

NLWJC - Kagan

DPC - Box 068 - Folder-006

Women's Issues-Procurement

Women's Issues -
Procurement



DATE: 5-7-97

TOTAL PAGES 3
(including cover)

TO: Maria Echaveste FAX: 202-456-6594

OFFICE: Office of Public Liaison PHONE: 202-456-2983

FROM: Amy Millman FAX: 202-205-6825

OFFICE: NWBC PHONE: 202-205-3850
409 3rd Street, SW
Suite 5850
Washington, DC 20024

RE:

- If there are any problems with this transmission, please call the NWBC office at 202-205-3850.

MESSAGE:

Marge

let me know if
this is what Maria
wants!

Please let me know this has been received

INCREASING FEDERAL PROCUREMENT OPPORTUNITIES FOR WOMEN

SUMMARY

In 1979, President Carter signed Executive Order 12138 which created a national women's business enterprise policy and prescribed arrangements for developing, coordinating and implementing a national program for women's business enterprise. Among the many issues to be addressed by a newly formed Interagency Committee was the obstacles to women's access to federal procurement contracts. Women were only accessing less than .5% of all federal contract dollars. By 1981 that number had moved, through the Interagency's efforts, to 1%. It stayed there until the 1990's. Prime Contracts are now at the 1.7% mark, down from 1.8% in FY95. There exists a 5% goal for women owned businesses enacted by Congress in 1994. If the federal government is ever to hope to meet this goal a commitment from the top policy makers must be made now.

STATUS OF WOMEN-OWNED BUSINESSES

There are nearly 8 million women-owned firms in the U.S. as of 1996, generating nearly \$2.3 trillion in sales annually. Women-owned firms employ one out of every five American workers. The growth of women-owned firms continues to outpace overall business growth by nearly two to one. Today, 36% of all businesses are women-owned and are projected to own more than 40% by the year 2000. Most recently a U.S. Census Survey of "Business by Gender of Ownership", found that the trend in the growth of women owned enterprises continues to be impressive. The new statistics show that women are not just starting but growing their businesses and the statistics also show that they are growing in the areas where women have been offered the greatest opportunities to do business. Women-owned firms tend to be smaller and younger than other firms and while they are heavily concentrated in the service sector, we are seeing a greater increase in the number of women-owned firms in the construction, wholesale, transportation and manufacturing industries. This is perhaps due in part to federal legislation and agency policies as well as some targeted outreach efforts by procurement officials and state and local governments.

ACTION TAKEN TO DATE

Recognizing the importance of the contributions of the women's business sector, many successful initiatives have been developed and implemented since 1993. The results have been a doubling of SBA guaranteed loans going to women, an increase in the availability of technical support and training, and greater access to information about opportunities and assistance provided by the federal government. Where we have failed to make great progress is in the awards of federal contracts to women-owned firms. Prime contract awards to women have never exceeded 2% of the \$200 billion market and in FY1996 the percent of awards to women actually declined. Our next challenge is to address women's issues regarding access to competitive opportunities in the federal government the way we addressed their issues of access to capital and credit.

The only procurement that directly includes women in its disadvantaged business goals is the one administered by the Department of Transportation. In addition, in 1994, a 5% government-wide goal for women-owned firms was established with the passage of the Federal Acquisition Streamlining Act (FASA). Federal departments and agencies have responded in aggressive and creative ways to achieve this goal, which includes no accountability measures. Despite the honest attempts to create pilot programs, reach out through trade fairs and provide achievement awards to procurement officials, the most recent reports indicate that in FY 1995 and FY1996, women-owned businesses received less than 2% of all prime awards and certainly less than 5% of all Federal prime and subcontract awards. Policies to further the needs of women-owned businesses have not been consistent with the competing needs to increase efficiency through the award of larger procurements. Even women-owned firms which have been successful at bidding on small procurements, have been hurt by this "bundling" process. The needs of these small and growing companies must be addressed if we are to be successful in achieving two federal goals, - increasing competition in the federal contract arena and increasing procurement awards to women-owned firms.

RECOMMENDATION

We are proposing that the following steps be taken:

- The President issues an Executive Order or Presidential Directive indicating his Administration's commitment to exceed the procurement goal for women-owned businesses;
- The President would establish an "Opportunity Task Force" which would include OFPP, SBA, NEC and DPC to develop a strategy for achieving this goal and holding the agencies accountable. Including, identifying ways in which SBA can streamline and strengthen its support for agencies in meeting their goals and identifying ways in which OFPP can identify and publicize innovative procurement methods and the use of procurement pilots authorized by the Federal Acquisition Streamlining Act;
- Each federal agency would be directed to report on their progress in meeting these goals to date coupled with a plan of action through which agencies may be held accountable for the goals; and
- Identifying and highlighting agencies that have pioneered innovative approaches to small business procurement, especially for larger acquisitions.

