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FEMA's Small Business Program

FEMA's Small Business Program (SBP) is one of nine programs affiliated with the Department of Homeland Security's (DHS's) Office of Small and Disadvantaged Business Utilization (OSDBU).

Presented by:

The Small Business Program of
The Industry Liaison Section



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Top Commodities Procured During a Disaster

- Infant/Toddler Products
- Durable Medical Equipment Kits
- Consumable Medical Supplies Kits
- Plastic Sheeting
- Tarps
- Blankets
- Comfort/ Hygiene Kits
- Water
- Meals
- Forklift Rentals
- Cargo Vans
- Security Guard Services
- Generators
- Cots
- Joint Field Office Kit
- Leased Copiers
- Leased Generators
- Office Supplies
- Shredded Bins
- Portable Toilets
- Sign Language
- Temporary Labor
- Janitorial Services



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In-Demand Services Procured During a Disaster

- **Debris Removal** - Become a member of the Corps of Engineers Contractor Registry if you are interested in performing disaster response and recovery work; e.g. debris removal. Follow this link, www.usace.army.mil/Missions.aspx, to access their website.
- **Transportation Services** - If you are interested in becoming a FEMA Transportation Provider please visit this website: www.fema.gov/transportation-programs.

For general question about the Transportation Program please email:

FEMA-Transportation-Programs@fema.dhs.gov .

- **Transitional Sheltering Assistance** - Hotels/motels are able to participate in FEMA's Transitional Sheltering Assistance program, which offers rooms to disaster survivors seeking housing aid. Please visit, <https://ela.corplodging.com/>



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DHS Office of Small and Disadvantaged Business Utilization (OSDBU)

DHS is comprised of eight component federal agencies in addition to DHS. The eight component agencies are:

- U.S. Customs and Border Protection
- Federal Emergency Management Agency
- Federal Law Enforcement Training Centers
- U.S. Immigration and Customs Enforcement
- Transportation Security Agency
- U.S. Coast Guard
- U.S. Citizenship and Immigration Services
- United States Secret Service



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Small Business Specialists

Within DHS and each of the component agencies is a **Small Business Specialist (SBS)**.

The **SBS** is responsible for ensuring that small businesses have the maximum practicable opportunity to participate in federal procurements within their respective agency.



What are the Small Business Socio-Economic Categories?

SB Category	SB Title/Definition
Overall Small Business	All small business, to include all socio-economic categories, that are certified by the Small Business Administration (SBA)
8(a) Prime	Small Disadvantaged Business (SDB) owned and operated by persons who belong to a group that historically has been are socially and economically disadvantaged.
Non-8(a) SDB Prime	SDB that is not 8(a) owned and operated by persons who belong to a group that historically has been economically disadvantaged.
Overall SDB Prime	All SDBs including 8(a)
HUBZone	Small businesses that operate, and employ people, in Historically Underutilized Business Zones.
SDVOSB	Service-Disabled Veteran Owned Small Business
WOSB	Women Owned Small Business



What are the FY 2021 Small Business Category Goals for FEMA?

SB Category	FY 2020 Goals
Overall Small Business	23%
8(a) Prime	2.5%
Non-8(a) SDB Prime	2.5%
Overall SDB Prime	5%
HUBZone	3%
SDVOSB	3%
WOSB	5%



What Federal Acquisition Regulations (FAR) Govern the Small Business Categories?

SB Programs	FAR Citation
Small Business Set Asides	FAR 19.5
8(a)	FAR 19.8
Small Disadvantaged Business	FAR 19.2
HUBZone Small Business	FAR 19.13
Service-Disabled Veteran Owned Small Business	FAR 19.14
Women Owned Small Business	FAR 19.15



What Are Small Business Set-Asides?

Small business set-asides are contracts set aside for small businesses via:

- Total Small Business Set-Aside
- Partial Small Business Set-Aside
- Sole Source
- Justification for Other Than Full and Open Competition
- Strategic Sourcing Contractual Vehicles
- GSA Schedules
- Best in Class Vehicles (Category Management)



What are the Sole Source Thresholds?

