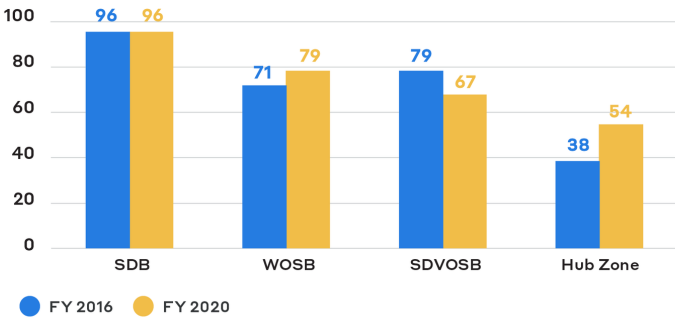


Procurement & Government Contracting

Key Takeaways

- The federal government spends billions of dollars each year on goods and services from the private sector. While procurement spending has risen steadily, the number of small businesses participating as government contractors has shrunk considerably.
- Barriers to procurement include burdensome and confusing processes and misaligned incentive structures.
- Expanding small business opportunities in federal procurement is an important way to strengthen resilience and growth among small businesses.

Share of federal agencies meeting contracting goals (%)



← The federal government has only met its women-owned small businesses (WOSB) contracting goal twice since it was established in 1994 →

Source: Small Business Administration Note: Federal agencies are expected to award a certain share of contracts to specific types of small businesses each year.

- SDB = Small Disadvantaged Business
- WOSB = Woman Owned Small Business
- SDVOSB = Service Disabled Veteran Owned Small Business
- HUB Zone = Historically Underutilized Business Zone

Policy Options

- Improve training and technical assistance for contracting officers and small business contractors.
- Raise the simplified acquisition threshold.
- Enforce prompt pay for small business contractors across agencies.
- Improve information collected in the Electronic Subcontracting Reporting System and Contractor Performance Assessment System.