

# IMPROVE SMALL BUSINESS CONTRACTING

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*More robust policy is needed to support contracting opportunities for small business.*

The complexity of applying for a government contract can discourage many small-business owners from competing in a government bid. Despite the federal government meeting its small-business contracting goals in recent years, more can and should be done to ensure fairness for small firms within the federal marketplace.

- Recently, while the federal government has generally succeeded in meeting the government-wide goals of awarding 23 percent of federal contracting dollars to small business, it has fallen short of the goals established for woman-owned small businesses and HUBZone small businesses.

- While some officials have suggested raising the goal, and individual agencies have set higher targets, there is still no legislative requirement that any goal be met.
- The bidding process for a federal contract can be hard and complicated, especially for small businesses new to the process, due to a long list of special forms, terms and conditions, and other requirements. Additional requirements, such as a compliant Defense Contract Audit Agency accounting system, can incur further costs on a small business looking to work with the federal government.

**Small Businesses deserve opportunities to participate in federal procurement.**

## WORKING SOLUTIONS

Small businesses are agile, innovative and affordable partners for the federal government, and the government, in turn, can be an important partner for small business. Through small-business contracting, the federal government acts as a catalyst for small-business growth and innovation and supports the national economic security of the nation. NSBA supports reasonable reforms and policies that will further promote and facilitate small-business participation in the federal marketplace, including the following solutions:

- Increase the small-business federal contracting goal to 30 percent, allowing competitive and sole-source set-aside contracts and subgoals to be raised accordingly.
- Decrease the minimum threshold for awards requiring small-business subcontracts.
- Small businesses must play an essential role in ongoing infrastructure projects under the \$3 trillion Infrastructure Investment and Jobs Act.
- Establish a consolidated, more streamlined registration process.
- Eliminate fraud of awarding small-business federal contracts to large companies through prompt prosecution and increased SBA authority to disbar.
- Strengthen and improve the quality and integrity of contracting data.
- Terminate the practice of contract bundling.
- Increase oversight authority for the Office of Management and Budget and raise the accountability for each agency's respective Office of Small and Disadvantaged Business Utilization so they report directly to the agency head.
- Ensure appropriate treatment of subcontractors including: timely payment; addressing Miller Act waivers; and including the entire contract award when calculating the percentage of small-business subcontracts given out, not just subcontracted dollars.
- Encourage the Department of Defense to promulgate pragmatic standards for contractors and subcontractors that bolster opportunities for small businesses to compete.
- Reject efforts to minimize or eliminate small-business set-asides in federal contracting.



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