APTAC Body of Knowledge Competency Guide
C. Basics of Contracting with Government Entities
C.2.1 Registrations other than SAM

Description
There are important registrations, verification, or certification elements in government procurement in addition to the System for Award Management (SAM) as described in section C.2. The federal government, prime contractors, state, regional, and local governments use this data in finding prospective contractors. These entities generally have established legislation and regulations to suit their individual requirements. There are also hybrid registrations, verification or certification requirements such as state or local agency projects operating under federal funding. This section addresses major credentials other than SAM Registration that PTAC Counselors should understand and discuss with clients.

Definitions

Registration: Providing information into a database, generally identifying the company and what it sells.

Certification: A designation that a company’s information and supporting documentation are examined and declared accurate, either by the certifying agency or by an authorized 3rd party.

Verification: A process by which a company provides certain information to verify its claim to certain status.

Self-certification: A process by which a company makes a statement about its status without documentation, with the understanding that it may be asked to produce documentation to support the status claimed.

Documentation requirements vary depending on who is asking and what status the individual or company is claiming. The difference between registration and certification might be compared to the difference between bookkeeping and auditing. In keeping with that analogy verification might be like accounting and self-certification might be like basing financial condition on current bank balance. The most common registration, certification and verification programs, with which all PTAC counselors should be familiar are described in overview form below.

1. Veteran-owned and Service Disabled Veteran-owned Small Businesses (VOSB or SDVOSB)

1a. Veteran-owned small businesses (VOSBs) and Service-disabled veteran-owned small business (SDVOSBs) must be verified by the Department of Veterans Affairs (VA) Center for Verification and Evaluation (CVE) in order to be considered for VOSB/SDVOSB contract set-asides established by the VA and the Federal Aviation Administration (FAA) and otherwise participate in the VA’s VetBiz program. Other agencies may mandate verification as time goes on. Where Veteran Owned Small Business Verification is not required, self-certification is permissible under rules established by the Small Business Administration (SBA). Given the ever changing
regulatory environment, it is important that small businesses review the solicitation and verify their eligibility to be awarded the contract under the solicitation’s set-aside provisions.

1b. The CVE, a component of the VA’s Office of Small Business Programs, manages the Verification process. Veterans who own and control 51% of their company may compile and submit an application for Verification and their associated documentation online through VetBiz.gov. Many PTAC counselors have completed VetBiz training to become Certified Verification Counselors and can assist clients with this process. A simplified guide to VetBiz Verification is posted on the APTAC Resources site.

1c. Veterans with a service-related disability who own and control at least 51% of their company may be eligible for SDVOSB status and must include their disability compensation letter with their verification submittal. The compensation rating can be zero, but the disability must be defined officially. A service-disabled veteran who requires a caregiver’s assistance to manage and control the business operations must provide additional documentation supporting that status.

1d. Veterans wishing to participate in state or local markets or sell to federal prime contractors should inquire several months in advance to determine their customers’ verification or certification requirements. Some customers might determine that VetBiz meets or exceeds their standards and will accept the VetBiz verification status as posted on the VA’s Vendor Information Pages (VIP) website, but clients should not assume this and should inquire.

2. Women Owned Small Businesses (WOSB)

2a. A common misconception is that women are included in minority-business programs and disadvantaged business programs, but women are not a minority of the population and are not considered disadvantaged unless specifically named in a socio-economic program. A common acronym in state and local procurement is M/WBE, meaning Minority and Woman Business Enterprise. Some customers define women as disadvantaged even if they are not. See further discussion of “disadvantaged” in section 3 below.

2b. The federal certification for a woman-owned business is SBA Form 2413. Some federal prime contractors and non-federal governments allow self-certification but require a third-party certification, and some state and local agencies control their own certification programs for women-owned businesses. Each is different, some charge a fee, and fees vary widely. Clients should be cautioned to avoid any certifier who guarantees to meet all standards. Clients should inquire of their prospective customer to
find out what type of certification is needed for each solicitation the client is interested in, and what certifiers the customer accepts. Clients should not assume that one certificate fits all customers.

