



U.S. Small Business
Administration

Fiscal Year 2019
Small Business Procurement Scorecard



Grade Calculation Methodology
February 2020

FY2019 federal prime contracting data retrieved from FPDS-NG on 02/21/2020 for the date range 10/01/2018 through 9/30/2019

FY2019 federal subcontracting data retrieved from eSRS on 03/12/2020 for the date range 10/01/2018 through 09/30/2019

Executive Summary



In Section 868 of the National Defense Authorization Act (NDAA) of 2016 (P.L. 114-92), Congress directed SBA to change its scorecard methodology for FY 2017. Specifically, Congress directed that an agency's performance towards its prime contracting goals shall account for 50 percent of an agency's grade. Further, Congress directed that the remaining 50 percent should be weighted in a manner determined by the Administrator of the SBA to include subcontracting and the number of small business prime contractors in the five small business categories across a spectrum of North American Industry Classification System (NAICS) codes.

In addition, Section 1692 of the NDAA of 2013 (P.L. 112-239) amended Section 7104(b) of the Federal Acquisition Streamlining Act of 1994 (P.L. 103-355) to provide that the Small Business Procurement Advisory Council shall conduct reviews of each Office of Small and Disadvantaged Business Utilization (OSDBU) to determine the office's compliance with Section 15(k) of the Small Business Act (15 U.S.C. 644(k)).

After extensive consultation and assistance from the OSDBU community and obtaining OFPP's concurrence, SBA is continuing FY 2018 weighting methodology for the FY 2019 Scorecard calculations to assess how well federal agencies reach their small business and socio-economic prime contracting and subcontracting goals, to examine the number of small business prime contractors, to review the agencies compliance with Section 15(k) requirements of the Small Business Act, retaining the checklist 21 requirements from FY 2018.

Each agency's Scorecard grade consists of its achievements in these four areas, and each area is graded by the percentage shown below:

| Areas | % Grade |
|---|------------------------|
| Prime Contracting Achievement | 50% of Scorecard Grade |
| Subcontracting Achievement | 20% of Scorecard Grade |
| Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories in the Agency's Top 100 Small Business NAICS Codes Between FY 2018 and FY 2019 | 10% of Scorecard Grade |
| OSDBU Peer Review on Agency Compliance with Section 15(k) of the Small Business Act (21 requirements) | 20% of Scorecard Grade |

Executive Summary (continued 1)



The prime and subcontracting component goals include goals for small businesses, small businesses owned by women (WOSB), small disadvantaged businesses (SDB), service-disabled veteran-owned small businesses (SDVOSB), and small businesses located in Historically Underutilized Business Zones (HUBZones).

The NAICS comparison goal is the result of the number small business concerns, including small business concerns under various socioeconomic categories, regarding prime contracts awarded in the current fiscal year compared to the prior fiscal year in the Agency's Top 100 Small Business NAICS Codes and scored based on the following scale:

- Increase in number of SB primes by 10% or more = 1.3
- Increase in number of SB primes by 5% or more but less than or equal to 10% = 1.2
- Increase in number of SB primes between 0% and less than 5% = 1.1
- No change in the number of SB primes (Change = 0%) 0% increase/decrease (no change) = 1.0
- Decrease in number of SB primes by more than 0% but less than 5% = 0.9
- Decrease in number of SB primes by 5% or more but less than or equal to 10% = 0.8
- Decrease in number of SB primes by 10% or more = 0.7

The OSDDBU peer review consists of scoring a written response from agencies using a detailed compliance checklist for 21 requirements in 15 U.S.C. 644(k) using the following scale for each question:

Excellent = 1.0

Unsatisfactory = 0.0

Section 15(k)1 is allowed partial credit of 0.5 with appropriate explanation and documentation provided

Executive Summary (continued 2)

Each federal agency has a different small business contracting goal, established annually in consultation with SBA. SBA ensures that the sum total of all of the goals exceeds the 23 percent target established by law. Each agency's efforts in meeting its small business goals expand opportunities for small businesses to compete for and win federal contracts.

Based on their overall performance, SBA is assigning each agency a letter grade from six potential grades (A+, A, B, C, D, F). These grades provide additional information on comparison of performance levels among different agencies.

In FY 2019, in accordance with federal law, SBA will continue to provide agencies 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).

