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Carla: Ladies and gentlemen, welcome and thank you for joining today's live SBA web conference. Please note that all participant lines will be muted for the duration of this event. You are welcome to submit written questions during the presentation, and these will be addressed by Gwen David's during Q&A. To submit a written question, please use the chat panel on the right-hand side of your screen, choose all panelists from the sent dropdown menu. If you require technical assistance, please send a private note to the event producer. I would now like to formally begin today's conference and introduce Chris Eischen. Chris, please go ahead.

Chris: Thank you Carla. Hello everyone and welcome to SBA's first Wednesday webinar series. For today's session, we'll be focusing on small business regulation and legislative updates, and by the end of the program you should have a better understanding of this topic as well as the resources available to you. If you're new to our event, this is a webinar series that focuses on getting subject matter experts on specific small business programs, in this case, SBA legislative updates and having them provide you with valuable information you can use in the performance of your job as an SBA employee, a member of the federal acquisition community, or a P-Tech employee.

We appreciate you taking this time to join us on the July edition of SBA's first Wednesday webinar series, and we hope you benefit from today's session. Now for a little background on the first Wednesday program. The program was initially created for contracting staff, which is why the training was called 1102 first Wednesday. The 1102 designated government series for contracting personnel was later dropped to be more inclusive of other GS series. As federal agencies increased the requirements for non 1102s to obtain their diarrhea and backseat certifications. Additionally, other federal buying activities, SBA staff, P-Tech and SBDC personnel who after hearing about the training requested access and were added to the list of participants.

So that is why SBAs first Wednesday program is aimed at federal government employees and our resource partners like P-Techs and SBDCs. Thank you to those of you who are repeat attendees and welcome to those of you who are new to the program. As Carla mentioned, I am Chris Eischen and I work as a procurement center representative or also known as PCR and I'm located in Kansas City, Missouri. Additionally, Ms. Glenn Davis, who is the piece here located in Minneapolis, Minnesota, will be reading your questions submitted during the program for our speaker to address at the end of today's session, and slide three includes both of our information. On to slide four.

Please note that all lines are on mute, however you can send your questions any time during today's session by entering them into the chat box on your screen and these questions will be addressed at the end of our speaker's presentation. As most of you know, we have transitioned to the WebEx application and have been informed that some users may experience issues such as a block website or other error messages when attempting to access the conference login from their computer. If you're affected by this issue, please make sure you dial in and follow along with the slides provided in the email.

We will ensure the page numbers are clearly stated so you can follow along. We are hopeful this issue will be resolved soon and we apologize for any inconvenience. Now, if you are having any other technical problems, please call the AT&T support desk at the following number, 18887966118. This telephone number is also included in the email invitation for today's program and on slide four, the PowerPoint slide deck that accompanied the SBA email notifying you of today's training. Otherwise, just keep listening and follow along with the PowerPoint that accompanied the invitation for today. We will continually announce the page numbers so you can follow along. For more SBA small business program training, please visit the SBA learning center at www.sba.gov.

Slide five, the Association of Procurement Technical Assistance Centers or APTAC, hosts a website where they post the first Wednesday program. Since these sessions are recorded, you can re-listen to this program as well as a previous session by visiting their website, which is provided here on slide five. Procurement technical assistance centers or P-Techs are a great resource and partnering with your local P-Tech for an industry day, sharing a sources sought, RFI notices or referring small business concerns to a P-Tech are just a few reasons why they are such a useful resource for acquisition personnel. Please contact your local P-Tech for additional information. Slide six is the current program scheduled for fiscal year 2018, and today's session on SBA legislative updates is the 10th topic in the series.

As you'll see, we have added a couple new topics to our program list and improved on other topics that have been presented in the past. The participation continues to grow each month and the positive word of mouth is greatly appreciated. We hope you find these topics interesting and applicable to your job. We're also in the process of coordinating the FY19 schedule, which will begin in October, so look for that schedule in the upcoming months. Slide seven; I'm sure that many of you will want to receive credit for today's training, so you'd be glad to know that today's session is worth one CLP. On the following slide, which is slide eight, you will find the training certificate.

