

# GOVERNMENT PROCUREMENT

In 1996, a procurement program to create set-asides for limited competitive bidding by women-owned firms was promoted to address concerns that women business owners were not receiving an adequate share of government contracts despite representing a significant share of privately-held firms in the U.S. Subsequent legislation authorized a government-wide goal to set-aside 5 percent of contracts for women-owned small businesses. As of 2008, the goal has not been achieved, and the set-asides have not been implemented.

Women overwhelmingly support a formal monitoring process to assure that women-owned businesses actually receive the 5 percent of contracts that are theoretically set aside for them. Many also support additional set-asides for microbusinesses since “small businesses” are generally bigger than most women-owned firms.

*Learning about procurement is expensive and time-consuming. After paying \$5,000 to attend a class on government contracting, I'm still as confused as I was before I started.*

(Portland, OR-area woman business owner)

A primary concern among many women is the inaccessibility of information on contracting opportunities—not a lack of information, but too much information in a disorganized way. Suggestions have been made to create such things as a central clearinghouse for federal contracting opportunities—

**Only 3.4% of federal contract dollars were spent with women-owned businesses in FY 2006.** (Federal Procurement Data System)

**Only 34 out of 81 federal departments, agencies, and commissions recorded by the FPDS met or exceeded the 5% goal in FY 2005.** (Federal Procurement Report, Federal Procurement Data System)

**Fewer contract actions were awarded to women-owned small businesses in FY 2006 than in FY 2005.** (Federal Contracting Fact Sheet, NWBC)

**In FY 2006, the average value of federal contract actions awarded to women-owned small businesses was \$22,187, compared to an average value of \$62,198 for all awarded contract actions.** (Federal Contracting Fact Sheet, NWBC)

especially for opportunities that may be set aside for women-owned firms—and a user-friendly SBA website that allows for business networking and interactive training, especially on procuring federal contracts.

Women business owners consistently note the many avenues for pursuing government contracts and the difficulty in determining the best way to begin the process. Many women business owners are unaware of the 8(a) certification program and its benefits for socially and economically disadvantaged businesses. Likewise, many are unclear on how to find contracting opportunities set aside for small or women-owned businesses.

In addition, women business owners often find the process for getting on the General Services Administration (GSA) schedule difficult and costly, both in financial expenditures and in time taken away from running the business. Many are discouraged by the fact that getting on the GSA schedule is not a guarantee of business and express frustration over not knowing how to actually get government business once they make it onto the GSA schedule.



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Women business owners who have tried to do business with the federal government overwhelmingly find that the process is too complicated, expensive, and time consuming for most small businesses to undertake. Cited barriers to getting government contracts include length of time it takes to respond to a government RFP, non-responsive contracting officers, non-uniform contracting procedures and standards across all agencies, and opportunities that are too often targeted to preferred contractors. Women business owners suggest that contracting officers should be required to provide feedback on proposals submitted to the federal government so that businesses who are willing to invest the time in working on proposals can learn how better to compete for future opportunities.

Another issue that is important to women business owners is the practice of contract bundling—a way that agencies save money in procurement costs by awarding multiple projects through the same contract. This practice poses a challenge to small businesses because it reduces the pool of potential contractors who have specialized skills in favor of those businesses that can

do many different things. In essence, this process is seen to eliminate competition among small businesses in favor of preferred contracting with larger corporations.

Contract bundling highlights the importance for small and women-owned businesses to connect to other contractors through teaming and subcontracting relationships. It also suggests that the Federal government should do more to help connect small businesses with larger companies who have been successful as prime contractors. There is much support for creation of a central registry for matchmaking among contractors so that women business owners could register, network, and find business partners with whom to work. However, prime contractors do not always follow through with using the subcontractors they list in their bids causing many to call for stronger government enforcement of subcontracting relationships. Some women business owners also have suggested that the SBA evaluate its matchmaking events to determine if they are actually generating business.

## Policy Recommendations from Women Business Owners

- Formal monitoring to assure accountability for achieving the 5 percent contracting target
- Establish a clearinghouse of contracts available to small businesses and also for those contracts which may be set aside for competition among women-owned firms
- Create mechanisms for connecting small businesses with larger companies who have been successful as prime contractors
- Implement uniform procurement standards and procedures across all agencies
- Hold prime contractors accountable for violating subcontracting agreements
- Curb the practice of contract bundling
- Increase awareness of the Central Contracting Registration (CCR) so that more small businesses will understand that registration in the CCR is the first step necessary to compete for federal contracts