



Agency Priority Goal Action Plan

Maximize Small Business Participation in Government Contracting

Goal Leader:

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Overview

Goal Statement

- By September 30, 2021, maximize the percent of federal contracts by exceeding the 23 percent awarded to small businesses.

Challenge

- For the last six fiscal years, the Federal Government has awarded at least 23 percent of contract dollars to small businesses. However, some agencies do not meet their agency-specific small business contracting goals.

Opportunity

- The SBA has placed special attention to ensure that the statutory goal is not only met but maximized through targeted outreach to federal agencies and promotion of contracting opportunities to small businesses.
- This Agency Priority Goal advances the SBA's mission to maintain and strengthen the nation's economy by enabling the establishment and vitality of small businesses. It aligns with the FY 2018-2022 SBA Strategic Plan Strategic Goal 1 to support small business revenue and job growth through Strategic Objective 1.3 to ensure federal contract and innovation set-aside goals are met and/or exceeded.

Leadership & Implementation Team

Core Team:

- Office of Government Contracting
 - Associate Administrator
 - Deputy Associate Administrator
 - Office of Policy, Planning and Liaison, Director (Policy and Data)
 - Office of Business Development, Associate Administrator (8(a) Program)
 - Office of HUBZone Empowerment, Director (HUBZone)
 - Office of Government Contracting, Director (Contracting)
 - Procurement Center Representatives
- Office of Field Operations
 - Business Opportunity Specialists

Goal Structure & Strategies

Implementation Strategy Overview:

- The Federal Government has a statutory 23 percent small business goal and will continue to focus on setting individual agency goals based on data analysis of past performance and potential opportunities.
- The SBA's Procurement Center Representatives (PCRs) focus their advocacy on agencies with substantial small business eligible spending and conduct surveillance reviews of buying activities that have a major impact on meeting the statutory goal or that struggle to meet their goals to provide guidance and best practices.
- The Office of Policy, Planning and Liaison chairs the Small Business Procurement Advisory Council (SBPAC) which includes the Directors of Office of Small and Disadvantaged Business Utilization from all the agencies and provides each agency with their small business goal and monitors performance at each monthly meeting. Agencies also share best practices at SBPAC meetings.

Goal Structure & Strategies

External Factors and Mitigation Strategies:

- Exceeding the Federal contracting goals is dependent on effective coordination between internal and external partners. SBA will emphasize strengthening these core partnerships and optimizing the coordination between partners.
- SBA informs federal agencies of small business contracting requirements and options, but SBA does not decide which contracting options agencies pursue. SBA senior leadership will engage at all levels for each agency to ensure small businesses have access to contracting opportunities. SBA is also conducting a program evaluation to examine the effectiveness of the contracting scorecard in measuring performance, promoting small business procurement opportunities, and on small business contracting goal achievement.
- Consolidations of contracts and other factors may contribute to reduced opportunities for small business. The SBA will conduct training and outreach throughout the year to educate agencies on small business contract opportunities.
- Agencies may not be aware of best practices designed to maximize small business utilization in Federal contracting. At SBPAC meetings, agencies share best practices that were implemented by their agency and that might be implemented by other agencies.

Key Indicators

- Key Indicator:
 - Percent of federal prime contracting dollars awarded to small businesses
- Supporting Indicators:
 - Percent of prime and subcontracts to Small Disadvantage Businesses (SDB)
 - Percent of prime and subcontracts to Women-Owned Small Businesses (WOSB)
 - Percent of prime and subcontracts to HUBZone Small Businesses
 - Percent of prime and subcontracts to Service-Disabled Veteran-Owned Small Businesses (SDVOSB)
 - Number of jobs supported from federal contracts to small businesses

Note: FY 2020 official data are not available until the third quarter of FY 2021.

