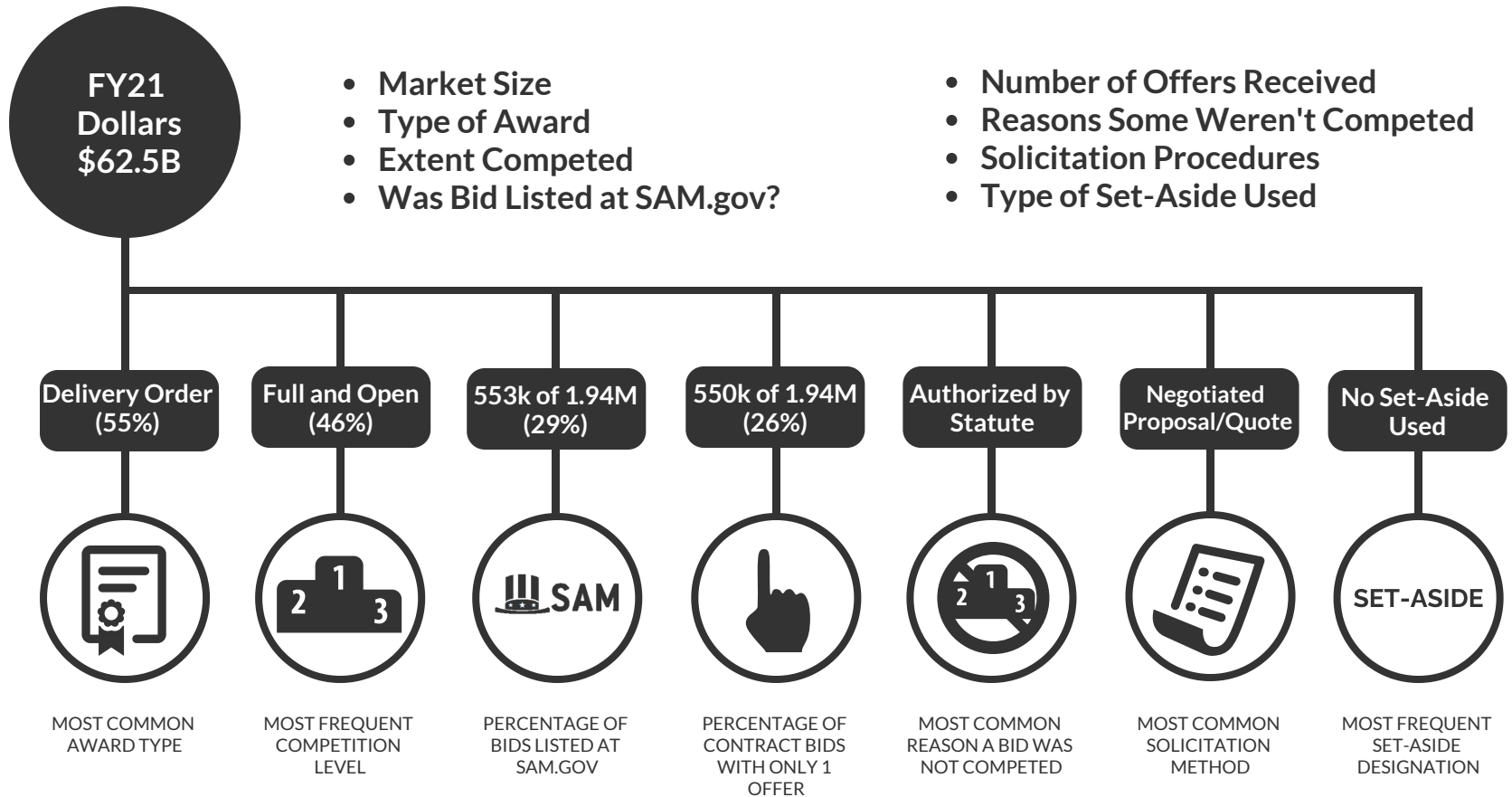


FY21 Small Business Federal Contracts Analysis

This report provides an in-depth analysis of the key factors influencing the small business federal contracting market in 2021.

