



Small Businesses Could Suffer if Fed Contracting Goes In-house

By Matthew Weigelt

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Federal small business officials want tougher regulations, a workforce that knows the rules, and a website to make contracting decisions more visible. The goal, they say, is to get more contracts awarded to small businesses.

Along with tougher procurement policies, the Interagency Task Force on Federal Contracting Opportunities for Small Businesses recommends that agency officials evaluate the consequences of their insourcing decisions on small firms. Officials want the Office of Federal Procurement Policy and the Small Business Administration to direct agencies' senior acquisition officials to annually analyze how insourcing efforts are affecting small companies.

If agencies bring contracting work in-house, small-business owners say they will bear the brunt of the decision, the task force wrote in its document that lays out the proposals.

"Small-business contractors have voiced concerns that rebalancing efforts will not only limit new opportunities for small businesses but also take existing contracts away from them," the task force wrote.

The task force gave the Obama administration 13 recommendations on small businesses and is also posting contracting information on the Small Business Dashboard, another of the growing number of transparency websites from the White House.

The recommendations will "ensure that all federal agencies continue to make progress in getting more contracts into the hands of Americans' small businesses," Karen Mills, SBA administrator, wrote Sept. 15 on the White House blog.

In April, President Barack Obama signed an executive order that established the interagency task force to help small businesses win more federal contracts. He said the government has continually struggled with its contracting goals and agencies should strive to exceed them.

To do that, the task force said, the acquisition workforce needs some attention, too.

The task force wants to use some pressure to make agency officials liable for their small-business contracting goals.

"Agency leadership is not held accountable when these goals are not met," the task force wrote. Agencies have individual goals that contribute to the governmentwide goal of awarding 23 percent of federal contracting dollars to small businesses.

In fiscal 2009, the government missed its goal, awarding only 21.89 percent of contracting dollars to small companies.

Technology could be another means of assisting small contractors. The task force recommends improving Federal Business Opportunities and the Federal Procurement Data System websites. Officials would like FedBizOpps to be the central source for contracting information. They also want better quality of data by validating the information and integrating information systems that include contracting data.

In fiscal 2009, SBA identified potential anomalies in contracting data that totaled over \$2 billion, some of which may be errors in coding, according to the task force.

Having made the recommendations, officials now face the real work.

“Implementing these new tools and recommendations won’t be easy,” Mills wrote.

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