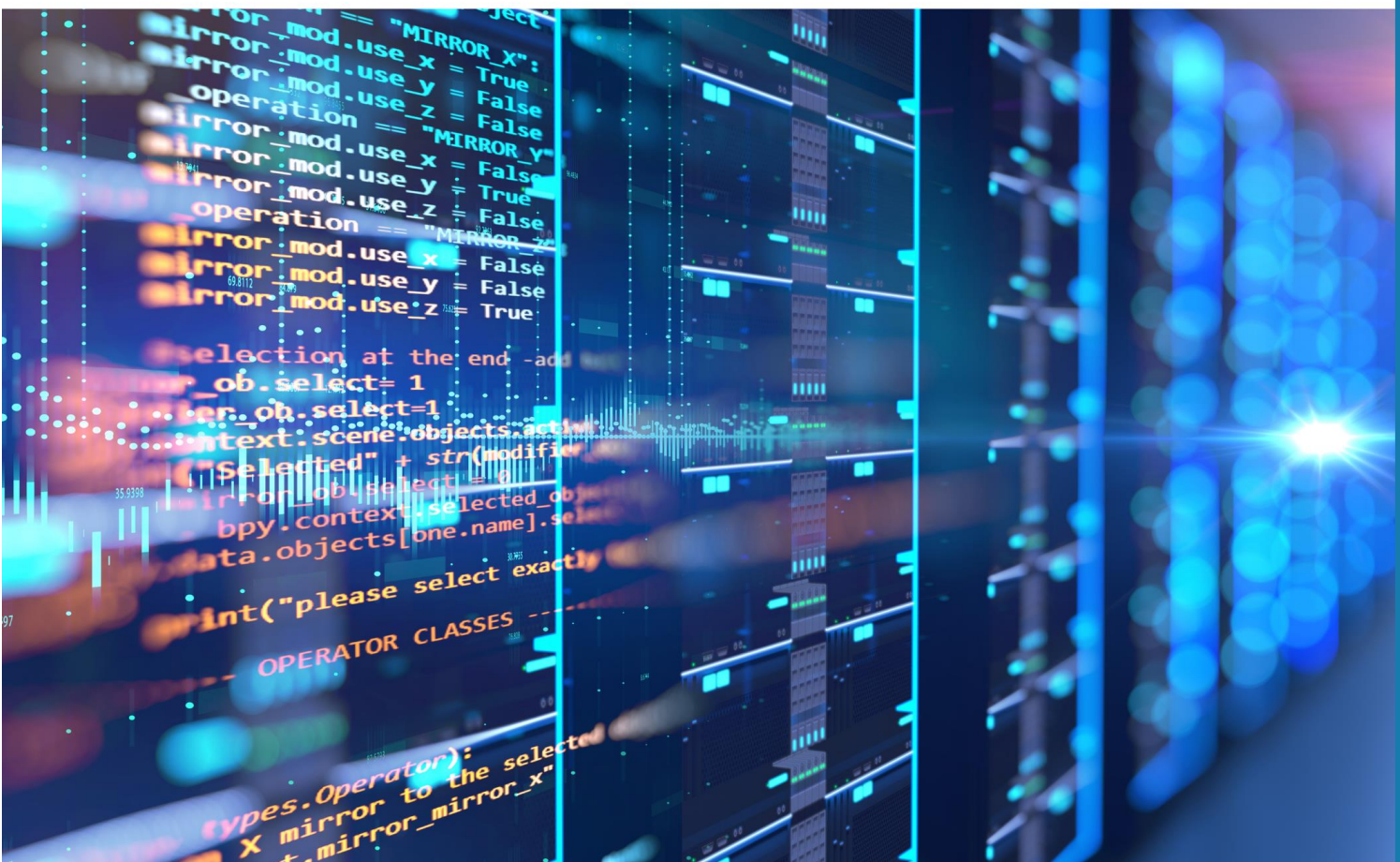# SBA Surveillance Reviews Evaluation
Final Evaluation Report

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DISCLAIMER

This report was prepared for the U.S. Small Business Administration Office of Program Performance, Analysis, and Evaluation and Office of Government Contracting, under Contract Number 73351018A0036, Task Order 73351021F0106. The views expressed are those of the authors and should not be attributed to the SBA, nor does mention of trade names, commercial products, or organizations imply endorsement of same by the U.S. government.

ACKNOWLEDGMENTS

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List of Acronyms

AD: Area Director

CAP: Corrective Action Plan

CO: Contracting Officer

COR: Contracting Officer's Representative

FuSR: Follow-up Surveillance Review

GAO: Government Accountability Office

GC: Office of Government Contracting

HUBZone: Historically Underutilized Business Zone

IG: Inspector General

OSDBU: Office of Small and Disadvantaged Business Utilization

PC: Procurement Center

PCR: Procurement Center Representative

SBA: Small Business Administration

SBGR: Small Business Goaling Report

SOP: Standard Operating Procedure

SR: Surveillance Review

TL: Team Leader

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1 EXECUTIVE SUMMARY

PURPOSE. The Summit Consulting, LLC, and Industrial Economics, Incorporated, team ("the Team") conducted an evaluation of the SBA's surveillance reviews (SR) program, which assesses whether agency Procurement Centers (PCs) are providing maximum practicable opportunity for small business participation in federal contracting. Although surveillance reviews are typically conducted by in-person teams, the COVID-19 pandemic necessitated the use of virtual reviews. The Team conducted a mixed-methods evaluation to address the following three research questions:

- **Research Question 1:** How can surveillance reviews be made more effective and efficient?
- **Research Question 2:** What can be learned from SBA's shift to virtual surveillance reviews during the COVID-19 pandemic?
- **Research Question 3:** To what extent do PCs increase their small business contracting goal achievement following surveillance reviews?

DATA SOURCES AND METHODOLOGIES. This mixed-methods evaluation used the following data sources and methodologies:

- **A literature review of similar review processes** that identified common challenges, lessons learned, and best practices potentially applicable to the SBA's surveillance reviews program.
- **A business process map** that showed how the surveillance review process works for both in-person and virtual surveillance reviews.
- **Quantitative analyses of a survey of all surveillance review teams**, including key administrators of the program and employees deployed to conduct the surveillance reviews.
- **Qualitative analyses of interviews with surveillance review teams and PCs** that enabled a deeper understanding of the process and challenges the surveillance review teams and PCs face in conducting surveillance reviews and meeting their goals.
- **Quantitative analyses of timing data** to understand the length of time needed to complete key steps in the surveillance review process between 2015 and 2021.
- **Quantitative analyses of travel-cost data** to examine costs associated with the surveillance review process.
- **Quantitative analyses of small business goaling report (SBGR) data**[1] for reviewed PCs and a comparison group of non-reviewed PCs to understand to what extent small business spending increased following surveillance reviews.
- **Quantitative analyses of goal data** to examine how goal achievement changed following a surveillance review.

RESULTS. A high-level summary of the evaluation results is presented below, organized by research question.

Research Question 1. Respondents felt that in-person surveillance reviews were an efficient use of resources but stressed that no resources could be eliminated without decreasing their effectiveness

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[1] SBGR data is extracted from the Federal Procurement Data System at the end of the fiscal year once data have been certified by all agencies. The resulting SBGR dataset is used for all SBA analyses and reports for that fiscal year. For more information, see the SBA's FY 2021 Goaling Guidelines at
https://www.sba.gov/sites/default/files/2021-01/FY21%20Small%20Business%20Goaling%20Guidelines_Draft_202012Final-508.pdf.

because of staff and workload constraints. The timeliness analysis showed that with the exception of 2020 (due to the start of the COVID-19 pandemic), the general trend is that surveillance reviews have been growing more efficient from a timeliness perspective. This is supported by the survey finding that surveillance reviews are usually or always conducted in an appropriate time frame. When asked about the effectiveness of surveillance reviews, interview respondents were generally unsure whether the process was effective. They felt effectiveness was less in the hands of the SBA and more up to the agency's willingness to make meaningful changes. Respondents' suggestions for improvements included a hybrid approach, in which parts of the process are in person while others are virtual. The literature review revealed that the SBA may benefit from additional instructions in the *Desk Guide*, such as how to use checklist results to write up findings in the SR report.

Research Question 2. Survey and interview respondents reported that the virtual surveillance review process offers specific benefits over in-person, particularly time and cost savings due to reduced travel. However, respondents also cited challenges specific to the virtual mode, with the most notable being obtaining contract files for review. While respondents were split regarding whether virtual surveillance reviews should continue, respondents did suggest that a hybrid (part virtual, part in-person) approach could be adopted moving forward. The timeliness analysis showed that while some timeliness improvements from previous (in-person) years were lost in 2021, the virtual process in 2021 was significantly faster than in 2020. Given the unexpected shift to virtual surveillance reviews in 2020, that year should not be considered a representative year of virtual surveillance reviews.

Research Question 3. Analysis of the SBGR data found a minor, positive change in the percentage of small business spending for reviewed PCs after a surveillance review and relative to a comparison group of non-reviewed PCs. However, the observed changes were not statistically significant, likely a function of the data and the multiple factors which influence small business spending levels. While the Team also examined changes in goal achievement for reviewed PCs, this analysis is limited by the lack of actual spending goals for reviewed PCs in the years following the surveillance review. Regarding follow-up surveillance reviews, the three interviewed PCs that had undergone a follow-up surveillance review all reported having made sustained changes as a result. However, when respondents in four of the surveillance review team interviews were asked whether PCs made long-term changes as a result of follow-up surveillance reviews, all four were unsure. No definitive conclusions could be drawn from an analysis of spending patterns of PCs subject to follow-up surveillance reviews due to extremely small sample sizes, however available data do not suggest that undergoing a follow-up surveillance review has a different impact compared to simply undergoing an initial surveillance review.

RECOMMENDATIONS. The Team made 10 recommendations based on the evaluation findings. These recommendations are summarized below as well as in a matrix presenting the feasibility and impact of each recommendation.

Recommendation 1: Address challenges in accessing virtual contract files by standardizing a list of potential options for sharing contract files to offer agencies. Continue working with PCs from the beginning of the surveillance review process to identify the best process for receiving contract files and contract review mode.

Recommendation 2: Transition to a hybrid mode for surveillance reviews in which some components of the review are conducted in person and others are conducted virtually. The specific mix of hybrid elements should depend upon the particular PC undergoing review. Create a standard list of criteria to inform the decision on how to structure each unique hybrid surveillance review.

Recommendation 3: Improve the effectiveness of the entrance briefing through standardization, given findings that the entrance briefing is not always effective. Standardize the entrance briefing by creating a "kickoff" document that can be shared with PCs ahead of time and hold the entrance briefing 4 to 6 weeks before the start of the surveillance review. This will provide time for PC questions and a decision regarding how to receive contract files.

Recommendation 4: Document and disseminate best practices for increasing small business contracting. Create a list of best practices currently implemented by PCs that have scored well in their surveillance reviews and, if not already in existence, create a list of resources to point PCs in the right direction when further assistance or training is required.

Recommendation 5: Explain the rationale for contract selection during the entrance briefing by providing an overall explanation of the types of contracts that will be reviewed and why. See the full write-up of this recommendation in Section 5 for an example of this explanation. In addition to addressing PC confusion around contract selection, this change is also a best practice identified in the literature review that will provide additional credibility to the review.

Recommendation 6: Update the checklist and *Desk Guide* to gather PC-specific goals to ensure a more accurate understanding of PC small business goal performance. Agency-level goals should only be referenced if PC-level goals are not available. An optional change would be to collect PC goals in the years following a review, which would provide the SBA the opportunity to conduct follow-on analysis of goal achievement for reviewed PCs in subsequent years.

Recommendation 7: Document best practices for SR report writing to improve efficiency and decrease burden on surveillance review teams. Best practices to document include the use of clear, nontechnical language and defining all acronyms and technical terms. Update this list of best practices every year, as common issues and additional best practices are identified.

Recommendation 8: Improve the usefulness of the *Desk Guide* through organizational edits, including improving ease of navigation through headers; reorganizing the order of information; improving clarity regarding which team members are involved in each step of the SR process; and expanding checklist instructions to include how to review contracts, how to determine what is a major or minor finding, and what documentation teams should create during the review.

Recommendation 9: Increase efficiency by improving SR team composition. PCRs often serve on the PC team when their PC is under review (provided they do not serve as Team Leader). Given the benefits of this approach, standardize their inclusion on the surveillance review team to ensure they are always included.

Figure 1: Matrix of recommendations by feasibility and impact

	High Feasibility, Low Impact	High Feasibility, High Impact
High Feasibility	• Explain rationale for contract selection • Update the checklist and *Desk Guide* to gather PC-specific goals • Document best practices for SR report writing • Improve the usefulness of the *Desk Guide* through organizational edits • Increase efficiency by improving SR team composition	• Address challenges in accessing virtual contract files • Transition to hybrid mode for surveillance reviews • Improve effectiveness of entrance briefing through standardization • Document and disseminate best practices for increasing small business contracting
Low Feasibility	Low Feasibility, Low Impact	Low Feasibility, High Impact
	Low Impact	**High Impact**

Feasibility of implementing the recommendations

Impact on the SBA's surveillance reviews program

2   INTRODUCTION

The SBA's Office of Government Contracting (GC) works to increase opportunities for small businesses while also increasing overall competition in the federal acquisition process. This work includes ensuring that federal agencies have small business goals that are consistent with statutory levels. On an annual basis, the SBA negotiates these goals with the 24 Chief Financial Officers Act agencies to help achieve the government-wide statutory goal of 23% prime contract awards to small businesses, as well as other goals for small disadvantaged businesses, service-disabled veteran-owned small businesses, women-owned small businesses, and Historically Underutilized Business Zone (HUBZone) small businesses. These goals have become a key piece of the Biden administration's focus on equity; the President's goal is for 15% of federal contracts to go to SDBs by 2025.[2]

To assess whether agencies are providing maximum practicable opportunity for small business participation in federal contracting, the SBA conducts SRs to assess Procurement Centers (PCs). A PC is an office within an agency that awards or executes contracts and is also referred to as a "contracting office" or "buying activity." The surveillance reviews assess PC activities and processes toward meeting their small business goals. Specifically, surveillance reviews:

- assess the quality of a PC's small business program;
- evaluate the PC's performance on attaining its assigned small business contracting goals;
- evaluate the program's impact on small businesses; and
- enable the SBA to recommend changes to improve small business participation in the PC's acquisition process.

Each year, the SBA typically conducts about 30 surveillance reviews (representing each of the SBA's six office areas) from a pool of around 3,000 PCs based on several selection criteria. These surveillance reviews include initial reviews as well as follow-up surveillance reviews (FuSRs), which are conducted with any PC that received a Marginally Satisfactory or Unsatisfactory grade in the previous fiscal year. Although surveillance reviews are typically conducted by in-person teams, the COVID-19 pandemic necessitated the use of virtual reviews.

The SBA has contracted Summit Consulting, LLC, and Industrial Economics, Incorporated, (together, "the Team") to conduct a mixed-methods evaluation to analyze (1) the effectiveness and efficiency of the surveillance reviews and (2) outcomes for PCs that have undergone surveillance reviews. To do this, this study addressed the following three research questions:

- Research Question 1: How can surveillance reviews be made more effective and efficient?
- Research Question 2: What can be learned from SBA's shift to virtual surveillance reviews during the COVID-19 pandemic?
- Research Question 3: To what extent do PCs increase their small business contracting goal achievement following surveillance reviews?

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[2] "FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners," accessed February 22, 2022. https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners

2.1   Defining *effectiveness* and *efficiency*

A crucial piece of this evaluation is defining *effectiveness* and *efficiency* in the context of surveillance reviews to enable the Team to answer Research Question 1. The Team has defined these terms below based on discussions with the project COR and GC leadership.

2.1.1   Effectiveness

Effectiveness is defined as whether surveillance reviews achieve the intended goals: namely, changes in meeting or exceeding small business contracting goals and maximizing opportunities for small business participation in the acquisition process. This can be measured in several ways, including:

- Do PCs increase small business contracting goal achievement after a surveillance review (as determined by small business goaling report data and surveys or interviews with surveillance review team members and PCs)?
- Do PCs receiving FuSRs complete all actions identified in their Corrective Action Plans within the specified period (as determined by small business goaling report data and surveys or interviews with surveillance review team members and PCs)?

2.1.2   Efficiency

Efficiency is defined as whether surveillance review steps, such as performing reviews, writing the report, and sending the report to the Office of Small and Disadvantaged Business Utilization (OSDBU), are:

- performed within an appropriate time frame depending on type of review and review mode; and
- reflect an appropriate use of resources, including monetary resources (primarily travel and training) and person-hours, to accomplish the goals and objectives of the surveillance reviews program.

The remainder of this report is organized as follows:

- Section 3 describes the data sources and methodologies used to answer the research questions.
- Section 4 provides the evaluation findings by research question.
- Section 5 outlines the conclusions and recommendations.

3   DATA SOURCES AND METHODS

This section outlines the data sources and the quantitative and qualitative analyses that were performed. Table 1 provides a high-level overview of the data and methods used to address each research question.

Table 1: Overview of the research questions and evaluation approach

Research Question	Literature Review	Business Process Map	Survey of All SBA Surveillance Review Teams and Staff	Interviews		SBA Administrative Data Analysis
				Surveillance Review Teams	Procurement Center Staff	
Research Question 1: How can surveillance reviews be made more effective and efficient?						
1.1 From the perspective of those involved in surveillance reviews, what aspects of the reviews could be improved?	●	●	●	●	●	
1.2 What aspects of the surveillance reviews process could be made more efficient or cost-effective?	●	●	●	●	●	●
Research Question 2: What can be learned from SBA's shift to virtual surveillance reviews during the COVID-19 pandemic?						
2.1 What aspects of virtual surveillance reviews are viewed as more effective or efficient compared to in-person reviews, and what aspects of virtual reviews are viewed as less effective or efficient?		●	●	●	●	●
2.2 What aspects of virtual surveillance reviews could be expanded, adapted, or continued in the future to help the SBA modernize and improve its surveillance review process?		●	●	●	●	
Research Question 3: To what extent do PCs increase their small business contracting goal achievement following surveillance reviews?						
3.1 To what extent do PCs that have undergone surveillance reviews increase their small business contracting goal achievement in the subsequent years following the review?		●				●
3.2 (i) To what extent do PCs who have undergone follow-up surveillance reviews: Increase their small business contracting goal achievement in the subsequent years following the review?		●				●
3.2 (ii) To what extent do PCs who have undergone follow-up surveillance reviews: Address the findings identified in reviews in the subsequent years beyond the follow-up review?		●	●	●	●	

Literature review of similar review processes. The Team conducted a literature review focusing on common challenges, lessons learned, and best practices for similar review processes potentially applicable to the SBA's surveillance reviews program. The literature review used a total of 10 sources across three categories of literature, which are described in the paragraphs below. See Appendix D for the full list of sources.

The first category was SBA program documentation, which included the SBA *Surveillance Reviews Standard Operating Procedure* (SOP) and the SBA *Surveillance Review Desk Guide*. The SOP is a brief document that provides an overview of what a surveillance review is, the difference between initial surveillance reviews and FuSRs, the purpose of surveillance reviews, the roles of surveillance review team members, and factors involved in the selection of PCs for review. The document includes appendixes with template emails requesting information from PCs or notifying agencies that a PC has been selected. The *Desk Guide* provides a more detailed walkthrough on how to conduct surveillance reviews. This document expands on the information provided in the SOP and provides specific steps for preparing for and scheduling surveillance reviews; selecting contracts to review; and conducting entrance briefings, exit briefings, and interviews. It also includes three checklists to be used by the SR team during the surveillance review and the specific report format to be followed, as well as defines the ratings assigned to PCs. In addition to the appendixes included in the SOP, this document also contains a series of interview questions that SR teams may use during the surveillance reviews.

The second category of reviewed literature was best practices documentation. This included the Government Accountability Office's Yellow Book (used by government auditors to establish standards and best practices for performing audits) and *Quality Standards for Inspection and Evaluation*, or the "Blue Book," issued by the Council of the Inspectors General on Integrity and Efficiency.

The third category of reviewed literature was oversight reports, which included reports issued by the SBA Inspector General (IG), the Government Accountability Office (GAO), and IG offices for other federal agencies that examine the effectiveness of programs similar to the surveillance reviews. The search for these reports was conducted on the websites of the GAO, SBA IG, Environmental Protection Agency IG, U.S. Department of Agriculture IG, and U.S. Department of Labor IG[3] and included the key search terms *oversight*, *review*, *audit*, and *evaluation*. The selected reports were all evaluations of programs similar to the SBA's surveillance reviews, in which the agency conducts oversight, audit, or inspections of a particular program. While the Team also looked for reports on programs in which one agency oversees other agencies (as the SR program is structured), the search did not yield any reports meeting this specific criterion.

Content from the 10 sources used in this literature review were categorized and synthesized, revealing the major themes of the literature review. Each theme was then summarized, leading to the key findings. See section 4.1.1 for a summary of the literature review findings.

Business process map. The Team constructed a business process map of the SR process to show how the program is intended to work for both in-person and virtual reviews. The business process map is informed by documentation provided by the SBA, comprising:

- The *Surveillance Review Desk Guide*

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[3] The Environmental Protection Agency, U.S. Department of Agriculture, and U.S. Department of Labor were selected for the search because they were deemed likely to yield similar evaluation or review programs, given their missions.

- SOP 60 02 9
- 2016–2020 surveillance review reports
- Surveillance review tracking spreadsheets

Additionally, the business process map is informed by the SBA's Office of Government Contracting response to a list of questions the Team compiled after initial review of the SR program documentation. The business process map also includes information gleaned from the survey with SBA surveillance review teams, interviews with surveillance review teams and PCs, and administrative timeliness data.

Although the business process map was intended to depict cost efficiency for each step in the SR process, the Team was unable to do so due to data limitations. Administrative SR cost data were only available at the Area Office level and could not be disaggregated for individual SR steps. The findings detailed in Section 4 include insights from the business process map.

Quantitative analysis of survey responses. The Team conducted a survey of all SBA surveillance review teams, including key administrators of the SR program and employees deployed to conduct the surveillance reviews.

The survey addressed Research Question 1 (*How can surveillance reviews be made more effective and efficient?*), Research Question 2 (*What can be learned from SBA's shift to virtual surveillance reviews during the COVID-19 pandemic?*), and Research Question 3.2 (ii) (*To what extent do PCs who have undergone follow-up surveillance reviews address the findings identified in reviews in the subsequent years beyond the follow-up review?*). The survey included questions on participants' SR experience, parts of the current process that work well, current challenges, effectiveness of the FuSRs, whether virtual reviews should be continued in the future, and suggestions for improvements. See Appendix A for the full survey instrument.

The survey was distributed to the full active population (excluding any staff who have retired or left the Federal Government) of key administrators and employees deployed to conduct surveillance reviews in the past 5 years. The response rate was 82% (51 of 62). Given the high response rate and distribution of types of respondents, bias in the summary statistics is minimal—that is, they reflect perspectives of employees participating in the surveillance review programs. Table 2 provides demographics about survey participants and their experience with the SR process.

Table 2: Experience of survey participants

Characteristic	Count	Percentage
Participation in types of surveillance review(s)	**(n = 52)**	
Only full compliance surveillance review (SR)	21	40.38%
Only follow-up surveillance review (FuSR)	0	0.00%
Both full compliance SRs and FuSRs	31	59.62%
Role(s) held on SR/FuSR teams	**(n = 52)**	
Area Director	5	9.62%
Team Leader	39	75.00%
District office (BOS)	1	1.92%
Team member	49	94.23%
Other	3	5.77%
Member of how many SR/FuSR teams	**(n = 51)**	

Characteristic	Count	Percentage
1	2	3.92%
2–3	6	11.76%
4–5	12	23.53%
6+	31	60.78%
Member of how many SR or FuSR teams in 2020 and 2021	**(n = 51)**	
0	1	1.96%
1	7	13.73%
2	14	27.45%
3+	29	56.86%
SR mode: in-person or virtual	**(n = 51)**	
Only in-person full compliance SR	3	5.88%
Only virtual full compliance SR (due to COVID-19 pandemic)	7	13.73%
Both virtual and in-person full compliance SRs	41	80.39%

The survey respondents were asked to identify their level of experience conducting SRs: 61% have worked on six or more SR or FuSR teams, and the majority have held the roles of team member (94%) and Team Leader (75%). Respondents also have recent experience, as 85% have worked on at least one SR or FuSR team in the past 2 years, and 57% have worked on three or more teams during that time. Due to the COVID-19 pandemic, 80% of respondents indicated they have conducted both virtual and in-person full compliance SRs. Notably, no respondents have only conducted FuSRs, though 60% have conducted both full compliance SRs and FuSRs.

The position at the SBA for the majority of survey respondents included Procurement Center Representatives (60%), Area Directors (13%), and Commercial Market Representatives (12%). When asked to select all years they were a part of an SR or FuSR, almost 40% of respondents reported having been on teams as far back as 2015 or earlier; the majority reported their experience dates back to 2018, which indicates they have experience conducting reviews both before and during the COVID-19 pandemic.

The SBA Office of Government Contracting made the initial recruitment contact by email; this approach was designed to improve response rates by having the invitation email originate from within the SBA rather than an external contractor. The SBA also made three follow-up contacts by email spread across the 5 weeks after the survey was launched to solicit participation. In total, the survey was open for 6 weeks.

After administering the survey, the Team downloaded, cleaned, and validated the survey data. For close-ended questions, the Team calculated the percentage or count of respondents who endorsed each response option. The Team generated summary statistics, charts, and graphs to summarize results. Beyond basic descriptive statistics, the Team also segmented results through cross-tabulations to examine how findings vary by type of respondent. For example, the Team looked at correlations between how well a respondent understood their role in the SR process and whether the respondent is a key administrator or surveillance review team staff. All analysis tables are presented in Appendix B.

Qualitative analyses of interviews with surveillance review teams and PCs. The Team conducted six interviews with SR staff and six interviews with PCs to enable a deeper understanding of the process and challenges the surveillance review teams and PCs face in conducting

surveillance reviews and meeting their goals. The interviews enhanced the survey data collected and informed Research Question 1 (*How can surveillance reviews be made more effective and efficient?*), Research Question 2 (*What can be learned from SBA's shift to virtual surveillance reviews during the COVID-19 pandemic?*), and Research Question 3.2(ii) (*To what extent do PCs who have undergone follow-up surveillance reviews address the findings identified in reviews in the subsequent years beyond the follow-up review?*).

The interviews were conducted as small group interviews of one to three participants each. This approach was selected because small group interviews allow the Team to hear from a greater population than strict one-on-one interviews while representing less effort and time than needed for focus groups.

