

## Contracting with Prudent under the 8(a) Program

Prudent Technologies, Inc. (Prudent) is an 8(a) certified firm under the Small Business Administration 8(a) program. Government Agencies can contract with Prudent directly using sole-source acquisition.

Sole source contracts are usually approved in a matter of days. Because the 8(a) program is a federal mandate, Federal Agencies get credit for the amount of work they issue to an 8(a) business.

### Benefits of the Program:

- 8(a) participants can receive sole-source contracts, up to a ceiling of \$3.5 million for services.
- Federal acquisition policies encourage Federal Agencies to award a certain percentage of their contracts to SDBs. To speed up the award process, the SBA has signed Memorandums of Understanding (MOUs) with Federal Agencies allowing them to contract directly with certified 8(a) firms.
- Recent changes permit 8(a) firms to form joint ventures and teams to bid on contracts. This enhances the ability of 8(a) firms to perform larger prime contracts and overcome the effects of contract bundling, the combining of two or more contracts together into one large contract.

**Opportunity 1: Sole-Source Directly to Prudent:** Any federal agency can identify work especially suited for Prudent under the 8(a) program and can set-aside the project without advertising in FedBizOpps. This allows the Federal Agency to directly award a professional service contract to Prudent without lengthy contracting delays.

If this option is chosen, the six-steps typically followed are:

- 1) The project manager or interested party identifies a statement of work, prepares a government estimate and earmarks funds.
- 2) The prepared contract documents must include the following statement:  
"Request procurement be made pursuant to Section 8(a) of the Small Business Act 15 U.S.C. 637(a) and in accordance with FAR 19.8."
- 3) Once the procurement request has been made, the Small Business Deputy or the Contract Officer prepares an offer letter or a proposed project form (FAR 19.804-2) and send it to the SBA:

Mr. Robert Fayne  
Business Opportunity Specialist  
Small Business Administration  
323 West 8th Street, Suite 501  
Kansas City, MO 64105  
816-426-4917

- 4) After the offering information is received and processed by the SBA, the process returns to the Contracting Officer who submits the Scope of Work and Request for Quotation to Prudent.
- 5) Prudent submits its proposal and the package is evaluated and negotiated (if necessary) by the agency.
- 6) The contract is awarded.

**Opportunity 2: Sole-Source IDIQ for Prudent.**

When an agency finds an 8(a) company that they would like to utilize on a regular basis, the agency might choose to award a sole-source IDIQ (Indefinite Delivery/Indefinite Quantity) contract. Preparation of this IDIQ is very cost-effective for the agency as it minimizes the length of time involved in contracting out individual task orders and it is not as costly and time-consuming to award as a competitive IDIQ. This type of contracting mechanism can be awarded very much like the sole-source contract described above.

**Subcontracting:** One of the goals of the 8(a) program is to allow 8(a) contractors, like Prudent, to expand their scope of services. Therefore, the 8(a) contractor is permitted to subcontract a portion of this work to other qualified firms. While subcontracting is restricted to maintain the integrity of the program, subcontracting limits can be as high as 85 percent, depending on the NAICS code. 8(a) contractors develop valuable relationships, while the client benefits from a qualified, experienced, well-rounded team.

**For Additional Guidance please contact:**

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