



Image designed by Schatz Publishing Group with contribution by Paula Croisetiere, DAU Visual Arts

GOVERNMENT CONTRACT BUNDLING: MYTH AND MISTAKEN IDENTITY

Timothy T. Nerenz

The procurement practice of contract bundling is universally regarded as a major barrier to small business participation in federal government contracting. The U.S. Small Business Administration has estimated that 34,221 new bundled contracts were awarded from 1992–2001, transferring \$840 billion of contract revenue from small to large businesses, and causing a 56 percent decline in the number of small businesses contracting with the government. This article summarizes the author’s 2006 doctoral dissertation, which tested the validity of those government estimates through analysis of contractor bid protests filed from 1992–2004 with the U.S. Government Accountability Office. The dissertation found that only 25 bid protests were filed by contractors over contract bundling, sharply contradicting the government’s estimates of bundling frequency. The dissertation identified the methodological flaw in the government’s seminal study on contract bundling that caused overstatement of bundling frequency. The research suggests that contract bundling is in fact a rare and insignificant activity in the government contracting marketplace.

This article summarizes the author’s 2006 doctoral dissertation entitled *Federal Procurement Policy Analysis: Has Extent and Effect of Government Contract Bundling on Small Business Been Overstated?* (Nerenz, 2006). The dissertation tested the widely held belief that contract bundling—the combining of separate smaller contracts into a single large contract unsuitable for small businesses—is the most important barrier to small business participation in the \$300 billion-plus federal government contracting marketplace.

The U.S. Small Business Administration has estimated that federal government procurement officials issued 34,221 new bundled contracts from 1992–2001, transferring \$840 billion of revenue from small to large firms, and causing a 56

percent reduction in the number of small businesses participating in government contracting (Eagle Eye Publishers, 2000, 2002).

In its seminal 2002 report on contract bundling, the SBA Office of Advocacy stated, “Bundling is rooted in the Defense sector, where 10 percent of the contracts and 55 percent of the \$1.2 trillion spent on defense contracts were bundled between FY 1992 and FY 2001” (Eagle Eye Publishers, 2002).

The Nerenz (2006) dissertation theorized that these government estimates of contract bundling frequency were materially overstated. It sought to verify the SBA’s statistical studies by examining bid protests filed by contractors over the practice of contract bundling. It can be reasonably expected that each act of improper bundling would be recognized and appealed by the contractors affected; and therefore, the dissertation proposed that counting the number of annual bid protests filed over the practice of bundling would provide a reliable means for testing the validity of the SBA statistical estimates of annual bundling frequency.

Is contract bundling rampant or rare? The answer has two important communities of constituent interest. To the small business strategist, an accurate threat assessment is essential to successful strategy development. To the government acquisition community, the SBA’s high estimates of bundling frequency imply widespread impropriety and non-compliance with procurement policy; conversely, a low volume of bid protests would provide a measure of exoneration for acquisition officials and administrators.

BACKGROUND

The term *contract bundling* is a specific procurement practice—defined by statute as the act of combining two or more requirements previously purchased under separate small business contracts into one consolidated contract that is unsuitable for small business due to size, geographic disbursement, or specialized capabilities and capacity (*Federal Register* §13 C.F.R. Pt. 125). The impact of each bundling action is plainly detrimental to the two or more small businesses that are denied the revenue and profit transferred to a large business when contracts are bundled. As a matter of public policy, the widespread use of contract bundling by government buying agencies is seen to stifle entrepreneurship and discourage small business development (Styles, 2003).

While each act of contract bundling has a localized effect on individual small businesses, it is the *frequency* of the practice that elevated it to an urgent business and public policy concern during the late 1990s. Senator Olympia Snowe, then chairwoman of the U.S. Senate Committee on Small Business and Entrepreneurship, supported the SBA position in a 2003 Committee hearing in which she agreed that contract bundling “has forced more than 50% of small businesses out of the federal contracting marketplace” (Snowe, 2003). Angela Styles, Administrator of the Office of Management and Budget Office of Federal Procurement Policy, stated that by 2001 the practice had “reached record levels” (Executive Office of the President, 2002). Congresswoman Nadia Velazquez described bundling as “rampant” (Velazquez, 2003). Both candidates for President in the 2004 election proposed tough anti-

bundling legislation as a means to support small business development (Kerry, 2001) (Executive Office of the President, 2002).