Summary of Progress – FY 2020 Q4

- In FY 2019, the Federal government exceeded the 23% statutory small business prime contracting requirement for the seventh consecutive year. Federal agencies awarded 26.5% or \$132.9 billion in federal contract dollars to small businesses, over \$12 billion increase from the previous fiscal year.* The federal prime and subcontracts awarded to small businesses in FY 2019 equate to more than one million jobs created.
- In FY 2019 Quarter 4, the seven agencies with the largest procurement budgets (Big 7) constituted 87% of eligible dollars and all are above goal: DHS, DoD, HHS, GSA, VA, NASA, and DOE (see charts on next slide).
- In FY 2019, the Federal Government surpassed its Service-Disabled Veteran-owned (SBVOSB) and Small Disadvantaged (SBD) goals and met its Women-owned goal (SBVOSB goal=3%; SBD goal =5%; WOSB goal=5%). However, the Federal Government did not meet its HUBZone goal in FY 2019 (HUBZone goal=3%). All sub-goals continued to improve performance from the prior fiscal year.
- In FY 2020 Quarter 4, the SBA completed 66% (20) of the surveillance reviews of buying activities (Quarter 4 Target = 100% surveillance reviews). The Government Contracting Surveillance Review Teams were unable to perform on-site reviews due to COVID-19; however, the SBA was able to transition many reviews to a virtual environment.

**FY19, in accordance with federal law, SBA provided double credit, for scorecard purposes only, for prime contract awards in disaster areas that are awarded as a local area set aside and a small business or other socio-economic set aside when the vendor state is the same as the place of performance (15 USC § 644(f)), for Puerto Rico awards (15 USC § 644(x)(1)) and included in the calculation of FY19 government-wide achievements the Department of Energy first-tier subcontracts required to be included by section 318 of the Consolidated Appropriations Act of 2014 (“CAA”), Public Law 113-76.*

Key Milestones – FY 2020 Q1 & Q2

Milestone Summary			
Key Milestone	Milestone Due Date	Milestone Status	Comments
Conduct 8,700 acquisition reviews	Q1, FY2020	Below Target	3,969 reviews
Review 825 sub-contracting plans	Q1, FY2020	On Track	799 reviews conducted
Host 3 SBPAC meetings	Q1, FY2020	Met	3 monthly meetings held
Counsel 1,600 small businesses (PCRs sessions)	Q1, FY2020	On Track	1,414 small businesses counseled
Conduct 10,500 acquisition reviews	Q2, FY2020	On Track	10,525 reviews. PCRs currently on track for acquisitions reviewed. Anticipate significant decrease in 3rd quarter reviews due to the reduction in agency contracting actions in response to COVID-19.
Review 1,650 sub-contracting plans	Q2, FY2020	On Track	1,846 reviews conducted
Host 3 SBPAC meetings	Q2, FY2020	Met	3 monthly meetings held; virtual meetings are being conducted in response to COVID-19.
Counsel 1,600 small businesses (PCRs sessions)	Q2, FY2020	On-Track	1,976 small businesses counselled (FY 2020 cumulative total: 3,390). Government Contracting PCRs have expanded their counseling and assistance role in the form of Small Business Vendor outreach in response to COVID-19 (numbers will be included in the 3 rd quarter reporting).

Note: Quarterly milestones are based on the cumulative number of reviews performed by SBA PCRs and on the cumulative number of surveillance reviews performed.

Key Milestones – FY 2020 Q3

Milestone Summary			
Key Milestone	Milestone Due Date	Milestone Status	Comments
Complete 70% surveillance reviews	Q3, FY2020	Below Target	33% (10) surveillance reviews completed. Due to the ongoing pandemic, the SBA was unable to perform onsite surveillance reviews in Q3. Despite switching to a virtual format, many of the buying activities scheduled for review did not have electronic file review capability or had security issues preventing the SBA access to their systems. The SBA may not be able to meet its FY 2020 surveillance review goal and some reviews will likely need to be postponed until FY 2021.
Conduct 26,100 acquisition reviews	Q3, FY2020	On Track	18,118 acquisition reviews conducted
Review 2,475 sub-contracting plans	Q3, FY2020	Above Target	2,827 sub-contracting plans reviewed
Host 3 SBPAC meetings	Q3, FY2020	Met	3 monthly meetings held
Counsel 1,600 small businesses (PCRs sessions)	Q3, FY2020	Above Target	2,102 small businesses counselled (FY 2020 cumulative total: 5,492)

Note: Quarterly milestones are based on the cumulative number of reviews performed by SBA PCRs and on the cumulative number of surveillance reviews performed.

