



TGIC Exchange Brief

Annual Small Business Update

Special Guests:

Mr. Carl Knoblock Small Business Administration (SBA) Richmond District Office Director

Ms. Shirelle Taliaferro, Small Business Administration (SBA) Richmond District Office Deputy Director,

Ms. Lisa Wood, Virginia PTAC Director

Mr. Terry Murphy, and Mr. Pat O'Donnell, Kaufman and Canoles, PC

Mr. Paul Hawkins, and Mr. Brad Reaves, Reaves Coley, PL

Moderator:

**Ms. Dasha E. Little
*Apogee Solutions***



Agenda

8:30 am	<u>Welcome and introductions</u>
8:35 am	<u>Program Overview</u>
8:37 am	<u>SBA District Office Updates</u>
9:05 am	<u>Small Business Updates</u>
9:20 am	<u>Virginia Procurement Technical Assistance Center</u>
9:35 am	<u>Small Business Updates</u>
9:50 am	<u>BREAK</u>
10:00 am	<u>Expert Panel Q&A and Discussion</u>
10:50 am	<u>Panel Wrap-up</u>
10:55-11:00am	<u>Closing Remarks</u>



Welcome and Introductions

Mr. Jeff Brunner



Ms. Dasha Little

Program Moderator



SBA District Office Updates

Impact of COVID-19

Mr. Carl Knoblock, Director

Ms. Shirelle Taliaferro, Deputy Director



U.S. Small Business
Administration

Impact of COVID-19 on the Federal Government and Contractors
Shirelle Taliaferro— Virginia District Office

Impact of COVID-19 on the Federal Government and Contractors

- “Family” Dynamics
- Transition of Operations
- Opportunities
- Challenges



Impact of COVID-19 on the Federal Government and Contractors



Fraud

Communication

The Unknown

Guidance and Flexibilities

- 8(a) Business Development Program Voluntary Suspension*
- HUBZone residency flexibility*
- HUBZone expedited certification process*
- Section 3610 of the CARES Act

*<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

Resources

- Payroll Protection Program
- Economic Injury Disaster Loan
- Debt Relief
- Loan Payment Deferment
- Grants

U.S. Small Business Administration

Virginia District Office:

Phone: 804.771.2400

Email: Richmond.Va@sba.gov

Website: www.sba.gov/va

SBA website: www.sba.gov

For local resources: www.sba.gov/local-assistance



Small Business Updates

CMMC and Section 889 Compliance

Mr. Terry Murphy
Mr. Patrick O'Donnell



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INTERIM DFARS

- Current DFARS 252.204-7012 (Safeguarding CDI & Cyber Incident Reporting) – must self-certify using NIST SP 800-171 at “basic”, “medium” or “high” security levels on “covered contractor information systems”
- New interim DFARS 252.204-7019 & 7020 (effective 11/30/20) clause requires contractors to allow Gov’t access to its facilities, systems, and personnel when higher-level reviews are required.



INTERIM DFARS (con't)

- For Contractors' self-assessment, must supply the following: system security plan name, CAGE code, summary of plan architecture, date of assessment, total score, and the date that all 110 NIST SP 800-171 security requirements will be met
- DoD will select contractors for Medium and High review post-award, based on the critical nature of the program involved or particular sensitivity of information being handled by the contractor. The interim rule states that DoD plans to assess 200 entities a year at the Medium level and 110 at the High level.



INTERIM DFARS (con't)

- The substance of DFARS 252.204-7020 must be flowed down to all subcontractors (except COTS suppliers)
- The clause also directs that prime contractors are required to ensure that applicable subcontractors (i.e., those that must meet NIST SP 800-171 requirements) have a current DoD Assessment posted in the [Supplier Performance Risk System \(SPRS\)](#) managed by the Defense Information Systems Agency



INTERIM DFARS (con't)

- Beginning November 30, 2020, contracting officers must confirm that an entity has an active SPRS Assessment in order to award a new contract or exercise an option under an existing contract, where the offeror or contractor is required to implement NIST *SP 800-171*.



CMMC

- The interim DFARS rule allows DoD to phase in CMMC.
- Jan. 2020 – DoD released official CMMC levels and requirements
- Feb 2020 – ongoing – Training of assessors (C3PAOs)
- Beginning in 2021, CMMC level 4 and 5 requirements and will imposed on small number of select programs
- Beginning 10/1/25, all contracts over the micropurchase threshold (except for COTS) will require C3PAO CMMC certification



CMMC (con't)

CMMC levels build upon one another. **Level 1** is the most basic, equivalent to the current FAR 52.204-21 (Basic Safeguarding of Covered Contractor Information Systems). **Level 2** has more requirements but not as many as **Level 3**, which includes **ALL** 110 NIST SP 800-171 requirements, plus an additional 20 CMMC practices and 3 CMMC processes. **Levels 4 and 5** represent a **significant increase** in complexity **and cost**



CMMC (con't)