Describing the deterrent effects of contract bundling on entrepreneurship, the Office of Management and Budget stated “the negative effects of contract bundling over the past 10 years cannot be underestimated” (Styles, 2003). Trade associations and small business advocates have universally condemned the practice, citing statistics published by the Small Business Administration (Eagle Eye Publishers, 2002) in their position papers.

For a subject of such high visibility and importance to policy makers and business leaders, relatively little academic research has been published.

While the issue of contract bundling generated considerable policy debate and advocacy rhetoric during the 1990s, quantitative studies to estimate bundling frequency and impact were not completed until 2000 (Eagle Eye Publishers, 2000). Explicit reporting of the practice by government buying agencies was not implemented fully until 2002 (U.S. Government Accountability Office, 2004). Fewer than 20 objective research-quality documents were located on the subject during literature review of this dissertation, while over 3,400 other documents—trade press articles, press releases, position papers, editorials, and the like—were retrieved in a Web search using the keyword string “contract bundling.” For a subject of such high visibility and importance to policy makers and business leaders, relatively little academic research has been published.

The official federal government positions on contract bundling derive from the statistics reported in a series of three studies of contract bundling published by the U.S. Small Business Administration Office of Advocacy (SBAOA) and performed under contract by Eagle Eye Publishers of Fairfax, Virginia. The first study, entitled *Bundled Contract Study FY 1992–1995* (Eagle Eye Publishers, 1997), estimated the number of bundled contracting actions from fiscal years 1992–1995 by means of a quantitative analysis of individual contract records in the Federal Procurement Data System (FPDS) database. This study identified presumptively bundled contracts by changes in contract size over time and concluded bundling is “increasing and causing harm to small businesses” (Eagle Eye Publishers, 1997).

The second SBAOA study was entitled *Impact of Contract Bundling on Small Businesses FY 1992–1999* (Eagle Eye Publishers, 2000). This study expanded its selection criteria from simple contract size to a more complex scheme of detecting changes in certain field values in FPDS database records—contract type, place of performance, and product/service codes purchased. This study was updated in 2002 (Eagle Eye Publishers, 2002) to extend its findings to a full decade: 1992–2001.

The 2002 edition's findings and conclusions have become the conventional wisdom on the subject, and its alarming statistics are cited universally in articles and policy statements on the issue of bundling and its effect on small business development.

In contrast to the well-publicized Eagle Eye Publisher studies published by the Small Business Administration, other government reports that contradict the Eagle Eye Publishers (2000, 2002) findings were largely ignored. While the U.S. Small Business Administration estimated new bundled contracts occurred at an average of over 3,400 times per year (Eagle Eye Publishers, 2002), the U.S. General Services Administration reported only 928 new bundled contracts were issued in 2002, the first year that contracts were explicitly labeled as "bundled" in the GSA contract records database (U.S. Government Accountability Office, 2004). In its audit of the GSA results, the U.S. Government Accountability Office (2004) found that only 24 of those 928 contracts were actually bundled, while the other 904 were coded or recorded in error.

PURPOSE AND RATIONALE FOR THE STUDY

Business strategies can not be effectively developed without reasonably accurate assessments of strategic threats. Since contract bundling is widely regarded as the most significant threat to small business participation in federal government contracting, accurately assessing whether the annual frequency of the practice is properly measured in thousands, hundreds, or tens of occurrences is important to small business strategists.

In its audit report of the GSA system for recording bundling actions, the U.S. Government Accountability Office (2004) criticized the poor quality of the data in the Federal Procurement Data System (FPDS). FPDS data are the source for both Eagle Eye Publishers (2000, 2002) studies and the U.S. General Services Administration (2002) report. Since the underlying data are a causative factor in generating unreliable results of quantitative analyses, the Nerenz dissertation (2006) sought a new source of information to gain its understanding of contract bundling frequency and effect.

The dissertation developed its understanding of contract bundling frequency and effect through examination of bid protests filed with the U.S. Government Accountability Office (GAO) by small businesses victimized by the practice. The GAO bid protest process is the venue for appeals of unfair and improper government procurement actions (Drabkin & Thai, 2003). Offerors would certainly know if a government contracting officer had bundled a requirement that deprived them of continuation of a contract, and would be aware of their right to appeal the action if the contracting officer acted improperly in bundling the requirements.

