

U.S. Senate Committee on Small Business & Entrepreneurship

Hearing on

“The Recovery Act For Small Businesses: What is Working and What Comes Next?”

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Thank you Chair Landrieu, Ranking Member Snowe, and distinguished members of the Committee. I am Joseph Jordan, Associate Administrator for Government Contracting and Business Development at the Small Business Administration. I am honored to be testifying before you to discuss the SBA’s role in Recovery Act contracting. In addition to updating you on our progress to date, I also look forward to hearing from you and the other witnesses about ways to improve the contracting process for the small business owners of America.

In these uncertain economic times, we know the SBA’s mission is more important than ever. The Recovery Act, which passed with your help, provided us with increased opportunities to get federal contracts into the hands of small businesses. There are approximately \$60 billion in federal Recovery Act prime contracting opportunities, of which approximately \$13 billion (23%), at least, should end up in the hands of small businesses. Put simply, this is a win-win situation. Small businesses get increased volume, sales, and hires. They get a “lift” to be competitive in the global marketplace and help lead the nation toward economic recovery. In addition, Federal agencies get to work with the most innovative, nimble, and responsive companies.

To support these efforts, President Obama and Vice President Biden in July asked the SBA and the Department of Commerce to co-lead an initiative designed to ensure that minority businesses, small businesses, and firms owned by women and veterans have even greater access to federal government contracting opportunities. President Obama said providing the maximum practicable opportunity for small business contracting is “essential.” This 90-day “Stakeholder Outreach Initiative” includes trainings, outreach events, and many other agency activities.

As part of this initiative, Federal agency procurement officials are holding or participating in hundreds of events to share information on government contracting opportunities, including those available under the Recovery Act. You may recall that when I testified before this Committee during its May 21st hearing on Recovery Act contracting, I committed to developing a guide to help small businesses understand the federal procurement process. I am pleased to report that we at the SBA have created an online training module that fulfills that pledge. Already nearly 8,000 people have taken this online course, called “How to Win Federal Contracts.” Additionally, with 50 regional offices around the country, the Commerce Department’s Minority Business Development Agency (MBDA) has been an

invaluable resource by offering one-on-one workshops and training for minority-owned businesses to help educate them about federal opportunities.

Beyond these many outreach events, agencies are working to make procurement information available and accessible through recovery.gov, and promote fedbizopps.gov as a database where small businesses can access contracting opportunities. They are reaching out at conferences to organizations and networks that support small businesses and businesses owned by minorities, women, and veterans. Agencies are reaching out to prime contractors to encourage them to place a special emphasis on providing subcontracting opportunities to businesses owned by these groups, as well as small businesses. Most importantly, each agency is tracking its progress on reaching its contracting goals.

And we're well on our way towards hitting many of our Recovery Act targets. In fact, so far we have even exceeded the overall 23% goal for stimulus contracts. As of October 2, nearly 26% of federal Recovery Act contracting dollars, totaling over \$4 billion, have gone into the hands of small businesses. Moreover, various disadvantaged groups have received significant Recovery Act contracting dollars. Minority-owned businesses – of all sizes – have received 15% of ARRA prime contracting dollars, totaling nearly \$2.4 billion. We are currently achieving two times our goal of 5% for Small Disadvantaged businesses, which have received nearly 11% of ARRA contracting dollars. We have also exceeded our goal of 3% each for Service-Disabled Veteran Firms and HUBZone firms, which so far have received almost 4% and 7% of ARRA contracting dollars, respectively. Another highlight is that the small businesses in the home states of this Committee's Chair and Ranking Member have performed extraordinarily well. Small businesses have received nearly 76% of Louisiana's Recovery Act contracting dollars, for a total of nearly \$121 million. Small businesses have received nearly 72% of Maine's Recovery Act contracting dollars, for a total of over \$21 million.

Finally, we are close to hitting our goal of 5% for Women-Owned businesses, which currently have received over 4% of these contracts. To further enhance our efforts in this arena, we have been working very hard to develop the rule to implement the Equity in Contracting for Women Act passed in 2000. We have also posted the SBA's first-ever online training module specifically geared toward women in contracting. It's called "Winning Federal Contracts: A Guide for Women Entrepreneurs." This is a simple but powerful tool for women who are ready to learn the ropes in contracting, available at sba.gov/womenscontracting.

We know that efforts like these couldn't come at a better time, with billions more in stimulus contracts heading out the door. The SBA is continuously looking for ways to increase small business participation in federal contracting. The Recovery Act offers both unique challenges and opportunities, but we are working to see that small businesses will be given the opportunities they deserve, and play a key part in our nation's economic recovery.

Thank you and I'm pleased to take your questions and comments.

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