

# For second year in a row, government meets its goal of

By [Anirudh Jayaraman](#) June 20

For the second year in a row, government agencies reached their goal of awarding work to small businesses, according to an annual report released by the Small Business Administration early Friday.

The SBA's scorecard grades 24 agencies on how friendly they are to small businesses based on the dollars they award to the companies. The SBA also takes into account a subjective list of factors such as the agency's commitment to creating more opportunities for small firms or how well leaders communicate the importance of achieving their small business goals.

In 2014, the federal government awarded nearly 25 percent of prime contracts, or \$91.7 billion, to small businesses, beating its assigned target of 23 percent. The total share in 2014 is up from 23.4 percent, or \$83.1 billion a year ago.

"We're celebrating the federal government's best year ever for small business contracting and it's a testament to the world-class services that America's entrepreneurs are providing their government across every federal agency," Maria Contreras-Sweet, the head of the SBA, said in a statement. "President Obama prioritized procurement at the highest levels of his administration and we've set a new government-wide standard as a result."

Some of the top-performing agencies this year include the SBA itself, the State Department, the Interior Department and the Transportation Department. Agencies that performed poorly included the Energy Department and the Education Department.

The SBA does not rank agencies in the scorecard, but it tallies how much money an agency spends on small businesses and assigns target spending levels within four categories – whether the enterprises are women-owned (5 percent), small disadvantaged (5 percent), service-disabled veteran-owned (3 percent) and small businesses that lie within historically underutilized business zones (3 percent).

The Defense Department, which traditionally hands small businesses the most prime contracts, exceeded its 5 percent goal in the small disadvantaged business category this year and met the target for the service-disabled veteran-owned category. But the department fell short in awarded work to women-owned businesses and those operating in so-called HUB zones.

The Department of Veterans' Affairs, [which is mired in a procurement scandal](#), exceeded its goals in the small disadvantaged and veteran categories, but fell short in the women-owned and HUB zones categories.

The accuracy of the SBA's annual scorecard has been criticized in the past because some awards may not have been recorded yet, so the totals can represent just a snapshot in time. Federal agencies enter their contract details into a central database, but the data can often be incomplete or outdated, and the SBA has limited power to hold agencies accountable for their accuracy.

Agency officials took steps to improve data quality this year, John Shoraka, the SBA's associate administrator for government contracting, told lawmakers earlier this week, including adding staff "to improve data quality" and "provide training to agencies" on a new method to detect and correct data anomalies.

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