



United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-250270

June 7, 1993



149509

The Honorable Marcy Kaptur
House of Representatives

Dear Ms. Kaptur:

Each fiscal year, the Small Business Administration (SBA) negotiates with federal agencies to establish contracting goals for women-owned businesses. The contracting goals are nonbinding targets expressed as a percentage of each agency's total estimated procurement dollars for the fiscal year. In a July 1992 report and more recently in September 1992 testimony¹ before the House Committee on Small Business, we discussed the establishment of these goals and the recent experiences of federal agencies in achieving them. During the hearing, you expressed concern about the adequacy of federal agencies' efforts to achieve these contracting goals. In subsequent discussions with your office, we agreed to provide you with information on (1) how many of the 18 major federal procuring agencies--including the Tennessee Valley Authority (TVA), a government-owned corporation--have women-in-business specialists to assist women business owners obtain federal contracts; (2) whether agencies with women-in-business specialists are more successful than agencies without such specialists in increasing the percent of contract dollars awarded to women-owned businesses; and (3) what procedures federal agencies generally follow to solicit contract bids, and whether these procedures ensure that women business owners are aware that such contracts are available.

In summary, we found the following:

¹Small Business: Efforts to Provide Federal Procurement Dollars to Women-Owned Businesses (GAO/RCED-92-185, July 28, 1992) and Small Business: Federal Agencies' Contracting Goals for Women-Owned Businesses (GAO/T-RCED-92-95, Sept. 17, 1992).

GAO/RCED-93-159R, Women-Owned Businesses

557361

RESTRICTED--Not to be released outside the
General Accounting Office unless specifically
approved by the Office of Congressional
Relations.

- Although there are no federal requirements that agencies have women-in-business specialists, as of mid-May 1993, TVA and eight other federal procuring agencies had individuals designated for such positions. TVA has a separate office headed by a manager whose sole responsibility is to assist women-owned businesses. The eight other agencies have individuals designated as women-in-business specialists, but their duties are not limited solely to assisting women-owned businesses. The remaining nine agencies do not have designated women-in-business specialists, but each has staff that assist all small businesses, including those owned by women.
- Agencies with designated women-in-business specialists do not appear to be more successful in increasing their percentages of contract dollars awarded to women-owned businesses than agencies without such specialists. Of the eight agencies that had specialists for at least part of the period from fiscal years 1986 to 1991, only the Department of Commerce attributed its increases in the percentage of contract dollars awarded to women-owned businesses during this period solely to the efforts of its specialist. While none of the 18 agencies increased its percentages every year of this period, 7 of the 8 agencies with specialists and 9 of the 10 agencies without specialists increased their percentages at least twice.
- Except for TVA, agencies generally follow the requirements set forth in the Federal Acquisition Regulations (FAR) in soliciting bids on federal contracts. These regulations require agencies to publicly advertise all proposed contract awards with an estimated value of over \$25,000 in a daily federal publication. According to TVA, it is exempt from FAR and uses its own list of prequalified firms when soliciting contract bids. The other agencies also use mailing lists and other methods to supplement the public advertisement and to inform businesses owned by women and others of upcoming contract opportunities. Generally, the services that the 18 agencies provide to women business owners are the same as those provided to other small businesses.

ALTHOUGH NO FEDERAL REQUIREMENT EXISTS,
SOME AGENCIES HAVE DESIGNATED
WOMEN-IN-BUSINESS SPECIALISTS

Federal agencies are not required to have a women-in-business specialist, and the Office of Personnel Management

(OPM) has not established a separate job series, or occupation classification, for this position. As of mid-May 1993, 9 of the 18 federal agencies we reviewed had chosen to designate individuals as women-in-business specialists. TVA has a separate office headed by a manager whose sole responsibility is to assist women-owned businesses. The other eight agencies have designated women-in-business specialists, but their duties are not solely limited to assisting women-owned businesses. As of mid-May 1993, the remaining nine agencies had not designated women-in-business specialists, but each agency had either an Office of Small and Disadvantaged Business Utilization (OSDBU) or an equivalent office whose staff assisted all small businesses, including those owned by women.

