704T	Auditing Services
	C R708S	Public Relations Services
	C T001	Arts/Graphics Services
	C T015	Commercial Photography
520: Financial and Business Solutions (FABS)	520 10	Transportation Audits
	520 14	Audit and Financial Training Services

For more information, see
<http://interact.gsa.gov/blog/utilizing-set-aside-special-item-numbers-sins-small-business>



Special Subcategories of Small Business

- ❑ Veteran-owned small businesses (VOSB)
 - One or more veterans own at least 51% and they manage and control daily business operations
- ❑ Service-disabled, veteran-owned small businesses (SDVOSB)
 - Veteran-owned small business with disability incurred or aggravated in line of duty in the active military, naval, or air service
- ❑ Women-owned small businesses (WOSB)
 - One or more women own at least 51% and they manage and control daily business operations
- ❑ Economically disadvantaged women-owned small business (EDWOSB)
 - One or more women own at least 51% and they manage and control daily business operations,
 - and are economically disadvantaged in accordance with 13 CFR Part 127



Special Subcategories of Small Business Cont'd

- ❑ HubZone small businesses
 - HUBZone is a *historically underutilized business zone* within qualified census tracts, qualified nonmetropolitan counties, qualified base closure areas, or redesignated areas, or lands within the external boundaries of an Indian reservation
 - The phrase “HUBZone small business” appears on SBA’s List of Qualified HUBZone Small Businesses
- ❑ Small, disadvantaged businesses or 8(a)s
 - One or more socially and economically disadvantaged individuals own at least a 51% interest and control management and daily business
 - African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged



Topic 2: *Identifying Small Businesses*

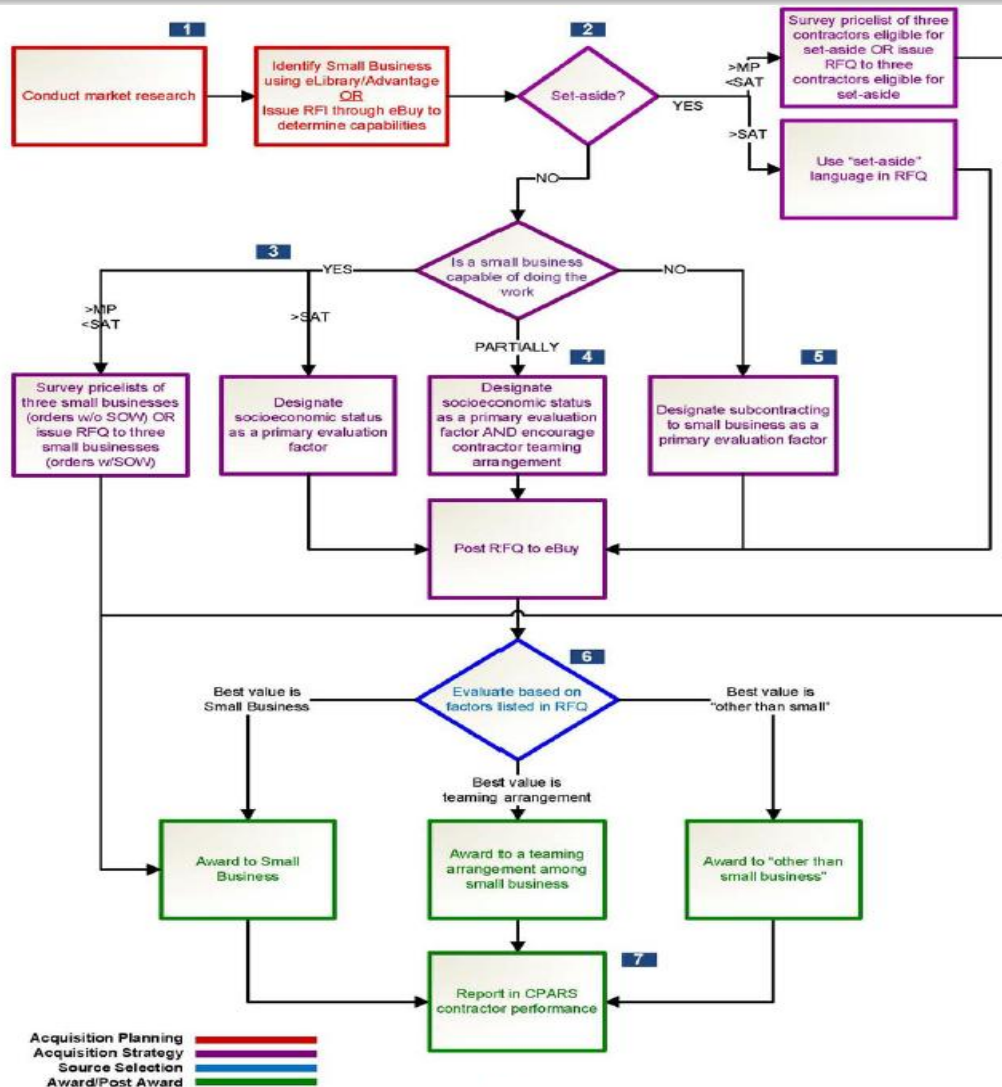
How can you identify businesses that can meet Small Business goals?



