



**NATIONAL ASSOCIATION OF
WOMEN BUSINESS OWNERS**

The Report of the National Association of Women Business Owners Procurement Task Force

February 2006

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NAWBO Procurement Task Force Goals

1. Remove obstacles that limit or prohibit participation of women owned businesses in federal, state and local procurement opportunities
 - Identify all potential obstacles in order to guide government officials in eliminating these barriers.
 - Identify solutions or possible actions in order to act as a facilitator of progress and a partner in effective action
 - Initiate activities to help women business owners overcome obstacles, which may be out of the government's control or which can be better facilitated by an outside entity.

2. Ensure inclusion of women owned businesses as lead contractors and subcontractors in federal, state, and local contracts, regardless of percentage goals.
 - Actively monitor and hold the government accountable for inclusion of women owned businesses in both formal and informal contracting opportunities.
 - Demonstrate the efficiency and effectiveness of inclusion of women owned businesses in federal, state, and local procurement.
 - Encourage and pursue continuous change, which will lead to increased procurement opportunities for women, minority and small business as a whole.

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I. Executive Summary

This report to the Board of Directors of the National Association of Women Business Owners® (NAWBO®) by the NAWBO Procurement Task Force presents a comprehensive assessment of barriers to federal procurement participation intended to guide further discussion of procurement issues by NAWBO members and inform possible advocacy by NAWBO related to these issues.

The Procurement Task Force was comprised of women business owners from around the country and in different industries who, along with the participants in a national survey of NAWBO members, also effectively represent the interests of many minority-owned firms and small business in general.

Through extensive research, nationwide outreach, due diligence, and multiple conferences among task force members, the Task Force identified five core issue areas of concern: accountability, certification, contracting practices, education and awareness and access to capital. The Task Force also reviewed the more than thirty recommendations included in this report and chose eight to which it would assign a priority in considering further action.

Following is a summary of the five core issue areas and the priority recommendations of the Task Force:

Accountability

Although the government has been committed to a 5% procurement goal for women business owners since 1994, the goal has never been reached in large part because of a lack of accountability for producing results.

The US Small Business Administration has not been held accountable for its failure to complete a mandated disparity study or for the five year delay in implementing a Congressionally authorized restricted competition program for women owned small businesses (WOSBs).

Agencies have not been held accountable for their failure to reach the minimal 5% goal. Prime contractors are not held accountable for utilization of WOSBs as subcontractors.

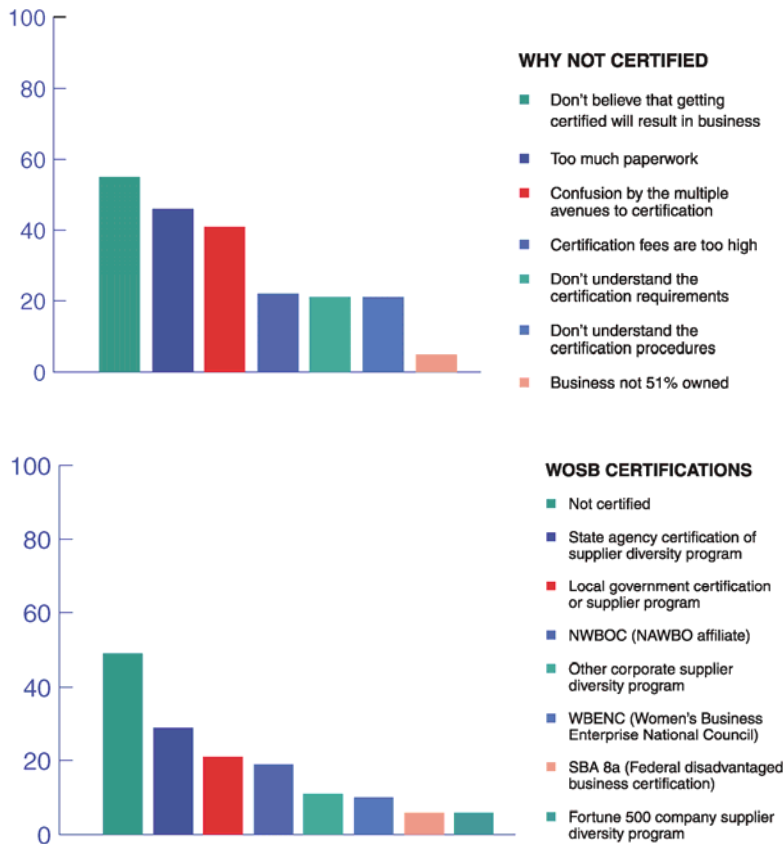
Leadership and a strong commitment to accountability at the highest levels of the federal government are essential to further progress. That is why the Task Force recommends that NAWBO seek issuance of an executive order that includes a number of provisions designed to make agencies, agency heads and procurement officers more accountable for results. It is also why the Task Force recommends that consideration be given to moving completion of the long-delayed disparity study and implementation of the WOSB restricted competition program from the SBA to another agency.

Certification

There is no universally accepted process for qualifying as a woman-owned business. The process of being certified has become a cumbersome, daunting and repetitive task that has become a stumbling block in obtaining contracts. There are multiple avenues of certification open to women business owners, each with its own standards and criteria, breadth of coverage and cost.

A majority of NAWBO members responding to the Task Force survey reported that the return on investment for the time and energy required to get certified was not sufficient to warrant their going through the process. At the same time, however, certification by a reliable third party agency is considered by contractors and

procurement officers to be key to the integrity of the WOSB restricted competition program and supplier diversity programs in general.



The Task Force believes that it is important to encourage more women business owners to get certified. That is why the Task Force recommends that NAWBO take a leadership role in seeking simplification and elimination of duplication in certification requirements.

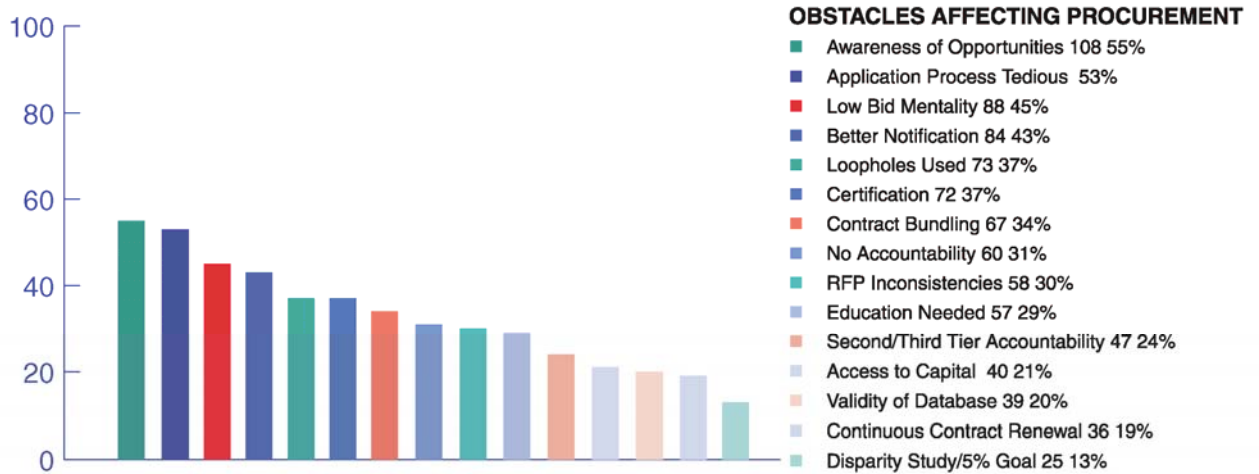
Contracting Practices

The Task Force found a number of contracting practices at the federal level that are based on inefficient standards that often result in poor quality service and products as well as cost overruns. More importantly, these ill-conceived practices discourage creative, cost-effective, and technically superior bids from WBE, MBE and small businesses. Current practices in place within federal, state and local government are counter-productive to efforts to increase opportunities to WOSBs, MBEs, and small business in general.

Contract bundling continues to be a critical issue for women business owners and the Task Force recommends that NAWBO continue to oppose bundling. Contract bundling excludes WOSB, MBE and small businesses from many government contract opportunities in a persistent and consistent manner. Each year, the federal government awards over \$200 billion in contracts. In fiscal year 2001, there were 11.4 million contract actions valued at \$234.9 billion. Federal agencies state that they generally award nearly 23 percent of the total dollars spent on federal procurements each year to small businesses. In addition, in fiscal year 2001, large businesses subcontracted approximately \$35.5 billion in federal work to small businesses.

Other practices that discourage WOSBs from participating in federal contracting include manipulation of the contract thresholds, application of size standards to render a WOSB ineligible based on the award of one contract, low bid mentality, performance based contracting that fails to measure the performance of the contractor and a number of issues with the process of soliciting and accepting bids.

The Task Force made a significant number of recommendations to address these issues.



Education and Training

One of the biggest inhibitors to women business owners entering the procurement arena is lack knowledge of procurement practices and procedures. There is no single effective and efficient program to teach small businesses how to identify, qualify for or pursue procurement opportunities with all government agencies.

There are over 100 federal agencies and each one has a specific set of rules to follow in order to do gain access to contract opportunities. Although the Central Contractor Registration (CCR) Database was implemented and all organizations wanting to do business with any government agency are now required to subscribe to this database, this has not enhanced the knowledge or awareness of contract opportunities or procedures among women business owners.

Now, state and local governments are also directing companies to this same database in an effort to streamline their processes. Just as small businesses have difficulty getting "in front of" government agencies, the agencies have trouble finding the right companies as well. It's a double-edged sword.

The Procurement Task Force has identified a number of areas in which WOSBs lack adequate awareness and knowledge of procurement opportunities and procedures and where the federal government could assist in providing information in a more usable form through better use of technology and other approaches.

Key among the issues is awareness of informal contracting opportunities that often are sized at the level many WOSBs can best compete.

Access to Capital

Access to capital has been, and remains, a critical issue for emerging and growing businesses, particularly those owned by women and minorities.

A recent national study funded by Wells Fargo and conducted by the Center for Women's Business Research found that only 52% of women business owners (compared to 59% of men business owners) had access to bank credit. And, in fast-growth firms only 39% of women owners had bank loans compared to 52% of men owners.

Bonding requirements and other financial tests can impose an insurmountable barrier to WOSBs seeking federal contracts.

The Task Force recommends a number of actions that can improve the ability of WOSBs to overcome these financial hurdles.

Priority Recommendations of the Task Force

- **Standardization Of Certification:** NAWBO should take a leadership role in developing a single set of criteria for certification of women-owned businesses and obtain agreement among state, local and federal agencies (including the SBA) and private sector businesses to accept (without further paperwork or investigation) certification awarded by either the National Women Business Owners Corporation or the Women's Business Enterprise National Council.
- **Achievement Of 5% Goal:** NAWBO should advocate executive branch action or legislation necessary to assure effective implementation of the long-delayed Women-owned Small Business (WOSB) restricted competition program and accountability for achievement of the 5% federal contracting goal for women-owned businesses.
- **Accountability of All Government Entities:** NAWBO should support legislation or executive action that will hold ALL government entities, departments and purchasing agents accountable under the Small Business Act.
- **Standardization of RFPs According To Service/Product/Industry:** NAWBO advocate executive branch action or legislation necessary to facilitate standardization of RFP solicitation language and specifications according to the industry type being sought to fulfill the proposed contract.
- **Accountability of Primary Contractors:** NAWBO should advocate executive branch action or legislation necessary to hold prime contractors accountable for using minority and women-owned businesses, and documenting actual use throughout the course of the contract with penalties for false disclosure of entities not used, but presented when being awarded contract. This order should also address penalties for slow payment to subcontractors.
- **Procurement Education:** NAWBO should take a leadership role in developing comprehensive education and training to help women-owned businesses gain a step-by-step understanding of the federal procurement process. The curriculum should be based on the actual experience of successful WOSB contractors.
- **Notification of Informal & Formal Opportunities:** NAWBO should advocate executive branch action or legislation that will create a single source of timely information regarding formal and informal opportunities

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(projected and planned). There should be a single portal and standardized formats for displaying procurement information and opportunities on agency websites.

- **Bundling Accountability:** NAWBO should advocate executive branch action or legislation that will ensure agencies are held accountable for documentation and accurate valuation of bundled contracts. NAWBO should continue to advocate unbundling of contracts in order to afford more women-owned, minority and small businesses the opportunity to win federal contracts.

II. The Scope of the Problem

In 1988, the federal government began taking steps toward full recognition and effective elimination of economic discrimination against women-owned businesses. Congress passed the Women's Business Ownership Act, HR 5050 that amended the Consumer Credit Protection Act to bring gender equity to business banking, established the National Women's Business Council, required the collection and dissemination of Census data on women-owned businesses, and appropriated money to the Small Business Administration for business assistance for women-owned businesses.

The development of data and the empowerment of the National Women's Business Council as an advocate for women-owned businesses were important first steps in developing awareness of the breadth and scope of the problems faced by women-owned businesses in the marketplace. Unfortunately, awareness did not bring resolution or fairness to the procurement process.

The 5% Goal – Ten Years and Counting

In 1994, Congress enacted the Federal Acquisition and Streamlining Act (PL 103-355; FASA) that, among other things, set a contracting goal of 5 for women-owned small businesses (WOSB). This goal has never been achieved. In fact, the amount of federal contract dollars awarded to WOSB has not exceeded 3.03 (FY04) percent.