2.c. The federal WOSB program originally included a self-certification option, but authorization for self-certification was removed from the statute with the passage of the 2015 National Defense Authorization Act in December, 2014. The SBA retains the self-certification mechanism, however, and maintains that self-certification is allowable until such time as the SBA develops an alternate certification process. The SBA website at https://www.sba.gov/content/women-owned-small-business-program contains the following, as of 1/26/2015:

“WOSB Program Third Party Certification
The SBA has approved four organizations to act as Third Party Certifiers under the WOSB Program. The four organizations and contact information are:
• El Paso Hispanic Chamber of Commerce
• National Women Business Owners Corporation
• US Women’s Chamber of Commerce
• Women’s Business Enterprise National Council (WBENC)

Women Owned Small Businesses may elect to use the services of a Third Party Certifier to demonstrate eligibility for the program, or they may self-certify using the process outlined here on this website. SBA will only accept third party certification from these entities, and firms are still subject to the same eligibility requirements to participate in the program.

Please note, at the request of WBENC, SBA has approved WBENC only for the certification of WOSBs and not for the certification of Economically Disadvantaged WOSBs.”

Contracting lawyer Steven Koprince has written an interesting article on the SBA’s position on WOSB self-certification that can be found at: http://smallgovcon.com/women-owned-small-business-program/wosb-self-certification-elimination-the-sba-weighs-in/.

3. Disadvantaged Small Business (DSB), or Disadvantaged Business Enterprise (DBE)

3.a. The term “Disadvantaged” generally means both “socially and economically disadvantaged”. The social disadvantage can be racial, ethnic, physical disability, gender in a gender-dominated industry, or anything that impedes a business owner’s
ability to succeed if sufficient documentation is provided. The economic disadvantage includes limited net worth (the limit varies with agency), lack of access to capital, a history of low-paid employment, perhaps even being located in an economically depressed area. Before certifying as disadvantaged, a client should determine the criteria applied locally.

3.b. Disadvantaged status does not automatically include women or disabled individuals unless so specified, but these business owners may meet the criteria for “social and economic disadvantage” by providing detailed supporting documentation of experience with discrimination.

3.c. Disadvantaged Business Enterprise (DBE) Certification varies by agency and is generally a state or local designation. In some agencies, DBE does include women. Projects funded by the U.S. Department of Transportation (USDOT) and executed by a local transportation agency usually require DBE certification in which “disadvantage” is defined differently from other federal regulations due to judicial cases. The federal program is described at http://www.fhwa.dot.gov/civilrights/programs/dbe.cfm and the local contacts are listed at http://www.dot.gov/osdbu/disadvantaged-business-enterprise/state-dbe-liasions-and-certification-officers. USDOT-funded agencies typically include state departments of transportation, airports, and public transit authorities. In most cases, state DOTs act as DBE certification clearinghouses, so that DBE certifications are recognized by all USDOT-funded entities within a particular state. In addition, certification reciprocity is practiced between some states.

3.d. The above information can be very confusing. PTACs are urged to become thoroughly knowledgeable of the Small Business Administration (SBA) rules in this regard before discussing them with clients.

4. Disabled Small Businesses Other than Veteran Owned

A few agencies specifically recognize physical disability for certification. Service-disabled veterans are discussed above. AbilityOne is another category and is discussed below. Disabled clients should inquire of each prospective customer whether and how to qualify for disabled certification and be prepared to produce medical records to substantiate the extent and nature of their disability. Not every disability impairs an individual’s ability to own and operate a business. Some clients prefer not to disclose a disability and not be treated differently from everyone else, and that decision should be respected.
5. HUBZone

SBA’s HUBZone program is in line with the efforts of the federal government to promote both economic development and employment growth in distressed areas by providing access to more federal contracting opportunities. This designation is based on the company’s location and not on the owner’s characteristics.

To qualify for the program, a business (except tribally-owned concerns) must meet the following criteria:

- It must be a small business by SBA standards
- It must be owned and controlled at least 51% by U.S. citizens, or a Community Development Corporation, an agricultural cooperative, or an Indian tribe
- Its principal office must be located within a “Historically Underutilized Business Zone,” which includes qualified counties and census tracts, lands considered “Indian Country,” and certain military facilities closed by the Base Realignment and Closure Act
- At least 35% of its employees must reside in a HUBZone.

The registration process involves two steps: 1) determining if the company’s primary address qualifies as a HUBZone, and if it does, 2) entering each and every employee’s home address, one by one, to see if the 35% employee residency criterion is met.