Market Research

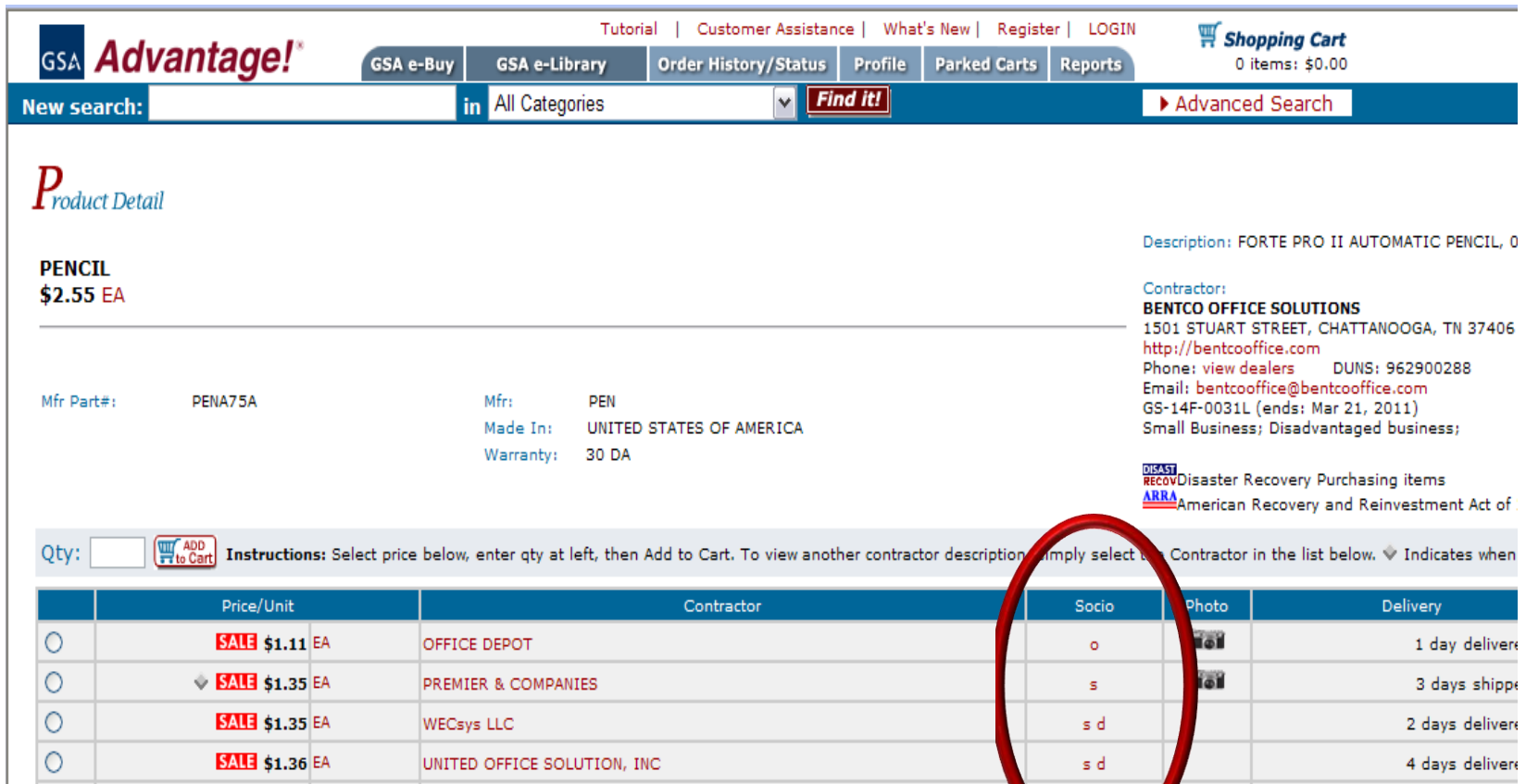
- ❑ Market research is the key to achieving small business objectives, through careful and considerate research and acquisition strategy formulation
- ❑ FAR Parts 7 and 8.4 require acquisition planning and market research prior to placing orders
- ❑ The two most commonly used approaches to market research are:
 1. Identify small businesses through eLibrary (via keyword or NAICS searches)
 2. Issue an RFI through eBuy to determine market capabilities
- ❑ The outcome of market research determines the acquisition strategy, both in terms of how to acquire goods and services and in how they are described to enable maximum competition


