

SBA Office of Policy Planning & Liaison

Report on Small Business Utilization: Department of Random Data

January 26, 2022



U.S. Small Business
Administration

Contents

Introduction	2
Small Business Contracting Summary	3
Department of Random Data Vendor Counts	3
Department of Random Data New Entrants	4
Vendor Counts in Top Industries for Small Businesses	5
NAICS With the Highest Funding in 2020	5
Level 2 Product/Service Code Categories With the Highest Funding in 2020	5
Strategies for Improving Small Business Participation	8
Obligate Contracts Below the Simplified Acquisition Threshold to Small Businesses	8
Use Small Business Set-Asides	9
Limit Consolidation and Bundling	11
Conclusions and Further Data	12

Introduction

White House Office of Management and Budget [Memorandum M-22-03](#) directs agencies to increase the number of new entrants to the Federal marketplace and reverse the general decline in the small business supplier base. Towards that end, this report describes trends in the small business supplier base for the Department of Random Data between FY 2009 and FY 2020 and analyzes patterns of contracting with new entrants. It then identifies three strategies for increasing contracting with small businesses: reserving contracts below the Simplified Acquisition Threshold (SAT) for small businesses, using small business set asides, and limiting consolidation and bundling. Accompanying this report is an excel sheet appendix that provides detailed breakdowns of obligations, vendor counts, and new entrants by industry and by year.

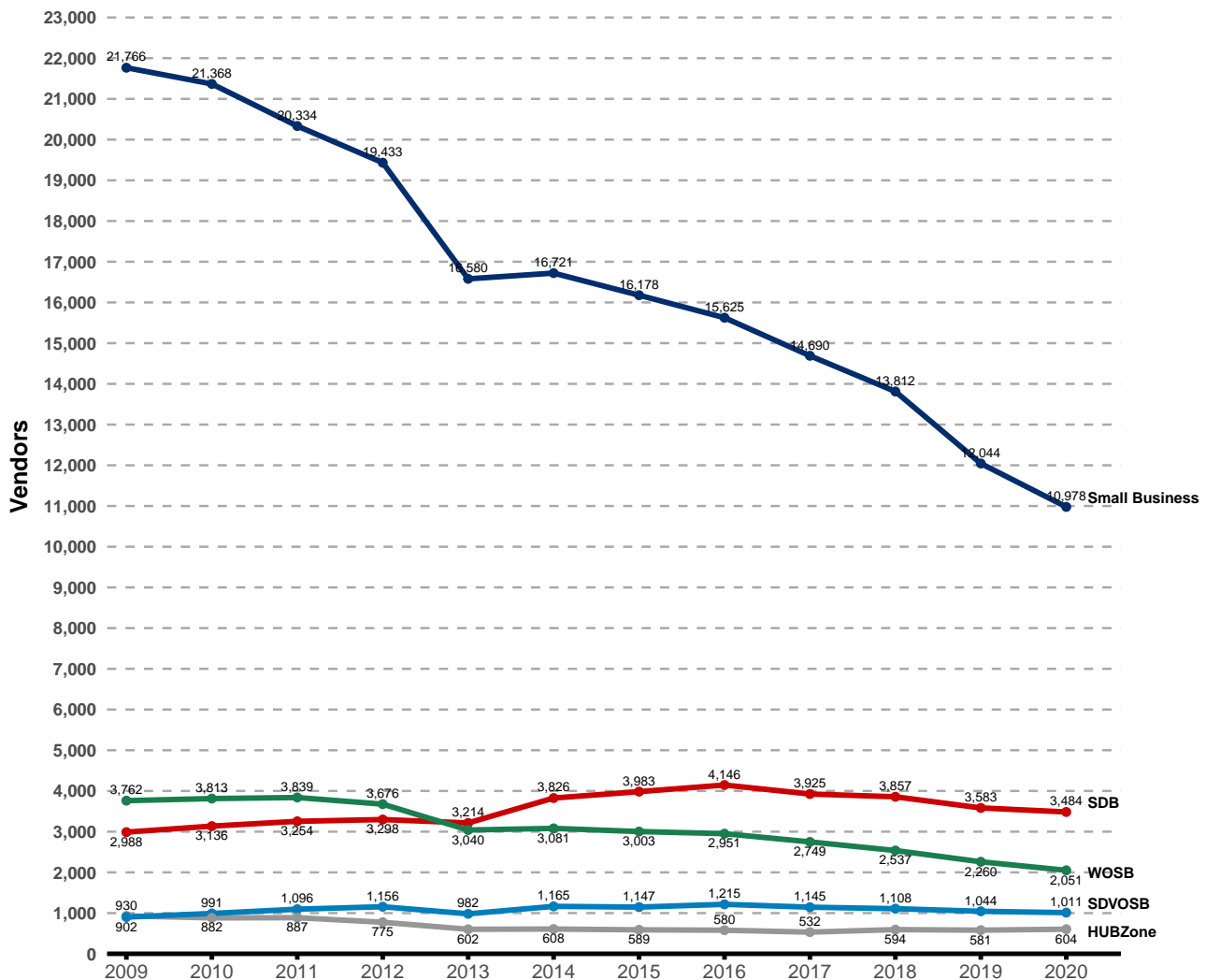
Small Business Contracting Summary

Department of Random Data Vendor Counts

In FY 2020, the Department of Random Data obligated \$17,497,917,620 to 10,978 small businesses. This was a 2.3% increase in dollars obligated and a 8.9% decrease in vendors receiving obligations from the year prior.