FASA did not establish any specific means by which the five percent could be achieved and it did not specify how the goal would apply to prime contracts and subcontracting.

WOSB Restricted Competition Program

Recognizing the lack of progress toward the five percent goal, Congress acted in 2000 to authorized a "restricted competition" or set aside program specifically for women-owned businesses. This program, the Women-Owned Small Business (WOSB) Federal Contract Assistance Program, was included in the SBA Reauthorization Act (Public Law 106-554) and has now been codified in the Small Business Act, 15 U.S.C. S 637(m). The act is sometimes known as the Equity in Women's Contracting Act.

When implemented, the WOSB program will (for the first time) allow federal agencies to "restrict competition" to WOSBs when they solicit supplies or services in industries where WOSBs are underrepresented; at least two or more WOSB are expected to compete in order for the government to be able to make an award at a fair and reasonable price; and the contract amount does not exceed \$3 million for services or \$5 million in manufacturing.

PL 106-554 requires a small business concern seeking to compete in a WOSB restricted competition to be certified as WOSB by a federal agency, state government or national certifying entity approved by the SBA, and to submit "adequate documentation" to support such certification. The law also requires a study of the disparity between availability and utilization of women-owned businesses in federal contracting in order to identify industries where WOSBs were underrepresented.

Unfortunately, more than four years after Congress authorized the new set aside program, it has yet to be implemented.

SBA Action

In October 2001, the SBA gave public notice in its statement of regulatory priorities that it would be publishing rules to implement the WOSB program in 13 CFR part 127. It deemed the proposed regulations as "economically significant."

At that time, the SBA reported, "the Office of Contract Assistance for Women Business Owners (CAWBO) in the Office of Government Contracting is drafting proposed regulations to implement the program. The proposed rule is expected to be published in February 2002. It will contain provisions about how a WOSB can be certified to participate in the program, who is eligible, how protests will be handled, etc."

On May 13, 2002, the SBA published its semi-annual regulatory agenda and listed the rules for the Women-Owned Small Business Federal Contract Assistance Program among "discontinued entries." The only comment was that it had been "withdrawn" by the SBA on April 24, 2002. There has been no mention of the rules in the SBA's regulatory agenda since. In addition, the SBA did not release the disparity study and regulations implementing the set-aside program completed in 2002, citing legal concerns.

In June of 2004, the SBA announced that it might have a "methodology" for completing such a study by the end of 2004. The SBA asked the National Academy of Sciences to review the methodology used in the earlier disparity study. In March 2005, the SBA released the results of the NAS study stating that the disparity ratios from the earlier study were "inadequate."

Before the results of the NAS review were released in March the US Women's Chamber of Commerce filed suit against the SBA in October 2004 asking the federal court to order the SBA to complete the disparity study and implement the WSOB program. The federal court rejected a motion to dismiss filed by the SBA and, in December 2005, the court ordered the SBA to come up with a plan to implement the program within 45 days.

The Consequences for Women Owned Small Businesses of Not Meeting the 5% Goal

In FY 2003, \$8.3 billion in Federal procurement dollars was spent with women-owned small businesses out of a total spend of \$277.5 billion. The overall share of dollars spent with women-owned small businesses was 2.89%, up from 2.2% in FY 1998. FY 2003 showed a gain to 2.98%.

If women business owners had received 5% (rather than 2.98%) of the \$277.5 billion spent by the federal government with prime contractors in FY 2003, they would have received \$13.68 billion in contracts. \$4.9 billion more than they received even with the 22% increase reported by the SBA for all contracts.

The data released by the Small Business Administration (SBA) in summer 2005 on federal small business contracting in FY 2004, showed a slight increase in contracting dollars for WOSBs—from 2.98 percent in FY 2003 to 3.03 percent in FY 2004, a .005 percent increase.

According to data from the Federal Procurement Data Center (FPDC), the total federal spend on women-owned businesses went up \$1.5 billion or 22 percent between FY 2002 and FY 2003. In FY 2004, the rate of increase

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in contract dollars slowed to 8 percent, just a third of the 22 percent increase the year before. And, the actual dollar increase in contract awards fell to \$800 million in FY 2004 from \$1.5 billion in FY 2003.

If the goal of 5 percent in Federal procurement were met, women-owned businesses would have received \$14.9 billion in contracts in FY 2004. Instead, they received \$9.1 billion, a "loss" of approximately \$5.895 billion in contracts because Federal contracting did not meet the 5 percent goal. This "loss" is a billion more than dollars lost in FY 2003.

Some Progress to Report

Despite the fact that there has been no progress in implementing PL 106-554 since 2000, some federal agencies have had success in achieving the five percent procurement goal established by Congress in 1994.

In 2003, 11 of the major Federal agencies met the five percent contracting goal to women-owned small businesses, up from seven agencies in 2002. They are: Department of Housing and Urban Development (HUD) (32.8%); Department of Commerce (8.4%); Department of Education (7.7%); Office of Personnel Management (OPM) (7.4%); Department of the Interior (7.3%); Department of the Treasury (6.7%); General Services Administration (6.5%); National Science Foundation (NSF) (5.8%); Department of Homeland Security (5.6%); Department of State (5.2%); and Department of Agriculture (5.2%).

Many of these same agencies continued to outperform their peers again in 2004 either reaching or surpassing the 5% goal. Commerce was up to 13%, and HUD continued to reach 30%. The Department of Homeland Security was at almost 7%.

III. Core Issues and Recommendations

The Procurement Task Force identified five core issues of concern in determining the obstacles and prevailing practices that make contracting with the federal government difficult and discouraging for women business owners.

The five core issue areas identified by the task force are: 1) accountability and compliance; 2) certification; 3) contracting practices; 4) education and training; and 5) access to capital.

A description of the issues and the task force recommendations follows.

A. Accountability and Compliance

Accountability Standards are Inadequate

Current accountability standards are inadequate and not enforced. Few stringent and measurable accountability standards exist within all federal agencies for meeting WBE, MBE, and small business goals. The current procedures in place do not openly and comfortably lend themselves to women business owner success in securing government contracts. There should be definable, clear-cut mandates that not only put steps in place for women business owners to do business with Federal agencies, but also there should be an environment that is conducive for small business success in general.

Leadership is Critical to Success

The importance of a clearly defined commitment to Equal Opportunity Commerce in federal contracting must be emphasized throughout all agencies and with federal contractors.

Fundamental to the achievement of the goal of equal opportunity for women-owned businesses seeking federal contracts is the development of a clearly defined statement of commitment to equality of opportunity in federal contracting for small, women and minority-owned businesses.

While the federal constitution and a number of federal laws and regulations prohibit discrimination in federal contracting, the federal government lacks a clear and unequivocal statement by the executive branch of its commitment to assuring that all small, women and minority-owned businesses receive their fair share of the government's business, both in terms of numbers of contracts and dollars awarded. It also lacks a meaningful and effective program for ensuring achievement of statutory contracting goals.

There needs to be a clear and unequivocal promise by the President and the administration that the federal government will hold contractors and contracting officers alike to a clearly defined standard of inclusion and that the administration will take affirmative steps to identify, root out and punish discrimination at every level of the contracting process from solicitation to award to implementation.

The federal government must begin to look beyond minimal goals and implement policies and practices that will ensure that women-owned businesses are getting their "fair share" of federal contracts and contract dollars. "Fair share" is the equivalence of government utilization of women-owned businesses in federal contracting (as prime or subcontractors) to their availability to provide the goods or services sought. Any disparity between

utilization and availability should be presumed to indicate that the procurement process is tainted by discrimination absent a showing to the contrary based on objective evidence or compelling needs.

Equality of contracting opportunity should not be seen as less important than equality of employment opportunity. Just as there are specific statements, contract terms and reporting requirements regarding employment by federal contractors embodied in a presidential executive order, there should be equivalent statements, contract terms and reporting requirements set forth in an executive order governing contracting by federal agencies and subcontracting by prime contractors on federal contracts.

Recommendation 1

The Task Force recommends that NAWBO immediately seek issuance of a Presidential Executive Order mandating that all federal agencies achieve the 5% statutory goal for WOSBs and setting out specific mechanisms for documenting compliance and sanctioning nonperformance.

To improve accountability for results, the executive order should include, at a minimum, the following actions: a) require all prime federal contractors to include and utilize WOSBs as subcontractors for projects exceeding a fixed dollar threshold; b) impose specified penalties for failure to meet the statutory goal including making proportionate cuts in funding for those agencies that fail to meet mandated goals and reallocate those dollars to complete the disparity study, to implement the WOSB set aside program and to provide education to WOSBs about federal contract opportunities; and c) impose accountability measures on federal procurement officials, including performance evaluations that measure progress in meeting the 5% procurement goal and sanctions to be imposed on agency heads and procurement officers who fail to take good faith steps toward meeting the 5% goal.

The Task Force further recommends that these additional accountability measures be considered for inclusion in the presidential executive order:

- 1) require each federal agency, contractor and subcontractor to seek in good faith to achieve the mandated 5% statutory procurement goal and, further, to take action to assure women-owned businesses their fair share of government contracts awarded in terms of both numbers of awards and dollars awarded;
- 2) require the Office of Management and Budget to evaluate utilization of women owned small businesses (as reported in the goaling procurement reports) against availability and issue an annual report documenting any disparity between utilization and availability;
- 4) require any federal agency, contractor or subcontractor with a documented disparity in utilization to review its contract award and purchasing practices to determine if any such practice has an adverse impact on women-owned businesses, and, if so, to justify its continued use by showing its necessity to the performance of the contract in accordance with essential terms or its necessity to assure reliable delivery of specified goods or services;
- 5) require that each federal contracting or procurement officer be evaluated and compensated in part on his/her compliance with the nondiscrimination and equal opportunity requirements of the executive order, including his/her achievement of the 5% minimum statutory goal for utilizing women-owned businesses and his/her elimination of any disparity in utilization of women-owned businesses documented by the OMB;

- 6) require that each agency head be evaluated and compensated in part on his/her agency's with the nondiscrimination and equal opportunity requirements of the executive order, including its achievement of the 5% minimum statutory goal for utilizing women-owned businesses and effectiveness of actions taken to eliminate any disparity in utilization by the agency of women-owned businesses documented by the OMB; and
- 7) require that each federal contractor and subcontractor be evaluated for compliance with the nondiscrimination and equal opportunity requirements of the executive order, including its achievement of the 5% minimum statutory goal for utilizing women-owned businesses and the effectiveness of actions taken to eliminate any disparity in utilization by the contractor or subcontractor of women-owned businesses documented by the OMB and that the results of such evaluation be considered as a factor in deciding whether a contractor or subcontractor is "qualified" to be awarded future contracts.

Failure to Implement the WOSB Restricted Competition Program or Achieve the 5% Goal

Although there is a National Small Business Goaling Procurement Program administered by the SBA, www.sba.gov/GC/goals, and reports are made to the President annually, government agencies are not, in fact, held accountable for meeting the mandated contracting goal of 5%.

The SBA's continued delay in publishing the congressionally mandated disparity study is giving federal agencies an excuse not to do business with WOSBs. In the absence of hard data on availability of WOSBs by industry, some federal procurement officers and department heads argue that WOSBs are being treated fairly and that the failure to reach the five percent goal is a function of lack of qualified WOSBs with which to contract. This is argued despite findings by the National Women's Business Council that refute this assertion. See, e.g., *Women Owned Businesses in Federal Subcontracting, Measures and Data*, September 2003, available online at www.nwbc.gov.

The SBA has offered no persuasive reason why the disparity study has not been completed. The SBA hierarchy has not demonstrated a sense of urgency about getting the study done or the WOSB restricted competition program implemented.

Despite the collection of data pursuant to the National Goaling Program, it does not appear that departmental progress towards mandated WOSB/MBE/small business goals is consistently monitored nor are there any penalties for failure to meet goals. Data is reported and collected but there is no effective scrutiny of why these goals are not being met, or documentation of any efforts under way to effect change.

Recommendation 2

The Task Force recommends that NAWBO support efforts to pass legislation removing oversight of the long delayed disparity study from the SBA and transferring it to another government agency (e.g., the General Accounting Office or the National Women's Business Council) or to a private entity such as the Center for Women's Business Research.

Recommendation 3

The Task Force recommends that NAWBO seek to identify funds to support a disparity study by the Center for Women's Business Research that will provide independent documentation of the fact that women-owned businesses are underutilized in federal contracting.

Recommendation 4

The Task Force recommends that NAWBO seek additional oversight of goaling by the Office of Management and Budget's Office of Procurement and by the SBA Office of Advocacy. Oversight should include: 1) published quarterly report cards for each department citing progress in attracting and retaining WOSB contractors and vendors; and 2) required publication of detailed statements at the completion of a project/contract, showing actual dollars contracted and dollars paid to each WOSB firm named as a prime or subcontractor on a project,

Lack of Accountability of Prime Contractors To Second/Third Tier Contractors

Prime contractors must be held accountable for seeking and utilizing the services of minority-owned, women-owned or small businesses as subcontractors, and the prime contractors must provide substantive evidence of the involvement of these subcontractors and of appropriate payments to them.