*Women's Issues -
procurement*



National WOMEN'S BUSINESS Council

DATE: *6/4/97*
TO: *Cheri Carter*

TOTAL PAGES *3*
(including cover)

OFFICE:
FROM: *Amy Millman*

FAX:
PHONE:
FAX: 202-205-6825

OFFICE: NWBC
409 3rd Street, SW
Suite 5850
Washington, DC 20024

PHONE: 202-205-3850

RE:

If there are any problems with this transmission, please call the NWBC office at 202-205-3850.

MESSAGE:

INCREASING FEDERAL PROCUREMENT OPPORTUNITIES FOR WOMEN

SUMMARY

In 1979, President Carter signed Executive Order 12138 which created a national women's business enterprise policy and prescribed arrangements for developing, coordinating and implementing a national program for women's business enterprise. Among the many issues to be addressed by a newly formed Interagency Committee was the obstacles to women's access to federal procurement contracts. Women were only accessing less than .5% of all federal contract dollars. By 1981 that number had moved, through the Interagency's efforts, to 1%. It stayed there until the 1990's. Prime Contracts are now at the 1.7% mark, down from 1.8% in FY95. There exists a 5% goal for women owned businesses enacted by Congress in 1994. If the federal government is ever to hope to meet this goal a commitment from the top policy makers must be made now.

STATUS OF WOMEN-OWNED BUSINESSES

There are nearly 8 million women-owned firms in the U.S. as of 1996, generating nearly \$2.3 trillion in sales annually. Women-owned firms employ one out of every five American workers. The growth of women-owned firms continues to outpace overall business growth by nearly two to one. Today, 36% of all businesses are women-owned and are projected to own more than 40% by the year 2000. Most recently a U.S. Census Survey of "Business by Gender of Ownership", found that the trend in the growth of women owned enterprises continues to be impressive. The new statistics show that women are not just starting but growing their businesses and the statistics also show that they are growing in the areas where women have been offered the greatest opportunities to do business. Women-owned firms tend to be smaller and younger than other firms and while they are heavily concentrated in the service sector, we are seeing a greater increase in the number of women-owned firms in the construction, wholesale, transportation and manufacturing industries. This is perhaps due in part to federal legislation and agency policies as well as some targeted outreach efforts by procurement officials and state and local governments.

ACTION TAKEN TO DATE

Recognizing the importance of the contributions of the women's business sector, many successful initiatives have been developed and implemented since 1993. The results have been a doubling of SBA guaranteed loans going to women, an increase in the availability of technical support and training, and greater access to information about opportunities and assistance provided by the federal government. Where we have failed to make great progress is in the awards of federal contracts to women-owned firms. Prime contract awards to women have never exceeded 2% of the \$200 billion market and in FY1996 the percent of awards to women actually declined. Our next challenge is to address women's issues regarding access to competitive opportunities in the federal government the way we addressed their issues of access to capital and credit.

The only procurement procurement that directly includes women in its disadvantaged business goals is the one administered by the Department of Transportation. In addition, in 1994, a 5% government-wide goal for women-owned firms was established with the passage of the Federal Acquisition Streamlining Act (FASA). Federal departments and agencies have responded in aggressive and creative ways to achieve this goal, which includes no accountability measures. Despite the honest attempts to create pilot programs, reach out through trade fairs and provide achievement awards to procurement officials, the most recent reports indicate that in FY 1995 and FY1996, women-owned businesses received less than 2% of all prime awards and certainly less than 5% of all Federal prime and subcontract awards. Policies to further the needs of women-owned businesses have not been consistent with the competing needs to increase efficiency through the award of larger procurements. Even women-owned firms which have been successful at bidding on small procurements, have been hurt by this "bundling" process. The needs of these small and growing companies must be addressed if we are to be successful in achieving two federal goals, - increasing competition in the federal contract arena and increasing procurement awards to women-owned firms.

RECOMMENDATION

We are proposing that the following steps be taken:

- The President issues an Executive Order or Presidential Directive indicating his Administration's commitment to exceed the procurement goal for women-owned businesses;
- The President would establish an "Opportunity Task Force" which would include OFPP, SBA, NEC and DPC to develop a strategy for achieving this goal and holding the agencies accountable. Including, identifying ways in which SBA can streamline and strengthen its support for agencies in meeting their goals and identifying ways in which OFPP can identify and publicize innovative procurement methods and the use of procurement pilots authorized by the Federal Acquisition Streamlining Act;
- Each federal agency would be directed to report on their progress in meeting these goals to date coupled with a plan of action through which agencies may be held accountable for the goals; and
- Identifying and highlighting agencies that have pioneered innovative approaches to small business procurement, especially for larger acquisitions.