First, you'll manually fill in your name and then print the certificate from the PowerPoint to request credit for today's session. The PowerPoint was part of the SBA email invitation that you received for today's session, and please note that SBA does not track your CLPs or communicate with your training program coordinator regarding your CLP achievements. Now, several of you received the email information from a friend or a colleague, but if you want to receive this email directly from us notifying you of upcoming first one-day webinar events, you can email us at SBA learning which is SBA L-E-A-R-N-I-N-G@sba.gov.

So, in the subject line, you want to put the words add to list and we will ensure that you're added to our distribution list. Now slide eight. Here is the certificate that I mentioned earlier. First, you'll want to access the PowerPoint presentation that was emailed to you. The one you see on your screen right now, will not work, so you need to access the PowerPoint presentation and then you will manually fill in your name. Next, within the print settings, you will select print current slide which will allow for only the certificate to be printed. Another reminder, SBA does not track your CLPs or communicate with your training program regarding your CLP achievements. So, slide nine.

Today's training has been assembled to address small business regulation and legislative updates as well as provide you with the resources available for your use. Our speaker has graciously accepted our invitation and he will be directing me to continue on to the next slide. As mentioned earlier, if you're unable to access the WebEx application, please follow along with the PowerPoint presentation that was included in the email for today's training. We will identify the page number so you can follow along. Also, please note that due to connectivity issues, some viewers may experience a delay as the slide changes on your screen. Now, I am pleased to introduce today's speaker to you, Mr. Michael McLaughlin, who is the acting director for SBA's Office of policy planning and liaison. Michael, we appreciate that you could meet with us today and I'll turn the program over to you now.

Michael:

Good afternoon everyone. It's a pleasure to again address this August group of small business professionals. The first slide in my presentation provides an agenda. The first point in there are pending bar rules. Some of the rules that SBA finalizes require further implementation by the far council in order to provide uniform guidance to contacting offices. The next bullet deals with pending FDA rules, which are rules that are in process that have not yet been finalized, and then we have SBA final rules which actually have an effective date, and our final. Then the next point we're going to talk a little bit about NDAA, the National Defense Authorization Act for 2018, and that authority often is a convenient vehicle to add revisions to other laws such as the small business act.

So, we're going to talk about that a little bit. Then there's something called section 809. It was authorized ... it's a panel that was authorized by Congress to take a look at acquisition and make recommendations and they do the two out of three reports for the Defense Department, but it often affects other legislation and sometimes the broad stroke is, well, let's do it for everybody. Then finally I'd like to talk about category management and the all small mentor protégée program, which provide some flexibility for contracting officers in reaching the small business goal in that environment. The next slide on tending bar rules, there are five that we're going to talk about today. Similarly situated in space limitations on subcontracting and non-manufacturer, the drawing center proposal, the multiple award, unpacking final rule 19 and contracts awarded and formed outside the United States and low with you contacting. The next slide, please.

Chris: Slide 12?

Michael: I assume its slide 12. Similarly situated entities, the limitations on subcontracting and the non-manufacturer rule, the Barcodes for that is 2016-11, and if you ever want to check on the status of a case, the deep app actually has a website listing all the open and close OR cases. So, if you're curious as to where particular page stands in the two, the park case reference will help you locate that more readily. The title on this one is revision of the limitations on subcontracting and it implements SBA's final rule. It revises the limitations on subcontracting and the non-manufacturer rule. It implements SBA's regulatory clarification concerning the application of the limitations on subcontracting, the no manufacturer rule and size determination of going centered.

This particular rule is still in process by the far council. The civilian agency acquisition counsel has sent it to OMB at Office of Information and Regulatory Affairs. They've converted it to a proposal and OIRA. The Office of Information and Regulatory Affairs is currently reviewing the rule. They have 90 days to do that. So, it's possible that it could be coming for further action in the near future. The next slide 13 is the joint venture proposal. It implements the regulatory changes. It clarifies that 8A, the joint centers are not certified in the 8A program and that 8A joint venture agreement must be approved by SBA prior to the award of an 8A concept. This particular rule is still in process. It's been waiting concurrence from the Civilian Agency Acquisition Council. Multiple award contract and final rule, this one is impending for some time.

