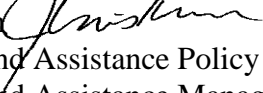




POLICY FLASH 2011-59

DATE: March 21, 2011

TO: Procurement Directors

FROM: Director, Policy Division 
Office of Procurement and Assistance Policy
Office of Procurement and Assistance Management

SUBJECT: SBA Final Rule affecting the 8(a) Business Development Program

SUMMARY: On February 11, 2011, the Small Business Administration (SBA) issued the attached final rule revising the regulations governing the 8(a) Business Development program, small business size regulations, and Small Disadvantaged Business (SDB) status determinations. The rule incorporates technical changes and substantive changes that mirror existing or new legislation enacted since the last revision in 1998. Some of the substantive changes are as follows:

- Joint Ventures -- 8(a) firm must perform 40 percent of the work of each 8(a) joint venture contract, including those awarded under a Mentor/Protégé agreement.
- Business Size -- 8(a) firm must remain small for its primary industry code during its participation in the 8(a) program.
- Tribally-Owned Firms -- Alaskan Native Corporations, Native Hawaiian Organizations and Community Development Companies may no longer receive sole source 8(a) contracts which are follow-on contracts that had been performed by a current or former participant of the same tribe. These firms also have a reporting requirement to document that the benefits are flowing back to the intended communities.
- Mentor-Protégé Program -- Mentors may now have up to three protégés at any one time. All Mentor- Protégé benefits end once the protégé leaves the program, including the affiliation exclusion. A firm may not be both a mentor and a protégé at the same time. There are now many potential consequences for Mentors who do not fulfill their obligations to their Protégé, including termination from the program, mentor ineligibility for two years, stop work on joint ventures and even debarment.

This flash and its attachment may be viewed at
http://management.energy.gov/policy_guidance/policy_flashes.htm.

Questions concerning this policy flash should be directed to Jason Taylor at 202-287-1945 or
jason.taylor@hq.doe.gov.

Attachment