



## **A Guide to Awarding Sole-Source Contracts in the WOSB Program**

[Section 825](#) of the FY15 National Defense Authorization Act provided agencies with statutory authority to award sole-source contracts to women-owned small businesses (WOSBs) through the WOSB Federal Contract Program. Until now, contracts could only be restricted to competition of two or more WOSBs. On September 14, 2015, the SBA promulgated a final rule governing the awarding of these contracts. The FAR Council's Interim Final Rule implementing sole source authority became effective on December 31, 2015. The relevant portions of the CFR and FAR are noted at the end of this document.

### **Four Requirements for WOSB Sole Source Contracts**

#### **1. Is the contract in a WOSB/EDWOSB eligible NAICS code?**

The WOSB 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 (EDWOSBs). A list of all NAICS codes in the program is readily available at:

[https://www.sba.gov/sites/default/files/2016\\_wosb\\_NAICS.pdf](https://www.sba.gov/sites/default/files/2016_wosb_NAICS.pdf)

[https://www.sba.gov/sites/default/files/2016\\_edwosb\\_NAICS.pdf](https://www.sba.gov/sites/default/files/2016_edwosb_NAICS.pdf)

#### **2. Is the contract (including options) valued at \$6.5 million or less for manufacturing contracts or \$4 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) that cap is \$6.5 million, while all other contracts have a cap of \$4 million. This is including all options on the contract. More on the specifics of the NAICS manufacturing codes can be found at: <http://www.census.gov/econ/manufacturing.html>.

#### **3. Can the contract be awarded to the WOSB/EDWOSB 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 common term in federal contracting is described in the Federal Acquisition Regulation (FAR) Subpart 15.4 available at: <https://www.acquisition.gov/?q=/browse/far/15>.

#### **4. In the determination of the contracting officer, is there a reasonable expectation that there is only one WOSB/EDWOSB that can perform?**

The final requirement for a sole-sourced contract in the WOSB program is the contracting officer's determination, through market research, that only one WOSB/EDWOSB can perform the requirement and that this firm will provide a fair and reasonable price (see #3).

Note: If it is determined that 2 or more WOSB/EDWOSBs can perform, the contract can be set-aside through the WOSB program.

**If these four questions are all answered "Yes", then the contract can be awarded to a WOSB/EDWOSB on a sole-source basis.**

FAR Subpart on WOSB program: 19.15

CFR on WOSB program: 13 CFR 127