SB Category	Sole Source Threshold
8(a) Prime	\$7.5M for manufacturing requirement \$4.5M for any other requirement (FAR 19.805-1)
HUBZone	\$7.5M for manufacturing requirement \$4.5M for any other requirement (FAR 19.1306)
SDVOSB	\$7M for manufacturing requirement \$4M for any other requirement (FAR 19.1406)
WOSB	\$7M for manufacturing requirement \$4.5M for any other requirement (FAR 19.1506)



Best Practices

- Use the Dynamic Small Business Search at http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm to identify all small businesses capable of performing a contract.
- Review the SBA Table of Small Business Size Standards Matched to NAICS Codes at https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf
- Conduct robust market research -- Increase the use of Request for Information (RFI) or Sources Sought (SS) notices to search for HUBZone, SDB, 8(a), SDVOSB, and WOSBs.



Best Practices

- Review the SBA website for program descriptions at https://www.sba.gov/contracting/government-contracting-programs/women-owned-small-businesses/what-you-need-know-if-you-are-federal-contracting-officer?leavingSBA=http://s3.amazonaws.com/sba-public-production/original_co_creates_account_views_wosb_documents_-_v2_1.pdf



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Best Practices – Guidance to Achieve Small Business Goals

Apply the Rule of Two: The “Rule of Two” requires an agency to set aside acquisitions for small businesses where there is a reasonable expectation of receiving fair market prices from at least two responsible small business concerns. The “Rule of Two” applies to open market acquisitions as well as to multiple-award contracts such as Departmental and FEMA Enterprise-Wide Contracts (EWCs).



How do You Determine a Socio Set-Aside?

If at or below the SAT (\$250K), an acquisition is mandated exclusively for small business. Contracting officers shall first consider an acquisition for the small business socioeconomic contracting programs before considering a small business set-aside. There is no order of precedence among the socioeconomic programs. A CO may award as a:

- HUBZone set-aside
- 8(a) set-aside
- SDVO set-aside
- WOSB set-aside

If above the SAT, and the Rule of 2 is met (that the CO expects to receive fair price offers from 2 or more responsible small vendors) the acquisition must be set aside for small business. Again, however, before awarding as a small business set-aside the CO must first consider awarding to a vendor participant in a socio-economic program.

Small Business Parity (FAR 19.203)



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When Can You Set Aside to a HUBZone?

Requirement not currently in the 8(a) Program and not been accepted as an 8(a) by SBA

If at or below the SAT (\$250K), the CO can choose to award a HUBZone set-aside (sole source or competitive)

If above the SAT, the CO **must** consider a competitive HUBZone set-aside – again applying the Rule of 2 -- before considering a HUBZone sole source or a small business set-aside. However, if the CO receives:

- Only one acceptable offer from a HUBZone SBC then the CO should make an award to that concern
- No acceptable offers from HUBZone SBCs then the CO should withdraw the HUBZone set-aside and select another strategy.

HUBZone Set-Aside Procedures (FAR 19.1305)



When Can You Sole Source a HUBZone?

The CO can award a sole source contract to a HUBZone SBC before considering a small business set-aside if:

- Requirement not currently in the 8(a) Program and not been accepted as an 8(a) by SBA
- There is no expectation to receive offers from at least 2 HUBZone SBCs
- The acquisition is greater than the SAT
- The price of the contract, including options, will not exceed:
 - \$7M for manufacturing NAICS, or
 - \$4M for all other requirements
- HUBZone SBC is a responsible vendor with respect to past performance
- Award can be made at a fair and reasonable price.

HUBZone Sole Source Awards (FAR 19.1306)



FEMA's Category Management Program

What is Category Management?

- Category management uses a structured approach to procurement focused on defining products and services that behave in a similar manner
- Category management creates common categories of products and services across Federal agencies and allows the Government to buy more like a single enterprise
- Category Management is a shift from the practice of purchasing, analyzing pricing, and developing vendor relationships individually within thousands of procurement units across the Government



What are the 10 Common Govt. Spend Categories

Common Government Spend Categories 1-10 (total FY 2014 spend \$275B)