No Requirement for
Women-in-Business Specialists

Amendments to the Small Business Act, which established an OSDBU in each federal agency with procurement authority, do not mention a women-in-business specialist position. The amendments require only that each OSDBU have a director and a small business technical advisor. The advisors are to assist SBA procurement center representatives at federal procurement centers with various small business procurement activities, including identifying contracts for exclusive competition among small businesses.

According to SBA and OPM officials, there are no requirements that federal agencies have women-in-business specialists. SBA's Deputy Director, Office of Women's Business Ownership--which is one of the offices that negotiates with federal agencies to establish contracting goals for women-owned businesses--also told us that the federal agencies that have women-in-business specialists do so on their own initiative.

OPM's Office of Classification is responsible for (1) establishing job series, which correspond to federal occupations (e.g., GS-110, Economist Series or GS-318, Secretary Series), and (2) developing, reviewing, and revising the duties, responsibilities, and skill requirements of these job series. According to OPM's Chief, Standards Development, Office of Classification, OPM will establish a job series when requested to do so by federal agencies, which generally occurs when there is a new or growing need for an occupation that an existing series does not cover. The official told us that OPM has not established a separate job series for women-in-business

specialists. He added, however, that federal agency activities that involve assisting small businesses, including those owned by women, would best be covered by the Contracting Series, GS-1102, but an agency could also use one of the other general job series that OPM has established.

Some Agencies Have Women-in-Business Specialists, but All Agencies Provide Assistance to Women Business Owners

The 18 agencies we reviewed were providing assistance to women-owned businesses. As of mid-May 1993, nine agencies--TVA, the Departments of Commerce, Defense (DOD), Interior, Justice, Labor, State, Veterans Affairs (VA), and the National Aeronautics and Space Administration (NASA)--had designated individuals as women-in-business specialists. Except for the specialists at TVA, these specialists are located in the agencies' OSDBU.²

In addition to its OSDBU, TVA has established a separate office--Women-Owned Business Office--for assisting women-owned businesses. The manager of this office is responsible for identifying, targeting, and measuring the effectiveness of TVA's activities that are related to creating or expanding opportunities for women-owned business. The manager told us that TVA established the office in 1992 to increase contract opportunities and to improve the services and assistance provided to women-owned businesses in the geographic area served by TVA.

According to TVA's Manager, Women-Owned Business Program, TVA is exempt from OPM requirements and, as a result, has developed its own job description for its women-in-business specialist. The duties include (1) analyzing TVA's construction and procurement needs to identify opportunities for developing women-owned businesses; (2) reviewing TVA's policies and procedures to determine whether they promote the development of such businesses, and then recommending appropriate changes; and (3) creating demonstration projects and initiatives to stimulate public and private sector efforts in expanding women-owned businesses in the geographic area served by TVA.

²In June 1992, the Department of Labor reorganized, and its OSDBU functions were incorporated into the Office of Small Business and Minority Affairs.

Since November 1993, TVA's Supplier Quality Development Program--the agency's procurement office--also has had an individual designated as a women-in-business specialist. According to the manager of this office, the specialist's duties include providing advice relating to specific contracting procedures and to individual contract solicitations. The manager estimated that about 30 percent of this specialist's time is spent assisting businesses owned by women.

Eight other agencies--Commerce, DOD, Interior, Justice, Labor, NASA, State, and VA--have individuals within their OSDBUs that are designated as women-in-business specialists. However, these individuals' duties are not limited to providing assistance to women-owned businesses. OSDBU officials at these agencies told us that the individuals divide their time between assisting women-owned businesses and other small businesses. The officials estimated that the amount of time these individuals spend assisting women-owned businesses varies from 10 percent at Justice, State, and VA to between 50 and 60 percent at NASA. The OSDBU officials also told us that if the designated women-in-business specialist is unavailable, another OSDBU staff member will assist women business owners.