Key Milestones – FY 2020 Q4

Milestone Summary			
Key Milestone	Milestone Due Date	Milestone Status	Comments
Complete 100% surveillance reviews	Q4, FY2020	Below Target	66% (20 of 30) surveillance reviews completed. Due to the ongoing pandemic, the SBA was unable to perform onsite surveillance reviews in Q4. Despite switching to a virtual format, many of the buying activities scheduled for review did not have electronic file review capability or had security issues preventing the SBA access to their systems. Remaining reviews will be postponed until FY 2021.
Conduct 31,000 acquisition reviews	Q4, FY2020	Below Target	28,715 acquisition reviews conducted. The number of acquisition reviews (possible awards to small businesses) is declining; however, the number of dollars awarded to small businesses is increasing despite fewer contracting opportunities. In FY 2020, \$37.1B went to small businesses compared to \$9.7B in FY 2019.
Review 3,300 sub-contracting plans	Q4, FY2020	Above Target	4,053 sub-contracting plans reviewed
Host 3 SBPAC meetings	Q4, FY2020	Met	3 monthly meetings held
Counsel 1,600 small businesses (PCRs sessions)	Q4, FY2020	Below Target	1,477 small businesses counselled (FY 2020 cumulative total: 6,969)

Note: Quarterly milestones are based on the cumulative number of reviews performed by SBA PCRs and on the cumulative number of surveillance reviews performed.