The icons below provide key data indicators about aspects of this federal market dataset, including:

- Market Size
- Type of Award
- Extent Competed
- Was Bid Listed at SAM.gov?
- Number of Offers Received
- Reasons Some Weren't Competed
- Solicitation Procedures
- Type of Set-Aside Used



MARKET:

Between October 1st 2020 and September 30th, 2021, the federal government awarded \$62.5B in federal contracts to small businesses.

In total, there were 1,938,493 small business awards executed by 153 different federal agencies in FY21.

STRATEGY:

[Step 1 - Research Your Market...it all starts here.](#)

[Who Buys? | Who Sells? | How Do They Buy? | How Often?](#)

Step 2 - Optimize Federal and Commercial Foundation

Accept Credit Cards | Check Codes | Narrative and Keywords | Google

Step 3 - Create / Update Capabilities Statement

Add Images | Core Competencies | Differentiators | Key Data

Step 4 - Develop Your Marketing Strategy

Engage Effectively | Make a Good 1st Impression | Build Relationships

Step 5 - Schedule Capabilities Briefings

Create Awareness | Sell Your Company | Fill Their Needs

FY21 Small Business Federal Contracts Analysis**Key Indicator #1**

The federal government awarded approximately 1.9M federal contracts in 2021, or approximately 5,300 per day.

Overall	Count	Value	Average
SB Federal Contracts, 2021	1,938,493	\$62,524,678,576.50	\$32,254.27

Ah Ha! Moment #1

There were about 121,000 solicitations posted at SAM.gov - or about 331 per day...so, where were all those other contracts posted for bid (if not at SAM.gov)?

FY21 Small Business Federal Contracts Analysis

Key Indicator #2

The most common method the government used to buy from small businesses in 2021 was a Delivery Order - which was used over 55% of the time.

Award/IDV Type	Count	Value	Percentage
BOA	339	\$892,458.23	0.02%
BPA	3,755	\$9,725,206.06	0.19%
BPA CALL	460,395	\$3,644,612,065.13	23.75%
DEFINITIVE CONTRACT	14,021	\$14,031,957,017.29	0.72%
DELIVERY ORDER	1,080,282	\$37,367,251,617.69	55.73%
FSS	1,247	\$0.00	0.06%
GWAC	869	\$3,750.00	0.04%
IDC	13,329	\$219,907,022.64	0.69%
PURCHASE ORDER	364,254	\$7,250,325,625.71	18.79%

Ah Ha! #2

Almost 100% of Delivery Orders are not posted for bid at SAM.gov...so how does a small business bid on them?

FY21 Small Business Federal Contracts Analysis

Key Indicator #3

Less than half the small business awards were coded as "Full and Open Competition".

Extent Competed	Count	Value	Percentage
COMPETED UNDER SAP	400,419	\$7,172,796,623.09	20.66%
FOLLOW ON TO COMPETED ACTION	1	\$13,946,708.86	0.00%
FULL AND OPEN COMPETITION	901,297	\$17,661,836,374.50	46.49%
FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES	476,584	\$27,604,007,870.12	24.59%
NOT AVAILABLE FOR COMPETITION	73,116	\$4,563,732,245.85	3.77%
NOT COMPETED	31,856	\$3,551,681,895.03	1.64%
NOT COMPETED UNDER SAP	52,668	\$1,952,358,787.11	2.72%
(blank)	2,551	\$4,314,258.19	0.13%

Ah Ha! Moment #3

Most federal contractors don't realize there are categories other than "Full and Open Competition".

In fact, more than half the small business contract competitions were restricted in some way.

FY21 Small Business Federal Contracts Analysis**Key Indicator #4**

Only 29% of small business contracts were posted for bid at SAM.gov.