The SR team interviews included a mix of program administrators, staff conducting new surveillance reviews, and staff conducting FuSRs. The PC interviews included a mix of PCs who had received low scores on their initial surveillance review, PCs who had received high scores, and PCs who had undergone FuSRs. The Team stratified both the SR team and PC interviews for a mix of in-person and virtual experiences. In addition, the Team selected PC interviews to provide diversity in civilian versus U.S. Department of Defense agencies as well as Area Offices. Selecting respondents for diversity in these criteria was designed to provide a wide range of input; however, this approach is not a statistically valid sample, meaning that the results cannot be extrapolated and expanded to the wider population. Responses only reflect the opinions and experiences of those interviewed.

Interviews followed a flexible protocol that included in-depth questions relating to each topic. Two separate interview guides were developed, one for each interview population. The guides were designed both to provide structure to ensure all interview topics were covered and to allow interviewers the flexibility to explore potentially unanticipated topics raised by respondents. Draft interview guides were shared with the SBA for review, and comments were incorporated prior to finalization. The interview guides covered topics including challenges and pain points, suggestions for improvements, aspects of the surveillance review process that work well, cost and labor associated with surveillance reviews, and whether improvements are seen in meeting small business contracting goals during FuSRs.

Similar to the recruitment approach used for the survey, the initial recruitment contact was made by the SBA. The Team then followed up by email to schedule 45- to 60-minute interviews, which were conducted via Microsoft Teams. All respondents received the list of interview questions ahead of each interview. Interviews were recorded and transcripts generated with respondents' permission. All respondents were informed that their comments would be reported in aggregate (with the potential for excerpted quotes in our reports) and would not be attributed to specific individuals.

After interviews were conducted, the Team coded transcripts from all interviews, identifying themes relevant to the evaluation objectives (for example, the benefits of virtual surveillance reviews, challenges of virtual surveillance reviews, and perceived improvements during FuSRs). After coding was completed, the Team summarized the main thematic findings in Section 4 below.

Quantitative analyses of timing data. To inform Research Question 1, the Team analyzed records provided by the SBA on the timing of the full surveillance review process (from initiation of the first step to completion of the final step) from 2015 to 2021. Specifically, the Team defined five dates key to the SR process:

- **Inform Date.** The date a letter is sent notifying a PC it will be the subject of a surveillance review that year.
- **Notice Date.** The date a letter is sent to the PC scheduling the surveillance review. This letter includes the SR Preparation Checklist and Request for Information.
- **Review Start Date.** The date of the entrance briefing.
- **Review End Date.** The date of the exit briefing.
- **Report Date.** The date of the letter reporting the surveillance review rating to the PC.

These dates were collected for each PC using the following data sources: the SBA's internal tracking spreadsheets, surveillance review reports, and letters informing a PC of their received rating. The number of days between each of these dates were calculated to define the length of each associated stage of the review process.[4] Additional information on these dates in available in Appendix C.

As shown in Table 3, of the 143 reviews conducted between 2015 and 2021, data on the timing of the surveillance review process were available for 138 reviews (97%).

Table 3: Full surveillance reviews with timeliness data by Area Office

Area office	2015	2016	2017	2018	2019	2020	2021	Total
Area Office 1	2	3	1	2	4	2	3	17
Area Office 2	4	2	6	6	6	3	4	31
Area Office 3	4	3	2	4	4	2	5	24
Area Office 4	3	4	4	4	4	4	3	26
Area Office 5	3	3	2	4	4	1	5	22
Area Office 6	0	1	2	4	4	2	5	18
Total	16	16	17	24	26	14	25	138

Notes:
1. Timeliness data were not available for 6 PCs due to missing or incomplete surveillance review reports.
2. Timber reviews were excluded from all analysis of surveillance reviews. There were 6 timber reviews between 2016 and 2021.

Most dates were available for full surveillance reviews, but reporting on key dates for FuSRs was more limited. In most cases, either an Inform Date or a Notice Date was available, but rarely were both dates reported. As a result, the Team focused the timeliness analysis for FuSRs on two periods: the time between the Review Start Date and the Review End Date and the time between the Review End Date and the Report Date. As shown in Table 4, of the 42 FuSRs conducted between 2015 and 2021, data on the timing of the review itself and the issuance of the report period were available for 27 reviews (64%).

Table 4: Follow-up surveillance reviews with timeliness data by Area Office

Area office	2015	2016	2017	2018	2019	2020	2021	Total
Area Office 1	0	0	3	0	0	0	0	3
Area Office 2	2	3	0	1	1	0	2	9
Area Office 3	0	1	1	0	0	1	0	3
Area Office 4	1	0	2	0	1	0	1	5

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[4] Review length is not reflective of, or equivalent to, level of effort. SBA staff conducting surveillance reviews do not work full-time on surveillance reviews but rather conduct these reviews on top of each individual's regular job responsibilities.

Area office	2015	2016	2017	2018	2019	2020	2021	Total
Area Office 5	0	2	0	0	0	1	0	3
Area Office 6	3	1	0	0	0	0	0	4
Total	6	7	6	1	2	2	3	27

Additionally, the Team analyzed the time for PCs to complete a Corrective Action Plan (CAP) following the Report Date. While the SBA encourages all PCs to submit a CAP, they are only required for PCs that received a rating below Satisfactory. CAP completion dates were collected from the SBA's internal tracking spreadsheets. Only spreadsheets for reviews conducted from 2018 to 2021 recorded CAP completion dates. For these years, CAP completion dates are available for a total of 26 PCs, of which 6 PCs received a Marginally Satisfactory rating.[5,6]

Quantitative analyses of travel-cost data. To better understand the costs associated with the surveillance review process, the Team also analyzed available travel voucher data for SBA staff who traveled for each review. Each travel voucher is tagged with one of six purpose codes.[7] To isolate the subset of travel costs associated with the surveillance review process, the Team selected only the subset of vouchers tagged with purpose code 2115, Compliance (Examination/Review). The Team also consulted with SBA and omitted specific 2115 voucher records identified as unrelated to the surveillance review program.[8] In analyzing voucher data, the Team's analysis focused on the voucher total, which reflects the actual amount reimbursed under the voucher (rather than the initial amount authorized by the voucher).[9]

Quantitative analyses of SBGR data. To inform Research Question 3, the Team analyzed SBGR spending records for PCs reviewed from 2016 to 2019 to understand to what extent small business spending increased following surveillance reviews. In defining the population of reviewed PCs,

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[5] In the period between 2015 and 2021, there was one PC that received a rating of Unsatisfactory for a FuSR. As this was a FuSR, the timing of CAP completion was not analyzed.

[6] According to the SBA, CAP completion dates are not available for some PCs that received below Satisfactory ratings. In such instances, the PC may have completed their CAP but did not submit it to the SBA until just before the start of the PC's follow-up review. The SBA's internal tracking spreadsheets are not updated to include the dates for these "late" CAP submissions. For the purposes of this analysis, any PC without a CAP completion date is counted as unknown, even though a late CAP may have been submitted.

[7] The list of voucher purpose codes includes:
- 2110 – TDY (Non Disaster/Disaster)
- 2112 – Marketing and Outreach
- 2113 – Conference
- 2114 – Training
- 2115 – Compliance (Examination/Review)
- 2160 – International Travel

[8] Records omitted included vouchers in divisions that do not participate in the surveillance review programs and vouchers associated with specific SBA staff responsible for Timber Reviews, which are outside the scope of this evaluation.

[9] The amount the SBA authorizes for a voucher is an upper limit to what can be spent. From 2016 to 2020, every 2115 voucher's amount authorized was equal to or greater than the reimbursed amount. On average, the authorized amount was $148 above the amount reimbursed. As the SBA seems to slightly overestimate the amount that will be spent using a voucher, the Team chose to use the actual amount spent.

the Team included an additional eight PCs that were initially reviewed in 2015 and received a follow-up review in 2016; these eight PCs compose the 2015 review cohort.

To understand how small business spending levels change following a surveillance review, it was necessary to compile SBGR data for each PC for the years prior to and following surveillance reviews. During the surveillance review process, the SBA examines small business contracting activity for the 4-year period prior to the year of the surveillance review. Consistent with this approach, the Team requested data spending records for each PC beginning with FY2012, which is 4 years prior to the 2016 review cohort. To maximize the number of years of post-review data, the Team requested SBGR data through FY2020, the most recent year of available data. The Team's SBGR request included data for the following five spending categories:

- Small businesses
- Small disadvantaged businesses (SDB)
- Service-disabled veteran-owned businesses (SDVOB)
- Historically underutilized business zone (HUBZone)
- Women-owned small businesses (WOSB)

Additionally, the requested SBGR data included each PC's total amount of Small Business Eligible Spending by year, which reflects the total amount of contract dollars that could potentially be awarded to small businesses for the subject fiscal year.

Based on the above parameters, the Team requested SBGR data for FY2012 through FY2020 for a total of 94 PCs reviewed between 2015 and 2019. Table 5 provides a breakdown of the data requested and received by review cohort, which is determined by the year of the initial SR.[10,11] As shown, complete SBGR data were available for 60 PCs (64%).[12,13] Partial data (data for some but not all years) was

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[10] SBGR data was missing for select years for a small subset of 33 out of a total of 94 reviewed PCs for which data was requested.

[11] In 2018, the number of PCs for which SBGR data was requested is higher than the number of full surveillance reviews conducted in 2018; this discrepancy is because the scope of some of the full surveillance reviews included multiple PCs.

[12] To request historical SBGR data, the Team needed to identify each reviewed PC's unique Contracting ID. The Team collected each PC's Contracting ID from the surveillance review reports and then reviewed each PC's Contracting ID against a master list of PCs provided by the SBA for FY2019. For many PCs, the Contracting ID identified in the review report matched a corollary PC in the master FY2019 SBGR dataset. In cases where there was no match, the Team attempted to identify the correct FY2019 Contracting ID based on office characteristics such as name and location. The Team did not request SBGR data for 9 PCs that could not be matched to a PC in the master FY2019 SBGR dataset. These PCs were concentrated in earlier review cohorts, with 7 of the 9 initially reviewed in 2016, one in 2017, and one in 2019.

[13] Between 2012 and 2020, the Team identified approximately 19 reviewed PCs that appeared to have changed their Contracting IDs within the period of analysis. To develop a complete historical record of SBGR data for these PCs, the Team needed to identify each PC's old and new contracting ID and then "stitch" together SBGR data using both Contracting IDs. Of the affected 19 PCs, the majority (16) were reviewed by the SBA in 2016 and 2017 and 3 were reviewed in 2018. The SBA provided an internal listing of PCs that underwent changes in the contracting ID. From this list, the Team identified 15 PCs for which the SBA's record indicated a change in the PC's contracting ID. The SBA then conducted additional follow-up to Area Offices to confirm the change in the contracting IDs for the 15 PCs. Additionally, the Team compared annual spending totals for both the old and new contracting ID to ensure spending levels over time were comparable. Based on this review, the Team felt confident in stitching data across the two contracting IDs for the remaining 15 PCs.

available for 33 additional PCs. A PC was analyzed if there was at least 1 year of data pre-review and 1 year of data post-review. In total there were 82 PCs that met this requirement (87%).[14]

Table 5: SBGR data availability

Review Cohort	Surveillance Reviews (SRs and FuSRs)*	Full Surveillance Reviews (SR)*	SBGR Data Requested**	Complete SBGR Data**	Partial SBGR Data**	Pre- and Post-Review Years Available**
2015	-	-	8	1	7	4
2016	30	19	16	11	5	13
2017	29	19	18	13	4	16
2018	28	25	28	20	8	25
2019	29	26	24	15	9	24
Total	116	89	94	60	33	82

Note: *Count of reviews; **Count of PCs

Comparison group of non-reviewed PCs. To better understand changes in small business spending for reviewed PCs following a surveillance review, the Team also constructed a comparison group of non-reviewed PCs. To generate this comparison group, the Team selected a group of non-reviewed PCs that in aggregate would have characteristics similar to the population of reviewed PCs. To accomplish this, the Team first generated descriptive statistics for the population of reviewed PCs using SBGR data for FY2019.[15] Key descriptive statistics included the breakdown of reviewed PCs by department, agency, and PC ranking based on Small Business Eligible Spending. The latter criterion reflects one of the key criteria that the SBA uses to select PCs for surveillance reviews. The Team then used these descriptive statistics to guide the selection of non-reviewed PCs so that the non-reviewed PCs group would have characteristics similar to the population of reviewed PCs. For example, within the population of PCs reviewed, 85% fall within the top 300 PCs based on Small Business Eligible Spending. The comparison group of non-reviewed PCs was selected to mirror this characteristic (that is, 85% of non-reviewed PCs are from the top 300 PCs in FY2019).

To create the comparison group, the Team followed a two-step process, first narrowing down the total universe of non-reviewed PCs based on the following criteria:

- PCs must be ranked in the top 3,000 PCs based on Small Business Eligible Spending,[16]
- PCs must fall within departments that have been reviewed at least once between 2016 and 2021, and

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[14] Two PCs had only 1 year of available data in the pre-review period. For the 2015 to 2018 cohorts, all PCs had at least 2 years of post-review data available. As SBGR data was only available through 2020, the entire 2019 review cohort had only 1 year of available post-review data.

[15] The Team selected FY2019 as the most recent fiscal year prior to the COVID-19 pandemic to avoid any potential influence on patterns in small business spending related to the pandemic.

[16] The 2019 Contracting Office Rankings dataset provided by the SBA contained records for over 3,300 PCs. The Team omitted all PCs ranked below 3,000 when narrowing down the total universe of non-reviewed PCs, as the SBA only conducts reviews of PCs ranked in the top 3,000.

- At least one of the PC's top three NAICS codes by spending eligibility must match one of the top three NAICS codes for at least one reviewed PC.

These criteria narrowed the universe of non-reviewed PCs from 2,865 to 1,993. For the remaining subset of 1,993 non-reviewed PCs, the Team segmented the list into three groups based on PC rank by Small Business Eligible Spending: PCs ranked in the top 300, PCs ranked from 301 to 600, and PCs ranked below 600. The Team then randomly selected a specific number of PCs from each of the three segments to generate an initial comparison group with roughly the same rank distribution as the population of reviewed PCs. The target was a comparison group of 140 non-reviewed PCs, which is roughly the same size as the population of reviewed PCs between 2016 and 2021. Table 6 shows the composition of the comparison based on PC ranking.

Table 6: Selected non-reviewed PCs by ranking segment

Ranking Segment	Total Number of Eligible Non-Reviewed PCs	Number Randomly Selected	Target Composition
Top 300	196	84	60%
301–600	236	35	25%
Below 600	1,561	21	15%
Total	**1,993**	**140**	**100%**

The Team then compared the representation of departments and agencies in the initial comparison group back to the population of reviewed PCs. As appropriate, the Team adjusted the comparison group to ensure that the composition of the comparison group roughly matched the composition of the reviewed PCs based on department and agency.[17] Appendix C includes additional tables providing descriptive statistics for the population of reviewed PCs and the comparison group of non-reviewed PCs constructed for this analysis.

Small business spending relative to total Small Business Eligible Spending. In analyzing the SBGR data for both reviewed and non-reviewed PCs, the Team focused on the percent of small business contracts awarded relative to each PC's total Small Business Eligible Spending by year and for small business spending and each socioeconomic category. The Team focused on percentages rather than dollar totals for two key reasons. First, the spending goals that the SBA focuses on as part of its reviews are the percentages of spending relative to total Small Business Eligible Spending. Second, spending totals for a PC vary across years; there are several reasons for this variation, such as the timing of an expensive, long-term purchases; changes in budgets; and the types of goods and services a PC is purchasing each year. Using percentages normalizes for changes in spending totals across years. Figure 2 shows trends in annual average spending across all PCs (both reviewed and non-reviewed) from 2012 to 2020. As shown, changes in annual spending generally align with year-to-year changes in total Small Business Eligible Spending. The temporal trends shown in Figure 2 for all small businesses and small disadvantaged businesses are the same for the other socioeconomic categories as well (such as SDVOB, HUBZone, and WOSB). Figures charting the trend in these categories can be found in Appendix C.

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[17] For example, the initial comparison group underrepresented the Department of Defense and one other department relative to the population of reviewed PCs. To address this discrepancy, the Team randomly selected PCs from overrepresented departments and replaced them with randomly selected PCs from the underrepresented departments from the same ranking segment to form the final comparison group.

Figure 2: Annual average small business and small disadvantaged business spending compared to total eligible spending
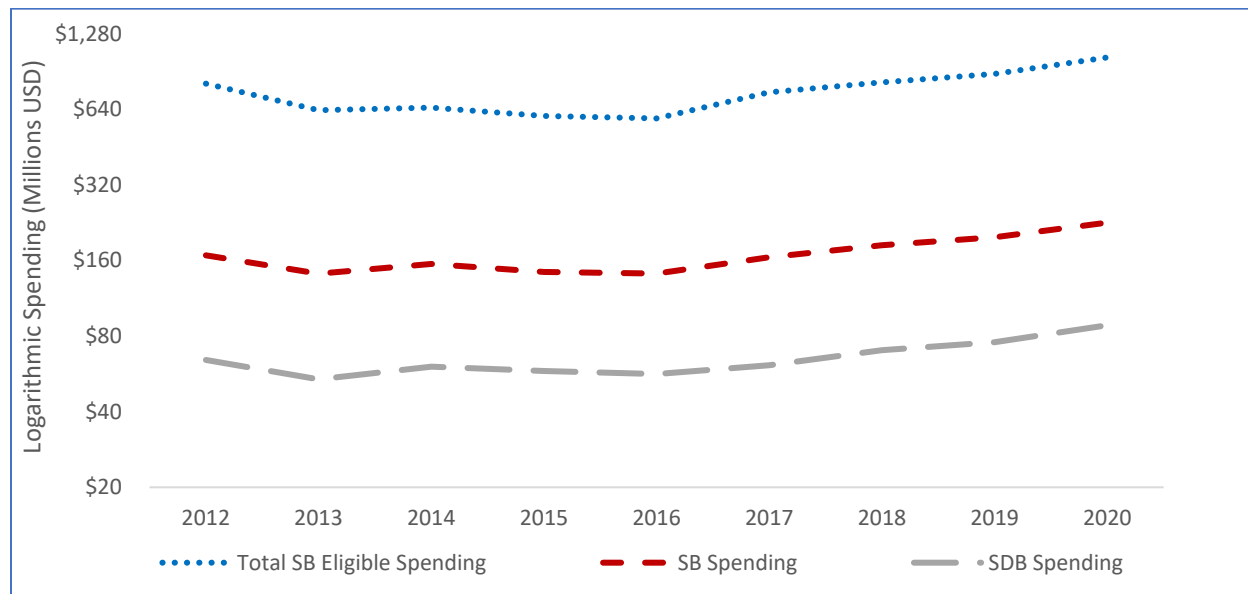
Note: This figure uses a base-two logarithmic scale to capture the magnitude differences in the spending in each category while preserving the trends in the data. A base-two logarithmic scale has increments that double each time rather than increasing linearly. Logarithmic scales are often used when one series of data takes on much larger values than another.

Pre- and post-review spending data. For small business spending overall and each socioeconomic category, the Team analyzed spending relative to the total Small Business Eligible Spending before and after a review was conducted. The pre-review period for each cohort is defined as all the years leading up to and including the year of the review. For example, the pre-review period for the 2016 cohort includes FY2012 through FY2016 and the post-review period is defined as FY2017 through FY2020. For small business spending and for each socioeconomic category and review cohort, the Team calculated spending as a percentage of total Small Business Eligible Spending for each PC in each year and then calculated two averages for each PC across pre- and post-review years. To create a single average for the pre- and post-review periods for each review cohort, the Team then averaged the pre-review average across all PCs and the post-review average across all PCs within that cohort. The Team then compared these two averages to determine if a cohort achieved higher spending percentages in the years following a surveillance review.

To provide context for changes in small business spending levels in the reviewed population, the Team calculated the same percentages for non-reviewed PCs. To facilitate a more accurate comparison with non-reviewed PCs, the Team calculated the same statistics for all non-reviewed PCs using the same pre- and post-review time frames for each review cohort. As there is no defined cutoff for the pre- and post-review period for non-reviewed PCs, the Team calculated the change using each possible year as a cutoff. This approach allows for a more accurate comparison between each review cohort and the population of non-reviewed PCs. For example, the 2015 review cohort is compared to a 2015 cutoff for the non-reviewed year, while the 2016 review cohort is compared to non-reviewed PCs using to a 2016 cutoff. The Team then compared the performance of reviewed and non-reviewed PCs by calculating a difference between groups (also known as a difference-in-differences analysis) equal to the post- minus the pre-review average for reviewed PCs minus the same change for non-reviewed PCs.

To compare the performance of reviewed PCs beyond descriptive statistics, the Team also performed a series of two sample *t*-tests.

- **Pre- and post-review performance for reviewed PCs**. The first set of *t*-tests compared the pre- and post-review performance of all reviewed PCs. The goal of these tests was to determine whether changes in the percent of small business contracting relative to total Small Business Eligible Spending between the pre- and post-review is statistically significant. This set included five tests, one for small business spending and one for each socioeconomic category.

- **Reviewed PCs compared to non-reviewed PCs.** The second set of *t*-tests compared the difference between the post- and pre-review periods in the reviewed population and the non-reviewed population. The change in performance for a given PC was calculated as follows:

$$\text{Change in Performance}_{PC} = \text{Post-Review Average}_{PC} - \text{Pre-Review Average}_{PC}$$

As with the difference-between-groups analysis, the Team performed the *t*-test using every year as a cutoff for the non-reviewed PCs. The combination of five spending categories and five cutoff years resulted in 25 total *t*-tests.

Quantitative analyses of goal data. To answer Research Question 3 (*To what extent do PCs increase their small business contracting goal achievement following surveillance reviews?*), the Team used SBGR data to calculate actual spending levels by year and small business spending and each socioeconomic category and then compare these actual percentages against each PC's spending goals for the same year and spending categories. To examine how goal achievement changes following a review, the Team calculated a cumulative average where the total number of successes in the pre- or post-review period were divided by the total number of spending goals over the relevant years.[18]

To conduct an analysis of goal achievement requires data on actual small business spending levels and data on PC goals for small business spending and each socioeconomic category. Table 7 provides a summary of available data by review for the goal achievement analysis by review cohort. As shown in Table 7, gaps exist in both the goal data and the SBGR data, such that data on both small business goals and small business spending only exist for 53 of the 83 of the PCs reviewed between 2015 and 2019.

In addition to gaps in the SBGR data, the Team also encountered a more significant challenge with the PC goal data. While federal agencies are required to publicly report small business spending goals, spending goals at the PC level are not publicly reported. As a result, as part of the surveillance review process, the SBA requests PCs share spending goals for small business spending and each socioeconomic category for the year of the surveillance review and the four years leading up to the surveillance review.[19] The SBA does not, however, reach back out to reviewed PCs following reviews to request goal

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[18] The Team also developed a second approach for examining goal achievement by calculating an annual success rate for each PC and averaging those success rates across all the years in the pre- and post-review period. These two approaches—cumulative and annual analysis—yielded similar results. Results for the cumulative average are presented in the main text of this report, and annual average results are included in Appendix C for the purpose of comparison.

[19] According to discussions with GC, small business contracting goals are self-reported by the PC during the surveillance review process. It is not always clear to the SBA whether the goal reported is for the PC specifically or reflects the goals established for the agency or department. Spending goals established for a specific PC can vary

data for years following a surveillance review. In the absence of post-review goal data, the Team made a simplifying assumption that post-review spending goals remain unchanged from the year of the surveillance review. In reviewing actual goal data for 2013 to 2020 available for reviewed PCs, the Team found that 54% of small business spending goals were different when compared to the goal from the prior year.[20, 21] This limitation in the available post-review goal data impedes an accurate analysis of post-review goal achievement, and therefore the Team presents only a brief summary of the results of this analysis in the findings section; instead, the findings section focuses the quantitative analysis on changes in SBGR spending levels. Additional tables with the complete results of the goal achievement analysis are included in Appendix C.

Table 7: SBGR and goal data availability

Review Cohort	Goal Data	Complete SBGR Data	Partial SBGR Data	SBGR and Goal Data Available
2015	2	1	7	-
2016	15	11	5	8
2017	15	13	4	11
2018	27	20	8	19
2019	24	15	9	15
Total	**83**	**60**	**33**	**53**

Note: As previously noted, actual goal data for a reviewed PC is limited to the year of the surveillance review and the four years leading up to the surveillance review. For all other years, the Team assumes that goals remain unchanged from the closest year. For example, for the 2016 cohort, the Team assumes spending goals in FY2017 to FY2020 are the same as FY2016. For the 2017 cohort, the Team assumes spending in FY2012 is the same as FY2013 and that goals for FY2018 to FY2020 are the same as FY2017.

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[20] Surveillance review reports include the spending goals for the year of the review and the four prior years. The earliest year of goal data available for a PC reviewed between 2016 and 2020 was 2012, and the latest year was 2020. Therefore, the change in goal data from the previous year could be calculated for 2013 to 2020.

significantly from goals that have been established at higher organizational levels, such as the department or agency.

[21] In the pre-review years, the goal achievement rates calculated using assumed and reported goals are comparable to the rates calculated using only reported goals. For example, for the 2017 cohort, the pre-review annual average achievement rate is identical regardless of if the assumed goals are included in the calculation. For the 2016 cohort, it is 3 percentage points higher.

4   FINDINGS

This section presents the key findings of this evaluation. A summary of findings from the literature review and the business process map are presented first, followed by findings organized by research question.

4.1   Summary of findings from literature review and business process map

The literature review and the business process map were completed at the beginning of the evaluation to inform subsequent evaluation states, including the development of the survey instrument and interview guides. This section summarizes the key findings from these two deliverables; findings are also woven into Sections 4.2 through 4.4 below as relevant.

4.1.1   Literature review

The Team conducted a literature review focusing on common challenges, lessons learned, and best practices for similar review processes potentially applicable to the SBA's surveillance reviews program. The Team used three categories of literature for this review: (1) SBA program documentation, such as the SOP and *Desk Guide*; (2) best-practices documentation, such as the Yellow Book and Blue Book; and (3) oversight reports, which included reports issued by the SBA IG, the GAO, and IG offices for other federal agencies that examine the effectiveness of programs similar to the SRs. In total, this review used 10 sources. See Appendix D for the full list of sources.

The Team organized the findings into five distinct parts of the review process: (1) foundational principles, (2) preparation, (3) conducting the review, (4) follow-up reviews, and (5) reporting. Table 8 provides a summary of the key takeaways from the findings and the implications for the SBA.

Table 8: Summary of key takeaways and implications for the SBA

Key Takeaway	Implication for the SBA
Preparation	
Clear, written instructions on the selection of entities for review ensures consistency in selection.	The SOP provides a brief list of PC selection factors, but documentation does not include instructions on selecting PCs using the existing list of factors.
Sufficient training for reviewers is an important part of any review process to avoid systemic challenges.	SR teams frequently rotate, necessitating clear and comprehensive training sessions on the SR process, documentation of existing training processes, and development of supplementary materials.
Adequate oversight and supervisory controls ensure consistency and rigor of the review process.	Documentation contains minimal information on oversight or supervisory controls.
Conducting the Review	
Staffing and resource challenges are common across federal review programs.	Documentation includes an overview of roles for SR team members but not standard staffing procedures, such as how many people make up a team and the process for selecting SBA staff to serve on an SR team.