1. IT – \$49.9B	2. Professional Services - \$61.9B	3. Security and Protection - \$5.5B	4. Facilities & Construction - \$75.7B	5. Industrial Products & Services - \$10.5B
1.1 IT Software	2.1 Business Administration Services	3.1 Security Animals & Related Services	4.1 Construction Related Materials	5.1 Machinery & Components
1.2 IT Hardware	2.2 Legal Services	3.2 Security Systems	4.2 Construction Related Services	5.2 Fire/Rescue/Safety/Environmental Protection
1.3 IT Consulting	2.3 Management Advisory Svcs (excl. R&D)	3.3 Security Services	4.3 Facility Related Materials	5.3 Equipment
1.4 IT Security	2.4 Marketing and Distribution		4.4 Facility Related Services	5.4 Hardware & Tools
1.5 IT Outsourcing	2.5 Public Relations and Professional Communications Services		4.5 Facilities Purchase & Lease	5.5 Test & Measurement
1.6 Telecommunications	2.6 Real Estate Services			5.6 Supplies
	2.7 Trade Policy and Services			5.7 Industrial Products Install/Maintenance/Repair/Rebuild
	2.8 Technical & Engineering Svcs (non-IT)			5.8 Basic Materials
	2.9 Financial Services			5.9 Oils, Lubricants, and Waxes
	2.10 Social Services			
6. Office Management - \$1.9B	7. Transportation and Logistics Services - \$26.8B	8. Travel & Lodging – \$2.7B	9. Human Capital – \$4.1B	10. Medical – \$36.0B
6.1 Office Management Products	7.1 Package Delivery & Packaging	8.1 Passenger Travel	9.1 Specialized Educational Services	10.1 Drugs and Pharmaceutical Products
6.2 Office Management Services	7.2 Logistics Support Services	8.2 Lodging	9.2 Vocational Training	10.2 Medical Equipment & Accessories & Supplies
6.3 Furniture	7.3 Transportation of Things	8.3 Travel Agent & Misc. Services	9.3 Human Resources Services	10.3 Healthcare Services
	7.4 Motor Vehicles (non-combat)			
	7.5 Transportation Equipment			
	7.6 Fuels			



Why do We Need Category Management?

To reduce contract duplication which:

- ✓ Creates extra costs to Federal agencies and to vendors
- ✓ Disproportionately affects small businesses
- ✓ Forces agencies to focus needed resources on redundant actions that take away from larger and more important efforts
- ✓ Lessens agencies' abilities to take advantage of savings potential



What is the Goal of Category Management?

Under category management, the Federal Government will "buy as one" by creating common categories of products and services across agencies and manage each category as a mini-business with its own set of strategies, led by a Category Manager and supporting senior team with expertise in their assigned category.



What is SUM and What is BIC?

Spend Under Management (SUM) is the percentage of an organization's spend that is actively managed according to category management principles. OMB defines SUM as spend on contracts that meet defined criteria for management and data-sharing maturity.

Best in Class (BIC) are Government-wide acquisition vehicles that satisfy key criteria defined by OMB. Interagency category teams have worked to designate over 30 BICs to reduce the effort buyers spend in finding acquisition solutions. BIC spend is a subset of SUM.



How Does OMB Evaluate Agency Spend to Determine SUM?

OMB uses a tiered rating scale and considers Tier 3 to be of greatest value and Tier 1 to be of least value. SUM is the total of Tiers 3,2, and 1. Tier 0 spend is not included in SUM consideration.

- Tier 3 (BICs) – offers the best pricing, terms and conditions within the Federal marketplace and reflects acquisition vehicles with the strongest management practices
- Tier 2 (multi-agency solutions) – reflects strong contract management practices, including data and information sharing across agencies with cross-agency metrics
- Tier 1 (mandatory agency-wide solutions) -- has mandatory use considerations, standards set for data and information sharing, strong management practices, and uses metrics that are defined, tracked, and publicized
- Tier 0 (decentralized spend unaligned with CM) – not conforming to CM principles that include strategic oversight, disciplined consideration of performance data to understand prices paid, and creation of metrics to gauge and improve results.



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What is OMB Memo 19-13?

OMB Memo 19-13, March 20, 2019 is the latest policy guidance concerning Category Management:

<https://www.whitehouse.gov/wp-content/uploads/2019/03/M-19-13.pdf>



What is the Policy Framework Established by M19-13?

1. Annually establish plans to reduce Tier 0 spend, and increase use of BIC vehicles “consistent with small business and other socioeconomic responsibilities”
2. Develop effective industry engagement and vendor management strategies to manage performance and explore opportunities for efficiencies
3. Use demand management strategies – what and how the Agency buys – to eliminate inefficient purchasing and consumption behaviors
4. Share prices and related data across the Government to identify quality, value of products and services when making purchase decisions
5. Train and develop the acquisition workforce in CM principles and practices.



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What are the Basic Annual Challenges for FEMA?

1. Meet the SUM performance goal
2. Meet the BIC performance goal
3. Meet all Small Business performance goals
4. Plan and conduct efforts to find opportunities to shift Tier 0 spend to higher Tiers.



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What Website is the Government's Official Portal for Category Management?

