



U.S. Small Business  
Administration

# What's New from SBA?

SAME Mobile Post  
Industry Day Workshop

October 16, 2024



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# [Agenda

- Statistics
- Regulations
- Other News

# STATISTICS



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# 2023 Small Business Profile

U.S. SMALL BUSINESS ADMINISTRATION  
**OFFICE OF ADVOCACY**

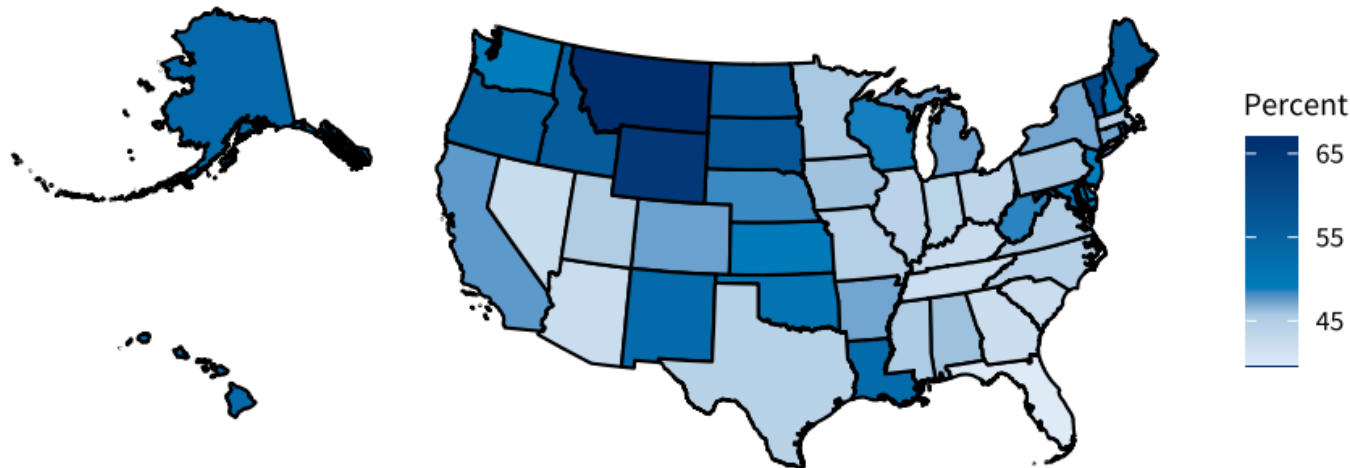
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## United States

**33.3 million** small businesses  
**99.9 percent** of US businesses





**61.6 million** small business employees  
**45.9 percent** of US employees

Small Businesses  
in the United  
States



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## Small business count by size and industry

				
Industry	Without employees	1-19 employees	20-499 employees	All small businesses
Professional, Scientific, and Technical Services	3,689,878	784,970	52,089	4,526,937
Construction	2,879,156	675,352	61,687	3,616,195
Other Services (except Public Administration)	2,811,836	658,721	45,604	3,516,161
Transportation and Warehousing	3,189,090	180,919	21,462	3,391,471
Real Estate and Rental and Leasing	2,988,448	325,375	13,133	3,326,956
Administrative, Support, and Waste Management	2,554,511	313,759	39,298	2,907,568
Retail Trade	2,256,913	575,378	55,089	2,887,380
Health Care and Social Assistance	2,008,189	574,291	92,290	2,674,770
Arts, Entertainment, and Recreation	1,339,293	120,291	17,072	1,476,656
Accommodation and Food Services	491,813	418,167	124,706	1,034,686
Finance and Insurance	758,239	223,670	15,562	997,471
Educational Services	760,552	77,641	19,632	857,825
Wholesale Trade	393,682	239,122	39,339	672,143
Manufacturing	356,971	178,210	57,373	592,554
Information	334,717	72,997	10,121	417,835
Agriculture, Forestry, Fishing and Hunting	255,956	20,573	1,385	277,914
Mining, Quarrying, and Oil and Gas Extraction	67,754	14,372	2,978	85,104
Utilities	14,989	4,740	1,236	20,965
Management of Companies and Enterprises	*	5,226	13,068	18,294
Industries not classified	*	13,939	42	13,981
<b>Total</b>	<b>27,151,987</b>	<b>5,471,736</b>	<b>647,921</b>	<b>33,271,644</b>

\* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2020 (Census); [Statistics of US Businesses](#), 2020 (Census)

## Small Businesses in the United States



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## 2023 Small Business Profile