According to OSDBU officials at these eight agencies, there is no federal requirement that agencies have women-in-business specialists. OSDBU officials at DOD, State, and VA told us that their agencies use OPM's Contracting Series, GS-1102, to classify their women-in-business specialists. According to OSDBU officials at Commerce, Interior, Justice, Labor, and NASA, their agencies use the Miscellaneous Administration and Program Series, GS-301, or the General Business and Industry Series, GS-1101, to classify their women-in-business specialists. OPM's Chief, Standards Development, Office of Classification, told us that although the job series GS-1102 generally would be the preferred classification for women-in-business specialists, the GS-301 and GS-1101 job series can also be used.

As of mid-May 1993, the remaining nine agencies--the Departments of Agriculture (USDA), Education, Energy (DOE), Health and Human Services (HHS), Housing and Urban Development (HUD), Transportation (DOT), and Treasury; the Environmental Protection Agency (EPA); and the General Services Administration (GSA)--had not designated individuals as women-in-business specialists. However, according to OSDBU officials at these agencies, each OSDBU

has small business specialists or other staff who assist all small businesses, including those owned by women.

In addition to having agencywide OSDBUs, 4 of the 18 agencies--DOD, DOT, GSA, and USDA--have OSDBUs in organizations below the agency level. However, only OSDBUs in two DOD organizations--Air Force and Army--have designated individuals as women-in-business specialists. Air Force and Army OSDBU officials both estimated that their women-in-business specialists spend between 5 and 15 percent of their time assisting women-owned businesses.

DESIGNATED SPECIALISTS DO NOT APPEAR
TO IMPROVE ACTUAL CONTRACT AWARDS

Agencies with designated women-in-business specialists do not appear to be more successful in increasing the percentage of contract dollars awarded to women-owned businesses than agencies without such specialists. Of the eight agencies that had specialists during at least a part of the period from fiscal years 1986 to 1991, only Commerce attributed its increases in the percentage of contract dollars awarded to women-owned businesses that occurred during this period solely to the efforts of its specialist. While none of the 18 agencies increased its percentage every year during this period, 7 of the 8 agencies with specialists and 9 of the 10 agencies without such specialists increased their percentage at least twice.

Executive Order 12138, issued in May 1979, established a national policy for promoting women-owned businesses. Among other things, the order required executive branch agencies to promote women-owned businesses through procurement and financial assistance and business-related training and counseling. Under the order, SBA negotiates with federal agencies in an attempt to establish contracting goals for women-owned small businesses. The goals are nonbinding targets expressed as a percentage of each agency's total estimated prime contract dollars for a fiscal year.

Following the end of each fiscal year, each federal agency reports to SBA the percentage of total contract dollars that it awarded to women-owned businesses. Table 1 presents this information for each of the 18 agencies in our review for fiscal years 1986 through 1991. The table shows how many times each of the 18 agencies actually increased its percentage of contract dollars awarded to women-owned businesses from one fiscal year to the next.

TABLE 1: PERCENT OF TOTAL CONTRACT DOLLARS AWARDED TO WOMEN-OWNED BUSINESSES BY THE 18 MAJOR PROCURING AGENCIES FOR FISCAL YEARS 1986 THROUGH 1991, AND THE NUMBER OF TIMES EACH AGENCY EXCEEDED ITS PREVIOUS YEAR'S PERCENTAGE

