

Think Small Business First, It's a Win/Win!!

The Benefits of Small and
Disadvantaged Business Contracting



EPA MID-ATLANTIC REGION 2022 SUMMIT
Working Together to Build a Better, More Equitable Region

Welcome!

We will get started
soon.

Friendly Reminders Before We Get Started


Please **mute yourself** and **turn off your webcam** during presentations.

If you encounter technical difficulties during the meeting, you can:


- ✓ Put a request for help in the chat
- ✓ Call in to the meeting at +1 669 254 5252;
Meeting ID: 161 236 9807
- ✓ Email Cynthia Hunt at hunt.cynthia@epa.gov

This session is being recorded and will be made available after the summit.

Agenda

- Introductions
 - Small Disadvantage Business
 - Procurement Technical Assistance Center
 - Disadvantage Business Program
 - Small Business Perspective
 - Small Business Questionnaire
 - Q&A
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Small Disadvantaged Business

- The firm must be 51% or more owned and controlled by one or more disadvantaged persons.
 - The disadvantaged person or persons must be socially disadvantaged and economically disadvantaged.
 - The firm must be small, according to SBA's size standards
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SBA Negotiated Small Business Goals

FY 2022

Estimated Obligations	Negotiated Goal
Direct	
Small Businesses	39.5%
Small Disadvantaged Businesses	17.8%
Women-Owned Small Businesses	5.0%
HUBZone Businesses	3.0%
Service Disabled Veteran-Owned Small Businesses	3.0%
Subcontract	
Small Businesses	56.0%
Small Disadvantaged Businesses	5.0%
Women-Owned Small Businesses	5.0%
HUBZone Businesses	3.0%
Services Disabled Veteran-Owned Small Businesses	3.0%

Procurement Technical Assistance Centers (PTACs) Overview

- Our mission is to assist businesses to learn how to be successful in selling to government agencies (federal, state, and local)
- Funded by a cooperative agreement with the Defense Logistics Agency (DLA)
- More than 300 locations nationwide
- Three centers in SEPA – Kutztown, Lehigh, Widener & office at the Navy Yard
- Part of the Association of Procurement Technical Assistance Centers (APTAC)
- We provide education and one-on-one counseling at no cost to our clients

What We Do

A proven approach to assist companies with navigating government procurement processes and requirements

- One-on-one procurement counseling
- Training on a wide range of contracting topics
- **Ex:** SAM registration assistance, certification recommendations, marketing strategy & materials development, Matchmaker events, proposal evaluation.


The Southeast PA PTAC Team

- Our PTAC covers 8 counties: Berks, Bucks, Chester, Delaware, Lehigh, Montgomery, Northampton, and Philadelphia.
- Diverse Team
- Specialized Expertise
- Located at Kutztown University, Lehigh University, Widener University, and Philly Navy Yard.
- Our Partners include the Local SBA Office, PASBDC, Penn State Legal Clinic, EMSDC, WBECEast, Greater Philadelphia Hispanic Chamber of Commerce, Philadelphia Urban League, PA DBE Supportive Services Center, SCORE, and more!

Disadvantaged Business Enterprise Program (DBE)

- The Disadvantaged Business Enterprise (DBE) Program is a program designed to ensure nondiscrimination in the award of contracts under EPA financial assistance agreements.
- Disadvantaged Business Enterprise (DBE) is an umbrella term that covers many different entity types.
- EPA's DBE Program is primarily based on two statutes (described in [40 CFR 33.201](#)) which require that a percent of EPA's grant funds for procurement should be awarded to DBEs.
 - [Public Law 102-389, 42 U.S.C. 4370d](#)
 - [Title X of the Clean Air Act Amendments of 1990, 42 U.S.C. 7601](#)

DBE Program Key Components

- DBE Certification
 - Good Faith Efforts
 - Contract Administration
 - MBE/WBE Reporting & Recordkeeping
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DBE Certification

- To qualify as a DBE under EPA's program an entity must establish that it is at least 51% owned and/or controlled by socially and economically disadvantaged individuals who are of good character and are citizens of the United States.
- An individual claiming economic disadvantaged status must have an initial and continued personal net worth of less than \$750,000.


