

Bloomberg Businessweek**Small Business**<http://www.businessweek.com/articles/2013-08-21/its-christmastime-for-big-government-contractors-dot-for-small-firms-not-so-much>

It's 'Christmastime' for Big Government Contractors. For Small Companies, Not So Much

By [Patrick Clark](#) August 21, 2013

August is always a Cinderella kind of month for federal procurement officers, who rush to spend budget allocations before Sept. 30. That's the day Washington's fiscal year ends and the money disappears if isn't allocated. After [sequestration dampened](#) government spending earlier this year, fourth-quarter contracting is expected to be robust, according to a [report](#) (PDF) by Deltek, which publishes research on federal contracting.

This sounds like a good thing for small businesses owners, who are supposed to get [23 percent](#) of federal contracts. But a recent report in Bloomberg BNA suggests that small businesses are poorly positioned to take advantage of government spending in months to come.

In the first three quarters of fiscal year 2013, \$68 billion in government contracts were available, according to Deltek. That's a figure that pales in comparison to the average of \$127 billion available during the same time period in fiscal years 2010 through 2012. The result is that more money than usual is expected to be awarded in the fourth quarter.

"Contracts that were supposed to be awarded in February got pushed back to March and then April," says Eric Sobota, managing director for government contracting at accountancy BDO. "It's all built up to compound the fourth-quarter rush."

Some of those contracts are now primed to start flowing, but end-of-year contracting puts small businesses at a "huge disadvantage," National Small Business Association spokeswoman Molly Brogan told David Hansen in Bloomberg BNA ([subscription required](#)): "If you have \$100 million to get rid of by the end of the year and six really big contracts or 12 smaller ones that may not come close, you will go with the bigger ones," she said.

Which is to say, government agencies looking to use it or lose it are more likely to focus on awarding large contracts to big companies. That's a bitter pill for small business owners, who have already [endured uncertainty](#) amid government spending cuts this year.

Albert Krachman, a partner in the public contracts practice at law firm Blank Rome, says that fourth-quarter contracting isn't biased against small businesses. "If there's anything that characterizes this

time of year, it's expedited award decisions that are usually accompanied by mistakes in the selection process," he says, and it can be "like Christmastime" for small businesses that find themselves offering the right kind of service to an agency with money burning a hole in its pockets.

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