In cases where the federal government has dictated that a short-list of prime contractors are the direct suppliers as delineated by the government agency, these primes must then be held accountable in seeking and utilizing minority-owned, women-owned or small businesses as subcontractors.

There is no consistent or documented policy for primes in regard to using subcontractors across all agencies. In addition, there is no effective mechanism for ensuring that primes actually engage and pay timely all small, women and minority subcontractors listed in responses to RFP's.

Example

As cited from feedback given in the Procurement survey:

"Getting your company included as a subcontractor with a primary is the only way my company can be considered for federal government work. The frustration comes with being named and then not used when the contract is awarded to the company."

Recommendation 5

The Task Force recommends that NAWBO work with federal procurement officials to ensure that prime contractors are considered an integral part of the solution to increasing opportunities for and participation by WOSB and MBE firms in government contracts, and held accountable for detrimental practices or misconduct.

Recommendation 6

The Task Force recommends that NAWBO seek legislation or executive branch action that would implement procedures for ensuring accountability in subcontracting including: 1) identifying and documenting each instance where a WOSB firm was identified as a subcontractor, but received no work on the contract; 2) initiating a Phase I audit at inception of a contract to confirm that a stated WOSB being used as a subcontracted provider has, in fact, been engaged by the primary awarded the contract; 3) establishing stiff penalties (including contract rescission and debarment from future contracting opportunities for falsifying information on WOSB or MBE subcontractors in order to win a bid; 4) establishing a clear expectation for payment to subcontractors as well as a documented record of net profit to the subcontractor which is in alignment with the payment schedule and expected profit of the prime contractor; 5) recognizing and/or rewarding prime contractors that routinely utilize WOSB and MBE firms effectively in completing federal contracts; and 6) notifying all identified subcontractors on a project when a payment is issued to the prime to help ensure that a prime cannot hold or delay its payments to its subcontractors.

Data Base Validity

The CCR database is not routinely and rigorously validated to ensure that the businesses listed meet the criteria of WOSB, MBE and small businesses. The validity of the CCR/GSA database has been a source of contention and concern by small companies seeking contracts due to a lack of accountability for the integrity of the information about companies on the database.

Fortune 500 companies have been found among the lists of small businesses, minority or women-owned businesses and some instances of out-right fraud have been identified. This issue is complicated by the problem of duplicative and overlapping certification programs, which serve as a barrier to WOSBs interested in seeking certification as a "credential" to improve the integrity of the process.

This issue is complicated by the fact that the Small Business Administration size standards have been in a state of flux for two years, and have only recently been reissued effective December 2005. The new standards adjust the monetary standards upward for inflation but do not make changes in categories like those proposed but withdrawn in the spring of 2004.

In August of 2004, it was announced that the database is being made easier to access and navigate. However, the integrity of the information on the database is still not being addressed.

Example

From Procurement Task Force Survey:

"In 2001, RSIS was still classified as a small business even though company revenues were reported in the \$70,000,000 range."

Recommendation 7

The Task Force recommends that NAWBO continue to monitor changes in the proposed SBA size standards and proposed changes in the policies and procedures used to confirm and validate information submitted that becomes part of the CCR/GSA databases.

In reviewing proposed changes in the size standards, NAWBO should consider recommending that business categories be further defined so that consulting services are not lumped in with highly technical, licensed professional services and vice versa and that small businesses be broken down further within database according to employee size-range classification in addition to revenues.

Loopholes Used By Agencies To Avoid Doing Business With Small Business

Loopholes allowing government agencies to avoid offering contracts to small business must be identified and eliminated. In order for agencies to be held accountable, it is critical that any loopholes be exposed and closed within and outside the system.

One of the primary ways an agency is able to avoid doing business with small business is by issuing a contract through a department or entity that is not required or expected to achieve goal percentages under the Small Business Act.

Example

The Case of the Morale Boosting Berets

In an example cited by Representative Manzullo, the Department of Defense issued a contract well above the dollar threshold for RFP solicitation for the production of berets to be distributed to military personnel as a means of boosting moral during Desert Storm. The contract was ordered through the Office of Printing, which is not required to adhere to the Small Business Act for specific types of purchases. As a result, an Asian firm was issued the contract. Representative Manzullo exposed this injustice, and a U.S. firm later produced the berets.

Recommendation 8

The Task Force recommends that NAWBO support legislation or executive action that will hold ALL government entities, departments and purchase classifications accountable under the Small Business Act.

Such legislation or executive mandate should require 1) an audit of all exempt purchase classifications and/or entities that do not currently fall under the jurisdiction of Small Business Act enforcement; 2) publication of the results of the audit for public record and scrutiny; 3) an amendment to the Small Business Act clearly stating that the mandate is all-inclusive, requiring full participation.

B. Cumbersome Certification Programs and Requirements

There is no universally accepted process for qualifying as a woman-owned business. The process of being certified has become a cumbersome, daunting and repetitive task that has become a stumbling block in obtaining contracts.

There are multiple avenues of certification open to women business owners, each with its own standards and criteria, breadth of coverage and cost.

There are overlapping and duplicate requirements at the federal, state and local levels, and two, formerly competing national private certifications relied on principally by the private sector.

The current number and type of certifications is confusing and unnecessary. The majority of women-owned businesses responding to the NAWBO survey reported that the complexity, cost and time required was an obstacle to their seeking certification, particularly in light of their conclusion that there was limited or no return on the investment in terms of additional contract awards or revenues.

One reason to encourage women-owned businesses to seek certification is that it would help allay largely unjustified fears that some significant number of businesses self-certifying as women-owned are, in fact, "fronts for men." To the extent that this perception exists or that there are actually some number of women falsely certifying that they own and operate their businesses, it is important to ensure that objective third party certification is available to address this issue of integrity without imposing undue financial or other burdens on women-owned businesses.

To the extent that there are companies "owned" by women who are merely "fronts" for men seeking a perceived advantage from certification, these companies and the women who "front" them undermine the integrity of the many women who are genuinely managing the day-to-day operations of businesses they own and deserve the credit for the responsibilities they shoulder and the risks they take.

In order to fully comprehend the extent of certifications in the marketplace, a review of the certification programs that currently exist is necessary.

Federal Certification Programs

Congress authorized a Women-owned Small Business (WOSB) Procurement Program in 2000, Public Law 106-554, Section 811(m). Implementation of this program would require the SBA to develop a WOSB certification program. Under the law, WOSB's that were certified under this program would be eligible for "restricted competition" procurements authorized to help federal agencies meet the 5% contracting goal established by Congress in 1994. Unfortunately, implementation of the WOSB program has been delayed for the last five years.

Until the WOSB program is operational, there is no federal certification procedure required for women-owned businesses to participate in any federal procurement nor are there any procurement set-asides, price preferences or other developmental programs that provide a reason for women business owners to seek certification.

Currently, women business owners seeking federal contracts may choose to self-certify as a woman-owned small business (WOSB) in the Central Contracting Registry (CCR) database. The CCR is free and the SBA indicates that both federal agencies and large contractors that are seeking small businesses use it extensively.

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For the most part, however, the effort to encourage women-owned businesses to self-certify is largely a means to document contracts and purchases from women-owned businesses, showing progress toward the 5% procurement goal.

Women business owners may choose to become certified under one of three federal certification programs for disadvantaged businesses currently offered by the Small Business Administration (SBA) or through the Federal Department of Transportation.

The SBA certification programs are: 8(a), Small Disadvantaged Business (SDB) and HubZone. Information is available concerning the 8(a) program through www.sba.gov/8abd. Applications and information regarding the 8(a) program are also available through the SBA's district offices. Applications and information concerning the SDB program are available at www.sba.gov/sdb. Hubzone information is provided at www.sba.gov/hubzone.

The criteria for each of the currently existing SBA programs are different. Women business owners may qualify for the 8a program or the SDB program only if they can show that, as individual women, they were/are "socially and economically disadvantaged." Women are not presumed to be socially disadvantaged and they must provide evidence of bias or discrimination to be considered. Under 8(a), the woman business owner also must have a net worth less than \$250,000 or less than \$750,000 (excluding principal residence and value of business) program to be certified.

Businesses certified as 8(a) can receive business on a sole source basis. SDB's can receive a 10% price preference. HubZone certification is available only to businesses that are located in a HubZone with 35% of their employees living in a HubZone. HubZone businesses benefit from a set aside and a 10% price preference on certain federal purchases.

The Department of Transportation (DOT) also certifies qualified women-owned small businesses (WOSBs) through its Disadvantaged Business Enterprise program. An advantage of the DOT program is that women-owned businesses are not subject to additional burdens of proof regarding whether they are "disadvantaged." One problem with the DOT program is that it is administered by a variety of state and local transportation departments around the country. Every agency that receives federal highway funds must have a DBE program, and set and meet goals for including women and minority-owned businesses among its contractors.

Unfortunately, there is some evidence, at the local and state level, that women business owners do not receive the benefits of inclusion in the DOT program because required local and state compliance plans do not address or even acknowledge the need to ensure that WOSBs are receiving their fair share of DOT funded business.

To be certified under the Department of Transportation's DBE program, a firm must meet the following basic requirements:

- Be at least 51% owned by minorities or women Day-to-day operations must be controlled by minorities or women
- Be a small business as defined by the Small Business Administration
- Owner's personal net worth must not exceed \$750,000.

State Certification Programs

State certification programs vary in scope, nature and complexity and are often restricted to state located businesses. This is because the legislatures do not want any of the perceived “benefits” of certification to be afforded to out-of-state companies. There are few states where state certification programs accept NWBOC or WBENC certification as meeting state requirements. Two such states where there are cooperative programs are Kansas in which NWBOC certification is accepted by the state and Georgia where the GWEN program works with NWBOC as the certifying agency.

Local Certification Programs

Local certification programs often establish an independent layer of requirements, sometimes in conflict or, at a minimum, without affording reciprocity even to their own state certification programs.

Private Certification Programs

There are two major national certification programs offered in the private sector. Both offer certification to any woman-owned business that can demonstrate according to the programs’ published criteria that it is, in fact, owned and operated by a woman or women.

- National Women Business Owners Corporation (NWBOC)

More than 100 private companies and public agencies accept the national certification offered by NWBOC, a not-for-profit organization affiliated with the National Association of Women Business Owners (NAWBO) launched in 1997. NWBOC undertook the National Certification Program as a public service for corporations, government agencies and women business owners. The Program’s objective is to increase the opportunities for women entrepreneurs to compete for corporate and government business while slashing the number of “front” operations. NWBOC is operated and governed by women business owners.

To be certified as woman-owned by NWBOC, a business must be owned and controlled 51% or more by a woman or women. Among other “control” factors, a woman must be CEO of the business for it to be certified. The current fee is \$300.

- Women’s Business Enterprise National Council (WBENC)

Like NWBOC, WBENC is a not-for-profit organization launched in 1997. Dedicated to enhancing opportunities for women’s business enterprises, WBENC works in partnership with women’s business organizations located throughout the country to provide a national standard of certification for women-owned businesses. Over 500 corporations and a number of federal and government agencies accept WBENC certification. Corporations hold two-thirds of the seats on the board of directors of WBENC. The other third of the seats are held by representatives of women’s business organizations and by certified WBEs.

To be certified by WBENC, a business must show that a woman or women own it 51%, and that the woman or women have effective management and control of the business.

Paperwork Burden with No Return on Investment

Too many agencies and companies have their own certification processes with different certification standards. This creates separate redundant bureaucracies in each agency and unnecessary duplication of effort, paperwork and cost to each business applying for certification and unnecessary additional costs to taxpayers funding duplicate public certification programs.

Certifying companies, agencies and organizations typically do not honor other certifications.

Some agencies allow "self-certification", or a certification process that does not include a site visit or in-depth interview to ensure a woman or women own and control the business.

There is little uniformity in the current certification processes. There are no agreed upon, recognized standards or criteria for what constitutes an effective certification program.

Women business owners report that they have a hard time seeing the value of certification due to the confusing guidelines, the costs, the duplication and the lack of a return on their investment.

The only Federal certification program that would actually qualify a woman-owned business for "restricted competition" (the WOSB program authorized by PL 106-554) is not yet operating because of delays by the SBA in completing a required disparity study.

The SBA administers other certification programs for which women-owned businesses may qualify but these programs require non-minority women to document that they have experienced discrimination or to meet location specific requirements (HUB zone).

The only federal certification program in which all women-owned businesses are presumed to be "disadvantaged" is the DBE program applicable to recipients of federal highway funds overseen by the Federal Department of Transportation.

Examples

From the Procurement Task Force Survey:

One woman wrote: "Although I am not yet certified I plan to become certified at some point. From my involvement with Public Policy at NAWBO and my polling our chapter members there are too many layers of certifications and I need to better understand whether and how a certification will help my business which is service-oriented (commercial real estate brokerage)."

Recommendation 8

The Task Force recommends that NAWBO take a leadership role in bringing stakeholders together to develop a consensus about the standards, criteria and procedures that should be used in certifying women-owned businesses.

Recommendation 9

The Task Force recommends that NAWBO encourage the two private certifying entities (NWBOC and WBENC) to merge or to agree on a single, common set of standards, criteria and procedures for certification. While the fundamental difference in the governing structures of the two organizations and the commitment of different women business owners to the two models may make merger unlikely, this difference in governance should not preclude development of a uniform certification process.