It's been amended several times by SBA due to rules that we've continued to publish. It implements our final rule which provides government-wide policy for partial set aside and reserved and setting aside orders for small business concerns under multiple award contracts. It's the defense acquisition

regulatory counsel has agreed to the draft final thought rule and the defense acquisition regulation staff is processing that at the time. I'm hopeful that we'll be defused in the near future. I believe that the next one is 15. This deals with the far part 19 and contract awarded and performed outside the United States, having to do with the equitability of small business regulation.

The intent of this is to make the application of more business provisions at the option of the contracting officer overseas. We're still counting overseas spend towards the goal, but we want ... there are circumstances where it's not practical, so we do want to get the contracting officer the authority, so we don't want to say it's still going to fall. We want to give them the authority to do set aside overseas without being encumbered by requirements to justify why they're not doing it. The next one is 16. Lower tier subcontracting, it implements section 1614 of the NBA for 2014.

We published our final rules late December 2016. This prime allows contractors to receive credit towards goals in their small business subcontracting plans for subcontracts awarded by their subcontractors. The intent here is to have a regular, if there is an individual subcontracting plan, it only applies to individual subcontracting plan. They're required to have a small business subcontracting goal. So, this could be a second goal for subcontracting. This could be a low experience subcontracting goal that they would have to identify what they would get credit towards the subcontracting, but they would have to meet both goals. On that one is they are required to report out on that this week. So hopefully that will reach a point where it can be public going into effect. I'm losing track of the page. The next slide is number 16?

Chris: Slide 17.

Michael: I'm sorry, thank you. The pending FCA rules we've got four major ones in the works right now. The first one dealing with a variety of topics, primarily limitations on subcontracting, but it doesn't include the PCR reviews of VOD overseas contracts. Providing double credit to the local area, small business set aside associated with disasters and it provides examples. We've given examples of good faith and subcontracting. This is providing examples of bad days and sub-contracting. The service disabled veteran-owned small business and addresses ownership and control of the certification that's been pending for a couple of years now, and the HUBZone proposal.

On 18, this is the NBA Authorization Act for 2016 and 2017, and this deals with the why that discovery improvement of small entities after disasters and other small business contracting. The NDAA does limit the scope of review for PCRs for certain DOD procurement performed outside the United

States. We had given DOD a waiver toward going some of their overseas contracts, but I guess they didn't feel that was sufficient so they went back in and lobbied for legislation that gives them a complete waiver from that. This supplements that. It establishes that a failure to act in good faith in providing timely subcontracting reports shall be considered a material breach of the contract, establishes procedures for the publication of acquisition strategy if there's consolidation or substantial bundling.

It's supposed to comment on exclusions from south late and compliance with the limitations on subcontracting. An agency's ability to set aside orders under set aside contracts, contracting offices authority to request the report on the prime contractor's compliance, the limitations on subcontracting. It provides examples of bad faith in the subcontracting propose pool. 18, service disabled by renowned small business ownership and control. What this does is it provides a definition, a common definition of ownership and control for these concerns where we got together with VA and they're vet subcontracting programs. What we've done is we've come up with common definitions and it provides circumstances where firms can qualify as a veteran-owned or service disabled veteran owned business when there's a surviving spouse for an employee stock ownership plans. 19 ...

Chris: Michael let me know if the slide is working.

Michael: I'm sorry. My apologies. The women-owned small business certification proposal, it provides a certification program for women-owned small business and economically disadvantaged women-owned small business. There is, in legislation, an effort to end such certification for the women-owned small business program that hasn't been eliminated in this pending SBA role. We are retaining provision for third-party certification. We are recognizing a type of third party certification by states and other agencies, and we're introducing for the first-time certification by SBA. Now, this is significant in that women-owned small businesses were the only social-economic program that actually was paying people to do their certifications as well as provide other services and now we're offering up an alternative where they can get a free certification by SBA. This is still in process. All right, the next chart, is that 21 or 22?

Chris: Mike, 21.