Key Takeaway	Implication for the SBA
Clear guidance ensures reviews are consistent and thorough across all teams.	Documentation includes interview templates and an SR checklist but could benefit from additional instructions (such as how to use checklist results to write report findings).
Consistency in data collection is important to ensure the evidence is sufficient to draw valid conclusions.	Documentation provides some data collection tools but lacks clear expectations on the types and amount of evidence to use for developing conclusions and recommendations.
Documentation is essential to support findings and recommendations.	The SOP and *Desk Guide* do not identify specific documentation to create during the surveillance review process.
Follow-Up Reviews	
Follow-up reviews can determine whether review recommendations are being implemented.	Documentation does not include clear guidance on monitoring the correction of issues. The 2011 IG report found that FuSRs did not always determine if corrective actions were taken.
Reporting	
The Yellow Book and Blue Book provide extensive discussion of reporting best practices.	The *Desk Guide* highlights some important guidance for reporting (including tying all findings to the relevant statute), although there are relevant reporting best practices from the Yellow Book and the Blue Book that could be added, such as using clear, nontechnical language and defining all technical terms and acronyms.

4.1.2   Business process map

The Team constructed the business process map focusing on in-person full compliance SRs and virtual SRs for visual simplicity. While FuSRs generally follow the same steps as full compliance SRs, there are some differences that are not depicted in the business process map. For example, SR team activities denoted in the yellow box on the business process map in Figure 3 may be replaced with alternate activities during a FuSR, dependent upon the specific CAP. The business process map outlines the SR process for four primary actors, each with their own responsibilities.

Figure 3: Business process map of the surveillance reviews program
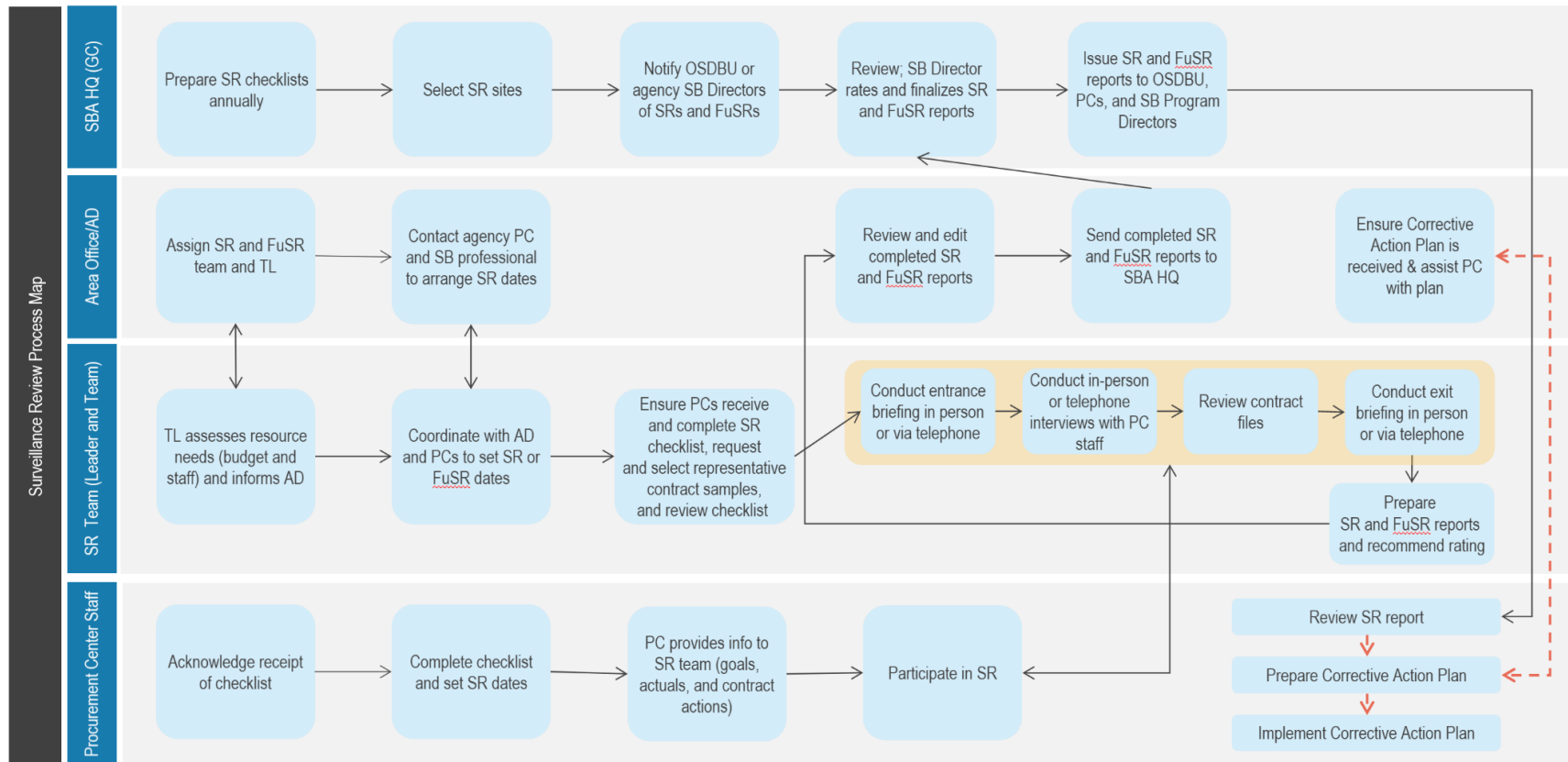
Notes:

1. Acronyms: TL – Team Leader; SB – small business

2. Double-sided arrows indicate the activity is completed in coordination with multiple parties.

3. Processes denoted using a red dotted line are steps PC staff take when the SR report has findings that call for a Corrective Action Plan. Six Corrective Action Plans based on Marginally Satisfactory ratings were submitted between 2018 and 2021 out of 90 SRs conducted.

4. FuSRs are conducted when the rating is Unsatisfactory or Marginally Satisfactory. Area Directors (ADs) lead the first FuSR, and SBA HQ leads the second FuSR.

5. The yellow bubble represents activities that were conducted virtually with adjustments made due to the pandemic. A total of seven virtual reviews and seven in-person reviews were conducted in 2020.

1. **SBA headquarters.** Each year, GC prepares an updated SR Preparation Checklist and Requests for Information. GC also coordinates with federal agency small business program offices to understand their current policies and small business goal attainment. In addition, GC has four other responsibilities, namely:
   - selecting SR sites using predetermined criteria;
   - notifying agency OSDBUs of planned SRs and FuSRs;
   - reviewing completed SRs and FuSRs; and
   - issuing SR and FuSR reports.

2. **Six Area Offices and their respective Area Directors.** Each Area Office and its respective Area Director (AD) is responsible for four different parts of the SR and FuSR. These include:
   - assigning SR and FuSR teams;
   - scheduling SRs and FuSRs;
   - reviewing completed SRs and FuSRs and making a recommendation for the surveillance review rating; and
   - coordinating Corrective Action Plans from previous surveillance reviews as needed.

3. **SR team and Team Leader.** Once the AD assigns teams and Team Leaders (TLs), the TL works with the SR team to assess resource needs, coordinate with the AD to schedule SRs and FuSRs, and communicate with the PC to complete activities on the SR checklist, such as scheduling interviews (entrance briefing, key PC staff interviews, and exit briefing) and obtaining contract files to review. Notably, the shift to virtual SRs necessitated conducting virtual interviews and obtaining electronic files to review. Within 30 days of completion of the SR or FuSR, the TL prepares a report including recommendations for rating each surveillance review.

4. **PC and staff being reviewed.** Key PC team members consist of the Head of Contracting Activity, the Director of Contracting, the Competition Advocate, and the Small Business Specialist. The PC team point of contact is responsible for acknowledging receipt of the SR Preparation Checklist and Request for Information and coordinating with TLs to schedule and participate in the SR or FuSR. Once surveillance reviews are completed, the point of contact receives and reviews the final SR or FuSR report from SBA headquarters. If necessary, they prepare a Corrective Action Plan and work with the AD and Area Office to implement the Corrective Action Plan.

Follow-up surveillance reviews. The process for FuSRs is different and depends on the content of the Corrective Action Plan rather than the SR process itself. The first FuSR is conducted when the rating from the previous surveillance review is Marginally Satisfactory or Unsatisfactory and is led by the AD along with the Procurement Center Representative where the PC is located. If a PC receives a second consecutive Marginally Satisfactory or Unsatisfactory rating, a second FuSR is necessary. The second FuSR is led by the Director of Government Contracting and whomever they determine is needed on the team. FuSRs are typically conducted over 1 to 2 days.

Corrective Action Plans. The CAP documents specific steps that a PC commits to undertake in order to address findings noted during a surveillance review that was rated Marginally Satisfactory or Unsatisfactory. If findings are noted, a letter from SBA HQ informs the OSDBU to generate a Corrective Action Plan within 45 days from receipt of the letter. During the COVID-19 pandemic, this period was extended to 90 days. The Program Manager funnels these requests to the respective ADs and TLs responsible for the SR. The AD, along with the TL, will work with the PC to help them develop the Corrective Action Plan and comply with a Corrective Action Plan already in place—for example, by

offering trainings. PCs are informed that if their rating is below Satisfactory, they will have an opportunity to raise their rating in a FuSR. If PCs disagree with the finding, they are required to do so in writing.

4.2 Research Question 1: How can surveillance reviews be made more effective and efficient?

Summary: *Research Question 1.1. From the perspective of those involved in surveillance reviews, what aspects of the reviews could be improved?* Survey and interview respondents' most frequently cited challenge was receiving requested documentation for both in-person and virtual reviews. Other common challenges included staffing, workload, missing or incorrect contract files (raised by SR staff interviewees), lack of clarity around contract selection (raised by PC staff interviewees), and scheduling interviews (survey respondents).

When asked about the effectiveness of the current process, survey respondents who had conducted in-person reviews were more likely to report the process is effective, compared to those who had conducted virtual reviews. Among SBA interviewees, respondents in five of six interviews were unsure whether the process was effective. These respondents also felt that the effectiveness of the process was less in the hands of the SBA, but rather up to the willingness of agencies to make meaningful changes.

Suggestions for improvements to the current process included a pre-meeting with all relevant PC staff to discuss logistics and contract file selection. SBA and PC respondents also suggested future reviews could be conducted with a hybrid approach, in which parts of the process are in person while others are virtual. The literature review revealed that the SBA may benefit from additional instructions in the *Desk Guide* (such as how to use checklist results to write up findings in the SR report) and reporting best practices (such as defining all acronyms and using clear, nontechnical language).

Research Question 1.2. What aspects of the surveillance reviews process could be made more efficient or cost-effective? An analysis of the timeline for conducting key milestones in the surveillance review process determined that the overall timeline between 2017 and 2020 has become more efficient from a timeliness perspective, although the process again lengthened in 2020 due to the COVID-19 pandemic. This is supported by the survey finding that surveillance reviews are usually or always conducted in an appropriate time frame, for both in-person reviews and virtual reviews.

Regarding use of resources, survey respondents felt that surveillance reviews reflect an appropriate use of resources for both in-person and virtual reviews. However, respondents were more likely to say that the use of resources was not appropriate for virtual reviews. As noted above, staffing and workload was a key challenge experienced by SR teams; this is supported by the survey finding that the majority of respondents agree that no resources can be eliminated without decreasing the effectiveness of SRs (for both in-person and virtual reviews). Similarly, when asked whether the SBA should conduct more, the same amount, or fewer reviews annually, all SBA interviewees responded that it would be impossible to conduct more reviews given current staffing levels and workloads.

The cost analysis showed a slight increase in travel costs between 2016 and 2019, which aligned with the slight increase in the number of SR staff traveling in those years. Unsurprisingly, there was a sharp decrease in travel costs in 2020 due to the COVID-19 pandemic.

📚 **Literature review.** The Team conducted the literature review to identify common challenges and best practices among review programs similar to the surveillance review program to identify potential improvements that could be made to improve the current process. The literature review findings are summarized in Section 4.1.1. There are two key themes in the findings that inform Research Question 1: the importance of providing training and best practices information, as well as best practices for reporting.

The literature review findings highlighted the importance of clearly documented best practices and clear written instructions on conducting reviews. Sufficient training is crucial to avoiding systematic challenges in a review process and ensuring consistency across review teams. While the Team's review of the SOP and *Desk Guide* found no information regarding any training that is offered to surveillance review teams, both documents provide guidance on conducting surveillance reviews. The *Desk Guide* has sample interview questions and long and short checklists for the SR teams, while the SOP has a preparation checklist and Notice Letters to send PCs. However, neither document includes explicit instructions on conducting interviews or which checklist should be used in the surveillance review. Clear instructions are particularly important given that SR teams change every year and may include some new staff. Staff who have served as SR team members in the past may also benefit from clear instructions to refresh their understanding of the role, as many do not serve on teams every year.

The SBA may benefit from adding instructions to the *Desk Guide*, such as how to use checklist results to write up findings in the SR report. Instructions should also include the documentation that SR teams should create during their review (such as which contracts were reviewed, findings specific to contracts, or other notes that informed the rating).

The second theme was best practices in reporting. While the *Desk Guide* highlights some important guidance for writing SR reports, such as tying all findings to the relevant statute and documenting factually supported findings rather than personal opinions, the literature review sources identified a variety of additional best practices.[22] A key addition to the *Desk Guide* based on these best practices would be guidance to use clear, nontechnical language and define all technical terms and acronyms. Additionally, SR reports should include documentation of the methodology, including selection criteria (for both the PCs and the contract files selected for review) and any limitations or significant constraints (such as denial of records or delays in receiving files).

🗺️ **Business process map.** The business process map outlined a clear, sequential SR process across the four primary stakeholders (SBA HQ, Area Office and AD, SR Team and TL, and the PC staff).[23] For example, the AD and TL work together early in the process to optimize the SR team assignments, scheduling of the SR with PCs, and requesting representative contracts to review. Timeliness and

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[22] The best two sources of reporting guidance from the literature review are the "Yellow Book" (a GAO publication used by government auditors to establish standards and best practices for performing audits) and the "Blue Book" (the Council of the Inspectors General on Integrity and Efficiency's publication titled *Quality Standards for Inspection and Evaluation*).

[23] The Team originally intended to depict the average time needed for each step of the SR process on the process map. One way of evaluating program efficiency was through the use of administrative data to assess the number of days to complete key milestones during the SR process. Since these milestones varied by year and type of SR, depicting the duration of each step on the business process map would overburden readers with too many data points and visual cues on the map. Therefore, the depiction of the business process map did not include this information. The Team addressed timeliness using administrative data separately.

efficiency of the SR steps depicted in the process map were assessed in the quantitative analysis of timing data; those findings are discussed below.

Survey. To answer Research Question 1.1 (*From the perspective of those involved in surveillance reviews, what aspect of the reviews could be improved?*), survey respondents were first asked how easy it was to understand their role on the surveillance review team. Overall, Figure 4 shows that most Area Directors, Team Leaders, and SR team members found their role very easy to understand. The respondent who selected district office (BOS) as their role on the SR team said their role was neither easy nor difficult to understand.

Figure 4: Ease of understanding surveillance review team role

How easy to understand was your role on the review team?

	Very easy	Somewhat easy	Neutral	Not very easy	Not at all easy
Area Director (N=5)	100	0	0	0	0
Team leader (N=39)	64	23	10	0	3
District office (BOS)(N=1)	0	0	100	0	0
Team member (N=49)	63	20	14	0	2
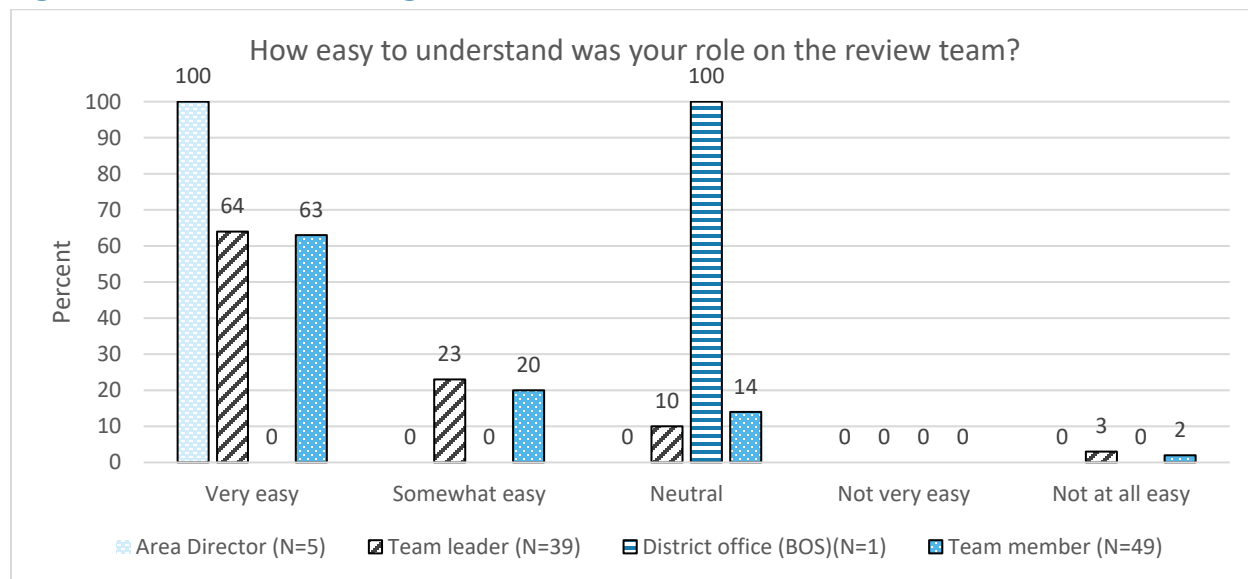
Survey respondents were asked to identify all ways in which they had learned about the expectations for their role on SR teams. Most learned from their SR Team Leader (74%) or through informal conversations with coworkers (60%). Responses also indicate 42% of respondents learned by reading the SOP, 22% learned by reading the *Desk Guide*, and 18% learned by attending an annual surveillance review team meeting. Approximately 20% of the respondents noted that they learned about expectations for their roles on the surveillance team from past experience with SRs and FuSRs.

Survey respondents were asked to identify challenges they had faced when conducting both full compliance and virtual SRs. Among in-person full compliance SRs, selecting from a close-ended list of response options, respondents experienced challenges receiving requested documentation (69%) and scheduling interviews (61%), and over half (52%) reported cost limitations. Likewise, virtual respondents faced difficulty receiving requested documentation (88%) and scheduling interviews (53%). Other challenges cited by in-person and virtual respondents include access to contract files, balancing other responsibilities alongside completing the surveillance review, and keeping everyone on the SR team actively engaged during the SR process. These are similar to issues raised when respondents were asked to identify resources that SR teams need more of to complete their SRs.

To answer Research Question 1.2 (*What aspects of the surveillance reviews process could be made more efficient or cost-effective?*), the survey asked respondents to rate the overall effectiveness of the SR process. *Effectiveness* was defined for survey respondents as "whether SRs lead to PC changes in

meeting or exceeding small business contracting goals and increases in the overall award of contracts to small businesses." Figure 5 shows the responses from both respondents who have conducted in-person SRs and respondents who have conducted virtual SRs.

Figure 5: Effectiveness of the surveillance review process
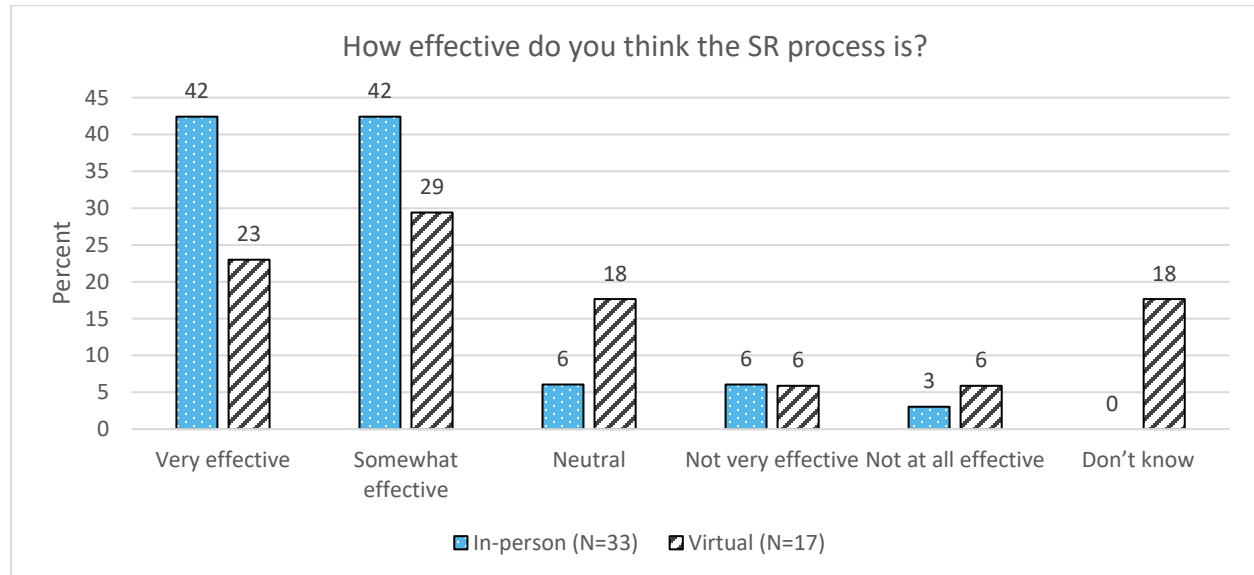
Respondents who conducted in-person reviews generally found the process effective, with 84% of respondents rating the SR process as either very or somewhat effective. When rating the virtual review process, just over half (52%) rated the virtual SR process as either very or somewhat effective, with the remaining respondents (48%) rating the effectiveness of the process as neutral, not effective, or unknown. Notably, the "Don't know" response rate was much higher for virtual surveillance reviews compared to in-person surveillance reviews (18% virtual compared to 0% in-person). Overall, the distribution of responses is skewed more toward effectiveness for the in-person SR process, while the responses are more evenly spread across levels of effectiveness for the virtual SR process.

A measure of the efficiency of the SR process is the timeliness of completing each step in the process. Figure 6 shows respondents' perception of the timeliness of SR steps for both in-person and virtual SRs.

Figure 6: Timeliness of surveillance review steps

Overall, how often are SR steps performed within an appropriate time frame?

Legend: In-person (N=33), Virtual (N=16)

	Always	Usually	Sometimes	Rarely	Never
In-person	30	48	18	3	0
Virtual	13	56	19	6	6
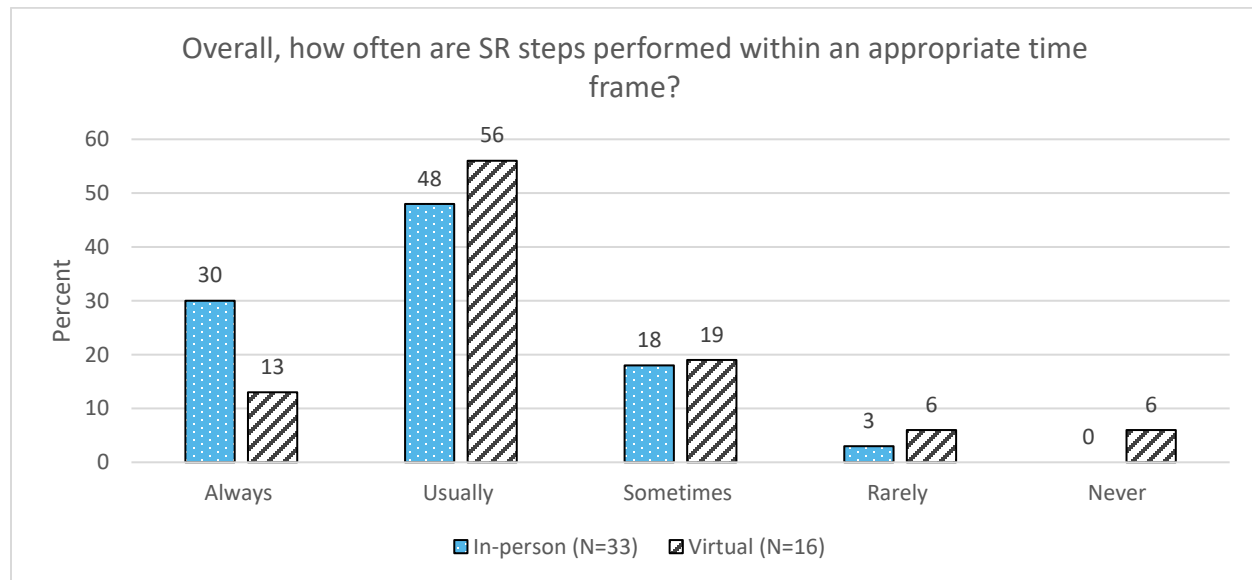
When asked how often SR steps are performed in an appropriate time frame, the majority (78%) of respondents who have conducted in-person surveillance reviews said the SR steps are either always or usually performed in a timely manner. Likewise, 69% of respondents who have conducted virtual surveillance reviews find the steps are always or usually performed in an appropriate time frame. Although very few respondents indicated SR steps are rarely (3% of in-person responses and 6% of virtual responses) or never (0% of in-person responses and 6% of virtual responses) performed in an appropriate time frame, a higher number of respondents endorsed the "rarely" or "never" options for virtual surveillance reviews.

Respondents were asked if the SR process reflects an appropriate use of resources. The majority (76%) of those who had conducted in-person full compliance SRs agreed the process used resources in a very appropriate or somewhat appropriate way, while 6% found the use of resources not very appropriate or not at all appropriate. Respondents who have conducted virtual SRs also indicated the SR process appropriately used resources, with 69% agreeing resource use was very or somewhat appropriate. However, 19% of virtual respondents said resource use was not very appropriate.

To gain a better understanding of respondents' views on travel requirements for conducting SRs, the survey asked how many people should travel as a part of the surveillance review and how long they should spend on-site. Sixty-one percent of respondents believe three team members should travel for a full compliance SR, and, excluding travel days, 48% of respondents agree that those team members should spend 3 days on-site to conduct the reviews. The next highest response rate was for 4 or more days on-site, at 30%.

Respondents were asked to select resources that could be reduced to save money while keeping surveillance reviews effective. Figure 7 reflects that across both in-person and virtual surveillance reviews, the majority of respondents agree that no resources can be eliminated without decreasing the effectiveness of SRs. Approximately 15% of respondents cited other ways to save money, namely the use of templates to complete the SR and FuSR report, conducting in-person interviews in advance, and conducting hybrid surveillance reviews—both in person (the TL and one other team member) and virtual for other team members.

