



## Women's chambers sues SBA over contracting

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Pam McCurdy of Clinton says she could save the federal government thousands of dollars -- if only it would let her.

But after 2,000 bids over 10 years, McCurdy, an event planner, said she has won only three contracts.

Cases such as McCurdy's are why the U.S. Women's Chamber of Commerce sued the Small Business Administration in October, in an effort to make the agency implement a 4-year-old law aimed at increasing government contracting with women-owned businesses.

The chamber said women own almost one-third of all small businesses in the country, but get fewer than 3 percent of government contracts.

"There is a contradiction" between President Bush's advocacy of an "ownership society" and the SBA's foot-dragging, chamber President Terry Williams said.

The chamber filed its suit in U.S. District Court in Washington, D.C., on Oct. 29. The agency has 60 days to officially respond, but an SBA spokeswoman last week called the suit "baseless."

Congress passed the Equity in Contracting for Women Act in 2000, establishing a set-aside program to let government agencies limit bidding on certain small contracts to only women-owned businesses. The law also set a goal of 5 percent for federal contracting with women's businesses.

But implementation of the law has been repeatedly delayed by the SBA, which says it must first complete a study --



**Barbara L. Salisbury/ The Gazette**

**Pam McCurdy, owner of Tours, Lodging & Conferences Inc. in Clinton, says government agencies are "afraid" to give her contracts, even though they could save money. The U.S. Women's Chamber of Commerce has sued the Small Business Administration over cases such as McCurdy's.**

mandated in the law -- on industries in which women-owned businesses are underrepresented. A study completed in 2001 was rejected as flawed, and the agency contracted with the National Academy of Sciences last year for a new one.

Eric Benderson, SBA associate general counsel, said the academy panel conducting the study has asked for three extensions, but the agency hopes to have the final report ready early next year.

The agency has also argued that it has other programs to help women-owned businesses increase their share of government contracts, including its Web site for women business owners, [www.womenbiz.gov](http://www.womenbiz.gov).

Margot Dorfman, CEO of the women's chamber, countered that SBA's actions do not match its rhetoric. She noted that the agency was quick to implement a set-aside program for small businesses owned by disabled veterans, passed by Congress last December.

Benderson said the veterans' set-aside program could be set up more quickly than the women's due to the greater legal scrutiny required for gender-based programs.

McCurdy called the whole situation "very, very frustrating."

Her three government contracts brought in a total of about \$35,000 for her business, Tours, Lodging & Conferences Inc. She has two employees and, with clients such as Verizon and the television show "America's Most Wanted," nets about \$200,000 per year, she said.

McCurdy said her company can get volume discounts at hotels that are even lower than the rates government agencies usually get, but when she tries to tell agencies that "they ignore us."

"They're afraid of us," she said. "They're afraid to use me instead of going straight to a customer; I'm a middle man. We've contacted them, we've complained to them; they don't bother."

Williams claims the SBA's failure to implement the women's set-aside has cost women business owners \$6 billion in federal contracts in the past year; and \$25 billion over the four years since the contracting law was passed.

The impact on women-owned businesses in Maryland is not known, but the Center for Women's Business Research in Washington estimates that women own close to 33 percent of all businesses in the state. Those businesses generate more than 186,000 jobs and nearly \$20 billion in sales.

Backed by such figures, Williams said, the chamber is launching a new campaign to raise the federal target for contracts with women-owned businesses to 10 percent.

"We have heard from many, many business owners that they believe the 5 percent goal is ridiculous," she said. "It's a matter of access, opportunity and openness. Innovation and competitiveness come from small business."