

# FAILING TO MEET THE GRADE

**HOW THE FEDERAL GOVERNMENT  
IS FAILING AMERICA'S SMALL BUSINESSES  
IN THE FEDERAL PROCUREMENT PROCESS**

*Business 101 Exam*

**C-**

**NEEDS IMPROVEMENT**



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**for**

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## INTRODUCTION

Most would agree that a properly functioning federal procurement program is one that is streamlined, fair, efficient and provides a good return on the taxpayer's dollar. The challenge has been to balance the goal of providing the best value for the government and ensure fair and equal access to all businesses, regardless of size or composition.

This study by the Democrats on the U.S. House Small Business Committee sought to measure federal procurement in that light and examine its effect on small business, which is a key component of the economy and the driving force behind the current economic boom. In fact, small business contributes 51 percent of the gross domestic product and employs 53 percent of the nonfarm workforce.

Procurement at the federal level has existed since the dawn of the nation. Small business began to play a significant role during World War II, as the need to expand the pool of suppliers increased in response to the war buildup. To meet these demands, several incentives were developed to increase the role of small business in federal procurement. Small business ultimately played a critical role in ensuring the nation had the necessary infrastructure to support the war effort.

Over the years, the federal government has evolved into a multi-billion dollar marketplace. Changes are constantly being made to the federal procurement system to respond to shifts in this marketplace, including new technologies and evolving best practices. The most recent revision of the procurement process was the 1994 passage of the Federal Acquisition and Streamlining Act (FASA), which prompted federal agencies to streamline procurement and reduce red tape. Unfortunately for small business, this effort has often resulted in reduced opportunity because of the practice of contract bundling.

Contract bundling is defined by P.L. 105-135 as the consolidation of two or more contracts for goods or services, which were previously performed by small businesses as prime contractors, into one contract that is too large for small business to participate as a prime contractor. Small business is excluded for reasons of diversity, size or specialization of the work; the dollar value of the anticipated award; or the geographical dispersion of the contract performance sites. Increasingly, contract bundling has become the vehicle of choice for many agencies.

Recognizing that one of the unintended effects of passage of FASA was the loss of opportunities for small business, Congress charged the SBA in fiscal year 1999 with the task of negotiating procurement goals with federal procuring agencies for 1) small business, 2) small disadvantaged businesses, 3) 8(a) Program, and 4) women-owned businesses. It was thought that the negotiation of these goals would provide an avenue for reversing the harm

The SBA does this by evaluating an agency's rationale for its proposed goals and by comparing those goals to the agency's history of meeting them. The SBA negotiates procurement goals with each agency. Those negotiations are considered complete when the SBA determines that, in the aggregate, the government-wide mandatory goals will be met. If the negotiations are unsuccessful, the SBA may forward the matter to the Office of Federal Procurement Policy (OFPP) at the Office of Management and Budget (OMB) for its determination of a reasonable goal. The OFPP makes the final determination when the SBA and any agency fail to agree on a reasonable goal.

## **Scorecard Methodology**

The data for this study were obtained from the General Services Administration's Federal Procurement Data System. The methodology used to prepare the scorecard was designed to provide the most objective scoring possible. It involved the following four phases:

- Phase I: Calculation of the percentage of goal achieved: If the percentage achieved was between 90 and 100, the grade was AA; if the percentage was between 80 and 90, the grade was AB, etc.
- Phase II: Determination of goal reasonableness: The average goal achievements over the last three completed fiscal years (1996, 1997, and 1998) were compared to average goals over that same period. If the agency's goal was more than 2 percentage points under its average achievement, the goal was considered unreasonably low, and the agency was downgraded one full letter grade.
- Phase III: Comparison of current goal with mandated goals: Three of the four goals are statutorily set on a government-wide basis, as follows: Small business (23 percent of all government contracts), small disadvantaged business (5 percent) and women-owned business (5 percent). All agencies with goals below the mandated goals were downgraded one full letter grade.
- Phase IV: Assignment of a cumulative grade: After grades in all four categories were established for an agency, a cumulative grade was assigned. The grades in all categories were given the following points: Four points for an AA, three points for a AB, two points for a AC, and one point for a AD. All points were totaled and then divided by the four grades, for an average. If the average was four, the cumulative grade was an AA; if the average was between three and four, the cumulative grade was a AB; if the average was between two and three, the cumulative grade was a AC; if the average was between one and two, the cumulative grade was a AD; and if the average was below one, the grade was an AF. Minus grades were assigned if the average of the four goals was less than .50 percent.

### ***Small Business Program***

Congress has passed several laws and outlined numerous programs to help small business federal contractors. Among those is P.L. 100-656, which set a federal small business goal of 20 percent. The Small Business Reauthorization Act of 1997 increased this to 23 percent.

Congress knows that small business is big business in America. Of the 24.8 million businesses that filed tax returns in 1998, almost all -- 99 percent -- were considered small, as defined by their primary industry. Small businesses are responsible for 47 percent of all sales in the country. From 1990 to 1995, small firms with fewer than 500 employees created 76 percent of net new jobs.<sup>1</sup>

Despite these numbers, large businesses -- which represent less than 5 percent of all businesses -- consistently receive more than 60 percent of all federal procurement dollars.<sup>2</sup>

To address this discrepancy, P.L. 95-507 required each federal agency to establish an Office of Small and Disadvantaged Business Utilization (OSDBU) to promote the use of small, small disadvantaged, and women-owned businesses, and to help such firms obtain the agency=s prime and subcontracts.

### ***Small Disadvantaged Business Program***

The most recent statistics (1997) count 3.25 million small disadvantaged businesses (SDBs) generating \$495 billion in revenues, up 343 percent from 1987. An estimated 3.9 million employees work for SDBs, an increase of 362 percent from 1987.

The intent of the SDB program is to help socially and economically disadvantaged individuals obtain federal contracting opportunities as prime or subcontractors in industries in which they have historically been under-represented. P.L. 100-656 requires that SDBs receive 5 percent of federal contracts.

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<sup>1</sup>AThe Facts about Small Business1999,@ U.S. Small Business Administration, Office of Advocacy.

<sup>2</sup>Source: AThe State of Small Business, A Report to the President,@ 1997, U.S. Small Business Administration, Office of Advocacy.

A small disadvantaged business is defined as one that is 1) small, based upon its industry code, and is 2) at least 51-percent owned and controlled by individuals considered to be socially and economically disadvantaged. A Social disadvantage is determined by an analysis of the individual's employment, education and business history, and is evaluated on a preponderance of the evidence criteria. An Economic disadvantage is defined as having a personal net worth of less than \$750,000, minus equity in the individual's business and primary residence.

The SBA began certifying firms as SDBs in 1998, and that certification is necessary for an agency to count such a business toward its goal. The fact that a firm is certified does not guarantee it federal prime contracts, and there is no business development assistance associated with certification.