Agency	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	Number of times exceeded
USDA	1.5	2.0	1.9	3.0	2.2	2.6	3
Commerce	3.4	5.4	4.2	4.5	3.5	3.1	2
DOD	0.8	0.8	0.9	1.1	1.1	1.2	3
Education	1.8	1.2	3.1	1.7	0.7	1.2	2
DOE	1.1	1.5	1.8	1.7	2.0	2.2	4
EPA	1.1	1.4	1.3	1.4	1.4	1.3	2
GSA	1.1	1.0	0.9	1.4	1.3	1.2	1
HHS	2.4	3.3	3.8	4.4	4.1	4.3	4
HUD	1.1	2.5	5.0	6.8	5.9	4.8	3
Interior	2.2	1.9	2.6	2.5	3.6	4.1	3
Justice	1.4	1.2	1.1	2.1	2.8	4.5	3
Labor	1.2	2.1	1.4	1.8	3.1	1.7	3
NASA	0.8	0.8	0.9	0.7	0.7	0.7	1
State	2.3	2.8	4.4	2.8	4.1	4.2	4
DOT	1.2	1.3	1.4	1.9	1.8	1.7	3
Treasury	5.3	5.5	3.2	3.2	4.1	3.3	2
TVA	0.2	0.4	0.5	0.6	0.4	0.3	3
VA	1.4	1.4	1.5	1.7	2.0	1.9	3

Source: SBA Office of Procurement Assistance.

As shown above, none of the 18 agencies exceeded its previous year's percentage of contract dollars awarded to women-owned businesses every year during the period of fiscal years 1986 to 1991. However, all 18 agencies were

successful in exceeding their previous year's percentage at least once during the period.

Of the 18 agencies, 5--Commerce, DOD, Interior, Labor, and State--had designated women-in-business specialists during the entire period of fiscal years 1986 to 1991; 3--Justice, NASA, and VA--had such specialists for a portion of this period; and 10--USDA, Education, DOE, EPA, GSA, HHS, HUD, DOT, Treasury, and TVA--did not have specialists at any time during this period. We compared the number of times each of the 8 agencies with designated specialists and the 10 agencies without such specialists increased its percentage of contract dollars awarded to women-owned businesses during this period to determine whether those with specialists were more successful. Overall, our comparison showed that 7 of the 8 agencies that had specialists at any time during the period, and 9 of the 10 agencies that did not have specialists at any time, increased their percentage at least twice. Of the three agencies that increased their percentage the greatest number of times (four times), one agency--State--had a specialist the entire period, and two agencies--DOE and HHS--did not have specialists during the period. In the case of the two agencies--Justice and VA--that had specialists for a portion of the period, their increases occurred both before and after the agencies designated their specialists.

Of the eight agencies that had designated specialists during at least part of the entire review period, only Commerce told us that its specialist was solely responsible for increasing its percentage of contract dollars that were awarded to women-owned businesses. The official who told us this--Commerce's Director, OSDBU--attributed Commerce's increase between fiscal years 1986 and 1987 to two women-owned business conferences sponsored by the women-in-business specialist that resulted in the contracting offices placing extra emphasis on women-owned businesses during those two years. The official said that the increase between fiscal years 1988 and 1989 occurred because visits by the specialist to Commerce's contracting offices following the passage of the Women's Business Ownership Act of 1988 resulted in the offices awarding additional contracts to women-owned businesses. The following information describes the roles of the specialists in increasing the percentage of contract dollars awarded to women-owned businesses at the seven other agencies with designated specialists:

- DOD's OSDBU Director told us that DOD's increases were due to the work of many agency people in identifying contract opportunities for women-owned businesses and could not be attributed solely to the efforts of the women-in-business specialist in his office.
- According to Interior's Acting Deputy Director, OSDBU, Interior's increases were due to factors other than the work of the women-in-business specialist. Specifically, he cited (1) the aggressiveness of certain Interior field staff in identifying contracts for woman-owned businesses and (2) the overall assertiveness of women-owned businesses in seeking Interior contracts.
- Justice's former OSDBU Director told us that Justice's increases were in large part due to a single contract awarded to a women-owned business that unexpectedly grew into a large, multiyear contract. However, according to this official, the contract is scheduled to expire in 1993, and if a women-owned business is not successful in obtaining the new contract, Justice's total contract dollars awarded to women-owned businesses may decline significantly during fiscal year 1993.
- State's OSDBU Director attributed the agency's increases to several factors in addition to having a women-in-business specialist. They included (1) the aggressiveness of officials in certain program offices in seeking out women-owned businesses, (2) the fact that the work done by certain program offices tended to be in professions that have large numbers of women-owned businesses, and (3) the agency's authority to procure certain requirements on a sole-source basis.
- Both Labor's Special Assistant to the Deputy Secretary of Labor, Office of Small Business and Minority Affairs, and VA's OSDBU Director offered no specific reasons for their agencies' increases, and neither would attribute the increases to the efforts of the agencies' women-in-business specialists.