Figure 7: Resource elimination to save costs

Based on your experience, are there any resources that could be reduced to save money while still conducting effective reviews?
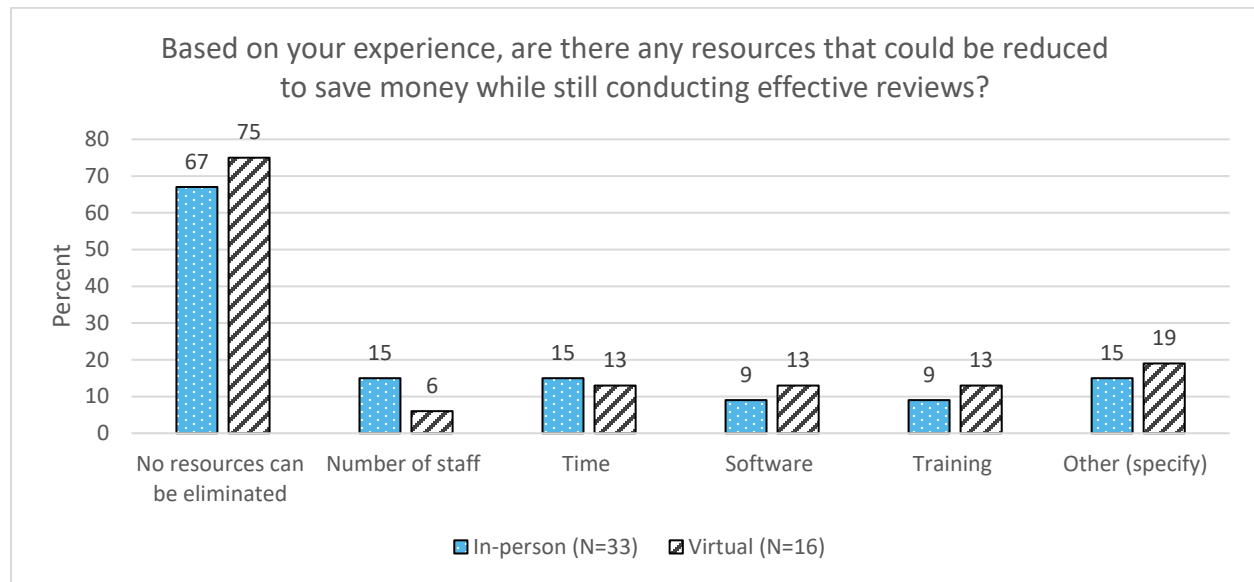
In addition to asking what resources could be eliminated, the survey asked respondents to select the top three resources that SR teams need more of to complete their reviews. The top resource requested by both in-person (58%) and virtual (47%) respondents was information on best practices for conducting surveillance reviews. Beyond the top resource, the two groups diverged: in-person respondents wanted additional time (55%) and additional staff (52%), and virtual respondents wanted more software (47%) and training (40%). Among other resources cited by both in-person and virtual surveillance review respondents were mechanisms to make accessing contract files easier, such as a dedicated agency contracting expert on-site or a dedicated online file drop box.

Survey respondents were asked to rate each step (entrance briefings, exit briefings, documentation selection, interviews with PC staff, contract review, and report creation) in the SR process on how easy or difficult it is for the surveillance review team to complete. Responses differed for in-person and virtual SR step ratings, and a few of these differences are displayed in Figure 8. Most steps were rated by the majority of in-person respondents to be very easy or somewhat easy; however, documentation selection and report creation were rated by the majority to be somewhat difficult or very difficult. This finding is different for virtual respondents: for documentation selection and report creation, the majority of virtual respondents found them either very easy or somewhat easy. Other steps noted by respondents include the need to "pick up the phone" rather than emailing PC staff to keep the surveillance review process moving (for example, obtaining missing documents), and difficulty deciphering handwritten SR checklist notes written by other team members. One respondent noted the need to limit the number of contracts reviewed to less than 20.

Figure 8: Ease of surveillance review step for SR team

Report creation

Documentation selection

Contract review
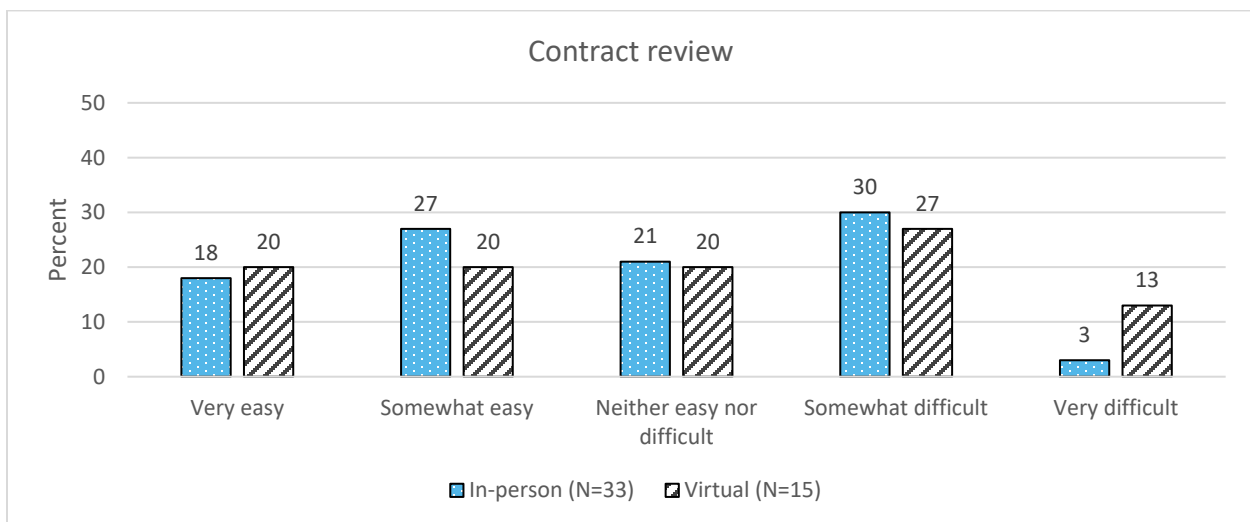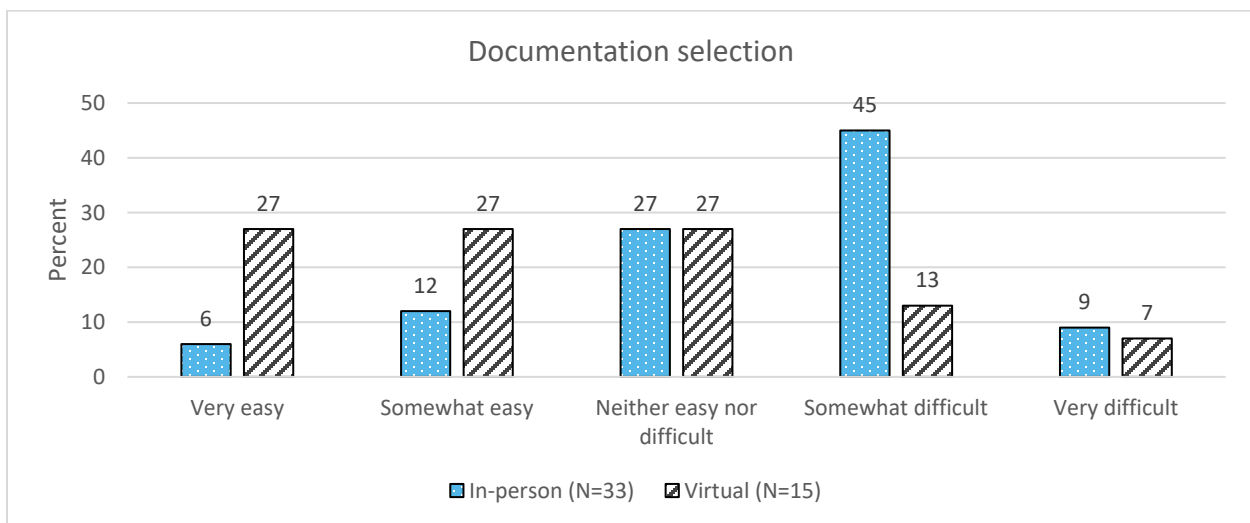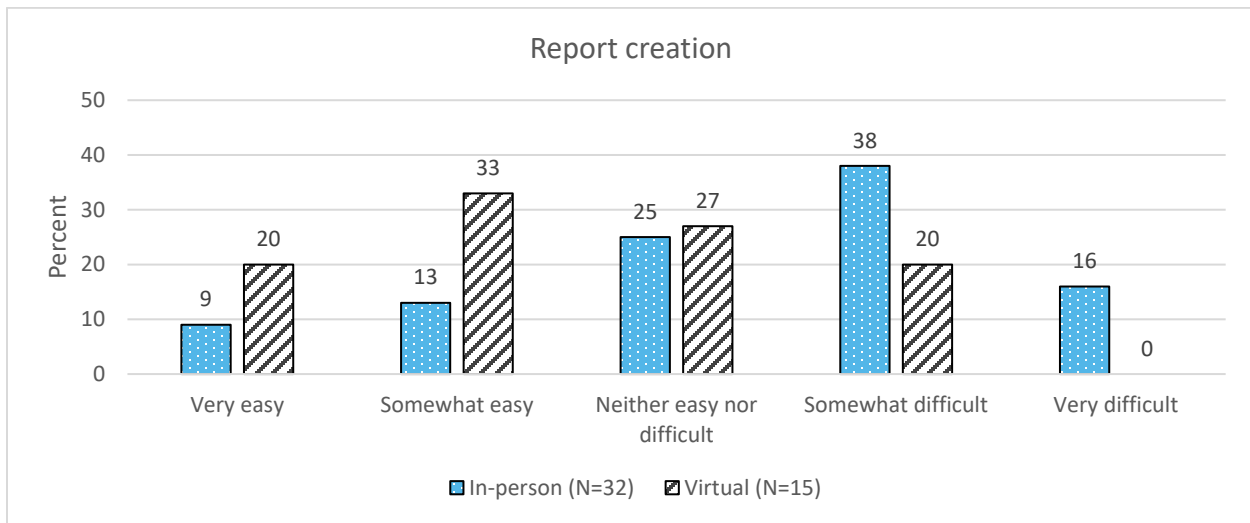
In-person and virtual surveillance review survey respondents were asked to share suggestions that could make the process more efficient or effective. In-person SR respondents shared the following thoughts regarding SR team composition: the need for more staff and ensuring that a full 3-day schedule is allotted, not assigning too many surveillance reviews to a person for the year, and the need for a full-time SR team that focuses on SRs throughout the year. While some staff thought there was a need for more Commercial Market Representatives as part of the SR team, others thought more PCRs would be helpful.

In-person SR respondents thought that management could be more supportive if the PC is "resisting furnishing of data or access to files," and one respondent noted that management support could ensure PCs cooperate promptly. One virtual SR respondent thought that management could help by notifying the SR teams earlier in the process about their assignments by posting them on SharePoint.

Both in-person and virtual SR respondents noted the need for improved documentation and training about the SR process. Increased use of templates could be beneficial. Specifically, respondents thought it would be helpful to share the types of documents required for contract reviews with the PC and SR team.

Interviews with PCs. To answer Research Question 1.1 (*From the perspective of those involved in surveillance reviews, what aspects of the reviews could be improved?*), the Team first asked PCs what aspects of the current process are working well. In three of the six interviews, respondents noted that the materials provided by the SR teams (such as instructions and documents requested) were easy to understand. Three of the six PCs also stated that scheduling worked well, with two indicating they received advance notice several months ahead, allowing them to reserve a conference room and clear schedules to ensure the right people were available.

The Team also asked respondents what challenges they experienced in the current process. The biggest challenge (raised in four of six interviews) was accessing contract files to share with the SR team. This was identified as a challenge for both in-person and virtual surveillance reviews. For in-person surveillance reviews, PCs reported having to print out contracts because they could not give the SR teams "carte blanche" access to the agency contracting system. For virtual surveillance reviews, key aspects of this challenge included the agency not having electronic copies of the files being requested and the SR team having limited access to CAC cards necessary to access the shared files.

The next most frequently identified challenge was lack of clarity around contract selection; three of six PCs felt the selected contracts did not always make sense for the surveillance review. When asked specifically about what types of selected contracts did not make sense, respondents named funding modification and "old contracts…already in the contract closeout stage," as well as manufacturing contracts where only specific companies can provide the needed product and "some of them don't have the ability to do subcontracting or small business plans." However, the respondents who discussed manufacturing contracts also acknowledged that the SR team looked at those contracts to "verify whether or not the proper waivers to subcontracting are documented in the files." One respondent felt the SR team did not look at enough "regular contracts" to get a representative picture of the PC's contracting and suggested the SR team should first request a full list of all contracts and then select the contracts to review from that list (the respondent did not seem aware that this is the current process for contract selection).

Three of six PCs also identified challenges with the surveillance review timeline, however two of these had undergone a surveillance review during the first year of the pandemic. These two PCs noted the process took much longer than it would have otherwise, due to delays while everyone waited to determine if an in-person surveillance review would be possible and because of higher-than-typical workloads due to the pandemic. The third PC noted it was difficult to schedule the exit briefing and would have been easier to accommodate if the scheduling had been done earlier.

Three of the six interviewed PCs felt there was a lack of understanding on the part of the SR team, although around different topics. One reported the SR team was unfamiliar with the specific type of contracting the PC did and felt the SR team should be more educated on the nuances of contracting at each PC, given how much variation there is across PCs. To illustrate how unique each PC is, this respondent stated, "If you've seen one contracting office, you've seen one contracting office." The second PC reported the SR team did not recognize the requested information in the contracts that were shared, which led to duplication when the SR team requested the same information again. The third noted the SR team wanted to meet with a specific individual at the agency, but that role was not available to participate in the surveillance review. The respondent noted the SR team did not seem to understand why the structure of the agency made it difficult to involve this individual in the surveillance review process.

Finally, PCs were asked for suggestions to improve the surveillance review process. Three of six PCs suggested holding a pre-meeting between the SR team and the PC before the SR begins. They described this as a meeting with "all players" to discuss logistics "so that it's less of an impact on the mission that we're still trying to do every day." This meeting was also described as an opportunity to discuss the requested contracts to determine whether they are the "best fit" for the surveillance review. One of the three PCs who suggested this improvement noted that their surveillance review had included a pre-meeting at least 30 days in advance of the start of the surveillance review, which helped the PC staff share "that information internally within my office so that our contracting officers would be aware that [the SR team] would be reviewing or accessing their files." The descriptions of a "pre-brief" provided by PCs generally overlap with the definition of the entrance briefing in the *Desk Guide*. This overlap suggests that the entrance briefing is not always effective, given that several PCs raised the need for a meeting to discuss the topics it is meant to cover.

Another suggestion raised by three of the six PCs was for the SBA to focus on existing agency processes that are in place to improve small business contracting. Two PCs mentioned this focus had been a part of their surveillance review and felt it should be continued. According to one of those PCs, "it's always good for morale and staff to see that as well, not just corrective action type of things." The third PC felt the surveillance review should be "more focused on the [small-business contracting] process" within the agency, rather than simply whether they were meeting their goals.

Two PCs suggested that the SR could be conducted either entirely virtually or with a hybrid virtual and in-person approach. The first PC noted that "all of our other audits and reviews, they're all virtual. There's no reason that the SBA needs to do it in person." They suggested that if the surveillance review is conducted entirely virtually, there should be a standing call either daily or every other day to supplement communication. The second PC noted that the in-person surveillance review process was "cumbersome and… awkward" and that they "killed a lot of trees" having to print out paper copies of contract files since they could not provide the SR team access to the agency's contracting system. This respondent noted that if the surveillance review was done virtually, they could have used screen-sharing instead of printing out the contracts. This respondent also suggested a hybrid approach could be useful,

where the initial meeting is conducted in person, while follow-up meetings are conducted virtually. However, they noted that "one size does not fit all" and the hybrid mode would need to be adjusted for each specific PC.

Two PCs suggested that the SBA should reconsider the types of contracts selected for review (a recommendation which overlaps with the lack of clarity around contract selection raised by three PCs). Both PCs suggested a pre-meeting would be a useful opportunity for the SR team and the PC to discuss the list of contracts and select together which would be reviewed.

To address Research Question 1.2, the Team also asked the interviewed PCs whether they felt the surveillance review process is effective. Four of the six responded it is effective, although three of these noted it was a difficult question to answer because they are already meeting their small business contracting goals. However, they felt the surveillance review process correctly captured that fact and identified minor administrative changes that could be made to their process. One PC reported surveillance reviews are not effective, stating that if the ultimate intent is to improve small business involvement, the process does not help. The respondent said the surveillance reviews are overly compliance-oriented and do not provide guidance on areas where the PC is weak (for example, meeting specific socioeconomic category goals).

Interviews with SR staff. To address Research Question 1.1 (*From the perspective of those involved in surveillance reviews, what aspects of the reviews could be improved?*), SR teams were first asked what was working well with the surveillance reviews process. In five of the six interviews, respondents reported that communication worked well. These responses referenced the initial emails and scheduling communications. In four interviews, respondents spoke to flexibility as something working well; this will be described in greater detail in Section 4.3. Additionally, respondents noted that standardization of the process, specifically referencing the checklist, was something that worked well.

SR teams were also asked about the biggest challenges they face in the current surveillance review process. The most referenced challenge was accessing files from PCs (raised in all six interviews). While this was a common challenge among virtual surveillance reviews, it was also raised for in-person surveillance reviews with agencies that had gone paperless. This meant that they would need agency staff to give the SR team access to digital files or, when this approach was not allowed, SR team members would need to sit alongside agency staff who would pull up contract files for them. One of the major drawbacks to this method of contract review was that SR team members did not feel like they could freely discuss what they were seeing in the contract files when agency staff was sitting in with them. For virtual surveillance reviews, five of the six interviews referenced Department of Defense security measures being a direct impediment to file access, as SR teams "just don't have the technology to go along with it" or they did not have CAC cards for remote access.

Another challenge raised in all six interviews was missing or incorrect files provided by PCs. For both virtual and in-person surveillance reviews, respondents reported having to go back to PC staff to ask for missing documents that were requested in the checklist. Some respondents felt this hampered the surveillance review process because they were "only seeing what they [PCs] gave us" and the back-and-forth took up additional time. Respondents mostly agreed that this was a common issue before and after the switch to virtual, with one team member saying, "I think that that's a normal part of the surveillance review."

Other common challenges cited were staffing and workload, both of which came up in four of the six interviews. One respondent described how staffing shortages inside the SBA "have severely impacted all operations," which has created additional work constraints with both surveillance reviews and general work. Furthermore, the Team heard from respondents about surveillance reviews having too few PCRs and seasoned staff available. These respondents noted that surveillance reviews were more streamlined with PCRs involved, as these individuals are generally more "familiar with the agency and how their systems work." These challenges were also highlighted when asking if the SBA should be conducting more, the same amount, or less surveillance reviews annually. Respondents in all six interviews cited staffing and resource constraints as the reason why the agency could not currently do more.

Other challenges raised less frequently by respondents included compiling findings, raised in three of six interviews. Respondents described the need to comb through hundreds of documents to pull together trends and findings for the report, as well as challenges due to staff having "different writing styles." In three of the six interviews, respondents felt that surveillance reviews lack "teeth" because the consequences for poorly performing PCs are too weak to influence substantive change. Another three interviews mentioned agency buy-in as an impediment to the surveillance review process; as one respondent put it, some agencies viewed "small business as an afterthought."

Finally, the Team asked SBA staff about what suggestions they had for improving the surveillance review process. Three of the six groups suggested forming a dedicated surveillance review team, or even a few dedicated teams that focus on specific areas (a surveillance review team for Department of Defense agencies and another for civilian ones or broken out even further). Respondents stated that they believed that dedicated SR teams would "help tremendously" by promoting more consistency and efficiency.

In three of the six interviews, respondents called for more standardization of the surveillance review process. In two of those interviews, respondents specifically called for there to be more standardization in the final report: "[t]he report is the hardest thing about the surveillance review...if it was standardized, it would be so much easier." One person noted that standardization of the process as a whole would be an added value for those new to surveillance reviews.

Respondents in two interviews suggested implementing a hybrid approach to the surveillance reviews, where some parts of the surveillance review would be held virtually and others in person. This was echoed by another suggestion calling for a virtual pre-brief (mentioned in two of the six interviews). Some respondents noted that a hybrid approach could also save resources, as only a few SBA staff would be necessary for "gathering information, building synergy, [and] establishing relationships," while the bulk of the surveillance review could be done off-site.

To address Research Question 1.2, the Team also asked the interviewed SR staff members whether they felt the surveillance review process is effective. In four of the six interviews, at least one respondent stated the process is effective but could still benefit from some improvements. However, in five of six interviews, at least one respondent was unsure whether SRs are effective. One SR team member said, "It's sort of hard for us to answer that at our level" because they do not always see the result of the process to determine whether changes were made. One respondent found the surveillance reviews to be effective for agencies "that are doing well already...otherwise, they're ambivalent."

Quantitative analyses of timing data. The Team analyzed available timing data for the 2015–2021 review cycles to address Research Question 1.2 (*What aspects of the surveillance reviews*

process could be made more efficient or cost effective?). As shown in Figure 9, beginning in 2017 and up to the COVID-19 pandemic in 2020, the overall length of the surveillance review process fell from around 220 days between 2015 and 2017 to fewer than 190 days, an overall reduction of more than 30 days. [24] The most substantial time savings came from a decrease in the time between the Review End Date and the Report Date. The decrease in this step aligns with actions undertaken by GC to shorten this step of the process, with the goal of issuing all reports by the end of the fiscal year.[25] Also notable in Figure 9 is a significant decrease achieved in the surveillance review length in 2020 prior to the SBA's introduction of virtual surveillance reviews in response to the COVID-19 pandemic. Tables summarizing the results of these additional analyses are included in Appendix C.[26]

Figure 9: Average length of full surveillance reviews (2015–2020)
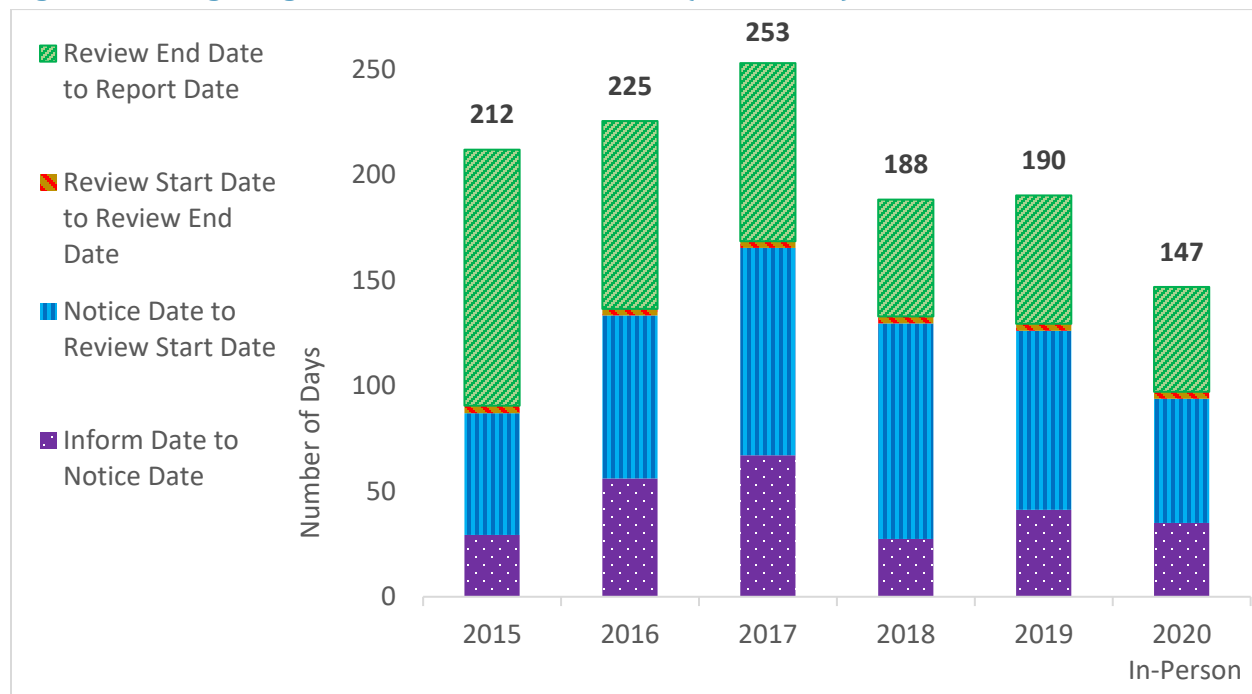
In addition, the Team looked at the timing for PCs that completed CAPs. Table 9 and Table 10 show the annual number of PCs completing CAPs for PCs that received a Marginally Satisfactory rating and for PCs that received Satisfactory or Highly Satisfactory ratings, respectively.

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[24] SBA staff does not work full-time on surveillance reviews, so the count of days does not reflect the level of effort on the part of the staff. While data on the time spent by SBA staff are not available, generally the most labor-intensive stages of this process for the SBA are the periods between the Review Start Date and the Review End Date and between the Review End Date and the Report Date.

[25] The Team looked at other factors, including the Area Office conducting the surveillance review, the rating awarded, and the department and agency reviewed. None of these characteristics were associated with any trends in overall SR length.

[26] There were not sufficient observations of FuSRs to analyze annual trends in timing, but the timing of FuSRs is generally aligned with the schedule for full SRs.

Table 9: CAP completion by Marginally Satisfactory PCs (2018–2021)

	2018	2019	2020	2021	Total
Total Number of Marginally Satisfactory Reviews	3	4	1	6	**14**
Number of Marginally Satisfactory PCs That Completed CAPs	2	1	0	3	**6**
Percent Response	67%	25%	0%	50%	**43%**

Table 10: CAP completion by Satisfactory and Highly Satisfactory PCs (2018–2021)

	2018	2019	2020	2021	Total
Satisfactory CAPs	6	4	3	4	**17**
Highly Satisfactory CAPs	0	1	0	2	**3**
Total CAPs	6	5	3	6	**20**
Number of Highly Satisfactory and Satisfactory Reviews	21	22	11	20	**74**
Highly Satisfactory PCs Percent Response	29%	23%	27%	30%	**27%**

From 2018 to 2021, on average 36% of Marginally Satisfactory PCs submitted a CAP in time to be captured in the SBA's internal tracking spreadsheets. As previously discussed, some Marginally Satisfactory PCs submit CAPs well after their surveillance review, which is not captured in the SBA's internal tracking spreadsheet.

For PCs receiving below a Satisfactory rating, the SBA sets a 45-day deadline for submission of a required CAP after the Report Date. The average time between the Report Date and CAP completion is 72 days for Marginally Satisfactory PCs, almost a month beyond the deadline. However, the Team understands from conversations with GC that the SBA places greater emphasis on PCs submitting CAPs than on how quickly PCs submit their CAP following the Report Date. PCs that completed voluntary CAPs were slightly more efficient, taking 62 days on average. Table 11 displays the results of this analysis by year and surveillance review rating.