Recommendation 10

The Task Force recommends that NAWBO take a leadership role in advocating that all private companies, federal, state and local governments accept, without additional paperwork or investigation, a woman business owner's certification by either NWBOC or WBENC as to the ownership and control of the business by a woman or women. Then, if there were additional programmatic requirements, these would be evaluated without requiring duplicative paperwork on the ownership/control issue.

Recommendation 11

At a minimum, the Task Force recommends that NAWBO be a lead advocate for the acceptance of NWBOC and WBENC certification by the SBA when and if the WOSB program is finally implemented.

C. Ineffective Contracting Practices

The Task Force found a number of contracting practices at the federal level that are based on inefficient standards that often result in poor quality service and products as well as cost overruns. More importantly, these ill-conceived practices discourage creative, cost-effective, and technically superior bids from WBE, MBE and small businesses. Current practices in place within federal, state and local government are counter-productive to efforts to increase opportunities to WOSBs, MBEs, and small business in general.

Identified as the most cited issues of concern for WOSB firms are:

Bundling & Vendor Reduction

Contract bundling excludes WOSB, MBE and small businesses from many government contract opportunities in a persistent and consistent manner. Each year, the federal government awards over \$200 billion in contracts. In fiscal year 2001, there were 11.4 million contract actions valued at \$234.9 billion. Federal agencies state that they generally award nearly 23 percent of the total dollars spent on federal procurements each year to small businesses. In addition, in fiscal year 2001, large businesses subcontracted approximately \$35.5 billion in federal work to small businesses.

The Small Business Reauthorization Act of 1997 defines contract bundling as “consolidating two or more procurement requirements for goods or services previously provided or performed under separate, smaller contracts into a solicitation of offers for a single contract that is unlikely to be suitable for award to a small business concern.” The Act lists several factors that might cause unsuitability for award to a small business. These are: diversity, size, or specialized nature of the elements of the performance specified; aggregate dollar value of the anticipated award; geographical dispersion of contract performance sites; or, any combination of these criteria.

Contracts are bundled due to increased demands to make the acquisition process quicker and less complex coupled with reductions in the overall acquisition workforce have driven acquisition managers to bundle requirements. To meet these demands and increase customer satisfaction, agencies have increasingly consolidated contractual requirements into larger contracts and used limited and simplified competition procedures for acquiring products and services.

The impact of contract bundling on small businesses is significant. According to a report prepared for SBA's Office of Advocacy, for every 100 “bundled” contracts, 106 individual contracts are no longer available to small businesses. For every \$100 awarded on a “bundled” contract, there is a \$33 decrease to small businesses. Because these types of contracts “run longer and encompass a greater scope, competition is reduced in terms of frequency and the number of opportunities.” Analysis of the data indicates that, even though the overall dollars spent in contracting with small businesses remained relatively constant, there has been a sharp overall decline in new contract awards. New contract awards (i.e., new contracts rather than contract modifications or orders under existing contracts) have declined due to bundling, from a high of 86,243 in fiscal year 1991 to a low of 34,261 in fiscal year 2001. The Democratic members of the House of Small Business Committee, report that in 2002 the number of small business contracts actions from 2001 to 2002, decreased by more than 14%. In 2001 the annual bundled contract count was the highest in 10 years up from 19% from 1992.

NAWBO members reported that contract bundling shuts out small businesses from competing for government contracts due to the inability to compete with larger entities. Contract bundling saves the government time but there is no evidence to date that shows that contract bundling actually saves the government money.

The fact that the Department of Defense, the agency spending the most on federal procurement, issued a statement on September 17, 2004, that agencies in the department will no longer be permitted to bundle contracts is an indication that bundling is not reaping the rewards originally thought to have been gained.

Example

The Boise Office Supply/U.S. Postal Service contract of 2002 is a prime example of a contract that professed to potentially save the government \$32 million over the timeframe of the contract, but in reality only saved the government \$1 million.

Recommendation 13

The Task Force recommends that NAWBO continue to oppose contract bundling and seek legislation and executive branch action to initiate standards of accountability and justification across all government agencies for contract bundling and common guidelines to effectively monitor, measure and document the necessity and validation of bundled contracts.

Such action should 1) remove loopholes that allow agencies to refer to bundling in different terms; 2) strip agencies of the power to determine whether or not a contract is bundled; 3) prevent agencies from bundling contracts for one fiscal year if they do not meet their small business goals; 4) give small business a fair appeals process when it disagrees with agency policies; 5) eliminate agency authority to make changes to its procurement strategy; 6) make it mandatory that an agency publish the final end-of-contract pricing in conjunction with the bid pricing with justification by both the agency and the contractor for costs above approved contract bid price; and 7) make all of this information publicly accessible.

Recommendation 14

The Task Force recommends that NAWBO support executive branch action to facilitate joint venturing of small businesses to pursue bundled contracts with the RFP being scrutinized based on the collective capability and capacity of the venture as a whole. Such action should ensure that contracts will 1) allow joint-venturing businesses to present qualifications in a collective manner; and 2) allow joint-venturing businesses to present capacity and financials required for contracting in a unified manner versus one being required to be the lead contractor citing its sole financials.

Contract Solicitations With Unnecessary, Restrictive or Targeted Requirements

It is too often the case that the solicitation document is written to include requirements that are unrealistic or unnecessary, effectively causing a small business to self-eliminate due to the inability to adhere to the requirement.

Examples

Bonding and Insurance Requirements: While bonding and insurance requirements may be necessary for large construction projects, in many industries, these requirements are not applicable or necessary at the level required in many RFPs. In addition, a business is expected to include proof of such insurance or bonding in responding to an RFP. At the levels many of these contracts require, a small business often cannot justify investing money to buy insurance or obtain bonding prior to the contract award.

The following statements were pulled from the NAWBO Procurement Survey citing other problems with unnecessarily burdensome or skewed contract requirements:

"A specific, unrelated requirement can eliminate a small business from submitting a bid. For example, in one RFP it was required that the contractor to be considered publicly advertises, which was totally unrelated to the RFP, but a stipulation just the same. We choose other methods of marketing and do not mass advertise. This seems more conducive to a large business practice."

"We have come across RFPs that are written for a specific product, including a specific brand, model, which eliminates comparable alternatives and appears to be written with a particular company in mind. I have offerings that have more functionality and cost less than the systems already in place. I cannot expose the agency to the alternatives, because the RFP is written to eliminate any that do not provide to the brand and model specs."

Recommendation 15

The Task Force recommends that NAWBO seek changes to solicitation practices that would require agencies to simplify and standardize solicitations for proposals or bids including: 1) prepare RFP solicitations based on the standards within a given industry, versus allowing another industry (such as construction) to dictate investment requirements and qualifications; 2) utilize a private industry advisory board to assist in the development of such standards; 3) allow a business to show a notarized letter of intent signed by an insuring entity to confirm that the bonding or insurance would be secured at the time of the contract; and 4) identify a set number of days in which the small business would be required to show actual proof of insurance subsequent to the notice of award.

Application of Size Standards to Reclassify Business Based on Contract Award

When classification of a small business in an industry is based on revenues or sales volume, a single, large contract could require reclassification of the business, thereby, eliminating them from future set-aside or restricted competition opportunities under the Small Business Act.

It is understood that the small business size standards are in place to protect and facilitate opportunities for truly small businesses. Nonetheless, a genuine, small business that wins a single large federal contract could be automatically reclassified once the large contract is awarded.

In this case, a small business would be penalized immediately for taking one step up the growth ladder and discouraged and disadvantaged in seeking additional government contracts. Moreover, the reality is that the

large contract is typically awarded for a finite period of time; therefore, making the reclassification premature if once the contract is complete, subsequent sales may not justify the immediate reclassification.

Recommendation 16

The Task Force recommends that NAWBO seek modification of the SBA size standards to prevent a small business from being reclassified for federal contracting purposes based on an increase in revenues or personnel generated by the award of a single federal contract.

The size standards should be modified to state that should a government contract push a small business' sales volume over the maximum limit and such increase in volume represents more than 10% increase in revenues for the company, then the business would not be reclassified based on such increases during of the term of the federal contract.

Manipulation of Contracting Thresholds

In some cases agencies are intentionally dividing contracts for goods or services so that amounts fall within informal purchasing programs where public notice and bid are not required. Such practices give the procurement officer or agency the ability to handpick a supplier without regard for status as a small business or qualifications. Lower dollar supply and service needs of the government are the ideal types of projects for small businesses to begin doing work and gaining opportunities with government agencies.

Recommendation 17

The Task Force recommends that NAWBO seek passage of legislation or issuance of an executive order that initiates measurable performance standards for tracking the types of businesses obtaining contacts through informal processes including size, frequency, and designation as a MBE or WOSB; establishes separate goals for low dollar threshold or informal contract opportunities specific to small business, WOSBs and MBEs; and requires compilation and publication to all procurement officers of a separate qualified database of small businesses certified and capable of providing service and/or products for smaller projects or service needs under a certain value or quantity amount.

Low Bid Mentality

Automatic award to the low bidder encourages underbidding based on the use of inferior products, under-skilled labor, and poor project management. Simultaneously, it discourages the innovative small entrepreneur who is able and willing to provide superior service, highly qualified support and technical expertise. The government contracting officers have the freedom, with limitations, to structure the solicitation and selection process using either of two standard decisional approaches:

Selection of the offeror whose proposal is technically acceptable and who offers the lowest price (the Lowest-Priced-Technically-Acceptable or LPTA method)

Selection of the offeror whose proposal reflects the best combination of features, whether or not the offeror's price is the lowest (the Best Value method).

LPTA ignores the value of technical superiority versus technical acceptability. LPTA also fails to consider the probability of successful performance by the offeror. By assuming that cheaper is better, LPTA is comparable to
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buying a hammer and hiring an unskilled laborer rather than buying a nail gun and hiring an experienced carpenter.

The Task Force does not believe that a contract award decision based solely on the lowest bid ultimately provides the best value for the government in the provision of good and services.

The practice of awarding a contract based on Lowest Price/Technically Acceptable places small business at a distinct disadvantage and effectively discourages small business from pursuing a multitude of contracts due to:

- Low bid means low margins and little profit. Any scope deviation or change eliminates profitability.
- A low margin means fewer dollars to hire and train new employees.
- Trends towards always hiring experienced professionals with developed skill sets reverts to hiring and training professionals newer to the field, with less experience.
- The Lowest Bidder may have the lowest bid solely due to arithmetic errors in their proposal, misinterpretations of plans or specifications, or errors in subcontractor or supplier bids.
- Low Bidders are pressured to cut costs, and possibly corners by using inexperienced staff, older equipment, or lower-quality materials resulting in subcontractors, often times small businesses, being squeezed in pricing in order for primary contractor to make desired profit.

The U.S. Federal Highway Administration (FHA) has conducted extensive studies and has determined that the low-bid mentality can lead to poor designs and cost overruns, as compared to similar European infrastructure projects. The FHA notes that U.S. highway projects have almost exclusively been awarded via unit price bids using 100 percent complete construction drawings. Europeans use a best-value selection process, reviewing the overall skill level of the applicant as the primary means of decision-making for contracts.

David Walker, Comptroller General for the U.S. General Accounting Office, made the following statements regarding the revised OMB Circular A-76 in October 2003. The circular makes "best value" instead of "lowest cost" the factor that agencies must use in determining who will win a public-private competition. Walker notes:

For many years, federal agencies conducting negotiated procurements under the Federal Acquisition Regulation (FAR) routinely have traded off cost and non-cost factors in making contract award decisions. The tradeoff process is often called "best value." Among the most common non-cost factors, all of which are required to be identified in the solicitation, are the contractor's technical approach, past performance, and management plan. Tradeoffs reflect a widespread practice used by other governments (state, local, and foreign) as well as by the private sector.

The tradeoff process moves the federal government past the "low bid" mentality of the past, with increasing consideration of factors such as quality and past performance. It entrusts federal employees acting as source selection officials with the authority to use their judgment in selecting among proposals offered. While concern sometimes has been expressed that the tradeoff process allows source selection officials very broad discretion, that discretion has boundaries. An award decision must comply with pre-established evaluation criteria, and is subject to challenge if it appears it did not. In this regard, GAO considers bid protests challenging the way

tradeoffs are conducted, and sustains protests where the process was unfair, unreasonable, or inconsistent with the terms of a solicitation.

The previous version of OMB Circular A-76 allowed the use of a "best value" tradeoff selection process among private-sector proposals. The process created in the March 1996 revisions to the Circular A-76 Supplemental Handbook endeavored to capture the benefits of the tradeoff process, while maintaining the perceived objectivity of a cost-only selection.

Under the new Circular A-76 issued in May, federal agencies will be able to use tradeoffs only under certain conditions. Under the terms of the new Circular, a tradeoff source selection is allowed in a standard competition for (a) information technology activities, (b) commercial activities performed by a private sector source, (c) new requirements, or (d) certain expansions of current work. An agency also may use a tradeoff source selection process for a specific standard competition if, prior to the public announcement of the competition, the agency's Competitive Sourcing Official approves use of the process in writing and notifies OMB.

The extent to which cost in tradeoff decisions will be a significant factor under the new Circular is unknown. But while the role of cost is important it must be balanced with the government's ability to obtain the technical capability and quality it needs to meet mission requirements. Although cost is important, it is not everything.

