



U.S. Small Business
Administration

Statement of Francis C. Spampinato
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U.S. Small Business Administration

before the
House Committee on Small Business
Subcommittee on Contracting and Infrastructure

**Hearing on “SBA Management Review: Office of Government
Contracting and Business Development”**

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Thank you, Chairman Golden, Ranking Member Stauber, and members of the subcommittee for inviting me to speak with you today. As the Associate Administrator of the SBA's Office of Government Contracting and Business Development (GCBD), I am pleased to testify today and share significant updates regarding small business participation in federal contracting and the SBA programs supporting this important activity.

First, an introductory note. How did I arrive at the SBA? After serving four years in the United States Marine Corps, I was selected for a position at the Central Intelligence Agency. I served as a Contracting Officer there for roughly sixteen years and decided to move to a position at the Department of Energy as their Chief Acquisition Officer. Later, I was selected as the Director, Acquisition and Contracting at the Federal Aviation Administration and consequently as the Chief Procurement Officer at the Federal Emergency Management Agency. After that assignment, I served as a Program Manager with a small business until my return to the federal workforce in my current position. I come to the SBA with approximately twenty-five years of contracting experience, nine of that as a Senior Executive.

Last month SBA released the Fiscal Year (FY) 2019 Small Business Goaling Report (SBGR), AKA the Procurement Scorecard, which contained several notable achievements. Over one million jobs were created by small businesses across the United States as a direct result of prime and sub-contracting awards made by federal agencies. \$132B dollars were awarded to small businesses in FY2019—an increase of \$12B over FY 2018 and the highest amount in history. Every socioeconomic category realized growth in the number and value of small business contracts awarded. The Women-Owned Small Business, Small Disadvantaged Business and Service-Disabled Veteran Small Business goals were attained. The HUBZone goal was not reached in FY 2019, but HUBZone dollars experienced growth over FY 2018.

While I celebrate these small business contracting achievements, I know that COVID-19 wrought incredible challenges for small businesses and federal agencies alike. GCBD rapidly engaged with stakeholders to identify and implement measures to reduce barriers and increase opportunities for small businesses. These included posting guidance for small business contractors alongside SBA's COVID-19 resources, introducing flexibilities in 8(a) and HUBZone program participation, and conducting robust outreach to small businesses to connect them with federal agencies in need of products and services to combat COVID-19. SBA Procurement Center Representatives (PCRs) notified over 2,600 small business firms of opportunities, and directly contacted over 1,300 businesses. Over 700 small business dealers and 439 manufacturers were identified as being eligible to compete for federal contract awards for the various products. A deeper dive into the identified sources resulted in federal contract awards to 702 small business firms for PPE products, 149 small business sources for respirators, and 183 small business firms for ventilators. The results of these actions so far shows that federal agencies are utilizing small businesses for nearly 25% of their small business eligible contract awards to meet their COVID-19 requirements which include

personal protective equipment, IT products and services to support a teleworking federal workforce, and facility support services.

On the horizon is the launch of the SBA's Women-Owned Small Business (WOSB) Certification Program next month which implements the National Defense Authorization Act (NDAA) 2015 provision to eliminate self-certification for women-owned and economically disadvantaged women-owned small businesses participating in the program. GCBD commenced robust outreach to stakeholder groups and women entrepreneurs in late 2019 to ensure awareness of the changes ahead and to incorporate their feedback in our processes and systems. On July 15, SBA began to accept applications for the new WOSB certification at beta.certify.sba.gov. I am working closely with the SBA CIO and CFO to ensure functionality and sustainability of [beta.certify](https://beta.certify.sba.gov) as we stand up the program. I am aware of the history of implementing this program and the application portal, and the Committee's interest in both. I can assure you that this has my highest attention and focus as Associate Administrator.

Each of GCBD's programs is making notable strides. In December 2019, we published a rule and began implementing changes to strengthen the HUBZone Program. These program improvements, long overdue, were the result of successful collaboration between SBA, Congress, and stakeholders, and were intended to make it easier for small businesses doing good work in their communities to join the HUBZone program and for all certified HUBZone firms to remain compliant with enhanced oversight from SBA. We've already seen a 33% increase in applications, reduction in processing times, and an 11% increase in FY19 Scorecard results from FY18—which demonstrates that we are moving in the right direction.

Within GCBD's Office of Business Development, the 8(a) Business Development program continues to grow and prosper. During these times of economic recovery, applications from eligible small disadvantaged firms has increased by 132% compared to this time last year. In the near future, the SBA looks forward to publishing the final rule regarding the merger and consolidation of our 8(a) and All Small Mentor Protégé Programs into a single program. The new rule will eliminate confusion, remove unnecessary duplication of functions with the SBA, and streamline and expand the benefits of the 8(a) Mentor Protégé program to all small businesses seeking to contract with the federal government. To-date, SBA has over 1,100 successful mentor protégé agreements and continues to grow, allowing small businesses to gain valuable technical and management assistance from more experienced firms. By doing this, the protégé small businesses are given access to, and learn from, the mentor to leverage capacity for new growth and success.

In addition to leading effective and compliant programs, I intend to vigorously promote strategies that lower barriers to entry and increase the likelihood of small business success. This includes working with the Office of Management and Budget's Office of Federal Procurement Policy to promote strategies related to category management that help small businesses while addressing its potential unintended consequences, as well as working with the community to address the increasing complexity of cybersecurity compliance. The Small Business Goaling Report and analysis of Federal Procurement Data System – Next Generation (FPDS-NG) illustrate the decreasing number of firms involved in federal

contracting and receiving prime contract awards. I am engaged with federal agency small business leaders, senior acquisition officers, and my GCBD team to understand the causes and how we may address the outcomes. Additionally, my office routinely engages with small business contractors to hear their frustrations and where their pain points are. My intent for GCBD is to be a collaborative facilitator with agencies and small businesses to achieve better outcomes.

In closing, I want to thank the Committee for your support of our programs, and I am happy to take any questions.