Table 11: Average time between the Report Date and CAP completion (2018–2021)

	2018	2019	2020	2021	Overall Average
Average CAP Timing	70	46	93	54	**66**
Marginally Satisfactory Rating	79	67	-	71	**72**
Satisfactory and Above Ratings	67	41	93	48	**62**

Quantitative analyses of travel-cost data. The Team also analyzed SBA spending voucher data to support Research Question 1.2 (*What aspects of the surveillance reviews process could be made more efficient or cost effective?*). Table 12 summarizes voucher data coded to purpose 2115 by office.[27]

Most compliance-related travel vouchers (vouchers coded with purpose 2115) are concentrated in SBA Area Offices, with the exception of the year 2017. In 2017, most 2115 travel vouchers were coded under

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[27] The Team's analysis of the travel voucher data generally aligns with an aggregate summary of travel costs provided by the SBA for 2016 through 2020 for all years except 2017. In some cases, the total values were identical, and, in most cases, the calculated values were within 20% of the SBA-provided value. Area 4 was the least accurate Area Office in all years except 2019, when Area 1 had the largest deviation.

the Office of Government Contracting rather than any specific Area Office. As shown in Table 12, the number of vouchers and the total travel costs associated with surveillance reviews increased slightly from 2016 to 2019. Vouchers appear to have a one-to-one relationship with a single trip by a unique individual. Therefore, voucher count can also serve as a count of the number of people traveling by year and Area Office. As shown in Table 12, the slight increase in travel costs from 2016 to 2019 aligns with a slight increase in the number of people traveling each year. As expected, there was a sharp decrease in travel costs in 2020 because of the shift to virtual surveillance reviews in response to the COVID-19 pandemic.

Despite an overall increase in travel costs over time, Table 13 shows that the average cost per day (approximately $270 per day) and the average number of days per trip (4.0 days) has remained consistent across the time frame analyzed. Table 14 estimates the cost per surveillance review by Area Office, calculated by dividing the aggregated cost of the 2115 vouchers by the total number of surveillance reviews performed by that Area Office for a given year.[28] Setting aside the results from 2017, when travel costs were not recorded to Area Offices, the cost per surveillance review fluctuated between $1,000 and $3,000 before sharply dropping in 2020 when the SBA transitioned to virtual surveillance reviews.

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[28] The per–surveillance review estimate of travel costs reflects a rough approximation of costs. The Team considered manually matching vouchers to surveillance reviews but concluded the process would have been too resource-intensive relative to the value of this information.

Table 12: Purpose 2115 vouchers—compliance (examination/review)

Division	2016		2017		2018		2019		2020	
Name	Voucher Count	Total Cost	Voucher Count	Total Cost	Voucher Count	Total Cost	Voucher Count	Total Cost	Voucher Count	Total Cost
Area Office 1	8	$9,483	0	-	7	$8,473	7	$9,072	3	$3,074
Area Office 2	9	$11,847	3	$1,870	11	$12,061	12	$13,483	4	$4,628
Area Office 3	12	$9,221	2	$1,690	10	$12,855	11	$11,345	3	$2,761
Area Office 4	7	$8,188	3	$3,033	8	$6,691	13	$13,974	2	$1,736
Area Office 5	6	$5,873	0	-	7	$8,591	7	$13,118	0	-
Area Office 6	4	$3,057	0	-	7	$8,591	11	$14,275	5	$6,315
All Area Offices	*46*	*$47,669*	*8*	*$6,593*	*50*	*$57,262*	*61*	*$75,266*	*17*	*$18,515*
GC	1	$1,296	43	$45,760	1	$1,579	0	-	1	$1,142
Total	47	$48,965	51	$52,352	51	$58,842	61	$75,266	**18**	**$19,657**

Table 13: Purpose 2115 vouchers—average cost per day

Division Name	2016		2017		2018		2019		2020	
	Average Number of Days	Average Cost per Day	Average Number of Days	Average Cost per Day	Average Number of Days	Average Cost per Day	Average Number of Days	Average Cost per Day	Average Number of Days	Average Cost per Day
Area Office 1	4.6	$262	-	-	4.0	$294	5.0	$259	5.0	$205
Area Office 2	4.3	$302	3.3	$185	4.1	$266	4.2	$269	4.0	$289
Area Office 3	3.0	$252	2.5	$331	5.0	$291	4.2	$247	3.3	$256
Area Office 4	4.1	$284	4.7	$212	4.4	$191	4.4	$242	4.0	$217
Area Office 5	4.2	$230	-	-	5.0	$245	5.0	$375	-	-
Area Office 6	3.3	$228	-	-	4.9	$269	4.5	$301	4.0	$311
GC	4.0	$324	3.9	$274	5.0	$316	-	-	3.0	$381

Table 14: Purpose 2115 vouchers—estimated cost per review

Area Office	2016		2017		2018		2019		2020	
	Number of Reviews	Cost per Review	Number of Reviews	Cost per Review	Number of Reviews	Cost per Review	Number of Reviews	Cost per Review	Number of Reviews	Cost per Review
Area Office 1	3	$3,161	4	-	3	$2,824	4	$2,268	3	$1,025
Area Office 2	7	$1,692	11	$170	8	$1,508	7	$1,926	5	$926
Area Office 3	5	$1,844	3	$563	4	$3,214	4	$2,836	5	$552
Area Office 4	5	$1,638	6	$505	4	$1,673	5	$2,795	5	$347
Area Office 5	6	$979	4	-	5	$1,718	5	$2,624	5	$0
Area Office 6	3	$1,019	2	-	4	$2,148	5	$2,855	5	$1,263

4.3 Research Question 2: What can be learned from SBA's shift to virtual surveillance reviews during the COVID-19 pandemic?

Summary: *Research Question 2.1. What aspects of virtual surveillance reviews are viewed as more effective or efficient compared to in-person reviews, and what aspects of virtual reviews are viewed as less effective or efficient?* Regarding effectiveness, 52% of survey respondents reported that virtual surveillance reviews were very or somewhat effective; these numbers are lower than for in-person surveillance reviews. Regarding efficiency, the majority of survey respondents who had conducted virtual surveillance reviews (69%) reported that surveillance reviews are always or usually conducted in an appropriate time frame.

Seventy-three percent of survey respondents who had conducted virtual surveillance reviews felt there were specific benefits that virtual offered over in-person, particularly time and cost savings due to reduced travel. Survey respondents were also more likely to report that documentation selection and report creation were very or somewhat easy for virtual surveillance reviews compared to in-person ones. Respondents in the SR staff interviews reported that the main benefit of the virtual surveillance reviews was increased flexibility in timeline and scheduling.

However, 90% of survey respondents who had conducted virtual surveillance reviews felt there were challenges specific to the virtual mode, with the primary challenge being obtaining contract files for review. This was reflected in the SR team interviews, in which all six interviews raised file access as a key challenge in virtual surveillance reviews.

The timeliness analysis showed that the average time required to complete a surveillance review grew longer in 2020 due to the pandemic, however this year is not representative of a year in which surveillance reviews were always planned to be virtual. The year 2021 is more representative of virtual surveillance reviews; while some of the previous years' improvements in timeliness were lost in 2021, the virtual process in 2021 was significantly faster than in 2020.

Research Question 2.2. What aspects of virtual surveillance reviews could be expanded, adapted, or continued in the future to help the SBA modernize and improve its surveillance review process? Survey respondents were relatively split on whether virtual surveillance reviews should be continued. Although 5 of 16 respondents did not think they should continue, 9 reported they should be continued for reasons including cost savings and reducing tension between the SR team and the PC staff.

When asked what aspects of virtual surveillance reviews could be adapted moving forward, both SR teams and PCs suggested a hybrid approach, in which some (but not all) aspects of the surveillance review were conducted virtually. For example, 4 of 9 survey respondents in favor of continuing virtual reviews suggested the exit and entrance briefings could be conducted virtually.

Survey. In the preceding section on Research Question 1, the Team compared respondent responses for in-person and virtual surveillance reviews. This section builds on the general discussion introduced above and highlights the notable differences for virtual surveillance reviews.

First, the Team addresses Research Question 2.1, *"What aspects of virtual surveillance reviews are viewed as more effective or efficient compared to in-person reviews, and what aspects of virtual reviews*

are viewed as less effective or efficient?" When survey respondents were asked to rate the overall effectiveness of the SR process as shown in Figure 10, virtual surveillance review respondents were less likely to report that the SR process was very effective or somewhat effective compared to in-person SRs.

Figure 10: Effectiveness of the surveillance review process
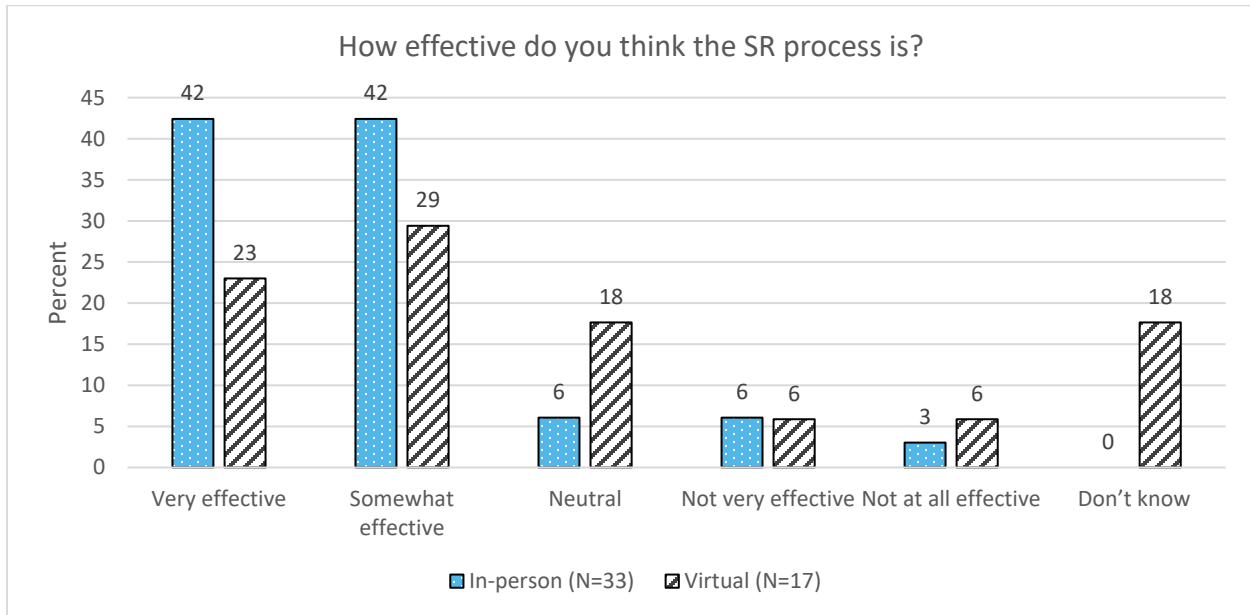
To understand the efficiency of the SR process, respondents were asked to rate the timeliness with which each step of the process is performed. The majority (a combined total of 69%) of virtual surveillance review respondents indicated steps are always or usually performed in an appropriate time frame. When asked if the virtual full compliance SR process reflects an appropriate use of resources, as shown in Figure 11, nearly 70% of respondents indicated the use of resources was either very (31%) or somewhat (38%) appropriate, although 19% reported the virtual SR process does not use resources appropriately compared to 6% of the in-person surveillance review respondents.

Figure 11: Appropriate use of resources for virtual surveillance reviews
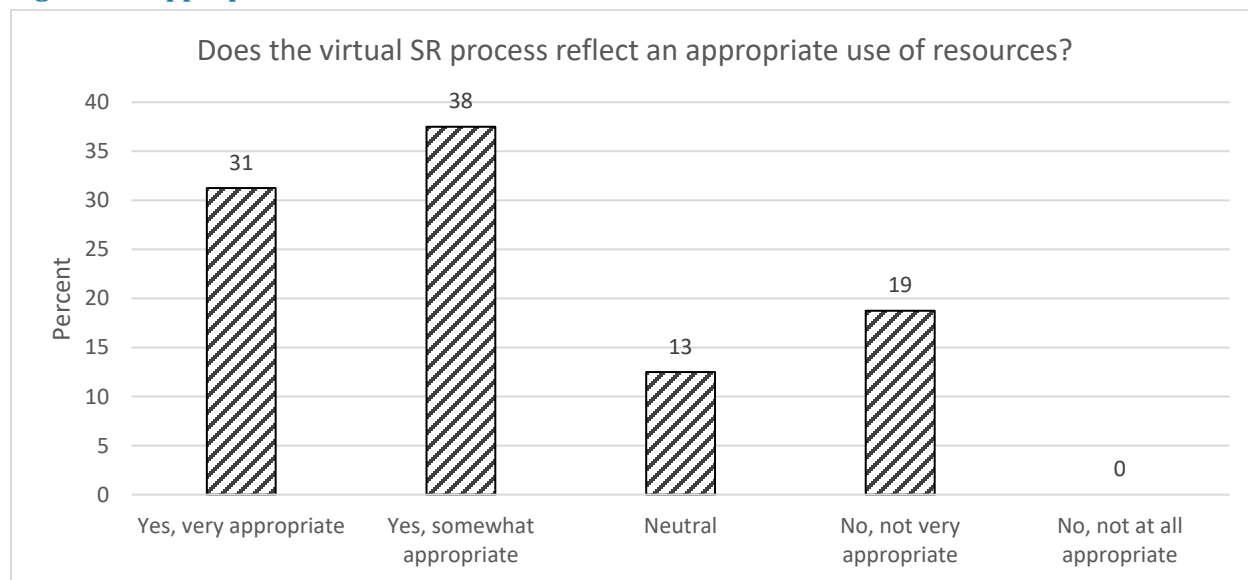
Survey respondents who have conducted both in-person and virtual SRs were asked a series of questions comparing the two modes. Of the 40 that responded to this question, most (73%, or 29 respondents) agreed that there are specific benefits of the virtual full compliance SR process that the in-person process does not have, while 25% (10 respondents) disagreed and 3% (1 respondent) reported they did not know. Of the 29 respondents that cited specific benefits, the most cited benefit was time and cost savings due to reduced travel (7 respondents). Notably, at least 3 other respondents also noted cost savings without attributing the savings to travel. Two respondents also noted time savings due to reduced paperwork and documentation.

When comparing the two modes, respondents noted other time-related efficiencies associated with virtual surveillance reviews. Approximately 30% of respondents noted that the SR team had more time to complete the surveillance reviews or were able to remain focused on the SR process. A benefit of this efficiency as noted by 1 respondent was the ability to spend more time on their other non-SR responsibilities. Another respondent noted that PCs had more time to respond to questions from the SR team.

Other benefits mentioned by 3 or fewer respondents include avoiding potential tension with PC staff when conducting the surveillance review virtually instead of in person, enabling more PC staff to participate in the surveillance reviews, enabling the SR team to remain focused due to fewer distractions from other SR team members who may have finished their assignments or PC staff asking questions unrelated to the SR, and being able to review remote PCs that would have otherwise been difficult for travel.

Approximately 90% of respondents (36 of 40) responded to a question on whether there were specific challenges to virtual SRs compared to in-person surveillance reviews. The majority of responses (75%, or 27 of 40) identified challenges with obtaining contract files to review due to issues such as agencies not maintaining electronic records, difficulty accessing different computer systems and file formats, difficulty transmitting large files, and inconsistent internet connectivity. Notably, challenges with obtaining contract files was by far the most frequently raised challenge among virtual and in-person SRs.

The next most cited challenge (4 respondents) posed by virtual SRs was the difficulty in building rapport or relationships to facilitate a smoother SR process. For example, in-person surveillance reviews enabled the SR team to immediately communicate shortcomings such as missing documents in the files being reviewed and paper copies could be retrieved during the surveillance review process. The in-person surveillance reviews also enabled the SR team to build trust with the PC staff.

When asked to identify challenges they had faced when conducting virtual surveillance reviews, respondents reported their most significant difficulties were receiving requested documentation (88%) and scheduling interviews (53%). Unlike in-person surveillance reviews, cost limitations and SR team member availability were not as big of issues (7% virtual versus 52% in-person and 33% virtual versus 46% in-person, respectively).

Respondents were asked to rate how easy or difficult it was to complete specific steps for both in-person and virtual SRs. Respondents who had conducted virtual surveillance reviews found documentation selection and report creation easier than in-person surveillance review respondents. Specifically, 54% of virtual surveillance review respondents found documentation selection very or somewhat easy (compared to 18% of in-person surveillance review respondents), and 53% of virtual surveillance review respondents found report creation very or somewhat easy (compared to 22% of in-person surveillance review respondents). Notably, the majority (more than 50%) of virtual SR respondents found entrance briefings and exit briefings to be very easy or somewhat easy. Contract review during virtual SRs proved to be neither easy nor difficult, with an even division among respondents finding them easy or difficult (40% easy versus 40% difficult).

The survey findings also inform Research Question 2.2 ("*What aspects of virtual surveillance reviews could be expanded, adapted, or continued in the future to help the SBA modernize and improve its surveillance review process?*"). Respondents were asked if any resources could be reduced or eliminated to save money without damaging the effectiveness of the surveillance review process. The majority of survey respondents agree that, whether conducted virtually or in-person, SRs cannot afford to lose any resources—that is, the resources need to be retained or improved. The survey also asked participants to select the top three resources they need more of to conduct SRs. The top resource according to both in-person (58%) and virtual (47%) SR respondents was information on best practices for conducting surveillance reviews. For virtual SR respondents, the next most important resources were more software (47%) and training (40%).

The survey also asked respondents to rate the ease of the equivalent steps of the SR process for PCs. Unlike in-person surveillance reviews, virtual surveillance reviews make it easier for PCs to have interviews with SBA staff. Specifically, 66% of respondents said they think PCs have a very or somewhat easy time completing the interviews virtually, compared to 42% for in-person SRs. As with in-person SRs, PCs undergoing a virtual SR struggle to gather contract files for review (53%). Nearly half of virtual surveillance review respondents said completing a Corrective Action Plan is neither easy nor difficult for PCs.

When asked whether the SBA should continue conducting virtual SRs, a little over half (56%, or 9 of 16) of the respondents thought that SBA should continue. Among those that thought they should be continued, reasons cited include cost savings (6 of 9 respondents) and reducing tension between the SR team and the PC staff. One respondent suggested that the SBA take a hybrid approach.

Among the 5 respondents who responded that the SBA should not continue with virtual SRs, 4 mentioned the difficulty of obtaining contract files to review. The fifth thought it was important to maintain relationships between the SBA and PC staff, noting that "PCs need to see the human side of [the] SBA."

Similarly, when asked whether there were specific aspects of the virtual SRs that should be maintained, 9 of 16 responded affirmatively. At least 4 respondents suggested that the entrance and exit briefings could be virtual. Four respondents thought that the SBA could continue reviewing contracts virtually. One respondent noted that not all SRs are equipped to be completed virtually and that benefits are minimized when less-equipped SRs are conducted virtually; specifically, the respondent noted "virtual SR only works under certain conditions. When the conditions are present, it can be an effective tool and a money saver. When the conditions are not met, forcing the SR under virtual conditions results in a stressful situation for all involved."

Interviews with PCs. To answer the two sub-questions under Research Question 2, the Team collected information from PCs who had undergone in-person surveillance reviews as well as those whose surveillance reviews were conducted virtually. Four of the six interviewed PCs had experienced a virtual surveillance review (either an initial SR or a FuSR).

Overall, there was not much consensus among PCs about what aspects of the virtual surveillance review process worked well. Two PCs felt that sharing files electronically was relatively easy. One of these PCs reported they could provide the SR team access to specific files in their contracting system, which was easier than digging through paper files. The other PC noted it was quick and easy to send files electronically. Other than these comments, however, PCs did not identify parts of the surveillance review process specific to the virtual mode that were working well.

Similarly, the main challenges PCs experienced during the surveillance review process were generally not specific to mode. As noted in Section 4.2, the biggest challenge was accessing files. However, this challenge was identified for both in-person and virtual surveillance reviews. As described above, the challenges related to file access that were specific to virtual surveillance reviews included only having hard copies of the files being requested (and in one instance, not being permitted to return to the agency to scan the files to share electronically) and a limited number of CAC cards on the SR team to access electronically shared files.

While a handful of challenges specific to the virtual mode were raised, they were each only raised by one or two of the four PCs that had experienced a virtual surveillance review. Two of these PCs explained the surveillance review timeline was delayed or very long due to the COVID-19 pandemic. There were two main reasons for these delays: waiting to see if the initial wave of the pandemic would pass to allow the surveillance review to be conducted in person and complications with the new shift to remote work (such as connection issues and proper credentials to access contract files). Other virtual-specific challenges raised by one PC each included a higher-than-usual workload during the surveillance review as responsibilities were shifted around to accommodate remote work and lost connections during teleconferencing.

Two of the PC suggestions for improvements (discussed above in Section 4.2) can inform the answer to Research Question 2.2 (*What aspects of virtual surveillance reviews could be expanded, adapted, or continued in the future to help the SBA modernize and improve its surveillance review process?*). The first suggestion is around mode. As discussed earlier, two of the six PCs interviewed suggested that

surveillance reviews could either be held entirely virtually or with a hybrid virtual and in-person approach. The second suggestion, raised by three PCs, was to hold a pre-meeting with all participants; one PC specifically noted this pre-meeting could be done virtually.

Interviews with SR staff. To answer the two sub-questions under Research Question 2, the Team collected information from SR team members who had conducted in-person surveillance reviews as well as virtual surveillance reviews. At least one respondent in all six interviews had experienced a virtual surveillance review (either an initial SR or a FuSR).

The main benefit of virtual surveillance reviews reported by SR staff was increased flexibility. Four out of six groups found scheduling to be easier, as there was no need to plan for a site visit. Four of six also highlighted increased time for virtual surveillance reviews, thus allowing them to spend more time on the SR process while also accomplishing work outside of the surveillance review. Respondents in two of six interviews cited the lack of travel as a benefit.

There was consensus among all six interviews that file access was the key challenge in virtual surveillance reviews. Respondents described a "time-consuming" and "frustrating" process of having to go back and forth over email with agencies to obtain files that were not initially provided, and sometimes those files never came. For Department of Defense agencies, virtual surveillance reviews became "a nightmare" due to the high level of security measures required by such agencies for virtual file sharing and the lack of CACs on the SR side. Similarly, four of the six interviews mentioned software incompatibility, noting it was difficult for some SR teams to obtain files, as the agency they were reviewing might not have had the right software to transfer to files, or the SR teams may not have had the right software to access digital files. In addition, the videoconferencing software of agencies and SR teams did not always match.

SR staff were also asked about what aspects of virtual surveillance reviews could be adapted moving forward. These suggestions aligned directly with the suggestions for improvement (discussed above in Section 4.2). As noted earlier, respondents in two of the six interviews recommended a hybrid approach, describing a process in which some aspects of the surveillance review were conducted virtually. Two of the six groups also suggested having a virtual pre-brief before the surveillance review began. This meeting would serve to set expectations, help schedule dates, initiate the data collection process, and more.

Quantitative analyses of timing data. The Team also examined how the time required to complete a surveillance review changed after shifting from in-person to virtual in response to the COVID-19 pandemic, which began midway through the 2020 surveillance review cycle. Prior to the onset of the pandemic, seven in-person surveillance reviews had already been completed. For the remaining 16 reviews, nine were postponed and seven were converted to a virtual format. As the SBA was adjusting the surveillance review mode mid-cycle, the length of the virtual surveillance reviews in the 2020 cohort is not representative of a planned virtual surveillance review cycle. As shown in Figure 12, the period between the Notice Date and the Review Start Date was particularly long—an average of 135 days—as the surveillance reviews were postponed first to see if in-person SRs might become possible and then so the SBA could develop an approach for conducting virtual surveillance reviews of PC contract files. While the length of the surveillance review prior to the Review Start Date was significantly longer for 2020 virtual surveillance reviews, notably, the SBA accelerated the time frame for completing and issuing surveillance review reports from a pre-COVID average of 66 days to just 45 days for the seven surveillance reviews conducted virtually in 2020. Despite the unexpected change in

surveillance review mode mid-cycle, the SBA was able to issue all surveillance review reports except one by the end of the fiscal year.

A more representative view of the timing of a virtual surveillance review process is better reflected by the 2021 surveillance review cohort for which SRs were planned and scheduled as virtual. As shown in Figure 12, while some of the gains achieved in condensing the length of the surveillance review process prior to the pandemic were lost, the overall timing of the virtual surveillance review process in 2021 was significantly faster than the ad hoc virtual surveillance reviews conducted in 2020. The largest decrease in time was associated with the actual surveillance review period, which increased from a pre-COVID average of 3 to 4 days to a period ranging from 4 to 71 days, with an average of 13 days in 2021. Reviewing contracts virtually can be spread out over a longer period without concerns about travel costs.[29] Despite the longer time frame associated with preparing and conducting virtual surveillance reviews in 2021, the SBA continued to meet its internal goal of issuing all surveillance review reports by the end of the fiscal year.

