

## 2010 Small Business Procurement Data Shows Significant Progress toward 23 Percent Federal Contracting Goal

Small Businesses Received a Record High, Nearly \$100 Billion in Contracts

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WASHINGTON - The federal government awarded nearly \$100 billion in federal contracts to small businesses in Fiscal Year (FY) 2010, showing an increase in federal prime contract dollars to small businesses for the second straight year after four years of decline.

The U.S. Small Business Administration announced today that in FY 2010 (Oct. 1, 2009 - Sept. 30, 2010), small businesses won a record \$97.95 billion in federal contracts, or 22.7 percent of eligible contracting dollars. This marks the largest single year increase in more than five years, and is a significant improvement over FY 2009, when 21.9 percent of contracting dollars were awarded to small businesses.

Performance in four out of five of the small business prime contracting categories showed marked improvement, with increases in contract dollars and also in performance against statutory goals. Over the past year, SBA has increased its efforts and collaboration with federal agencies to provide increased opportunities for small businesses to compete for and win federal contracts.

"When the federal government gets contracts into the hands of small businesses, it is a 'win-win' situation: small businesses have the opportunity to grow and create jobs and the federal government gets access to some of the most innovative and nimble entrepreneurs," said SBA Administrator Karen G. Mills. "We are proud of the achievement the government has made in, but are determined that the government will meet and exceed the goal. SBA is focused on a number of key initiatives to help increase small business contracting opportunities, as well as combat fraud, waste or abuse. These efforts will ensure the benefits of our programs continue to go to the intended recipients."

Additionally, the SBA released the FY 2010 Small Business Procurement Scorecards, which provides an assessment of each agency's yearly small business contracting achievement against its goal with a grade A through F. Ten agencies' grades increased from FY 2009, 10 agencies' grades stayed the same and four agencies' grades decreased. The agency breakdown is as follows:

- 13 agencies received an "A"
- 5 agencies received a "B"
- 4 agencies received a "C"
- 2 agencies received a "D"

The federal government received a “B” on the government-wide Scorecard, just less than one point short of an “A”. This grade reflects significant efforts by federal agencies toward meeting the 23 percent statutory goal, but indicates the need for continued improvement.

The FY 2010 Goaling Report and Scorecards also reflect efforts to strengthen the integrity of the contracting data and more thoroughly address errors. While each federal agency is responsible for ensuring the quality of its own contracting data, SBA conducts additional analyses to help agencies identify potential data anomalies. As part of its ongoing data quality efforts, the SBA is working with federal agency procurement staff to provide tools to facilitate review of data, implement improvements to procurement systems and conduct training to improve accuracy.

Over the past year, SBA has been focused on a number of initiatives to help the government meet the 23 percent goal, ensure the accuracy of data and prevent waste, fraud or abuse, including:

- Implementation of the Small Business Jobs Act of 2010 – The Act included 19 provisions related to increasing opportunities for small business contracting and minimizing fraud, waste or abuse in the programs. One of the key provisions is related to work force training to ensure that the procurement work force receives adequate training on small business programs.
- Interagency Task Force on Federal Contracting Opportunities for Small Businesses – The President established a Task Force to identify recommendations to increase opportunities for small businesses to compete for and win federal contracts. The Task Force developed 13 recommendations, which SBA is in the process of implementing.
- Collaboration with White House and Senior Agency officials – SBA is collaborating with the White House to ensure senior officials at each agency are aware of their role in meeting the government-wide small business contracting goal and holding them accountable to the goals.
- Women-Owned Small Business Federal Contract Program – This new program will allow contracting officers to set-aside contracts for women-owned small businesses for the first time in fiscal year 2011.
- Revised 8(a) Business Development Regulations – SBA recently published new regulations for this program for the first time in over a decade. These revisions will help ensure the benefits of the 8(a) program go to the intended recipients. SBA is in the process of implementing these revisions.

Small Business Goaling Summary Report

Category		2010 Goal	2010 % \$	2009 % \$	2009 % \$
Small Businesses	23%	22.66%	\$97.95 billion	21.89%	\$96.83 billion
Women Owned Small Businesses	5%	4.04%	\$17.46 billion	3.68%	\$16.29 billion

### Small Disadvantaged

Businesses 5% 7.95% \$34.39 billion 7.57% \$33.48 billion

### Service-Disabled

#### Veteran Owned

Small Businesses 3% 2.50% \$10.79 billion 1.98% \$8.78 billion

#### HUBZone

3% 2.77% \$11.97 billion 2.81% \$12.41 billion

### About the Scorecard

The annual Scorecard is an assessment tool to (1) measure how well federal agencies reach their small business and socio-economic prime contracting and subcontracting goals, (2) provide accurate and transparent contracting data and (3) report agency-specific progress. The prime and subcontracting component goals include goals for small businesses, small businesses owned by women, small disadvantaged businesses, service-disabled veteran-owned small businesses, and small businesses located in Historically Underutilized Business Zones (HUBZones).

Every two years, the SBA works with each agency to set their prime and subcontracting goals and their grades are based on the agreed upon goals. Each federal agency has a different small business contracting goal, determined annually in consultation with SBA. SBA ensures that the sum total of all of the goals exceeds the 23 percent target established by law.

Each agency's overall grade will show an A+ for agencies that meet or exceed 120 percent of their goals, an A for those between 100 percent and 119 percent, a B for 90 to 99 percent, a C for 80 to 89 percent, a D for 70 to 79 percent and an F for less than 70 percent. An agency's overall grade was comprised of three quantitative measures: prime contracts (80 percent), subcontracts (10 percent) and its progress plan for meeting goals (10 percent).

The individual agency scorecards released today by SBA, as well as a detailed explanation of the scorecard methodology, is available online:

<http://www.sba.gov/content/small-business-procurement-goaling-scorecards>.