

# Assigning responsibility for federal procurement to GSA

## *Solutions Proposal*

All members of the solution summit working groups concur that SBA's culture, including its embedded micro-business mentality, concerned only with supporting "the smallest of the small," constitutes the biggest obstacle to a successful collaboration between SBA policymakers and the concerned small business community.

It is certainly true that those smallest of the small businesses deserve all the support they can get from SBA and other federal programs, particularly in the private and commercial sectors of this nation. SBA and the Minority Business Development Agency (MBDA) have therefore made significant contributions to this country by supporting the development of small manufacturers, small retail operations, food markets, barbershops, etc.

However, SBA's support does not extend to small businesses of all sizes. SBA's track record over the past four decades in decreasing competition and stopping development of capacity and capability of small federal contractors has been heinous. This is clearly demonstrated by the number of businesses that leave the federal market place within 10 years of outgrowing their primary NAICS small business cap. SBA has developed no alternative to level the playing field between companies of distinctly different size strata. It is not reasonable to expect, for example, that a \$35M training support company (5x over its size standard) or a \$125M information technology firm (5x over its size standard) can responsibly and realistically compete with mega companies that are dominant within their field.

We must conclude from this that federal small business policies were not designed with small federal contractors in mind or to keep pace with real-life federal market realities.

The culture of any federal agency is unlikely to change overnight, and therefore it may take decades before SBA will finally claim responsibility for addressing federal marketplace realities. The solutions summit working group has concluded that to better serve small business the mentality of the agency governing small business procurement programs has to be changed now, before more small businesses are forced out of the market place.

Therefore, the group recommends that the SBA focus on technical assistance, financial support, and commercial and international procurement opportunities for small firms with less than 50 employees, while shifting all federal procurement programs to the General Services Administration (GSA) or the Department of Commerce, including small business set-aside procurement program, 8(a) procurement program, HUBZone procurement program, disabled veterans procurement program, veterans procurement program, and women-owned business procurement program. GSA has a history of successfully managing government-wide contract vehicles, covering a wide range of technical support services and products, working both with large companies in open-competitions and small business in set-aside competitions. SBA should, however, continue to provide business, financial and technical assistance to all small businesses.