Figure 12: Average length of full surveillance reviews (2019–2021)

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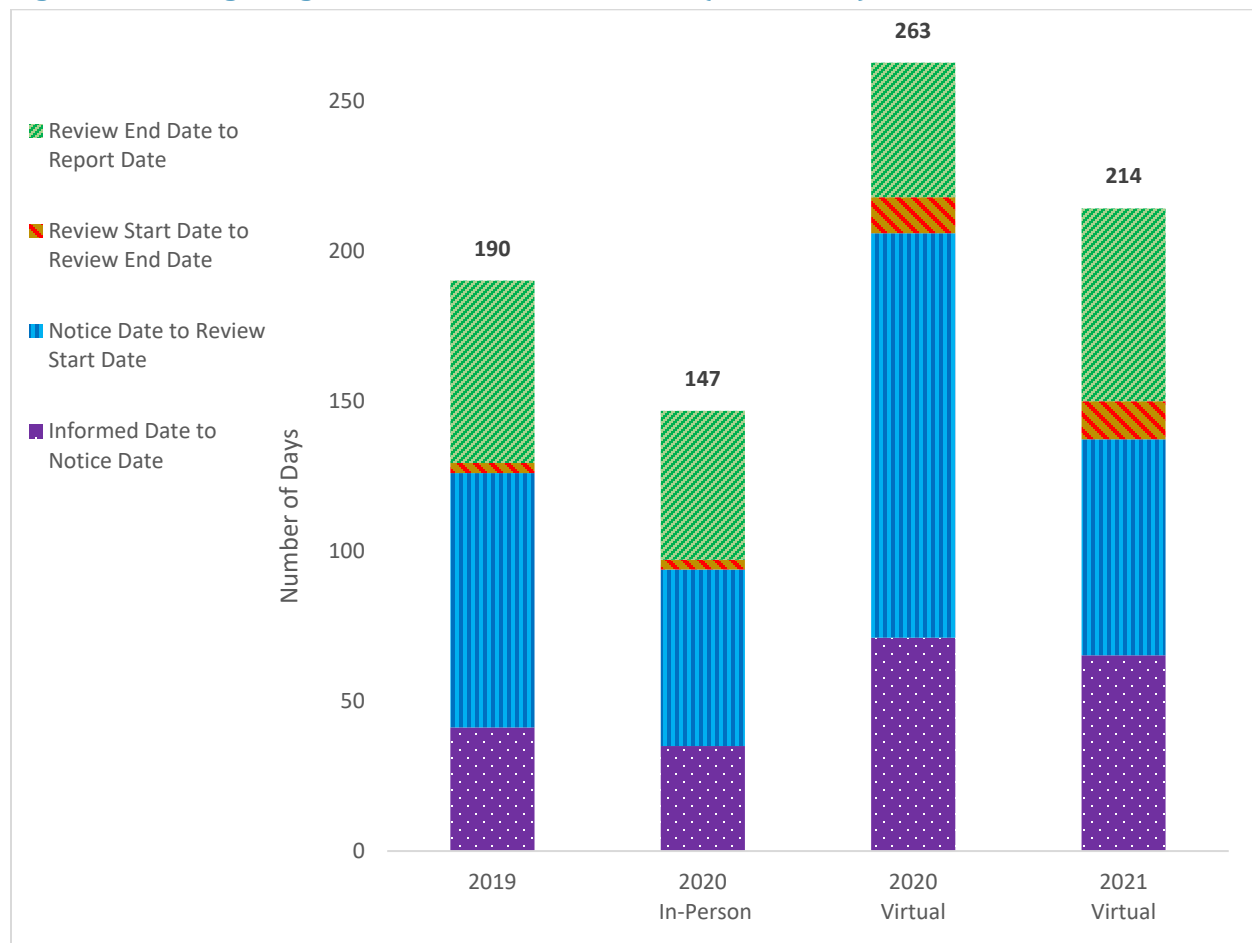
[29] The longer time frame for the review period refers only to the number of days between the entrance and exit briefings. Data on the number of hours spent by SBA staff during this period are not available, so it is not known whether SBA staff spend more, less, or the same number of hours on virtual reviews as compared to in-person reviews.

Business process map. As previously discussed, the Team opted not to depict timeliness administrative data findings for each of the SR steps to enhance visual readability of the process map. Administrative data analyses showed a significant decrease in the total number of days to complete an in-person surveillance review in 2020 when the SBA introduced virtual surveillance reviews. Specifically, the total number of days pre-pandemic peaked at 253 days in 2017 for in-person SRs. The days dropped to an average of 147 days when the SBA introduced virtual SRs in 2020. Notably, the number of days to complete virtual SRs in 2020 and 2021 exceeded 2017 pre-pandemic numbers, jumping to 263 and 214 days, respectively. The increased time for virtual reviews could be attributed to challenges in adjusting to a new approach and obtaining electronic contract files to review.

The business process map also depicted differences between the in-person and virtual SR processes. Specifically, the process map highlighted four steps that were typically part of the in-person process that were conducted virtually in 2020 and 2021: conducting the entrance briefing, conducting in-person interviews, reviewing contract files, and conducting the exit briefing.

4.4 Research Question 3: To what extent do PCs increase their small business contracting goal achievement following surveillance reviews?

Summary: *Research Question 3.1. To what extent do PCs that have undergone surveillance reviews increase their small business contracting goal achievement in the subsequent years following the review?* Analysis of the SBGR data found a small positive change in the percentage of small business spending among reviewed PCs in the years following a surveillance review. A positive increase was found for three of the five cohorts analyzed both following the surveillance review and relative to non-reviewed PCs over the same time frame. The same analysis was completed for each socioeconomic category, revealing that for most cohorts and spending categories, the change in the post-review period for reviewed PCs exceeded the corresponding change across non-reviewed PCs. However, the Team did not find any spending categories where the observed increase in spending levels was statistically significant, likely a function of the data and the multiple factors which influence small business spending levels.

The Team also examined changes in goal achievement for reviewed PCs. For most review cohorts and spending categories, the post-review change was negative or zero. However, a key limitation of this analysis is the lack of actual spending goals for reviewed PCs in the years following the surveillance review.

Research Question 3.2 (i). To what extent do PCs that have undergone follow-up surveillance reviews increase their small business contracting goal achievement in the subsequent years following the review? Although the Team analyzed spending patterns of PCs rated below Satisfactory, the sample size available for this analysis was extremely small, which means no definitive conclusions can be drawn. However, available data do not suggest that undergoing a FuSR has a different impact compared to simply undergoing a full surveillance review.

Research Question 3.2(ii). To what extent do PCs that have undergone follow-up surveillance reviews address the findings identified in reviews in the subsequent years beyond the follow-up review? Of the three interviewed PCs who had undergone a FuSR, all reported having made sustained changes as a result. However, when respondents in four of the SR team interviews were asked whether PCs made long-term changes as a result of FuSRs, all four were unsure.

Regarding changes outlined in CAPs, 61% of survey respondents who had conducted FuSRs reported that most of the actions outlined in the CAP had been completed by the PC at the time of the FuSR. Among SR team interviewees, respondents in four of six interviews reported that PCs had made changes addressed in the CAP. However, among the three PCs who were asked whether they had addressed all findings in their CAP at the time of the FuSR, only one reported they had.

Quantitative analyses of SBGR data. The Team examined SBGR data to answer Research Question 3.1 (*To what extent do PCs that have undergone surveillance reviews increase their small business contracting goal achievement in the subsequent years following the review?*). Analysis of the SBGR data found a small positive change in the percentage of small business spending among reviewed PCs in the years following a surveillance review. For each surveillance review cohort, the Team compared average spending in small business spending and each socioeconomic category as a percent of the total Small Business Eligible Spending in the pre- and post-review periods to the same years for

the non-reviewed cohort. As described in Section 3, a review cohort is all PCs that received their initial review in a specific year. Table 15 displays an example of the results of this analysis for overall small business spending. A positive increase was found for three of the five cohorts analyzed both following the surveillance review and relative to non-reviewed PCs over the same time frame. For the 2016 and 2017 cohorts, however, small business spending levels remained unchanged between the pre- and post-review periods; non-reviewed PCs performed better during the same time frame by 3% and 5%, respectively.[30]

Table 15: Pre- versus post-review change in average small business contracting as a percent of total eligible dollars

Review Cohort	Reviewed PCs			Non-Reviewed PCs			Difference between Groups [G] = [C] − [F]
	Before [A]	After [B]	Change [C] = [B] − [A]	Before [D]	After [E]	Change [F] = [E] − [D]	
2015	31%	49%	18%	32%	39%	7%	12%
2016	47%	47%	0%	36%	39%	3%	-3%
2017	35%	35%	0%	34%	40%	5%	-5%
2018	45%	49%	4%	37%	36%	-1%	4%
2019	45%	48%	3%	37%	39%	1%	2%

Note: As described in the methodology section, the before-review period is the average for all years with data available up to and including the year of the review. The after-review period is the average for all years with data available from the year following the review to 2020.

The same analysis was completed for each socioeconomic category. As shown in Table 16, for most cohorts and small business spending categories, the change in the post-review period for reviewed PCs exceeded the corresponding change across non-reviewed PCs.[31]

Table 16: Summary of the differences between reviewed and non-reviewed PCs by spending category

Review Cohort	Number of Reviews	Small Business	SDB	HUBZone	SDVOB	WOSB
2015	8	12%	13%	1%	6%	4%
2016	16	-3%	5%	2%	4%	-1%
2017	17	-5%	1%	-1%	2%	-1%
2018	28	4%	5%	2%	4%	4%
2019	24	2%	4%	1%	-3%	1%

The Team used the same approach to analyze the spending patterns of PCs that were rated below Satisfactory to explore Research Question 3.2(i) (*To what extent do PCs who have undergone follow-up*

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[30] A difference between groups was also calculated for PCs rated below Satisfactory (Marginally Satisfactory and Unsatisfactory). These results resembled the results for all PCs, but the sample size was too small to draw conclusions. The results are available in Appendix C.

[31] In addition to the difference between groups as a percentage, the Team compared the count of PCs that increased, decreased, and had no change in the average percentage from the post-review period when compared to the pre-review period for both reviewed and non-reviewed PCs. In the population of reviewed PCs, more PCs increased their average spending than decreased their average spending in every spending category. When individual review cohorts and spending categories were considered, reviewed PCs outperformed non-reviewed PCs 70% of the time (18 of 25 possible categories). A more detailed description of this analysis and accompanying tables and graphics are available in Appendix C.

surveillance reviews increase their small business contracting goal achievement in the subsequent years following the review?). As there were only a small number of PCs that received below a Satisfactory rating each year, the sample size for this analysis was quite small (zero to five PCs depending on the surveillance review cohort). The low number of observations means that no definitive conclusions can be drawn from this analysis. The results (available in Appendix C) that were obtained are similar to the results across PCs of all ratings; there is a small positive change in the post-review period in most but not all cases. All else equal, post-review performance for PCs receiving a FuSR does not appear to be materially different from the performance for PCs subject to only a full surveillance review.

The Team used *t*-tests to determine whether the observed changes in small business spending levels reflected a statistical difference between the pre- and post-review periods across the population of reviewed PCs. The *t*-statistic is the difference in post-review spending compared to pre-review spending. As Table 17 shows, the Team did not find any spending categories where the observed increase in spending levels was statistically significant.

Table 17: *T*-test results comparing pre- and post-review performance in reviewed PCs

Spending Category	*T*	Degrees of Freedom	*P*-Value
SB	0.94	166.64	0.35
SDB	1.59	157.96	0.11
SDVOB	1.05	156.73	0.30
HUBZone	0.92	145.46	0.36
WOSB	1.40	147.83	0.16

Note: The observed sample for this initial round of *t*-tests was the population of reviewed PCs. The Team used a two-tailed Welch Two Sample *t*-test. This test does not assume the variance of the pre- and post-review values are the same.

The Team also ran *t*-tests to determine if the observed differences between the reviewed and non-reviewed populations in the post-review period compared to the pre-review period were statistically significant. The *t*-statistic is the performance of the reviewed PCs minus the performance of the non-reviewed PCs. There were statistically significant results in the category of small disadvantaged businesses. As shown in Table 18, small disadvantaged business results were statistically significant for all years except 2019. Additionally, there were statistically significant results for women-owned small businesses for 2018. The category was not significant for any other year. Results for small business spending and other socioeconomic categories are included in Appendix C.

Table 18: *T*-test results comparing reviewed and non-reviewed PCs for small disadvantaged businesses

Year	*T*	Degrees of Freedom	*P*-Value
2015	1.87	157.55	0.06*
2016	2.10	193.06	0.04**
2017	1.66	209.82	0.10*
2018	2.40	216.99	0.02**
2019	1.01	211.78	0.31

Notes: The observed samples for this round of *t*-tests were the population of reviewed PCs and the constructed comparison group of non-reviewed PCs. The Team used a two-tailed Welch Two Sample *t*-test. This test does not assume the variance of the pre- and post-review values are the same. *The mean difference is significant at the 0.1 level. **The mean difference is significant at the 0.05 level.

🎯 **Quantitative analyses of goal data.** The Team examined changes in goal achievement for reviewed PCs. The Team first compared the spending in a given spending category as a percent of total Small Business Eligible Spending achieved by the PC in a given year to the reported goal for that spending category. If the PC's actual spending percentage was equal to or greater than the reported goal, that instance of annual spending in a spending category was considered a success.

For each surveillance review cohort, the Team then calculated a cumulative goal achievement rate for small business spending and each socioeconomic category. The cumulative achievement rate is the total number of successes pre- and post-review as a percentage of the total number of goals in that period that could have been achieved. Then the Team found the difference between cumulative goal achievement in the post-review period compared to the pre-review period. The hypothesis was that this post-review percentage point change would be positive, as PCs would achieve more goals post-review. Cumulative goal achievement was calculated for each review cohort and spending category. Table 19 presents the result of the cumulative goal achievement analysis for the 2016 surveillance review cohort by spending category to demonstrate this calculation. Table 20 summarizes the results across all cohorts.[32] As shown in Table 20, cumulative goal achievement fell for the 2016 surveillance review cohort for small business spending and two of the four socioeconomic categories.

Table 19: Cumulative goal achievement—2016 cohort

Spending Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	19	51	37%	11	42	26%	-11%
SDB	9	51	18%	2	42	5%	-13%
SDVOB	9	51	18%	8	42	19%	1%
HUBZone	39	51	76%	22	42	52%	-24%
WOSB	32	51	63%	28	42	67%	4%

As shown in Table 20, for most surveillance review cohorts and spending categories, the post-review change was negative or zero.[33] In other words, the available data suggest PCs were more likely to miss spending goals in the years following a surveillance review. As previously discussed, a key limitation of this analysis, however, is the lack of actual spending goals for reviewed PCs following the surveillance review. In addition, a number of factors affect annual small business spending levels, such as the type of small businesses targeted by the PC, budget levels, outreach activities, and management direction. A more rigorous regression analysis could take into account other factors that influence small business spending levels but is beyond the scope of this evaluation.

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[32] Table 19 demonstrates how the post-review change in goal achievement was calculated for a single review cohort and spending category. Rather than providing a table for each individual cohort, Table 20 summarizes the results across all cohorts. The Team chose to use tables from the 2016 cohort because it is the cohort with the most balance between the pre- and post-review periods in terms of number of years of data. Appendix C contains companion tables to Table 19 for all other cohorts.

[33] A post-review change was also calculated for PCs rated below Satisfactory (Marginally Satisfactory and Unsatisfactory). These results resembled the results for all PCs, but the sample size was too small to draw conclusions. The results are available in Appendix C.

Table 20: Summary of cumulative post-review changes

Review Cohort	SB	SDB	SDVOB	HUBZone	WOSB
2016	-11%	-13%	1%	-24%	4%
2017	16%	11%	-4%	-5%	12%
2018	-7%	4%	0%	-12%	-10%
2019	-11%	-2%	-7%	-15%	-3%

The Team used the same approach to analyze the spending patterns of PCs that were rated below Satisfactory to explore Research Question 3.2(i) (*To what extent do PCs who have undergone follow-up surveillance reviews increase their small business contracting goal achievement in the subsequent years following the review?*). As was the case with the SBGR spending data, there were not enough observations (zero to five PCs per surveillance review cohort) to draw conclusions about the impact of a FuSR on goal achievement for PCs rated below Satisfactory. With that said, the results of this analysis were comparable to the results for PCs of all ratings. See Appendix C for the complete results of this analysis.

Survey. The survey addressed Research Question 3.1 (*To what extent do PCs that have undergone surveillance reviews increase their small business contracting goal achievement in the subsequent years following the review?*). Participants were asked to rate the level to which PCs increase the overall award of contracts to small businesses after a full compliance SR has been conducted. Figure 13 shows that following both in-person (58%) and virtual (56%) full compliance SRs, respondents believe PCs award more contracts to small businesses to some extent.

Figure 13: Effect of full compliance surveillance review on PC contract awarding
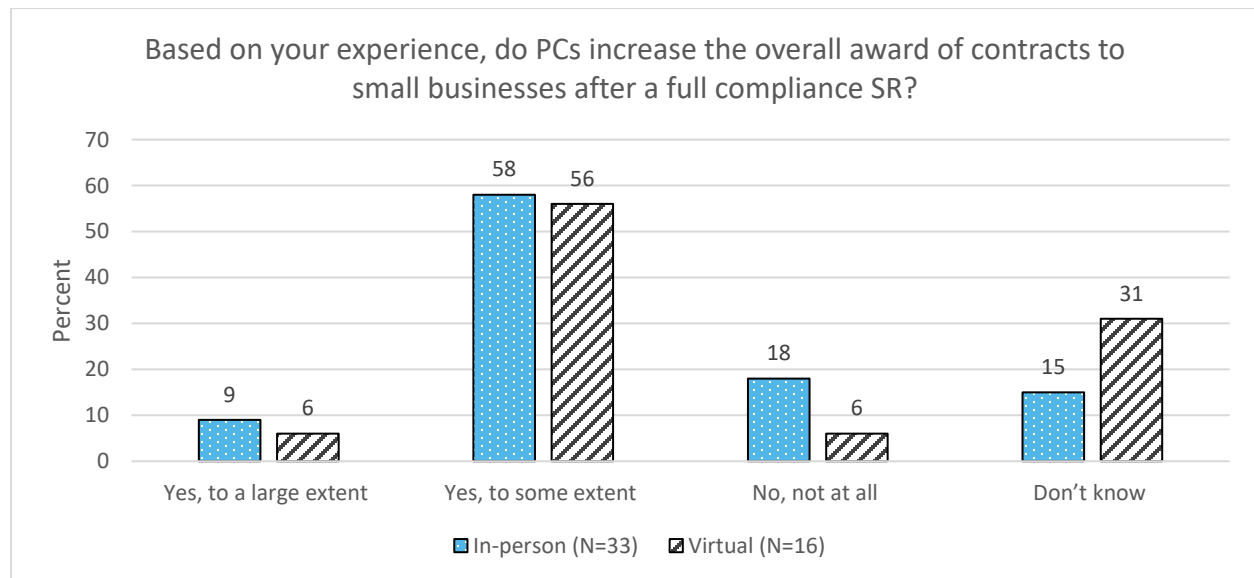
The survey also addressed Research Question 3.2(ii) (*To what extent do PCs who have undergone follow-up surveillance reviews address the findings identified in reviews in the subsequent years beyond the follow-up review?*). The survey asked participants who had conducted FuSRs whether PCs had completed the actions in their CAPs. Figure 14 shows that 72% of respondents reported all or most of the actions outlined in the CAP were completed by the PC. Similarly, when asked whether respondents

thought that PCs had made changes that would extend into subsequent years following a FuSR, while nearly one-third (29%) did not know, 68% thought the changes would extend into the subsequent years.

Figure 14: Corrective Action Plan completion
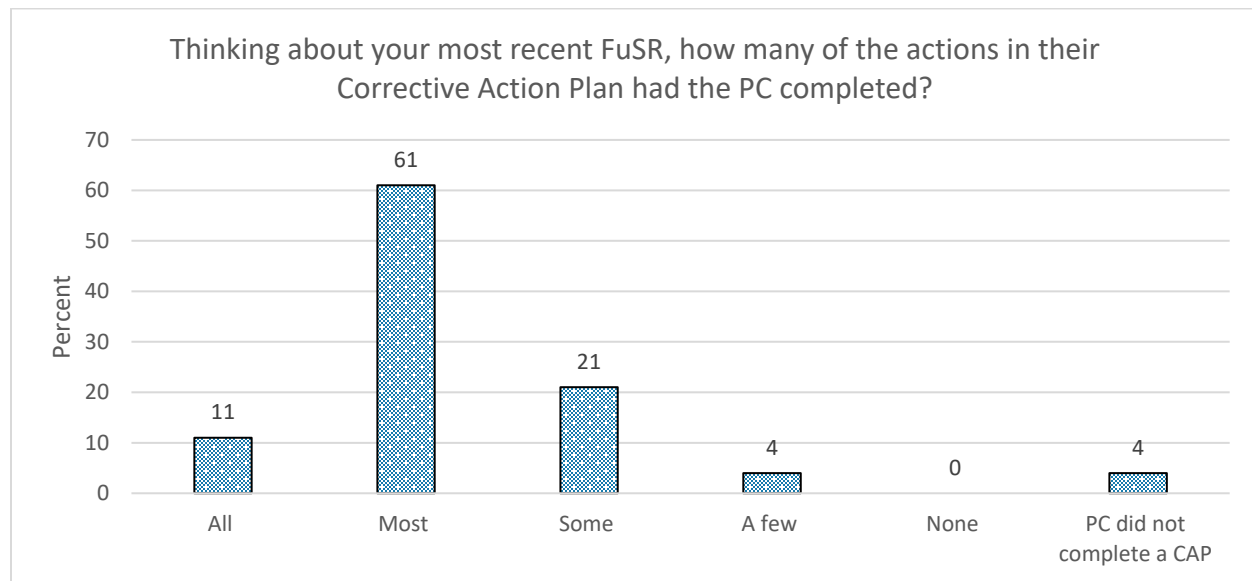
Thinking about your most recent FuSR, how many of the actions in their Corrective Action Plan had the PC completed?

(Bar chart showing Percent on the y-axis from 0 to 70)
- All: 11
- Most: 61
- Some: 21
- A few: 4
- None: 0
- PC did not complete a CAP: 4

Interviews with PCs. To answer Research Question 3.2(ii) (*To what extent do PCs who have undergone follow-up surveillance reviews address the findings identified in reviews in the subsequent years beyond the follow-up review?*), PCs who had undergone a FuSR were asked about changes they made because of those FuSRs. Three of the six interviewed PCs had undergone a FuSR, and all three reported having made sustained changes as a result. When asked whether they had addressed all findings in their CAP at the time of the FuSR, responses were mixed. One reported they had addressed all findings, one stated they had addressed changes that were not included in the CAP, and the third reported making some of the changes in conjunction with incremental progress over time as they are "developing a depth of understanding."

Interviews with SR staff. All six interviews had at least one person who had experience with FuSRs. Respondents in four interviews discussed long-term changes, and all four reported being unsure if PCs were making sustained changes in response to surveillance reviews. As one respondent stated, "Agencies that have been having trouble meeting goals are probably always going to have trouble meeting goals."

When asked if PCs had made changes not outlined in the CAP, respondents in three of the six interviews said they were unsure. Similarly, when asked if they had made changes in response to the CAP, the majority of respondents were unsure (five of six). Respondents in four of six interviews reported that PCs had made changes based on the CAP, and two of the six also reported PCs had made changes other than those included in the CAP.

Business process map. While the Team had suggested that the process map could document deviations in the SR process based on information from the interviews and surveys, the Team did not note deviations from the general SR process as described in the *Desk Guide* and documented in the process map.

5 CONCLUSIONS AND RECOMMENDATIONS

The findings detailed in the sections above can be summarized in three main categories: overall program effectiveness, efficiency and cost-effectiveness, and virtual surveillance reviews.

Overall program effectiveness. The SBGR data analysis found a small positive change in the percent of small business spending for reviewed PCs after a surveillance review and relative to a comparison group of non-reviewed PCs. However, the observed changes were not statistically significant, likely a function of the data and the multiple factors which influence small business spending levels. While the Team also examined changes in goal achievement for reviewed PCs, this analysis is limited due to a lack of data on spending goals for reviewed PCs in the years after the surveillance review. Effectiveness of FuSRs was unclear; no definitive conclusions could be drawn from an analysis of small business spending for PCs subject to FuSRs due to the small sample size. Interviewed SR staff were generally unsure whether PCs made long-term changes as a result of FuSRs.

In the course of this evaluation, the Team identified two topics that would benefit from future research. The first avenue the Team recommends is conducting additional primary research with PCs. In order to answer this evaluation's research questions, the evaluation design gathered substantially more primary data from SBA staff than from PCs. The six PCs recruited for interviews were selected for diversity. While this approach ensured a range of feedback from PCs, the relatively low number of PCs interviewed meant there were fewer common themes identified in their data as compared to data collected from SBA staff. It is therefore unlikely that primary data collection with PCs reached "saturation" (the point in qualitative research at which no additional themes are identified through additional data collection). To create parity with the SBA data collection, the Team recommends conducting a survey of all PCs that have undergone a surveillance review in the past 5 years. This approach would supplement the findings identified in this report, providing more data on what parts of the SR process PCs feel are working well, in addition to pain points and suggestions for improvements.

The SR program could also benefit from a deeper exploration of sampling and selection, for both PCs and contract files. Starting with selected PCs, research could explore (1) whether there is an optimal number of PCs that should undergo review to ensure SRs have a wide-reaching impact and (2) how to introduce weighting criteria to the selection factors to add rigor to the selection process. The SBA may also want to consider to what extent it is valuable or feasible to select a subset of PCs to review each year based on quantitative analysis of recent trends in small business spending categories. For example, one possible option is to analyze the top 300 to 600 PCs and randomly select a subset of PCs for review from among the subpopulation of PCs where there is an observed directional decrease in the percent of small business spending over the prior 5 years. Regarding selected contracts, while the Desk Guide currently instructs teams to select a "representative sample" of contracts, it does not define that term. Future work could explore how to ensure diversity in the type of contracts reviewed and whether there is an optional number or percentage of contracts to review for each PC. Potential changes to the selection of PCs and contract files would need to be assessed in concert as they are likely to impact each other; for example, if a recommendation was made to review additional contracts, it might necessitate fewer surveillance reviews overall unless additional resources can be made available. Similarly, such an analysis would need to be conducted in close conjunction with GC, to ensure an accurate understanding of the constraints on the SR program that would impact the feasibility of any changes.

Efficiency and cost-effectiveness. The average length of time needed to complete a surveillance review is becoming shorter and therefore more efficient from a timeliness perspective. While 2021 and 2020

are aberrant years due to the unexpected shift to virtual surveillance reviews, the average timeline for 2021 was shorter than 2020. A key challenge to improving the efficiency of the SR process is resource constraints. The Team learned from respondents that it would not be possible to eliminate any resources or do additional surveillance reviews primarily due to lack of adequate staff and the challenge of juggling workloads (SR staff are still responsible for their full-time roles while they are working on an SR team). Although the Team had intended to evaluate cost-effectiveness by examining cost data for each step of the surveillance review process, the data were only available at a highly aggregated level, which precluded the planned analysis.

Virtual surveillance reviews. The transition to virtual surveillance reviews revealed both challenges and benefits specific to the virtual mode. The key challenge was obtaining virtual access to contract files given the wide variation in contracting systems, software, and security requirements across agencies. Although this challenge was particularly notable for virtual surveillance reviews, it was also raised for in-person surveillance reviews, making it one of the key challenges of the overall surveillance review process regardless of mode. The key benefit of virtual surveillance reviews is cost and time savings due to the absence of travel requirements. Multiple SR staff highlighted the greater flexibility associated with virtual surveillance reviews, which allowed them to both better balance surveillance review responsibilities with regular day-to-day responsibilities and spend more time reviewing contract files. Virtual surveillance reviews revealed that not all pieces of the process need to be conducted in person, as respondents suggested a hybrid approach—tailored to each surveillance review—may benefit both SR teams and PCs.

If the SBA continues conducting virtual surveillance reviews or shifts to a hybrid mode as recommended below, future data collection would be warranted to determine the effectiveness of these modes. The best way to approach this future research would be through two stages, additional primary data collection and additional SBGR data analysis. The SBA could conduct a "follow-up review" (different than the typical FuSR) with select PCs that underwent a virtual or hybrid review. This follow-up review would be focused on reinterviewing PCs regarding the changes they have made since the last review and asking PCs for their small business goal data in the intervening years. The SBA could also analyze the SBGR data for the intervening years and then discuss observed changes with PCs. While this approach would require more resources than are typically used for a FuSR, it would be an effective way to determine what impact the virtual or hybrid mode is having and understand the nuances of *why* those impacts are occurring.

