



Women Owned Small Business Rule Talking Points

Top Line Message Points:

- Upon taking office, the Obama Administration made clear its commitment to develop a comprehensive rule to promote access to federal contracting opportunities for women-owned small businesses.
- The SBA has now proposed a single, comprehensive Rule for public comment that identifies 83 industries in which women-owned small businesses are under-represented or substantially under-represented.
- The proposed Rule is a critical step toward improving WOSB's equal access to and participation in federal contracting. The program will provide contracting officers, for the first time, with a tool to set aside specified contracting opportunities for certified WOSB's.
- This rule is intended to help women-owned small businesses obtain opportunities to compete exclusively for federal contracts and to help federal agencies achieve the existing statutory goal that 5% of federal contracting dollars go to women-owned small businesses.

Key Points – History of the WOSB Rule:

- In 2000, Congress amended the Small Business Act - authorizing the SBA to establish a program to promote access to federal contracting by Women-Owned Small Businesses.
- In the years after 2000, the SBA undertook its own study to identify the industries in which women-owned small businesses are under-represented. After its initial analysis, the SBA retained the Kauffman-RAND Institute for Entrepreneurship Public Policy (RAND) to conduct an independent study. That study was completed in 2007.
- Since 2006, the SBA has issued various proposed and final rules relating to various aspects of the women-owned small business contracting program. The current proposed Rule is a single, comprehensive rule designed to set out a cohesive structure for all aspects of the program.

Key Points – The Proposed Rule:

- Upon taking office, the Obama Administration made clear its commitment to develop a comprehensive rule to promote access to federal contracting opportunities for women-owned small businesses– which is what is now out for public comment.
- Based upon the analysis in the RAND study, the Proposed Rule identifies 83 industries (identified by the “NAICS” codes) in which women-owned small businesses are under-represented or substantially under-represented.
- The 83 eligible industries were identified using RAND’s disparity analysis of WOSB’s “share of contracting dollars” and the “share of number of contracts awarded.”
 - BACKGROUND POINT ONLY: Earlier proposed versions of the proposed Rule identified only 4 industries in which women-owned small businesses were under-represented based solely on the “share of contracting dollars” analysis used in the RAND study; and also identified 31 industries which in which underrepresentation was found based upon the “share of contract dollars awarded” analysis of the non-public data from the Census Survey of Small Business Owners.
- In accordance with the statute, the Proposed Rule authorizes a set-aside of federal contracts for WOSB’s where the anticipated contract price does not exceed \$5 million in the case of manufacturing contracts and \$3 million in the case of other contracts. Contracts with values in excess of these limits are not subject to set-aside under this program.
- The Proposed Rule removes the requirement, set forth in a prior proposed version of the Rule that each Federal Agency certify that it had engaged in discrimination against women-owned small businesses in order for the program to apply to contracting by that Agency.

Key Points - Preventing Waste, Fraud and Abuse:

- The Proposed Rule allows women-owned small businesses to self-certify as “WOSB’s” or to be certified by third party certifiers, including government entities and private certification groups.
- WOSB’s which self-certify will be required:
 - To submit a robust certification at the federal ORCA certification website and
 - To submit a core set of eligibility-related documents to an online “document repository” to be maintained by the SBA.
 - Each agency’s contracting officers will have full access to this repository.
- The SBA intends to engage in a significant number of program examinations to confirm eligibility of individual WOSB’s.
 - To do this, the SBA will review all documents in the self-certification repository plus a robust list of additional documents relating to eligibility.
- In the event of a contract protest or program review, the SBA will be entitled to request substantial additional documentation from the WOSB to establish eligibility.