



SMALL BUSINESS ADMINISTRATION, AGENCY OFFICES OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

ISSUE: FEDERAL PROCUREMENT OPPORTUNITIES FOR LGBT-OWNED SMALL BUSINESSES

POLICY DESCRIPTION: The Federal government has long held a policy of inclusion as regards small businesses owned by ethnic minorities, veteran disabled Americans and women. Particularly, the Clinton Administration signed Executive Order 13157 in May of 2000 – “in order to strengthen the executive branch’s commitment to increased opportunities for women-owned small businesses.” The policies regarding use of women- and minority- owned businesses play two important strategic roles: 1) intentionally opening federal procurement opportunities up to a broader base of businesses and encouraging federal agencies to do business with these companies, the federal government is effectively broadening the base of companies who can then compete through price and quality to fulfill Federal projects – saving the government and American taxpayers money; 2) protecting small to medium sized companies from discrimination in federal contracting – thereby ensuring the greatest number of companies are bidding on federal contracts for greater competition.

At this point, there is no mechanism by which Federal agencies and their primary suppliers can attract and educate lesbian, gay, bisexual and transgender (LGBT) suppliers into their supply chains, nor are there any protections against the unfair firing or incompleteness of contracts as regards LGBT owned businesses (LGBTOSBs).

RECOMMENDATIONS FOR CHANGE: The next Presidential Administration should issue an Executive Order covering four points:

1. *Responsibilities of Federal Departments and Agencies.* Each department and agency that has procurement authority shall develop a long-term comprehensive strategy to expand opportunities for LGBTOSBs. Where feasible and consistent with the effective and efficient performance of its mission, each agency shall establish a goal of achieving a participation rate for LGBTOSBs as a percentage of all prime contract awards and subcontract awards for each fiscal year.



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2. *Responsibilities of the Small Business Administration.* The Small Business Administration (SBA) shall establish an Assistant Administrator for LGBT Procurement within the SBA's Office of Governmental Contracting. This officer shall be responsible for:
 - a.) working with each agency to develop and implement policies to achieve the participation goals for LGBTOSBs for the executive branch and individual agencies;
 - b.) advising agencies on how to implement strategies that will increase the participation of LGBTOSBs in Federal procurement;
 - c.) evaluating, on a semiannual basis, using the Federal Procurement Data System (FPDS), the achievement of prime and subcontract goals and actual prime and subcontract awards to LGBTOSBs for each agency;
 - d.) preparing a report, which shall be submitted by the Administrator of the SBA to the President, through the Office of Federal Procurement Policy (OFPP), on findings based on the FPDS, regarding prime contracts and subcontracts awarded to LGBTOSBs;
 - e.) making recommendations and working with Federal agencies to expand participation rates for LGBTOSBs, with a particular emphasis on agencies in which the participation rate is less than the goals set out by each agency;
 - f.) providing a program of training and development seminars and conferences to instruct women on how to participate in the SBA's 8(a) program, the Small Disadvantaged Business (SDB) program, the HUBZone program, and other small business contracting programs for which they may be eligible;
 - g.) working with existing LGBT-owned business organizations, State and local governments, and others in order to promote the sharing of information and the development of more uniform State and local standards for LGBTOSBs that reduce the burden on these firms in competing for procurement opportunities.
- 3.) *Other Responsibilities of Federal Agencies.* To the extent permitted by law, each Federal agency shall work with the SBA to ensure maximum participation of LGBTOSBs in the procurement process by taking the following steps:
 - a.) requiring contracting officers, to the maximum extent practicable, to include LGBTOSBs in competitive acquisitions;



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- b.) prescribing procedures to ensure that acquisition planners, to the maximum extent practicable, structure acquisitions to facilitate competition by and among small businesses, HUBZone small businesses, SDBs, WOSBs, and LGBTOSBs, and providing guidance on structuring acquisitions, including but not limited to, those expected to result in multiple award contracts, in order to assist LGBTOSBs in developing their products, skills, business planning practices, and marketing techniques.
- 4.) *Subcontracting Plans.* The head of each Federal agency, or designated representative, shall work closely with the SBA, OFBB, and others to develop procedures to increase compliance by prime contractors with subcontracting plans proposed under section 8(d) of the Small Business Act (15 U.S.C. 637(d)) or section 834 of Public Law 101-189, as amended (15 U.S.C. 637 note), including subcontracting plans involving LGBTOSBs.

PROCESS FOR MAKING CHANGES: The above policies do not require legislative initiative, though they will require extensive education of Federal agencies, including the Small Business Administration, as well as the inclusion of LGBTOSB policies in tandem with already existing policies.