The dissertation literature review discovered an SBA official's Congressional testimony (Hayes, 1999) that only six bundling actions had been approved in FY 1998 by his agency through the procedure mandated by statute (*Federal Register* §13 C.F.R. Pt. 125) to properly authorize proposed bundling actions. Since the number of new bundled contracts estimated in the Eagle Eye Publishers (2002) study for FY 1998 was 3,287, all but six of these would have been *improper*, and grounds for a successful bid protest appeal by the affected contractors.

If in fact there were 3,281 improper bundling actions in FY1998, it could be reasonably expected that a comparable number of bid protests would have been filed by the small businesses disenfranchised by those actions. Counting bid protests filed over the practice of contract bundling, therefore, was determined to be a reasonable means for independent validation of the government's statistical estimates of bundling frequency (Eagle Eye Publishers, 2002).

METHODOLOGY

The research design for the dissertation combined qualitative and quantitative techniques to address the specific research questions developed for this study:

1. How many contractor bid protests were filed over the practice of bundling each year from 1992–2004?
2. How does the number of contract bundling bid protests compare to government estimates of contract bundling frequency as published in the 2002 Eagle Eye Publishers report entitled *Impact of Contract Bundling on Small Business 1992–2001*?
3. How does the number of contract bundling bid protests compare to the characterization of contract bundling as the most important problem facing small business in government contracting?
4. How does the number of contract bundling bid protests compare to the estimate that 56 percent of small businesses were driven out of the government contracting marketplace due to contract bundling?

QUANTIFYING BID PROTESTS

To determine the number of contractor bid protests filed over the practice of bundling, the study searched the legal products digital archives of the U.S. Government Accountability Office (GAO) for protest decisions where contract bundling was a primary or secondary ground in the pleading. Documents containing the keywords *bundling* and *protest* anywhere in the full text were retrieved for fiscal years 1992 through 2004 using the search facility provided for public access (<http://searching.gao.gov/query.html>). Confirmation of the record retrieval protocol was sought and received from the GAO webmaster for legal products archives (personal correspondence with D. Harper, July 25, 2005). The keyword search was performed four times on different days, returning the same results each time.

Documents retrieved were then individually screened to eliminate duplicates—documents stored in multiple digital file formats. The remaining population of unique cases was read to expunge cases retrieved in the keyword search but not relevant, either because the term “bundling” was used in a different context (packaging, for example) or because contract bundling was one of several tangential complaints listed in cases where pleadings and decisions focused on other disputes unrelated to bundling. The remaining population of unique and legitimate bundling protest cases was logged into an Excel electronic spreadsheet for future sorting and analysis.

A second segment of the study examined 14 other grounds for contractor bid protests to test the validity of the claim that bundling was the biggest problem facing small businesses. Using the same search protocol described for bundling cases, each of the other 14 grounds was entered into the keyword search string, and the number of document “hits” returned from the archives database was recorded. This procedure was repeated twice to insure validity. The results of the searches (numbers of document hits) were recorded in an Excel electronic spreadsheet and the 15 grounds (including the contract bundling initial return counts) sort-ranked.

COMPARING DATA SETS

To test the research hypothesis that the number of bid protests found would invalidate the Eagle Eye Publishers (2002) estimates of contract bundling activity from 1992–2001, the numbers of annual bid protests filed were compared to the numbers of bundling actions previously estimated (Eagle Eye Publishers 2002) for each of the same years. The first comparison was a simple gap analysis where the 10-year totals of each data set were compared and the gap—both numerical and percentage difference between the two values—was calculated.

The second analysis was the measurement of correlations between the two variables: the Eagle Eye Publishers (2002) estimates of the numbers of new bundled contracts by year from 1992–2001 (independent variable) and the number of contractor bid protests filed over the practice for each of those same years (dependent variable).