### ***8(a) Program***

Congress has recognized that minority-owned businesses are an increasing force in the nation's economy. As a result, it established the 8(a) Program, and since 1969, this program has become the primary means for minority-owned firms to gain access to the federal marketplace. About 60 percent of federal procurement for minority-owned firms is as a result of the 8(a) Program.<sup>3</sup>

The 8(a) Program is a business development program for firms that are small, as defined by their industry code, and are at least 51 percent owned and controlled by individuals who are considered socially and economically disadvantaged. Social disadvantage is determined by the individual's employment, education and business history, and is evaluated on a preponderance of the evidence basis. Individuals who are ethnic minorities are presumed to be socially disadvantaged; individuals who are not ethnic minorities must make a case to the SBA for social disadvantage. Economic disadvantage is defined as having a personal net worth of less than \$250,000, minus equity in the individual's business and primary residence.

Currently, according to the SBA, there are approximately 5,500 firms participating in the 8(a) Program. Throughout its 31-year history, nearly 16,000 firms have participated in the program and have received over \$82 billion in federal prime contracts.

To be approved into the 8(a) Program, a firm must first prove that it is owned and controlled by socially and economically disadvantaged individuals. It must also prove that it has prospects for success, meaning that it is capable of financing and performing federal contracts.

Firms may take part in the program for nine years. During the first four years, they are considered in the developmental phase. During the last five years, they are considered in a transitional phase,

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<sup>3</sup> The Facts about Small Business 1999, U.S. Small Business Administration, Office of Advocacy.

during which they are weaned from the program.

### ***Women-Owned Business***

Women-owned businesses are the fastest growing of all industries, so much so that a *U.S. News & World Report* cover recently hailed women as *Athe new CEOs.*<sup>4</sup> The latest figures tally 8.5 million women-owned businesses, accounting for one-third of all businesses and generating \$3.1 trillion in revenue.<sup>5</sup>

SBA recognized the growing force of women-owned businesses in 1979, when it created the Office of Women=s Business Ownership to support their growth and expansion. With the passage of FASA, Congress also gave priority to women-owned small businesses in federal procurement. In order to measure the effectiveness of federal agencies in doing business with women-owned businesses, FASA implemented a 5 percent federal-wide, women-owned business procurement goal.

A woman-owned business is defined as one that is 1) small, based upon its industry code, and 2) at least 51 percent owned and controlled by women. Businesses certify themselves as women-owned, and they may also certify themselves as small disadvantaged businesses, or participate in the 8(a) Program if they meet the required standards.

This study was designed to evaluate the achievements of federal agencies in meeting their small business procurement goals, as negotiated with the SBA. Each agency was analyzed for its goals in doing business with small businesses, disadvantaged businesses, 8(a) businesses and women-owned businesses. The result was this scorecard that compares the goals of 21 federal agencies with their achievements. These agencies were selected because they account for over 96 percent of federal procurement in Fiscal Year 1998 and FY 1999. They also span the spectrum in terms of their procurement volume.

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<sup>4</sup> *U.S. News & World Report*, May 15, 2000.

<sup>5</sup> *AWomen in Business,*@ October 1998, U.S. Small Business Administration, Office of Advocacy.

## EXECUTIVE SUMMARY

Contracting with the U.S. government is a lucrative business. The federal government is the largest buyer of goods and services in the world. In Fiscal Year 1999 alone, its 60-plus buying agencies spent more than \$189 billion and awarded more than 10 million contracts.

The government buys food, clothing, airplanes and much more. With such a large variety and quantity of products at stake, there is no better way for a business to grow than to have the federal government as a customer.

Normally, the federal government purchases, or procures, goods and services on a competitive basis. Two or more firms bid on a project, and the government chooses the firm that offers the best value to the government. There are also sole-source procurement mechanisms that allow the government to negotiate a fair and reasonable price with just one bidder.

Since the early 1990s, however, the number of government contracts to small business has declined significantly. One reason for this is the increased use by federal agencies of a practice known as contract bundling. In this process, smaller contracts are combined into one large contract, which is then awarded to a large business. The argument for this is that it better streamlines government. However, the increasing use of this practice harms one of the most important sectors of our economy -- small business -- arguably the dominant and driving force in this new economy.

Concerned about the effect of these trends on small business, Congresswoman Nydia M. Velázquez, the Ranking Democrat on the U.S. House Small Business Committee, conducted a study of 21 federal agencies to evaluate their progress in meeting their small business contracting goals. These 21 federal agencies accounted for over 96 percent of federal procurement in Fiscal Year 1998 and 1999. The result was alarming. The study found that from 1997 to 1999, the number of small business federal contracts fell from 6.4 million to 4.9 million, a 23 percent decrease. Moreover, these setbacks for small business have disproportionately hurt women- and minority-owned enterprises.

The impact on small businesses was measured by reviewing agency compliance with the overall goals for small business, small disadvantaged businesses, 8(a) businesses and women-owned businesses. These goals are negotiated annually between SBA and the agencies. The overall performance in meeting these goals was abysmal. The 21 agencies evaluated received an average grade of AC-. One agency, the U.S. Department of Energy, received a failing grade of AF-. Four agencies received ADs-, including one with an AD-. Only eight agencies received ABs-, and six of those were an AB-. Notably, no agency received an AA- grade.

Agencies did most poorly in the 8(a) Program, a key small business development program largely designed for disadvantaged individuals. Agencies received seven AFs@ in this area, more than in any other small business program. One of the reasons for this may be that, unlike the other programs, there is no statutory goal for doing business with 8(a) firms, a real flaw in the system. The failures in the 8(a) Program have particularly harmed minority-owned businesses, which are quietly being shut out of government contracting opportunities.

The study also showed a lack of commitment to other historically under-represented sectors of small business. This was evidenced by the fact that agencies were most likely to be downgraded in the number of contracts they awarded to small disadvantaged businesses. Ten out of the 11 downgrades in this area were because agencies negotiated goals with the SBA that were below the 5 percent mandate required by P.L. 95-507.

Also hard hit were women-owned businesses, which currently receive 2.47 percent of federal contracts, far below the 5 percent goal set for them. The 5 percent goal is one that the federal government has never met. Obviously the government is out of step with the private sector, where women are starting businesses in such numbers that one news magazine has hailed them as *The new CEOs.*@

As the largest government contractor, the Department of Defense stood out starkly with its AD@ grade. The DOD made only 21.16 percent of its purchases from small businesses, 1.92 percent of its purchases from women-owned businesses and 5.93 percent of its purchases from small disadvantaged businesses. It failed to even set an 8(a) Program goal. Moreover, its dismal performance places a disproportionately heavy burden on other agencies to make up the difference in government-wide goal-setting for small business contracting. As a result, they often are forced to set high and oftentimes unrealistic numbers. The Department of Agriculture, for example, set a small business goal of 43 percent, which it fell far short of accomplishing.

It is often stated that, as the DOD goes, so goes the rest of the federal marketplace. Indeed, other big players, such as the Department of Energy and the National Aeronautics and Space Administration, line up behind the DOD as bad examples to the other agencies. NASA, with its B-, has historically set low goals that it would be impossible not to meet. Given these three agencies= poor record, it is clear that the national commitment to our nation=s small, women, and minority-owned businesses is faltering.