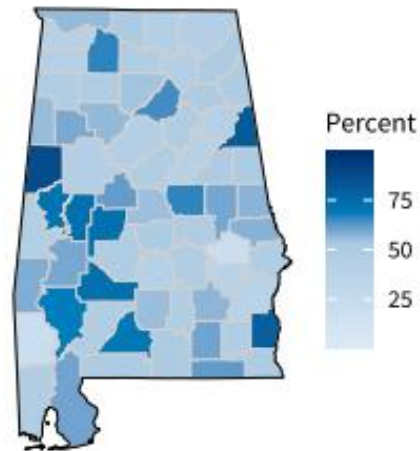
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# Alabama

**422,586** small businesses  
99.4 percent of Alabama businesses

**818,235** small business employees  
46.0 percent of Alabama employees



**Share of employees working at small businesses by county**





Source of original data: [Statistics of US Businesses](#) (Census)

## Small Businesses in Alabama



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## Small business count by size and industry

Industry	 Without employees	 1–19 employees	 20–499 employees	 All small businesses
Other Services (except Public Administration)	48,948	9,289	739	58,976
Construction	45,890	6,798	921	53,609
Administrative, Support, and Waste Management	46,187	3,113	530	49,830
Professional, Scientific, and Technical Services	36,436	7,378	748	44,562
Retail Trade	31,977	9,234	975	42,186
Real Estate and Rental and Leasing	35,885	3,137	223	39,245
Health Care and Social Assistance	23,159	6,325	1,312	30,796
Transportation and Warehousing	26,657	2,031	380	29,068
Arts, Entertainment, and Recreation	13,085	921	189	14,195
Accommodation and Food Services	7,154	4,535	1,570	13,259
Finance and Insurance	8,534	2,563	294	11,391
Educational Services	9,003	640	186	9,829
Manufacturing	4,921	2,233	1,011	8,165
Wholesale Trade	4,837	2,557	754	8,148
Agriculture, Forestry, Fishing and Hunting	4,473	696	51	5,220
Information	2,902	539	130	3,571
Mining, Quarrying, and Oil and Gas Extraction	263	84	40	387
Utilities	169	63	29	261
Management of Companies and Enterprises	*	48	198	246
Industries not classified	*	149	0	149
<b>Total</b>	<b>350,480</b>	<b>62,272</b>	<b>9,834</b>	<b>422,586</b>

\* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2020 (Census); [Statistics of US Businesses](#), 2020 (Census)

## Small Businesses in Alabama



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# REGULATIONS



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# Subcontracting

Upcoming changes to **indirect costs** in subcontracting goals

## Current FAR language

- [FAR 19.704\(a\)\(6\)](#) “A statement as to **whether or not** the offeror included indirect costs in establishing subcontracting goals...”

## Current CFR language

- [13 CFR 125.3\(c\)\(1\)\(iv\)](#) “A prime contractor **must include indirect costs in its subcontracting goals if the contract exceeds \$7.5 million**. Below \$7.5 million, a prime contractor **may** include indirect costs in its subcontracting plan at its option.”



# Subcontracting

**SBA Final Rule**: Credit for **Lower Tier Subcontracting** ([88 FR 70339](#))

- Permits prime contractor to apply credit for subcontracts to SBs at lower tiers toward its subcontracting goals
  - Only for individual plans (not commercial, comprehensive, GWAC, multiagency).
  - Election recorded in the SCP
- Prime would incorporate lower-tier performance into subcontracting goals



# Subcontracting Payments

[NDAA FY24](#) **Section 862** makes three changes to the requirements for prime contractors in the payment of subcontractors:

- Prime contractors **shall** notify the contracting officer if a payment under a small-business subcontracting plan is more than 30 days (decreased from 90 days) past due (See 15 U.S.C. 637(d)(13)(B)(i));
- Contracting officer **may** enter or modify a prime's past-performance rating if the prime unjustifiably fails to make a full or timely payment to a subcontractor (See 15 U.S.C. 637(d)(13)(C)(ii)); and
- Primes are **required** to cooperate with CO, who **shall** consult the Director of Office of Small Business Programs to rectify unjustified failures pay a subcontractor in full and in a timely manner (See 15 U.S.C. 637(d)(13)(E)).



