

Task force calls for reforms to ease small business contracting concerns

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A presidential panel is calling for major reforms of the government's small business contracting guidelines, procedures and regulations.

The Task Force on Federal Contracting Opportunities for Small Businesses on Wednesday [released its suggestions](#) for helping undersized firms break into the government marketplace and win federal contracts, strengthening procurement policies, enhancing training for acquisition officials and improving contracting data on federal websites.

Among its most significant proposals, the task force recommended the White House require agencies to reserve work on task-and-delivery order contracts or Multiple Award Schedule contracts for small businesses. Under existing policies, considerations for small business set-asides are made prior to the award of a contract. But acquisition policy officials have been reluctant to apply set-asides for individual orders, despite a 2008 legal opinion by the [Government Accountability Office](#), which supported the policy change.

"Existing tools that might help direct additional work toward small businesses, such as the consideration of socioeconomic status for schedule orders and partial set-asides for contracts, appear to be underutilized and misunderstood," the report said. "Many public comments offered to the task force voiced frustration over the continued failure of policy officials to tackle these issues."

The panel also suggested the [Small Business Administration](#) and the [Office of Management and Budget's](#) Office of Federal Procurement Policy issue guidance to prevent unjustified contract bundling; clarify rules for small business teaming; strengthen the requirements for developing small business subcontracting plans; review the quality of small business contracting data; and assess the impact of insourcing on small business contractors.

"While some work performed by small business contractors may need to be insourced if it is inherently governmental or is of a critical nature and the agency is at risk of losing control of its operations, the task force believes much of the work will continue to be performed by contractors, including small businesses," the report said.

President Obama [created the task force](#) in April. Several agencies, including OMB and [SBA](#), co-chaired the group.

"When a small business gets a federal contract, it's a win-win," SBA Administrator Karen Mills wrote Wednesday on the [White House blog](#). "The business gets the revenue it needs to grow and create jobs, and at the same time, the government benefits from working with some of the most diligent, innovative and responsive people in the world."

The task force also addressed concerns about the skills and capabilities of the acquisition workforce to implement small business guidelines. The report recommends revising core certification for procurement officials and requiring for the first time mandatory training on small business policies and regulations.

Industry has complained that the government's small business contracting goals have no teeth. For the past several years, the government has [missed its goal](#) of awarding 23 percent of all contracts to small businesses, but little to no enforcement was taken against underperforming agencies.

The task force encouraged the Obama administration to adopt a system of carrots and sticks, rewarding agencies and employees who successfully promote small business contracting with awards and recognition, and holding officials accountable when they fall short of their goals. The report does not, however, suggest repercussions for poor-performing agencies.

Industry officials credited the task force for addressing many top concerns, but some remain skeptical. "As long as the barriers to contracting with small businesses are allowed to exist and the laws that protect their rights are not enforced, agencies will continue to fail in their efforts at contracting with them," said Henry Thomas, co-founder of a think tank operated by the Fairness in Procurement Alliance, an association that advocates for small business contractors.

Among its most ambitious recommendations, the task force called for a systematic reorganizing and refunctioning of two leading government procurement websites. The panel suggested making [FedBizOpps](#), which provides industry with notice of upcoming contracts, a one-stop source for annual requirements forecasting, the posting of subcontracting opportunities, the outreach calendar of all federal agency matchmaking and training events and a directory of online agency small business resources.

The much-maligned [Federal Procurement Data System](#), which tracks all contracts, would receive an upgrade to enhance the use of its small business information. SBA unveiled on Wednesday its new [Small Business Contracting Dashboard](#), which breaks down spending by small business category from fiscal 2000 through fiscal 2009.

"Implementing these new tools and recommendations won't be easy," Mills said in the blog post. "But our message today is clear: We're going to build on what works in small business contracting. We're going to implement new tools to help more small businesses compete and win."

The task force will report to White House by the end of the year on progress with implementing the recommendations.