Michael: Thank you. The HUBZone suppose rule, is a very comprehensive amendment to the HUBZone program. It provides some flexibility to retain hubs on residency for employees. So, in order to help the businesses scale up and to meet the 35% requirement and to retain their status while they try to meet the minimum the 20% threshold limit and continue to work towards getting

back up to 35%. It moves to an annual recertification representation at every offer level. So, they still have to represent themselves when they make an offer, but it's an annual recertification, which is less burdensome on the HUBZone. It provides them with more stability as a business.

It makes it easier for businesses to do business with them as a subcontractor, as well as agencies be able to turn to them and know that there's still a hub zone. In the federal definitions in particular for what is an employee. It's a very comprehensive revision. It also provides some retention or re-designated areas for a hub zone with sweet designated and is no longer in an area that would be considered a hub zone, but they'll retain their status until 2021. It eliminates some ambiguity in the regulation itself, and all of this is to make it easier for the HUBZones to understand and comply with the requirements and to provide stability to them as a business and make them more attractive to pursuing agencies.

22, the veteran's administration is now able to have their protests in a field forward by the FDA office of hearings and appeals. It's not a big thing for our people. It's a capacity issue and in OHA, so it's great that we're able to support DA and provide them with this service. With this issue ... am I at 22 now?

Chris: This will be slide 23.

Michael: The FDA direct rule, it provides conforming statutory amendments and technical corrections to our small business sub-contracting regulations. So, this is something we're able to actually implement fairly rapidly, but some of it was just corrections and some tactical changes. One of the most significant things here and as a former contracting officer, I think this is great, is the mandatory set aside for small business are traditionally linked to the micro-purchase and simplified acquisition threshold, but they were done so by dollar amount 2,500 and 150 thousand. Now, instead of having to update that every time that the FAR is updated, now it's just basically a reference.

So, whenever the microprocessor threshold changes as it is changing to 10 thousand. We don't have to revise our rules to reflect that. We don't have to be out of sync to go far, and the same thing, they've simplified activity threshold, now that that's going up to 250 thousand. We don't have to keep going back and changing the number because it's referenced to the threshold themselves. This is important in another way. For example, when these changes were being discussed, Canada had protested with their trade mission that they didn't want small business set-asides to follow the simplified acquisition threshold when it was increased. That was actually upheld by the last administration.

So, by linking this directly to micro purpose and simplified acquisition threshold, we can avoid that type of conflict with Canada and other trading partners. It updates the sole source dollar amounts for service-disabled in HUBZone small business regulations. The 8A program, it's seven million for manufacturing, four million for others, concern disabled and women-owned. It's six and a half million for manufacturing, four million for other, and for hub zones it's seven million for manufacturing and four million for others. It brings us into sync with the bar and we're still so little out of sync because the 8A program and hub zone are a little bit larger than some disabled and woman-owned.

The rest is a definition of about indirect ownership and that indirect ownership by US citizens in the HUBZone program, is permitted by statute. So, we've made that change in this direct final rule. Then next start, the next, the following are excerpts from the SDA direct final rule. They're provided for your reference. Can also go and take a look at what we published in the Federal Register at 83 Federal Register, 12849. If you do Google search for that, you'll have that information in detail, and that starts to follow. We have 121103, how does SBA determine affiliation, and what this does is that provides or firms that or mentor protégés, that they do not have exclusion from affiliation. I'm sorry, I misspoke in there.

This particular one reflects the fact that as long as the prototype qualifies a small for the size standards corresponding to the nature to provide that level of **[0:29:17 Inaudible]**, but it also emphasizes that the mentor protégé, if they enter into a joint venture together, there is an exclusion from affiliations and the size of the small business, that is the prototype is not impacted. The FDA direct final rule, this is simply just a clarification that that paragraph only applies to piracy. The next part a 121406, how does a small business concern qualify by manufactured products for other supply items under a set-aside, and it does not apply to small business set aside acquisitions with a value between the micro-purchase threshold and the simplified acquisition threshold.

It references back to the, how those terms are defined in the bar. So, we're making immediate use of that new reference to rather than specific dollar amounts, we're referencing the actual threshold themselves. Again, on the next start, 125.

Chris: It's 27.

Michael: 27, thank you. The limitations on subcontracting do not apply to set aside contracts with the value that is greater than micro-purchase threshold, but less than or equal to the simplified acquisition threshold. The next chart, and did you say that was 28?

