

## SAMPLE SBA 8(a) Joint Venture Agreement

### Joint Venture Agreement

ABC Company, Inc. and DEF Company, Inc. (Trading as ABCDEF Company, LLC)

(13 CFR 124.513 (c)(1)): A provision sets forth the purpose of the JV.

1.0 Purpose. The purpose of the Venture shall be to bid upon RFP T1234-56-789012 and, if successful, to enter into and consummate that certain construction services for the U.S Department of the Treasury for the base period of the contract, and options, totaling not more than 4 months from contract award date.

(13 CFR 124.513 (c)(2)): A provision designating an 8(a) Participant as the Managing Venturer.

2.0 Project Manager. Ms. Jennifer Nail has been selected as the Project Manager for this contract and is an employee of ABC Company, Inc. ABC Company is the managing venturer in this agreement. Ms. Nail shall be responsible for contract performance, overseeing the job-site, reporting to and implementing the instructions of the Managing Director, preparing a daily written log detailing all developments and aspects of the job, and submitting such log to the Managing Director at his request.

(13 CFR 124.513 (c)(3)): A provision stating that not less than 51 percent of the net profits earned by the JV shall be distributed to the 8(a) participant.

3.0 Distributive Share. The net operating income and net operating loss of the venture shall be allocated between and shared by the venturers in proportion to their Percentage Ownership Interests, as set forth in Section 4.0.

4.0 Percentage Ownership. Each venturer's respective interest in the Venture (hereinafter called "Percentage Ownership Interest") is ABC Company, Inc. – 51% and DEF Company, Inc. – 49%.

(13 CFR 124.513 (c)(4)): A provision providing for the establishment and establishment of a special bank account.

5.0 Bank Accounts. The operating account ("Operating Account") shall be at XYZ Bank. The operating capital account shall be established in the name of the venture, ABC Company, Inc. and DEF Company, Inc. TRADING AS ABCDEF Company, LLC

joint venture. All receipts of the venture shall be deposited into its Operating Account. All checks drawn on the Operating Account will require two (2) signatures, one from each joint venturer. Each joint venturer may designate the person or persons who may sign on its behalf.

(13 CFR 124.513 (c)(5)): A provision itemizing all major equipment, facilities, and other resources to be furnished by each party to the joint venture, with a detailed schedule of cost or value each.

Computer- \$25,000  
Software- \$2,000  
Office space- \$213,000  
Vehicles- \$20,000

(13 CFR 124.513 (c)(6)): A provision specifying the responsibilities of parties with regard to contract performance, source of labor and negotiation of the 8(a) contracts.

7.0 Contract Oversight. ABC Company, Inc. (or) DEF Company, Inc. will have the right to visit the contract site to evaluate the contract performance.

8.0 Source of Labor. ABC Company has submitted the following staffing plan reflecting its method of generating appropriate staffing throughout the duration of this project.

**(REFLECT HERE ON HOW YOU WILL CREATE AND MAINTAIN A LABOR POOL THAT WILL BE UTILIZED WHEN NEW HIRES ARE REQUIRED THROUGHOUT THE DURATION OF CONTRACT PERFORMANCE)**

9.0 Negotiating 8(a) Contract Ms. Jennifer Nail will be responsible for negotiating the original 8(a) contract, should negotiations be required by the Department of the Treasury, and any other subsequent negotiations.

(13 CFR 124.513 (c)(7)): A provision obligating all parties to the joint venture to ensure performance of the 8(a) contract and to complete performance despite the withdrawal of any member.

10.0 Ensured Performance. ABC Company, Inc. and DEF Company are obligated to ensure performance of the 8(a) contract and to complete performance despite the withdrawal of any party (or incapacity or death of any principle in any party) to the joint venture.

(13 CFR 124.513 (c)(8)): A provision designating that accounting and other administration records relating to the JV shall be kept in the office of the managing venturer, unless approval to keep them elsewhere is granted by the District Director or his/her designee upon written request.

11.0 Books. Accounting and other administrative records including the venture's books, and any other records relating to the joint venture shall be kept and maintained at the office of ABC Company, Inc., with duplicate copy kept at the office of DEF Company, Inc. Each venturer shall during regular business hours have access to and may inspect and copy any and all such books and records. The Project Manager shall promptly send to each venturer copies of all reports, correspondence, documents and other information sent or received by the venture. SBA shall have authority to inspect the records of the venture at any reasonable deemed necessary time.

(13 CFR 124.513 (c)(9)): A provision requiring the final original records be retained by the managing venturer upon completion of the 8(a) contract performed by the joint venture.

11.0 Books. Accounting and other administrative records including the venture's books, and any other records relating to the joint venture shall be kept and maintained at the office of ABC Company, Inc.

(13 CFR 124.513 (c) (10)): A provision stating that quarterly financial statements showing cumulative contract receipts and expenditures (including salaries of the JV's principals) must be submitted to SBA no later than 45 days after each operating quarter of the JV.

12.0 Quarterly Financial Statements showing cumulative contract receipts and expenditures (including salaries of the joint venture principals) which shall be submitted to SBA not later than forty-five (45) days after each operating quarter.

(13 CFR 124.513 (c) (11)): A provision stating that a project-end profit and loss statement including a statement of final profit distribution must be submitted to SBA no later than 90 days after completion of the contract.

13.0 Within forty-five (45) days after the end of each fiscal year, an audited balance sheet prepared as of the close of such fiscal year, and an audited summary of ABCDEF Company, Inc. receipt and disbursements for the period ended.

(13 CFR 124.513(d)): Performance of work

14.0 Specific Responsibilities. ABC Company, Inc. shall perform, at a minimum, fifty-one percent (51%) of the total dollar amount of the labor portion of the project, consisting of custodial and management personnel staff. DEF Company, Inc. shall perform at a maximum of forty-nine (49%) of the total dollar amount of the labor portion of the project.

(13 CFR 124.513(e)): Prior approval by SBA

15.0 SBA must approve this joint venture prior to award of the subject 8(a) contract on behalf of the joint venture.

13 CFR 124.513(f): Contract execution

16.0 Subject to SBA, U.S. Department of the Treasury will execute an 8(a) contract in the name of ABC Company, Inc. and DEF Company, Inc. trading as ABCDEF Company, LLC. joint venture.

(13 CFR 124.513(g)): A provision specifying that the amendments to an approved JV shall be subject to prior approval by SBA.

17.0 Amendments to the agreement. Any changes to this agreement shall be in writing and approved by the SBA.

(12 CFR 124.513 (h)): SBA may inspect the records of the JV without notice at any time deemed necessary.

18.0 SBA may inspect the records of the JV without notice at any time deemed necessary.

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Ms. Jennifer Nail, President  
ABC Company, Inc.  
123 Sample Ave., Suite 123  
Anytown, Maryland 12345-6789

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Date

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Ms. Betty Hammer, President  
DEF Company, Inc.  
123 Example Ave., Suite 123  
Anothertown, Maryland 12345-6789

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Date