A strong positive correlation can be expected between contract bundling actions and the bid protests they provoked. Thus, the validity of the Eagle Eye Publishers (2002) estimates of total contract bundling actions each year from 1992–2001 were tested by measuring the correlation between the pairs of annual actions estimated (Eagle Eye Publishers, 2002) and bid protests filed

Three different correlation measurements were computed. Pearson’s correlation coefficient was computed using the numeric values of both the independent and dependent variables. A second Pearson’s coefficient was computed using the square root of the dependent variable to compensate for potential distortions in results due to small relative values and non-normal distribution of the Y data set. The third correlation measurement computed was the Spearman rank correlation coefficient for the original X and Y data sets. For purposes of this study, the measurements of correlation were used only as descriptive statistics, not to develop predictive models.

OVERSTATEMENT IN PRIOR STUDIES

Content analysis was performed to identify potential flaws in construct that might have produced overstated estimates of contract bundling frequency in the Eagle Eye Publishers (2002) study entitled *Impact of Contract Bundling on Small Business 1992–2001*. Analysis focused on the selection criteria used to identify presumptively bundled contracts for inclusion into the population of contract records from which regression analysis developed estimates of bundling frequency. A table was prepared listing the defining characteristics of the statutory definition of contract bundling and

the key elements of the selection criteria used in the Eagle Eye Publishers (2002) study to facilitate a comparative analysis.

VERIFICATION OF VENUE FOR PROTEST FILINGS

To test the possibility that an alternate venue might exist for bid protests filed over the practice of contract bundling, full-text keyword searches were performed on archives of cases heard at several alternative dispute resolution venues—buying agencies, the Army Materiel Command, federal district courts, etc. The absence of cases discovered in these screenings satisfied the study that the U.S. Government Accountability Office bid protest process was the venue where contract bundling bid protests would have been heard and adjudicated.

RESULTS

The central discovery of the study was that only 25 contractor bid protests were filed with the U.S. Government Accountability Office over the practice of contract bundling from 1992 to 2004. The annual number of cases ranges from zero to four with no apparent trend pattern (Table 1). The counts at each step of the selection process were:

1. Documents retrieved in keyword search = 78
2. Duplicates = 24
3. Irrelevant = 30
4. One additional case was discovered that was not returned in the initial keyword search, bringing the total number of cases to 25 (78 – 24 – 30 + 1)

COMPARISON TO ESTIMATED BUNDLING ACTIONS

During the 10-year period from 1992–2001 in which Eagle Eye Publishers reported over 34,221 new bundled contracts and over 106,000 total bundling actions, only 18 contractor bid protests were filed. Table 1 displays the numbers of bid protests filed versus the numbers of new bundled contracts as estimated by Eagle Eye Publishers (2002) for each year 1992–2001.

PROPORTION OF ALL BID PROTESTS

Bid protests filed over bundling from 1995–2004 made up less than 16/100 of 1 percent of all protests filed by contractors over the same period. Table 2 displays the numbers of bid protests filed over contract bundling and total number of bid protests filed from 1995-2004.

SORT-RANKING PROTEST GROUNDS

In the sort-ranking of 15 bid protest grounds, bundling ranked last (15th) returning less than half of the document hits as the number 14th ranked pleading. Results of this sort-ranking are displayed in Table 3.

TABLE 1. BUNDLING ACTIONS ESTIMATED AND CONTRACTOR BID PROTESTS FILED 1992–2001

Fiscal Year	Estimated Actions	Protests Filed
1992	3,920	0
1993	3,378	1
1994	3,203	0
1995	3,427	2
1996	3,400	4
1997	3,282	2
1998	3,287	2
1999	3,272	3
2000	3,356	3
2001	3,687	1
Total	34,221	18

TABLE 2. RATIO OF BUNDLING PROTESTS TO ALL PROTESTS 1995–2004

Year	All Protests	Bid Protests	Ratio
1995	2,529	2	0.079%
1996	2,286	4	0.175%
1997	1,852	2	0.108%
1998	1,566	2	0.128%
1999	1,290	3	0.233%
2000	1,220	4	0.328%
2001	1,146	1	0.087%
2002	1,204	1	0.083%
2003	1,352	3	0.222%
2004	1,387	3	0.216%
Total	15,832	25	0.158%

GAP ANALYSIS

A simple gap analysis was performed comparing the number of estimated new bundled contracts issued (Eagle Eye Publishers, 2002) to the number of contractor bid protests filed for each year 1992-2001. The numeric gap, estimated bundling actions less contractor bid protests is: $34,221 - 18 = 34,203$. The gap percentage—numeric gap divided by estimated bundling actions—is 99.94%.

