

PRESS OFFICE

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Small Businesses Garner \$79.6 Billion In Federal Contracts in FY 2005; Another Record Year for Small Business

Federal Government Again Surpasses Statutory Goal

WASHINGTON – For the first time in history, small businesses received a record-breaking \$79.6 billion in federal prime contracts, \$10 billion more than the year before, Administrator Hector V. Barreto of the U.S. Small Business Administration said today.

The contracts represented 25.4 percent of federal prime contracting dollars in FY 2005, surpassing the overall government statutory goal of 23 percent for the third consecutive year.

The small business contracting data was reported by the government's Federal Procurement Data –Next Generation (FPDS-NG) system, the only official data reporting system for federal procurement data. The data show that the federal government purchased \$314 billion worth of goods and services from businesses large and small.

"This is excellent news for small businesses doing business with the federal government," said Administrator Barreto. "For the third year in a row, the federal government has met or exceeded its small business contracting goal. The President and his administration are committed to helping small businesses get their fair share of government contracts."

The Department of Defense, the leading purchaser of goods and services, awarded \$53.8 billion of its contracts, or about 24.6 percent, to small businesses.

The FPDS-NG report showed that the government surpassed the 5 percent goal of contracts going to small disadvantaged businesses. Participants in the SBA's 8(a) Business Development received \$10.5 billion in contracts, a 25 percent increase over the previous year. Firms in the Historically Underutilized Business Zone (HUBZone) program received \$6.1 billion in contracts, a 27 percent increase over the previous year.

Contracting dollars awarded to women-owned small businesses increased by \$1.4 billion to a record \$10.5 billion, a 15 percent increase over the previous year.

Contracts to service-disabled veteran-owned small businesses increased significantly, reaching \$1.9 billion, up from \$1.2 billion in FY 2004 and a 58 percent increase over the previous year.

"The SBA has remained focused on making it easier for small businesses to access information and opportunities to succeed in the federal procurement arena," said Administrator Barreto.

"These historic levels demonstrate that commitment. We will continue to work even harder for the engine of the U.S. economy: small businesses."

For the full report, visit http://www.sba.gov/GC/goals/SmallBusinessGoalingReport_2005.pdf.

For supplemental information on the data, visit

<http://www.sba.gov/GC/goals/DisclaimerstotheFY2005SmallBusinessGoalingReport.pdf>.