DOD and NASA are also among those agencies that appear to be bundling contracts at a greater pace than others. Others following suit include the Department of Labor, the Department of the Interior, the Environmental Protection Agency, the Department of Health & Human Services and the Social Security Administration. Contract bundling is evidenced by a decrease in contract numbers, with a corresponding increase in contract dollars. This practice has become more prevalent as the *Reinventing government*@ incentive has streamlined the contract process. In this case, however, there is no evidence that the streamlining process has saved taxpayers money.

Contract bundling has forced more and more small businesses to shift from the role of prime federal contractor to that of subcontractor to large businesses. In this role, small businesses are literally at the mercy of the large prime contractor. They lose the statutory protections, or privity, they would enjoy if they were the prime contractor. They also lose the regulatory right to be treated fairly. This loss of clout has devastating effects on small businesses. They must depend on the large prime contractor to plead their case to the government if something goes wrong or is unworkable, and frequently the prime contractor refuses to do this. And most importantly, small businesses frequently don't get paid in a timely manner. They have no recourse in such situations, which threaten their survival.

The study also points out the failure of the SBA negotiation process with agencies to meet their small business goals. One problem is that goal negotiation is not performed at the senior levels of agencies, which would give it higher priority. Nor is there a mechanism to hold agencies accountable when they fail to meet their goals. Further, the SBA does not seem to follow a clear methodology for establishing each agency's goals. Of the 83 goals reviewed, 12 were found to be unreasonably low, resulting in a downgrade for the agency. An additional 17 were below the federally mandated goals, resulting in an additional downgrade for the agency.

The most egregious example of this illogical goal setting is HHS's small disadvantaged business goal. It more than tripled for Fiscal Year 1999 (from 2.97 percent to 10.4 percent), despite the fact its average achievement in the previous three years was half that much (4.1 percent). HHS's response to the new goal was to achieve only 2.99 percent.

This study clearly shows that many federal agencies are not meeting this nation's commitment to our small-, women-, and minority-owned businesses. These groups are in danger of losing what little ground they have gained in dismantling the "good old boy's network" that still exists in federal contracting. Moreover, as this study shows, the failure to meet small business goals comes at a potential cost to taxpayers in terms of higher costs and reduced efficiency.

## CONCLUSION

It is clear that small business is big business in America. Small businesses with fewer than 500 workers employ 53 percent of the nonfarm workforce. They are responsible for 47 percent of all sales in the country and contribute 51 percent of the nation=s private gross domestic product. From 1990 to 1995, small businesses with fewer than 500 employees created 76 percent of net new jobs.<sup>1</sup> Women and minorities increasingly are fueling this boom, starting businesses at an incredible pace. Businesses started by Latinos lead all race and gender categories, with a phenomenal growth rate of 114 percent over the last five years .<sup>2</sup>

Increasingly, corporate America turns to small business when it needs a problem solved quickly and efficiently. Unfortunately, trends that corporate America has embraced, the federal government has rejected, operating under the old mind set that bigger is always better. This is evidenced by the lack of commitment by the federal government to providing small business with fair access to the billions of dollars in federal procurement opportunities.

Overall, federal agencies received a grade of AC-@ in this study, and two of the largest agencies got failing grades. The federal government has been unsuccessful in tapping the most innovative and creative entrepreneurs, as demonstrated by its lackluster commitment to women entrepreneurs, who receive less than 3 percent of federal prime contracts, and to 8(a) firms, which are seeing a steady decline in federal contract dollars.

### Recommendations

The study shows that the continuation of current policies stand to adversely impact small businesses, with no measurable return to the taxpayer. To reverse this trend, stronger agency compliance with current law is needed, as is greater protection for all small businesses. There are a number of ways in which this could be accomplished.

Clearly, more emphasis is needed on aggressive goal setting and the policing of agency compliance. To accomplish this, it may be necessary to move the goal negotiation and compliance function out of SBA to an entity that can ensure realistic goals are set and achieved. This will ensure that small businesses play as important a role in government contracting as they do in the private sector.

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<sup>1</sup>Source: The Facts about Small Businesses - 1999, published by the SBA=s Office of Advocacy

<sup>2</sup>Source: U.S. Department of Commerce

In addition, the evidence is clear that contract bundling is fast becoming the procurement tool of choice by federal agencies, even though there is no proof that it produces greater efficiency or reduced costs for taxpayers. Its only benefit appears to be that it makes the job of contracting officers easier because they don't have to exercise the due diligence and fairness required by the conventional contracting process. Reform in this area would force a greater sense of agency responsibility toward small business.

Because of the increased use of contract bundling, there needs to be greater ramifications when agencies fail to meet their procurement goals. One way this could be enforced is through the suspension of bundling for those agencies that fail to meet their small business goals. This would be a logical recourse because of the clear correlation between reliance on this practice and agencies' failure to live up to their commitments to small business.

Agencies also need to increase utilization of women-owned and minority-owned businesses, which are fueling the new economy. As has been done with other contracting programs, new tools are needed to give incentives to agencies to do business with women through set-asides. There also needs to be greater effort to strengthen the 8(a) Program, the one program for which there still exists no statutory goals.

As the number of small businesses serving as subcontractors increases, greater protections also are needed to ensure they receive the same fair treatment as prime contractors, especially when it comes to fair and prompt payment for services. This is critical to the survival of small business and ultimately to our nation's economy.

This study has taken an exhaustive look at the problems in the federal procurement process and, in particular, the effect these have on the key driver of this economy, small business. The results show that, at an important moment in our nation's economic growth, the federal government is failing to follow the lead of the private sector in its multi-billion-dollar contracting process. Instead, it is shutting out small business, especially its growing component of minorities and women. In the move to Reinvent government, we should not streamline small businesses out of business.

# APPENDIX A

## **Department of Defense**

### **Procurement Dollar Analysis**

In fiscal year 1998, the Department of Defense, accounted for nearly 64 percent of total federal procurements with total procurement activity of nearly \$115.7 billion. Figures for fiscal year 1999 show that DoD accounted for nearly 66 percent of total federal procurements.

From 1994 to 1997, Department of Defense procurement dollars were declining, from a high in 1994 of \$117.7 billion, to a low of \$113.1 billion in 1997. Although there was a slight gain in 1998 to \$115.7 billion, 1999 figures show an increase to \$119.7 billion. DoD has indicated that a data collection problem from 1998 attributed 1998 procurements to FY 1999, thereby inflating FY 1999 dollars.

### **Numbers of Contracts**

#### **Small Business**

From 1997 to 1999, the number of contracts awarded to small businesses by the Department of Defense has decreased from a high of 3,828,967 in 1997 to 2,514,612 in 1999. The total percentage decrease from 1997 to 1999 was over 34 percent.

#### **Small Disadvantaged Business**

From 1997 to 1999, the number of contracts awarded to small disadvantaged businesses by the Department of Defense has decreased from a high of 185,705 in 1997 to 139,088 in 1999. The total percentage decrease from 1997 to 1999 was over 25 percent.