The gap between 14,865 contractors estimated to have withdrawn from contracting—the 56% reduction expressed in numeric terms—due to bundling and the 18 bid protests filed by contractors is 14,847 or 99.897%.

CORRELATION MEASUREMENT

Using the 10-year numbers for estimated new bundled contracts (Eagle Eye Publishers, 2002) and bid protests as shown in Table 1 for the X and Y data sets, respectively, the resulting Pearson's correlation coefficient was computed: $r = -0.40$. Using the same X data (estimated bundling actions) but using the square roots of the bid protest numbers for the Y data, the resulting Pearson's correlation coefficient was computed: $r = -0.41$. Using the original data sets for both X and Y (Table 1), the Spearman rank correlation coefficient was computed: $r_s = -0.19$.

TABLE 3. SORT RANKING OF BID PROTESTS

	Protest keyword	Hits
15	bundling	96
14	sole source	227
13	commercial items	248
12	foreign owned / sourced	379
11	bid deadline	437
10	price evaluation	457
9	certification	743
8	cancellation of solicitation	857
7	low bid	1,214
6	set-aside	1,408
5	best value	1,585
4	amendment	1,914
3	technical evaluation	1,984
2	past performance	2,345
1	specifications	2,814

TABLE 4. COMPARISON OF BUNDLING STATUTORY DEFINITION LANGUAGE TO EBC CRITERIA

Definition Element	Statutory Language	SBAOA EBC Criteria
Requirements previously purchased separately	Yes	No
Previous contracts were suitable for small business	Yes	No
New bundled contract is unsuitable for small business	Yes	No
Size threshold for “substantially bundled”	\$10mm	\$1mm
Multiple place of performance	Only if unsuitable	Yes
Multiple product/service codes	No	Yes
Size of contract	Only if unsuitable	Yes
Contract changes over time	No	Yes

EAGLE EYE PUBLISHERS SELECTION CRITERIA

Examination of the methodology of the government’s principal bundling study (Eagle Eye Publishers, 2002) revealed that the selection criteria used to identify bundled contracts is inconsistent with the statutory definition of contract bundling. The defining elements of contract bundling were found to be absent in the selection criteria; conversely, the key elements of the selection criteria were found to be absent in the statutory definition of bundling (Table 4).

DISCUSSION

The Nerenz (2006) dissertation research theory was that the government’s prior estimates of contract bundling frequency and effect (Eagle Eye Publishers, 2002) were materially overstated. Its hypothesis was that the number of contractor bid protest cases filed over the practice of bundling would be insufficient to validate the government’s prior estimates of bundling frequency and effect on small business.

The dissertation findings clearly supported this theory and hypothesis; in fact,

the gap between estimated and protested bundling actions was much larger than was anticipated when the study was conceived.

The finding of only 18 bid protests filed by contractors over the practice of bundling from 1992–2001 sharply contradicts government estimates of 34,221 new bundled contracts awarded and 14,865 firms forced out of the marketplace (Eagle Eye Publishers, 2002) over the same period. The widely held belief that contract bundling is the No. 1 problem facing small businesses in government contracting is refuted by the results of sort-ranking by protest volumes, where bundling ranked last of 15 protest grounds tested (Table 4). With nearly 1,600 bid protests filed per year from 1995–2004 (Table 2), contractors were clearly not reticent about appealing procurement actions that were perceived to be improper, yet the average annual number of bid protests filed over contract bundling during the same 10-year period was less than three.

Analysis of the bundling protests filed showed the success rate for bundling protests to be nearly 10 times the average for all protests (Gamboa, n.d.), so pragmatism alone would not explain the required reticence on the part of small businesses harmed by improper bundling actions.

NEW QUESTIONS RAISED BY THE RESEARCH

Given the low number of bid protests filed by contractors over the practice of contract bundling, continued acceptance of the SBA estimates of bundling actions would require a belief that contractors adversely impacted by the practice would fail to appeal it, even when dire economic consequences ensue. It is not at all clear why contractors would act against their own best interests and waive their rights to appeal through the GAO bid protest process.

