

Federal Government Meets Small Business Contracting Goal for First Time in Nine Years

Posted At : August 19, 2014 9:47 AM | Posted By : Angie Petty

Related Categories: Small Business

Early this month, the SBA announced that the federal government met its 23% small business contracting goal, obligating over \$83 billion in prime contracts to small businesses in FY 2013.

This is the first time since 2005 agencies have obligated such a high percentage of contracting dollars to small businesses, despite financial challenges such as sequestration and constrained budgets. Agencies also met prime small business contracting goals in the areas of small disadvantaged business and service disabled veteran-owned small business, but fell short for women-owned small business and HUBZone goals. For small business subcontracting goals, agencies fell short by 2%, awarding 34% of subcontract work to small businesses versus the goal of 36%.

Overall, SBA gave the combined 24 cabinet-level agencies a grade of "A" for FY 2013 small business contracting. This is up from a B in FY 2013. Twenty agencies received the grade of "A" or "A+" for meeting or exceeding a series of small business contracting goals. Three agencies received "B"s, while only one agency, Energy, received an "F." Energy struggles to meet small business goals, because so much of its spending goes to its national labs, which are not suitable for small business contracting. The departments of Interior and Transportation performed well on the other end of the reporting scale, receiving "A+"s for their small business contracting achievements.

John Shoraka, SBA's Associate Administrator of Government Contracting and Business Development, credits a large part of the success to the administration's commitment to achieving small business contracting goals. "There's been a laser-like focus with respect to small business procurement from the White House." Additionally, the Small Business Procurement Council held regular meetings on the goals to hold agencies accountable.

Congress is considering increasing the small business contracting goal even higher, to 25% and hiking the subcontracting goal to 40%, meaning nearly another \$10 billion that would need to be awarded annually to small businesses.