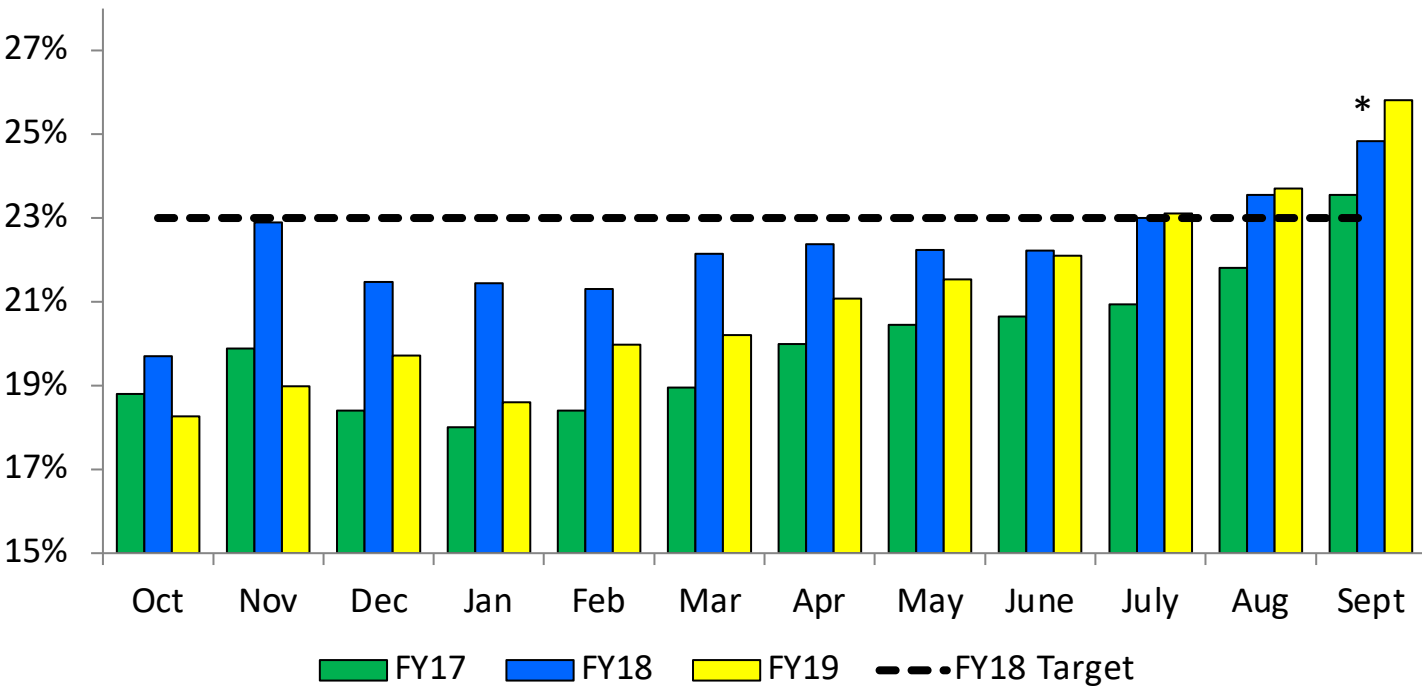
Key Milestones – FY 2021

Milestone Summary			
Key Milestone	Milestone Due Date	Milestone Status	Comments
Conduct 8,700 acquisition reviews	Q1, FY2021		
Review 825 sub-contracting plans	Q1, FY2021		
Host 3 SBPAC meetings	Q1, FY2021		
Counsel 1,600 small businesses (PCRs sessions)	Q1, FY2021		
Conduct 10,500 acquisition reviews	Q2, FY2021		
Review 1,650 sub-contracting plans	Q2, FY2021		
Host 3 SBPAC meetings	Q2, FY2021		
Counsel 1,600 small businesses (PCRs sessions)	Q2, FY2021		
Complete 70% surveillance reviews	Q3, FY2021		
Conduct 26,100 acquisition reviews	Q3, FY2021		
Review 2,475 sub-contracting plans	Q3, FY2021		
Host 3 SBPAC meetings	Q3, FY2021		
Counsel 1,600 small businesses (PCRs sessions)	Q3, FY2021		
Complete 100% surveillance reviews	Q4, FY2021		
Conduct 31,000 acquisition reviews	Q4, FY2021		
Review 3,300 sub-contracting plans	Q4, FY2021		
Host 3 SBPAC meetings	Q4, FY2021		
Counsel 1,600 small businesses (PCRs sessions)	Q4, FY2021		

Note: Quarterly milestones are based on the cumulative number of reviews performed by SBA PCRs and on the cumulative number of surveillance reviews performed.