Chris: 28, yap.

Michael: 28, 12518, what requirements must have service disabled veteran-owned small business meet and it provides an exception and it's basically at the type of numbering of those paragraphs in both of those instances. Yes, 28, when may contracting officer award sole source contract and it gives a dollar amount, the six and a half million for manufacturing and four million for all other contracts. 29, it removes the word unconditionally and directly. So that allows 51% ownership by US citizens. It allows indirect ownership. That's the cross of that, and this continues on 30.

Chris: Mike, 31.

Michael: 31, where we talk about the HUBZone sole source. Seven million, excuse me, and four million for other than manufacturing. Is it 32?

Chris: Correct.

Michael: That was a typo. We removed the word HUBZone protégé and substituted HUBZone small business concern. All right, the next one, and again I'm losing track of the slide number.

Chris: No problem, slide 33.

Michael: This is a discussion of ... it's not something that FDA is doing, but it's for your situational awareness. NDAA 2018 section 846, provides the implementation guidelines for an e-commerce portal. Some people have referred to this as the Amazon rule, but basically, it provides that a commercial product is commercially available off the shelf, that pyramids may not exceed the set level and NDAA will be doing a report on the effectiveness and impact of this three years after the contract is awarded. That contract is still pending. The MSA is looking for more than one activity that is capable of doing it. On the next chart, we talked about the different phases, the timeline for implementation, excuse me, and on that, the next slide ...

Chris: Slide 35.

Michael: 35, bins to be an award of a prime contract and it counts towards the goaling established under the small business act. If a purchase is made from a small business suffice, and agencies are not limited by this. To restrict competition, the small business concern, but it does provide an additional avenue for small businesses to receive awards and to have those counts forward going. The next part talks about the increase in the simplified acquisition threshold and the micro-purchase threshold, respectively 250 thousand for the staff and 10 thousand for the micro-purchase threshold. The next chart.

Chris: 37.

Michael: As it was before with 150 thousand, the limitations on subcontracting and the non-manufacturing rule will not apply to small business set-asides below 250 thousand. It defines a prime contract for purposes of the small business act as a contract or contract action entered into by the federal government. It talks about reserves, but basically, that's not new content and just basically it's new numbering of the paragraph. The next slide. This gets into technical aspect of the HUBZone program, where it talks about how the state median income is used to calculate the status for non-metropolitan counties. How they've closed the areas, areas that had been affected by a base realignment, still remain HUBZone for at least eight years, and then re-designated areas are eligible for three years.

State governors may also participants for HUBZones designation and the administrator can approve that, and if a HUBZone loses, it's subject to an examination and loses their eligibility ... I'm sorry, the HUBZone application review, it's within 60 days of receiving a completed application. The HUBZone recertification must take place no later than every three years. I'm sorry, I'm on the next chart. Here's the point I probably discussed on the previous page. If I've gone from both program examination and the sound that is eligible, they have 30 days to show that they aren't actually are qualified, but during that period of time, they may not compete for HUBZone contract. The HUBZone map has been frozen until January 1st, 2020 and then they'll be updated at five-year intervals.

Again, that's aimed at trying to have some stability in the program. FDA must annually report on whether the HUBZone is promoting economic development in the set areas. Okay, and the next chart.

Chris: Slide 40.

Michael: Slide by 40, and this is ... I spoke about the section 809 panel. They've issued two reports, they're working on the third report. Second report, revised the first one a little bit, but they're not critical of small business and small business goaling. They think there should be more emphasis on innovation and small businesses that enhance warfighting capability. They recognize that there are a number of small businesses contributing to DOD's ability to function such as a security on basis, maintenance, things of that nature. But I would say the big thing about that is their emphasis on bringing in small businesses that can give, enhance warfighting capability and introduce innovation through programs such as an FTIR and different technology accelerated and consortia.

It also recommend allowing the firm that outgrows the size standard to remain small for three additional years, and that's not something I don't that ... I don't believe that's the VA will support that. Next chart please, about the American relocation connections. I mentioned this because it's of interest because it was basically a protest, with the BPA that orders must be set aside for small business if they're under the set level and what was found in this case with the protest was dismissed. All right, the next thing I was going to talk about is something that's very much in the wind. It's been a part of the sourcing.