Example

A Woman-Owned Enterprise, which was rated excellent in its performance over a two-year contract, lost the contract in the re-bid of a continuation of the contract due to a large competitor undercutting the contract by \$2,000,000 in order to receive. The contract was won using lesser caliber personnel to fulfill the functions of the contract compared to the previous vendor.

Recommendation 18

The Task Force recommends that NAWBO advocate executive action to ensure that checks and balances are in place to assure that caliber of firms or suppliers are fairly assessed on capability and product quality expectations whether for renewals of first-time bids. Such action should establish a checklist or procedure for comparing contracts to assure "apple-to-apple" comparisons of qualifications and fulfillment of contract to assure that lowest bid candidates are not padding submittals with lesser quality personnel or materials in order to win contract.

Value-Based Contracts With Low Bid Under Tones

The long-term value of products, service and technical support have been proven to be more cost-effective than short term cost savings related to low bids. The Procurement Task Force strongly supports the practice of vendor selection based on value received versus selection based on strictly the low bid. This is especially critical in contract areas where intellectual or technical expertise is paramount to the successful result of a project.

One area of concern in Value-Based RFP solicitations is that often times the contract is still written with verbiage consistent with a low-bid solicitation, making the request both confusing and contradictory. It is suspected that this occurs because standard templates for RFP preparation have been developed and presented to procurement departments. Since most RFP solicitations do focus on the low bid as a primary criterion, then the initiator of the Value-Based RFP may add the value based element, but not delete those low bid factors, which were a part of the template being used.

Example

In a value-based solicitation for the design and production of a report for the National Science Foundation in unison with a State University, the qualifications portion stated the credentials of the firm, creative conceiving, and track record as being considered as key qualifiers in conjunction with pricing. However, the RFP still contained numerous portions consistent with a low bid solicitation, even though the RFP stated that the lowest bid may not be awarded the contract. A WBE firm was awarded the contract, however, had the firm not been experienced in bidding, may have underbid the project due to these inconsistencies had they not chosen to ignore certain aspects of what was written in the RFP.

Recommendation 19

The Task Force recommends that NAWBO seek executive action to ensure that Value-Based RFPs consistently reflect intent to select contractors based on the value being sought. The government should create a template for value-based contract solicitations that presents a consistent focus on quality, value and capability.

Even when the Best Value Selection Method is used, the contracting officer may adopt a formal or less formal approach. In the less formal approach, price is weighed against all other factors rather than being one of many factors under consideration. The importance of price clearly dominates the less formal approach and may disadvantage a small business owner who can offer technical superiority, better service, enhanced quality, or other advantages that will better meet the government's needs. Additionally, the evaluation of proposals in a price-versus-all-else manner is far less demanding than the evaluation required under the formal method. As a consequence, contracting officers may be partial to the faster, simpler, and easier process prescribed by the less formal approach.

Typically a formal Best Value approach is used only when procurement costs are high. In fact, government procedures state, "Due to the significant resource investment, Formal Source Selection should be reserved for the most complex, highest dollar value procurements."

Due to the complexity of procurement that qualify for a formal best-value approach, contracting officers often engage industry participation to define the requirements of the acquisition. Clearly this makes the acquisition process more efficient. Just as clearly, this practice provides participating companies with advantages that are unavailable to companies that are not included. These advantages include but are not necessarily limited to:

- considerable lead time in understanding the technical and other requirements of the procurement request
- head start in writing their proposal
- opportunity to craft the technical specifications in a manner that is consistent with the products they can best supply

Recommendation 20

The Task Force recommends that NAWBO advocate for the federal government to develop a methodology that assures that there is greater public accountability for after-award contract price increases due to change orders or other factors. When the price of a Federal contract increases after award due to inadequate information on the part of the government agency at the Request for Proposal Phase, there

needs to be some form of public accountability and tracking of these approved increases during the duration of the contract and at its termination.

Often, procurement officers look at the size of a services firm as one of the greatest determinants in whether a firm can do the work. Unfortunately, this puts women-owned businesses at a disadvantage since women-owned businesses tend to be smaller.

Instead of putting so much emphasis on the size of the firm, more weight should be given to the breadth of experience and length of time that a particular principal of the firm had been established. In large firms the work is often delegated to inexperienced and younger professionals while in smaller services firms, the work is actually done by the people who sold themselves at the presentations. This should be an incentive for the Federal government to do business with smaller and women-owned services firms.

Recommendation 21

The Task Force recommends that NAWBO advocate that the federal government utilize criteria for awards that give greater weight to the experience of the principal(s) of the firm, so that smaller women-owned businesses can compete fairly with larger firms.

Performance Based Contracting

Performance evaluation is a critical element of the contract process. However, to work effectively it must be made available to both the government agency and to the contractor. If an agency chooses to evaluate the performance of their service consultants, the tracking system should also allow for the consultants to evaluate their agency project managers. If this is not allowed, then the consultant is subject to a form of blackmail.

If the consultant doesn't do exactly what the project manager wants or the way he wants it, the consultant is subject to a poor evaluation. In bureaucracies often times, delays are caused by agency personnel refusing to make decisions. These delays are sometimes attributed erroneously to the consultant although the consultant did everything in his power to move the project along. In addition, consultants should not be evaluated in areas over which they have no control. For example, there was a case in which a municipality hired a consultant and wanted the consultant to be responsible for a timeline, which included a period of 4 months for getting a building permit. This particular municipality is known for having an unwieldy process for permitting and there was no way to control the time the agency would need to review the drawings. Eventually the issue was resolved between the two parties. It was decided that it would be unfair to make the consultant responsible for the time it took to permit the drawings when this timing was outside his control.

Recommendation 22

The Task Force recommends that NAWBO advocate executive action that will implement a process of mutual evaluation of performance in federal contracting. A two way evaluation process must be developed to fairly review both the contracting agency and the contracted entity to assure performance standards are being met on both sides according to pre-agreed upon standards and expectations.

Time Consuming Application Process/Unrealistic Operational Contract Requirements

There is no single effective and efficient process by which companies can identify and pursue procurement opportunities with all government agencies. There are more than 100 federal agencies and the application processes are different with almost every agency. Where you register, how you register and how often are

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important components to effectively navigating opportunities in procurement. Ensuring you have all the pieces in place in order to complete the application properly is key.

For small business, the application process is a daunting one at all levels of government (federal, state and local).

The federal government does not make effective use of technology in addressing this issue. Procurement information is packaged and presented differently even by different agencies in the same department. In some cases it takes multiple clicks leading far into the interior of the site even to find information on procurement forecasts that each agency is required by law to publish annually. Without information from these forecasts, prospective contractors have difficulty taking the actions necessary to establish and build relationships with procurement officials who may be seeking services or goods from suppliers in their industry in the coming year.

Too Many Agencies; Not Enough Time

With no consistent process for identifying, and qualifying for procurement opportunities, and the need to understand and comply with criteria established by multiple agencies, simply getting into the system for consideration and notification can discourage many small businesses from participating in the first place. This is a problem that extends to state and local procurement programs and to the private sector.

Examples

One woman wrote: "I discovered that in order to do business with (various) states, I had to sign up separately for every single state. In addition, once I had signed up, I then had to sign up with each individual agency. Some states are improving this process but it is too slow to help at the current time. Most states do not make it clear how to sign up with whom and how often."

When asked which is the greatest barrier to WOSBs going after contracts, one woman wrote, "Application Process -Your company not only has to be registered with the CCR but also every branch of procurement i.e., Progate, DOD, BusOpps, FedBid, EPS, Neco, ASFI, FedMarket etc. This process is very time consuming and the websites are massive and not easy to navigate."

Recommendation 23

The Task Force recommends that NAWBO advocate executive action to develop a streamlined, uniform, government-wide process that makes effective use of available technology to permit vendors easy access to procurement forecasts, information on available opportunities and criteria for responding to requests for quotes, bids or proposals. This would make both the process of gaining new vendors and service providers and the processing of new vendors easier and more readily available across all agencies for consideration.

Too Much Paperwork

Once an organization has determined the right organization or agency to approach the next hurdle is an overwhelming amount of paperwork in order to be considered by a multitude of agencies, or in some cases just one agency. The effort required for a small business is daunting and can be viewed as not a productive use of available time and resources for the payback.

Examples

Procurement Task Force Survey feedback:

"Our city has several large corporate services which have agreed to accept WBE/MBE certifications from each others companies. I found a person whose company had a paid position for a person to work helping women become certified as a WBE through their industry. However the company was a utility, which rarely used my products and services. Therefore the questions in the reams of paperwork requirements were not pertinent to my business. I was unable to show data, which related to many of the required information sought by the utility. While they should be given kudos for taking a 'helping hand' approach their application prohibited many woman-owned businesses from qualifying".

"It's a paperwork nightmare and often companies are required to meet certain pay rate and benefits packages to employees to qualify. This can eliminate possibilities for smaller businesses."

"I have reviewed over 25 RFPs and the paperwork required is daunting. Additionally, the RFPs are written in an unclear fashion, so I have come to the conclusion that they are intent on making it difficult for new contractors to be considered and prefer to work with existing vendors. It seems to be a bogus system."

Recommendation 24

Paperwork and complicated processes are inevitable, but they do not need to be overwhelming. **The Task Force recommends that NAWBO advocate that the executive branch establish a government-wide task force to develop and identify common documents across all the different agencies.** Looking at examples of efforts such as the City of Los Angeles should give the task force some ideas on directions. Once the task force has identified best practices and ways to streamline the process for responding to requests for quotes, bids or proposals, a set of templates and guidelines can be developed.

Inconsistencies In Requests For Proposals (RFP)

RFPs typically contain vague, misleading and inconsistent language. RFPs also fail to demand standard replies that provide for equitable comparisons among and between bidders.

Whether a WOSB has been pursuing contracts for years or is just beginning the process, an overwhelming number consider the RFP process to be cumbersome, contradictory, inconsistent and a hindrance in pursuing more opportunities or in beginning to pursue opportunities at all.

Vagueness and confusion in RFPs cause details to be missed, erroneous assumptions to be made, and proposed options and projected costs to range greatly. This causes frustration and increased review time for the contracting officers and decision makers within the government agency, who are trying to compare extremely different proposals.

It also makes the RFPs extremely difficult to respond to, especially for a small business. Small businesses typically do not have the resources to have a dedicated proposal staff and must take staff away from their regular work to work on preparing the proposal. Usually these staff do not have prior experience working with government entities, so are unfamiliar with government jargon or procedures.

Any lack of clarity in the RFP may lead to mistakes in the response and the elimination of a proposal for lack of compliance to the specifications of the solicitation, through no fault of the company submitting the proposal. In most cases, those who are eliminated never learn why, so they are unable to learn enough to correct their processes for future efforts. Even if a proposal is accepted, if lack of clarity still exists, there is an increased likelihood of change orders and added costs after contracts are let.

Responding to a Request for Proposal (RFP) is frequently a company's introduction to doing business with a government entity. Many business owners also mention it as a primary reason they decided not to pursue government work.

In order for agencies to adhere to the mandate to simplify the Federal Acquisition Regulations and to include or welcome small businesses, it is critical that RFPs be written clearly, and that mistakes and inconsistencies be removed prior to release of the RFP. Establishing a policy of concise, easy to read RFPs, emphasizing direct language, clarity of goals and expectations, consistency in all details and adequate quality control before publication is in the best interests of the government and large and small businesses.

Many small businesses find that the only way they can increase their success is to hire a staff person or a contractor with government contract management experience, i.e., someone who speaks the language, to translate the RFPs and help them design proposals that are more likely to be written in contractor language. This person is, hopefully, helpful in finding the inconsistencies and areas of vagueness and writing the questions about them in contracting language so the offeror can understand them. Then the offeror's answers may need to be translated back into a more government or contract-friendly language. In any case, this is a cost many small and start up businesses cannot afford, nor should they be required to need.

It is very understandable, then, to hear disappointment from small business owners who thought they were doing things right and found the process frustrating, confusing, difficult to navigate and impossible to win.

Many have come to the conclusion that it is not worth their while. Others have come to the conclusion that the system is designed to discourage small businesses. This conclusion is especially true of women business owners.

Overly Vague, Unclear, Or Confusing Descriptions

Reading an RFP has been compared to attempting to decipher a document written in another language, with its own set of arcane assumptions and expectations unrelated to your own world, much less the business, product or service it is requesting to be delivered. Deciphering what the RFP is stating as its requirements, desired Statement of Work, or what the Government needs to be met by the Offeror can often times be interpreted in a multitude of ways.

RFPs that are vague and open enough to include almost anything. These have been called “garbage can” RFPs: a vague RFP that is consciously or unconsciously designed to cover anything the end user can think about later, as the project goes along. The vagueness extends to the evaluation criteria, unfortunately, so neither the customer nor the offeror is likely to ever feel neither finished nor satisfied. It is difficult to prepare a proposal to meet an ill-defined statement of need. This results in more questions to the government, which takes time for staff to answer and delays the proposal process, which frequently must wait for an answer to the question before proceeding.

Examples

Participants in the Task Force survey made the following statements concerning vagueness in RFPs:

“The department which wrote the RFP did not seem to know much about the specifications or lingo of our industry. It made it very time consuming to find out exactly what they were requesting.”