#### **8(a) Program**

From 1997 to 1999, the number of contracts awarded to 8(a) firms by the Department of Defense has decreased from a high of 52,929 in 1997 to 47,719 in 1999. The total percentage decrease from 1997 to 1999 was nearly 10 percent.

#### **Women-Owned Business**

From 1997 to 1999, the number of contracts awarded to women-owned businesses by the Department of Defense has decreased from a high of 235,070 in 1997 to 144,517 in 1999. The total percentage decrease from 1997 to 1999 was over 38 percent.

## Goal Achievement

### Small Business Goal

The Department of Defense (DoD) achieved its goal for doing business with small businesses in both 1996 and 1997. In 1998, DoD fell short of its 22 percent goal, with 20.89 percent of its procurements going to small businesses. In 1999, for the first time, the SBA negotiated procurement goals with the Department of Defense. Although the Department of Defense awarded 23.26 percent of its procurements to small businesses in 1996, 22.46 percent in 1997, and 20.89 percent in 1998, the SBA negotiated a goal with DoD of 20.6 percent in fiscal year 1999. Figures for 1999 show that DoD achieved 21.16 percent. As DoD exceeded its goal for 1999, it would normally receive an AA.@ However, because DoD=s goal is less than the statutory 23 percent, DoD will be downgraded one letter grade to a AB.@ For fiscal year 2000, DoD has a goal of 23 percent.

### Small Disadvantaged Business Goal

The Department of Defense is the only federal agency that does not negotiate a separate 8(a) Program goal. Public Law 95-507, requires that small and small disadvantaged business goals be set. DoD contends that it is, by the letter of the law, not required to provide a separate 8(a) goal. DoD, therefore, combines procurements from 8(a) firms and procurements from small disadvantaged businesses into one goal.

	FY 1996	FY 1997	FY 1998	FY 1999
8(a) %	3.15	3.21	2.97	2.78
plus				
SDB %	2.94	2.82	2.84	3.15
equals				
Total SDB %	6.09	6.03	5.81	5.93

The Department of Defense (DoD) exceeded its small disadvantaged business goal from 1996 through 1998. DoD again exceeded its small disadvantaged business goal for fiscal year 1999, with an achievement of 5.93 percent. DoD=s goal was 5 percent. Therefore, the grade will be an AA.@ DoD=s small disadvantaged business goal for fiscal year 2000 is 5 percent, which is below their average achievement.

### 8(a) Program Goal

As previously stated, the Department of Defense has interpreted P.L. 95-507 to require only a small disadvantaged business (SDBs) goal rather than separate goals for the 8(a) Program and SDBs. It would not be appropriate to allow DoD an AA@ in this category, for not setting a goal, yet grading all other federal agencies on this achievement. Therefore, for this category, DoD=s grade will be an AF@ for not setting a goal.

### Women-owned Business Goal

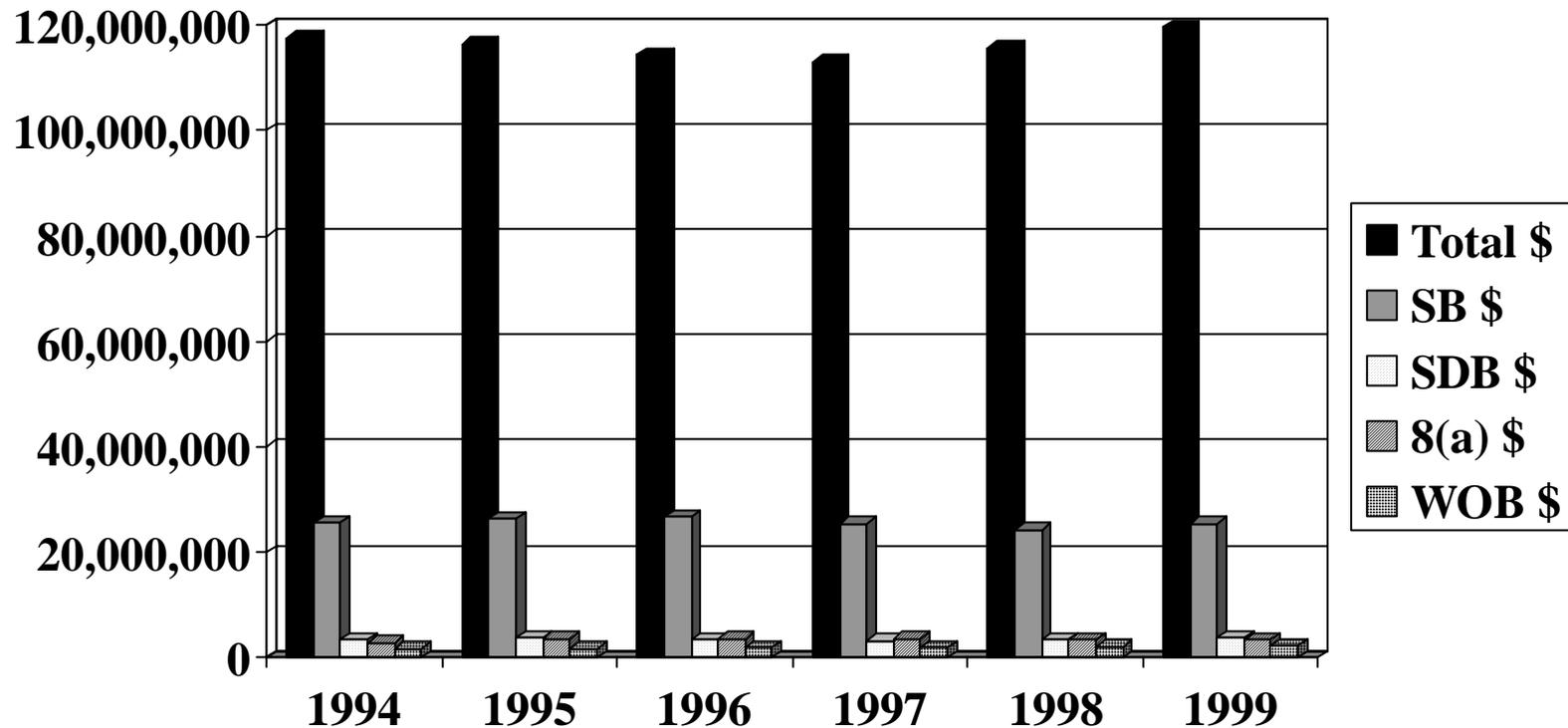
The Department of Defense did not meet its women-owned business goal from 1996 through 1998. Based on figures for 1999, DoD awarded 1.92 percent of its procurements to women-owned businesses. As DoD achieved only 38.4 percent of its 5 percent goal, the grade will be an AF.@ DoD=s women-owned business goal for fiscal year 2000 is also 5 percent.