The discovery of the Hayes (1999) Congressional testimony that only a handful of bundling actions were lawfully undertaken in FY 1998 raises an even more fundamental set of questions: why would government contracting officers engage in wholesale improprieties and illegally bundle contracts in the first place? Why would these improprieties not have been prosecuted? How could they have avoided detection by Congressional oversight? How could misconduct on this scale be covered up for 15 years or more?

The need for a complex theory to explain all of these new questions only arises if one continues to accept the estimates of bundling frequency reported in prior government studies (Eagle Eye Publishers, 2002). If the SBA estimates were overstated, as the dissertation findings indicate, then no such complex theory development is required. The simplest explanation for the lack of bid protests is the lack of improper bundling activity to be protested. This explanation comports with all of the findings of the dissertation.

GOVERNMENT ESTIMATES OVERSTATED

The dissertation did not merely support its theory that prior estimates of bundling frequency were materially overstated with new and conflicting data; it identified the specific cause of overstatement in prior studies—faulty selection criteria used by

Eagle Eye Publishers (2002) to identify presumptively bundled contracts. The Eagle Eye Publishers (2002) study used the term Explicitly Bundled Contracts, or EBC, to differentiate its selection criteria from the statutory definition of the term bundled contract. Comparison of the Eagle Eye Publishers (2002) selection criteria to the statutory definition of contract bundling (Federal Register §13 C.F.R. Pt. 125) shows the two to be unrelated. None of the key elements of the statute are reflected in the selection criteria, and neither are any of the key elements of the selection criteria found in the statute (Table 4).

The methodology notes state explicitly that the study substituted its own notion of contract bundling for the statutory definition (Eagle Eye Publishers, 2002, p. 59), which it elsewhere described as “self-limiting and unreasonably small” (Eagle Eye Publishers, 2002, p. 15). The study also justified its deviation from the accepted definition of bundling on pragmatic grounds:

It would be impossible with any reasonable amount of resources to do a government-wide study and to either (1) construct a genealogy of contracts so that contracts that were previously separate could be identified, or (2) make judgmental evaluations of contracts to identify all the contracts that had become unsuitable for small business. (Eagle Eye Publishers, 2002, p. 54).

Since the definition of the term contract bundling contains only two defining characteristics—a) requirements combined were previously bought separately, and b) the combined requirements make the new bundled contract unsuitable for small business (13 C.F.R. Pt. 125)—a selection criteria that ignores both elements is certain to produce an unreliable population of bundled contracts from which to develop an understanding of bundling frequency and effect.

Its own results provide the most potent evidence of a contaminated population: the Eagle Eye Publishers (2002) study states that 52 percent of its bundled contracts were awarded to small businesses (Eagle Eye Publishers, 2002). Since one of the two defining characteristics of a bundled contract is that is “unsuitable for small business” (13 C.F.R. Pt. 125), any contract won by a small business is clearly not suitable for bundling. Thus, more than half of the population of contracts in the Eagle Eye Publishers (2002) bundling study was selected in error.

Since the Eagle Eye Publishers (2002) selection criteria do not test for the other defining characteristic of a bundled contract—requirements previously purchased separately—determining whether any of the selected contracts was, in fact, bundled is not possible. Closer examination reveals another possible reason for the award of the remaining 48% of “bundled” contracts to large businesses. The Eagle Eye Publishers (2002) study states that 38% of government contracts go to large firms in the normal course of contracting, and there is no reason to suspect that its selection criteria would not produce a similar proportion in its “bundled” contract population.

CONCLUSIONS

For more than the past decade, the belief that contract bundling was one of the most important barriers to small business participation in government contracting has been universal. This belief was based upon prior government estimates of bundling frequency and effect that were directly contradicted by the findings of new research described in this article. The dissertation's findings describe contract bundling as a rare and isolated activity, a matter of little significance in the development of business strategy and small business advocacy within the realms of public policy development.

The Nerenz (2006) dissertation findings introduced an anthropological dimension to the issue of contract bundling that had not previously been prominently considered: the findings of prior studies (Eagle Eye Publishers, 2002) can only be accepted if theories are developed to explain why government contracting officers would engage in wholesale improprieties, and why small businesses would accept dire economic consequences without exercising their rights to appeal.