There was an initiative that's been out there now for about three years for category management and it basically takes 10 categories of common governments then and basically set them up as supermarket aisles and it basically, it stocks the brands that they wanted to use. There are some generic brands at the end of the aisle and they're allowing some use of those and those that quote tier one, tier two side contract, but they're testing five. They're costumed gamble high products or what they call their best in class contract, and that's what they're encouraging agencies to do. If they're not what they call it tier one or tier two or best in class, which is tier three, they're called unmanaged thin and they're trying to discourage that.

Unfortunately, there's a lot of small business spending in that area. What we have communicated and what OMB now recognizes in their strategy and in their policy, is that sending under management or category management is an initiative and the small business goal, both statutory requirements and that agencies cannot ignore the statutory small business goaling requirements for small businesses and socioeconomic concerns in order to meet an initiative. That being said, we can use these contracts to help to augment the goodness of what we're doing outside category management. 43% of the dollars that was sent on these best in class contract for the small business concerns.

The total of spend under management dollars in all tiers of this initiative actually exceeded the small business goals, 25.7% and 75% of the contractors on the best in class vehicles re small businesses. Our issue is there aren't sufficient numbers of small businesses on the CFO. Our issue is that there are not sufficient numbers or even any socioeconomic concerns like HUBZones or women-owned small business on some of these vehicles. Our concerns are also is that there is not enough capacity for the small businesses that are on these vehicles as more and more government spend is being directed towards the vehicles. The small businesses are likely to exceed the size standard and no longer be small businesses.

So those are some of the issues that we're working with above and beyond to make category management more successful and to be really a partner

with the SBA and helping to achieve our small business goals. It's not an insignificant amount of money. Last year, \$22 billion was spent on these best in class contract. As a way to mitigate that, one of the things that we call defensive too is that FDA has student mentor protégé program and we've encouraged them to consider the joint ventures that results from that in their market research and their outreach. If they go out the industry and say, we can't find small businesses with the capacity of the skill set to perform effectively for our mission requirements.

That can be an invitation for large businesses that have performed in the space, but maybe they're not going to get the next award because now they're trying to add small businesses, maybe that large business had entered into a prototype agreements with a small business. As a joint venture they can get together and provide the capacity and the skillset and the performance history to be awarded. One of these new award, both of the FDA mentor protégé program, the all small program provides an exclusion from affiliations. So, the joint center that result from such a marriage would still be considered small. So, the protégé is a hub zone, the joint center takes on the make of a HUBZone.

The same goes for women-owned, service-disabled vets or small disadvantaged businesses or even a small business. The advantage on doing this is that it then helps strengthen the industrial base. It increases the transition efficiency. If you have a small business that is providing cybersecurity, this is a real-world example, but they're not on the contract and this competition is taking place, the re-compete taking place on oasis and this small business is not on oasis. They're trying to add a lot, but they might be able to compete with a large business and be more competitive when the onramp for oasis opens again. By having a joint venture with a small business, the resulting award is credited to small business and it provides the capacity and best in class contract that doesn't exist there today.

So how does this help the contracting officer? It explains some drastic strategy, it makes it more robust. The small business steaming maximizes the small business sophistication as contractors, and that can be as fun as well. It helps agency mitigate the effect of consolidation. It facilitates competitions buying amongst small businesses. It avoids unnecessary and unjustified consolidation unbundling and it provides small business protégés with the competitive advantage and mentors gain access to set aside. Let's go to the last chart when I refer to as my mentor protégé mental chart.

Chris:

Slide 47.

Michael:

47, I'll deal with the first two lines because actually I'm being called to a little panel discussion in about three minutes, but let's say a large business wants to compete, but the next time this requirement comes out, it's a HUBZone set aside multiple award. Well, if they're in a joint venture with a hub zone, the HUBZone puts some piece on its own for the business, for the joint venture to compete, but the large business as a large business would not be able to compete for that. If you follow over to a small business set aside, even though they're a joint venture with a HUBZone, the HUBZone is a small business.