Listed for Bid at SAM.gov?	Count	Value	Percentage
NO	624,378	\$10,011,451,994.18	32.21%
NOT APPLICABLE	379,203	\$11,809,655,572.27	19.56%
YES	553,044	\$37,927,259,345.34	28.53%
(blank)	381,866	\$2,776,307,850.96	19.70%

Ah Ha! Moment #4

The rules within the Federal Acquisition Regulations specifically spell out when the government can award contracts without posting them at SAM.gov...and there are at least 10 different reasons they can bypass SAM.gov.

FY21 Small Business Federal Contracts Analysis

Key Indicator #5

26% of the time, the federal government only received one offer before awarding a small business contract.

Number of Offers Received	Count	Value	Percentage
1 Offer	550,345	\$22,079,668,323.02	25.97%
2 Offers	325,968	\$9,164,915,272.57	15.38%
3 Offers	273,435	\$9,960,439,047.23	12.90%
4 Offers	203,071	\$7,065,386,684.09	9.58%
5 Offers	149,655	\$4,214,377,411.26	7.06%
6 Offers	53,829	\$2,940,042,435.65	2.54%
7 Offers	32,508	\$2,267,648,493.65	1.53%
8 Offers	30,434	\$2,033,063,986.56	1.44%
9 Offers	22,849	\$1,164,889,241.94	1.08%
10+ Offers	477,303	\$22,557,715,047.77	22.52%

Ah Ha! Moment #5

When you start to consider the other statistics you've heard (*how many opportunities have restricted competition, how many are not posted for bid at sam.gov*), it starts to make sense that such a high percentage of the time the government only received one offer.

FY21 Small Business Federal Contracts Analysis

Key Indicator #6 17 justifications the government can cite to award "Sole Source" with no competition.

Reasons for Other than Full and Open Competition	Count	Value	Percentage
AUTHORIZED BY STATUTE (FAR 6.302-5(A)(2)(I))	79,709	\$5,201,099,798.21	4.11%
AUTHORIZED RESALE (FAR 6.302-5(A)(2)(II))	13	\$678,726.50	0.00%
BRAND NAME DESCRIPTION (FAR 6.302-1(C))	1,170	\$117,894,977.14	0.06%
FOLLOW-ON CONTRACT (FAR 6.302-1(A)(2)(II/III))	259	\$78,094,641.29	0.01%
INTERNATIONAL AGREEMENT (FAR 6.302-4)	106	\$192,356,378.00	0.01%
LESS THAN OR EQUAL TO THE MICRO-PURCHASE THRESHOLD	2,524	\$9,616,909.17	0.13%
MOBILIZATION, ESSENTIAL R&D (FAR 6.302-3)	1,125	\$444,180,518.98	0.06%
NATIONAL SECURITY (FAR 6.302-6)	361	\$133,749,063.48	0.02%
ONLY ONE SOURCE-OTHER (FAR 6.302-1 OTHER)	37,118	\$2,530,085,936.75	1.91%
PATENT OR DATA RIGHTS (FAR 6.302-1(B)(2))	119	\$4,528,475.33	0.01%
PUBLIC INTEREST (FAR 6.302-7)	9	\$980,376.38	0.00%
SAP NON-COMPETITION (FAR 13)	49,382	\$1,059,920,544.81	2.55%
STANDARDIZATION (FAR 6.302-1(B)(4))	22	\$1,132,150.03	0.00%
UNIQUE SOURCE (FAR 6.302-1(B)(1))	929	\$282,446,120.06	0.05%
UNSOLICITED RESEARCH PROPOSAL (FAR 6.302-1(A)(2)(I))	8	\$1,951,494.29	0.00%
URGENCY (FAR 6.302-2)	2,226	\$846,097,613.59	0.11%
UTILITIES (FAR 6.302-1(B)(3))	83	\$24,137,249.43	0.00%
(blank)	1,763,328	\$51,595,723,789.31	90.96%

Ah Ha! Moment #6 The better you understand these exceptions, the more strategically you'll be able to approach the market.