6. State and Local Registrations

6a. The federal government has no say in how state and local governments maintain information on businesses; under the Constitution this prerogative is reserved to the states. Registrations are different in each state and in many cities, counties, and regional agencies. Some smaller agencies have no registration and simply select vendors and contractors on a case by case basis. The National Institute for Government Purchasing (NIGP) maintains a listing of state procurement websites at http://www.nigp.org/eweb/StartPage.aspx?Site=NIGP&webcode=gs_stateproclinks

Likewise, the National Association of State Procurement Officials (NASPO) maintains a website with profiles to each state procurement office here: http://www.naspo.org/dnn/default.aspx

6b. Socio-economic programs for vendors and contractors are typically governed by state legislation or city or county ordinances. Local policy reflects local culture and tradition, so local procurement practices may vary widely. Clients should not assume that information they put into one vendor database applies to another.
6c. Vendor databases are often based on commodity codes, which are classifications of what the client is selling. The NIGP provides resources to its member agencies (state and local governments) for classifying products and services but no longer makes these codes available to the public. See their webpage at http://www.nigp.com/solutions.php?id=consult#code for information about “crosswalks” among various classification systems. Most state purchasing sites have a commodity classification system built into their vendor registration system. Note that while SAM relies on NAICS codes and FPDS codes (see manual at link in Resources below) to classify the vendor’s industry and products/services, state and local customers do not use the federal system. Vendors have to register separately in each database and figure out how the items they are selling are classified in each system. This can be tedious and time-consuming but is the set of keys that open all the doors.

6d. Some local governments create contract preferences based on minority ownership, small business status, and local ownership/office. In such cases, clients should be alerted to the possibility of corresponding certification and/or documentation requirements.

7. Native American Owned Businesses

Some non-tribal customers have preference programs that recognize Native Americans, American Indians, Alaskans, Hawaiians, and others. Clients should ask each prospective customer whether they allow self-certification or require documentation of such status. Native American-owned businesses can self-certify under the statutory race and ethnic list; or they can apply for programs such as 8(a) Business Development which is open only to disadvantaged owners. Some customer agencies require the Native American business owner to produce Tribal papers as proof of their Native American status. Since each tribe is a sovereign entity, clients should not assume reciprocity. See the Body of Knowledge, Section A.7 and C.16.2 on Native American PTACs and Tribal/Native American Governments for further information.

8. AbilityOne

Formerly known as NIB/NISH, AbilityOne was created by the Javits-Wagner-O’Day Act (JWOD) (41 U.S.C. §§ 8501-8506). The AbilityOne Program is both a priority source and a vendor of choice for federal customers. Only Federal Prison Industries hold a higher priority rating than AbilityOne as a preferred source in the acquisition of supplies by the federal government (see FAR Subparts 8.002(a)(1) and 8.002(a)(2)).

Clients may apply to become AbilityOne-authorized federal commercial distributors, the instructions for which are in two documents at http://www.abilityone.gov, "Criteria for authorization" and "Application for authorization". Additional information about the
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AbilityOne program is also on that website. Clients with a GSA Schedule Contract, who are approved by the AbilityOne Commission staff to be AbilityOne authorized distributors, may apply to GSA to have products manufactured by AbilityOne employers added to the products offered under the GSA contract. Note that the SAM designation “AbilityOne Non Profit Agency” is the employer of disabled people who manufacture the goods on the Procurement List, and not the small business supplier that is our client.


The National Industrial Security Program (NISP) is administered by the Defense Security Service on behalf of DOD and 27 other agencies. Clients cannot apply independently for a facility security clearance; it must be requested by the client’s customer. Details are found at http://www.dss.mil/isp/index.html. Estimated cost of the clearance has been quoted at $100,000 and takes about six months to accomplish, so it cannot be completed in time to bid once the solicitation is issued.

9. Log-ins, Passwords, and User ID

Numerous web-based systems, DIBBS, WAWF, FedBizOpps, FPDS, and others, related to public procurement require that the vendor set up a user account in order to access a whole system or a portion of it; examples include SAM, SBA Note that these are not registrations or certifications, but rather are the access points to the registrations and certifications, or to procurement data, bid opportunities and/or bidding platforms.

Although IT professionals advise never using the same log-in information in more than one system and never writing down their passwords, small businesses often consider that impractical because doing business with public agencies requires so many user accounts. Clients should be counseled on how to keep track of their usernames and passwords, to update them whenever there are personnel changes, and to keep passwords in the company’s safe. If they don’t have a safe, they may be well advised to buy one, an inexpensive safeguard.

REFERENCES

See websites embedded in the text
VetBiz Verification Checklist, posted on APTAC Resources site
Veterans First Program http://www.va.gov/osdbu/verification/index.asp
AbilityOne http://www.abilityone.gov
Federal Procurement Data System Codes Manual