Increase Federal Contracts to Disadvantaged Small Businesses

Co-Goal Leader: Robb N. Wong, Associate Administrator
Office of Government Contracting and Business Development
Co-Goal Leader: Jason D. Simmons, Associate Administrator
Office of Business and Economic Development

Theme: Community and Regional Development
Overview

Goal Statement
- Increase the number of 8(a)-certified firms receiving federal contracts. By September 30, 2019, increase by 10 percent the number of 8(a)-certified firms awarded federal contracts.

Challenge
- While the SBA has streamlined the 8(a) application process to encourage greater participation, the number of disadvantaged small businesses winning federal contract bids has not grown evenly.
- Federal agency buying offices SBA district offices may not be aware of the needs to expand federal contracts to a large number of small businesses.
- Additional technical assistance may be necessary for entrepreneurs seeking to compete in the federal contracting marketplace.

Opportunity
- Business Opportunity Specialists located in 68 district offices, Procurement Center Representatives located in SBA area offices, and acquisition specialists located in the other federal agency offices of small disadvantaged business utilization, the SBA seeks to increase the number of disadvantaged (8(a)-certified) small businesses winning federal contracts.
Leadership

Core Team:

- Office of Government Contracting and Business Development
  - Associate Administrator/Deputy Associate Administrator
  - Office of Business Development, Director (8(a) Certification Processing)
  - Office of Government Contracting, Director and Area Directors (Contracting)
  - Office of Policy, Planning & Liaison, Director (Policy and Data)

- Office of Business and Economic Development
  - Associate Administrator/Deputy Associate Administrator
  - Regional Administrators
  - District Directors
  - Business Opportunity Specialists
Goal Structure & Strategies

• Support the needs of 8(a) program participants by strengthening business development opportunities through increased contracting opportunities
• Train SBA’s District Directors and Business Opportunity Specialists on federal small business goals and the goaling process
• Train other federal agency offices of small business utilization and their assigned contracting specialists on SBA’s small business programs
• Hold monthly conference calls with District Directors and Business Opportunity Specialists to answer questions and provide direction
• Train on the use and benefit of the Partnership Agreement on the Delegation of our 8(a) Authority
• Establish relationships between Business Opportunity Specialists and Procurement Center Representatives
External Factors and Mitigation Strategies:

• Declining Federal Budgets may impact contracting opportunities;
• New policies like Category Management and Strategic Sourcing Procurement Initiatives
• Mandatory Sources
• Consolidated Procurements
• Difficulty of Firms Obtaining Agency Security Clearances
• District offices may not retain a Business Opportunity Specialist or Procurement Center Representative and need to retrain; consistent and regular training will be necessary
• As of January 31, 101 active 8(a) firms received their first Federal Government contract through the program, reducing the 2-year target of firms without awards to 239 by the end of FY 2019

• Of the 8(a) firms with awards, firms within a $10-50 million range account for the highest amount of dollars with over $17.6 billion. However, firms with less than $1 million over the eight year period account for the 23% (1,166) of the total

• The amount of monthly contracts awarded to 8(a) firms is tracking with prior fiscal years at this point. There is a 90 day delay on DoD contract spend reporting, and the spike in 8(a) contract awards at the end of each fiscal year is consistent with a broader increase in federal contracting activity during this time.

• Certify and 8(a) processing:
  • Certify.gov for 8(a) launched on November 15th saving $3 million per year
  • Certify.gov makes it easier for 8(a) applicants to apply for certification
**Key Indicators**

FY 2018 Target = 3,592 8(a) firms having received a federal contract  
FY 2019 Target = 3,771 8(a) firms having received a federal contract  
Baseline: Total Number of firms, at the end of the FY 2017, with an 8(a) award is 3,421  
Historically, few 8(a) contracts are awarded during the 1st quarter of a given fiscal year and overall small business contracting accelerates during the 4th quarter.

