

Minority Views
H.R. 7987, the “Plain Language in Contracting Act”

The Small Business Administration (SBA) is tasked with ensuring that small businesses are awarded a “fair proportion of the total purchases and contracts for goods and services of the Government in each industry category....” In accordance with this mandate, Congress has imposed a governmentwide goal of awarding at least 23% of all small business eligible Federal prime contracting dollars to small businesses. SBA’s FY22 scorecard showed that the federal government awarded 26.5% of federal contract dollars to small businesses, a total of \$162.9 billion.¹

At the same time that the amount of prime contract dollars awarded to small businesses has reached record highs, the number of small businesses in the industrial base has declined dramatically. The federal government has documented a roughly 40% decrease in the number of small businesses receiving prime contract awards over the past decade. The data show that the federal government is not retaining current small business government contractors, and new small businesses are not choosing to enter the federal market.

Current procedures around small business procurements require federal agencies to conduct market research, request proposals, and issue solicitations by posting notices on the government’s SAM.gov website. These documents identify what the agency intends to buy and the procedures they will use to do it, and interested companies then submit proposals, bids and other information in response.

Some stakeholders have raised concerns about the complexity of the requirements for contracting with the federal government, especially for small businesses seeking to contract with the government for the first time. This complexity can translate into contracting documents, which may be unfamiliar to a small business who has not previously entered into a contract with the federal government. The government-unique processes and wording can differ from commercial practices in a way that may discourage companies from doing work with the government.



Nydia M. Velázquez
Ranking Member

¹ U.S. Small Bus. Admin, *FY 2022 Governmentwide Small Business Procurement Scorecard*, <https://www.sba.gov/agency-scorecards/scorecard.html?agency=GW&year=2022>.