

BRIEFLY...

Highlights of Report Number: 21-04-004-01-100, a report to the Director, Office of Small Business Procurement. April 29, 2004.

WHY READ THE REPORT

The *Small Business Act* requires that a minimum amount of Federal procurement purchases come from small businesses annually. In addition, the Act defines minimum levels for procurements from specific types of small businesses, such as those owned by women or service disabled veterans. The Office of Small Business Programs (OSBP) negotiates small business procurement goals annually with each DOL agency, sponsors vendor outreach sessions, and has overall responsibility for achieving the Department's small business goals. Although the Department successfully achieved its overall goal for FYs 2000 to 2002, 41 percent of DOL agencies did not achieve their overall small business procurement goals in FY 2002.

WHY OIG CONDUCTED THE EVALUATION

The number of vendors competing for procurements in the DOL marketplace could affect the price and quality of goods and services purchased. Potential impacts of expanding the competition for contracts include decreased DOL procurement spending and increased quality of goods and services. This evaluation was conducted to 1) review the Department's historical achievement of small business procurement goals, 2) analyze the performance of OSBP in executing the small and disadvantaged business utilization function, and 3) assess the conditions that affected the maximization of small business procurement for FYs 1999 to 2002.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2004/21-04-004-01-100.pdf>

APRIL 2004

DOL CAN STIMULATE SMALL BUSINESS PURCHASES

WHAT OIG FOUND

Our evaluation found that OSBP did not:

- Set some individual agency goals high enough to encourage agencies to perform above expectations and maximize small business purchases.
- Provide adequate information about contracts, agencies and vendors prior to vendor outreach sessions. Ensuring the right match between agency needs and vendors was difficult.
- Provide optimal leadership for DOL's small business procurement efforts due to internal (e.g., lack of enforcement power) and external (e.g., businesses' growth beyond small business limit) conditions.

WHAT OIG RECOMMENDED

Among our recommendations to the OSBP Director were:

- Evaluate the current goal-setting strategy and revise as needed to maximize small business procurement.
- Revise notification procedures for vendor outreach sessions (e.g., upgrade web-based registration form, and encourage GSA representatives to attend).
- Ensure that participants adhere to procedures at vendor outreach sessions.
- Differentiate upcoming contracts that are open for competition from those that are not open for competition.
- Improve communication among OSBP, Small Business specialists and vendors.
- Adopt effective techniques used by other Federal agencies.
- Address the impact of external conditions upon the maximization of small business procurement.

OSBP agreed with our findings.