In FY 2019, in accordance with the statute, SBA will continue to provide agencies double credit, for scorecard purposes only, for Puerto Rico awards, i.e. "If an agency awards a prime contract to Puerto Rico business during the period beginning on the date of enactment of this subsection [August 13, 2018] and ending on the date that is 4 years after such date of enactment, the value of the contract shall be doubled for purposes of determining compliance with the goals for procurement contracts under subsection (g)(1)(A)(i) during such period." 15 USC § 644(x)(1). A "Puerto Rico" business is defined as a small business concern that has its principal office located in the Commonwealth of Puerto Rico.

For purposes of determining whether a prime contract awardee is a Puerto Rico business, SBA uses the prime vendor address reported in FPDS-NG. Double-credit under § 644(x) is provided only for awards dated on or after August 13, 2018, and only for awards that do not already qualify for double-credit under § 644(f).

- ***The Scorecard format measures the total performance of an agency's achievements in a clear and consistent method***

Agency Small Business Scorecard Grade Calculation Methodology



| Achievement Category | Prime Contracting | Weight of Category Achievement toward Overall Grade | 50% |
|----------------------|-------------------|---|-----|
| Components | | Component Weight | |
| Small Business | | 60% | |
| SDB | | 10% | |
| WOSB | | 10% | |
| SDVOSB | | 10% | |
| HUBZone | | 10% | |
| Achievement Category | Subcontract | Weight of Category Achievement toward Overall Grade | 20% |
| Components | | Component Weight | |
| Small Business | | 60% | |
| SDB | | 10% | |
| WOSB | | 10% | |
| SDVOSB | | 10% | |
| HUBZone | | 10% | |

Agency Small Business Scorecard Grade Calculation Methodology (cont. 1)

| Achievement Category | Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories in the Agency's Top 100 Small Business NAICS Codes between FY 2018 and FY 2019 | Weight of Category Achievement toward overall Grade | 10% |
|--|---|---|--------------|
| Range | | | Score |
| Increase in number of SB primes by 10% or more | | | 1.3 |
| Increase in number of SB primes by more than 5% but less than or equal to 10% | | | 1.2 |
| Increase in number of SB primes by more than 0% but less than or equal to 5% | | | 1.1 |
| No change in the number of SB primes (Change = 0%, 0% increase/decrease) (no change) | | | 1 |
| Decrease in number of SB primes by more than 0% but less than or equal to 5% | | | 0.9 |
| Decrease in number of SB primes by 5% or more but less than or equal to 10% | | | 0.8 |
| Decrease of SB primes by 10% or more | | | 0.7 |

Agency Small Business Scorecard Grade Calculation Methodology (cont. 2)

| | | | |
|---|--|--|------------|
| Achievement Category | The OSDBU peer review consists of scoring a written response from agencies to questions on the 21 requirements in 15 U.S.C. 644(k). | Weight of Category Achievement toward overall Grade | 20% |
| Scoring for each of the 21 requirements: | | Grade | |
| Excellent (Yes) | | 1.0 | |
| Unsatisfactory (No) | | 0.0 | |
| Section 15(k)1 is allowed partial credit of 0.5 with appropriate explanation and documentation provided. Sections 15(k)14 and 15(k)17 will be scored and awarded a 1-point value if, respective to the question, the OSDBU Director receives no unsolicited proposals or notifications AND policy / procedure is in place to manage such processes. If there is no proposal or notification received but a formal policy or procedure is in place and provided as documentation, then the intent of the responsibility is considered to be met. | | 0.5 | |
| Total for all four Category Achievements | | 50%+20%+10%+20% = 100% | |

Agency Achievement Example

| Prime Contract | | |
|----------------|----------|-----------------|
| Category | Goal (%) | Achievement (%) |
| Small Business | 23 | 21 |
| SDB | 5 | 10.5 |
| WOSB | 5 | 4 |
| SDVOSB | 3 | 3.5 |
| HUBZone | 3 | 1.5 |

| Subcontract | | |
|----------------|----------|-----------------|
| Category | Goal (%) | Achievement (%) |
| Small Business | 35 | 33 |
| SDB | 5 | 8 |
| WOSB | 5 | 10.1 |
| SDVOSB | 3 | 2.5 |
| HUBZone | 3 | 1.5 |

| Category Description |
|--|
| SDB = Small Disadvantaged Business |
| WOSB = Women Owned Small Business |
| SDVOSB = Service-Disabled Veteran Owned Small Business |
| HUBZone = Small Business located in a Historically Underutilized Business Zone |

Agency Achievement Example 1

Number of Small Business Prime Contractors:

- Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories in the Agency’s Top 100 Small Business NAICS Codes Between FY 2018 and FY 2019:

| Category | Number of Prime Contractors FY 18 | Number of Prime Contractors FY 19 | % Change (+/-) |
|----------------|-----------------------------------|-----------------------------------|----------------|
| Small Business | 1500 | 1450 | -3.33% |
| SDB | 675 | 700 | 3.70% |
| WOSB | 550 | 550 | 0.0% |
| SDVOSB | 400 | 390 | -2.5% |
| HUBZone | 175 | 170 | 2.86% |

- Increase in number of SB primes by 10% or more
- Increase in number of SB primes by 5% or more but less than or equal to 10%
- Increase in number of SB primes between 0% and less than 5%
- No change in the number of SB primes (Change = 0%, 0% increase/decrease) (no change)
- Decrease in number of SB primes by more than 0% but less than 5%
- Decrease in number of SB primes by 5% or more but less than or equal to 10%
- Decrease of SB primes by 10% or more

Agency Achievement Example 2



OSDBU Peer Review

The OSDBU peer review consists of scoring a written response from agencies to questions on the 21 requirements in 15 U.S.C 644(k).

To review the full text of 15 U.S.C. 644(k), please visit:

<http://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title15-section644&num=0&edition=prelim>

OSDBU Peer Review Form

15 U.S. Code § 644(k) FY 2018 Compliance Checklist

| | Requirement Title: | Statutory Reference: | Did Agency Satisfy Requirement? <i>(Column responses auto-populate from completed compliance worksheet)</i> |
|---------------|---|----------------------|--|
| 0) | Office and Director Experience | 15(k) | 0.0 |
| 1) | Director Title | 15(k)1 | 0.0 |
| 2) | Compensation and Seniority | 15(k)2 | 0.0 |
| 3) | Reporting (Head of Agency or Deputy Head) | 15(k)3 | 0.0 |
| 4) | Implementation and Execution of Business Development and Federal Contracting Responsibilities of the Small Business Act | 15(k)4 | 0.0 |
| 5) | Identify and Address Bundling of Contracts | 15(k)5 | 0.0 |
| 6) | Provide Assistance on Payments | 15(k)6 | 0.0 |
| 7) | Supervisory Authority | 15(k)7 | 0.0 |
| 8) | Assign Small Business Technical Advisors | 15(k)8 | 0.0 |
| 9) | OSDBU Cooperation and Consultation | 15(k)9 | 0.0 |
| 10) | Recommendations to Contracting Officers | 15(k)10 | 0.0 |
| 11) | Activity Conversion | 15(k)11 | 0.0 |
| 12) | Advise CAO and SPE | 15(k)12 | 0.0 |
| 13) | SBC and Contracting Specialist Training | 15(k)13 | <i>Optional (Not Mandatory) -</i> 0.0 |
| 14) | Receive Unsolicited Proposals | 15(k)14 | 0.0 |
| 15) | Exclusive Duties and Title | 15(k)15 | 0.0 |
| 16) | Congressional Reporting | 15(k)16 | 0.0 |
| 17) | Respond to Undue Restriction Notifications | 15(k)17 | 0.0 |
| 18) | Purchase Card Summary Data Review | 15(k)18 | 0.0 |
| 19) | Vendor Compliance Education and Training | 15(k)19 | 0.0 |
| 20) | Subcontracting Plan Review | 15(k)20 | 0.0 |
| TOTAL: | | | + 0.0 |

I, _____, as the _____ at _____ verify that this information is an accurate representation of my agency's compliance in FY 2018 with 15 U.S.C. § 644(k) and can, if requested, provide additional information to further corroborate responses.

Signature: _____ Date: _____

Small Business Procurement Advisory Committee 15 U.S.C. § 644(k) Compliance Review

Calculating Prime Contracting Score

| Category | Category Component Achievement | / | Goal | = | Achievement Score | X | Component Weight | = | Weighted Performance |
|----------------|--------------------------------|---|------|---|-------------------|---|------------------|---|----------------------|
| Small Business | 21.00% | / | 23% | = | 91.3% | X | 60.00% | = | 54.78% |
| SDB | 10.50% | / | 5% | = | 200.00%* | X | 10.00% | = | 20.00% |
| WOSB | 4.00% | / | 5% | = | 80.00% | X | 10.00% | = | 8.00% |
| SDVODB | 3.50% | / | 3% | = | 116.67% | X | 10.00% | = | 11.67% |
| HUBZone | 1.50% | / | 3% | = | 50% | X | 10.00% | = | 5.00% |