“In a recent RFP, the stated need for analysis of the cost of regulation was so vaguely defined that it was virtually impossible to submit a bid. Without a more specific description of the required measurements and expected information (or some past experience with the agency issuing the RFP), there is no way to estimate the time that would be required to fulfill the RFP.”

“It is my experience that RFPs are so vague as to promote ‘padding’ the bid. By this I mean that we wanted to make sure that we covered issues that were not addressed in the RFP so that the efforts and costs would be as close to actual as possible. Agencies need to scope out projects better to help us submit realistic costs. Our bid was too high because we couldn’t get the correct information.”

“I have reviewed over 25 RFP’s and the required paperwork for the contracts is daunting. Additionally, the RFP’s are written in an unclear fashion. So I have come to believe they want to make it difficult to prevent new contractors and really prefer their existing vendors. It seems to be a bogus system.”

Mixed And Conflicting Criteria Or Specifications

RFPs regularly contain contradictory language describing the requirements, needs, or Statement of Work. This might result from lack of agreement or clarity on the requirements by multiple the end user(s) of the product or service.

Problems with communication of requirements from the potential end user(s) of product or service and the contracting officer who writes the RFP.

Lack of knowledge, or "fishing expeditions" in a field where the end user lack understanding.

Examples

Feedback from Task Force survey:

In a recent RFP, a NAWBO member reports that she found two completely different and conflicting sets of Evaluation Criteria in the same RFP. Since her company easily met one set of criteria but not another, the question of which set of criteria was the correct one to follow needed to be answered before she could decide to bid on the project or not.

"Received an RFP titled for one type service, but down in the bid they wanted you to recoup them money and use that money for funding other projects. It appeared to be written to prohibit a small business from being able to compete."

Recommendation 25

The Task Force recommends that NAWBO recommend a change in federal contracting procedures that would ensure involvement by end users in the writing of the substantive requirements sections of contracts (e.g., the Statements of Work, Evaluation Criteria, and any Instructions to Offerors that address professional or industrial standards or specifications) and the writing of the parts of the RFPs that deal with costing, FAR related, formatting and contractual issues to contracting officers.

Recommendation 26

The Task Force recommends that NAWBO recommend that the federal government establish plain-English requirements for government contract documents including language in solicitations that clearly describes the service or product sought and develop a Government/Small Business RFP Standards Committee (to include MBE and WOSB firms) to develop guidelines for plain language contracting to monitor progress in implementation.

Unclear Or Inconsistent Evaluation Or Submission Criteria

Criteria presented in the RFP as basis of selection or consideration is inconsistent or vague to the point a business may not clearly see the opportunity as one to be pursued, even though they are highly qualified to provide the desired service or products. It is essential to understand the evaluation criteria in order to ascertain whether or not your company can meet the Technical, Cost, Past Performance, and any other Evaluation factors, in order to make a "Bid/No Bid" decision.

Examples

An RFP stated that all questions must be submitted in writing by a specific date and would all be answered in writing on a specific date a week following the question submission deadline. This was 2 weeks after issuing the RFP and less than two weeks prior to the date the proposals were due.

This formal question scenario is a familiar one. It puts all offerors in the position of deciding to proceed with limited information, possibly rewriting, if their assumptions are incorrect, or wait. Waiting puts the offeror in the position of preparing the proposal in haste. Neither alternative is ideal.

Unclear Or Inconsistent "Instructions To Offeror"

In order to be considered, each proposal must follow the same format. Some agencies are extremely strict about this, while others are more tolerant of variations. Unclear or inconsistent instructions, however, add to the potential offeror's confusion, especially a first time offeror. They also produce wide variations in the responses the agency receives, which adds to the work of the agency staff in assessing them.

If the agency eliminates proposals that do not follow formatting instructions exactly, the cost of such mistakes from misunderstandings are huge to a small business, where every minute spent is of great value to its bottom-line.

The lack of clarity also encourages offerors to "over comply", i.e., to send in every possible option they can anticipate from the instructions. This can result in an enormous amount of work and an enormous amount of paper and documentation.

Examples

In one case a WBE firm felt the department which wrote the RFP did not seem to know much about the specifications or lingo of the industry. "It made it very time consuming to find out exactly what they were requesting."

From the Procurement Task Force Survey:

"The entire process is very overwhelming and confusing. Nothing is written in plain language and even though I hold an advanced degree most of it makes no sense to me. It seems redundant and is not user-friendly or encouraging. I am a one person operation and I would have to hire someone to sift through piles of regulations just to follow an RFP, let alone submit a proposal".

Another wrote: "In a recent RFP, the stated need for analysis of the cost of regulation was so vaguely defined that it was virtually impossible to submit a bid. Without a more specific description of the required measurements and expected information (or some past experience with the agency issuing the RFP), there is no way to estimate the time that would be required to fulfill the RFP."

"The RFP wanted very specific results without specifying who would be responsible for info and cost of preliminary work to achieve goals specified. It was written either for predictable failure of respondent or was written in order to enable a predetermined party to receive the benefits of contract."

Recommendation 27

The Task Force recommends that NAWBO recommend that the federal government conduct a complete review of current procedures and standards for developing, reviewing, issuing and evaluating proposals, and establish an RFP oversight commission of government and business owners, to include ample representation from the woman-owned and small business community. This commission should also

include business owners who have never received an RFP. They will be able to give valuable feedback as newcomers to the process.

Recommendation 28

The Task Force recommends that NAWBO recommend that the federal government implement better procedures to ensure consistent quality in the preparation of contract solicitation documents. Among other things, the federal government should: 1) revise and require government training in the existing procedures; 2) revise and require government training in basic word processing computer skills (spell check, formatting, cut and paste, find and replace, etc); 3) require closer supervisory oversight for quality control to ensure that actual sloppy work with misspellings, passed due dates, etc. is not published; 4) require automatic spell check on every RFP; 5) require random 3rd party review of RFPs in every department of every agency until a standard of excellence can be sustained in the area of RFP language clarity, internal consistency, direct and appropriate language and the number and incidence of formal questions has declined.

Continuous Addendums/Revision

During a RFP solicitation time period, it is not uncommon to receive numerous revisions and addendums to the initial RFP. In some cases, if these addendums are not formally responded to, a qualified bid may be deemed disqualified because an addendum was not acknowledged. The continuous flow of amendments to RFPs further substantiates the problems that exist with how they are written in the first place.

Furthermore, these constant revisions wreak havoc on a small business attempting to prepare a proposal for consideration, having to continuously adjust to accommodate these requests resulting in additional time, that in some cases, may result in coming to the determination that is just isn't worth the time away from paying customers.

Example

In one instance, a WOSB had spent hours preparing an RFP that was originally due on a Monday. When the owner went to the electronic purchasing website the Saturday before to download the two required forms for finalizing the RFP, she was dismayed to find that the submission deadline had been changed to an earlier date (that Friday) and was already under review. No notice or alert of the changed date was received (she went back into her emails to confirm this had not been missed) even though her company was on the notification system and has received addendum notices in the past. The hours spent on this RFP were negated due to this change of date to an earlier deadline. The WBE did not receive any explanation of why the notice was not received, even though she asked the purchasing agent for an explanation.

Recommendation 29

The Task Force recommends that NAWBO advocate a change in federal procurement rules to ensure that an agency cannot change a response deadline to an earlier date once an RFP has been issued. Only an extended deadline should be allowed.

Unrealistic Timeframes For RFP Submittal

Often times, an RFP or RFQ does not allow sufficient time for preparation or effective response by a small business. A larger company with extensive staff can afford to dedicate a person(s) to tracking down all the

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details in a shorter period of time without adversely affecting operations. A small business does not have the dedicated staff and therefore, is often forced into a whirlwind of preparation affecting all aspects of the business. In many cases, a small business opts not to bid.

Example

As one woman states: "... I have personally been faced with the challenge of receiving RFPs and RFQs only a few days before the deadline (notification) and since every agency has its own methodology (for) required components etc, it is nearly impossible to complete the proposals or quotes in a timely fashion UNLESS you already have experience in working for the particular agency or, more important, have advance warning of the release of the RFP (back to notification and another issue of insider knowledge). Over the eight years I've been in business I have spent numerous weeks on submitting proposals and quotes to various new agencies at the state and federal level to no avail. The only awards I have been able to win are those where I was privy to the agency's need before the RFP was released and therefore had ample opportunity to consider the project, contact the appropriate team of contractors to include in the bid and adequately prepare a viable proposal"

Expectation Of Performance, Even With Significant Time Delays

The continuous delays in awarding contracts or getting an initial contract started are a cause for great concern small businesses must plan their production in narrow windows and cannot afford continuous delays and indecision.

Example

In applying to do a marketing research project for the SBA, one WBE firm experienced vague and poorly written specifications in addition to concerns over how the contract would eventually play out once awarded. The RFP clearly stated the need for completion within 12 months of the bid date. When asked when the contract decision would be made, the firm was told 60-90 days. "With a project that requires 12 months time and a survey with questions that had to be approved by OMB, which could take 90-120 days..." the firm had grave concerns for what this could mean to the winning firm being placed in a position of completing the research in half the time officially allotted.

D. Education & Training

There is no single effective and efficient program to teach small businesses how to identify, qualify for or pursue procurement opportunities with all government agencies. One of the biggest inhibitors to women business owners entering the procurement arena is lack knowledge of procurement practices and procedures.

There are over 100 federal agencies and each one has a specific set of rules to follow in order to do gain access to contract opportunities. Although the Central Contractor Registration (CCR) Database was implemented and all organizations wanting to do business with any government agency are now required to subscribe to this database, this has not enhanced the knowledge or awareness of contract opportunities or procedures among women business owners.

Now, state and local governments are also directing companies to this same database in an effort to streamline their processes. Just as small businesses have difficulty getting "in front of" government agencies, the agencies have trouble finding the right companies as well. It's a double-edged sword.

The Procurement Task Force has identified the following areas where WOSBs lack adequate awareness and knowledge of procurement opportunities and procedures.

Awareness of the Fundamentals

Many WOSBs are intimidated or don't know where to begin to learn about the opportunities and take the necessary steps to become engaged. WOSBs in certain types of industries are not even aware that they could qualify for contract opportunities. In our surveys, the number one concern was awareness. WOSBs simply do not know what is available or even where to look. Education focused on the "How To's" of becoming an informed potential contractor or subcontractor is of paramount necessity.

Examples

From Procurement Task Force Survey:

"While opportunities to learn about government procurement or WOSBs exist, none of the RFP's that I have investigated are specific enough to be useful. I am left with more questions than answers as to how to act on what I have learned."

"The lack of education about the process for me stems from information overload coming at me while trying to wear fifty hats in running my business. There needs to be a better guide to shortcut to the essential information needed to be in the know."

"I feel poorly educated about the procurement process and therefore have avoided pursuing, even though I know it could be of great value for my business."

“Textbook” Versus Experiential Perspective of Available Training

There are a number of government programs currently underway to help educate small business owners on how to do business with the government, including a new women’s business website just launched by the SBA. Agencies including the SBA conduct educational forums.

The problem with most of these forums is that the training is being presented from the government’s perspective versus the vendor’s. The Task Force’s research has uncovered that WOSBs who have been successful have realized “all the things they don’t teach you” or that a firm learns “by trial and error” even if they have attended such training workshops.

For education to be truly valuable and effective, it must be taught in conjunction with those experienced in the process, the consumers, and not just by those initiating the process.

Recommendation 30

The Task Force recommends that NAWBO support the development and publication of an all-encompassing “Procurement for Dummies” book for distribution to all small business, WOSBs and MBE firms. The book should be written from the perspective of those seeking contracts versus those awarding contracts. The government agency or outside vendor who is charged with developing the publication should solicit help and advice from seasoned small business vendors.

The Task Force further recommends that NAWBO seek to identify private funding for this project, work with a publisher and outside author to prepare the publication; and sell and use the monies for traveling workshops based on the book offered at no charge to NAWBO members across the country.

Enhanced Notification Of Opportunities

There is no single, user-friendly source of information describing contracting opportunities in laymen’s terms. In conjunction with awareness of qualifications for being considered as a contractor and how to begin, there is a grave need for better awareness of the opportunities as a whole. Several agencies have attempted to improve the awareness issue.

In addition, an industry has risen around the awareness issue. Companies will send out emails saying they can help organizations get contracts when, in fact, they are simply looking for income for their own organization. Hundreds of emails go out every day about bid opportunities. Some are real and some are advertisements soliciting your business, which leads to more confusion. The Internet has opened many doors with respect to awareness rising. Now, if a company has the time and resources, it can peruse the Internet to find contracting opportunities and even register online. However, with countless federal agencies, state and local agencies, no one has the time or resources to research all of these agencies.

Some agencies send alerts, while others expect those interested in opportunities to “find them” by regularly visiting the posted site. Larger companies have staff dedicated to uncovering opportunities. Small business does not have this luxury. There simply are not enough hours in the day to peruse multiple sites for a “possibility” of a “possibility” for business.

The government has not made effective use of available technology to streamline this process for vendors. Information must be culled from a variety of agency sites that do not present the information in a standard format nor use similar site designs that would facilitate finding the same information in the same place on every agency site.