In the case of NASA, its only increase occurred between fiscal years 1987 and 1988, about two years before NASA designated its women-in-business specialist in November 1990.

NO SPECIAL EFFORTS MADE TO
NOTIFY WOMEN-OWNED BUSINESSES
OF CONTRACT SOLICITATIONS

When soliciting contract bids, the federal agencies we reviewed followed FAR, which requires that proposed federal contracts that exceed \$25,000 be publicly advertised in a daily federal publication. The only exception is TVA, which maintains that it is exempt from FAR and has developed a list of prequalified contractors, including women-owned businesses, to whom contract solicitations are provided. The agencies also use mailing lists and other methods to supplement the public advertisement and to inform women-owned and other businesses of upcoming contract opportunities. Three of the 18 agencies--USDA, Interior, and Treasury--review actual contract awards to determine whether small businesses, including women-owned businesses, are receiving their fair share of contracts. In general, the services that the 18 agencies provide to women business owners are the same as the ones provided to other small businesses.

Agencies Generally Follow FAR
to Solicit Contract Bids

FAR sets forth procurement policies and procedures for federal executive agencies. For a contract action that is expected to exceed \$25,000, FAR requires that a notice be published in the Commerce Business Daily (CBD)--a Department of Commerce daily list that identifies federal agencies' proposed contract actions and contract awards. The CBD notice must include (1) a brief description of the services, supplies, or projects required under the proposed contract; (2) the name of the federal agency issuing the contract, the location of the agency's contracting office, and the name of its contracting officer; (3) the expected contract award date; (4) the dollar value of the contract; and (5) a clear and concise description of the contract requirements. According to FAR, the primary purposes of the CBD notice are to improve small business' access to procurement information and to enhance competition by identifying contracting and subcontracting opportunities. For contracts with an expected value of more than \$10,000 (\$5,000 for DOD activities) but not exceeding \$25,000, FAR requires that an agency display, in a public place at its contracting office, an unclassified notice of the contract solicitation or a copy of the solicitation that provides a clear and concise description of the supplies or services to be provided.

FAR also permits federal agencies to set aside proposed contracts that are expected to exceed \$25,000 for exclusive competition between small businesses. Such restrictions may occur to fulfill goals in the Small Business Act relating to procurement by small businesses and by small businesses owned and controlled by socially and economically disadvantaged individuals. When an agency imposes such a restriction, FAR requires that the CBD notice describe the specific small business restriction or other type of restriction placed on the proposed contract.

According to TVA's Manager, Supplier Quality Development Program, TVA is exempt from complying with the provisions of FAR except for automated data processing contracts; as a result, the agency does not announce proposed contracts in the CBD. Instead, according to the TVA official, the agency has developed a list of preferred firms, including those owned by women, that it has prequalified for contract solicitations. TVA's decision to include a firm on the list is based on various criteria, including the reliability of the firm's service and the quality and cost of its work. Women-owned businesses are identified for inclusion on the list through various means, including referrals by TVA's women-in-business specialists and TVA's review of SBA's Procurement Automated Source System (PASS)--a list of small businesses that have expressed an interest to SBA in obtaining federal government contracts.

Additional Steps Agencies Take
to Supplement FAR Notification

FAR permits agencies to use additional means to announce proposed contracts, such as helping local trade associations disseminate information to their members or making brief, cost-free announcements of proposed contracts in newspapers, trade journals, magazines, or other media.

In addition to TVA, 16 agencies--all but Commerce--maintain lists of women-owned businesses and other firms that have indicated an interest in the agencies' contracts. The agencies use these lists to mail the businesses copies of contract solicitations. Either OSDBU or contracting officials at TVA and 16 other agencies--all except for HHS--told us that their agencies also use SBA's PASS to supplement the information contained in their lists.