Figure 1, below, shows the number of unique vendors receiving obligations from the Department of Random Data by Fiscal Year since FY 2009. The vendor counts are broken down by SBA Small Business Goaling Program. SBA counts a unique vendor in a given fiscal year if it received at least one positive obligation from the Department of Random Data that year.

Figure 1: Department of Random Data Vendor Counts by Business Type



*Note: The Micro Purchase Threshold (MPT) changed from \$3,500 to \$10,000 in 2018. Agency adoption varied. This means some small businesses who received contracts in the \$3,500 – \$10,000 range may not be reflected in vendor counts post 2018.

Source: Small Business Goaling Report, FY09 – FY20

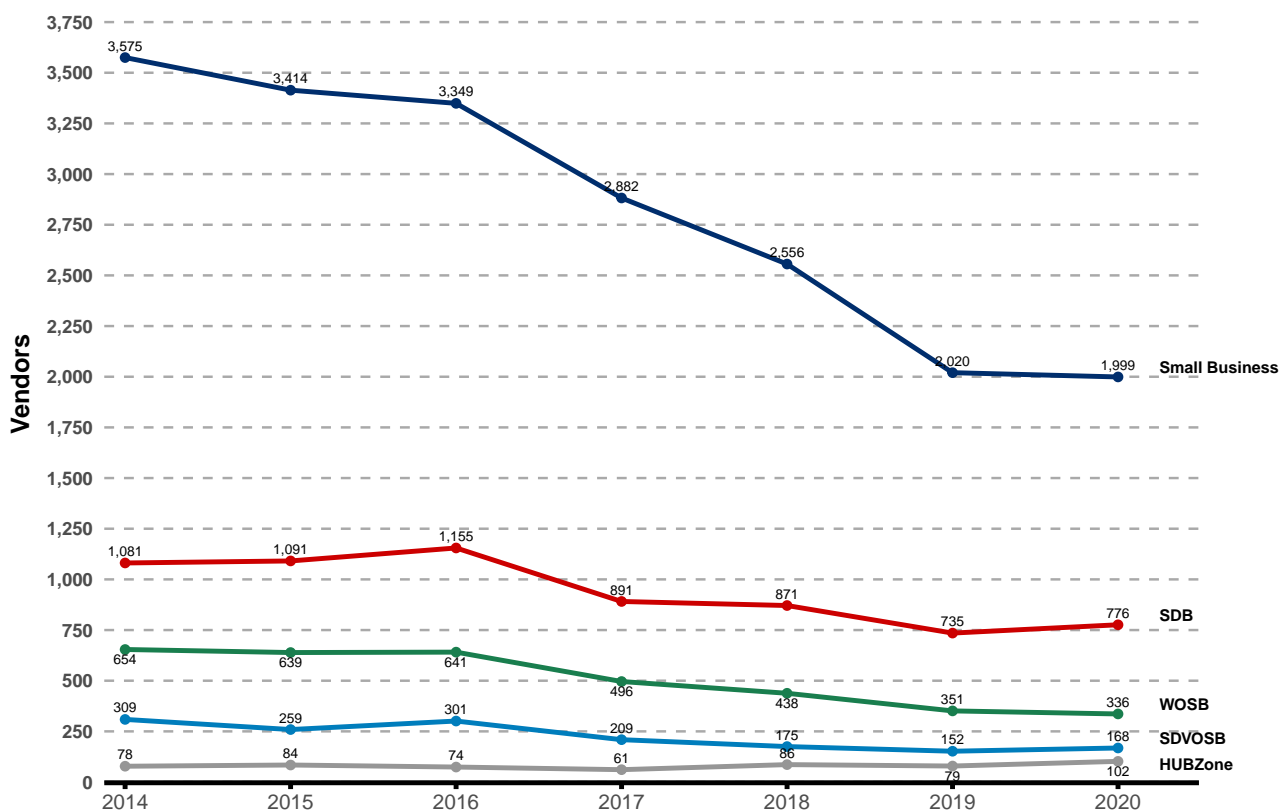
Department of Random Data New Entrants

In FY 2020, the Department of Random Data gave contracts to 1,999 new entrant small businesses. This was a 1.0% decrease in new entrants from the year prior. The top NAICS industry groups with new entrants were the following:

- Scientific Research and Development Services (5417): 161 new entrants
- Architectural, Engineering, and Related Services (5413): 104 new entrants
- Navigational, Measuring, Electromedical, and Control Instruments Manufacturing (3345): 101 new entrants
- Computer Systems Design and Related Services (5415): 75 new entrants
- Other General Purpose Machinery Manufacturing (3339): 58 new entrants

Figure 2, below, displays the number of new entrants receiving obligations from the Department of Random Data by Fiscal Year since FY 2014. The new entrant counts are broken down by SBA Small Business Goaling Program. SBA defines a small business as a new entrant to an agency in a given fiscal year if it received at least one positive obligation from that agency, but did not receive a positive obligation from that agency in the previous five fiscal years.

Figure 2: Department of Random Data New Entrant Counts by Business Type



Source: Small Business Goaling Report, FY09 – FY20

Vendor Counts in Top Industries for Small Businesses

NAICS With the Highest Funding in 2020

In FY 2020, the Department of Random Data obligated the most dollars to small businesses in the following five NAICS industry groups:

- Architectural, Engineering, and Related Services (5413): \$4,421,427,273 to 911 small businesses
- Nonresidential Building Construction (2362): \$1,887,816,870 to 464 small businesses
- Scientific Research and Development Services (5417): \$1,566,980,281 to 871 small businesses
- Ship and Boat Building (3366): \$1,553,086,853 to 291 small businesses
- Computer Systems Design and Related Services (5415): \$1,191,760,690 to 721 small businesses

Figure 3, on the next page, shows the change in the number of small businesses funded in those NAICS industry groups over time. This is compared to the number of small businesses receiving obligations from the government at large and the number of small businesses participating in the economy as estimated by the Census Bureau's Statistics of U.S. Businesses (SUSB).

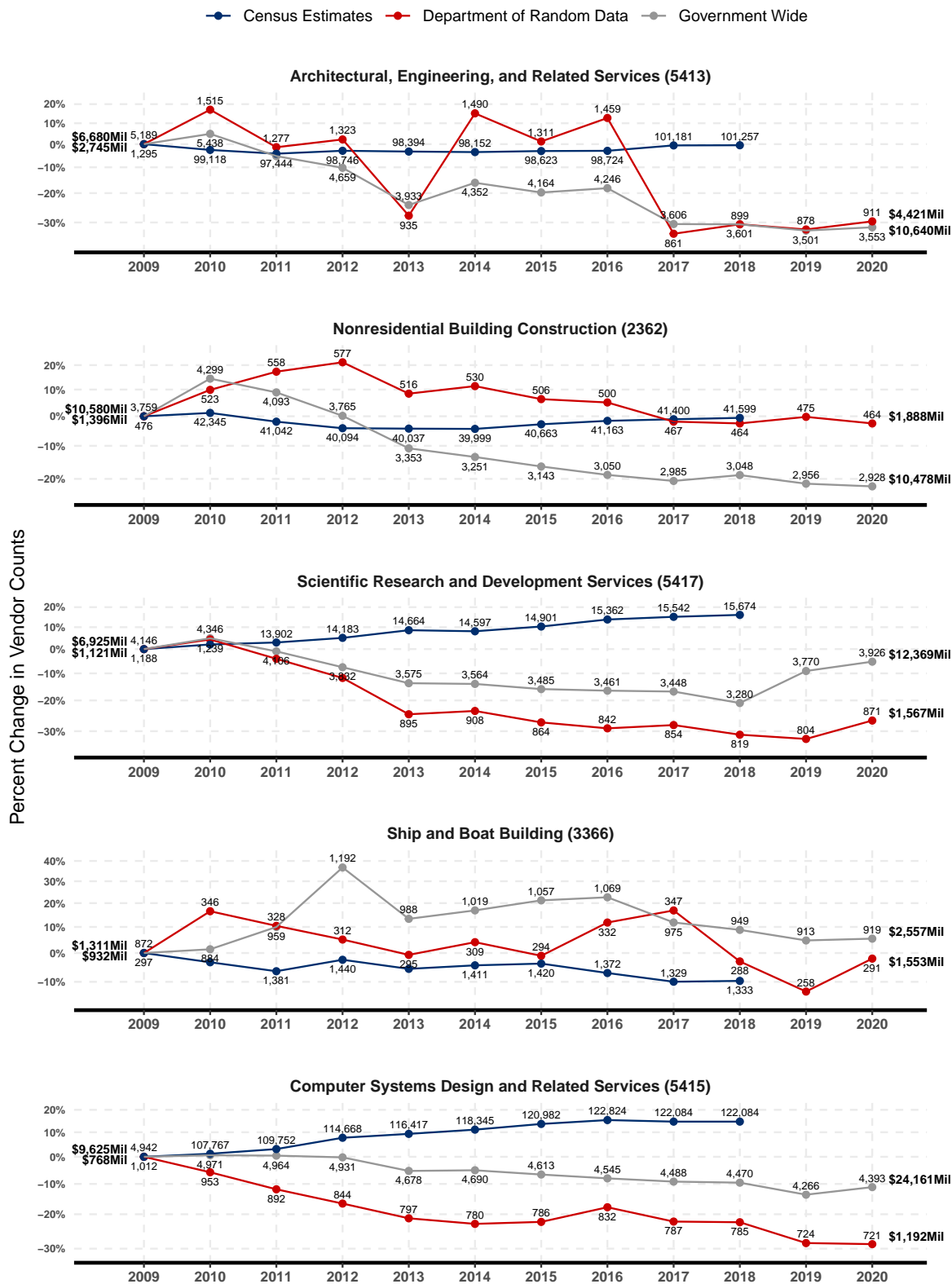
Level 2 Product/Service Code Categories With the Highest Funding in 2020

