WOMEN-OWNED SMALL BUSINESS PROGRAM

Actions Needed to Address Continued Oversight Issues

What GAO Found

The Small Business Administration (SBA) has implemented one of the three changes to the Women-Owned Small Business (WOSB) program authorized in the National Defense Authorization Act of 2015 (2015 NDAA). In September 2015 SBA published a final rule to implement sole-source authority (to award contracts without competition), effective October 2015. As of early May 2019, SBA had not eliminated the option for program participants to self-certify that they are eligible to participate, as required by the 2015 NDAA. SBA officials stated that the agency intended to address the third change made by the 2015 NDAA (meaning implement a new certification process for the WOSB program).

SBA has not addressed WOSB program oversight deficiencies and recommendations in GAO’s 2014 report (GAO-15-54). For example, GAO recommended that SBA establish procedures to assess the performance of four third-party certifiers—private entities approved by SBA to certify the eligibility of WOSB firms. While SBA generally agreed with GAO’s recommendations and conducted a compliance review of the certifiers in 2016, it has no plans to regularly monitor their performance. By not improving its oversight, SBA is limiting its ability to ensure third-party certifiers are following program requirements. Further, the implementation of sole-source authority in light of these continued oversight deficiencies can increase program risk. GAO maintains that its recommendations aimed at improving oversight should be addressed.

In addition, GAO’s March 2019 (GAO-19-168) report found that about 3.5 percent of contracts using a WOSB set-aside were awarded for ineligible goods or services from April 2011 through June 2018. At that time, SBA was not reviewing contracting data that could identify which agencies may need targeted training. GAO recommended that SBA review such data to help address identified issues. In early May 2019, SBA said it had initiated such efforts.

While federal contract obligations to all women-owned small businesses and WOSB program set-asides have increased since fiscal year 2012, WOSB program set-asides remain a small percentage (see figure).

What GAO Recommends

GAO recommended in March 2019 that SBA develop a process for periodically reviewing the extent to which WOSB program set-asides are awarded for ineligible goods or services and use the results to address identified issues, such as through targeted outreach or training on the WOSB program. SBA agreed with the recommendation.

View GAO-19-563T. For more information, contact William B. Shear at (202) 512-8678 or shearw@gao.gov