OSDBU officials at DOT, GSA, Labor, and State told us that their agencies also use, or plan to use, the membership directories published by selected trade organizations to

augment their agencies' lists of firms. For GSA and State, the officials also told us that their agencies use membership lists published specifically by women trade organizations to identify women-owned businesses for inclusion on their agencies' lists. OSDBU officials at USDA and Justice told us that their offices send copies of their agencies' contract solicitations to trade associations whose memberships include a large number of small businesses owned by women, minorities, and other disadvantaged individuals.

According to OSDBU officials at USDA, Interior, and Treasury, their offices also annually review contracts awarded by their agencies to determine whether small businesses, including those owned by women, are receiving their fair share of contracts. The following information briefly describes each review activity:

- According to USDA's Acting Director, OSDBU, USDA conducts Procurement Assistance Reviews (PAR) to determine whether USDA procurement activities are complying with procurement regulations. As part of the PAR, OSDBU determines whether the activity is (1) complying with Small Business Act requirements regarding contracting with small businesses and (2) meeting contracting goals for women-owned and other small businesses set by the activity. The OSDBU official told us that each PAR generally covers a 2- or 3-year period and that depending on the size of the procuring activity, OSDBU will review anywhere from 5 to 40 contracts (each with a value over \$25,000) for each year covered by the PAR. In addition, OSDBU will review a number of contracts under this amount. As of mid-May 1993, USDA's OSDBU had participated in two PARs and planned to participate in four more during the remainder of fiscal year 1993.

- According to Interior's Acting Deputy Director, OSDBU, Interior conducts Acquisition Management Reviews (AMR) of its major procurement activities--those with contracting authority over \$25,000--to determine the quality, efficiency, and effectiveness of contracting procedures. As part of the AMR, OSDBU reviews between 10 to 20 contracts to determine (1) whether a representative number of contract solicitations (minimum 10 percent) were sent to small businesses, disadvantaged small businesses, and women-owned small businesses; (2) the number of these businesses that bid on the contracts; and (3) the number of these businesses that were awarded contracts. In addition to AMRs, Interior's

OSDBU conducts subcontracting reviews of a sample of construction contracts over \$1,000,000 and other contracts over \$500,000 to determine whether prime contractors are submitting required plans for subcontracting to small businesses. According to Interior's Acting Deputy Director, OSDBU, 30 Interior procurement activities are subject to AMRs. As of mid-May 1993, OSDBU had completed its portion of three AMRs and performed two subcontracting reviews for fiscal year 1993.

- According to the Staff Analyst to the Assistant Director at Treasury's OSDBU, Treasury conducts Staff Assistance Visits (SAV) to determine whether Treasury's 12 bureaus are complying with procurement regulations. As part of the SAV, OSDBU determines whether contracting goals set by the activity for women-owned and other small businesses are being met and, thus, whether these businesses are receiving their fair share of Treasury contracts. According to the OSDBU official, OSDBU will review between 25 and 100 contracts during each SAV. As of mid-May 1993, two SAVs had been completed and one more was planned during the remainder of fiscal year 1993. The OSDBU official told us that, in addition to the SAV, OSDBU is constantly reviewing the subcontracting plans of Treasury's prime contractors to ensure that small businesses are receiving a fair share of subcontracts.

Agencies Generally Provided the Same Contracting Service to All Small Businesses

Officials at the 18 agencies we reviewed told us that the contracting services the agencies provide to women-owned businesses are generally the same as they provide to other small businesses. In addition, no services are provided exclusively to women-owned businesses that are not provided to other small businesses. Such contracting services include counseling individual businesses on the agency's contracting practices and procedures and providing the firms with published pamphlets and other material. For example, information packets provided to women-owned businesses and other small businesses by USDA, DOD, DOE, DOT, GSA, HHS, and NASA include (1) a guide on how to do business with the particular agency and (2) a Solicitation Mailing List Application. This application form requests the name and address of a firm and other information--such as whether the firm is a small business, a small disadvantaged business, or a women-owned small business. The agencies use this

information to develop lists of firms that are interested in receiving future contract solicitations.