Total Prime Contracting Weighted Performance (Prime Score) 99.45%

*achievement score capped at 200.00%

Calculating Subcontracting Score

| Category | Category Component Achievement | | Goal | | Achievement Score | | Component Weight | | Weighted Performance |
|--|--------------------------------|---|------|---|-------------------|--------|------------------|---|----------------------|
| Small Business | 33.00% | / | 35% | = | 94.29% | x x | 60.00% | = | 56.57% |
| SDB | 8.00% | / | 5% | = | 160.00% | x | 10.00% | = | 16.00% |
| WOSB | 10.10% | / | 5% | = | 200.00%* | x | 10.00% | = | 20.00% |
| SDVODB | 2.50% | / | 3% | = | 83.33% | x | 10.00% | = | 8.33% |
| HUBZone | 1.50% | / | 3% | = | 50% | x | 10.00% | = | 5.00% |
| Total Subcontracting Weighted Performance (Subcontracting Score) | | | | | | | | | 105.90% |

*achievement score capped at 200.00%

Calculating Number of Small Business Prime Contractors

| Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories in the Agency's Top 100 Small Business NAICS Codes Between FY 2018 and FY 2019 | Performance |
|---|---------------|
| Percentage change in the number of SB prime contractors from FY 2018 to FY 2019 = -3.33% | 0.9 |
| Percentage change in the number of SDB prime contractors from FY 2018 to FY 2019 = +3.70% | 1.1 |
| Percentage change in the number of WOSB prime contractors from FY 2018 to FY 2019 = 0.00% | 1.0 |
| Percentage change in the number of SDVOSB prime contractors from FY 2018 to FY 2019 = -2.50% | 0.9 |
| Percentage change in the number of HUBZone SB prime contractors from FY 2018 to FY 2019 = -2.86% | 0.9 |
| Total Score for this Category | 4.8 |
| Number of SB Prime Contractors Score = Sum of 5 Scores ÷ 5 = 4.8 ÷ 5 | 96.00% |

- Increase in number of SB primes by 10% or more
- Increase in number of SB primes by 5% or more but less than or equal to 10%
- Increase in number of SB primes between 0% and less than 5%
- No change in the number of SB primes (Change = 0%, 0% increase/decrease) (no change)
- Decrease in number of SB primes by more than 0% but less than -5%
- Decrease in number of SB primes by -5% or more but less than or equal to -10%
- Decrease of SB primes by -10% or more

Calculating OSDBU Peer Review Score

The OSDBU peer review consists of scoring a written response from agencies to questions on the 21 requirements in 15 U.S.C. 644(k).

| Req. # | Score | Req. # | Score | Req. # | Score |
|--------|-------|--------|-------|--------|-------|
| (k)/0 | 1.0 | 8 | 1.0 | 16 | 1.0 |
| 1 | 0.5 | 9 | 1.0 | 17 | 1.0 |
| 2 | 1.0 | 10 | 1.0 | 18 | 1.0 |
| 3 | 1.0 | 11 | 1.0 | 19 | 1.0 |
| 4 | 1.0 | 12 | 1.0 | 20 | 1.0 |
| 5 | 1.0 | 13 | 1.0 | 21 | 1.0 |
| 6 | 1.0 | 14 | 1.0 | Total: | 20.5 |
| 7 | 1.0 | 15 | 1.0 | | |

OSDBU Peer Review Score: $21 \text{ Scores Combined} \div 21 = 20.5 \div 21$ **97.62%**

This factor performance is scored by a peer review panel of OSDBU/OSBP directors

Calculating Agency Overall Small Business Procurement Grade

| Achievement Category | Category Score | X | Weight of Category toward Overall Grade | = | Partial Grade |
|---|----------------|---|---|---|----------------------|
| Prime Contracts | 99.45% | x | 50% | = | 49.73 |
| Subcontracting | 105.90 | x | 20% | = | 21.18% |
| Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories in the Agency's Top 100 Small Business NAICS Codes Between FY 2018 and FY 2019 | 96.00% | x | 10% | = | 9.60% |
| OSDBU Peer Review on the 21 requirements in 15 U.S.C. 644(k) | 97.62% | x | 20% | = | 19.52% |
| Overall Small Business Performance Grade | | | | | 100.03% A |

| | |
|-----------|-------------------|
| A+ | ≤ 150% but ≥ 120% |
| A | < 120% but ≥ 100% |
| B | < 100% but ≥ 90% |
| C | < 90% but ≥ 80% |
| D | < 80% but ≥ 70% |
| F | < 70% |

Questions

SBA.gov Small Business Procurement Scorecards

➤ <https://www.sba.gov/content/small-business-procurement-scorecards-0>

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