GSA's Acquisition Gateway Category Hallways link:

<https://hallways.cap.gsa.gov/homepage/welcome.php>

A MAX registration is mandatory and can be performed on the sign-in page.



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What Document Explains the Process of Category Management?

“Government-Wide Category Management Guidance Document - Version 1.0”,
May 21, 2015

- to provide guidance for the governance, management and operations of category management, taking into consideration the inherent complexities of a Federal-wide initiative:

https://hallways.cap.gsa.gov/information/Gov-wide_CM_Guidance_V1.pdf



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What Action Mandates the Use of Category Management in the Federal Government?

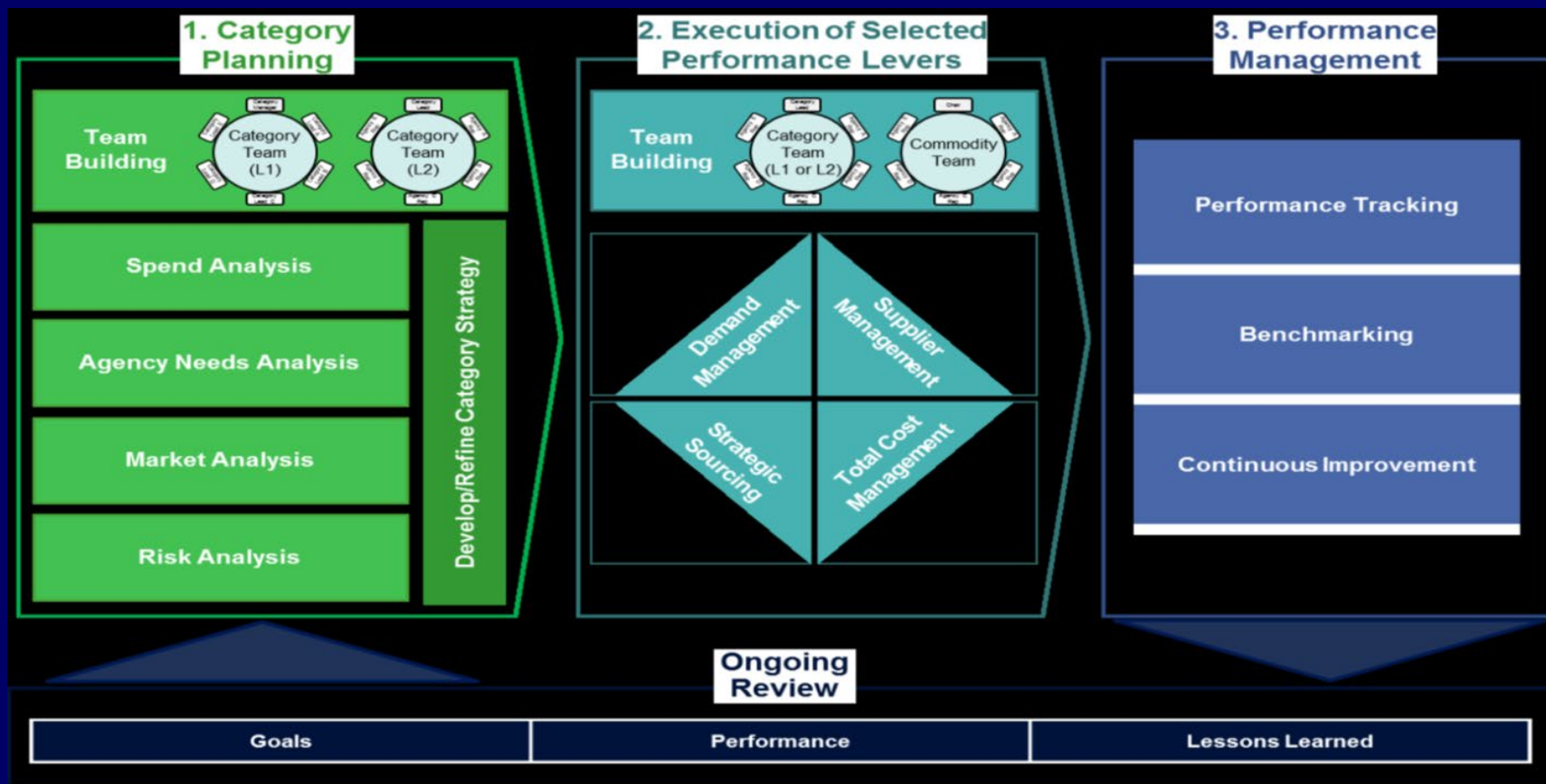
“Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings” Dec. 04, 2014

