



U.S. Small Business  
Administration



# *Fiscal Year 2023 Small Business Procurement Scorecard*

*Grade Calculation Methodology*

*March 2024*

# Methodology

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)).

SBA is continuing prior years' weighting methodology (FY21-FY23) for the FY 2023 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 22 requirements from FY 2022. For the FY23 scorecard, each OSDBU director was required to provide a response to each of the 22 requirements. The answers were included in the grade calculation.

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

Areas	% Grade
Prime Contracting Achievement	50% of Scorecard Grade
Subcontracting Achievement	20% of Scorecard Grade
OSDBU Peer Review on Agency Compliance with Section 15(k) of the Small Business Act (22 requirements)	20% of Scorecard Grade
Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories Between FY 2022 and FY 2023	10% of Scorecard Grade

## Methodology (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 prime vendor 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 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 OSDBU peer review consists of scoring a written response from agencies using a detailed compliance checklist for 22 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

## Methodology (continued 2)

Each federal agency has a different small business and small disadvantaged business contracting goal, established annually in consultation with SBA. SBA ensured that the sum total of all of the goals exceeds the 23% target established by law for small business and the 12% target in OMB Memorandum M-23-01 for small disadvantaged business.

Based on their overall performance, SBA assigned 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 2023, in accordance with federal law, agencies received double credit for prime contract awards awarded as local area set asides in support of a disaster. 15 USC § 644(f). Additionally, agencies received double credit for awards to small businesses located in Puerto Rico and U.S. territories, if the award did not already qualify for double credit under the disaster provision. 15 U.S.C. § 644(x). Double credit means that the small business, SDB, WOSB, SDVOSB, and HUBZone dollars were doubled for those awards, without doubling the denominator for that award.

Starting in the Scorecard for FY 2022, SBA excluded certain transactions that, if included in the Scorecard, would present a distorted view of the opportunities for small businesses to participate in government contracts with Federal agencies. Specifically, SBA excluded deobligations that are associated with prime contracts for which there are no current positive dollar awards. SBA explained its methodology in a June 22, 2022 Federal Register notice. The deobligations methodology also is described on SAM.gov.

Starting in the FY 2023 scorecard, SBA now includes small-business credit for the purchases from the GSA Commercial Platforms (CP) program. A memorandum of understanding between GSA and SBA provides that SBA will now include the CP small-business purchases in the scorecard. The CP currently has three providers: Amazon, Overstock, and Fisher Scientific.

# Agency Small Business Scorecard Grade Calculation Methodology

<b>Achievement Category</b>	<b>Prime Contracting</b>	<b>Weight of Category Achievement toward Overall Grade</b>	<b>50%</b>
<b>Components</b>		<b>Component Weight</b>	
Small Business		60%	
SDB		10%	
WOSB		10%	
SDVOSB		10%	
HUBZone		10%	
<b>Achievement Category</b>	<b>Subcontract</b>	<b>Weight of Category Achievement toward Overall Grade</b>	<b>20%</b>
<b>Components</b>		<b>Component Weight</b>	
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 between FY 2022 and FY 2023	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)

<b>Achievement Category</b>	<b>The OSDBU peer review consists of scoring a written response from agencies to questions on the 22 requirements in 15 U.S.C. 644(k).</b>	<b>Weight of Category Achievement toward overall Grade</b>	<b>20%</b>
<b>Scoring for each of the 22 requirements:</b>		<b>Grade</b>	
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 a 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	
<b>Total for all four Category Achievements</b>		<b>50%+20%+10%+20% = 100%</b>	



# Agency Achievement Example

Prime Contract		
Category	Goal (%)	Achievement (%)
Small Business	23	21
SDB	12	13
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 (cont.)

Number of Small Business Prime Contractors:

- Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories Between FY 2022 and FY 2023:

Category	Number of Prime Contractors FY 22	Number of Prime Contractors FY23	% 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 (cont. 2)

### OSDBU Peer Review

The OSDBU peer review consists of scoring a written response from agencies to questions on the 22 requirements in 15 U.S.C 644(k).

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

[https://uscode.house.gov/view.xhtml?req=\(title:15%20section:644\)](https://uscode.house.gov/view.xhtml?req=(title:15%20section:644))

# 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
<b>TOTAL:</b>			+ 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

Section I - Instructions
Section II - Compliance Checklist
Section III - Compliance Worksheet
15 U.S.C. § 644(k)

## Calculating Prime Contracting Score for the Example

Category	Category Component Achievement	/	Goal	=	Achievement Score	X	Component Weight	=	Weighted Performance
Small Business	21%	/	23%	=	91.3%	x	60.00%	=	54.78%
SDB	13%	/	11%	=	118.2%	x	10.00%	=	11.8%
WOSB	4%	/	5%	=	80.00%	x	10.00%	=	8.00%
SDVODB	3.5%	/	3%	=	116.67%	x	10.00%	=	11.67%
HUBZone	1.5%	/	3%	=	50%	x	10.00%	=	5.00%
Total Prime Contracting Weighted Performance (Prime Score)									<b>91.25%</b>

\*Positive achievement score capped at 200.00%.

Negative achievement score capped at 0.0%

# Calculating Subcontracting Score

Category	Category Component Achievement	/	Goal	=	Achievement Score	X	Component Weight	=	Weighted Performance
Small Business	33.00%	/	35%	=	94.29%	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%
<b>Total Subcontracting Weighted Performance (Subcontracting Score)</b>									<b>105.90%</b>

\*Positive achievement score capped at 200.00%.  
 Negative achievement score capped at 0.0%.

## Calculating Number of Small Business Prime Contractors

Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories Between FY 2022 and FY 2023	Performance
Percentage change in the number of SB prime contractors from FY 2022 to FY 2023 = -3.33%	0.9
Percentage change in the number of SDB prime contractors from FY 2022 to FY 2023 = +3.70%	1.1
Percentage change in the number of WOSB prime contractors from FY 2022 to FY 2023 = 0.00%	1.0
Percentage change in the number of SDVOSB prime contractors from FY 2022 to FY 2023 = -2.50%	0.9
Percentage change in the number of HUBZone SB prime contractors from FY 2022 to FY 2023 = -2.86%	0.9
Total Score for this Category	4.8
<b>Number of SB Prime Contractors Score = Sum of 5 Scores ÷ 5 = 4.8 ÷ 5</b>	<b>96.00%</b>

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 22 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:	21.5
7	1.0	15	1.0		

OSDBU Peer Review Score:  $22 \text{ Scores Combined} \div 22 = 21.5 \div 22$  **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	91.25%	x	50%	=	45.63%
Subcontracting	105.90%	x	20%	=	21.18%
Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories Between FY 2021 and FY 2022	96.00%	x	10%	=	9.60%
OSDBU Peer Review on the 22 requirements in 15 U.S.C. 644(k)	97.62%	x	20%	=	19.52%
<b>Overall Small Business Performance Grade</b>					<b>95.93% B</b>

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/scorecard>

## **Small Business Industry Groups and Members of the Press**

Please contact the SBA's Office of Communications & Public Liaison

409 3rd Street, S.W. Suite 7450

Washington, DC 20416

[press\\_office@sba.gov](mailto:press_office@sba.gov)

## **Federal, State, and Local Government Staff**

Please contact the SBA's Office of Government Contracting 409 3rd Street, S.W. , Suite 8000

Washington, DC 20416

Phone: 202 205 6740