



PRESS OFFICE

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SBA Scores Federal Small Business Procurement Efforts

Publicly available reports and scorecard increase transparency in small business contracting.

WASHINGTON – In an effort to increase the transparency and accountability in small business contracting, the U.S. Small Business Administration (SBA) released its first-ever Small Business Procurement Scorecard. The Scorecard will help agencies measure their achievements and progress in making contracting opportunities available to small businesses, improve the accuracy of contracting data regarding small businesses, and provide the public the opportunity to assess agencies' performance in meeting these goals.

“SBA's and the agencies' commitment to small business contracting results is unprecedented,” said Clay Johnson, Deputy Director for Management at the Office of Management and Budget. “With clear, outcome-oriented goals, clear, realistically aggressive plans to achieve them, clearly defined accountability, and frequent tracking of performance, SBA and the agencies are saying they want to be held most publicly accountable for contracting with small business at desired levels.”

Small Business Goaling Report

SBA's Scorecard builds on a series of administration initiatives to improve small business access to federal contracts. At the request of the White House's Office of Federal Procurement Policy and SBA, federal agencies spent months reviewing 11 million contract actions from the last two years to cleanse the database of miscoded contracts. On June 30, federal regulations were changed. Contracts awarded to small companies acquired by large corporations will no longer count towards federal agency small business goals – even if the acquisition took place before the rule change.

After working with federal agencies to identify miscoding and anomalies in the contracting database, SBA released the annual Small Business Goaling Report for FY 2006, and revised the FY 2005 report. The Goaling Report shows that \$77.7 billion in federal contracts were awarded to small businesses in FY 2006, up \$2.7 billion from the previous year. The revisions reduce the share of contracts awarded to small businesses in 2005 \$4.6 billion from the previously-reported 25.4 percent to 23.4 percent. For 2006 the figure is 22.8 percent, just short of the small business procurement goal established by law at 23 percent.

“These changes – increased accuracy, transparency and accountability – provide a real window of opportunity for America's small businesses,” said SBA Administrator Steve Preston. “Almost \$5 billion in misreported contracts have been cleaned out of the small business database. To meet their goals in 2007 and beyond, federal agencies know they will have to place more new contracts with small businesses. SBA is also increasing its staff and technical assistance to help our federal partners meet their contracting needs.”

Administrator Preston cited the progress federal agencies have made towards meeting the five targeted sub-categories for small businesses procurement, as an example of what can be accomplished when agencies track progress towards small business goals.

“SBA is encouraged by the real gains made in every category in 2006.” Preston said. “Contracts to companies owned by service-disabled veterans increased by 50 percent, from \$2 billion to \$3 billion; contracts to women-owned businesses increased by a billion dollars; contracts to 8(a) companies rose by \$700 million, contracts to HUBZone companies were up \$1 billion. These are accomplishments that our federal partners can be proud of, but still recognizing” we still have more to do to reach our targets,” Preston said.

About the Scorecard

SBA rates 24 agencies green, yellow or red, both on whether they reached their annual small business contracting goals and on their progress on efforts to make contracting opportunities available to small businesses. To achieve a green rating a federal agency has to meet its overall small business contracting goal, as well as the goals for at least three of four subcategories. For their current status, seven agencies were rated green, five yellow, and 12 were red. In the second category, under “progress,” 12 agencies were rated green, eight were yellow, and four were red.

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. The Scorecard will be updated every six months and is publicly available on the SBA website at www.sba.gov.

“Small businesses play an important part in growing our nation’s economy, and this Scorecard will help the agencies achieve contracting results that will keep our small businesses strong,” said Administrator Paul Denett of the Office of Federal Procurement Policy (OFPP). “This new tool, along with better data in the goaling reports, will enable us to identify where we are strong and where need to improve.”

Small Business Goaling Summary Report

Category	Goal	2005 Previous	2005 Revised	2005 Revised \$\$	2006	2006 \$\$
Small Businesses	23%	25.4%	23.4%	\$75 billion	22.8%	\$77.7 billion
Small Disadvantaged Businesses	5%	6.9 %	6.5%	\$21 billion	6.8%	\$23 billion
Service-disabled Vets	3%	0.6%	0.6%	\$1.9 billion	0.9%	\$2.9 billion
Women	5%	3.3%	3.2%	\$10.2 billion	3.4%	\$11.6 billion
HUBZone	3%	1.9%	1.9%	\$6.2 billion	2.1%	\$7.2 billion
8(a)	N/A	3.3%	3.7%	\$11.8 billion	3.7%	\$12.5 billion

The goaling reports released today by SBA are available at <http://www.sba.gov/aboutsba/sbaprograms/goals/index.html>

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