Process for Effective Accomplishment



GSA Advantage!

GSA Advantage! Can help find supplies (products) through the price comparison option. By using the column entitled “Socio” the ordering activity can view the socioeconomic status of each contract.



GSA Advantage! Tutorial | Customer Assistance | What's New | Register | LOGIN  Shopping Cart
0 items: \$0.00

GSA e-Buy | GSA e-Library | Order History/Status | Profile | Parked Carts | Reports

New search: in All Categories



Product Detail



PENCIL
\$2.55 EA




Description: FORTE PRO II AUTOMATIC PENCIL, 0

Contractor:
BENTCO OFFICE SOLUTIONS
1501 STUART STREET, CHATTANOOGA, TN 37406
<http://bentcooffice.com>
Phone: [view dealers](#) DUNS: 962900288
Email: bentcooffice@bentcooffice.com
GS-14F-0031L (ends: Mar 21, 2011)
Small Business; Disadvantaged business;

Mfr Part#: PENA75A Mfr: PEN
Made In: UNITED STATES OF AMERICA
Warranty: 30 DA

 Disaster Recovery Purchasing items
 American Recovery and Reinvestment Act of 2009

Qty:  **ADD to Cart** Instructions: Select price below, enter qty at left, then Add to Cart. To view another contractor description, simply select a Contractor in the list below.  Indicates when

	Price/Unit	Contractor	Socio	Photo	Delivery
<input type="radio"/>	SALE \$1.11 EA	OFFICE DEPOT	o		1 day delivery
<input type="radio"/>	 SALE \$1.35 EA	PREMIER & COMPANIES	s		3 days shipping
<input type="radio"/>	SALE \$1.35 EA	WECsys LLC	s d		2 days delivery
<input type="radio"/>	SALE \$1.36 EA	UNITED OFFICE SOLUTION, INC	s d		4 days delivery

eLibrary

GSA eLibrary can assist with locating Schedule contractors and their socioeconomic status by using the Socioeconomic column

The screenshot shows the GSA eLibrary interface. At the top, there is a navigation bar with links for Home, eBuy - quotes, GSA Advantage - online shopping, and Help. A search bar is located on the right. Below the navigation bar, there is a section for "Schedule Details" with contact information for the IT Acquisition Center. A banner for "Need a quote from these vendors?" is also present. The main content area displays a list of products, with the selected category being "Leasing of Products - SUBJECT TO COOPERATIVE PURCHASING". Below this, there is a "BROWSE >>" section with a grid of letters A-Z. The "1 - 50 of 54 contractors" section is visible, with a "Download all contractors for this Category (Excel)" link. The contractor list table has columns for Contractor, Contract #, Phone, (Sort by) City, State, Socio-Economic, Contract Terms & Conditions, and View Catalog. A red circle highlights the Socio-Economic column, which contains various indicators like "s/dv", "o", "s/w", "s", "s/d/w/8a", and "o".

Contractor	Contract #	Phone	(Sort by) City, State	Socio-Economic	Contract Terms & Conditions	View Catalog
ACADEMY PARTNERS, INC.	GS-35F-0136V	(619)475-1527	BONITA, CA	s/dv		GSA Advantage!
AT&T CORP.	GS-35F-0249J	(703)506-5103	OAKTON, VA	o		GSA Advantage!
BUSHTEX, INC.	GS-35F-0546R	(480)471-6688	GILBERT, AZ	s/w		
CARASOFT TECHNOLOGY CORPORATION	GS-35F-0131R	(703)871-8500	RESTON, VA	s		GSA Advantage!
CAS SEVERN, INC.	GS-35F-0380V	(301)776-3400	LAUREL, MD	s		GSA Advantage!
CITYROOTS INC	GS-35F-0180S	(661)588-0639	BAKERSFIELD, CA	s/d/w/8a		GSA Advantage!
COMM-WORKS/FORTRAN, LLC	GS-35F-0124L	(800)394-4444	CHANTILLY, VA	o		GSA Advantage!

