

Does my small business qualify for US government contracts?

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When reading the newspaper on any given day, the number of articles that I come across about the government awarding multimillion dollar contracts to large businesses is overwhelming. The question that runs through most of my clients' minds is whether or not their businesses can qualify for government contracts. The answer for the majority of small business owners is yes.

The US government purchases approximately \$400 billion a year in goods and services from private companies. If the US government determines that these contracts can be fulfilled by a small business, these contracts are "set aside" for registered small businesses.

To discover whether your small business qualifies to be deemed a "Small Business" by the Small Business Administration or "SBA", it is typically determined by the size of the business, or the annual receipts of the business for the last three years. In addition, the SBA usually looks for the following qualifications:

Is a for profit Corporation or Limited Liability Company;

Has a place of business located in the US;

Operates primarily within the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor;

Is independently owned and operated; and

Is not dominant in its field on a national basis

If your business meets these requirements, generally speaking, this allows your business to register to qualify as a small business with the SBA, thereby allowing you the opportunity to bid on and obtain government contracts.

New Jersey and most states also allow you to qualify to obtain government contracts as a small business owner by meeting similar criteria.

The benefits of becoming a government contractor are great, even though the process of completing all the necessary forms to qualify to be registered as a small business with the US government and your local state government can take time and be complicated to a first-time government contractor. Therefore, I can't stress enough the importance of obtaining the assistance of individuals experienced with government contracts, such as an attorney knowledgeable in this area, to prevent you from being denied as a government contractor. As someone who has qualified many businesses to be qualified to be government contractors, feel free to email me with your questions at David@weinsteinlawyer.com.

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