### Overall Grade

Small Business Goal	B 3 points
Small Disadvantaged Business Goal	A 4 points
8(a) Program Goal	F 0 points
Women-Owned Business Goal	F 0 points
Average Grade	D 1.75 points

With a AB@ in the Small Business Goal, an AA@ in the Small Disadvantaged Business Goal, an AF@ in the 8(a) Program goal, and an AF@ in the Women-Owned Business Goal, with all categories weighed equally, the Department of Defense has an overall point total of 1.75 points, for a grade of AD.@

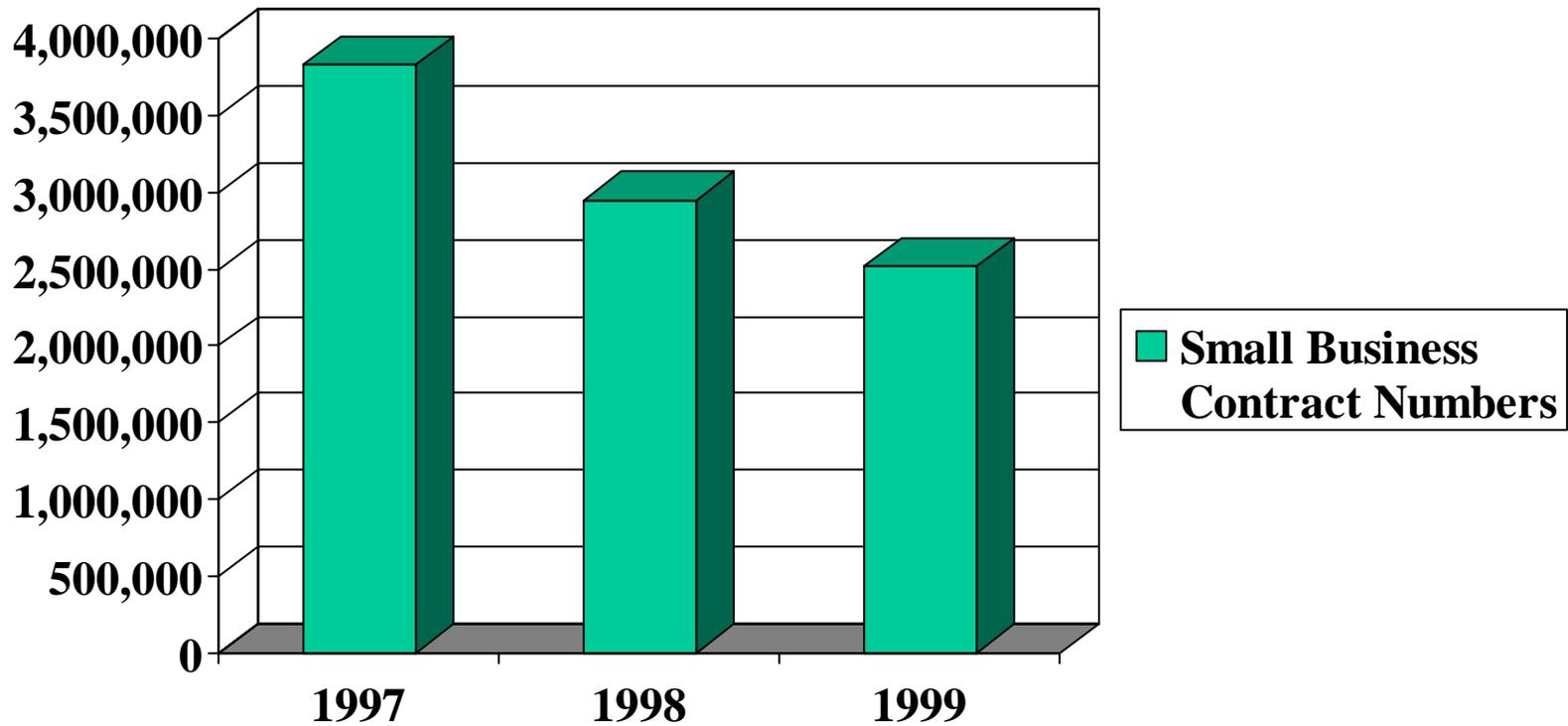
# Department of Defense Procurement Dollars



Dollars are expressed in millions.