From these findings, the Team has made 10 recommendations. They are presented below, organized by likely feasibility of implementation and potential impact on the surveillance review program.

Recommendation 1: Address challenges in accessing virtual contract files.
Difficulty accessing contract files was the key challenge in the current SR process according to both PCs and SR staff. The Team recommends that the SBA address challenges in accessing virtual contract files by standardizing a

**Feasibility: High
Impact: High**

list of potential options for sharing contract files that SR teams can offer agencies. It will help SR teams to have a variety of options ready to share, rather than having to troubleshoot contract sharing in real time during the surveillance review. Providing options will also assist PCs, given that the right solution may vary by PC preference and capability. The following is a list of potential options:

- The PC provides the SR team access to its contracting system, which may require a CAC card (this option could be feasible for both in-person and virtual surveillance reviews, depending upon the PC).
- The SR team provides access to a dedicated online file drop box, such as Box.com, where the PC can submit password-protected contract files.
- The PC sends password-protected contract files via email.
- The SR team travels to the PC to conduct an on-site review of hard copies of contract files (pending the resumption of travel post-pandemic).
- The SBA sets up a surveillance reviews SharePoint site that meets federal standards for data security and provides limited, temporary access for the PC to upload contract files. Alternatively, the PC could set up a SharePoint site that meets security guidelines and gives the SBA access.

The Team understands that SR teams begin discussing contract access from the very beginning of the SR process. Given the challenge that contract access has been, it is important that this discussion with PCs continues happening as early as possible.

Recommendation 2: Transition to a hybrid mode for surveillance reviews.
One of the research questions driving this evaluation was whether the SBA should continue to conduct virtual surveillance reviews after the end of the pandemic. Given the challenges and benefits of virtual surveillance reviews identified by this evaluation, the Team recommends that the SBA implement a hybrid approach in which some components of the full surveillance review are conducted in person and others are conducted virtually. In most cases, all FuSRs can be conducted virtually, given their shorter nature and smaller team size.

> **Feasibility: High**
> **Impact: High**

For full surveillance reviews, the best split of virtual and in-person components should be determined in conjunction with the PC, given that the specific split will likely vary by surveillance review. This hybrid approach will have two benefits:

- *Improve communications and workload for PCs.* Some PCs may have preferences for mode to make communications and workload easier. For example, perhaps one PC prefers to have the entrance briefing in person or share contract files in person to allow for easier communication between the SR team and the PC. Alternately, some PCs may prefer to send files virtually (particularly if they do not have hard copies of the contracts), as it may reduce their workload.
- *Be more cost-efficient.* Travel will be determined by the specific surveillance review format, thereby cutting down on travel costs. For example, in some scenarios no travel will be required (eliminating all travel costs for that surveillance review), while in other scenarios perhaps only one SR team member will need to travel depending on the specific tasks that will be conducted in person (decreasing the overall travel costs).

To determine the best way to structure a hybrid surveillance review, the Team recommends that the SBA create a standard list of criteria to inform the decision. This list should be discussed with the PC as soon as possible after the Team Leader's first contact with the agency. Items to include on the checklist include:

- Does the PC have the capability to send files virtually?
- Does the SR team anticipate software access issues due to lack of CAC cards, previous experience with PC, or other reasons?

- Does the rationale for the PC selection suggest an in-person interview might be more effective? (For example, a PC selected because of compliance issues might warrant an in-person interview to help improve rapport with the SR team.)
- Is this a full compliance surveillance review or a follow-up surveillance review?
- Where are members of the SR team located (is someone on the team located close to the PC)?

Given the need to request travel far in advance for budgeting purposes, the Team recommends that the SBA make travel requests with the assumption that all SRs will be conducted in person; as the correct hybrid mode is determined, the SBA can cancel or change travel plans if fewer or no staff will need to travel.

Recommendation 3: Improve effectiveness of entrance briefing through standardization. In data collection, SR teams and PCs both highlighted the need for a "pre-brief" that brings all players together to provide an overview of the surveillance review process and discuss needs, scheduling, and contract selection. This proposed pre-brief shares many goals with the entrance briefing as defined in the *Desk Guide*; per the *Desk Guide*, the entrance briefing should introduce SR team members, discuss the purpose and scope of the surveillance review, seek information on any special areas of concern, explain the SR report preparation process, and schedule the exit briefing. Given this overlap, it seems the entrance briefing is not always effective. The Team recommends that the SBA address this challenge through two steps:

> **Feasibility: High**
> **Impact: High**

- Standardize the entrance briefing by creating a "kickoff" memo that can be shared with PCs ahead of time. This document would have sections on each key topic of the entrance briefing, to be tailored by the SR team ahead of time for the specific PC. This would ensure all topics are addressed with PCs and ensure PCs have a reference to consult during the surveillance review if needed. (In addition to the topics outlined in the *Desk Guide*, this would also be an opportunity to explain the rationale for contract selection; see Recommendation 4 for more information.)
- Hold the entrance briefing 4 to 6 weeks before the start of the SR, rather than on the first day. This will provide time for PC questions (including follow-up questions after the entrance briefing), deciding how to receive contract files if they will be virtual (see Recommendation 1), and scheduling the exit briefing.

Recommendation 4: Document and disseminate best practices for increasing small business contracting. PCs highlighted the need for additional help from the SBA (such as training and resources) and noted it was appreciated when the SBA identified in the report existing agency processes that help create opportunities for small business contracting. Based on this feedback, the Team recommends that the SBA make two changes to better support PCs during the SR process:

> **Feasibility: High**
> **Impact: High**

- Create a list of best practices currently implemented by PCs that have scored well in their surveillance reviews. This list should be available on GC's website and disseminated to PCs undergoing surveillance reviews in the future. Source these best practices (market research, outreach, industry days, etc.) from the SR reports and the agency-level best practices that are shared annually with the Office of Policy, Planning, and Liaison by the OSDBUs, and categorize them by civilian versus Department of Defense. These best practices can be identified in PC responses to the checklist questions and interview questions.

- If one does not already exist, create a list of resources to point PCs in the right direction when further assistance or training is required (for example, which topics a PCR can provide assistance on or existing training options available to PCs from their agency, the SBA, or other federal resources). Deliver this list of resources to the PC when the final report is sent.

Recommendation 5: Explain the rationale for contract selection. PCs expressed confusion around the rationale for selecting certain contracts for surveillance review. Although the *Desk Guide* states that SR teams request a full list of contracts and then select a representative sample of contracts for review, this process did not seem to be understood by PCs (some of which suggested this process as an improvement). Because the number of contract files requested makes it infeasible for the SR team to explain the selection rationale for each individual contract file, the SBA can address this confusion by providing an overarching explanation of contract selection rationale. This standard explanation should specifically address the types of contracts where PCs were confused as to why they were selected for review, such as contracts already in the closeout stage, funding modifications, and contracts for which no small business is able to provide the service (such as certain types of manufacturing). This explanation can be included in the kickoff memo shared with PCs during the entrance briefing. The paragraph below is a sample of potential wording, which the SBA should expand to explain why each contract type might be selected (for example, why a funding modification or a contract in the closeout stage would be reviewed):

> Feasibility: High
> Impact: Low

> The surveillance review team will select contracts for review based on the list submitted in response to the checklist. The team will select a wide variety of contract types, such as set-asides, full and open competitions, contracts with or without subcontracting plans, and funding modifications. Selected contracts may be at any stage of the contracting process, including contract closeout. The number of contracts selected for review will vary by surveillance review.

Although it is a best practice for the rationale for contract selection to be documented in the SR report for clarity and transparency, the number of contract files reviewed will likely make this infeasible.

Recommendation 6: Update the checklist and *Desk Guide* to gather PC-specific goals. The administrative data analysis in this evaluation primarily focused on small business actual spending percentages. While this is useful information and one way of measuring PC performance, another important aspect of performance is the goal achievement percentage. However, as discussed previously, existing data do not allow for reliable analysis of PC goal achievement because it is currently unclear in the SR reports whether the small business goals reported are specific to the PC or the agency-level goal. With the understanding that there are many external factors which may impact actual spending as well as goal achievement, the Team recommends that the SBA make changes to ensure that the goal data that SR teams are reviewing are in fact PC-level goals. This will allow for a more accurate understanding of PC small business goal performance.

> Feasibility: High
> Impact: Low

The Team therefore recommends that the SBA update the checklist and the interview questions to ensure accurate data are collected on small business goals and goal achievement. Section B of the checklist (*Acquisition Review and Implementation of the Small Business Programs*) asks "How are small business program goals established (e.g., assigned by headquarters), and are they reasonable and attainable?" This question should be supplemented by additional questions asking the PC to list their small business goals and indicate whether they are PC-specific or agency-level goals. Section 3 of the

interview guide (*Acquisition Review & Small Business Programs*) asks "Do you know what your buying activity's Small Business goals are for the current FY?" This should be supplemented with additional questions asking about the small business goals and whether they are PC-specific or agency-level goals. If PC-specific goals have not been established, it may be helpful to also include a follow-on question to the PC to understand the reasons or challenges that have prevented the agency or the PC from establishing PC-specific small business goals.

Additionally, the Team recommends that the SBA update the *Desk Guide* to ensure that goal information is articulated clearly in the SR report. For example, the *Desk Guide* should instruct teams to note in the report (in the table of achieved small business contracting percentages) whether the small business goals are at the PC or agency level. If PC-level goals are not available, the *Desk Guide* should provide guidance to SR teams for how to assess goal performance in such instances.

An additional optional change that would help with future analysis of the percentage of goal achievement is to implement a process to collect PC goals in the years following the surveillance review. Such a process would need to define for which PCs post-review analysis would be valuable and the analytic time frame (that is, how many years post-review should be assessed). Developing this type of post-review process would provide the SBA with the ability to understand whether reviewed PCs are increasing goal achievement following surveillance reviews. However, given the number of PCs reviewed each year and existing resource constraints, the level of effort required to collect PC goals for multiple years post-review may not be feasible. If understanding changes in PC performance following surveillance reviews is important to the SBA (either for all PCs or a subset of reviewed PCs), an alternative approach may be to instead focus on actual small business spending percentages rather than goal achievement. As illustrated in this study, SBGR data on small business spending percentages are readily available. The level of effort required to conduct a follow-up analysis of SBGR data for all or a subset of reviewed PCs would likely be lower than collecting and analyzing PC goal achievement following surveillance reviews.

Recommendation 7: Document best practices for SR report writing.
Although the *Desk Guide* includes a previous SR report as an example, SR teams noted that the report writing process is difficult. Several cited multiple rounds of back-and-forth edits, even when they used another team's report as a starting point. To minimize this unnecessary burden and improve efficiency in the report writing process, the Team recommends that the SBA provide more detailed information on the *Desk Guide* regarding report writing. At a minimum, instructions should be expanded to include:

**Feasibility: High
Impact: Low**

- Use the reports in the *Desk Guide* appendix as a template (in particular, the first two pages should require few updates beyond inserting the correct names and dates). State that these sample reports are included because they are excellent examples from previous surveillance reviews.
- Use clear, straightforward language (for example, do not state that "No contracts of *XYZ* type were reviewed" if there were no available contracts of this type; instead, state that "There were no *XYZ* contracts available for review.")
- Use nontechnical language.
- Define all acronyms, abbreviations, and technical terms.

The list of instructions should also include the current guidance in the *Desk Guide* to "avoid personal opinions" and tie all findings to "a specific statue, regulation, or policy." This list can be updated each year, as additional best practices and common issues in report writing are identified.

Furthermore, the SBA should consider whether it is feasible to organize a "findings bank" that collects findings from surveillance review reports. This can be organized in a spreadsheet and should include the PC name, the SR Team Leader name, and each finding's write-up. Although findings vary significantly across surveillance reviews, providing examples of good write-ups may help guide report writers.

Recommendation 8: Improve the usefulness of the _Desk Guide_ through organizational edits. The survey findings showed that SR teams often relied on their own SR experience or their Team Leaders as the source of information regarding their role on the SR team, while very few identified the _Desk Guide_ as a resource for understanding their role. While this approach is not in itself an issue, the Team recommends the SBA make several updates to the _Desk Guide_ to improve its usefulness for SR teams, provide additional clarity on SR process steps, and ensure greater consistency in how surveillance reviews are conducted across SR teams.

> **Feasibility: High
> Impact: Low**

- Use headers to improve ease of navigation (through the navigation pane and a table of contents). These updates will help SR team members navigate more easily to the specific relevant section when they have questions or have reached that step of the SR process.
- Reorganize _Desk Guide_ sections as outlined below (minor proposed edits to content are noted in parentheses):
    - Roles in SRs
    - Overview of SR process (This section would summarize each step and include a simple process map to help teams visualize each step in the process. The process map would be very high-level, significantly simpler than the process map developed as part of this evaluation.)
    - SR steps (Detailed information on scheduling surveillance reviews through reporting would be moved into this section.)
    - Ratings
    - Appendixes
- Improve clarity regarding which team members are responsible for (versus contributing to) each step of the SR process. While this information is currently noted in the sections defining each team role, it is worth repeating this information in the section on SR steps.
- Expand the instructions on checklist use to include:
    - How to use checklist results to write up findings in the report
    - How to determine what is a major or a minor finding (which was previously defined in the 2013 version of the SOP)
    - What documentation teams should be creating during the review process to document their findings

Figure 15 provides an example of how this revised organization would look in the _Desk Guide_'s table of contents.

Figure 15: Revised table of contents example

Contents

Recommendation 9: Increase efficiency by improving SR team composition.
One of the research questions driving this evaluation was how to increase the efficiency or cost-effectiveness of the SR process. Although survey and interview findings determined that reducing SR team size or length of

> **Feasibility: High
> Impact: Low**

surveillance review time is not feasible, improving SR team composition could help increase efficiency. The Team understands that PCRs often serve on the SR team when their PC is undergoing a surveillance review, provided they do not serve as Team Leader. Given the benefits of this team structure, the Team recommends standardizing the inclusion of the PCR on the team when their specific PC is undergoing review to ensure that the PCR is always included. The PCR effectively serves as a representative of the PC, can provide important context, and will have a better understanding of the realities of contracting in the PC. This could decrease misunderstandings between the SR team and the PC, streamline communications, and streamline contract review (as the PCR may be able to answer questions from teammates without needing to ask the PC).

Appendix A DATA COLLECTION INSTRUMENTS

Survey details

Table A-1 provides an overview of the survey sections and total number of questions that will be received by each population. To reduce the risk of breakoffs, respondents who have conducted both virtual and in-person surveillance reviews will receive (1) the section on the mode (in-person or virtual) they have conducted most frequently and (2) the section comparing the surveillance review modes but will skip the section specific to the mode they have conducted less frequently. Additionally, the number of questions on FuSRs was reduced to limit the maximum number of questions a respondent who has done both a full compliance SR and FuSR could receive. By decreasing respondent burden, this approach helps decrease the risk of breakoffs.

Table A-1: Number of questions received by each population

Survey Section	Population			
	Virtual Only	In-Person Only	Both Virtual and In-Person	Follow-Up
Screener (1 question)	•	•	•	•
Experience (10 questions)	•	•	•	•
Instructions and process (2 questions)	•	•	•	•
In-person surveillance reviews (13 questions)		•	Receive 1 of these sections	Receive 1 of these sections
Virtual surveillance reviews (15 questions)	•			
Comparing virtual and in-person surveillance reviews (4 questions)			•	
Follow-up surveillance reviews (2 questions)				•
Suggested improvements (1 question)	•	•	•	•
Total	**29**	**27**	**31–33**	**29–31**

1. Introduction

Thank you for participating in this survey. Your responses provide valuable input for the evaluation of the SBA's surveillance review process. The goal of this survey is to inform the three evaluation research questions:

- How can surveillance reviews be made more effective and efficient?
- What can be learned from SBA's shift to virtual surveillance reviews during the COVID-19 pandemic?
- To what extent do PCs increase their small business contracting goal achievement following surveillance reviews?

This survey will ask you about your experience working on surveillance review teams, your opinions on the efficiency and effectiveness of surveillance reviews, virtual surveillance reviews conducted during the COVID-19 pandemic, and follow-up surveillance reviews (if you have worked on this type of surveillance review).

Please answer these questions as honestly as possible based on your firsthand knowledge and experience. There are no right or wrong answers—we are interested in your experience and opinions.

SBA has contracted Summit Consulting to conduct this evaluation, and your responses will remain anonymous. The Team will only report survey results in the aggregate. Findings will not be attributed to individuals, nor will the names of respondents be shared with the SBA. Your participation is completely voluntary.

The survey should take approximately 15 to 20 minutes to complete.

To begin the survey, click "Next."

2. Screener

Population: All respondents.

1. Which of the following best describes your experience with surveillance reviews (either in-person or virtual)?
    A. I have been part of one SBA surveillance review or follow-up surveillance review.
    B. I have been part of more than one SBA surveillance review or follow-up surveillance review.
    C. I have never been part of an SBA surveillance review or follow-up surveillance review.

[If respondent selects A or B, proceed to next section. If respondent selects C, go to screen-out page.]

Screen-out page

Based on your response to the previous question, you are not eligible to take the survey. Thank you for your time and willingness to participate.

[End survey]

Survey questions

3. Experience

Population: All respondents.

2. What is your position within the SBA?
    a. [Open Ended Text Box]

3. What type of surveillance review(s) have you been a part of?
    a. Only full compliance surveillance reviews (SR)
    b. Only follow-up surveillance reviews (FuSR)
    c. Both full compliance SRs and FuSRs

4. In what year(s) were you on a surveillance review (SR) or follow-up surveillance review (FuSR) team? (Select all that apply.)
    a. 2021
    b. 2020
    c. 2019
    d. 2018
    e. 2017
    f. 2016
    g. 2015 or earlier

5. Which of the following roles have you ever held on a SR/FuSR team? (Select all that apply.)
    a. Area Director
    b. Team Leader
    c. District office (BOS)

    d. Team member
    e. Other (specify)

6. In total, how many SR/FuSR teams have you been a part of?
    a. 1
    b. 2–3
    c. 4–5
    d. 6+

7. In total, how many SR/FuSR teams were you a part of in 2020 and 2021?
    a. 0
    b. 1
    c. 2
    d. 3+

[If Q3 = B, skip to Q10]

For the next two questions, please think only about full compliance SRs in your responses.

8. Starting in March 2020, full compliance surveillance reviews have been conducted virtually due to the COVID-19 pandemic. Have you ever been part of a virtual full compliance SR, or have you only been part of an in-person full compliance SR?
    a. Only an **in-person** full compliance SR
    b. Only a **virtual** full compliance SR (due to the COVID-19 pandemic)
    c. I have been part of both virtual and in-person full compliance SRs

9. [*IF Q8 = C*] Which type of full compliance SRs have you conducted more of?
    a. In-person SRs
    b. Virtual SRs
    c. Equal amount of in-person and virtual SRs

For the next two questions, please think about the most recent SR/FuSR team on which you served.

10. On your most recent review team, which agency was the focus of your review?
    a. [Open Ended Text Box]

11. On your most recent review team, which Procurement Center (PC) was the focus of your review?
    a. [Open Ended Text Box]

4. Instructions and process

Population: All respondents.

In this section, please think about your overall experience being part of SRs/FuSRs.

12. Overall, how easy to understand was your role on the review team?
    a. Very easy
    b. Somewhat easy
    c. Neutral
    d. Not very easy
    e. Not at all easy

13. How did you learn about the expectations for your role on the review team? (Select all that apply.)
    a. SBA Prime Contracts SOP

      b.   SBA Surveillance Reviews Desk Guide
      c.   Surveillance Review Team Lead
      d.   Annual review team meeting (held prior to the new FY's reviews)
      e.   Informal conversations with coworkers
      f.   Other (specify)

5. In-person surveillance reviews

Population: Conducted only or mostly in-person full compliance SRs.

If (Q3 = A OR C) AND (Q8 = A OR Q9 = A), respondent will receive this section. All other respondents will skip this section.

Effectiveness

In this section, please think only about in-person full compliance SRs in your responses. If you have also been part of FuSRs, there will be questions about those later in the survey.

14. Overall, how effective do you think the full compliance SR process is?
By effectiveness, we mean whether SRs lead to PC changes in meeting or exceeding small business contracting goals and increases in the overall award of contracts to small businesses.
      a.   Very effective
      b.   Somewhat effective
      c.   Neutral
      d.   Not very effective
      e.   Not at all effective
      f.   Don't know

15. The SBA identifies eight goals of the SR program. For each goal, please indicate if you believe full compliance SRs effectively achieve the goal.

	SRs effectively achieve	SRs do not effectively achieve	Don't know
Evaluate the PC's performance on attaining its assigned goals.			
Evaluate PC compliance with FAR requirements and agency supplements affecting the small business program.			
Evaluate agency or local policy impacting small business opportunities.			
Evaluate PC compliance with requirements and authorities for award of 8(a) contracts.			
Evaluate PC compliance with any other relevant agreements between SBA and the PC.			
Identify improvements to support SB participation in the PC's acquisition process.			
Identify training or technical assistance to the PC to enable it to improve its ability to provide opportunity with small business concerns.			
Identify best practices that the PC is using that could be used with other agencies.			

16. Based on your experience, do PCs increase the overall award of contracts to small businesses after a full compliance SR?
    a. Yes, to a large extent
    b. Yes, to some extent
    c. No, not at all
    d. Don't know

Efficiency

In this section, please think only about in-person full compliance SRs in your responses. If you have also been part of FuSRs, there will be questions about those later in the survey.

17. Overall, how often are full compliance SR steps performed within an appropriate time frame?
    a. Always
    b. Usually
    c. Sometimes
    d. Rarely
    e. Never

18. Overall, does the full compliance SR process reflect an appropriate use of resources?
    a. Yes, very appropriate
    b. Yes, somewhat appropriate
    c. Neutral
    d. No, not very appropriate
    e. No, not at all appropriate

19. How many people do you believe should travel for a full compliance SR?
    a. 1
    b. 2
    c. 3
    d. 4+

20. How many days do you believe SR teams should spend on-site (excluding travel days)?
    a. 0 days
    b. 1 day
    c. 2 days
    d. 3 days
    a. 4+ days

21. Based on your experience, are there any resources that could be reduced to save money while still conducting effective reviews? (Select all that apply.)
    a. No resources can be eliminated
    b. Number of staff
    c. Time
    d. Software
    e. Training
    f. Other (specify)

22. Based on your experience, please select the top three resources which SR teams need more of to complete their reviews.
    a. No additional resources are needed
    b. Number of staff

    c.   Time
    d.   Software
    e.   Training
    f.   Best practices information on conducting reviews
    g.   Examples of past SR reports
    h.   Examples of past SR documentation
    i.   Other (specify)

Challenges

In this section, please think only about in-person full compliance SRs in your responses. If you have also been part of FuSRs, there will be questions about those later in the survey.

23. Did you experience any of the following challenges when conducting a full compliance SR?

	No, this was not a challenge	Yes, this was a challenge
Team member availability		
Cost limitations		
Difficulty scheduling surveillance review		
Receiving requested documentation from PCs		
Other (specify)		

24. Thinking about full compliance SRs in general, please rate each step on how easy or difficult it is **for the review team** to complete.

	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Entrance briefings					
Exit briefings					
Documentation selection					
Interviews with PC staff					
On-site contract review					
Report creation					
Other (specify)					

25. Thinking about full compliance SRs in general, please rate each step on how easy or difficult it is for **the PC** to complete.

	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Entrance briefings					
Exit briefings					
Gathering contract files for review					
Interviews with SBA staff					

	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Logistics (booking a review location, obtaining security clearances, etc.)					
Completing a Corrective Action Plan					
Other (specify)					

26. Thinking about the entire SR process, do you have any suggestions for how the process could be made more efficient or effective?
    a. [Answer Box]

6. Virtual surveillance reviews

Population: Conducted only or mostly virtual full compliance SRs.

If (Q3 = A OR C) AND (Q8 = B OR [Q9 = B OR C]), respondent will receive this section. All other respondents will skip this section.

Effectiveness

In this section, please think only about virtual full compliance SRs in your responses. If you have also been part of FuSRs, there will be questions about those later in the survey.

27. Overall, how effective do you think the virtual full compliance SR process is?
    By effectiveness, we mean whether virtual SRs lead to PC changes in meeting or exceeding small business contracting goals and increases in the overall award of contracts to small businesses.
    a. Very effective
    b. Somewhat effective
    c. Neutral
    d. Not very effective
    e. Not at all effective
    f. Don't know

28. The SBA identifies eight goals of the SR program. For each goal, please indicate if you believe virtual full compliance SRs effectively achieve the goal.

	SRs effectively achieve	SRs do not effectively achieve	Don't know
Evaluate the PC's performance on attaining its assigned goals.			
Evaluate PC compliance with FAR requirements and agency supplements affecting the small business program.			
Evaluate agency or local policy impacting small business opportunities.			
Evaluate PC compliance with requirements and authorities for award of 8(a) contracts.			
Evaluate PC compliance with any other relevant agreements between SBA and the PC.			

	SRs effectively achieve	SRs do not effectively achieve	Don't know
Identify improvements to support SB participation in the PC's acquisition process.			
Identify training, or technical assistance to the PC to enable it to improve its ability to provide opportunity with small business concerns.			
Identify best practices that the PC is using that could be used with other agencies.			

29. Based on your experience, do PCs increase the overall award of contracts to small businesses after a virtual full compliance SR?
   a. Yes, to a large extent
   b. Yes, to some extent
   c. No, not at all
   d. Don't know

Efficiency

In this section, please think only about virtual full compliance SRs in your responses. If you have also been part of FuSRs, there will be questions about those later in the survey.

30. Overall, how often are virtual full compliance SR steps performed within an appropriate time frame?
   a. Always
   b. Usually
   c. Sometimes
   d. Rarely
   e. Never

31. Overall, does the virtual full compliance SR process reflect an appropriate use of resources?
   a. Yes, very appropriate
   b. Yes, somewhat appropriate
   c. Neutral
   d. No, not very appropriate
   e. No, not at all appropriate

32. Based on your experience, are there any resources that could be reduced to save money while still conducting effective virtual reviews? (Select all that apply.)
   a. No resources can be eliminated
   b. Number of staff
   c. Time
   d. Software
   e. Training
   f. Other (specify)

33. Based on your experience, please select the top three resources which virtual SR teams need more of to complete their reviews.
   a. No additional resources are needed

    b.   Number of staff

    c.   Time

    d.   Software

    e.   Training

    f.   Best practices information on conducting reviews

    g.   Examples of past SR reports

    h.   Examples of past SR documentation

    i.   Other (specify)

Challenges

In this section, please think only about virtual full compliance SRs in your responses. If you have also been part of FuSRs, there will be questions about those later in the survey.

