

**U.S. Small Business Administration  
Washington, DC 20416  
Office of Government Contracting**

**October 2010**

**FACT SHEET**

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**Women-Owned Small Business (WOSB) Program**

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The Small Business Act authorizes contracting officers to specifically limit, or set aside, certain requirements for competition solely amongst women-owned small businesses (WOSBs) or economically disadvantaged women-owned small businesses (EDWOSBs). This is referred to as the WOSB Program. These procurement mechanisms are meant to increase Federal contracting opportunities for WOSBs and to assist agencies in achieving their women-owned small business goals. These procedures are implemented in SBA's regulations, which can be found at 13 C.F.R. part 127. Although the SBA has issued a final rule on the WOSB program, the rule will not be effective for several months. In the interim, the SBA can work with the Federal Acquisition Regulatory Council and others in implementing the rule in the Federal Acquisition Regulations (FAR) and contracting systems.

This fact sheet provides a basic overview of the program. The SBA intends to issue a Small Business Compliance Guide that will provide more detailed information about the program.

**Economically Disadvantaged Women-Owned Small Business**

An Economically Disadvantaged Women-Owned Small Business (EDWOSB) is a small business concern that is at least 51 percent directly and unconditionally owned and controlled by one or more women who are citizens (born or naturalized) of the United States and who are economically disadvantaged. The EDWOSB automatically qualifies as a women-owned small business eligible for the WOSB Program.

A woman is presumed economically disadvantaged if she has a personal net worth of less than \$750,000, her adjusted gross yearly income averaged over the three years preceding the certification does not exceed \$350,000, and the fair market value of all her assets (including her primary residence and the value of the business concern) does not exceed \$6 million.

### **Women-Owned Small Business**

A Women-Owned Small Business (WOSB) is a small business concern that is at least 51 percent directly and unconditionally owned and controlled by one or more women who are citizens (born or naturalized) of the United States.

### **Eligibility Requirements**

To qualify as an EDWOSB or WOSB, the 51 percent ownership must be unconditional and direct. In addition, the management and daily business operations of the concern must be controlled by one or more economically disadvantaged women (for EDWOSBs) or women (for WOSBs). Control means that both the long-term decision making and the day-to-day management and administration of the business operations must be conducted by one or more economically disadvantaged women (for EDWOSBs) or women (for WOSBs). Further, for EDWOSBs, the economically disadvantaged woman must hold the highest officer position, manage it on a full-time basis, and devote full-time to the business concern during the normal working hours of the business concern in the same or similar line of business. For WOSBs, the woman must hold the highest officer position, manage it on a full-time basis, and devote full-time to the business concern during the normal working hours of the business concern in the same or similar line of business.

In addition, the woman who holds the highest officer position may not engage in outside employment that prevents her from devoting sufficient time and attention to the daily affairs of the concern to control its management and daily business operations. Although, the woman manager need not have the technical expertise or license required, she must nonetheless demonstrate that she has the ultimate managerial and supervisory control over those who possess the required licenses or technical expertise.

### **Certification**

A WOSB or EDWOSB must: (1) be certified by a Federal agency, a State government, or a national certifying entity approved by the Administrator, as a small business concern owned and controlled by one or more women (referred to as a Third Party Certifier); or,

(2) certify to the contracting officer that it is a small business concern owned and controlled by women and provide adequate documentation, in accordance with standards established by SBA, to support such certification.

### **Self- Certification**

WOSBs and EDWOSBs will self-certify their status in the **Central Contractor Registration (CCR)** and the **Online Representations and Certifications Application (ORCA)** as other small businesses do.

WOSB or EDWOSB will also be required to post certain documents to the WOSB Program Repository.

### **Third-Party Certification**

The WOSB or EDWOSB may be certified by an SBA approved Third Party Certifier. The SBA will accept certifications from the U.S. Department of Transportation's (DOT) Disadvantaged Business Enterprise (DBE) Program, or by SBA as an 8(a) Participant. A copy of the third-party Certification must be provided to the WOSB Program Repository.

### **Eligible Industry Codes**

There are eighty-three NAICS codes designated as eligible for Federal contracting under the WOSB Program. There are forty-five NAICS codes in which WOSBs are underrepresented and thirty-eight NAICS codes in which WOSBs are substantially underrepresented. A complete listing of these codes can be found in the WOSB Federal Contract Program regulations which are available on the U.S. Small Business Administration's (SBA) website [www.sba.gov/wosb](http://www.sba.gov/wosb).

### **Responsibilities of the Contracting Officer**

Contracting officers may set aside solicitations to allow only EDWOSBs or WOSBs to compete. A contracting officer may set aside a requirement for WOSBs if:

- The North American Industry Classification Systems (NAICS) code assigned to the solicitation, invitation for bid, or quote is in an industry in which SBA has designated that WOSBs are substantially underrepresented.
- The contracting officer has a reasonable expectation that two or more WOSBs will submit offers. This is sometimes referred to as the "rule of two."

- The anticipated award price of the contract does not exceed \$5 million in the case of manufacturing contracts and \$3 million in the case of all other contracts.
- In the estimation of the contracting officer, the contract can be awarded at a fair and reasonable price.

A contracting officer may set aside a requirement for EDWOSBs if:

- The NAICS code assigned to the solicitation, invitation for bid, or quote is in an industry in which SBA has designated that WOSBs are underrepresented.
- The contracting officer has a reasonable expectation that two or more EDWOSBs will submit offers. This is sometimes referred to as the “rule of two.”
- The anticipated award price of the contract does not exceed \$5 million in the case of manufacturing contracts and \$3 million in the case of all other contracts.
- In the estimation of the contracting officer, the contract can be awarded at a fair and reasonable price.

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Additional information about the WOSB Program can be obtained by calling 1-800-U-ASK-SBA or visiting the website at [www.sba.gov/wosb](http://www.sba.gov/wosb)