



Testimony for the Record

On Behalf of
The Women's Procurement Circle

House Committee on Small Business Contracting and
Infrastructure Subcommittee

"Leveling the Playing Field: Fostering Opportunities for
Small Business Contractors"

September 10, 2025

The Women’s Procurement Circle (WPC) submits the following testimony for the record for the hearing “Leveling the Playing Field: Challenges Facing Small Business Contracting.”

The WPC advocates for policies that strengthen women-owned companies that do business with the federal government. Women fought for 11 years to get the women-owned small business (WOSB/EDWOSB) federal contracting program in place, and an additional two years to secure sole source authority for the program. Yet, the federal government has only met its 5% goal for contracting to women twice since the goal was established in 1994. Increasing federal contract awards to women-owned businesses requires advocacy and education.

The Circle provides a much-needed place where women contractors can participate in growing their federal contracting businesses, become advocates for regulatory and legislative changes, and participate in a nationwide network of successful women business owners. With respect to policy, Congress can assist women in being more successful in securing government contracts by adopting several key changes. The WPC suggests the following actions:

Increase Awards to Women-Owned Businesses

The federal government put in place a goal of awarding 5% of all contract dollars to WOSBs. Although the Women Owned Small Business (WOSB) procurement program was implemented in 2011, the government has only met this goal twice – many federal agencies simply do not utilize the program. According to the most recent SBA scorecard the government missed its five percent contracting goal achieving 4.97% of eligible prime contracting dollars in FY2024. Only \$2.2 billion came through the WOSB set-aside program while the rest came through awards that are not restricted to WOSBs, but the awardee happened to be a WOSB.¹ This practice is known as “double counting.”

Increasing federal contracts to WOSBs results in creating a more dynamic and resilient industrial base, of which these firms are an important part. We note that Congress has raised other socioeconomic goals and ask Congress to raise the WOSB goal accordingly. WPC believes a guiding principle in federal contracting is to create parity among all socioeconomic groups codified into law. Congress, the SBA and federal agencies, and women-owned businesses must work together to increase contracts awarded to women through this program.

¹ <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>

Expand Sole Source Contract Opportunities for Women-Owned Businesses

As government buying continues to move away from direct contracts to small companies and into large contracts, the authority contained in the WOSB program to award sole source contracts is imperative. The most recent action to require agencies to buy through large contract vehicles was contained in the FAR rewrite which prioritizes agencies to buy from Best in Class (BIC) vehicles. In FY2024, only 5% of small business vendors were awarded best-in-class contracts.²

Due to the growing popularity of category management, the government has begun to favor large, long-term contracts, in lieu of smaller, direct contracts. For example, Best in Class (BIC) contract spending totaled a record \$57.3 billion in FY2023, up over 95% since FY2016.³ These long-term governmentwide contracts require substantial resources to bid and win task orders, creating a barrier to entry for many innovative small businesses to enter or remain competitive in the federal marketplace.

There have been numerous attempts to raise sole source thresholds for WOSBs and all small business categories since 2019, yet all unsuccessful. We applaud these efforts from both sides of the aisle. Sole source authority continues to be an important tool contracting officers should use to award more work to WOSBs, especially as an increase in contract consolidation will decrease the number of contract opportunities.

Eliminate Self-Certification in the Women-Owned Small Business Program

The government has rarely met its goal for contract awards to women-owned firms, so self-certification is clearly not working. Eliminating self-certification for the WOSB program at the Small Business Administration (SBA) and requiring self-certified women-owned companies to apply for certification through the SBA will increase the integrity of the program and assure federal buyers that these companies are ready to do business. Legislation introduced last Congress from Ranking Member Velázquez, H.R. 7105, *WOSB Certification and Opportunity Expansion Act*, removed self-certified WOSB firms from inclusion in the SBA small business contracting scorecard. We applaud this legislation and encourage the Committee to move the bill forward this Congress.

² <https://d2d.gsa.gov/report/small-business-dashboard>

³ BGOV Contract Profile, Best-in-Class Solutions, Maika Ito, Analyst, March 20, 2024.

Create An Economically Disadvantaged Women-Owned (EDWOSB) Small Business Goal

Despite the difference in requirements to participate in the WOSB and EDWOSB programs, there is not a dedicated contracting goal on SBA's procurement scorecard for EDWOSBs. To be eligible for participation in the EDWOSB program, participants must meet income and net worth requirements. Given the decline in the industrial base, the government is rightfully seeking ways to encourage new entrants into the federal market. Increasing awards to EDWOSBs would encourage additional firms to enter the federal marketplace, incentivizing federal agencies to maximize the utilization of these firms. Further, the SBA should consider devising a program to give EDWOSB the same kind of business development assistance and tools available to individually-owned 8(a) companies. The hallmark of the 8(a) program is its success in assisting economically disadvantaged businesses to grow through the tools and assistance given through the program. EDWOSB companies would benefit from similar resources.

Expand the Rule of Two to Include Contracts Above the Simplified Acquisition Threshold

The industrial base has significantly decreased over the past ten years – a 40% decline in the number of small businesses receiving prime contract awards. The strength of the industrial base is a concern to the entire federal contracting community, as well as civilian and defense agencies. We believe it is time for Congress to amend the Rule of Two to increase contracting opportunities for small businesses.

The Rule of Two was created to support the ability for small businesses to compete for federal contracts. The rule requires all federal agencies to determine if there are at least two small businesses that could do the work for a fair price, and if so, the acquisition must be set-aside for small businesses to compete. This rule has been confirmed by the courts in several cases, including *Kingdomware Technologies, Inc., v. United States* and *Tolliver Group, Inc., v. United States*.

In the *Tolliver Group, Inc., v. United States* decision, the Court of Federal Claims affirmed that agencies are required to apply the Rule of Two in all federal acquisitions over the simplified acquisition threshold (SAT) of \$250,000. This ruling is not reflected in current law, which states that the Rule of Two only applies to acquisitions above the micro-purchase threshold, \$10,000, but not greater than the SAT. In FY2022, the federal government awarded approximately 120,000 contracts over the SAT. Given such a large number of contracts above this threshold, it is critical to ensure that agencies are properly applying the Rule of Two, which could lead to increased

small business set-asides. About 40%, or \$10 billion annually, of Simplified Acquisition obligations are 'Other Than Small Business.'⁴

While the Rule of Two has been confirmed by the courts, we believe legislative changes should be made to bring acquisition rules and court rulings into agreement. The 15 USC §644(j) Small business reservation, 15 USC §644(r) Multiple award contracts, and 15 USC §657s(a) should be changed to reflect judicial rulings.

Further, the ongoing FAR overhaul represents one of the most significant efforts in recent years to modernize and streamline the federal acquisition system, making procurement more efficient, transparent, and aligned with today's contracting landscape. A critical component of this modernization is ensuring that small businesses continue to have fair access to federal contracting opportunities, which is why codifying the Rule of Two through H.R. 2804, *Protecting Small Business Competitions Act of 2025*, is so important. Congress can strengthen small business participation and reinforce the government's longstanding policy of using federal procurement as a tool for economic growth and opportunity.

Congress continues to require federal agencies to buy from small businesses. Since over 90% of all women-owned businesses are small, women are considered major stakeholders in these policy actions. As federal agencies award less direct contracts in favor of large contracting vehicles, women are largely left behind. Congress and federal agencies should take additional steps to support women-owned companies across our industrial base.

Thank you for your consideration of this testimony.

⁴ SAM.gov Data Analyzed by The Pulse of GovCon