

The Virgin Islands Consortium

USVI, Puerto Rico Small Businesses Received Over \$618 Million in Federal Contracts During FY2019

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The U.S. Small Business Administration said Friday that its release of the Fiscal Year 2019 Small Business Federal Procurement Scorecard shows a record-breaking \$132.9 billion in prime federal contracts — 26.5 percent of the federal contracting dollars — were awarded to small businesses. The federal government-wide prime contracting goal is for at least 23 percent of all prime federal contracting dollars should be awarded to small businesses.

Exactly 2,067 small businesses in Puerto Rico and the U.S. Virgin Islands were awarded \$618,762,045 in federal contracts during this time, the SBA said.

The federal government exceeded the goal for Women-Owned Small Businesses for the second time in the history of the scorecard measurement program, achieving the five percent goal for the first time in FY15 and building upon the record successes, according to the release. The Women-Owned Small Businesses achievement for FY19 was 5.19%, setting a new record. Of the federal dollars distributed to Puerto Rico and U.S. Virgin Island small business contractors last year, 16.27 percent went to WOSBs.

The U.S. government also exceeded the goal for Service-Disabled Veteran-Owned Small Businesses for the seventh consecutive year, achieving the three percent goal for the first time in FY12 in addition to surpassing another goal of contracts going to Small Disadvantaged Businesses, where the trend of year-over-year record achievement that well exceeds the five percent goal was continued.

The overall FY19 numbers are an increase of \$12.1 billion over the previous fiscal year and marks the seventh consecutive year the federal government exceeded its small business contracting goal, said the SBA. Targeted sub-goals are also established for women-owned small businesses (5%), small disadvantaged businesses (5%), firms located in HUBZones (3%) and service disabled veteran-owned small businesses (3%) as well which are meant to be subsets of the overall small business goal of 23 percent.

Puerto Rico and U.S. Virgin Islands small businesses surpassed each of the five category's goal.

"Over \$750 million in federal contracting dollars were awarded directly to small businesses in Puerto Rico and the U.S. Virgin Islands last year. Moreover, record-breaking national numbers continue to be a boon to our small business community. The federal government is the largest purchaser of goods and services in the world; small businesses supply the U.S. government with the goods and services needed to operate," SBA Atlantic & Mid-Atlantic Regional Administrator Steve Bulger said.

"The accomplishments here are part of the administration's continuous government-wide focus on increasing small business contracting opportunities. This focus starts at the top with the President's commitment to our small businesses and funnels down to our field offices and resource partners' constant work to help small businesses start, grow and expand," Bulger added.

The value of a federal contract is illustrated by the success of women owned firms like NV Services, whose owner is Neyssa Varela. NV Services, LLC was established in San Juan, Puerto Rico, 2013 by licensed engineers Neyssa Varela and Nestor Vale as a response to Puerto Rico's changing market. Engineer Neyssa Varela, is committed to improving Puerto Rico's quality of life and economic development. She saw an opportunity in new, remodeling, maintenance and consulting construction services, in addition to the multiple contracting opportunities with the Federal Government as an 8(a) certified and WOSB firm. Her objective has been to manage small and medium size industrial and commercial construction projects with the advantage of 27 years of experience in the Industry. Varela and Vale have managed over \$200 million in construction projects. Her client portfolio features government and private entities including, US Coast Guard, PR Army National Guard, , US Corps of Engineers, The Puerto Rico Aqueduct and Sewer Authority , Puerto Rico Methodist Church, Sanofi-Aventis Pharmaceutical, Ponderosa/ Bonanza Restaurants, and Sartorius Stedim Biotech

among others.

NV SERVICES, LLC team delivers high-quality products and services to their customers. As an employer and general contractor, they are committed to follow the highest ethical, quality and safety standards.

She said she is proud of the ongoing relationship with the SBA, and the contracting opportunities obtained with the Federal Agencies in Puerto Rico.

