



U.S. Small Business Administration

PRESS OFFICE

Contracting Fact Sheet

Small Business Jobs Act – More Contracting Opportunities for Small Business

The federal government is the largest purchaser of goods and services in the world, spending almost \$500 billion on contracting each year, nearly \$100 billion of which goes to small businesses. 19 provisions in this new law will help put even more of these dollars into the hands of small businesses, helping them grow, drive innovation and create jobs.

Top Provisions

Equal Treatment across Federal Contracting Programs

- The law reaffirms “parity” among federal small-business contracting programs. When awarding contracts that are set-aside for small businesses, contracting officers are free to choose among businesses owned by women and service-disabled veterans, as well as businesses participating in HUBZone and 8(a) programs.

More Opportunities for Small Businesses

- The law will eliminate the “Competitiveness Demonstration” program, which limited opportunities for small business contractors in about 10 industries where they excel, such as construction, landscaping and pest control. This will build on the \$24 billion in contracts small businesses won in these industries in Fiscal Year 2009.
- The law will give contracting officers the ability to reserve orders for small business participation on contracts with multiple awards using the Federal Supply Schedule (GSA Multiple Award Schedule). The law makes it harder for agencies to “bundle” contracts, a practice that makes it more difficult for small businesses to compete.

Combating Fraud, Waste and Abuse

- The law will put in place a legal standing of “presumption of loss” when a business misrepresents its ownership status or size in winning a government contract. It allows the federal agency to claim a loss on the purchase, allowing those agencies, including the Department of Justice, to vigorously pursue fraudulent firms.
- The law will hold large prime contractors more accountable to their own subcontracting plans by requiring written justification when plans aren’t met and when small business subcontractors aren’t paid on time. This will help eliminate “bait-and-switch” tactics that occur when large primes – after winning the prime contract – don’t follow through with their own plans to give subcontracts to small businesses.