



NEWS RELEASE

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PRESIDENT CLINTON ORDERS MORE CONTRACTING OPPORTUNITIES FOR DISADVANTAGED BUSINESSES

WASHINGTON – President Clinton today ordered all federal agencies to increase opportunities for small disadvantaged businesses in the \$200 billion a year government contracting marketplace. This includes approximately 6,000 companies registered in the U.S. Small Business Administration's (SBA) 8(a) Business Development program.

President Clinton ordered that each agency that has procurement authority develop a long-term comprehensive plan to expand opportunities for disadvantaged businesses, particularly 8(a) Program participants, Small Disadvantaged Businesses (SDBs) and Minority Business Enterprises (MBEs). Each agency must submit a plan to the Office of Management and Budget within 90 days from the date of the order.

“These businesses are of vital importance to job growth and to the economic strength of the United States but have faced historic exclusion and underutilization in federal procurement. All agencies within the executive branch with procurement authority are required to take all necessary steps, as permitted by law, to increase contracting between the Federal Government and SDBs, 8(a)s, and MBEs,” the President's order said.

The President's Executive Order outlines the responsibility that all federal agencies share in ensuring that disadvantaged businesses get proper access to federal contracting opportunities.

“The President's message to federal agencies is very clear,” said SBA Administrator Aida Alvarez. **“As public servants, we must take affirmative steps to ensure that disadvantaged businesses have access to federal contracting opportunities and resources.”**

“In the last 10 years SBA's 8(a) business development program has seen contract awards increased by 81 percent, from \$3.4 billion in 1990 to \$6.2 billion in 1999. That's a good step in the right direction, but more still needs to be done and that's exactly what the President's order intends to accomplish.”

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The President's order requires contracting federal agencies to take a number of steps designed to increase access to federal prime and subcontracts for 8(a), SDB and MBE companies.

The steps include:

- Making sure that disadvantaged businesses are aware of prime contracting opportunities, and that 8(a) sole source opportunities are disseminated to 8(a) firms.
- Increasing the use by prime contractors of 8(a)s and SDB firms as subcontractors to meet their subcontracting goals.
- Encouraging business-to-business relationships, teaming and mentoring.
- Offering increased technical assistance and training to 8(a), SDBs, and increasing training of program and procurement officials on procurement policies regarding 8(a) and SDB firms.

In addition to developing a comprehensive plan, the order requires SBA to:

- Evaluate SDB accomplishments on a semi-annual basis;
- Ensure that local contract procurement advisors receive adequate training;
- Ensure that procurement goals for 8(a), SDB, and MBE companies and for agencies' accomplishments are made available to the public.

The Presidential order also:

- Requires the General Services Administration (GSA) to ensure maximum use of disadvantaged firms on the schedules and establish blanket acceptance under the 8(a) program so agencies can take credit for orders with 8(a) firms towards their goals.
- Requires agencies to the extent permitted by law, to submit contracts that are proposed for bundling to SBA for review. The SBA will make a determination regarding the appropriateness of bundling in each instance. Its determination will be carefully reviewed by the department or agency head, or a designee. If there is an unresolvable conflict, then the SBA or department or agency can seek assistance from the Office of Management and Budget.
- Requires the Secretary of Commerce and the Administrator of SBA to study the appropriateness of an awards program for executive departments and agencies that best exemplifies the letter intent of the order.

Additional information about SBA's programs and services is available at SBA's Web site: <http://www.sba.gov> or by calling the SBA's Answer Desk at 1-800 U ASK SBA.