Key Indicators

Progress Towards Goal:
Percent of contracting dollars awarded to small business

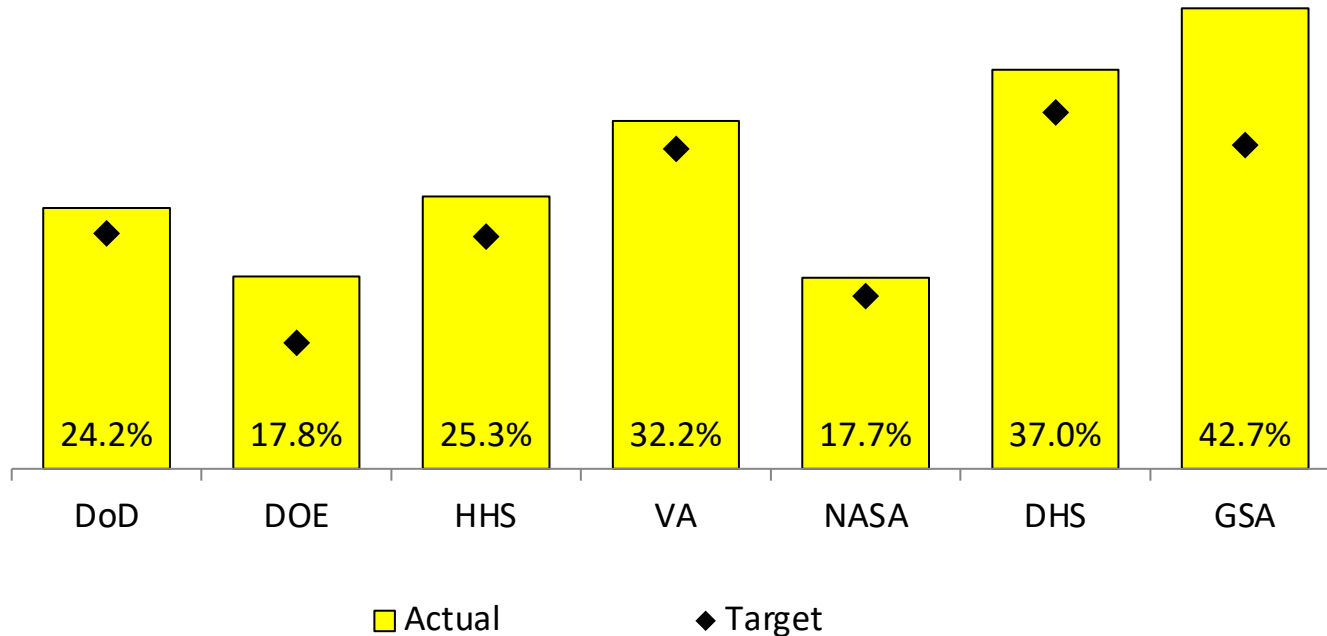


In FY 2019, the Federal government exceeded the 23% statutory small business prime contracting requirement for the seventh consecutive year.

*September data represents final reconciled small business utilization data for the fiscal year.
Note: FY 2020 official data are not available until the third quarter of FY 2021.

Key Indicators

Supporting Indicator:
Percent of big 7 agencies meeting small business set-aside goals (FY 19)

