



**U.S. Small Business Administration
Washington, D.C. 20416**

Associate Administrator John Shoraka

**Office of Government Contracting and Business Development
U.S. Small Business Administration**

*United States House of Representatives Committee on Small Business
Subcommittee on Contracting and Workforce*

Chairman Hanna, Ranking Member Meng, and members of the Subcommittee, I am honored to be here today to present SBA's ongoing efforts to expand access to federal contracting opportunities for America's 28 million small businesses.

SBA's Office of Government Contracting & Business Development oversees the federal government's performance against the statutorily-mandated small business prime contracting goal of 23 percent. This includes ensuring that agencies meet the socio-economic goals of 5 percent for socially disadvantaged small businesses (SDBs) and woman-owned small businesses (WOSBs), and 3 percent for small businesses located in historically under-utilized business zones (HUBZones) and service-disabled veteran-owned small businesses (SDVOSBs). For federal agencies to meet these goals, they need to have the right tools in place. The National Defense Authorization Act (NDAA) for fiscal year (FY) 2013 contained provisions to provide acquisition personnel resources to help small businesses receive approximately \$80 billion in contracts annually.

SBA has made significant strides implementing many of the provisions included in NDAA 2013. We revised our regulations to eliminate the caps on the dollar threshold of contracts that could be awarded under the WOSB Federal Contract Program. The cap removal will help close the gap between WOSB accomplishment and the 5 percent goal. SBA understood the importance of eliminating this barrier, and acted quickly to issue an interim final rule to implement the change, which was incorporated into the Federal Acquisition Regulations last June.

We continue to review, and update as necessary, all size standards. SBA has completed its review of all revenue based size standards, and issued an inflation adjustment last month. As a result, thousands of more small businesses will be able to qualify for Federal contracting

opportunities. As we continue our reviews of size standards, we have integrated the relevant changes from NDAA 2013 into our process.

Additionally, SBA raised surety bond guarantee limits from \$2 million to \$6.5 million, and allows for bonds up to \$10 million if the contracting officer certifies it is necessary for award of the contract. This provides small construction companies with the ability to bid on and obtain larger construction contracts.

We are also aware of the importance of senior-level accountability to small business contracting goals. We have worked with procuring agencies to ensure that senior executives receive training on small business contracting and that meeting small business contracting goals are part of their performance evaluations. SBA's Procurement Center Representatives have also incorporated new small business contracting provisions into the trainings they regularly provide to contracting officers. We continually leverage our work with the Small Business Procurement Advisory Council to share best practices and review the performance of the Offices of Small and Disadvantaged Businesses at the agencies.

At the beginning of June, SBA submitted a draft rule to the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs, authorized by NDAA 2013, which will allow small business prime contractors to utilize similarly situated small business subcontractors to perform the required percentage of work on the contract. This will allow small businesses to work together to win contracts that are larger and have more complex requirements and that have not historically been suited for small business participation.

In the near future, SBA will publish a rule to implement a new Government-wide mentor-protégé program. The mentor-protégé program will be for all small business concerns, including socio-economic subcategories of small businesses, consistent with SBA's mentor-protégé program for participants in SBA's 8(a) Business Development Program.

Last month, we published a proposed rule on advisory size decisions, which establishes the criteria that small business status advisory opinions must meet in order to be deemed adequate and specifies the review process for such opinions. This rule further amends SBA's regulations to update the circumstances under which the Agency may initiate a formal size determination.

SBA continues to review the small business contracting goaling guidelines and has now included leasing, to the extent reported, which was a category of spend previously excluded, into the small business goals. SBA is reviewing the SBA's Office of Advocacy recently published recommendations for improving the goaling process, and are working with OMB's Office of Federal Procurement Policy, General Services Administration, and other agencies to determine any future improvement to this process.

At SBA, and across the Administration, we are committed to ensuring that more small businesses have access to contracting opportunities to grow their businesses and create jobs in our communities. As Administrator Contreras-Sweet highlighted in her priorities speech last month, "The SBA will be a 'market maker' for small companies by opening new business channels within the federal government."

Thank you for your continued leadership and support, and I look forward to your questions.