

FACT SHEET

Improving Accuracy of Business Coding for Contracts

The Small Business Administration's (SBA) mission is to strengthen the American economy via small businesses, and one of the SBA's primary goals is to ensure small businesses receive a fair portion of federal procurement dollars. The SBA takes pride in both its efforts and accomplishments of ensuring compliance with this goal. Since 2002, the SBA has taken many important steps to ensure that all of the dollars awarded in the name of small business go to small businesses. These important reforms include:

- **Improved Accuracy of Small Business Database.** The SBA improved the accuracy of data in the Dynamic Small Business Search (formally PRO-Net), purged large businesses from the database and limited listing to only those industry activities where a business qualifies as small. In late 2003, SBA removed 90, 000 firms from PRO-Net because their profiles had not been updated in over 18 months. For more information, please see http://dsbs.sba.gov/dsbs/dsp_dsbs.cfm
- **Improved Accuracy of Contractor Data.** SBA has reviewed its database update procedures to insure that data drawn from the government's official data repository (Central Contract Registry (CCR)) is always current and accurate. As a result of this review, firms must update CCR at least annually, thereby reducing the chances of having dated size information in the database. Entries in CCR will soon be examined by an automated check on small business status. The new on-line certifications and representations (ORCA) require contractors to review their CCR profile for accuracy before they submit a bid on a specific procurement. Please see <http://www.ccr.gov>.
- **More Timely Contract Data.** The Administration recently unveiled the Federal Procurement Data System - Next Generation (FPDS-NG). With direct contract writing systems, FPDS-NG reporting has the ability to be real time. Also, ORCA will be available to the public, so businesses can search each other's certifications throughout the year.
- **Closing of Certification Loopholes:** Thanks to new cooperation with GSA and OMB, SBA now requires small businesses to re-certify at the option period on multiple award contracts. Previously, they could retain their small business status for reporting purposes during the option period.
- **Novated Contracts Must Now Be Recertified.** One provision of the Agency's May 21, 2004 size rule that became effective on December 21, 2004, requires small business recertification on novated contracts. This will mean that recertification will occur when a small business contract is transferred to another firm. Please see SBA Press Release 04-87 of December 21, 2004.
- **Permitting Size Protests on Unrestricted Procurements.** Size protests are now allowed for procurements that were not necessarily reserved for small business. Previously, protests were generally limited to set aside contracts.
- **SBA Lists Large Firms on Website.** The SBA now lists on its web site businesses found to be other than small as the result of a formal size determination. Please see "Other Than Small Size Determinations" at <http://www.sba.gov/size>.

What's Next?

- **New Size Standards Regulations.** On December 3, 2004, SBA published an Advance Notice of Proposed Rulemaking on its size standards. The ANPRM seeks comment on a wide range of issues, such as simplifying size standards, calculating the number of employees, and the use of receipts-based size standards. Please see Federal Register, December 3, 2004, Volume 69, Number 232, pp 70197-70202.