[40 CFR 33.204](#) provides more details on where each entity can become certified, but DBEs can be certified by the following:

- Small Business Administration (SBA);
- Department of Transportation (DOT);
- Indian, State, or local government; or
- Independent private organizations.

Good Faith Efforts

1. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State, and Local Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State, and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.
6. If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (1) through (5) of this section.

Contract Administration Requirements

1. A recipient must require its prime contractor to pay its subcontractor for satisfactory performance no more than 30 days from the prime contractor's receipt of payment from the recipient.
 2. A recipient must be notified in writing by its prime contractor prior to any termination of a DBE subcontractor for convenience by the prime contractor.
 3. If a DBE subcontractor fails to complete work under the subcontract for any reason, the recipient must require the prime contractor to employ the six good faith efforts if soliciting a replacement subcontractor.
 4. A recipient must require its prime contractor to employ the six good faith efforts.
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Grant Terms & Conditions (T&C)

40 CFR 33.106 requires grant recipients and subrecipients to include [the T&C language from 40 CFR Part 33 Appendix A](#) in procurement contracts, which requires prime contractors to comply with 40 CFR Part 33.

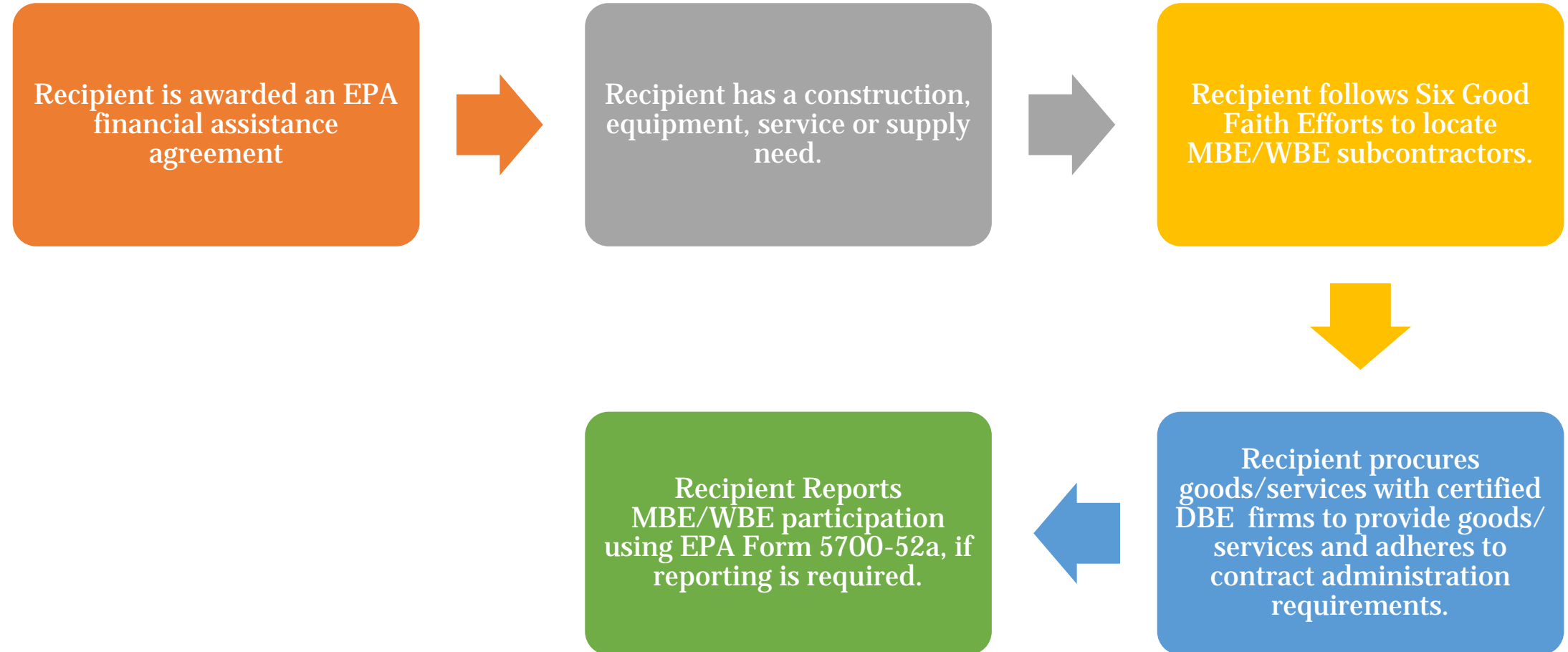
The T&C states the following:

- The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract.
- The contractor shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements.
- Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.

MBE/WBE Reporting & Recordkeeping

- ANNUAL Reporting is required when:
 1. Funds budgeted for procuring construction, equipment, services, supplies, or procurement in subawards located in the “other” category that exceeds the Simplified Acquisition Threshold (SAT) (currently \$250,000).
 2. If subsequent amendments and funding cause the total amount of budgeted procurement to surpass the SAT threshold.
 3. If at the time of award the budgeted funds exceed the SAT but actual expenditures fall below the threshold.
- MBE/WBE records are part of the assistance agreement file, and those records must be kept in compliance with [2 CFR 200.333 - 200.337](#). In addition, EPA recipients, subrecipients (including loan recipients), and prime contractors are required to maintain documentation of compliance with the regulations at [40 CFR Part 33](#).

DBE Program Overview (From Recipient's Perspective)



The Small Business Perspective (from a PTAC counselor's POV)

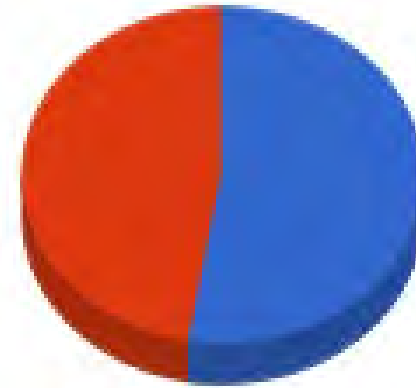
- Lack of communication from agencies
- Small business owners don't have the time or resources to focus on government contracting
- Complicated processes and systems*

Small Business Questionnaire

- What is the nature of your business?
- Are you a small business?
- Do you believe the current landscape of government contracting welcomes small businesses?
- Do you think the government makes a strong effort to work with and support small businesses that are trying to contract with them?
 - Why?
- What is the most difficult hurdle for you as a small business owner in trying to work with the government?
- Does this hurdle discourage you from trying to do government contracting?
- What do you believe the government can/should do to assist businesses who want to work with them?
- Is there anything else you want to share?

Small Business Questionnaire - RESULTS

- Do you believe the current landscape of government contracting welcomes small businesses?
- Do you think the government makes a strong effort to work with and support small businesses that are trying to contract with them?
 - Why?



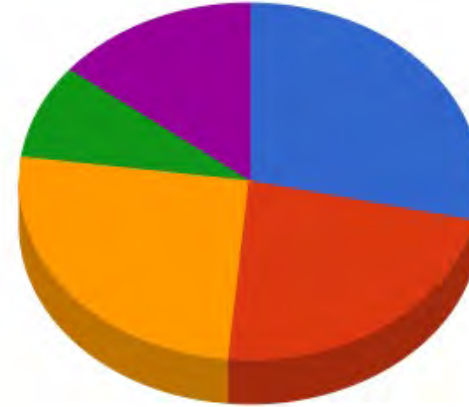
● No (10)
● Yes (9)



● No (12)
● Yes (7)

Small Business Questionnaire - RESULTS

- What is the most difficult hurdle for you as a small business owner in trying to work with the government?
- Does this hurdle discourage you from trying to do government contracting?



- Lack of information/information is difficult to understand. (10)
- Lack of support through processes. (8)
- Little to no cashflow to ensure sustainability. (9)
- Other: (3)
- Too many regulations. (5)



- No (5)
- Yes (14)

The Agency Perspective

What are some issues you encounter when trying to work with small businesses?



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Please email your questions to
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