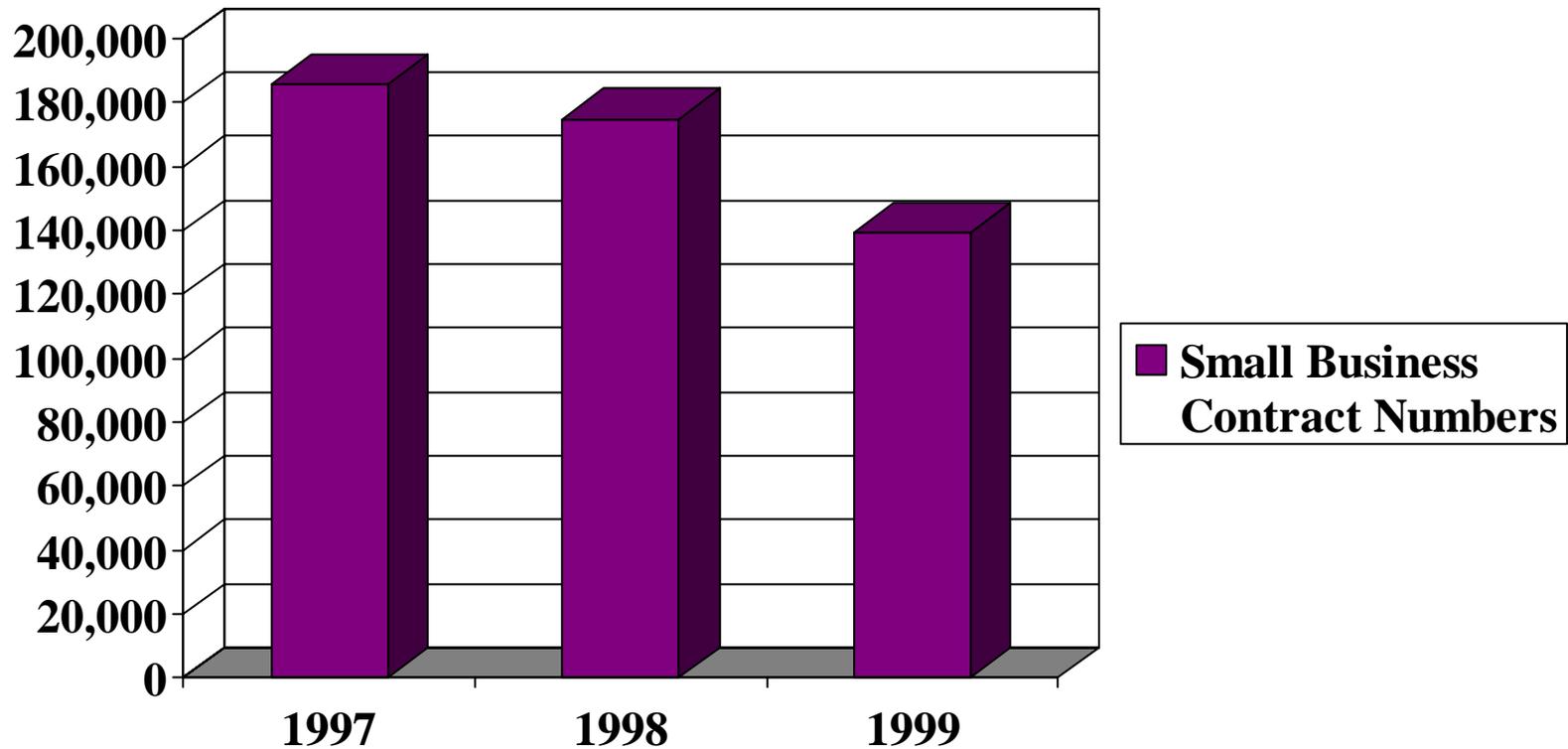
# U.S. Department of Defense

## Number of Contracts to Small Businesses



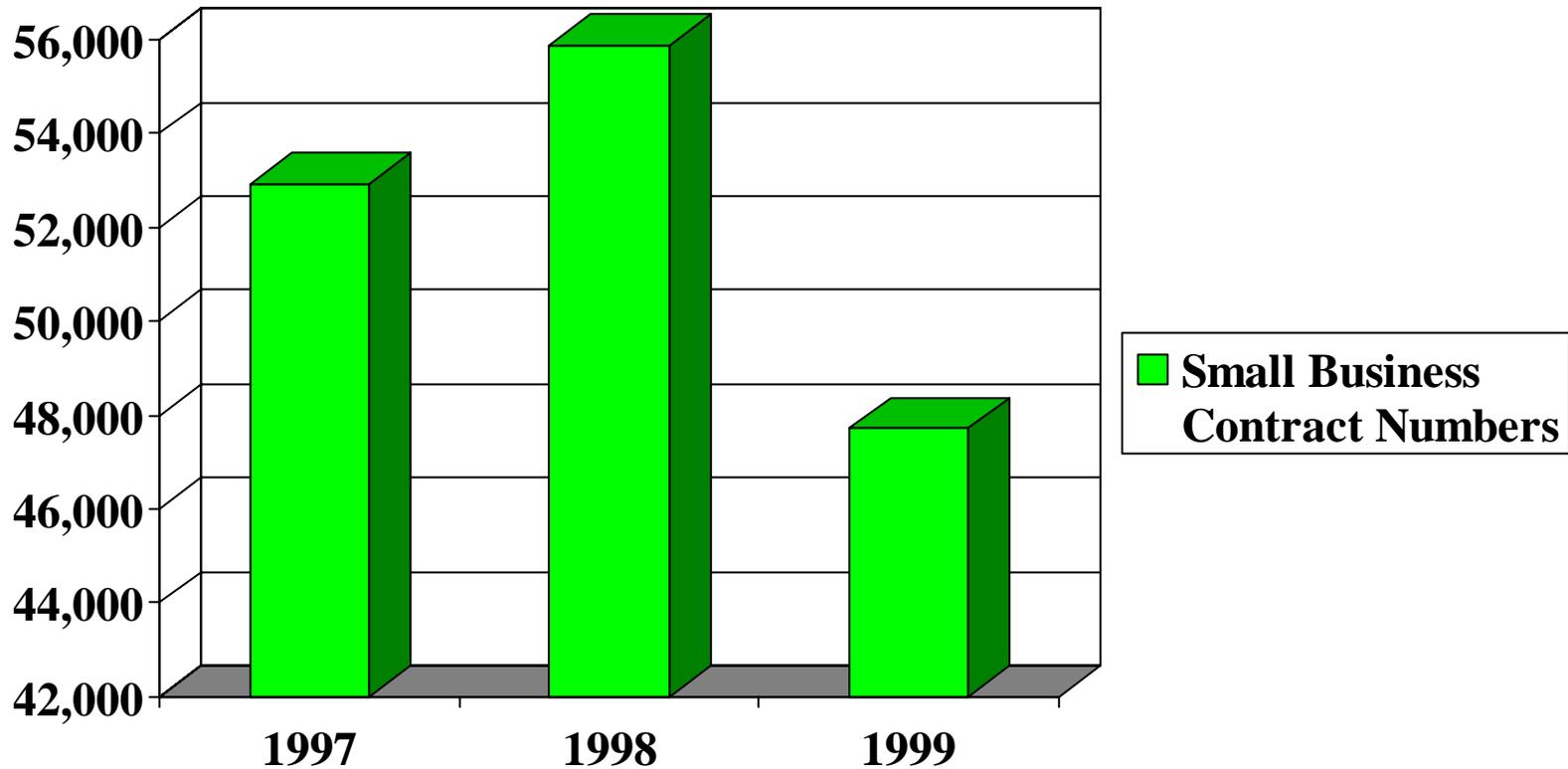
# U.S. Department of Defense

## Number of Contracts to Small Disadvantaged Businesses



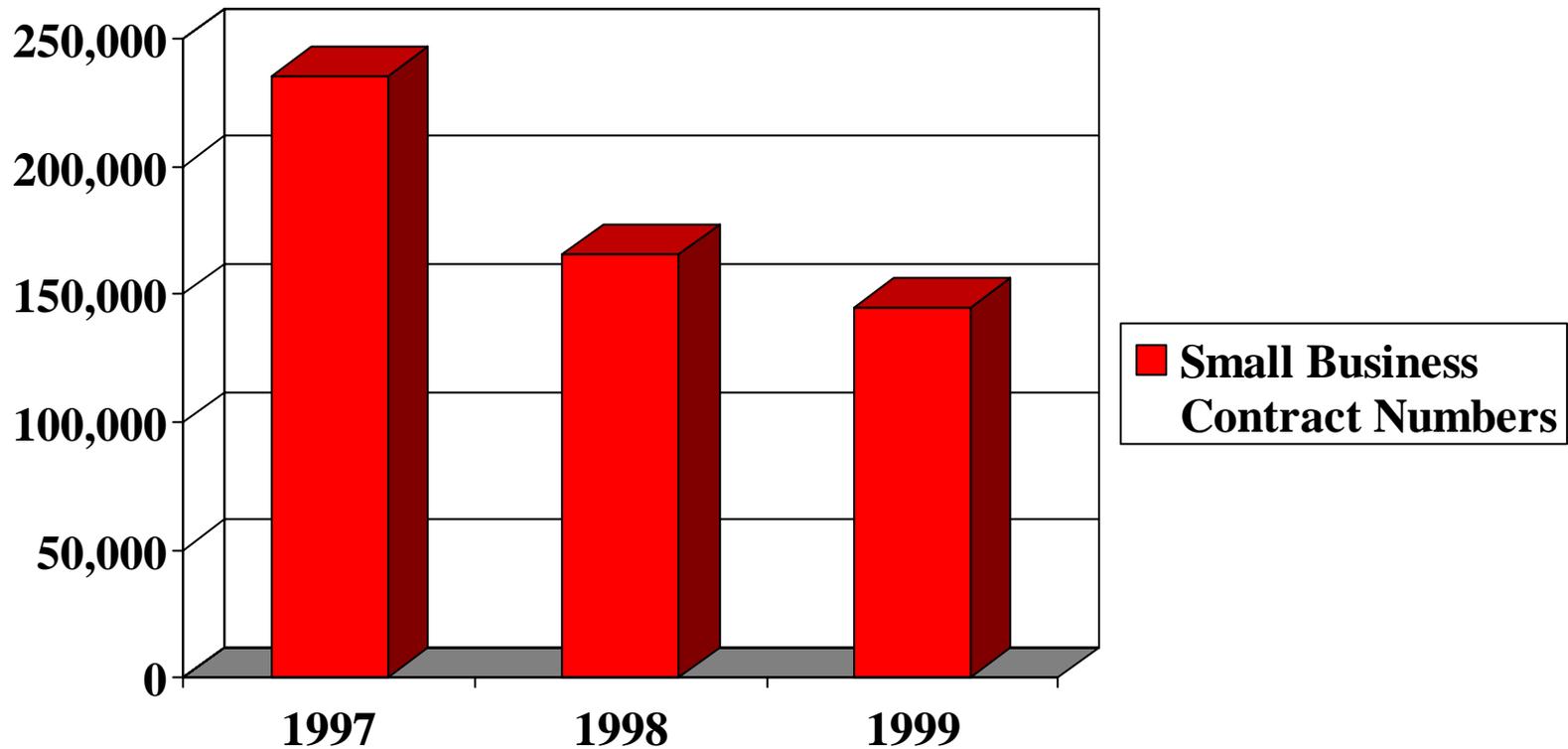
# U.S. Department of Defense

## Number of Contracts to 8(a) Firms

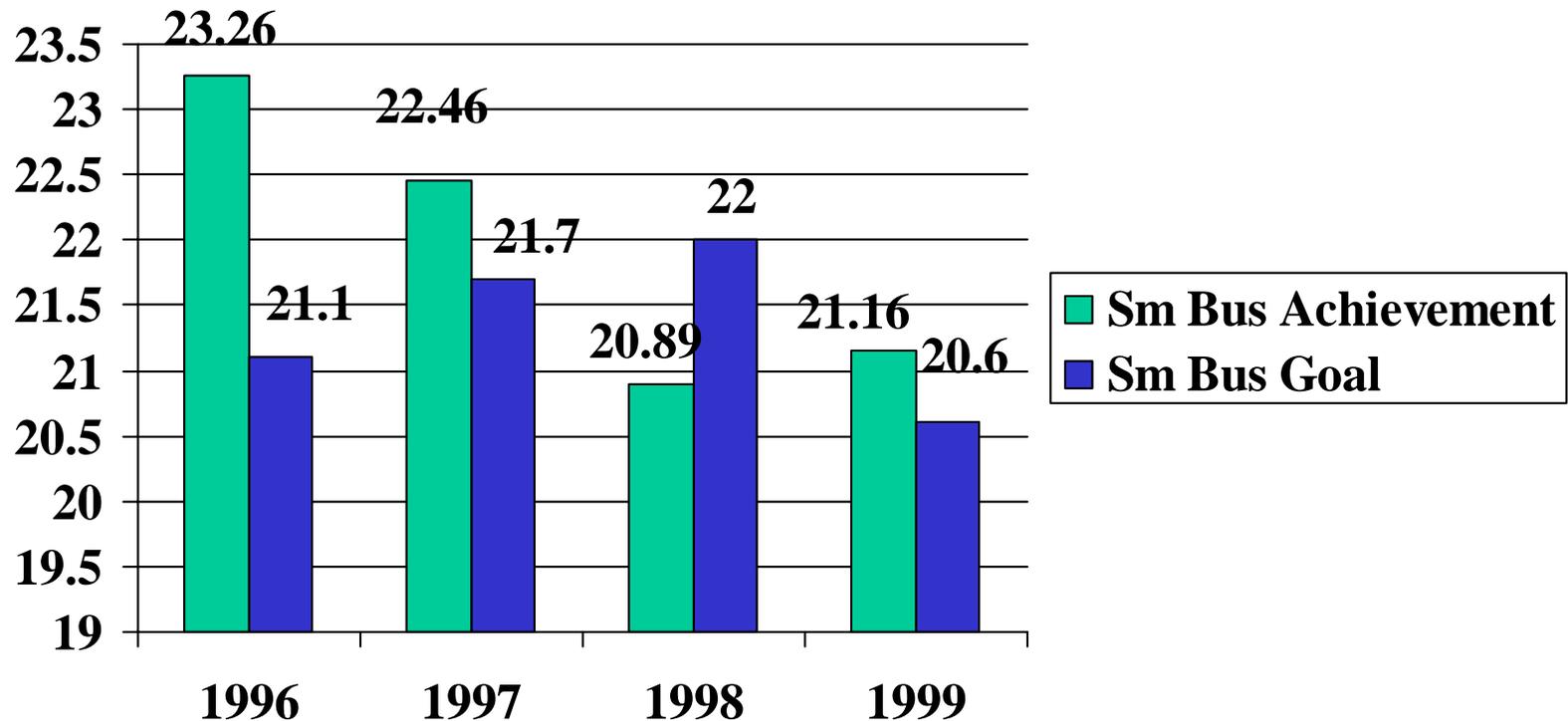


# U.S. Department of Defense

## Number of Contracts to Women-Owned Businesses

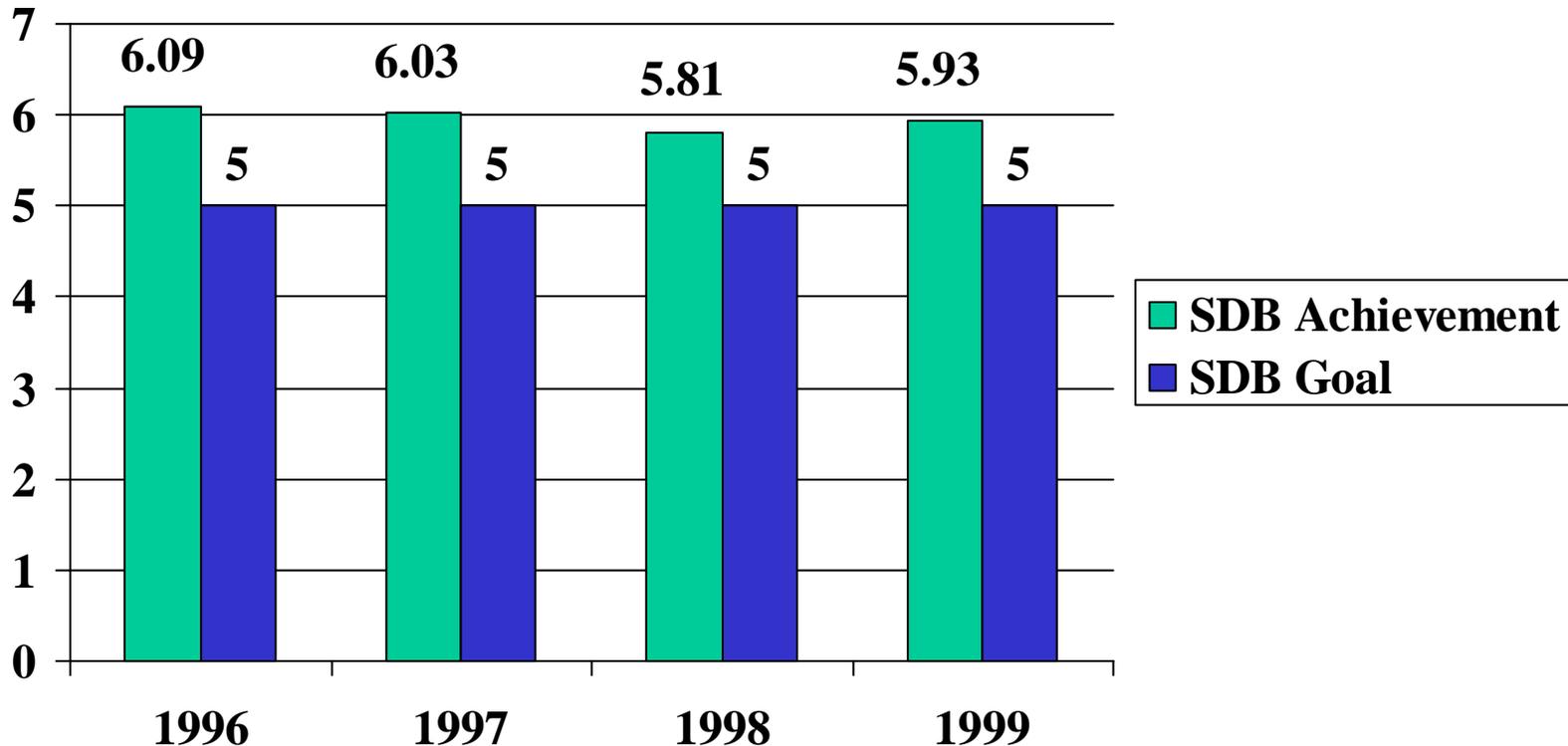