The federal agencies are attempting to rectify this with a common "portal" or doorway to other agencies. It's their attempt at one-stop shopping. It's a good start and may help lead the way for the states and local agencies as well. To be effective, however, this common portal must link to agency websites that are designed and published on a common platform using similar site plans and programs. A single portal will not resolve the accessibility issue if the door opens on individual websites that each present the user with a new information maze that unnecessarily complicates the task of gathering useful information.

Examples

From the Task Force survey:

"It is difficult to discern what opportunities are really out there. I get so many e-mails from agencies that claim to be part of the SBA or other government agencies but I have no way of telling which ones are legitimate. Also most opportunities seem to be geared toward contracting or supply opportunities. We provide lighting consulting services that must come at the beginning of a project not once it has gone out for bids. How do we get in earlier?"

"I believe I have properly registered as a small woman-owned business with the Dept. of Defense. Yet we have not been e-mailed with any bidding opportunities and by the time we learn of an opportunity it is too late to do anything about it. It would be very helpful if the various government entities would publish the names of companies that are being considered for a contract so that the smaller companies can at least solicit those companies directly for a subcontract deal." (This would also work well with the government's desire for more bundling.)

"There have been a number of RFP's I've wanted to bid on, but by time the RFP is solicited the time period is too short. I finally learned about agency forecasting. There is a lot of insider information not readily available and never mentioned about the government culture."

Recommendation 31

The Task Force recommends that NAWBO encourage public procurement officers to develop uniform standards and best practices for publishing web-based information on procurement opportunities. A single portal that provides access to federal, state and local procurement websites offering procurement opportunities would benefit small companies with limited resources and improve the chances of identifying contracts across industries and geography. Information on procurement portals should be kept accurate and up-to-date through regular auditing and pass code entry to secure sites where firms can update their own information.

Awareness Of Informal Opportunities

Small businesses have no access to information describing bid opportunities that fall below minimum dollar thresholds. Many small businesses could realize immense opportunities through millions of dollars in purchases made by the federal government using informal procedures not requiring competitive bids. These

small purchases and negotiated contracts present, in many cases, the first opportunity for a small business to do business with the government on a small scale and establish a relationship which will enable the firm to have a performance record, critical in obtaining larger contracts as stipulated in many RFPs.

Examples

From the Procurement Task Force Survey:

"The contacts at various agency offices are severely outdated and make it impossible to track down negotiated opportunities that do not go out to bid. I registered with the San Bernardino County SBA and was assured I was on a list for consideration. A list I was provided with contact names was three years out of date. I am still waiting on an updated list."

"Locating the correct people in government agencies and starting communications with them is impossible. Websites have outdated information. Calls are not returned. Emails are not answered. There is a great deal of business below the \$25,000 formal bid threshold and we cannot get to the people who are responsible for that business."

Recommendation 32

The Task Force recommends that NAWBO seek executive branch agreement to consolidate on a single website or annual publication information on procurement forecasts and data documenting all reoccurring purchases made by government agencies organized by category, dollar amounts of purchases, etc. and name of contracting officer.

Recommendation 33

The Task Force recommends that NAWBO advocate a change in federal procurement rules that would require federal agencies and individual procurement officers to spread opportunities among multiple vendors and show justification for purchases made solely with one supplier over a designated period.

E. Access To Capital

Access to capital has been, and remains, a critical issue for emerging and growing businesses, particularly those owned by women and minorities.

A recent national study funded by Wells Fargo and conducted by the Center for Women's Business Research found that only 52% of women business owners (compared to 59% of men business owners) had access to bank credit. And, in fast-growth firms only 39% of women owners had bank loans compared to 52% of men owners.

The picture painted in this same national study was less favorable for minority women business owners – 60% of Caucasian women had bank credit, compared with 50% of Hispanic, 45% of Asian, 42% of Native American and 38% of African American women owners.

And, although women are becoming more active in the equity capital markets, a 1999 survey showed just 9% of the institutional investment deals and 2.3% of the dollars among the investors interviewed went to women-owned firms.

A report prepared in 2001 for the Office of Advocacy at the U.S. Small Business Administration stated:

Despite the explosive growth in equity investment [in the 1990's], indications were that women and minority entrepreneurs were receiving only a miniscule percentage of equity capital. ... [A] national study of 14,424 new firms found that when controlling for human capital and firm traits, minority entrepreneurs faced greater barriers in obtaining equity capital (Bates & Bradford, 1992). Another study of Hispanic-American ventures and equity capital noted that Latino businesses were "relegated to a peripheral status on the radar screens of most venture capitalists" (Morales & Saade, 2000, p. 59).

A 2002 brief by J. Antonio Villamil, a member of the board of economic advisors for Hispanic Business Magazine said:

The availability of long-term equity financing for small and minority-owned businesses ("patient capital") is a key policy concern that requires solution. These businesses, in general, are not "gazelle"-type enterprises favored by venture capital companies. However, they provide a rich source of entrepreneurial skills and job creation among minority populations in the United States. In essence, Hispanic and minority-owned businesses are a key vehicle for upward mobility, serving a significant public purpose.

The Milken Institute, in a 2000 research report entitled, *The Minority Business Challenge: Democratizing Capital for Emerging Domestic Markets* reported a higher than average growth rate for minority businesses but concluded:

This high rate of growth among entrepreneurial businesses is constrained by lack of debt and equity capital. Current growth is deep, but not broad, and shared unequally. Capital gaps exist at every level for financing the capital structure of minority businesses: equity, mezzanine and senior debt. Absent institutional investor participation in minority and immigrant business communities, continued growth of the American economy is impossible, placing the nation's macro economy at risk.

More encouraging is a report issued on July 16, 2003 by the Kauffman Foundation. The study, *Minorities and Venture Capital: A New Wave in American Business*, is the first profile of venture capital funds that make significant equity investments in minority business enterprises (MBEs). The report, based on a study by Dr. Timothy Bates of Wayne State University and Dr. William Bradford of the University of Washington, finds investments in MBEs resulted in healthy returns equal to, if not slightly higher than, traditional investments by mainstream venture capitalists. According to the Foundation's press release, key findings in the report include:

Minority enterprise venture capital investing is quite profitable. The average investment per firm was \$562,000; the average gross yield per firm was \$1,623,900, generating an average net return of \$1,061,500.

Minority-oriented venture capital funds did not concentrate in high tech. Unlike the broader industry, which invested heavily in high-tech ventures, a more diverse portfolio kept funds focused on MBEs from their colleagues' steep slump.

Public pension funds are the leading source of VC funds for minority businesses. However, these favor older, more established funds; therefore commercial banks and insurance companies as well as minor funding sources (under \$5 million) such as government funds, foundations and individuals, play a key role in financing MBEs.

In the early 1990s, only several million dollars in venture capital had been invested in MBEs. According to Bates and Bradford, the minority VC sector now has well over \$1 billion in capital under management, with \$2 billion within reach. The authors found that minority-oriented venture capital funds grew enormously during the 1990s. The 24 funds that responded to the detailed questionnaire had raised \$1.3 billion through year-end 2000. In 1998 alone, five of the surveyed minority-oriented VC funds had raised over \$700 million in capital from institutional sources. For more detail see the full report at: <http://www.emkf.org/pages/371.cfm>

The report goes a long way toward dispelling the myth that investing in minority or women-owned businesses is not profitable. In addition, the key role that public pension funds play is worth noting.

"Access to capital is one of the biggest hurdles for any entrepreneur - and even more so for minority entrepreneurs," said Carl J. Schramm, president and chief executive officer of the Kauffman Foundation of Kansas City, the nation's largest supporter of entrepreneurship and the sponsor of the study. "We hope this report helps to lower those capital barriers."

Examples

There are still problems with banks viewing woman as an acceptable credit risk. A recent example of this mentality follows:

A bank asked a woman seeking to purchase an aerometals company through the SBA 504 loan program to have her husband co-sign the loan in order for the bank to accept the application, even though the husband was not going to be involved in the business. The woman, who had owned and successfully run several businesses, refused. Eventually, the loan went through, but this experience was considered an appalling example of the still archaic mentality that exists in banking when women attempt to fund to expand or purchase a business.

As one survey participant wrote:

"I am concerned to do business with the government because of their reputation for not paying their invoices in a timely manner. In addition, it is difficult to get loans from a bank to help fund your business as you pursue larger opportunities. Banks don't want to take risks with small business like they used to in the past. Personally, I would be honored to supply my services and products to the federal government, but I don't know if I can afford to."

Recommendation 34

The Task Force recommends that NAWBO bring women and minority business owners together to encourage Congress and the federal government to take the following steps to help improve access to capital:

- 1) Speed up the application process for Small Business Investment Companies (SBICs) that focus on investing in women-owned businesses;
- 2) Provide funding to increase awareness among women business owners of Federal resources through better and more targeted marketing of SBA programs and better dissemination of information on hub zones;
- 3) Provide funding for additional training on access to capital for women and minority business owners;
- 4) Close the gap in the Microloan program by increasing the maximum loan amount to \$50,000;
- 5) Find a way to recognize and reward publicly held banks, venture funds and other investors whose records show they make lending and other investment decisions fairly and without bias based on the race, ethnicity or gender of the business owner; and
- 6) Educate women and minority business owners regarding public pension funds and investment strategies that can improve the performance of their funds and add to the financial and economic strength of women and minority businesses and the economy.

IV. Background and Methodology

Founded in 1975, NAWBO's vision is to propel women entrepreneurs into economic, social, and political spheres of power worldwide. Our mission is to strengthen the wealth-creating capacity of our members and promote economic development; create innovative and effective changes in the business culture; to build strategic alliances, coalitions and affiliations; and to transform public policy and influence opinion makers.

Women entrepreneurs are a driving force in our nation's economy, as the following data from the Center for Women's Business Research demonstrates:

- 10.1 million firms are at least 50% owned by a woman or women.
- Forty-six percent (46%), nearly half, of all U.S. businesses are at least 50% owned by a woman or women.
- Between 1997-2002, the number of privately held majority or 50% women-owned businesses grew by 11%, more than 1 ½ times the rate of all privately-held firms.
- One in every eleven adult women owns a business. More than 18 million workers are employed by a woman business owner.
- One in seven workers is employed by a woman-owned business.
- Women entrepreneurs generate nearly \$2.3 trillion in revenues to U.S. economy.
- The number of women-owned employer firms grew by 37% between 1997 and 2002, four times the growth rate of all employer firms.

NAWBO has more than 80 chapters in the continental United States. NAWBO aggressively advocates on behalf of women business owners, provides leadership training for its members, networking opportunities, money-saving benefits and business growth and development opportunities.

National and state public policy issues of interest to women business owners and small businesses in general are the focus of NAWBO's Public Policy Council, as well as chapter advocacy efforts. NAWBO's membership actively advocates positions connected to affordable healthcare, procurement, and fiscal issues, including tax equity for small businesses and access to capital for WOSBs. The Public Policy Council and/or its coalition partners monitor issues related to technology, social security, and workforce education.

NAWBO's interest in procurement dates back to its founding. NAWBO was an active participant in passage of the Women's Business Ownership Act of 1988, the first of a number of federal initiatives designed to bring an end to discrimination against women business owners in the marketplace and in federal procurement.

NAWBO's Interest in Procurement

NAWBO's current platform concerning procurement related issues includes two simple propositions:

- NAWBO supports achievement of the 5% federal procurement goal for women-owned small businesses (WOSB's) and government-wide implementation of the restricted competition (set aside) program for women-owned small businesses authorized by Congress in 2000. NAWBO opposes contract bundling.

The NAWBO Public Policy Council will use this report to develop new and revised policy positions, as appropriate, and to guide NAWBO's advocacy regarding the issue of procurement at the federal level.

How the Task Force Was Formed

In June 2003, NAWBO members met with the Director of Federal Procurement Policy during NAWBO's annual conference in Nashville, Tenn. Concerns shared by those in attendance with the Director resulted in a request by the Office of Budget & Management Federal Procurement Policy division that NAWBO prepare a more extensive report of concerns for their review.

In July of 2003, NAWBO's Public Policy Council established the Procurement Task Force including members from across the country representing various types, sizes, and levels of business and procurement interests.

The mission of the NAWBO Procurement Task Force is to facilitate actionable change in process and policy in order to ensure greater opportunities for women-owned businesses (WOSBs) and small businesses in the areas of federal, state and local procurement.

One of the first actions the task force took was a survey of NAWBO members about their experiences and preferences regarding the procurement process. The task force developed the survey instrument over the summer of 2003.

In August /September of 2003, the task force submitted the survey to the entire NAWBO membership for response. An impressive 226 participants answered questions about priority to be given various procurement issues, reasons for pursuing or not pursuing procurement opportunities, experience when pursuing opportunities and ideas on ways to streamline the procurement process or improve success. The survey also asked NAWBO members to tell whether and by what organizations they are certified as women-owned businesses and, if not certified, why not. The final results of the survey are presented in Section VIII to this report and incorporated in findings throughout the report.

How the Task Force Worked

Initially, the task force agreed to focus on eleven (11) specific concerns affecting the success of procurement on a national, as well as local and state level. Each task force member was assigned specific areas to gather more information through outreach to membership and other organizations with an interest in procurement initiatives. Through research, a series of teleconferences, and subcommittee review, the task force narrowed the issues and compiled a list of critical factors for success.

