

DATA REPORT · FIRST EDITION · JUNE 2026

The State of Small-Business *Government Contracting 2026*

Where small and minority-owned firms actually win federal work, measured rather than asserted. Built from live federal procurement data retrieved June 10, 2026, with every query documented. Read it, cite it, argue with it: the methodology is at the bottom.

THE FINDINGS

PRESS & CITATION INQUIRIES

EXECUTIVE SUMMARY · FIVE FINDINGS IN FIVE SENTENCES

What the Data *Says*

3.5

AVERAGE OFFERS
RECEIVED PER FEDERAL
IT AWARD, FY26 TO
DATE

75.4%

OF FEDERAL IT AWARD
ACTIONS ARE UNDER
\$250K

\$3.0B

OBLIGATED THROUGH
SMALL-BUSINESS SET-
ASIDE IT AWARDS IN 8
MONTHS

~80%

OF SOLICITATIONS
CLOSE WITHIN ABOUT
THREE WEEKS OF
POSTING

2×

PAST PERFORMANCE IS
DEMANDED TWICE AS
OFTEN IN IT AS THE
ALL-MARKET RATE

The federal market is not closed to small firms; it is mistimed, misread, and underbid by them. The average federal IT award this fiscal year attracted three and a half offers, not fifty. Three of every four IT award actions were under \$250,000, which means the realistic first contract is a five-figure or low-six-figure order, not a program of record. Roughly \$3 billion has flowed through small-business set-aside IT awards in the first eight months of FY2026 alone. The catch: most solicitations close within three weeks of posting, and four in ten IT solicitations talk about past performance. The market rewards firms with a standing process and punishes heroic scrambles.

FINDING 01 · THE ENTRY WINDOW

You Don't Need a \$10M Win.
You Need a \$112K One.

Of 11,750 federal IT-services award records in FY2026 to date (\$8.73B obligated across NAICS 541511, 541512, 541519, 518210), the overwhelming share are small transactions. The average award in the under-\$1M band is \$112,423. Three of every four award actions sit under \$250K, squarely in micro-purchase-to-simplified-acquisition territory where evaluation is lighter and decisions are faster.



FINDING 02 · THE COMPETITION MYTH

The Average IT Award Attracted *3.5 Offers*

Among the 6,826 FY26 IT award records that report offer counts, the average was 3.50 offers (minimum 1, maximum 80). The picture small firms carry in their heads, fifty primes fighting over every contract, is wrong for the transaction sizes where they would actually enter. Showing up with a compliant, on-time proposal puts a firm in a roughly 1-in-3.5 race. The contract doesn't go to the best firm. It goes to the best firm that bid.

FINDING 03 · THE SET-ASIDE REALITY

Half the Market Is Reserved. *IT Is the Exception.*

Of 66,079 federal solicitations posted January through June 10, 2026, 51.4% carried a small-business set-aside. But IT services runs against the grain: only 37.5% of its 408 posted solicitations were set aside, and the socio-economic categories (8(a), WOSB, HUBZone) barely appear on open postings. The award data tells a warmer story: set-asides carried roughly 41% of IT award dollars, about \$3.0B across 4,135 explicitly tagged awards, because much set-aside volume flows through vehicles that never hit the public boards.



Small-business set-aside share. Solicitations: $n = 66,079$ (all) and $n = 408$ (IT NAICS), posted Jan 1 - Jun 10 2026. Award dollars: FY26 to date. Source: GovTribe, retrieved 2026-06-10.

FINDING 04 · THE CLOCK

Three Weeks, *Start to Close*

In a sample week of 3,564 solicitations (posted May 11 to 17, 2026), 79.7% were due within roughly three weeks of posting; only 8.6% allowed more than about four weeks. IT was no kinder: of 98 IT solicitations posted in May, three quarters closed within five weeks of the month's start. A firm without monitoring loses the first week before it even sees the notice. The response window is not a writing problem; it is a readiness problem.