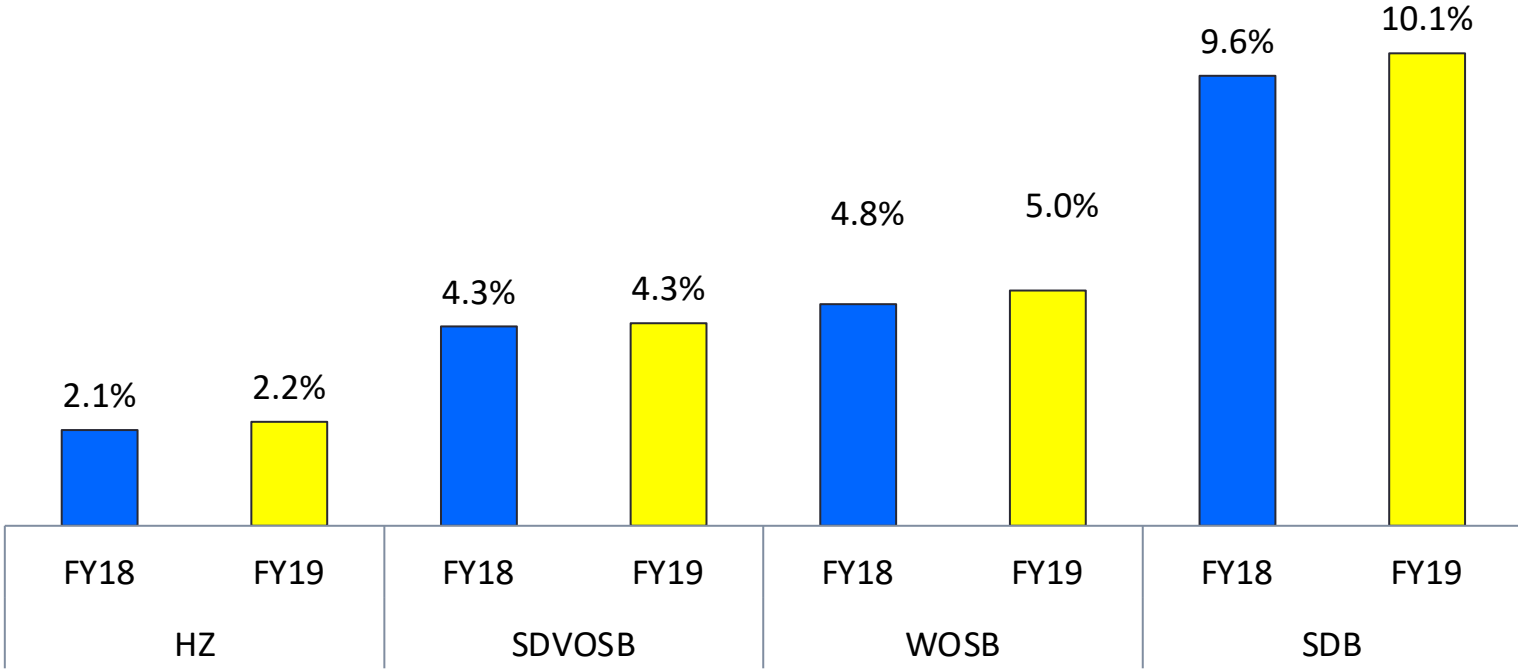


In FY 2019 Quarter 4, the seven agencies with the largest procurement budgets (Big 7) constituted 87% (\$501.6B) of eligible dollars and all are above goal: DHS, DoD, HHS, GSA, VA, NASA, and DOE.

Note: FY 2020 official data are not available until the third quarter of FY 2021.

Key Indicators

Supporting Indicator:
Percent of federal contracting dollars awarded to subgoals



In FY 2019, the Federal Government surpassed its Service-Disabled Veteran-owned (SBVOSB) and Small Disadvantaged (SBD) goals and met its Women-owned goal (SBVOSB goal=3%; SBD goal =5%; WOSB goal=5%). However, the Federal Government did not meet its HUBZone goal in FY 2019 (HUBZone goal=3%).

Note: FY 2020 official data are not available until the third quarter of FY 2021.

Data Accuracy and Reliability

- Award of contracts are recorded in the Federal Procurement Data System–Next Generation (FPDS–NG). Data are entered into FPDS–NG by the contracting officer or other acquisition staff, manually or by transmission from contract writing system.
- Responsibility for determining the accuracy, reliability, and quality of data reported in FPDS–NG rests with reporting agencies. However, the SBA routinely reviews FPDS–NG data and provides guidance to agencies to increase data reliability and timeliness. Agencies must attest to data reliability to the Director of Federal Procurement Policy.
- Data are entered into FPDS–NG by import from contract writing applications and manually. It is subject to data entry error; however, logical edits are built into the system to mitigate some data limitations. Additionally, each agency must certify to the data quality in FPDS–NG annually to OMB.
- Data for Procurement Center Representative (PCR) acquisition reviews and subcontracting plan reviews are sourced from the six Office of Government Contracting Area Offices through monthly metric reporting.
- Official data are typically not available until the third quarter of the next fiscal year.

Additional Information

Contributing Programs

Program Activities:

- Prime Contracting Assistance
- Small Business Size Standards
- Women Small Business-Owned (WOSB) Program
- 8(a) Business Development Program
- HUBZone Program
- Small Business Procurement Advisory Council (SBPAC)

Other Federal Activities:

- Office of Small and Disadvantaged Business Utilization (in each Federal agency). Every federal agency contributes toward the goals. The larger agencies, such as the U.S. Department of Defense, have a major impact on performance because they comprise a large portion of overall spending. The Offices of Small and Disadvantaged Business Utilization in each agency, with the support of senior leaders, must partner with SBA to drive small business consideration.

Stakeholder / Congressional Consultations

The SBA hosts a monthly meeting of the Directors of Office of Small and Disadvantaged Business Utilization to discuss performance goals and to share best practices. The SBA also engages the agencies at every level to stress the importance of maximizing small business contracting. In addition, the SBA consulted with congressional appropriations and authorizing committees.