



U.S. Small Business  
Administration

Report to Congress  
on  
Small Business Subcontracting Plan Goals Status  
Fiscal Year 2022

July 21, 2023

Contents

**LIST OF TABLES.....2**  
**ACRONYMS .....2**  
**EXECUTIVE SUMMARY .....3**  
**REPORT REQUIREMENTS.....4**  
**REPORT FINDINGS.....4**  
    PERCENTAGE OF ENTITIES REQUIRED TO SUBMIT REPORTS PURSUANT TO SECTION 637(D)(6)  
    OF THIS TITLE THAT FILED SUCH REPORTS AND THAT FAILED TO FILE SUCH REPORTS DURING  
    THE PRIOR FISCAL YEAR.....4  
    PERCENTAGE OF ENTITIES FILING SUCH REPORTS THAT MET, EXCEEDED, OR FAILED TO  
    MEET GOALS SET FORTH IN THEIR SUBCONTRACTING PLANS DURING THE PRIOR FISCAL  
    YEAR.....5  
    AGGREGATE VALUE BY WHICH SUCH ENTITIES EXCEEDED, OR FAILED TO MEET, THEIR  
    SUBCONTRACTING GOALS DURING THE PRIOR FISCAL YEAR.....6  
**CONCLUSION.....7**

List of Tables

Table 1 Final FY2022 ISRs.....6  
Table 2 Regular FY2022 ISRs .....6  
Table 3 Aggregate Dollar Value For Failure to Meet Goals.....6

Acronyms

- Electronic Subcontracting Reporting System (eSRS)
- Department of Defense (DoD)
- Fiscal Year (FY)
- General Services Administration (GSA)
- Historically Black Colleges and Universities/Minority Institutions (HBCU/MI)
- Historically Underutilized Business Zone (HUBZone)
- Individual Subcontracting Report (ISR)
- Integrated Acquisition Environment (IAE)
- Service-Disabled Veteran-Owned Small Business (SDVOSB)
- Small Business (SB)
- Small Business Administration (SBA)
- Small Disadvantaged Business (SDB)
- Summary Subcontracting Report (SSR)
- Veteran-Owned Small Business (VOSB)
- Woman-Owned Small Business (WOSB)

## Executive Summary

A Federal contractor that is other-than-small that receives a contract or subcontract that exceeds \$750,000 (or \$1.5 million for construction) that has further subcontracting opportunities is required to submit a small business subcontracting plan that includes goals for subcontract awards to small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), Historically Black Colleges and Universities/Minority Institutions (HBCU/MI), HUBZone small business (HUBZone), veteran owned small business (VOSB), and service-disabled veteran owned small business (SDVOSB). There are three types of subcontracting plans: Individual Subcontracting Plans (contain small business goals specific to a contract), Commercial Subcontracting Plans (contain annual small business goals that apply to the entire company, division or product line), and Department of Defense (DOD) Comprehensive Subcontracting Plans (contain annual small business goals for all DOD contracts).

Contractors with subcontracting plans enter their subcontracting accomplishments in the electronic Subcontract Reporting Systems (eSRS) on a semi-annual or annual basis, depending on the type of subcontracting plan. This allows the Contracting Officer to compare a contractor's subcontracting plan goals to its subcontracting accomplishments. However, due to the eSRS's current limitation that only companies with individual plans input their subcontracting plan goals, this data can only be collected for companies with Individual Subcontracting Plans.

The FY2022 data in eSRS indicates that 63% of the goals for small business on completed contracts were met or exceeded, but over half of the socioeconomic small business goals were not met. The aggregate dollars lost by all small business categories when contractors fail to achieve their goals is substantial. If contractors had met their subcontracting plan goals on completed contracts, small businesses would have received \$1,972,744,586 more in subcontracts, SDBs would have received \$1,114,721,062 more, and HBCU/MIs would have received \$149,116,204 more.

## Report Requirements

The Small Business Act (the Act) and 15 U.S.C 637d(2) requires the U.S. Small Business Administration (SBA) to annually submit a report to the Committee on Small Business of the United States House of Representatives and the Committee on Small Business and Entrepreneurship of the United States Senate, which identifies the entities that failed to submit Individual Subcontracting Report (ISR) and/or Summary Subcontracting Report (SSR) in the Electronic Subcontracting Reporting System (eSRS).

The following information is based on data available through existing systems, that sets forth, by agency (and to the extent practicable, by type of goal or plan):

- (1) the percentage of entities required to submit reports pursuant to section 637(d)(6) of this title that filed such reports and that failed to file such reports during the prior fiscal year;
- (2) the percentage of entities filing such reports that met, exceeded, or failed to meet goals set forth in their subcontracting plans during the prior fiscal year; and
- (3) the aggregate value by which such entities exceeded, or failed to meet, their subcontracting goals during the prior fiscal year.

## Report Findings

*Percentage of entities required to submit reports pursuant to section 637(d)(6) of this title that filed such reports and that failed to file such reports during the prior fiscal year*

SBA is unable to provide information regarding the percentage of entities required to submit reports pursuant to section 637(d)(6) of this title (shown as (1) above) because the electronic Subcontract Reporting System (eSRS), which is the system contractors use to input their small business subcontracting plan goal achievements, does not indicate which contractors received a contract award with a subcontracting plan but failed to file a report. This information would make a significant difference because it would allow agencies to readily identify which contractors are not

reporting their subcontracting accomplishments. The eSRS is a part of the Integrated Acquisition Environment (IAE), whereby General Services Administration (GSA) manages this system. SBA is aware that the system is currently being redesigned.