“Last year showed the tremendous positive impact government contracting can have on small businesses. Puerto Rico and U.S. Virgin Islands small businesses increased their revenues and customer base by selling to the United States government. The overall small business prime contracting goals have been established by Congress to ensure that small businesses get their fair share of federal contracts; and small businesses in Puerto Rico and the U.S. Virgin Islands performed quite well; over 12% of small disadvantaged businesses were awarded almost \$367,000 in federal contracts while well over 16% of women-owned small businesses were awarded \$122 million,” said SBA Puerto Rico & U.S. Virgin Islands Acting District Director María de los Ángeles de Jesús.

“The last year was a perfect example of how federal government contracting has an undeniable positive impact on our economy. U.S. government contracts provide large amounts of capital to small businesses and help keep workers employed,” de Jesús added.

The national measured socio-economic categories also achieved historic highs this year. Small disadvantaged businesses received 12.869%, or \$51.6 billion of all small business eligible contracting dollars, the highest percentage since 2015. Service-disabled veteran-owned small businesses received \$22 billion (4.39% of all eligible contracting dollars) and women-owned small businesses received \$26 billion of eligible contracting dollars or 5.19%. Historically Underutilized Business Zone small businesses received about \$11 billion of all eligible funds, representing 2.28%, the highest achievement in the last six years.

Additionally, \$90.7 billion, or 33.27% of the total of \$272.7 billion in subcontracting dollars awarded in FY19.

In its efforts to help small businesses secure federal contracts, the SBA promotes its programs to procuring federal agencies and small businesses, frequently holding training sessions across the country to educate contracting officers on the requirements for SBA's 8(a) Business Development, HUBZone, women-owned and service-disabled veteran-owned small business programs. It also works closely with the National 8(a) Association, Native American Contractors Association, Native Hawaiian Organization Association, Women Impacting Public Policy, American Express and other national and local organizations on contracting outreach efforts.

The individual agency scorecards released today by the SBA, as well as a detailed explanation of the methodology, is available online.

In FY19, the federal government exceeded the service-disabled veteran-owned small business and small disadvantaged business goals and the prime contract dollar awards in all small business categories increased from previous years.

The federal government also exceeded its subcontract goals for awards to small businesses and women-owned small businesses and awarded more than \$90 billion in subcontracts to all small businesses.

FY19, in accordance with federal law, SBA provided double credit, for scorecard purposes only, for prime contract awards in disaster areas that are awarded as a local area set aside and a small business or other socioeconomic set aside when the vendor state is the same as the place of performance (15 USC § 644(f)), for Puerto Rico awards (15 USC § 644(x)(1)) and included in the calculation of FY19 government-wide achievements the Department of Energy first-tier subcontracts required to be included by section 318 of the Consolidated Appropriations Act of 2014 ("CAA"), Public Law 113-76.

SBA said it continues to collaborate with federal agencies to expand small business opportunities for small business contractors to compete and win federal contracts. The FY2019 Scorecard analyzed the prime contracting and subcontracting performance and other contributing factors, which resulted in an overall "A" grade for the federal government. Eight agencies received "A+" while 14 received a grade of "A" and two received a "B" grade.

The annual Procurement Scorecard is an assessment tool to: (1) measure how well federal agencies reach their small business and socio-economic prime contracting and subcontracting goals; (2) provide accurate and transparent contracting data and (3) report agency-specific progress. The prime and subcontracting component goals include goals for small businesses, small businesses owned by women, small disadvantaged businesses, service-disabled veteran-owned small businesses, and small businesses in HUBZones.

The SBA it works each year with each agency to set its small business prime and subcontracting goals (each agency has different goals) and the agency's performance is based on the agreed upon goals. The SBA ensures that the sum total of all of the goals exceed the 23% target for the federal government as well as the socio-economic goals established by law.

While each federal agency is responsible for ensuring the quality of its own contracting data, the SBA conducts additional analyses to help agencies identify potential data anomalies. As part of its ongoing data quality efforts, the SBA works with federal agency procurement staff to provide analysis and tools to facilitate review of data, implement improvements to procurement systems, and conduct training to improve accuracy.