Step 1. Assign Category & Select Vendors

Instructions: Listed below are vendors who currently have contracts under the Category you selected. Place a "check" next to the vendors whom you would like to quote on your RFQ. The vendors you select will receive an e-mail notice inviting them to quote on your requirements. You may request a quote from any or all vendors listed. In order to satisfy FAR requirements, you should request quotes from at least three (3) vendors (if available). Remember, vendors are not required to submit a quote.

Reminder: Other vendors listed under this category may view and quote on the RFQ even if they have not been selected to receive an email invitation.

70 GENERAL PURPOSE COMMERCIAL INFORMATION TECHNOLOGY EQUIPMENT, SOFTWARE, AND SERVICES

Category	Description
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132 51 Information Technology Professional Services - SUBJECT TO COOPERATIVE PURCHASING

132 51 Sub-categories

- ▶ Auto. Info. System Design & Integration
- ▶ Automated News, Data and other Info. Services
- ▶ CAD/CAM Services
- ▶ Desktop Management
- ▶ IT Backup and Security Services
- ▶ IT Data Conversion Services
- ▶ IT Facility Operation and Maintenance
- ▶ IT Network Management Services
- ▶ IT Systems Analysis Services
- ▶ IT Systems Development Services
- ▶ Information Assurance

1029 contractors are available.

Display contractors who are:
SBA Certified Small Disadvantaged Business

Submit

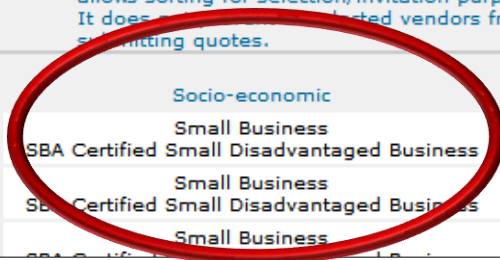
Select all vendors

Display:

 Go

Note: Hold the 'Ctrl' key to select all that apply. This allows sorting for selection/invitation purposes only. It does not exclude selected vendors from submitting quotes.

Vendor	City, State	Socio-economic	Text File	Web page
<input type="checkbox"/> 1 SOURCE CONSULTING, INC.	WASHINGTON, DC	Small Business SBA Certified Small Disadvantaged Business		
<input type="checkbox"/> 2020 COMPANY, LLC	FALLS CHURCH, VA	Small Business SBA Certified Small Disadvantaged Business		
<input type="checkbox"/> 3DI, INC.	BREA, CA	Small Business		





Topic 3:
*Acquisition Strategy and
Consideration of Small Businesses*

**How can you incorporate
Socioeconomics?**



Small Business Strategy

- ❑ Market research identifies extent to which small businesses can meet ordering activities' needs

- ❑ This is used to develop strategy depending upon:
 - Orders that require use of SOW
 - Orders that do not require use of SOW
 - Dollar value of order
 - Need for socioeconomic evaluation factor
 - Use of optional set-aside procedures



Orders Not Requiring a Statement of Work

- Over the micro-purchase threshold but less than the SAT, consider at least three schedule contractors

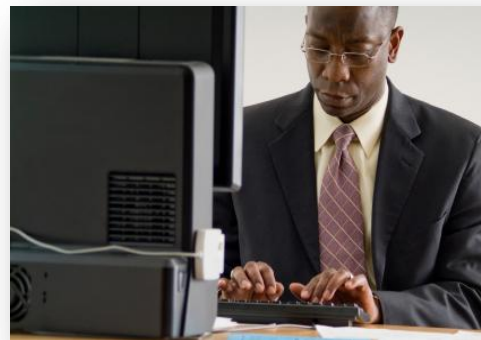
- Obtain pricing information using:
 - *GSA Advantage!*
 - Catalogs or price lists
 - A Request for Information (RFI) from the contractors

- May be able to solicit and consider only small businesses

- May choose to set-aside the order for small business or subset of small businesses if there are at least three capable sources

Orders Requiring an SOW

- Over the micro-purchase threshold but less than SAT require that an RFQ be issued to at least 3 Schedule vendors
- Send SOW as an RFQ to Schedule holders
- May be able to solicit and consider only small businesses
- May choose to set-aside the order for small business or subset of small businesses if there are at least three capable sources





