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Certified DBE & SBE

New Women-Owned Small Business Federal Certification on the Horizon

Women-owned businesses now receive approximately \$10 billion annually in federal contracts. The new woman-owned small business preference program, as proposed, could add another \$10 billion to this annual amount. The first companies certified under the new program will have a decided advantage. We anticipate that certified companies will quickly win opportunities due to the federal government's desire to show its commitment to women-owned businesses after a six-year delay in implementing the program.

The new program will probably be called the 8(m) program (the moniker reflects the section number of the authorizing legislation). The 8(m) program will allow contracting officers to make sole source awards to certified woman-owned small businesses with the same limitations as the other small business preference programs.

The new 8(m) program will be complicated in that the program applies only to two specific industry groups and the eligibility requirements for woman-owned small businesses are different for the two industry groups. To make matters worse, the industry groups will not be known until the Small Business Administration (SBA) completes a study to determine the industries in which woman-owned small businesses are "underrepresented" and "substantially underrepresented" in federal procurement arenas. Hopefully, the study will be completed in the very near future.

The SBA reports that it hopes to implement the 8(m) program by the end of 2006. The primary holdup is the study that we discussed above. Woman-owned businesses should begin gathering data now in an effort to be fully prepared when the 8(m) program is initiated. The results of the Rand study will determine your eligibility for the program. As aforementioned, those in the forefront of the certification process will reap great financial rewards. At the very least, analyze the current 8(a) program application (available at the SBA's web site) in anticipation of what might be required under the 8(m) program.

According to a 2002 Survey of Business Owners published by the U.S. Bureau of the Census, there were 6,489,493 women-owned businesses in the United States at the time the survey was completed. In February 2005, approximately 75,000 WOSB's represented themselves as actual or potential federal contractors on the Central Contractor Registration ("CCR") database. Based on these figures, the SBA estimates that as many as 16,500 WOSB's may apply for certification as a SBA-certified WOSB.

Those businesses which are already 8(a) certified will automatically be certified under the WOSB and the EDWOSB program created by the SBA.

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