# Subcontracting

- Second Wednesday Subcontracting Plan **Training Sessions**
  - Compliance
  - Setting goals
  - Reporting
- No sessions in October and April
- POC: [Stephanie.Lewis@sba.gov](mailto:Stephanie.Lewis@sba.gov)
- Previous sessions can be viewed at  
<https://youtube.com/playlist?list=PLrwM1ZVcvDhab78HybaUQBNBPO3rP4q5P>



# NDAA for FY2024

[Pub. Law 118-31](#), Enacted 22 Dec 2023

- **Sect. 862**: Primes must notify KO if payment under a SB SCP is 30+ days past due; cooperate with KO
- **Sect. 863**: Increases SDVOSB goal to 5%
- **Sect. 864**: Eliminates self-certification for SDVOSB → applicable for prime and **subs** (effective 22 Dec 2024)
- **Sect. 865**: Requires DoD to consider past performance of a SB's affiliates



# SBA Final Rule: Loan Program

[89 FR 11703](#), Effective 18 Mar 2024

- Raises the 7(a) and 504 loan program's alternative size standards to:
  - \$20M in tangible net worth (previously \$15M)
  - \$6.5M in net income (previously \$5M)
- Raises the contract limit for SBA-guaranteed surety bonds to:
  - \$9M (previously \$6.5M)
  - \$14M for federal contracts if KO certified that such a guarantee is necessary (previously \$10M)
- Contact your local [SBA District Office](#) for more information



# FAR Final Rule: Order-Level Protests

[89 FR 61333](#), Effective 29 Aug 2024 (FAR 19.302(d)(1); 13 CFR 121.1004(a)(2))

- Provides processes and procedures for filing size and socioeconomic status protests for:
  - Partial set-asides and reserves under multiple award contracts
  - Orders set aside under unrestricted multiple award contracts
  - Orders placed under multiple award contracts where re-representation was requested
- Protest must be submitted within 5 business days of order award notification





# FAR Final Rule: Certification of SDVOSBs

[FAR 19.1403](#), Effective 1 Jan 2024

- KOs required to check SAM or SBA's Veterans Small Business Certification Program database ([veterans.certify.sba.gov](https://veterans.certify.sba.gov)) to determine whether the firm is an eligible SDVOSB to qualify for an SDVOSB set-aside or sole-source contract
- If firm found not eligible as SDVOSB by SBA, the firm must update its SDVOSB status in SAM.gov **within 2 days** of SBA's final decision.



# Facility Security Clearances (FCL)

## Notice 2024-01: JVs & Entity Determinations

- The purpose is to clarify issues between an SBA rule from 10/16/20 and a GAO decision from 8/27/21.
- The policy memo clarifies that an unpopulated JV will not have to hold a separate entity eligibility determination (EED) itself, though the partners to the JV must then hold EEDs.



# OTHER NEWS



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# Cybersecurity Maturity Mode Certification (CMMC)

## Resources for Small Businesses

- Project Spectrum - <https://www.projectspectrum.io>
  - Developed by the Department of Defense Office of Small Business Programs
- APEX Accelerators - <https://www.apexaccelerators.us/#/>
  - Contact your local APEX Accelerator
  - Attend online CMMC training
    - Look for upcoming live training



# MySBA Certifications

## [SBA Press Release 24-58](#)

- [MySBA Certifications](#)
  - One stop to apply for and manage federal contracting certifications
  - Spend less time applying with reduced paperwork and streamlined processes
  - Apply for multiple certifications at the same time
  - Access valuable resources to help them win contracts
  - More information
    - [Frequently Asked Questions](#)
    - [Fact Sheet](#)



# Goal Updates

- SDVOSB goal increased from 3% to 5% ([National Defense Authorization Act \(NDAA\) FY24](#) Section 863) for both prime and sub awards.
- SDB goal increased from 12% to 15% for FY25. [OMB Memo M-24-01](#)
- [FY2024 Goaling Guidelines](#)

Small Business Category	Small Business Procurement Goals
Small Business Concerns	Not less than 23% of the total value of all prime contract awards for each fiscal year.
SDBs	Not less than 13% of the total value of prime contract and not less than 5% subcontract awards for each fiscal year.
WOSBs	Not less than 5% of the total value of all prime contract and subcontract awards for each fiscal year.
SDVOSB	Not less than 5% of the total value of all prime contract and subcontract awards for each fiscal year.
HUBZone	Not less than 3% of the total value of all prime contract and subcontract awards for each fiscal year.



# Office of Government Contracting (GC)

Our mission is to assist small businesses in obtaining a fair share of Federal Government contracts, subcontracts and property sales.



*Office of Government Contracting*



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## PCR Contact Information

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