



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416  
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OFFICE OF THE ADMINISTRATOR

OCT 31 2005

The Honorable John Kerry  
United States Senate  
Washington, DC 20510

Dear Senator Kerry:

Thank you for your letter of October 12, 2005, expressing concerns that Gulf region businesses be given the opportunity to participate as prime contractors in Hurricane Katrina relief.

While the Administration's top priority following a catastrophe, such as Hurricane Katrina, is to provide needed emergency services, the U.S. Small Business Administration (SBA) is committed to ensuring that small businesses receive fair opportunities to help in the rebuilding efforts.

Specifically, the SBA is working with the Department of Commerce and other Federal agencies to provide a central point of reference for businesses, especially minority-owned businesses and women-owned businesses, to register for and become aware of Federal contracting opportunities in the Gulf Coast. The National Hurricane Contracting Information Center (NHCIC) ensures that businesses understand the process and are aware of when opportunities become available. The SBA has assigned an employee on-site at the NHCIC to provide information to small businesses specifically seeking Hurricane Katrina prime and subcontracting opportunities. The SBA is tracking the number of inquiries nationwide.

Contracting information is being tracked by individual agencies through the Federal Procurement Data Center-Next Generation (FPDS-NG), the central repository of statistical information on Federal contracting. As of October 17, 2005, according to the data obtained from the FPDS-NG, the small business dollars obligated for Hurricane Katrina are well over the government-wide 23 percent goal. However, we believe this only represents a portion of the work that has been awarded to date. As you know, many contracting offices supporting Katrina relief particularly those relocated to the disaster recovery area, do not have access to their normal contract systems and have not been able to populate FPDS-NG contemporaneously with the contract awards they have made. Still, others have not had time to enter data due to the tempo of operations. As the operations tempo improves, we expect that the data will be entered and thus the accuracy in terms of total contracts awarded, and dollars obligated will increase.

In the meantime, the SBA continues to use a variety of resources to match small businesses with Hurricane Katrina contracting opportunities. Since February 2005, the SBA has increased by nearly 30 percent, the number of procurement Center Representatives (PCRs) stationed at

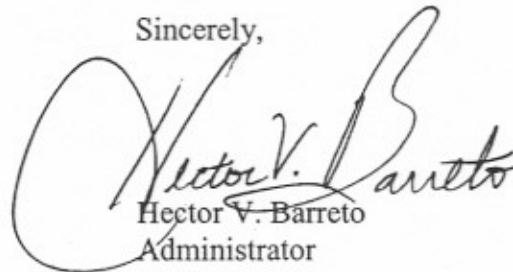
acquisition activities throughout the country to advocate on behalf of all small businesses. While all SBA PCR's are providing assistance to small businesses interested in participating in the rebuilding efforts, the SBA has specifically dedicated five PCR's to work with Federal agencies, including the Department of Homeland Security and the Federal Emergency Management Agency, to identify relief and reconstruction contract and subcontracting opportunities for small businesses. These PCR's, as well as others, are also working closely with small business vendors to assist them in locating procurement actions that they may be capable to performing. Special emphasis is being made to specifically identify Gulf Coast small business concerns for all hurricane-related contracting opportunities.

Additionally, SBA District Office and PCR staff are providing "hands-on assistance to small businesses that are new to the Government's procurement arena so they can obtain necessary registrations and certifications to be able to compete for prime and subcontract actions.

The SBA is working with the Army Corps of Engineers to ensure that opportunities exist for small businesses to participate on contracts for the Gulf Coast recovery and reconstruction. Our efforts to date include exploring procurement strategies that we believe will expand the number of small businesses, including local 8(a) and HUBZone firms, participating in these contracts. To optimize the participation of local small business, we are also using field staff and resources partners to verify the operational capacity of local small businesses and then provide listings of these firms to the Army Corps of Engineers. In addition, we will expedite the processing of Mentor-Protégé agreements and provide priority processing of 8(a) and Small Disadvantaged Business certification applications from firms in the affected area

Again, thank you for your interest in this important issue, and for your leadership and support of small business. Should you need additional information, please contact C. Edward "Tee" Rowe in our Office of Congressional and Legislative Affairs at (202) 25-6700.

Sincerely,



Hector V. Barreto  
Administrator