In FY 2020, the Department of Random Data made the following obligations to its five most funded level 2 product/service code categories:

- Facility Related Services: \$2,976,901,179 to 1,357 small businesses
- Technical And Engineering Services (Non-It): \$2,120,230,463 to 490 small businesses
- Maintenance, Repair And Overhaul: \$1,458,256,753 to 449 small businesses
- Management Advisory Services: \$1,157,799,056 to 759 small businesses
- Construction Related Services: \$983,414,177 to 448 small businesses

Figure 4, on the page after, shows the change in the number of small businesses funded in those product/service codes over time. This is compared to the number of small businesses receiving obligations from the government at large. Census estimates are not available for the product/service code classification system.

Figure 3: Percent Change in Small Business Vendor Counts Within Top 5 Most Funded NAICS Codes

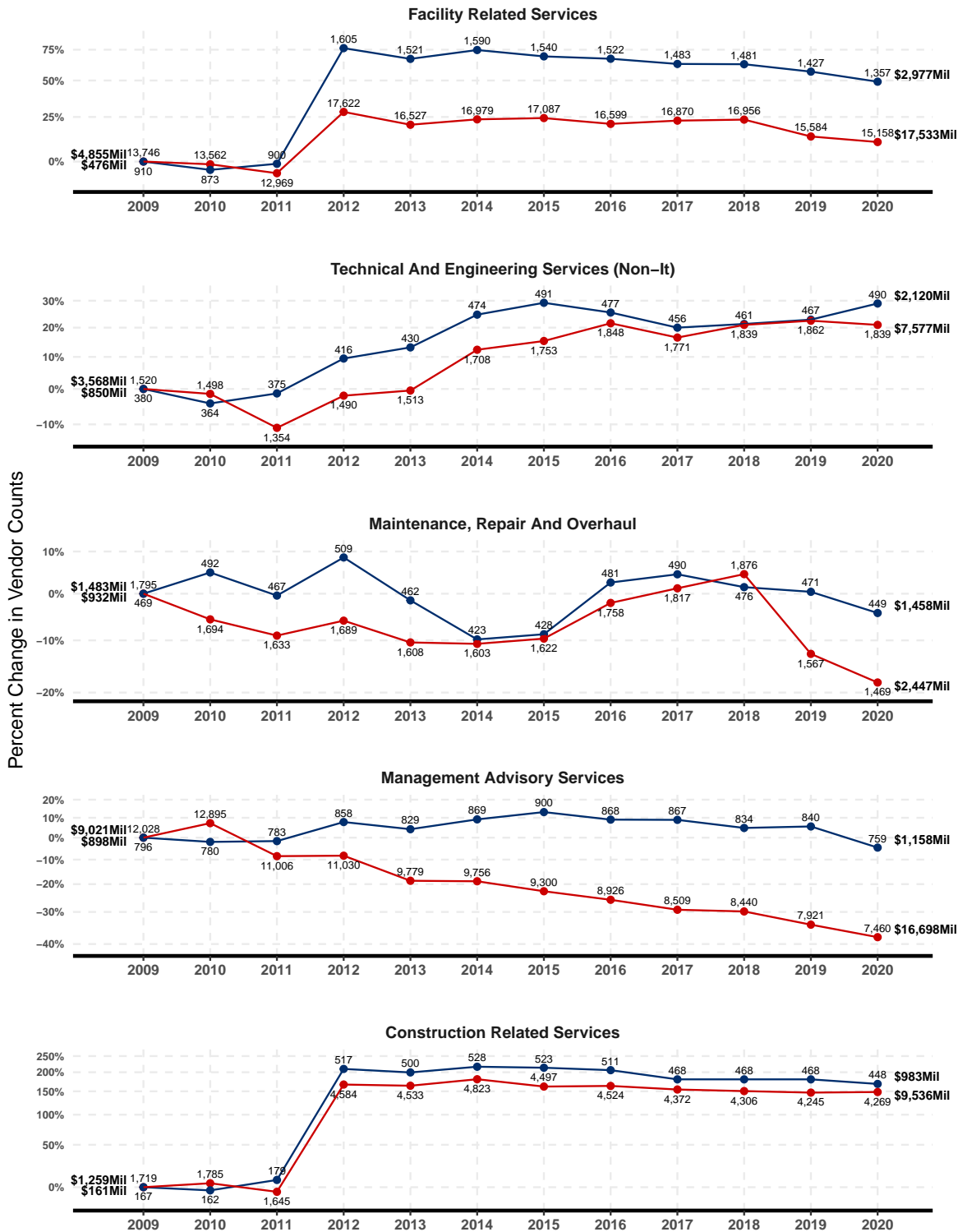


*Note: the y-axis is on a log scale. This means that equivalent % changes are the same distance apart. For example, decreasing a vendor count by half (-50%) is the same graphical distance as doubling a vendor count (+100%)

Source: Small Business Goaling Report, FY09 – FY20 & Statistics of US Business, 2009 – 2018

**Figure 4: Percent Change in Small Business Vendor Counts
Within Top 5 Most Funded Level 2 Product/Service Categories**

— Department of Random Data — Government Wide



*Note: the y-axis is on a log scale. This means that equivalent % changes are the same distance apart. For example, decreasing a vendor count by half (-50%) is the same graphical distance as doubling a vendor count (+100%)

Source: Small Business Goaling Report, FY09 – FY20

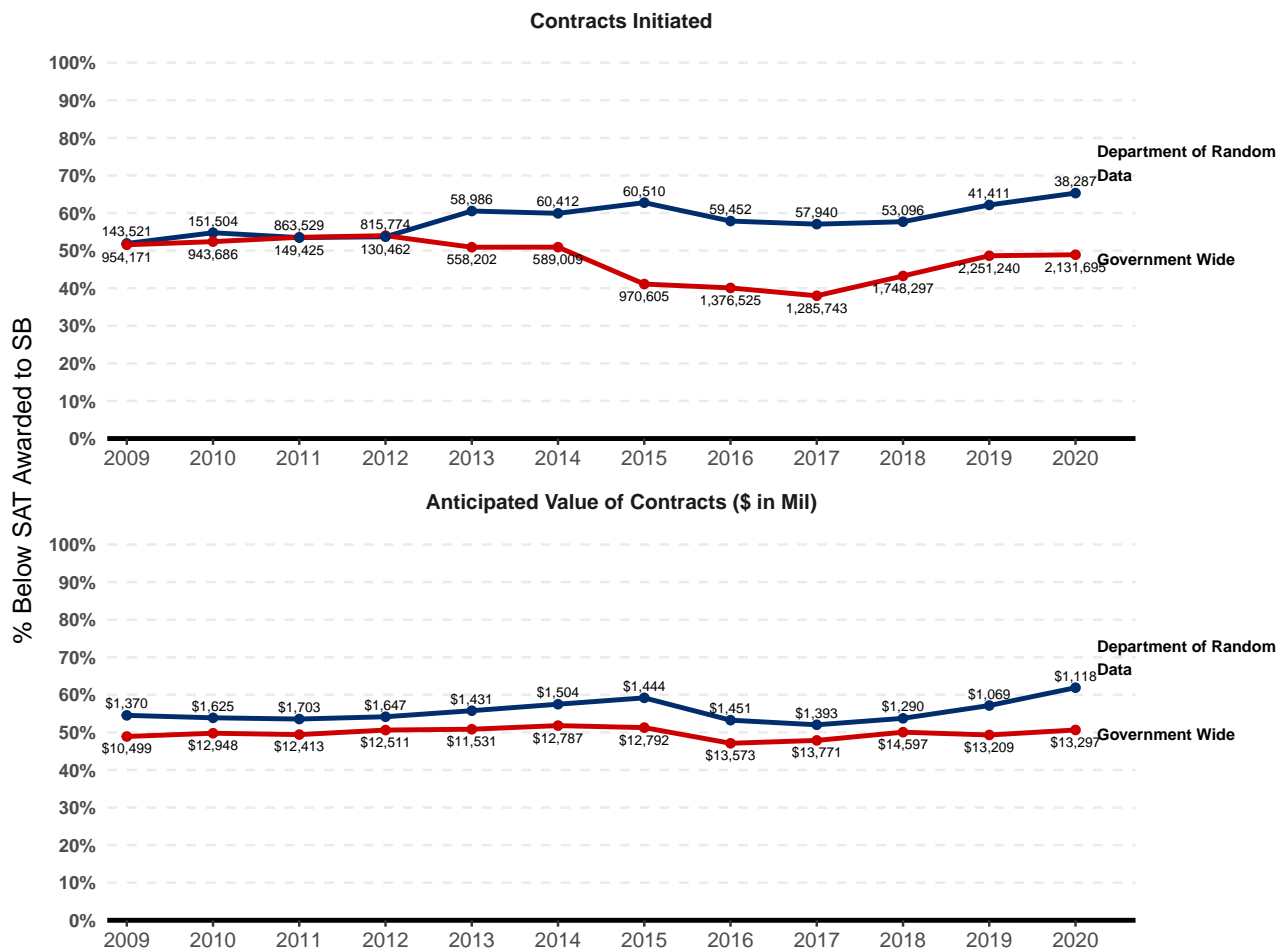
Strategies for Improving Small Business Participation