Orders Exceeding the SAT

- ❑ Orders above the SAT, with or without an SOW, require that an RFQ be issued to either:
 - All Schedule holders via eBuy; or
 - As many Schedule holders as practical, consistent with market research, to ensure at least 3 quotations are received
- ❑ If fewer than 3 quotations are received and RFQ not posted to eBuy, the Contracting Officer must prepare a written determination with an explanation
- ❑ At this level, use of small businesses can be an evaluation factor in the RFQ
- ❑ The Contracting Officer may also choose to set aside the order which precludes consideration of other than small businesses



Consideration of Small Businesses

- ❑ Contracting Officers may set-aside orders:
 - Use market research to ensure at least three small businesses can meet need
 - Limitation on subcontracting applies
 - Program eligibility requirements apply (e.g. 8(a), WOSB set-aside)

- ❑ Contracting Officers may, when not setting-aside an order:
 - Consider socioeconomic status as a primary evaluation factor in the RFQ and properly document this strategy in the Acquisition Plan
 - Can choose small business subcontracting as an evaluation factor

Re-cap of Small Business Strategy

- ❑ If there are at least 3 small businesses that are capable of providing the solution to an agency's requirements, the Contracting Officer can choose to set-aside an order
- ❑ Limitations on subcontracting applies to set-aside orders
- ❑ Non-manufacturer rule applies to set-aside orders
- ❑ On orders that are not set-aside for small business, the Contracting Officer can still use socioeconomic status as an evaluation factor





Notice” Clauses

Incorporate the following FAR clauses, as applicable:

- 52.219-13 Notice of Set-Aside of Orders (NOV 2011)
- 52.219-3 Notice of Total HUBZone Set-Aside or Sole Source Award (NOV 2011)
- 52.219-6 Notice of Total Small Business Set-Aside (NOV 2011)
- 52.219-14 Limitations on Subcontracting (NOV 2011)
- 52.219-27 Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (NOV 2011)
- 52.219-29 Notice of Total Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (NOV 2011)
- 52.219-30 Notice of Total Set-Aside for Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (NOV 2011)



Task Order CO Responsibilities


Prior to modification of Schedule contracts, COs shall:

- Highlight the set-aside referencing appropriate “Notice” clause
- Use following language in RFQ (pending eBuy updates): This is a notice that this order is a total set aside for X. Only quotes submitted by X will be accepted by the Government. Any quote that is submitted by a contractor that is not X will not be considered for award.

After modification of Schedule contracts, COs shall: Use language listed above in RFQ (pending eBuy updates)

Knowledge Checks

 Can you set-aside orders and BPAs under Schedule contracts?




 May an agency set aside Schedule orders and/or BPAs for any of the socioeconomic programs (e.g., small disadvantaged, service-disabled veteran-owned, women-owned, and HUBZone small business concerns)?

 Are there any circumstances in which COs are *required* to use set-asides?

 If an agency can only find two small businesses, can it still do a set-aside?



Knowledge Checks

-  **What steps must an agency take to set aside an order under the Schedules Program?**
-  **What is meant by the “program eligibility requirements”?**
-  **Can socio-economic status still be used as an evaluation factor as opposed to set-asides?**



Lesson Summary

You should now be able to:

- ✔ Define socioeconomics in the context of Government acquisition
- ✔ Identify the various small business types and how socio-economic objectives work within the Government
- ✔ Recognize FAR and the Small Business Act requirements as they apply to the Multiple Award Schedules (MAS) Program
- ✔ Learn how to conduct set-asides for both small businesses and subsets of small businesses, based on market research
- ✔ Identify contracting and competition requirements for the MAS Program, including getting agency credit for awards to small businesses

Web Resources

- ❑ Small Business Utilization www.gsa.gov/schedulesandsbgoals
- ❑ Multiple Award Schedules www.gsa.gov/schedules
- ❑ eLibrary www.gsaelibrary.gsa.gov
- ❑ GSA *Advantage!* www.gsaadvantage.gov
- ❑ eBuy www.ebuy.gsa.gov
- ❑ www.gsa.gov/masnews
- ❑ Federal Acquisition Regulation (FAR) www.acquisition.gov/far
- ❑ NAICS Codes are at <http://www.census.gov/eos/www/naics/>
- ❑ SBA's Table of Size Standards at http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_sstd_tablepdf.pdf