V. Procurement Task Force Survey Findings

In August of 2003, a survey was submitted to the National Association of Women Business Owners membership in order to validate and gain further insight into the issues affecting federal contracting opportunities for women-owned small businesses. A total of 226 women responded, providing further insight into the challenges that exist in the pursuit of federal contracting dollars.

Most women-owned businesses consider federal government contracting opportunities to be out of reach with 49% not seeking certification on any level. Those who are doing business with government are gaining contracts or pursuing contracts on a local (21%) or state (29%) level.

When asked why certification has not been sought, 55% stated a belief that being certified would not result in any business, 46% consider the process tedious with too much paperwork, and 41% find the multiple avenues of certification confusing as to which is the best one to obtain and will bring the greatest opportunities. Other reasons offered for why certification is not sought are too time consuming, an assumption that company's services or products would not be used by the government, and requires too much confidential financial information. Also stated was a lack of awareness about certification in general, therefore, no knowledge to even consider pursuing. Reasons such as too much paperwork, too time consuming and did not result in any return on investment were further substantiated by those women whose businesses had been certified at one time and then determined NOT to become re-certified.

Based on a listing of issues provided by the task force for the membership to rate in order to weigh the scale of impact each has on gaining federal contracting opportunities or government opportunities at any level, the issues receiving the highest rankings at 33% or greater in priority order were: 1) Awareness of opportunities (55%); 2) Tedious Application Process (52%); 3) Low Bid Mentality (45%); 4) Lack of Proper Notification (43%); 5) Loopholes (37%); 6) Certification Hassles (36%); and 7) Contract Bundling (34%).

A total of seventy-nine women business owners were willing to share specific experiences, which contributed to their frustration in pursuing or fulfilling government contracts. The top areas of contention based on an assessment of underlying issues relative to actual experiences included:

- Tedious application process
- RFP vagueness or inconsistencies
- Certification hassles / costs
- Bundling prohibits participation
- Awareness of opportunities
- Access to Capital
- Paperwork / Red Tape
- Poor Payment
- Low Bid Mentality Selection Process
- Accuracy of classification of small business
- Winning contract and then not using
- Uncertainty in how to begin
- Time involved extensive

Out of the seventy-nine women who brought forth examples, 44 identified themselves as someone who could be contacted for testimony. These names are listed within the Testimony Contact Section of the Procurement Task Force report.

This research served as a launching pad for further research and assessment of all issues affecting federal government contracting to women-owned, minority-owned and small business by the Procurement Task Force.

PROCUREMENT TASK FORCE SURVEY TABULATIONS

By which of the following organizations, agencies or companies are you certified or qualified to do business as a woman or minority-owned business?

None of those listed	102	49%
State agency certification of supplier diversity program	60	29%
Local government certification or supplier program	44	21%
NWBOC (NAWBO affiliate)	39	19%
Other corporate supplier diversity program	23	11%
WBENC (Women's Business Enterprise National Council)	20	10%
SBA 8a (Federal disadvantaged business certification)	12	6%
Fortune 500 company supplier diversity program	12	6%
Total respondents	209	92%
Skipped question	17	8%

If you are certified by another federal, private, or local agency, please enter the name of the entity:

State

State of New York NYSDOT

State of Illinois (CMS)

Alabama Dept of Economic Affairs

Alabama Power Company Supplier Diversity Program State of Missouri

State of Texas HUB

State of Maryland MDOT

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State of Indiana
State of California
State of North Carolina, NMSDC
State of California, Dept. of Transportation
State of Wisconsin, Dept of Transportation

City

City of Houston Metro
New York Metropolitan Transportation Authority
Washington Metropolitan Area Transit Authority
City of Chicago
Metropolitan Water District
Metropolitan Water District
Miami-Dade County Government, FL
City of Indianapolis
City of Raleigh, NC
Rio Grande Minority Purchasing Council
City of Raleigh/Durham, NC, Dept. of Transportation

County

Erie County, NY
Orange County Transportation Authority

Federal

Government Printing Office

Miscellaneous

Port of Houston
North Central Texas Regional Certification Agency
Minority Supplier Council
MTA
Caltrans
SCTRCA
MOBIS
North Broward Hospital District

Total respondents	27	12%
Skipped question	199	88%

If you have not applied for certification, what are the barriers to your doing so? (please check all that apply)

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Don't believe that getting certified will result in business	77	55%
Too much paperwork	64	46%
Confusion by the multiple avenues to certification	56	41%
Certification fees are too high	31	22%
Don't understand the certification requirements	30	21%
Don't understand the certification procedures	30	21%
Business not 51% owned	7	5%
Total respondents	139	62%
Skipped question	87	38%

If you have not applied for certification, and the reason you have not applied for certification is not listed above, please tell us other reasons why.

Too time consuming	12	24%
Services/products not used by government	10	20%
Was not aware of certifications for WBE/WOSBs	8	16%
Requires too much confidential information	4	8%
Certifications not recognized as valuable to target market	2	4%
Too new in business	2	4%
Confused by multiple certifications	2	4%
Cost prohibitive	2	4%
No guarantees of business	2	4%
Woman-owned not recognized as unique circumstance	1	2%
Lack of access to capital	1	2%
Inaccuracy of processing of information	1	2%
Conflicting requirements	1	2%

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Lack of response by agency	1	2%
Total respondents	51	23%
Skipped question	175	77%

Have you been certified in the past as a woman-owned or minority-owned business, but are not now?

No	144	91%
Yes	14	9%
Total respondents	158	70%
Skipped questions	68	30%

If yes, why did you choose to drop the certification?

Not receiving the right kind or any opportunities	4	29%
Too much paperwork to keep up with	3	21%
Too much expense for return on investment	2	14%
Competition has in with contracts	1	7%
Not interested in one-time jobs, want long term relations	1	7%
Certification no longer valid due to merger	1	7%
Quit organization	1	7%
Slow payment by agencies and contracting entities	1	7%

The Procurement Task Force has identified the following areas of concern when WBEs attempt to do business with the federal government. Please indicate your top five choices for what you consider to be the greatest problem areas (Please select five)

Awareness of Opportunities	108	55%
Application Process Tedious		53%
Low Bid Mentality	88	45%
Better Notification	84	43%
Loopholes Used	73	37%
Certification	72	37%
Contract Bundling	67	34%
No Accountability	60	31%
RFP Inconsistencies	58	30%

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Education Needed	57	29%
Second/Third Tier Accountability	47	24%
Access to Capital	40	21%
Validity of Database	39	20%
Continuous Contract Renewal	36	19%
Disparity Study/5% Goal	35	13%
Total respondents	195	86%
Skipped question	31	14%

Have you experienced any of the above frustrations when attempting to do business with the government? If so, please share one specific experience. Personal testimonials are extremely important, as these examples will be used in a report to the Office of Budget and Management.

The following represents comments (in summary) of respondents' frustrations in pursuing opportunities. Specific, more in-depth examples appear throughout the Procurement Task Force Report to the Office of Management and Budget.

- Access to capital; borrow money to buy product, ship it and then wait for payment
- Awareness of informal bids because out-dated information; no response
- Awareness of informal opportunities, inaccurate list Awareness of opportunities out there
- Bid wanted you to recoup money & use for further funding
- Prohibits small businesses from being able to compete
- Bids are too time consuming and difficult
- Bids awarded to lowest bidder not the highest quality and design
- Bids determined by price only not qualifications
- Bonding; amount and lack of prohibited opportunity
- Cannot find help with procurement red tap
- Certification does not lead to worthwhile government business in my particular SIC code
- Certifications are very expensive with no assistance City government has poor project management, no timeframe & delayed payments
- Difficult to even get foot in the door
- Education, many questions that cannot get answers regarding
- Federal invoices not paid in timely manner
- Small businesses cannot afford this high risk
- Losing business to bundling
- Government does business with people they know
- GPO does not recognize women as disadvantaged & also no nationwide certification and application system
- Inability to give accurate quote on vague RFP
- Inconsistency in classification of companies
- Large companies can offer one-stop shopping that small companies cannot
- Large contracts awarded to major companies
- Loopholes, lowest bidder, but did not receive contract, no return calls
- Loss of opportunities due to bundling, continuous contract renewals & RFP inconsistencies
- Lost long standing contract due to no certification

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- Lots of red tape process to get foot in door
- Low-balling and exhaustive paperwork not worth the effort
- Lowest bidder not used because not huge player in the industry
- Men-owned businesses do not require certification
- Never had opportunity to bid Frustrations (continued)
- No enforcement to use winning contract bidder
- No notification of bids
- No notification of opportunities until too late
- No notification why company was not selected even though requested
- No one willing or able to tell me who purchases items the SBA uses annually
- No opportunity to show different options
- No opportunity to submit qualifications because not certified
- No real opportunities after receiving additional general liability insurance
- No thorough knowledge of the depth of information required
- No way to expose better alternatives than what the RFP specifies
- Notification of RFPs and cumbersome submittals
- Overcome attitudes that we don't have expertise in highly technical field
- Overlooked saying other company hires disabled people
- Overwhelmed & frustrated at bidding
- Paperwork high with constant changes & short time period to bi
- Paperwork is too time consuming
- Paperwork Nightmare
- Passed over with no reason
- Previous contractor has inside track to winning the next opportunity to bid
- Price competition from the Federal Government
- Received contract to teach a class; not possible to let other departments know what I'm capable of teaching
- Requirements were not pertinent to my business & actual bid
- Restrictions are numerous and paperwork is cumbersome
- RFP requirements are prohibiting
- RFP time period too short
- RFP written for failure or award to predetermined party
- Separate state & agency signup
- Slow payment, lost invoices and bogus competition
- State supporting universities are now competing against us for contracts
- Time consuming because department which wrote
- RFP didn't know industry specifications or lingo
- Too many different certifications needed
- Too time consuming to be registered with every branch of procurement
- Too time consuming with zero opportunities, zero invitations and zero accountability
- Unclear RFP paperwork
- Upfront expense & delays of getting paid by the government
- Never sell on price because of added extras
- Vague and poorly written specifications
- Vague RFP as to promote "padding the bid"
- Vague RFP specifications

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- Vaguely defined information & non-specific description of required measurements & expected information
- Whole certification process is discouraging
- Women-owned businesses need a set aside to get contracts
- Won contract, but was not used

Total Respondents	79	35%
Skipped question	147	65%

VI. Testimony List

The following list was developed as a result of the procurement Task Force survey. These women business owners have identified themselves as owners of small businesses, which have attempted to pursue contract opportunities or have successfully obtained opportunities, while experiencing many of the frustrations and challenges identified in this report.

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VII. Acknowledgements

The comprehensive compilation of information contained herein is the result of the tireless efforts of a select group of women business owners committed to advancing opportunities for women-owned enterprises and small business.

In addition, hundreds of women-owned businesses from across the United States participated in the Task Force survey, sending data or providing added resources for the Task Force to investigate.

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VIII. Recognition Of Other Sources

The following organizations were instrumental in providing information referenced in this report:

National Association of Women Business Owners (NAWBO)
www.nawbo.org

Center for Women's Business Research
www.womensbusinessresearch.org

Women's Business Ownership Act, HR 5050

Federal Acquisition and Streamlining Act, PL 103-355; FASA

Women-Owned Small Business (WOSB) Federal Contract Assistance Program
www.sba.gov/GC/cawbofactsheet.html

SBA Reauthorization Act, PL 106-554 (Equity in Women's Contracting Act)
National Science Academy
www.nas.edu

DOT Office of Small and Disadvantaged Business Utilization (OSDBU)
<http://osdbuweb.dot.gov/disparity/>

Virginia State Disparity Study
www.dmbe.state.va.us

SBA's Office of Advocacy Report
www.sba.gov/advo/

House of Small Business Committee
wwwc.house.gov/smbiz

U.S. Federal Highway Administration (FHA)
www.fhwa.dot.gov

NC A&T University National Science Foundation
www.nsf.gov

Central Contractor Registration Database (CCR)
www.ccr.gov/

SBA Certification Programs
www.sba.gov/8abd

Small Disadvantaged Business (SDB)
www.sba.gov/sdb

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Hubzone
www.sba.gov/hubzone

Consolidated Appropriations Act of 2005

Department of Transportation Disadvantaged Business Enterprise Program
www.osdbu.dot.gov/business/dbe/DoTcrDBE.cfm

National Women Business Owners Corporation (NWBOC)
www.nwboc.org

Women's Business Enterprise National Council (WBENC)
www.wbenc.org/

Wells Fargo and Center for Women's
Business Research
www.womensbusinessresearch.org and www.wellsfargo.com

Direct Quotes:
SBA Reauthorization Act
www.sba.gov/advo/statement03_0409.pdf

NAWBO Procurement Survey
David Walker
Comptroller General Accounting Office

J. Antonio Villamil
Board Member of Economic Advisors for Hispanic Business Magazine
www.weg.com and www.hispanicbusiness.com

Milken Institute 2000 Research Report
The Minority Business Challenge: Democratizing Capital for Emerging Domestic Markets
www.milkeninstitute.org/publications/publications.taf?function=detail&ID=14&cat=ResRep

Dr. Timothy Bates and Dr. William Bradford
Kauffman Foundation 2003 Report
Minorities and Venture Capital: A New Wave in American Business
www.kauffman.org/entrepreneurship.cfm/capital_markets/535

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