

Congress leveling the contractual playing field for small businesses

Congress has done it again, this time, in favor of small business. As a regular business traveler to Washington, D.C., I always try to pay a visit to the "Hill" in order to see what's going on with Congress and their activities related to small businesses. Having spent a lot of time in Washington D.C., small-business issues are great for sound bites, but are often lean in substance.

A few weeks ago, I was in Washington, D.C., and was extremely pleased to have received, hot off the presses, H. R. 1873, The Small Business Fairness in Contracting Act, directly from the House Small Business Committee.

If you have been following the media, you have probably noticed many recent reports regarding the number of government contracts that are being awarded to large businesses over small businesses, especially when awarding contracts overseas. Although the government goal is to award 23 percent of all government contracts to small businesses, this annual goal is sometimes more a dream than a goal.

As I've reported in past columns, last year, the federal government exceeded that goal by awarding 25.4 percent of all government contracts to small

businesses. It seems that the accuracy of that number has been challenged by some. Therefore, Congress is looking to make sure that this goal is clearly established and accurate reporting is a priority.

The Small Business Fairness in Contracting Act amends The Small Business Act and provides for greater controls, goals, oversight and relief, which ultimately will benefit small businesses and the overall small-business community.

There are few major highlights that call significant in this new piece of legislation. The most significant change is that the 23 percent goal for awarding government contracts to small businesses is to be increased to 30 percent. Furthermore, the small business set-aside requirement will apply to all GSA schedule contracts. For the small-business community, this means that almost one third of all government contracts shall be reserved for small businesses all over the country.

In numbers, that means approximately \$98 billion dollars a year will be available to all types of small businesses. The bill will also require that companies that fit into multiple categories only be counted toward a maximum of two categories for purposes of

an agency's goal achievements.

The components of the bill that deal with oversight and relief to small businesses, give Congress and the Small Business Administration some real strength in verifying and confirming the accuracy of the federal government's business going to small businesses. Agency procurement decisions that award contracts to small businesses will now be reviewed by the Office of Management and Budget.

In addition, businesses and trade organizations, besides the SBA, will be able to appeal against those agencies that are making awards that are not in the interest of small businesses.

Finally, if a company is determined by the SBA not to be a small business, that company is flagged, making it ineligible for small business set-asides.

Prime contractors, also known as large contractors, will have additional responsibility to keep better track of the amount of business that they are giving to small businesses.

The proposed bill requires prime contractors to report all subcontracting to small businesses as a percentage of the total dollar amount of the contract award. It also creates an incentive for prime contractors by

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giving them bonus credits when they achieve their subcontracting goals. The proposed bill also creates a disincentive by publicly listing the names of contractors that do not accomplish their

subcontracting goals on a registry to be maintained by SBA.

The final thing I like most about the proposed bill is that it requires the SBA to make contact, within 30 days, with any small

business that enters its data into the Central Contractor Registry, which is the main registration for all government contractors. This means that small businesses will have direct contact with the SBA shortly after they take the affirmative step to register as a government contractor. I believe this will create an incentive for small businesses to utilize the SBA and all of the resources it makes available to budding new government contractors.

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