In addition, TVA's Manager, Women-Owned Business Office, told us that TVA has initiated a program whereby selected prime contractors, subcontractors, and TVA organizations serve as "mentors" and provide marketing, financial planning, and other assistance to businesses owned by women or by minorities. As of March 1993, eight firms were participating in TVA's mentor program. One minority firm was being assisted by a prime contractor, while the other seven firms, one of which was a women-owned business, were being assisted by TVA.

TVA also has held conferences to provide women-owned businesses with the opportunity to meet with the agency's major suppliers. In 1992, one such conference was held for women-owned businesses. OSDEU officials at USDA, Commerce, Labor, NASA, and Treasury told us that during 1991 or 1992 their agencies also conducted at least one conference or trade fair targeted at women-owned businesses.

OBSERVATIONS

Although no federal regulations require that agencies designate individuals as women-in-business specialists, as of May 1993, half of the 18 agencies included in our review had chosen to do so. However, agencies with such specialists do not appear to be more successful in increasing their percentage of total procurement dollars awarded to women-owned businesses than agencies without such specialists. Furthermore, the designated specialists have not appeared to be a material factor in the increases that occurred at agencies with such specialists. While some agencies have chosen to designate individuals as women-in-business specialists, OPM has not established a federal job series that describes the specific duties and responsibilities of this position. As a result, agencies must use other federal job series, often of a more general nature, to classify their specialists. Regardless of whether or not an agency has a specialist, the services provided by agencies to women business owners appear to be no different than those that the agencies generally provide to other small businesses.

OBJECTIVES, SCOPE, AND METHODOLOGY

To determine how many of the 18 agencies have designated individuals as women-in-business specialists, we interviewed

either the OSDBU Director or Deputy Director, or their designee, at each of the 18 agencies. We also interviewed 23 DOD and Justice officials to determine if these two departments have OSDBUs below the agency level and, if so, whether these OSDBUs have individuals designated as women-in-business specialists. We interviewed OPM and SBA officials and reviewed the Small Business Act, as amended, to determine whether or not agencies are required to have women-in-business specialists. We compared information provided to SBA by each of the 18 agencies on the percent of total contract dollars awarded to women-owned businesses during each of the fiscal years 1986 through 1991 to determine (1) how many times each of the 18 agencies increased their percentage of contract dollars awarded to women-owned businesses from one fiscal year to the next and (2) whether those agencies with designated women-in-business specialists increased their percentage a greater number of times than those agencies without such specialists. We discussed the reasons for any increases with OSDBU officials at those agencies that had designated specialists.

To determine the procedures that federal agencies follow in soliciting contract bids and whether these procedures ensure that women business owners are aware of the availability of such contracts, we reviewed the Federal Acquisition Regulations to identify the requirements imposed on federal agencies for announcing federal contracts. We discussed with OSDBU or contracting officials at the 18 agencies (1) the procedures that each agency follows in announcing contracts and (2) the agencies' use of resources within and outside the government to identify women-owned businesses for contract opportunities. We conducted our review between November 1992 and May 1993 in accordance with generally accepted government auditing standards.

AGENCY COMMENTS

We discussed this correspondence with the OSDBU Director or Deputy Director, or their designee, at each of the 18 agencies we reviewed; SBA's Director, Women's Business Ownership; and the Chief, Standards Development, Office of Classification, OPM. All generally agreed with the facts presented. We have incorporated their suggestions where appropriate.

- - - - -


As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this

B-250270

correspondence until 30 days after the date of this letter. At that time, we will send copies to officials of the 18 agencies discussed in this correspondence; the Administrator, SBA; the Director, OPM; and other interested parties. We will also make copies available to others upon request.

Should you require any additional information please contact me at (202) 512-7631.

Sincerely yours,


Judy A. England-Joseph
Director, Housing and Community
Development Issues

(385364)