- When included in current contracts, and in all cases prime contracts after 10/1/2025, DFARS 252.204-7021 clause is a mandatory flow down to subcontractors at all tiers – at “appropriate” CMMC level (1-5)
- The level of CMMC certification that will apply to a subcontractor will be based on the sensitivity of the information provided to the subcontractor



CMMC (con't)

- DoD has confirmed that the costs associated with DFARS and CMMC compliance are reimbursable under overhead accounts
- There may be state grant programs and federal small business funding to help defray costs associated with obtaining cybersecurity certifications



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Prohibition on Certain Telecommunications and Video Surveillance Equipment and Services – Section 889



- 2019 National Defense Authorization Act
 - Part A ([Section 889\(a\)\(1\)\(A\)](#))
 - Part B ([Section 889\(a\)\(1\)\(B\)](#))
- Interim Rules – Implementing Part B
 - July 14, 2020 [Interim Rule](#)
 - FAR 52.204-24
 - FAR 52.204-25
 - August 27, 2020 [Interim Rule](#)
- DNI [Waiver](#) for DoD
 - September 29, 2020
- Final Rule
 - August 2021 (est.)



- Issues
 - “Use”
 - “Reasonable Inquiry”
 - “Substantial or Essential Component of any System”
- Compliance Tips



Virginia Procurement Technical Assistance Center (PTAC)

***New Woman-Owned Small Business (WOSB)
Certification Requirement
& PTAC services***

Ms. Lisa Wood



Making Sense of WOSB/EDWOSB

LISA WOOD

STATEWIDE DIRECTOR OF THE VIRGINIA PTAC

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Myths About the Program

- I am third party certified, so I am set
- My third-party certifier will do this for me
- I am already in certify.sba.gov, I do not have to reapply
- I self certified in SAM, no other action is required

Creating Your Documents

All documents should:

- be saved in PDF format,
- no larger than 25MB each.
- Identify files with the following format: file name_year (i.e.: TaxDocument_2020).
- *Do not password protect files.*
- *Check documents before uploading to ensure correct content*



Small Business Updates

**SB Set-Asides and Consolidation of
Mentor Protégé Program and related
Joint Venture Changes**

Mr. Paul Hawkins
Mr. Brad Reaves

NEW SBA REGULATIONS

***Mentor Protégé, Joint Venture, Small Business, &
Recertification***

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REAVESCOLEY_{PLLC} 31

NEW Mentor Protégé Regulations

- Final Rule Issued on October 19, 2020 (**effective November 16, 2020**) [85 Fed. Reg. 66146](#)
- COMBINES 8(a) Mentor Protégé Program with the SBA's "All Small" Mentor Protégé Program
 - Separate 8(a) Mentor Protégé Program supervised and run by various SBA District Offices is ELIMINATED
- SBA now "will not count" a MPA Agreement terminated within 18 months against two (2) MPA lifetime limit
 - But, Protégé's must not abuse this option



NEW Joint Venture Regulations

- MOST SIGNIFICANT CHANGE – APPLIES TO ALL MENTOR PROTÉGÉ AND SET-ASIDE JOINT VENTURES
 - ELIMINATION of the “3 in 2” Rule for Joint Ventures
 - Novations can trigger start of two (2) year period
- For 8(a)’s – HUGE CHANGE – As of November 16, 2020, the SBA will NOT require District Office Approval for MP JV’s or 8(a) JV’s as long as the JV will be bidding on Competitive 8(a) set-aside work
 - SBA District Office Joint Venture approval still required for sole source 8(a) awards



NEW JV Regulations, cont.

- Clarification regarding Facility Clearances for Joint Ventures
 - New regulations on which JV members need FCL
 - Clarity on Administrative Personal serving as FSO's
- JV partners can now distribute ADDITIONAL PROFIT to small businesses (in excess of percentage of work performed)
- Confirms application of Limitations on Subcontracting exclusions to Performance of Work requirements
- Protégé must perform AT LEAST 40% of the work performed by the JV
 - Work by Similarly Situated Entity excluded in 40% calculation



Size Certification under MACs

- SBA updated its rules governing size determination under Multiple Award Contracts (MACs)
- Updated Rules for:
 - Set-aside Task Orders under *unrestricted* MACs
 - Set-aside Task Orders under *unrestricted* MACs that contain set-aside “pools”
 - Task Orders under *restricted* MACs
- Size/Status Protests allowed at the order level consistent with this new change to the rules



Size Recertification

- General Rule: size/status is determined at the time of final offer with price and carries through contract performance. Size/status recertification is required in certain instances (i.e. contract novation, merger/acquisition, long-term contracts).
- Changes:
 - What are the effects of an “other than small” recertification?
 - Size/status recertification for Joint Ventures
 - Size/status recertification after offer but prior to award
 - Size/status recertification for long-term contracts





Break



Expert Panel Q&A/Discussion

**Moderator: Ms. Dasha Little
Ms. Linda Owen**



Panel Wrap-up

Ms. Dasha Little



Closing Remarks

Mr. Jeff Brunner



**Thank you
for attending TGIC
Annual Small Business Exchange
Briefing**