Obligate Contracts Below the Simplified Acquisition Threshold to Small Businesses

According to the Federal Acquisition Regulation Section 13.003, “Acquisitions of supplies or services that have an anticipated dollar value above the micro-purchase threshold, but at or below the simplified acquisition threshold, shall be set aside for small business concerns.” Currently, the Simplified Acquisition Threshold (SAT) is set at \$250,000 (prior to September 2020, it was \$150,000. Before FY2010, it was \$100,000). However, agencies do not always reserve contracts below the SAT for small businesses.

In FY2020, the Department of Random Data obligated 38,287 out of 58,617 (65.32%) contract initiations below the SAT and \$1,117,861,812 out of \$1,805,864,938 (61.90%) anticipated contract dollars below the SAT to small businesses. Increasing this percentage to more closely align with the Federal Acquisition Regulation is one strategy to increase contracting with small businesses. Figure 5, below, shows trends of small business contracting below the SAT over time.

Figure 5: Percent of Contracts & Anticipated Contract Dollars Below the Simplified Acquisition Threshold (SAT) that are Awarded to Small Businesses



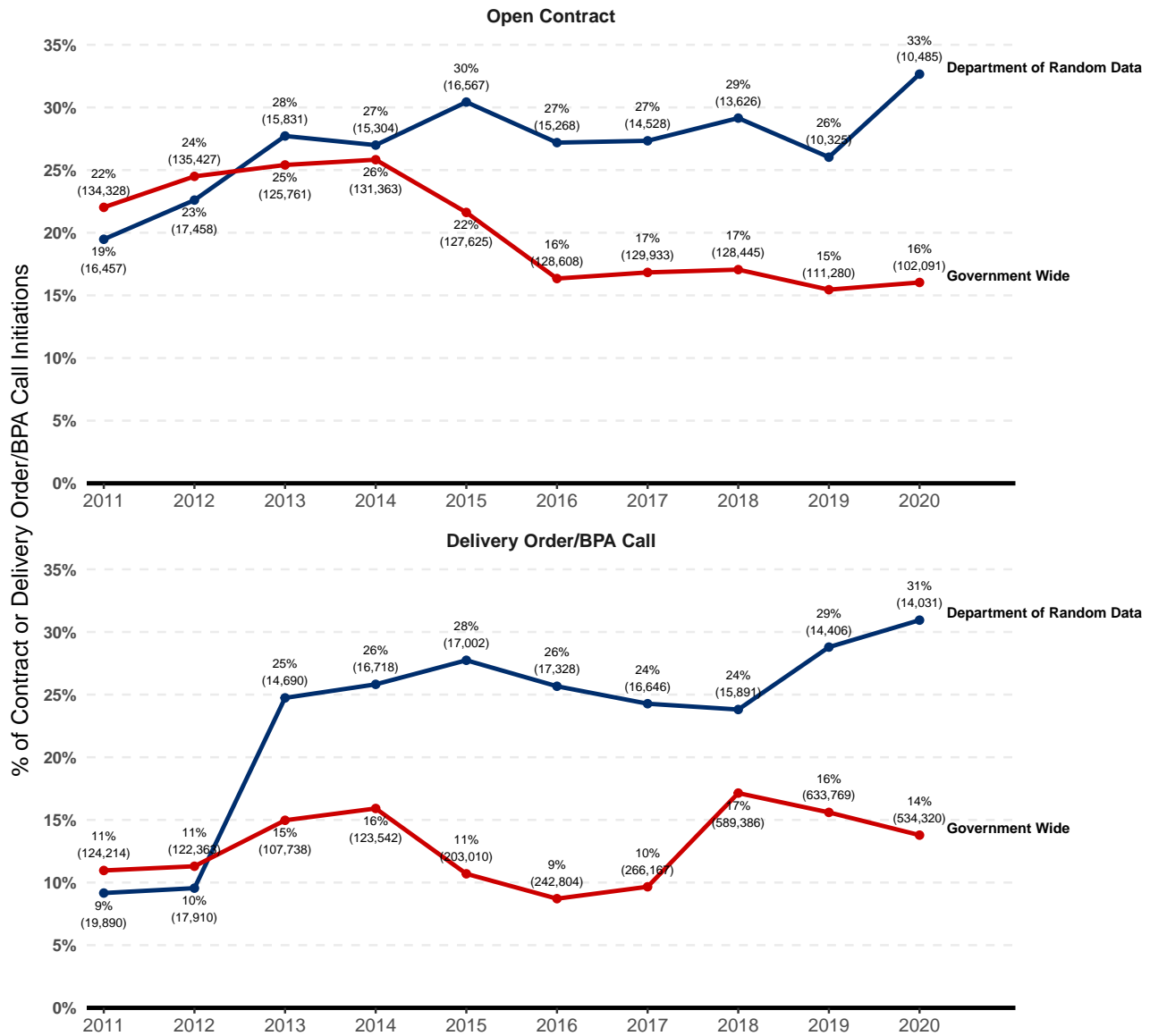
*Note: Data reflects changes to the SAT at start of FY10 and in Sep 2020

