

Improve Small-Business Contracting

Small businesses deserve equal opportunities to participate in the federal marketplace

Problem:

The federal government has had a long history of missing its small-business contracting goal of 23 percent. Despite several important provisions passing in 2017 that will improve contracting for small firms, including a plain-language requirement, more can and should be done to ensure fairness for small firms within the federal marketplace. Lawmakers must push back against any cash-grab from larger companies to eliminate small-business set-asides.

- A report released in June 2014, by the U.S. Small Business Administration (SBA) Office of Advocacy, stated that the small-business procurement rate was below 23 percent in all the top industries except construction.
- Fiscal year (FY) 2013 marked the first time in nearly a decade the federal government reached its annual 23 percent small-business contracting goal, and it has met or exceeded that goal in the subsequent two years, reaching 25.75 percent in FY 2015. However, the subcontracting goal was missed in FY15, and actually decreased from 2014.
- Included in the Senate's version of the FY2016 National Defense Authorization Act (NDAA) were provisions that would enable the Department of Defense to count small-business subcontracts toward the agency's overall small-business prime contracting goals. The specific language was ultimately stripped, but likely to make a come-back in the 2017 NDAA.

Solution:

NSBA supports reasonable reforms and policies that promote and facilitate small-business participation in the federal marketplace.

- Increase the small-business federal contracting and subcontracting goal.
- Establish a consolidated, more streamlined registration process that small-business owners can use when registering for federal contracts.
- Eliminate fraud of awarding small-business federal contracts large companies through prompt prosecution and increased SBA authority to disbar.
- Strengthen SBA efforts to improve the quality and integrity of small-business contracting data.
- Terminate the practice of contract bundling
- Increase oversight authority for the Office of Management and Budget and raise the accountability for each agency's respective Office of Small and Disadvantaged Business Utilization so they report directly to the Agency head.
- Ensure appropriate treatment of subcontractors including: timely payment; addressing Miller Act waivers; and including the entire contract award when calculating the percentage of small-business subcontracts given out, not just those dollars that are subcontracted.
- Reject efforts to minimize or eliminate small-business set-asides in federal contracting

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