

Federal Small Disadvantaged Business Certification

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NIKTEK meets the requirements for the Federal Governments Small Disadvantaged Business certification and has been awarded the SDB certification. Being a Native American owned Please call NIKTEK LLC for all your Federal Government partnering needs!

Certification and Eligibility

The SBA administers two particular business assistance programs for small disadvantaged businesses (SDBs). These programs are the 8(a) Business Development Program and the Small Disadvantaged Business Certification Program. While the 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms, SDB certification strictly pertains to benefits in federal procurement. 8(a) firms automatically qualify for SDB certification.

SBA certifies SDBs to make them eligible for special bidding benefits. Evaluation credits available to prime contractors boost subcontracting opportunities for SDBs. We have become, in effect, the gateway to opportunity for small contractors and subcontractors. We are also directing the new HUBZone Empowerment Contracting Program that allows small firms located in many urban or rural areas to qualify for sole-source and other types of federal contract benefits. HUBZone stands for "historically underutilized business zone." 8(a) companies and SDBs located in these areas are eligible for benefits under both programs. Our task is to teach 8(a) and other small companies how to compete in the federal contracting arena and how to take advantage of greater subcontracting opportunities available from large firms as the result of public-private partnerships.

Under new federal procurement regulations, the SBA certifies SDBs for participation in federal procurements aimed at overcoming the effects of discrimination. The new guidelines are designed to ensure that benefits used in the federal procurement program are fair and effective, and conform with the U.S. Supreme Court's 1995 Adarand court decision.

SBA certifies small businesses that meet specific social, economic, ownership, and control eligibility criteria. Once certified, the firm is added to an on-line registry of SDB-certified firms maintained in PRO-Net. Certified firms remain on the list for three years. Contracting officers and large business prime contractors may search this on-line registry for potential suppliers.

Benefits of SDB Certification

Under the government's reformed affirmative action rules, small disadvantaged business are eligible for price evaluation adjustments of up to 10 percent when bidding on federal contracts in certain industries.

The program also provides evaluation credits for prime contractors who achieve SDB subcontracting targets. The program is intended to help federal agencies achieve the government-wide goal of 5 percent SDB participation in prime contracting.

Services:

Electric

Gas

Sanitary services

Wholesale trade

Retail trade

Finance

Insurance

Real estate services

The price evaluation credits are authorized in those two-digit industry categories, or SIC Codes, where the US Department of Commerce has determined that SDBs are underrepresented because of the effects of ongoing discrimination. As of October 1, 1998, SDBs are eligible to receive the credit when competing in the following industry categories:

Agriculture

Fishing

Forestry

Construction

Mining

Manufacturing

Transportation

Communications

In addition, effective January 1, 1999, negotiated contracts where SDB participation is an evaluation factor can provide monetary incentives for prime contractors that meet specified targets for SDB subcontracting in the SIC major groups.

US Department of Commerce "benchmarks" reflect the degree of SDB under representation in each industry category. (Note: the October 1999 list of benchmarks is the list used in FY 2003 and 2004. The industries eligible for the 10% price evaluation adjustment is organized by SIC Standard Industrial Classification, but NAICS replaced the SIC system in October 2000. This lookup tool helps you convert the SIC to NAICS). The price credit is not available for industry categories where benchmarks are not required. In addition, the price credit does not apply to 1) procurements that are below the simplified acquisition threshold of \$100,000; 2) procurements that are set aside for small business; 3) procurements under the SBA 8(a) program.

This 38-slide PDF presentation summarizes the SDB Program and the different procurement mechanisms.