

Contracting Overview

The federal government buys nearly \$100 billion worth of goods and services from small businesses each year. However, selling to the government requires a very different approach than the commercial sector.

What is a “small business”?

To be a small business, an owner must adhere to industry size standards established by the SBA. For most industries, the SBA defines a “small business” either in terms of the average number of employees over the past 12 months, or average annual receipts over the past three years. In addition, small businesses must:

- Be organized for profit
- Have a place of business in the US
- Operate primarily within the US or makes a significant contribution to the US economy through payment of taxes or use of American products, materials or labor
- Be independently owned and operated
- Not be dominant in its field on a national basis

Use the Size Standards Tool (<https://www.sba.gov/tools/size-standards-tool?ms=nid4060>) to find out if a business qualifies as a small business.

SBA’s Role in Government Contracting

SBA’s Office of Government Contracting & Business Development works with federal agencies to award at least 23% of all prime government contract dollars to small businesses and help federal agencies meet specific statutory goals for small businesses that are part of special programs, including women-owned small businesses, service-disabled veteran-owned small businesses, and small businesses that are located in historically underutilized business zones (HUBZones).

The SBA also offers business development and government contracting assistance through the 8(a) Business Development Program, a 9-year program that assists small businesses owned and controlled by individual(s) deemed socially and economically disadvantaged. This assistance is offered through one-on-one counseling, training workshops, matchmaking opportunities with federal buyers, and other management and technical guidance.

Government Contracting Classroom

SBA has created a series of free, online contracting courses designed to help prospective and existing small businesses understand the basics about contracting with government agencies. These self-paced courses take about 30 minutes to complete

These are a few examples of what the online classroom looks like. To browse and sign up for courses, visit: <https://www.sba.gov/gcclassroom>