Source: Small Business Goaling Report, FY09 – FY20

Use Small Business Set-Asides

Using Small Business Set-Aside Programs is another way to increase contracting with small businesses. Below, Figure 6, shows trends in the use of set-asides. These include set-aside and sole source awards in the programs listed in Table 1 on the next page. Delivery Orders and BPA Calls are separated from Open Contracts. When set-asides are used within Delivery Orders and BPA Calls, the small vendors who can compete are already limited to those on the initial IDV contract. The tables on the following page record the number of contracts initiated by the Department of Random Data using each type of small business set-aside.

Figure 6: Percent (and Number) of Contracts Awarded Through Small Business Set-Aside Programs



Source: Small Business Goaling Report, FY11 – FY20

Table 1: Department of Random Data Use of Set-Asides in Open Contracts

Set Aside Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Small Business Set-Aside (Total)	14369	15513	14346	13763	15180	14015	13406	12569	9392	9565
Small Business Set-Aside (Partial)	78	69	48	40	65	52	43	61	76	55
Emerging Small Business Set-Aside	13	1	0	0	0	0	0	0	0	0
8(a) Competed	108	122	75	58	98	60	66	83	61	106
8(a) Sole Source	1658	1555	1218	1276	1067	977	804	743	637	601
HUBZone Set-Aside	69	46	21	37	45	36	46	22	16	44
HUBZone Sole Source	12	14	2	4	10	4	5	9	8	7
Women-Owned Small Business	5	18	27	20	19	30	47	50	47	37
Women-Owned Small Business Sole Source	0	0	0	0	0	8	14	11	15	13
Economically Disadvantaged Women-Owned Small Business	0	5	5	5	5	2	2	7	3	4
Economically Disadvantaged Women-Owned Small Business Sole Source	0	0	0	0	0	2	0	3	1	2
Service Disabled Veteran Owned Small Business Set-Aside	119	97	69	77	65	67	77	50	54	37
SDVOSB Sole Source	26	18	20	24	13	15	18	18	15	14

