



News Release

PRESS OFFICE

Release Date: November 14, 2006
Release Number: 06-61

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SBA Improves Federal Contract Opportunities for Small Business

New Regulations, Agency Scorecards Add Transparency and Accountability

WASHINGTON - The U.S. Small Business Administration (SBA) today announced several measures to help small businesses secure more federal government contracts. The centerpiece of SBA's efforts is a new regulation requiring small businesses to recertify their size status on long-term contracts when a contract option is exercised, when a small business is purchased by or merged with another business or at the end of the first five years of a contract.

"This regulation will go a long way toward ensuring that contract awards get in the hands of small business owners, federal agencies get the proper credit toward their small business contracting goals and small business contract awards are fairly and accurately reported," said SBA Administrator Steven C. Preston. "It is a win-win situation for everyone."

This regulation was developed in coordination with the Office of Management and Budget's Office of Federal Procurement Policy (OFPP.)

"We need accurate data on business size," said Administrator for the OFPP Paul Denett. "However, small businesses must be given fair opportunity to grow as they perform federal contracts. This rule is intended to strike the right balance between fostering growth and accurate data gathering."

Historically, size status has been determined at the time of the initial offer on the contract and is retained over the life of the contract. However, federal agencies are increasingly using long-term contracts that with the exercise of contract options can extend to 20 years. The new regulation does not require termination of contracts if size status changes, nor does it require changes to contract terms and conditions.

SBA, also in cooperation with OFPP, is announcing today a Small Business Procurement Scorecard for 24 federal agencies. The scorecard, which is modeled after the President's Management Agenda, will help more aggressively track and monitor the status of each agency's small business goal achievement.

"This scorecard is intended to increase transparency and accountability in the small business procurement arena," said Administrator Preston. "Additionally, it will highlight successes that can be shared between agencies and result in additional ways to engage the small business contracting community."

(more)

In late September, OFPP Administrator Denett and SBA Administrator Preston issued a memorandum requiring agencies to review their procurement data and identify any necessary changes to help resolve apparent discrepancies in the Federal Procurement Data System.

The SBA also announced that additional procurement personnel will be hired to help identify government contracting opportunities for small businesses and will work with the Administration's Integrated Acquisition Environment initiative to more effectively cover the federal buying activities.

"These actions announced today underscore the fact that the SBA is committed to creating an environment where small businesses can enter the federal marketplace as equal competitors," said Administrator Preston. "This environment is created when agencies reduce contract bundling, consider small businesses as part of their overall procurement strategy, and ensure all agency reporting is accurate and reliable."

The recertification regulation is available at The Federal Register's Web site at: <http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/pdf/E6-19253.pdf>.

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