FY21 Small Business Federal Contracts Analysis

Key Indicator #7

Even though the most common Solicitation Procedure was Negotiated Proposal / Quote at 43%, Simplified Acquisitions (at 23%) are a much better way for a new or small business to break in with a new federal customer. They are lower risk, lower competition and lower complexity.

Solicitation Procedures	Count	Value	Percentage
ALTERNATIVE SOURCES	259	\$102,538,908.48	0.01%
ARCHITECT-ENGINEER FAR 6.102	1,610	\$416,016,860.66	0.08%
BASIC RESEARCH	185	\$143,917,314.22	0.01%
NEGOTIATED PROPOSAL/QUOTE	824,994	\$18,038,044,939.00	42.56%
ONLY ONE SOURCE	104,940	\$8,094,896,025.43	5.41%
SEALED BID	2,914	\$3,233,926,441.20	0.15%
SIMPLIFIED ACQUISITION	451,942	\$9,025,146,635.30	23.31%
SUBJECT TO MULTIPLE AWARD FAIR OPPORTUNITY	548,803	\$23,199,086,415.75	28.31%
TWO STEP	280	\$266,719,999.82	0.01%
(blank)	2,564	\$4,381,222.89	0.13%

Ah Ha! Moment #7

Simplified Acquisitions are automatically set-aside for small businesses. Also, many don't have the same past performance requirements as larger projects in SAM.gov. On top of that, the CO can get a quote from you directly without posting at SAM.gov.

FY21 Small Business Federal Contracts Analysis

Key Indicator #8

Over 94% of small business awards had no set-aside associated with the contract.

Type of Set-Aside Used	Count	Value	Percentage
8(A) SOLE SOURCE	5,156	\$2,732,878,544.46	0.27%
8A COMPETED	1,468	\$439,892,395.58	0.08%
BUY INDIAN	190	\$12,179,304.87	0.01%
ECONOMICALLY DISADVANTAGED WOMEN OWNED SMALL BUSINESS	47	\$15,764,571.94	0.00%
ECONOMICALLY DISADVANTAGED WOMEN OWNED SMALL BUSINESS SOLE SOURCE	18	\$2,861,968.10	0.00%
HUBZONE SET-ASIDE	1,344	\$473,510,979.62	0.07%
HUBZONE SOLE SOURCE	90	\$30,211,447.56	0.00%
INDIAN ECONOMIC ENTERPRISE	23	\$9,278,605.35	0.00%
INDIAN SMALL BUSINESS ECONOMIC ENTERPRISE	671	\$48,549,239.60	0.03%
NO SET ASIDE USED.	369,024	\$10,728,292,124.54	19.04%
SDVOSB SOLE SOURCE	647	\$192,551,261.34	0.03%
SERVICE DISABLED VETERAN OWNED SMALL BUSINESS SET-ASIDE	10,150	\$3,610,959,490.71	0.52%
SMALL BUSINESS SET ASIDE - PARTIAL	1,555	\$579,193,931.96	0.08%
SMALL BUSINESS SET ASIDE - TOTAL	90,451	\$10,014,209,572.77	4.67%
VETERAN SET ASIDE	96	\$24,031,734.06	0.00%
VETERAN SOLE SOURCE	15	\$2,503,660.84	0.00%
WOMEN OWNED SMALL BUSINESS	1,967	\$181,069,573.51	0.10%
WOMEN OWNED SMALL BUSINESS SOLE SOURCE	126	\$20,557,227.84	0.01%
(blank)	1,455,454	\$33,406,182,941.85	75.08%

FY21 Small Business Federal Contracts Analysis

Ah Ha! Moment #8

Before you invest in a Certification or a GSA Schedule, do your research first!

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