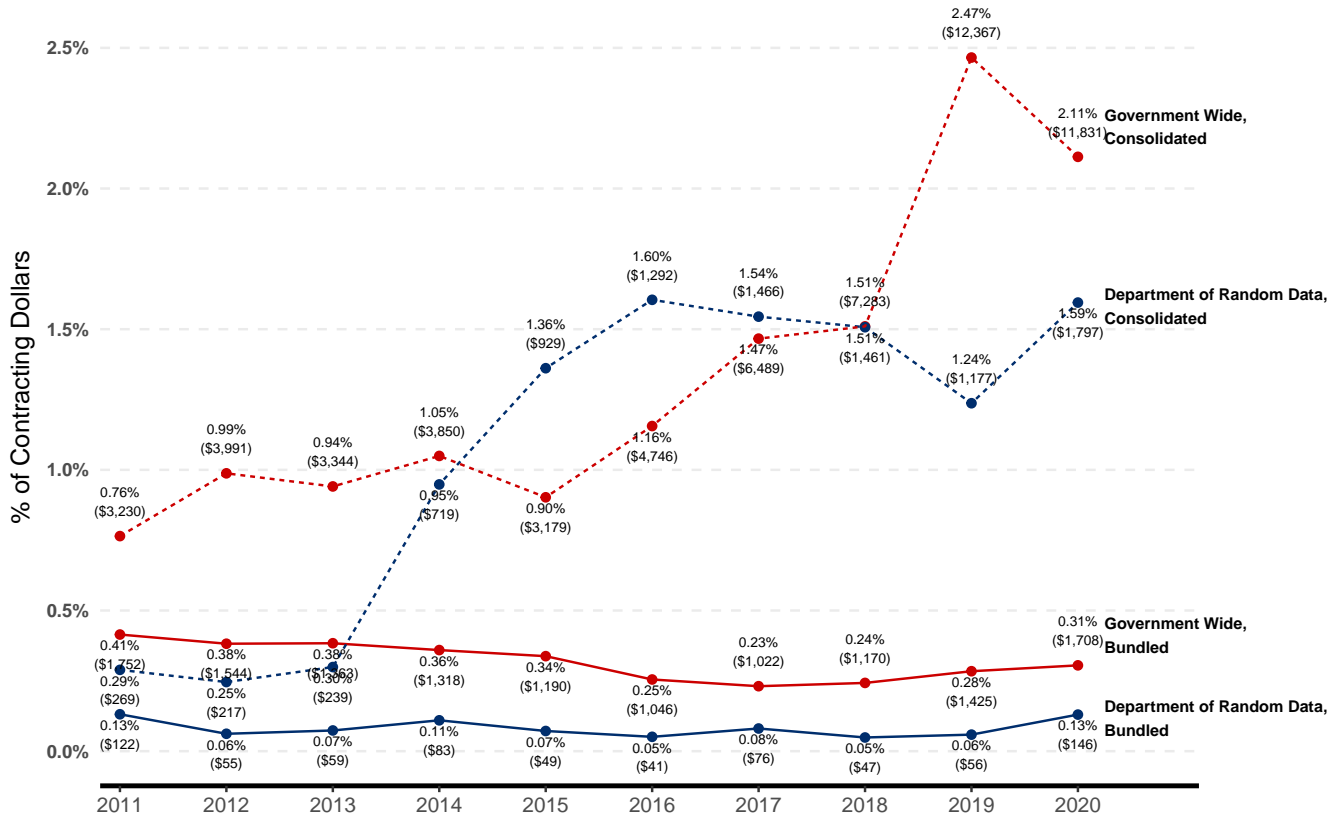
Table 2: Department of Random Data Use of Set-Asides in Delivery Orders/BPA Calls

Set Aside Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Small Business Set-Aside (Total)	11730	10290	9033	10633	11085	11402	11558	10886	9577	9048
Small Business Set-Aside (Partial)	208	520	118	102	125	146	121	82	66	70
8(a) Competed	3218	2583	1581	1943	1923	2016	1876	1601	1564	1537
8(a) Sole Source	3566	3411	2888	2907	2703	2480	1846	1814	1896	1945
8(a) with HUB Zone Preference	4	0	0	0	0	0	0	0	0	0
HUBZone Set-Aside	604	558	507	607	444	537	472	556	481	562
HUBZone Sole Source	19	13	8	4	2	9	33	47	34	38
Women-Owned Small Business	0	3	15	12	14	18	62	66	110	174
Women-Owned Small Business Sole Source	0	0	0	0	0	24	9	21	24	15
Economically Disadvantaged Women-Owned Small Business	0	7	3	10	34	74	46	25	17	9
Economically Disadvantaged Women-Owned Small Business Sole Source	0	0	0	0	0	0	1	2	9	3
Service Disabled Veteran Owned Small Business Set-Aside	513	496	503	477	659	604	604	773	602	612
SDVOSB Sole Source	28	29	34	23	13	18	18	18	26	18

Limit Consolidation and Bundling

Consolidated and Bundled contracts take opportunities away from small businesses. They represent contracts that were previously smaller but are now combined and frequently awarded to large businesses. While representing a small percentage of contract dollars, the use of consolidation and bundling has risen government-wide since FY 2018. Figure 7, below, displays trends in the number of dollars obligated to consolidated and bundled contracts.

Figure 7: Percent (and Amount in Mil) of Dollars Going to Consolidated Or Bundled Contracts



Source: Small Business Goaling Report: FY11 – FY20

Sometimes previously consolidated/bundled contracts carry on for years after. As a measure of progress, it is important to look not just at dollars obligated to consolidated/bundled contracts but also at when new consolidated/bundled contracts were initiated. Table 3, below, shows trends in contract initiations by consolidation/bundling status.

Table 3: Department of Random Data Contract Initiations by Year and Consolidation/Bundling Type

Contract Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bundled Contract Initiations	201	123	1	0	1	1	364	484	581	185
Consolidated Contract Initiations	775	748	421	704	861	998	1,198	1,095	700	483
Total Contract Initiations	301,567	264,728	116,488	121,448	115,737	123,664	121,719	113,487	89,701	77,450

Conclusions and Further Data

This report summarized trends in small business contracting by the Department of Random Data. It provided descriptive statistics of vendor counts and new entrants and overviewed three strategies for increasing contracting with small businesses. For more detailed information on industry-level contracting with small businesses, please consult the appendix table excel spreadsheet associated with this report. If have any questions about the data or implications of this report, please contact Sam Le (sam.le@sba.gov) at the SBA Office of Policy Planning & Liaison.