The research suggests that public policy resources have been disproportionately directed to the issue of contract bundling, and that resources can safely be redirected to other more important barriers to small business participation. Likewise, small business strategies designed to defend against a major threat of bundling should be re-examined in light of a more realistic assessment of the threat posed by the practice.

Finally, the study demonstrates the usefulness of GAO bid protest archives as a source of information about federal procurement practices and their impact on small businesses that contract with the federal government. The methods used in this study could be applied to many other issues of interest to the contracting community, policy makers, and small business advocates.



Dr. Timothy Nerenz is executive vice president of Oldenburg Group Incorporated, a qualified HUBZone small business headquartered in Milwaukee, Wisconsin. He is also president of Nerenz & Associates, a research firm focused on small business and government procurements.

(E-mail address: TNerenz@oldenburggroup.com)

REFERENCES

- Drabkin, D., & Thai, K. (2003, April). *U.S. federal government contracting: Structure, process, and current issues*. Paper presented at the meeting of the International Purchasing and Supply Research and Education Association Comparative Public Procurement Cases Workshop. Budapest, Hungary. Retrieved October 11, 2005, from <http://www.nigp.org/research/Papers/041003USGovt.pdf>
- Eagle Eye Publishers, Inc. (1997, June). *Bundled contract study FY91-95*. Prepared for U.S. Small Business Administration, Office of Advocacy, under award No. SBA-HQ-95-C-0020.
- Eagle Eye Publishers, Inc. (2000, September). *The impact of contract bundling on small business, FY1992-FY1999*. Prepared for U.S. Small Business Administration, Office of Advocacy.
- Eagle Eye Publishers, Inc. (2002, October). *Impact of contract bundling on small business FY1992-2001*. Prepared for U.S. Small Business Administration, Office of Advocacy, under award No. SBAHQ-01-M-0352.
- Executive Office of the President—Office of Management and Budget, Office of Federal Procurement Policy. (2002, October). *Contract bundling: A strategy for increasing federal contracting opportunities for small business*. Washington, DC: U.S. Government Printing Office.
- Gamboa, A. (2005). National Contract Management Association Tysons Corner Chapter Meeting. Slides for chapter presentation. *GAO bid protest overview*. Retrieved July 12, 2005, from http://www.ncmatcc.org/chaptermtg/mtg_past05.cfm
- Hayes, R. (1999). Testimony before the U.S. House of Representatives Committee on Small Business. August 4, 1999. Retrieved July 25, 2005, from <http://www.sba.gov/regulations/testimony/archive/hayes8-4-99bundling.html>
- Kerry, J. (2001). SBA in hot water for failing to monitor contract bundling effect on small business. *Congressional Record*. July 28, 2005. Retrieved August 6, 2005, from <http://www.sbc.senate.gov/record.cfm?id=222756>
- Nerenz, T. (2006). *Federal government procurement policy analysis: Has extent and effect of contract bundling on small business been overstated?* (Doctoral dissertation, Northcentral University, 2006). ProQuest Information and Learning Company, UMI No. 3228659.
- Snowe, O. J. (2003). Small businesses continue to lose contracts by the bundle. *Congressional Record*. March 18, 2003. S. Hrg. 108-409. Retrieved July 31, 2007, from <http://a257.g.akamaitech.net/7/257/2422/22apr20041000/www.access.gpo.gov/congress/senate/pdf/108hr/91188.pdf>

Styles, A. (2003, March 18). *Small businesses continue to lose federal jobs by the bundle* (S. HRG. 108-409). Committee on Small Business and Entrepreneurship United States Senate, 108th Congress 1st Session. Retrieved January 2, 2008, from <http://www.access.gpo.gov/congress/senate/pdf/108hrg/91188.pdf>

Federal Register 13 C.F.R. Pt. 125. (2000). *Government Contracting Programs*.

U.S. Government Accountability Office. (2004). *Impact of strategy to mitigate effects of contract bundling strategy on small business is uncertain*. GAO-04-454. Washington, DC: U.S. Government Printing Office.

Velazquez, Nydia, U.S. Congresswoman. (2003). Letter to General Services Administration official Laurie Duarte. April 1, 2003. Retrieved July 28, 2005, from <http://www.house.gov/smbiz/democrats/comments040103.pdf>