The large business, they're able to compete as a partner on a joint venture with that HUBZones for just a small business set aside. Now, this does not prevent the HUBZone joint venture or the HUBZone from also participating in full and open competition. There's nothing negative about the association, and again they have an exclusion from affiliation. So, they get to compete as a small business and in the next few lines to talk about the example of a large business and a woman-owned small business program, as opposed to a woman-owned small business non-programs. With the programs that they can participate in women-owned small business set aside, also they can participate in small business set-asides and phone open competitions.

If you dropped down to the bottom, a woman-owned small business that's competing on its own and it's not a program participant, they can't participate in a woman-owned small business set aside. It takes a couple of hours to apply to the women-owned small business program. I don't know why we have that, but I think it's a matter of education. But a woman-owned small business and then they do compete with small business set aside and pull it open and they are competitive. We take a look at the ... about midday I have a demonstration of what a large business could compete in, in a world set aside. They can only compete in the pool open.

There's an enormous incentive for large businesses to compete in each of these categories if they should be given consideration to amend the protégé relationship, they get to help develop a small business and they gain access to set aside that they would not ordinarily qualify for. I have a couple minutes left if there are any questions and I can also respond to any written questions to see that to the call.

Chris:

Sounds great. Gwen, if you've got a couple of questions right. I know Mike's got to leave here in a couple of minutes. So, if you have a couple of questions ready for him, we could get those answered.

Gwen: I actually have gotten six. The first one might've been covered on that last slide. Can we expand the issue of set aside under multiple award schedules and what are the considerations?

Michael: Well, that actually is a question that's out there with one of our rules right now, is asking about set aside or multiple of work schedules. So, we're looking for comment on that. Our current policy is that, if you have small businesses that are on the multiple award schedule or they are in the IDIQ contract, you really, for a multiple award contract, if they're on there, we don't want to have one socio-economic program taking precedence over another. There are some contracts out there where a GSA would like to have set-asides within a set-aside, and we're not on the same sheet with that, but we are seeking some comment on that.

Gwen: Okay, next question. Do you know when the fire is going to be changed for the new threshold?

Michael: I'm sorry, for what?

Gwen: For these thresholds. Doesn't state which threshold, but.

Michael: I don't have the timeline for that. I think they're expediting that, but we can try to look that one up for you.

Gwen: Okay, and that goes along with the next question about timeframe for the proposed rule for WOSB'S to be out.

Michael: That's still in the house right now. We're going through some difficulties with OMB, OIRA right now where they've got some questions about the economic impact of this. So, we have to provide an analysis that they concur with.

Gwen: Okay, next question. Does the SBA direct final rule amend the SBA act or does it amend the 13 CFR?

Michael: Congress amends the act. We have been the CFR.

Gwen: Does the NMR apply only to total small business set-asides or also set aside for other socioeconomic categories?

Michael: It applies to all socioeconomic categories. It applies to small businesses and socioeconomic categories.

Gwen: Limitation of subcontracting does not apply for services below the fat, correct? So, a small business can be awarded a contract even if they don't perform 50% or even only 10%.

Michael: Yep.

Gwen: The last question on slide number 36, you noted that NDAA 2108, section 806 increased micro-purchase threshold to \$10 thousand. Does the threshold also apply to DOD and purchases subject to the FCA and DBA?

Michael: That's a good question. We can research that further. DOD often has exceptions.

Gwen: Okay, and that was the last question that I had.

Michael: All right, I have to run. Thank you all very much.

Chris: Michael, thank you so much.

Michael: All right, thank you.

Chris: Once again, thanks again Michael, and we appreciate him providing this great information today and thank you to all of you who participated in our program. I see a couple of questions did roll in here late. What we will do is we will send those directly to Michael and we will get that information out to the individuals who sent those as well. So, if you do have any additional questions or there were some questions that may have been overlooked, please send an email directly to us at SBA learning at sba.gov and we will coordinate that and get you the answers that you need. Once again, you also have Michael's information there as well. So, feel free to reach out to him as well if you have any direct questions. Otherwise, thank you. I appreciate the input and your participation and have a great day.

Carla: Thank you for joining today's conference. The session has now concluded and you may disconnect.

[END OF TRANSCRIPT]