Solicitations posted 2026-05-11 to 05-17 by due-date band; $n = 3,564$; bands are count-range proxies and do not sum exactly (records without due dates excluded). Source: GovTribe, retrieved 2026-06-10.

FINDING 05 · THE PAST-PERFORMANCE WALL

The Catch-22 Is Twice as Tall *in IT*

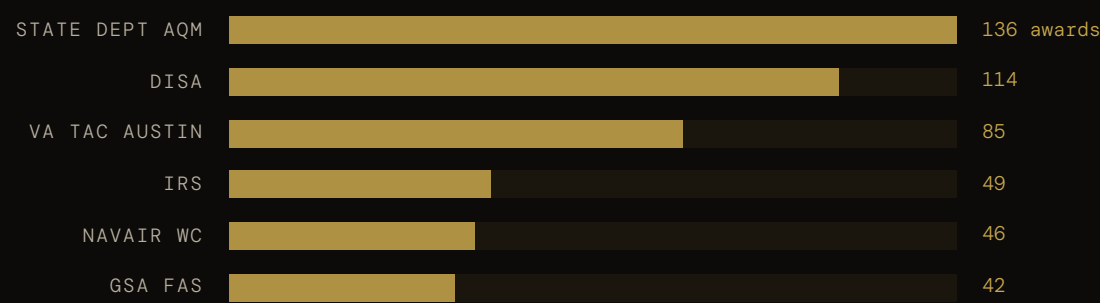
"Past performance" appears in 40.2% of IT solicitations posted this year, against roughly 20.7% in the broader market (text-match proxy; see methodology). This is precisely why the entry

window in Finding 01 matters: sub-\$250K orders and subcontracting are the standard on-ramp, each delivered order becoming the credential that prices the next bid. And the state and local pipeline, with roughly 4,000 open IT-tagged opportunities against just 56 currently biddable federal IT solicitations, runs largely without a federal-style past-performance regime at all.

FINDING 06 · WHERE TO LOOK

The Most Active Small-Business *IT Buyers*

By number of FY26 small-business set-aside IT awards (the metric that matters for a first win):



Top contracting offices by count of FY26-to-date SB set-aside IT awards (n = 4,135 tagged awards). By dollars, CBP leads at \$455.8M across 27 awards. Source: GovTribe, retrieved 2026-06-10.

METHODOLOGY & LIMITATIONS

How This Was *Measured*

All figures were retrieved June 10, 2026 from GovTribe's federal procurement dataset (FPDS award records and SAM.gov-posted opportunities). "IT services" means NAICS 541511, 541512, 541519, and 518210. Opportunity counts include solicitation-type notices only. Honest caveats: obligation records reflect dollars obligated to date, not final contract value, so small-transaction shares overstate "small contracts" slightly; the past-performance figure is a text-match proxy, not parsed evaluation factors; a large share of IT set-aside spend flows through GWAC/IDIQ task orders that never appear as public postings, so posted-solicitation set-aside shares understate the true set-aside market; and several counts above 10,000 are reported floors due to API caps. The full query log, filters, and limitation notes are available to journalists and researchers on request.

ABOUT THE AUTHOR

Written From *the Operator's Side*

Olufela "Lu" Fagbure is the Founder and Director of IT Custom Solution LLC, a New York based certified Minority Business Enterprise delivering cybersecurity, cloud, managed IT, and staffing to government and enterprise clients, with delivered engagements for City Utilities of Springfield, Missouri and Rensselaer County, New York. He builds the GovBid AI product suite: software small firms use to find, bid on, and deliver government contracts. This report exists because the numbers his firm needed when it started did not.

PRESS KIT & BIOS

BOOK THIS AS A TALK

MORE FIELD NOTES

Cite as: Fagbure, O. (2026). The State of Small-Business Government Contracting 2026. IT Custom Solution LLC. felafagbure.com/report. Second edition planned annually. Media inquiries: lu@itcustomsolution.com.

© 2026 Olufela Fagbure, All rights reserved

[HOME](#) [SPEAKING](#) [PRESS](#) [INSIGHTS](#) [CONNECT](#)