

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 effort from larger companies to eliminate small-business set-asides.

- According to the U.S. Small Business Administration (SBA) FY2016 Small Business Procurement Scorecard, while the overall small-business prime contracting goal of 23 percent was exceeded to the tune of 24.34 percent, it was down from FY2015 total of 25.75 percent. In fact, every contracting category except one—small-business subcontracting—was down in FY2016 from FY2015.
- Included in the Senate’s version of the FY2017 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 2018 NDAA, which will be marked-up by the House Armed Services Committee on June 28.
- NSBA’s 2016 Year-End Economic Report found that, when asked to rate 1-4 (4 being the most difficult) the average rating for “entering the federal marketplace” was a 3.
- NSBA data further found that less than one-third of subcontractors—where many small contracting firms start—receive payment within 30 days.

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 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 small-business set-asides in federal contracting.

Learn More:

[Read NSBA’s 2016 Year-End Economic Report](#)

[Read NSBA’s latest news on contracting](#)