



U.S. Small Business  
Administration

*Fiscal Year 2018*  
*Small Business Procurement Scorecard*



***Grade Calculation Methodology***  
***February 2019***

*FY2018 federal prime contracting data retrieved from FPDS-NG on 03/15/2019 for the date range 10/01/2017 through 9/30/2018*

*FY2018 federal subcontracting data retrieved from eSRS on 03/15/2019 for the date range 10/01/2017 through 09/30/2018*

# 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 2017 weighting methodology for the FY 2018 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, expanding the checklist from 17 requirements in FY 2017 to 20 requirements in 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 2017 and FY 2018	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 OSDBU 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 2018, 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).

The NDAA of FY 2019 includes a new double-credit provision which states that "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 2017 and FY 2018	Weight of Category Achievement toward overall Grade	10%
Range			Score
Increase in number of SB primes by more than 10%			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 in number of SB primes by more than 10%			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 21 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 21 requirements:</b>		<b>Grade</b>	
<b>Excellent (Yes)</b>		<b>1.0</b>	
<b>Unsatisfactory (No)</b>		<b>0.0</b>	
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.		<b>0.5</b>	
<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	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 2017 and FY 2018:

Category	Number of Primes FY 16	Number of Primes dc FY 17	% 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
<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

# 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%
<b>Total Prime Contracting Weighted Performance (Prime Score)</b>									<b>99.45%</b>

\*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%
<b>Total Subcontracting Weighted Performance (Subcontracting Score)</b>									<b>105.90%</b>

\*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 2016 and FY 2017	Performance
Percentage change in the number of SB prime contractors from FY 2016 to FY 2017 = -3.33%	0.9
Percentage change in the number of SDB prime contractors from FY 2016 to FY 2017 = +3.70%	1.1
Percentage change in the number of WOSB prime contractors from FY 2016 to FY 2017 = 0.00%	1.0
Percentage change in the number of SDVOSB prime contractors from FY 2016 to FY 2017 = -2.50%	0.9
Percentage change in the number of HUBZone SB prime contractors from FY 2016 to FY 2017 = -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 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 2016 and FY 2017	96.00%	x	10%	=	9.60%
OSDBU Peer Review on the 18 requirements in 15 U.S.C. 644(k)	97.62%	x	20%	=	19.52%
<b>Overall Small Business Performance Grade</b>					<b>100.03% A</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/content/small-business-procurement-scorecards-0>

## **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 20024

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

Terry Sutherland

Director, Press Office

(Office) 202-205-6919

(BB) 202-557-6643

(Fax) 202-481-2386

[Terrence.Sutherland@sba.gov](mailto:Terrence.Sutherland@sba.gov)

Press Office: <http://www.sba.gov/newsroom>

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

Please contact the SBA's Office of Government Contracting

409 3rd Street, S.W. , Suite 8000

Washington, DC 20024

Phone: 202 205 6740