

July 29, 2014

The Honorable Claire McCaskill
Chairman, Subcommittee on Financial
and Contracting Oversight
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Madam Chair:

Administrator Maria Contreras-Sweet has asked me to respond to your recent letter regarding participation of Alaska Native Corporations (ANC) and Tribal entities in the U.S. Small Business Administration's (SBA) 8(a) Business Development (BD) Program.

As referenced in your correspondence, SBA regulations (13 CFR 124.109-111) were amended on March 14, 2011, to add provisions to restrict the ability of firms owned by ANCs, Tribes, Native Hawaiian Organizations (NHOs), and Community Development Centers (CDCs) to pass an 8(a) contract from one firm that it owns and operates to another. In addition, the regulations added provisions for reporting benefits to its members and/or communities during its SBA annual review submission as result of its participation in the 8(a) BD Program. In your letter, you requested specific information as it relates to joint venture contracts, reports filed by ANCs and Tribal entities, and SBA's oversight of the new joint venture rules. As requested, SBA provides the following information:

(1) A list of joint venture contracts awarded under the 8(a) program where an ANC or a tribal entity was a party from March 14, 2011, to present.

SBA reviewed the Federal Procurement Data System (FPDS), a database of Federal contract awards, from the period of March 14, 2011, to date and is providing in Attachments A and B¹ a summary of 8(a) ANC JVs and 8(a) Tribal JVs awards.

(2) All reports filed by ANCs and tribal entities detailing the amount of benefits flowing back to their communities from March 14, 2011, to present.

In Fiscal Year FY 2012, as part of the annual review submission, the 8(a) BD program required each Participant owned by a Tribe, ANC, NHO or CDC to submit to SBA information showing how the Tribe, ANC, NHO, or CDC has provided

¹ Several of the referenced contract awards were awarded prior to the March 14, 2011 report date.

benefits to the Tribal or native members and/or the Tribal, native or other community due to the Tribe's/ ANC's/ NHO's/ CDC's participation in the 8(a) BD Program through one or more firms. The firms reported varied benefits such as: 1) employee assistance, including preparatory classes, education reimbursement, internship programs and in-house internships; 2) health, social and cultural support, including in-school support programs, drug and alcohol treatment, individual and family crisis assistance, and after-school summer programs; and, 3) economic and community development, including establishment of non-profit organizations, such as a housing authority that provides quality housing for elders, individuals and families.²

(3) Information sufficient to show SBA's oversight of the new rules related to joint ventures and follow-on contracts for ANCs and tribal entities.

The SBA carefully monitors these relationships annually to ensure compliance with applicable rules, regulations and continued eligibility requirements, particularly those governing inspection of records and work performance. The SBA has recently revised its Annual Review form (SBA Form 1450) which also includes a more detailed Mentor-Protégé worksheet. This enhancement strengthens the reporting and oversight requirements on all 8(a) contract performance to include JVs. (Attachment C is SBA's Form 1450). In addition, SBA is currently updating its Standard Operating Procedures for the Program and conducting training for our Business Opportunity Specialists.

We appreciate your continued support of SBA and America's small business community. If you and your staff have any questions, please contact the SBA Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

John Shoraka
Associate Administrator
for Government Contracting and
Business Development

Attachments

² Data received on Benefits Reporting is provided to SBA in different formats from the ANCs and Tribes and this is a summary of the reports. At this time, we are working on a recommended format for reporting.