- Memorandum from OMB -- signed by Anne Rung, Administrator for the Office of Federal Procurement Policy (OFPP):

<https://obamawhitehouse.archives.gov/realitycheck/blog/2014/12/04/transforming-marketplace-simplifying-federal-procurement-improve-performance-drive-i>

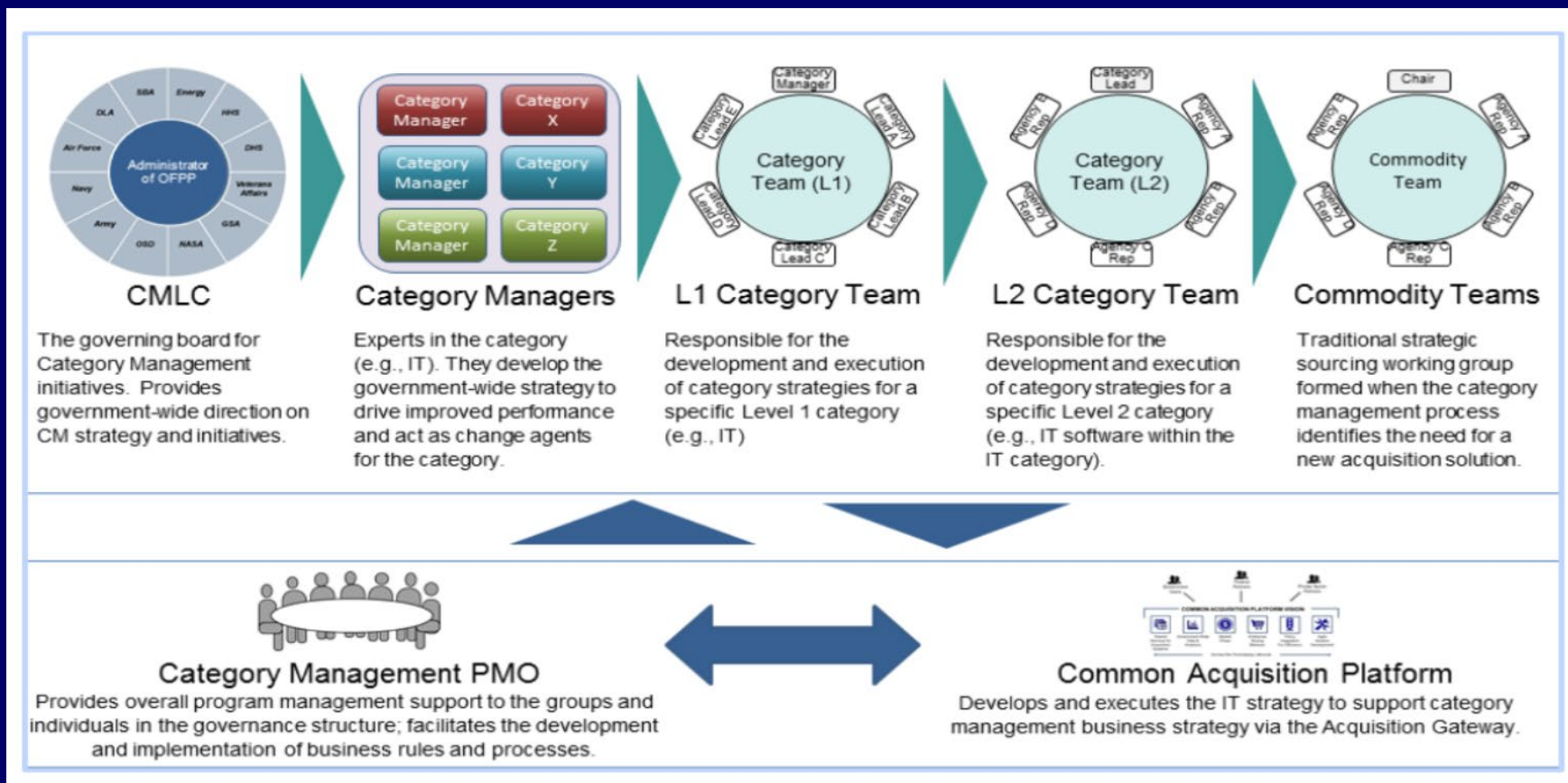


Category Management – Operating Model





Category Management Roles and Governance





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The End

To learn more about Small Business and Category Management please
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