

# 12 ways to level the playing field for small business gov contractors

From the OhMyGov! Op-Ed page

By [Raul Espinosa](#) Nov 09 2009, 01:27 PM

As founder of the Fairness in Procurement Alliance, I welcome President Obama's commitment to encouraging small businesses to contract with the government.

Small and disadvantaged business face real problems in accessing government contracts, though this is *not* due to not knowing about contracting opportunities. Awareness of opportunities exists, but frankly, most small businesses have given up because of a 'dysfunctional culture' that has allowed fraud and abuse in contracting to proliferate. It's no wonder that the statutory reservation of 23% for small businesses has yet to be met since Congress established it.

Small Business Administrator Karen Gordon Mills and Commerce Secretary Gary Locke, who have been tasked by the president with leveling the playing field in contracting, must consider doing far more than holding 200 matchmaking events in 90 days to encourage small businesses to contract with Uncle Sam.

Here are 12 major entrepreneurial recommendations that could immediately make a huge difference:

**1. Bring clarity through legislation to the *statutory small businesses priority over ALL federal programs*.** Congress intended for *all* contracts to be subject to the statutory set-aside provisions of the Small Business Act. There were no statutory exemptions written into the legislation.

**2. Remove the '*illegal exemptions*' (i.e., GSA and Foreign) from the Federal Acquisition Regulations.** These exemptions have been responsible for excluding \$640B in contracts over the last decade away from the statutory rights of small and disadvantaged businesses.

**3. Revamp and Strengthen the *Size Protest System* to make sure it can offer justice and compensation for the abuses of a broken and unfair procurement system.** I have just won two size protests against the same large business, and I have nothing to show for my victories. Equally as important, the violator has not been punished.

**4. Eradicate the abusive procurement practice referred to as '*unfair end-user justifications*.'** Agency heads can end the practice by holding those who request the purchases or 'end-users' accountable for disciplinary action when caught limiting competition or offering preferential treatment to their preferred brands or suppliers.

**5. Enforce the existing penalties for ‘size misrepresentation,’ which is fraud.** The penalties include jail terms, a minimum of \$500,000 in fines and debarment, but they are seldom enforced.

**6. Focus on using the large fines to fund a ‘legal center’ in the private sector to protect and defend the statutory rights of small businesses.** Attorneys could rely on the False Claims Act to protect our *own* territory!

**7. Prevent Agencies from taking credit for restricted contracts awarded to LARGE businesses to appear as if they were meeting their goals.** In this current fiscal year alone, the Fairness in Procurement Alliance uncovered \$4.01B in contracts awarded to 48 multi-billion dollar businesses.

**8. Investigate and eradicate the fraud and abuse affecting the 23% statutory small business reservation.** Our alliance has turned over to the SBA Office of Inspector General over a dozen cases, which, although small in dollar size, demonstrate the ‘dysfunctional culture’ that we’ve identified as the main culprit of unfair contracting.

**9. Isolate and protect all solicitations reserved for small businesses as *The Umbrella Initiative* has cleverly conceived.** The FPA Think Tank at the University of North Florida has conceived a plan, but bureaucrats have been unwilling to listen.

**10. Fund disparity studies and research at the state and local level to confirm how minorities and women are accessing local and state contracts.** FPA has a pilot project in place to track local and state contracts in Florida which could be replicated in other states.

**11. Rely on existing outreach networks such as the Small Business Development Centers (SBDC) and the Women Business Centers (WBC) to implement many of the entrepreneurial solutions that have been proposed.** FPA is pursuing, for example, a partnership with the Florida SBDC network to help roll out some of the projects *The Umbrella Initiative* has proposed.

**12. Encourage the Commerce Department and SBA to fund efforts which focus on eliminating barriers and opening-up state and local contracting opportunities (besides Federal) to help disadvantaged businesses contract with the government.**

President Obama is reviving the principles of P.L. 95-507 that have been ignored by bureaucrats for years. This public law was the catalyst for my own passion in fighting injustices in the procurement arena. "It is essential that we provide our Nation's small businesses with maximum practicable opportunity to participate in Federal Government contracting," Obama said.

Senator Mary Landrieu (D-La.) echoed this effort, saying, "As Chair of the Small Business Committee, I intend to move forward from this announcement with vigorous oversight to demand that all small businesses — including minority, women and veteran-owned firms — are on equal footing to receive their fair share of these contracts."

You, too, can contribute to the President’s commitment to ‘*level the playing field in government contracting.*’ Simply go to the **Google Moderator** website listed below, and post your

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