<table>
<thead>
<tr>
<th>Quarterly targets</th>
<th>Number of 8(a) Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18 Q1</td>
<td>0</td>
</tr>
<tr>
<td>FY18 Q2</td>
<td>57</td>
</tr>
<tr>
<td>FY18 Q3</td>
<td>57</td>
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<tr>
<td>FY18 Q4</td>
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<td>FY19 Q1</td>
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<td>FY19 Q2</td>
<td>59</td>
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<tr>
<td>FY19 Q3</td>
<td>59</td>
</tr>
<tr>
<td>FY19 Q4</td>
<td>60</td>
</tr>
</tbody>
</table>

**FY 2018 – 2019 Priority Goal Tracking**

<table>
<thead>
<tr>
<th>Description</th>
<th># of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>8(a) firms with awards in 2017 (baseline)</td>
<td>3,421</td>
</tr>
<tr>
<td>Two-year priority goal target # of 8(a) firms</td>
<td>3,761</td>
</tr>
<tr>
<td>Priority goal increase in FY ‘18 – ‘19</td>
<td>340</td>
</tr>
<tr>
<td>Unique 8(a) firms with first-time awards in First Quarter FY ’18</td>
<td>87</td>
</tr>
<tr>
<td>Remaining 8(a) firms to reach two-year priority goal</td>
<td>253</td>
</tr>
</tbody>
</table>
**Key Indicators**

**8(a)-certified firms with contract awards by month**

- **Billions**
  - FY 2016
  - FY 2017
  - FY 2018 YTD

**Percent of 8(a) firms with contract awards**

- 3,522, 70%
- 1,481, 30%

*Firms counted and matched with FPDS-NG data by DUNS.*
<table>
<thead>
<tr>
<th>Key Milestone</th>
<th>Milestone Due Date</th>
<th>Milestone Status</th>
<th>Owners</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td><strong>FY18 Q2</strong>: Train SBA District Directors (DD) on the small business goals and the goaling process</td>
<td>3/31/18</td>
<td>On track</td>
<td>GCBD</td>
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<td><strong>FY18 Q2</strong>: Train SBA DDs on the principals of government contracting and on new small business regulations</td>
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<td>GCBD/OBED</td>
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<td><strong>FY18 Q2</strong>: Establish links between SBA’s BOSs, PCRs and OSDBU’s Small Business Specialists</td>
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<td>GCBD/OBED</td>
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<td><strong>FY18 Q2</strong>: Implement monthly conference calls between BOSs/PCRs and 8(a) headquarter personnel</td>
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<td><strong>FY18 Q2</strong>: Assess progress and adjust plan and training based on district and 8(a) firm feedback, if necessary</td>
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Award of contracts are recorded in the Federal Procurement Data System—Next Generation (FPDS–NG). Data is entered into FPDS–NG by the contracting officer or other acquisition staff, manually or by transmission from contract writing system.

FPDS data is not certified for accuracy by federal buying activities until the 3rd quarter of the following year.

Historically, few 8(a) contracts are awarded during the 1st quarter of a given FY and overall small business contracting is accelerated during the 4th quarter.

Unofficial data is available the next day after entry. Official data is not available until the third quarter of the next fiscal year.
Additional Information

**Contributing Programs**

- SBA Office of Government Contracting and Business Development
  - 8(a) Business Development
  - 7(j) Management and Technical Training
  - Small Business Procurement Advisory Council
- SBA Office of Business and Economic Development
  - District Directors
  - Business Opportunity Specialists
- Government Contracting Procurement Center Representatives
  - Area Directors
  - Procurement Center Representatives
- Federal Agency Office of Small Business Utilization
  - Contracting specialists

**Stakeholder / Congressional Consultations**

The SBA met with authorizing and appropriating committees in Congress to review its FY 2018-2019 Agency Priority Goals. It conducted outreach and incorporated comments from key stakeholders.