

Procurement chief defends Obama's commitment to small business

By Charles S. Clark cclark@govexec.com October 24, 2011

A proposed [rule](#) to curb agencies' little used capacity to offer higher payments to needier contractors "will have *no impact* on the government's ability or commitment to drive contracting opportunities for small disadvantaged businesses," Dan Gordon, administrator of the White House Office of Federal Procurement Policy, said Friday.

In a [blog post](#) for the [Office of Management and Budget](#), Gordon sought to reassure some in the minority business community that a proposed regulation issued in September by the [Small Business Administration](#) is a routine "housekeeping" tool designed to catch the law up with a 2008 court ruling that declared such price premiums unconstitutional.

"The proposed rule in no way changes the fundamental policies, practices or programs that agencies have been using in recent years to achieve strong SDB participation in the federal marketplace, including the goal of awarding 5 percent of federal procurement dollars to SDBs," Gordon wrote.

The affected agencies -- the Defense Department, NASA and the U.S. Coast Guard -- have not used price premiums to attract disadvantaged small contractors in years, Gordon noted. But the administration has "been working with the [Minority Business Development Agency](#) to strengthen the bond between contracting, small business and program offices at every agency," Gordon wrote. "Since the beginning of [fiscal] 2009, agencies have awarded more than \$85 billion in contracts to SDBs, exceeding the goal of awarding at least 5 percent of contract dollars to SDBs." In fiscal 2010, he added, contract awards to small disadvantaged businesses accounted for 7.95 percent of all eligible contract dollars, "well above the goal."

Gordon's clarification came as the Obama administration readied a new set of executive actions designed to spur job creation in large and small businesses while Congress debates the president's larger proposed jobs package.

The perception among some that ending premium payments to disadvantaged businesses was a pullback in the administration's commitment was rejected by Molly Brogan, vice president of public affairs for the National Small Business Association. "At the end of the day, small businesses just want a level playing field," she told *Government Executive*. "Ensuring that small businesses -- including SDB businesses -- have a fair opportunity to compete for federal dollars ought to be the No. 1 goal. We don't believe this new rule will change [that] in any way."

Raul Espinosa, founder of a Jacksonville, Fla. - based university nonprofit called the Fairness in Procurement Alliance, which has been pressing for stronger rules on accelerating payments to small disadvantaged businesses, said he was grateful for the administration's overall effort, but worries it might be "lip service." Changes "will mean nothing unless they're codified into the federal acquisition regulation and referred to in actual contracts," he said.