*Percentage of entities filing such reports that met, exceeded, or failed to meet goals set forth in their subcontracting plans during the prior fiscal year*

SBA is able to provide partial information. SBA can only provide the percentage of entities that met/exceeded or failed to meet goals set forth in their subcontracting plans in FY2022 for companies that have Individual Subcontracting Plans. This is because eSRS does not contain subcontracting plan goals for contractors with Commercial Subcontracting Plans or Department of Defense (DoD) Comprehensive Subcontracting Plans. The system does not provide goals, which does not provide for comparison of their achievements. In addition, the information provided does not include data from the 2909 pending, 625 rejected, 193 revised, and 15 reopened FY2022 Individual Subcontracting Reports (ISR) in eSRS because the Contracting Officer or the next higher tier contractor did not take action to accept or reject the reports in the eSRS.

In order to provide complete information, modifications to eSRS would need to be made. These include subcontracting plan goals for Commercial Subcontracting Plans and DOD Comprehensive Subcontracting Plans; a listing of contracts that have active subcontracting plan, but no report was submitted in eSRS; and a single report that separates missed subcontracting goals, by executive Federal agency. These changes would allow SBA to accurately identify which contractors are not submitting reports in eSRS and which goals are not being met for all subcontracting plan types.

In Table 1, *Final FY2022 ISRs*, the data reflects the number of Individual Subcontracting Plans that achieved/exceeded each subcontracting plan goal and those that failed to achieve each goal. This is for completed contracts. SBA also notes that the statistics provided do not count goals as met when the contractor did not have a goal in a specific small business category.

**Table 1: Final FY2022 ISRs**

Category	Total # ISRs	No Goal	Total ISRs with Goals	# Achieved/ Exceeded Goal	% Achieved/ Exceeded Goal	# Failed to Meet Goal	% Failed Goal
<b>SB</b>	2906	214	2692	1696	63.0%	996	37.0%
<b>SDB</b>	2906	1131	1775	810	45.6%	965	54.4%
<b>WOSB</b>	2906	869	2037	1056	51.8%	981	48.2%
<b>HBCU/MI</b>	2906	2858	48	0	0.0%	48	100.0%
<b>HUBZone</b>	2906	1561	1345	489	36.4%	856	63.6%
<b>VOSB</b>	2906	1150	1756	839	47.8%	917	52.2%
<b>SDVOSB</b>	2906	1619	1287	462	35.9%	825	64.1%

In Table 2, *Regular FY2022 ISRs*, the data reflects the number of subcontracting plans that are achieving/exceeding each subcontracting plan goal and those that are failing to achieve each goal. This is for ongoing contracts. SBA also notes that the statistics provided do not count goals as met when the contractor did not have a goal in a specific small business category.

**Table 1: Regular FY2022 ISRs**

Category	Total # ISRs	No Goal	Total ISRs with Goals	# Achieved/ Exceeded Goal	% Achieved/ Exceeded Goal	# Failed to Meet Goal	% Failed Goal
<b>SB</b>	14931	805	14126	7661	54.2%	6465	45.8%
<b>SDB</b>	14931	4324	10607	3844	36.2%	6763	63.8%
<b>WOSB</b>	14931	3546	11385	4797	42.1%	6588	57.9%
<b>HBCU/MI</b>	14931	14686	245	33	13.5%	212	86.5%
<b>HUBZone</b>	14931	6196	8735	2064	23.6%	6671	76.4%
<b>VOSB</b>	14931	4761	10170	3644	35.8%	6526	64.2%
<b>SDVOSB</b>	14931	6433	8498	2166	25.5%	6332	74.5%

*Aggregate value by which such entities exceeded, or failed to meet, their subcontracting goals during the prior fiscal year*

In Table 3, *Aggregate Dollar Value for Failure to Meet Goals*, the data reflects the aggregate dollar value by which contractors failed to achieve their goals in each small business category, both for completed contracts and on-going contracts.

Table 2: Aggregate Dollar Value For Failure to Meet Goals

<b>Category</b>	<b>Final ISRs</b>	<b>Regular ISRs</b>
<b>SB</b>	\$1,972,744,586	\$22,053,241,320
<b>SDB</b>	\$1,114,721,062	\$8,608,553,498
<b>WOSB</b>	\$854,751,097	\$17,536,157,347
<b>HBCU/MI</b>	\$149,116,204	\$188,648,925
<b>HUBZone</b>	\$644,654,276	\$9,451,350,182
<b>VOSB</b>	\$604,870,908	\$10,637,095,747
<b>SDVOSB</b>	\$653,132,746	\$9,022,089,409

## Conclusion

As shown in Table 1, the percentage by which contractors failed to achieve their FY2022 ISR goals at contract completion is higher than the percentage that achieved or exceeded their goals in all socioeconomic categories except the small business and women-owned small business categories. For individual small business subcontracting plans, the goal was achieved or exceeded 63% and 51.8% respectively. No contractor met their HBCU/MI goal. Similar data exists for ongoing contracts, as shown in Table 2.

The aggregate dollars lost by all small business categories when contractors fail to achieve their goals is substantial. This is evidenced by the information in Table 3. If contractors had met their small business subcontracting plan goals, more contracting dollars would be going to small businesses from Federal procurements.