# Department of Defense Small Business Goal Achievement



These figures represent the percentage of Small Business Dollars relative to total dollars for the respective years.

# Department of Defense SDB Goal Achievement



These figures represent the percentage of Small Disadvantaged Business (SDB) Dollars relative to total dollars for the respective years.

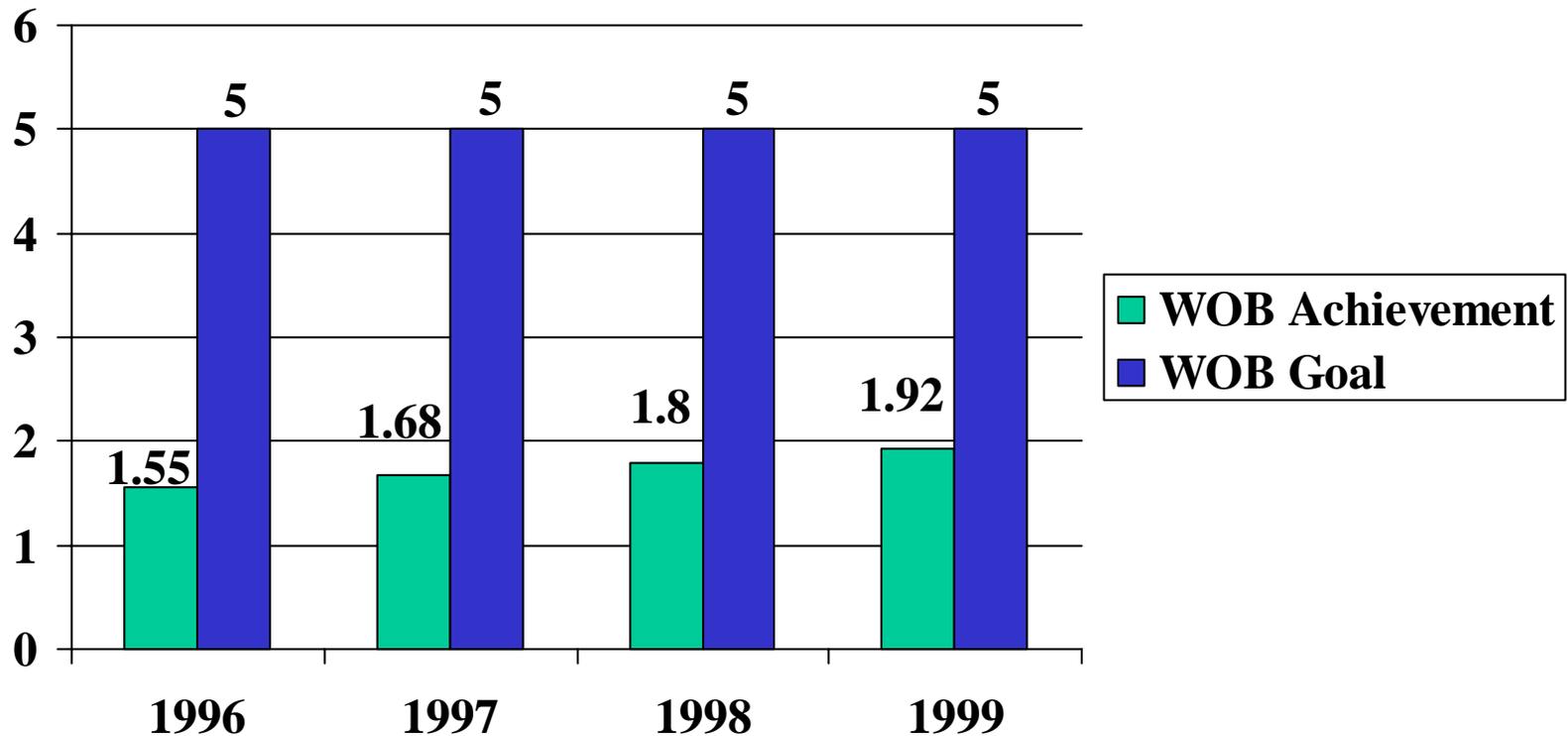
# Department of Defense

## 8(a) Goal Achievement

- 15 USC 644 requires that, “The head of each Federal agency shall...establish goals for the participation by small business concerns, and by small business concerns owned and controlled by socially and economically disadvantaged individuals, in procurement contracts of such agency having values of \$10,000 or more.”
- The Department of Defense, unlike any other agency, has read this to mean that they do not have to set separate goals for 8(a) firms. Instead, they combine the 8(a) goal into the Small Disadvantaged Business (SDB) goal.

# Department of Defense

## Women-Owned Business Goal Achievement



These figures represent the percentage of procurements from Women-Owned Businesses relative to total procurements for the respective years.