

A GUIDE TO AWARDING SOLE-SOURCE CONTRACTS IN THE WOSB PROGRAM

Sole source authority was granted to women-owned small businesses (WOSBs) and economically disadvantaged women-owned small businesses (EDWOSBs) through the Women-Owned Small Business Federal Contracting Program in **Section 825** of the FY15 National Defense Authorization Act. The FAR Council adopted this statutory change effective December 31, 2015. The relevant portions of the CFR and FAR are noted here: FAR Subpart on WOSB/EDWOSB program: **FAR subpart 19.15**, CFR on WOSB/EDWOSB program: **13 CFR 127**. The WOSB/EDWOSB contracting program is also referred to as the 8(m) program – named after its section in the Small Business Act.

REQUIREMENTS FOR WOSB/EDWOSB SOLE SOURCE CONTRACTS

- 1. The contract is assigned to a WOSB/EDWOSB eligible NAICS code.** The WOSB/EDWOSB program is unique in that it is only applicable to contracts in certain NAICS codes. In addition, some NAICS codes are open to all WOSBs, while some are only available to economically disadvantaged WOSBs. Due to a recent SBA action, 85% of all NAICS codes are eligible for the program. A list of all NAICS codes is readily available [here](#).
- 2. The contract (including option years) is valued at \$7 million or less for manufacturing contracts or \$4.5 million or less for all other contracts.** Similar to other small business contracting programs, WOSB sole source contracts are limited to certain sizes. For manufacturing contracts (the 31-33 NAICS codes) the cap is \$7 million, while all other contracts have a cap of \$4.5 million.
- 3. The contract awarded to the WOSB/EDWOSB is at a fair and reasonable price.** The statute and regulations also require that the contract can be awarded at a “fair and reasonable price.” This term in federal contracting is described in the Federal Acquisition Regulation (FAR) Subpart 15.402 available [here](#).
- 4. The WOSB/EDWOSB has been determined a reasonable contractor with respect to performance.** The WOSB/EDWOSB performance on active and completed contracts indicates that they will be able to adequately perform the work.

REQUIREMENTS FOR WOSB/EDWOSB SOLE SOURCE CONTRACTS (CONT.)

5. The contracting officer does not have a reasonable expectation that offers will be received from two or more WOSB¹/EDWOSB² concerns. The statute requires that “the contracting officer does not have a reasonable expectation that offers would be received from two or more WOSB/EDWOSB concerns.” This requirement is often interpreted as applicable to a woman-owned company whose unique capabilities preclude all other federal contractors from providing similar goods or services. Not all contracting officers use this narrow definition. A WOSB/EDWOSB could be the only one with the past performance required, located in the geographic area required or possess the certifications/clearances required to perform the work. In addition to the WOSB/EDWOSB program, the HUBZone and Veteran Owned/Service-Disabled Veteran-Owned Small Business (SDVOSB) programs are required to meet the same justification criteria as the WOSB/EDWOSB for sole source awards.

¹ FAR 19.1506(b)(2) | ² FAR 19.1506(a)(2)

Where to Find Examples of Sole Source Awards to WOSBs/EDWOSBs

Go to the SAM.gov **Contract Opportunities** page and click “Advanced Search.” Under “Set-Aside” select WOSB, HUBZone or SDVOSB. Under “Notice Type” click on “Justification.” Since WOSB, SDVOSB and HUBZone sole source justification requirements are the same, broaden the search beyond the WOSB program. A strategy to understand sole source justifications by agency can be found by filtering through SAM.gov as described above or on the agency website.



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