34. Did you experience any of the following challenges when conducting a virtual full compliance SR?

	No, this was not a challenge	Yes, this was a challenge
Team member availability		
Cost limitations		
Difficulty scheduling surveillance review		
Receiving requested documentation from PCs		
Other (specify)		

35. Thinking about virtual full compliance SRs in general, please rate each step on how easy or difficult it is **for the review team** to complete.

	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Entrance briefings					
Exit briefings					
Documentation selection					
Interviews with PC staff					
Contract review					
Report creation					
Other (specify)					

36. Thinking about virtual full compliance SRs in general, please rate each SR step on how easy or difficult it is for **the PC** to complete.

	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Entrance briefings					
Exit briefings					
Gathering contract files for review					

	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Interviews with SBA staff					
Logistics (booking a review location, obtaining security clearances, etc.)					
Completing a Corrective Action Plan					
Other (specify)					

37. Thinking about the entire SR process, do you have any suggestions for how the process could be made more efficient or effective?
    a. [Answer Box]

Continuing virtual surveillance reviews

In this section, please think only about virtual full compliance SRs in your responses. If you have also been part of FuSRs, there will be questions about those later in the survey.

38. In your opinion, should the SBA continue conducting **virtual** full compliance SRs after the end of the COVID-19 pandemic?
    a. Yes
    b. No
    c. I don't know

39. Why do you think the SBA [should/should not] continue conducting virtual full compliance SRs?
    a. [Answer Box]

40. Are there any specific aspects of the virtual SR process that should be retained after the COVID-19 pandemic?
    a. Yes
    b. No *-> go to next section*

41. What parts of the virtual SR process should the SBA continue moving forward?
    a. [Answer Box]

7. Comparing virtual and in-person surveillance reviews

Population: Conducted both in-person and virtual full compliance SRs.

If (Q3 = A OR C) AND Q8 = C, respondent will receive this section. All other respondents will skip this section.

This section of the survey will ask questions comparing in-person full compliance SRs and virtual full compliance SRs.

42. In your experience, are there specific benefits of the virtual full compliance SR process that the in-person process does not have?
    a. Yes
    b. No *[skip next question]*
    c. I don't know *[skip next question]*

43. What benefits do virtual full compliance SRs have that in-person SRs do not?
    a. [Answer Box]

44. In your experience, are there challenges specific to the virtual full compliance SR process that are not encountered during in-person full compliance SRs?
    a. Yes
    b. No *[skip next question]*
    c. I don't know *[skip next question]*

45. What challenges do virtual full compliance SRs have that in-person full compliance SRs do not?
    a. [Answer Box]

8. Follow-up surveillance reviews

Population: Conducted FuSRs.

If Q3 = B OR C, respondent will receive this section. All other respondents will skip this section.

In this section, please think only about FuSRs in your responses.

46. Thinking about your most recent FuSR, how many of the actions in their Corrective Action Plan had the PC completed?
    a. All
    b. Most
    c. Some
    d. A few
    e. None
    f. PC did not complete a CAP

47. To the best of your knowledge, did the PC make changes that will extend into subsequent years following the FuSR?
    a. Yes
    b. No
    c. I don't know

9. Suggestions for improvements

Population: All respondents.

In this section, please think about your overall experience being part of SRs/FuSRs.

48. Finally, thinking about the entire SR process, do you have any suggestions for how the process could be improved?
    b. [Answer Box]

10. Final page

Thank you for participating!

Procurement Center interview guide

Introduction

The Team has been contracted by the SBA to conduct an evaluation of the surveillance review program. This program assesses the extent to which agencies and their respective Procurement Centers (PCs) are providing maximum practicable opportunity for small business participation in federal contracting. Each year, the SBA typically conducts about 30 surveillance reviews (representing each of the SBA's six office areas) from a pool of around 3,000 PCs based on several selection criteria.

The three main research questions of this evaluation are:

1. How can surveillance reviews be made more effective and efficient?
2. What can be learned from SBA's shift to virtual surveillance reviews during the COVID-19 pandemic?
3. To what extent do PCs increase their small business contracting goal achievement following surveillance reviews?

To answer these research questions, we are conducting a survey with SBA surveillance review teams and interviews with both SBA surveillance review teams and Procurement Center staff. We are interested in your experience undergoing a surveillance review. Our interview today will focus on the following topics:

1. What's working well in the surveillance review process
2. Challenges or pain points
3. Suggestions for improvements

Our conversation will take 45 to 60 minutes. With your permission, I would like to record our discussion. This recording will only be available to researchers working on this project. The interview findings will be presented in aggregate; the report will not attribute comments to specific individuals, and no personally identifiable information will be shared. Your participation is voluntary, as are all questions. Do I have your permission to record this interview?

Do you have any questions before we get started?

START RECORDING. So that I have it on the recording, today is [DATE] and the time is [TIME]. This interview is with [RESPONDENT NAME].

Background questions

To get started, I have a few background questions about your surveillance review.

- In what year was your PC the subject of a surveillance review?
- IF 2020 OR 2021, Was this review conducted in person or virtually?
- Was this a new surveillance review or a follow-up surveillance review?

What works well

Now let's talk about what worked well in the surveillance review process, based on your experience.

- What parts of the surveillance review process worked well?
- What about those aspects worked well? (i.e., appropriate timeline, requests for information were reasonable)

Challenges or pain points

- What parts of the surveillance review process did not work as well? Why?
- What challenges or pain points did you experience when undergoing a surveillance review?
- Were any parts of the process confusing?
- Were the instructions on what information to provide to the review team clear and easy to understand?
- What parts were the most difficult? Why?
- IF VIRTUAL, What was the most challenging part of undergoing a surveillance review virtually (i.e., tech issues)?
- Were there any challenges related to workload? Timeline? Scheduling?
- Overall, how effective do you think the current surveillance review process is? By "effectiveness," we mean whether the reviews are achieving their intended objective of ensuring that PCs meet their small business contracting goals and maximize small business participation in the acquisition process.
  - What makes you say the process is [not] effective?
  - How could it be made more effective?
- [ONLY IF NOT A FuSR] Did your PC make changes to increase overall the award of contracts to small businesses after undergoing a surveillance review?
  - IF YES, What changes did your PC make?

Suggestions for improvements

- In your opinion, how could the surveillance review process be improved?
- Are there any aspects of the surveillance review process that you would change? What would you change? Why?

Improvements in meeting SB goals

FOLLOW-UP SURVEILLANCE REVIEWS ONLY:

- At the time of your follow-up review, had you made changes to address the actions in your Corrective Action Plan?

    IF YES:
  - Were these sustained changes that will extend into subsequent years following the surveillance review (i.e., changes to SOPs or standard processes)?
  - To what extent have you continued these changes in the years after the review?
  - In your opinion, how will these changes impact small business contracting in your agency?
  - IF NO, Are there plans to make changes to address the actions in your Corrective Action Plan? If no, why not?
- Have you made any other changes to increase overall award of contracts to small businesses based on the surveillance review which were not included in your Corrective Action Plan?
  - IF YES, What changes? Why did you decide to make these changes?

Closing

Those are all of the questions that I have for you today. Is there anything we have not discussed that you would like to mention? Thanks again for speaking with us today.

Surveillance review staff interview guide

Introduction

Thank you for taking the time to speak with me today. My name is [NAME], and I am a [POSITION] at Summit Consulting. [INTRODUCE OTHER SUMMIT/IEC STAFF ON CALL.]

The Team has been contracted by the SBA to conduct an evaluation of the surveillance review program. The three main research questions of this evaluation are:

1. How can surveillance reviews be made more effective and efficient?
2. What can be learned from SBA's shift to virtual surveillance reviews during the COVID-19 pandemic?
3. To what extent do PCs increase their small business contracting goal achievement following surveillance reviews?

To answer these research questions, we are conducting a survey with surveillance review teams and interviews with both surveillance review teams and Procurement Center (PC) staff. We are interested in your experience working on a surveillance review team. Our interview today will focus on the following topics:

1. Your role on the surveillance review team
2. What's working well
3. Challenges or pain points
4. Suggestions for improvements

Our conversation will take 45 to 60 minutes. With your permission, I would like to record our discussion. This recording will only be available to researchers working on this project. The interview findings will be presented in aggregate; the report will not attribute comments to specific individuals, and no personally identifiable information will be shared. Your participation is voluntary, as are all questions. Do I have your permission to record this interview?

Do you have any questions before we get started?

START RECORDING. So that I have it on the recording, today is [DATE] and the time is [TIME]. This interview is with [RESPONDENT NAME].

Background questions

To get started, I have a few questions about your background working on a surveillance review team.

- First, in what years did you serve on a surveillance review team?
    - IF 2019, 2020, OR 2021, Was your review conducted in person or virtually?
    - IF MULTIPLE YEARS, How many times have you served on a surveillance review team?
- What role(s) have you held on a surveillance review team (i.e., Team Lead, other role)?
- Which agency and Procurement Center was the focus of your review(s)?
- Which type of reviews have you conducted (new surveillance review or follow-up surveillance review)?

What works well

[INTERVIEWER NOTE: IF RESPONDENT CONDUCTED BOTH IN-PERSON AND VIRTUAL REVIEWS, ASK QUESTIONS SEPARATELY FOR EACH MODE]

Now let's talk about what works well in the surveillance review process, based on your experience.

- What parts of the surveillance review process work well?

  o What about those aspects works well? (I.e., easy to do, short time frame)

- VIRTUAL-SPECIFIC ASPECTS ONLY: Do you think those parts that work well could be adapted for in-person reviews?

  o IF YES, How?
  o What challenges would there be to implementing these aspects for in-person reviews?

Challenges or pain points

[INTERVIEWER NOTE: IF RESPONDENT CONDUCTED BOTH IN-PERSON AND VIRTUAL REVIEWS, ASK QUESTIONS SEPARATELY FOR EACH MODE]

- What parts of the surveillance review process do not work as well? Why?
- What parts are the most difficult? Why?

  o IF VIRTUAL, What are the most challenging parts of conducting surveillance reviews virtually (i.e., tech issues)?

- Are the instructions on how to conduct a surveillance review clear and easy to understand?

  o IF YES, How were the instructions made clear?
  o IF NO, What was not clear in the instructions?

- Was your role on the team clear?

  o IF YES, How was your role made clear?
  o IF NO, What was not clear about your role?

- Are there any challenges related to workload? Timeline? Scheduling?
- VIRTUAL ONLY:

  o Thinking specifically about the parts of the surveillance review that were conducted virtually (which wouldn't have been virtual normally), do you think there are "lessons learned" that the SBA should take away from the process? If yes, what?
  o Moving forward, how should in-person reviews be changed based on the lessons learned from virtual reviews?

- IF CONDUCTED BOTH IN-PERSON AND VIRTUAL, In your experience, how do in-person reviews compare to virtual reviews?

  o Does one mode work better?
  o Does one mode have more challenges?

- Overall, how effective do you think the current surveillance review process is? By "effectiveness," we mean whether the reviews are achieving their intended objective of ensuring that PCs meet their small business contracting goals and maximize small business participation in the acquisition process.

  o What makes you say the process is [not] effective?
  o How could it be made more effective?
  o To the best of your knowledge, do PCs make changes to increase the overall award of contracts to small businesses after a full compliance SR?

    ▪ IF YES, What kind of changes do they make?

Suggestions for improvements

- In your opinion, how could the surveillance review process be improved?

- Are there any aspects of the surveillance review process that you would change? What would you change? Why?
- In your opinion, should the SBA conduct more surveillance reviews in the future, the same number, or fewer?
  - o IF MORE: Would any additional resources be needed to conduct more surveillance reviews?

Labor and costs

[INTERVIEWER NOTE: IF RESPONDENT CONDUCTED BOTH IN-PERSON AND VIRTUAL REVIEWS, ASK QUESTIONS SEPARATELY FOR EACH MODE]

- Thinking about the time frame for the surveillance review process (i.e., for performing reviews, writing reports, and sending reports to the OSDBU), does the process take more or less time than you would expect?
  - o Are there specific parts of the process that take more time than you would expect?
    - ▪ Why do these tasks take longer than you would expect? Can anything be done to reduce the amount of time needed to complete these tasks?
  - o Is the timeline for conducting the surveillance review reasonable?
    - ▪ IF NO, Why not?
- IN-PERSON ONLY: Have you encountered any challenges related to the cost of conducting surveillance reviews (such as booking travel within allowed amounts, per diem for food and lodging)?
  - o IF YES, What were the challenges? How could these challenges be addressed?
- In your opinion, is the current surveillance review process an efficient use of resources?
  - o IF NO, Why not? How could it be made more efficient?
  - o IF NEEDED, Are there ways that surveillance reviews could be made more efficient in terms of cost? Labor hours?

Improvements in meeting SB goals

FOLLOW-UP SURVEILLANCE REVIEWS ONLY:

- In the follow-up review(s) that you have conducted, had the PC made improvements to increase the overall award of contracts to small businesses based on the initial surveillance review?
- How had the PC addressed the findings identified in the initial review?
- Did the PC complete all actions identified in their Corrective Action Plan?
  - o IF NO, What action was not completed?
  - o IF YES, Was this done within the specified time period?
- To the best of your knowledge, did they make changes that will extend into subsequent years following the surveillance review (i.e., changes to SOPs or standard processes)?
  - o Do you know if the PC made these or other changes in subsequent years?

Closing

Those are all of the questions that I have for you today. Is there anything we have not discussed that you would like to mention? Thanks again for speaking with us today.

Appendix B   ADDITIONAL SURVEY DATA TABLES

Demographic questions (all respondents)

Question 1

Which of the following best describes your experience with surveillance reviews (either in-person or virtual)?	Count (%)
I have been part of more than one SBA surveillance review or follow-up surveillance review.	49 (92.45%)
I have been part of one SBA surveillance review or follow-up surveillance review.	3 (5.66%)
I have never been part of an SBA surveillance review or follow-up surveillance review.	1 (1.89%)

N = 53

Question 2

What is your position within the SBA?	Count (%)
Procurement Center Representative (PCR)	31 (59.62%)
Area Director (AD)	7 (13.46%)
Deputy Area Director	4 (7.69%)
Commercial Market Representative	6 (11.54%)
Deputy District Director	1 (1.92%)
Procurement Analyst	1 (1.92%)
Industrial Specialist	2 (3.85%)

N = 52

Question 3

What type of surveillance review(s) have you been a part of?	Count (%)
Only full compliance surveillance reviews (SRs)	21 (40.38%)
Only follow-up surveillance reviews (FuSRs)	0 (0.00%)
Both full compliance SRs and FuSRs	31 (59.62%)

N = 52

Question 4

In what year(s) were you on a surveillance review or follow-up surveillance review team? (Select all that apply.)	Count (%)
2021	44 (84.61%)
2020	44 (84.61%)
2019	42 (80.77%)
2018	30 (57.69%)
2017	22 (42.31%)
2016	22 (42.31%)
2015 or earlier	20 (38.46%)

N = 52

Question 5

Which of the following roles have you ever held on a SR/FuSR team? (Select all that apply.)	Count (%)
Area Director	5 (9.62%)
Team leader	39 (75.00%)
District office (BOS)	1 (1.92%)
Team member	49 (94.23%)
Other (specify)	3 (5.77%)

N = 52; Other (specify) responses include

Question 6

In total, how many SR/FuSR teams have you been a part of?	Count (%)
1	2 (3.92%)
2–3	6 (11.76%)
4–5	12 (23.53%)
6+	31 (60.78%)

N = 51

Question 7

In total, how many SR/FuSR teams were you a part of in 2020 and 2021?	Count (%)
0	1 (1.96%)
1	7 (13.73%)
2	14 (27.45%)
3+	29 (56.86%)

N = 51

Question 8

Starting in March 2020, full compliance surveillance reviews have been conducted virtually due to the COVID-19 pandemic. Have you ever been part of a virtual full compliance SR, or have you only been part of an in-person full compliance SR?	Count (%)
Only an **in-person** full compliance SR	3 (5.88%)
Only a **virtual** full compliance SR (due to the COVID-19 pandemic)	7 (13.73%)
I have been part of both virtual and in-person full compliance SRs	41 (80.39%)

N = 51

Question 9

Which type of full compliance SRs have you conducted more of?	Count (%)
In-person SRs	31 (75.61%)
Virtual SRs	5 (12.20%)
Equal amount of in-person and virtual SRs	5 (12.20%)

N = 41

Instructions and process questions (all respondents)

Question 12

Overall, how easy to understand was your role on the surveillance review team?	Count (%)
Very easy	32 (64.00%)
Somewhat easy	10 (20.00%)
Neutral	7 (14.00%)
Not very easy	0 (0.00%)
Not at all easy	1 (2.00%)

N = 50

Question 13

How did you learn about the expectations for your role on the surveillance review team? (Select all that apply.)	Count (%)
SBA Prime Contracts SOP	21 (42.00%)
SBA *Surveillance Reviews Desk Guide*	11 (22.00%)
Surveillance Review Team leader	37 (74.00%)
Annual review team meeting (held prior to the new FY's surveillance reviews)	9 (18.00%)
Informal conversations with coworkers	30 (60.00%)
Other (*9 of 10 cited past experience with the SR process*)	10 (20.00%)

N = 50

In-person surveillance reviews questions (conducted only or mostly in-person full compliance SRs)

Question 14

Overall, how effective do you think the full compliance SR process is?	Count (%)
Very effective	14 (42.42%)
Somewhat effective	14 (42.42%)
Neutral	2 (6.06%)
Not very effective	2 (6.06%)
Not at all effective	1 (3.03%)
Don't know	0 (0.00%)

N = 33

Question 15

The SBA identifies eight goals of the SR program. For each goal, please indicate if you believe full compliance SRs effectively achieve the goal.	Count (%)		
	SRs effectively achieve	SRs do not effectively achieve	Don't know
Evaluate the PC's performance on attaining its assigned goals.	24 (72.73%)	8 (24.24%)	1 (3.03%)
Evaluate PC compliance with Federal Acquisition Regulations requirements and agency supplements affecting the small business program.	29 (87.88%)	4 (12.12%)	0 (0.00%)

The SBA identifies eight goals of the SR program. For each goal, please indicate if you believe full compliance SRs effectively achieve the goal.	Count (%)		
	SRs effectively achieve	SRs do not effectively achieve	Don't know
Evaluate agency or local policy impacting small business opportunities.	22 (66.67%)	9 (27.27%)	2 (6.06%)
Evaluate PC compliance with requirements and authorities for award of 8(a) contracts.	29 (87.88%)	3 (9.09%)	1 (3.03%)
Evaluate PC compliance with any other relevant agreements between SBA and the PC.	28 (84.85%)	4 (12.12%)	1 (3.03%)
Identify improvements to support Small Business participation in the PC's acquisition process.	28 (84.85%)	4 (12.12%)	1 (3.03%)
Identify training or technical assistance to the PC to enable it to improve its ability to provide opportunity with small business concerns.	28 (84.85%)	4 (12.12%)	1 (3.03%)
Identify best practices that the PC is using that could be used with other agencies.	26 (78.79%)	5 (15.15%)	2 (6.06%)

N = 33

Virtual SR respondents differed slightly from in-person SR respondents when asked to evaluate how effective surveillance reviews are in achieving the eight goals of the SR program (see Figure B-1). Most virtual surveillance review respondents found the goals to be slightly less effectively achieved by the SR program compared to in-person surveillance review respondents. This was observed for 7 of the 8 goals surveyed. Notably, virtual SR respondents were more likely than in-person SR respondents to not know whether or not the goals were achieved.

Figure B-1: Effectiveness of achieving surveillance review goals

Percentage of respondents who believe the goals were effectively achieved

Virtual (N=16)   In-person (N=33)
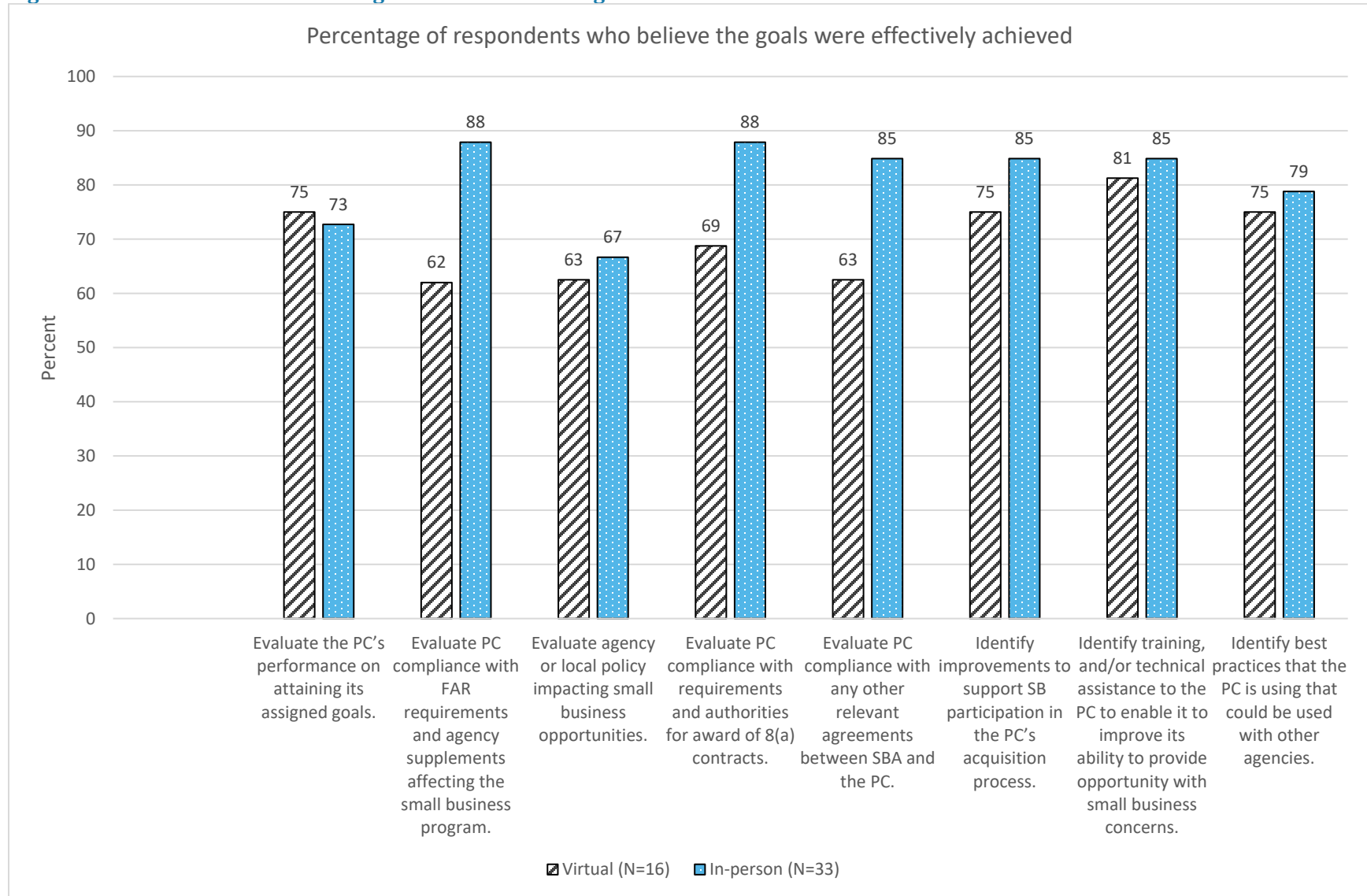
Question 16

Based on your experience, do PCs increase the overall award of contracts to small businesses after a full compliance SR?	Count (%)
Yes, to a large extent	3 (9.09%)
Yes, to some extent	19 (57.58%)
No, not at all	6 (18.18%)
Don't know	5 (15.15%)

N = 33

Question 17

Overall, how often are full compliance SR steps performed within an appropriate timeframe?	Count (%)
Always	10 (30.30%)
Usually	16 (48.48%)
Sometimes	6 (18.18%)
Rarely	1 (3.03%)
Never	0 (0.00%)

N = 33

Question 18

Overall, does the full compliance SR process reflect an appropriate use of resources?	Count (%)
Yes, very appropriate	17 (51.52%)
Yes, somewhat appropriate	8 (24.24%)
Neutral	6 (18.18%)
No, not very appropriate	1 (3.03%)
Not, not at all appropriate	1 (3.03%)

N = 33

Question 19

How many people do you believe should travel for a full compliance SR?	Count (%)
1	1 (3.03%)
2	3 (9.09%)
3	20 (60.61%)
4+	9 (27.27%)

N = 33

Question 20

How many days do you believe SR teams should spend on-site (excluding travel days)?	Count (%)
0 days	0 (0.00%)
1 day	0 (0.00%)
2 days	7 (21.21%)
3 days	16 (48.48%)
4+ days	10 (30.30%)

N = 33

Question 21

Based on your experience, are there any resources that could be reduced to save money while still conducting effective surveillance reviews? (Select all that apply.)	Count (%)
No resources can be eliminated	22 (66.67%)
Number of staff	5 (15.15%)
Time	5 (15.15%)
Software	3 (9.09%)
Training	3 (9.09%)
Other (*Respondents suggested hybrid in-person and virtual SRs; fill-in template for the SR report; and reducing the role of CMRs and BOS on targeted reviews.*)	5 (15.15%)

N = 33

Question 22

Based on your experience, please select the top three resources which SR teams need more of to complete their surveillance reviews.	Count (%)
No additional resources are needed	0 (0.00%)
Number of staff	17 (51.52%)
Time	18 (54.55%)
Software	6 (18.18%)
Training	12 (36.36%)
Best practices information on conducting surveillance reviews	19 (57.58%)
Examples of past SR reports	0 (0.00%)
Examples of past SR documentation	15 (45.45%)
Other (*Includes support from management in obtaining contract files; SR report template; and briefings with agencies to understand their programs and policies*.)	5 (15.15%)

N = 33

Question 23

Did you experience any of the following challenges when conducting a full compliance SR?	Count (%)	
	No, this was not a challenge	Yes, this was a challenge
Team member availability	18 (54.55%)	15 (45.55%)
Cost limitations	16 (48.48%)	17 (51.52%)
Difficulty scheduling surveillance review	13 (39.39%)	20 (60.61%)
Receiving requested documentation from PCs*	10 (31.25%)	22 (68.75%)
Other (*Challenges cited include contract access and review, team member availability and dynamics, additional workload on top of regular tasks, and potential unrepresentativeness of sampling files for review*)**	7 (53.85%)	6 (46.15%)

N = 33; *N = 32; **N = 13

Question 24

Thinking about full compliance SRs in general, please rate each step on how easy or difficult it is for the surveillance review team to complete.	Count (%)				
	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Entrance briefings	17 (51.52%)	9 (27.27%)	7 (21.21%)	0 (0.00%)	0 (0.00%)
Exit briefings*	10 (31.25%)	10 (31.25%)	9 (28.13%)	3 (9.38%)	0 (0.00%)
Documentation selection	2 (6.06%)	4 (12.12%)	9 (27.27%)	15 (45.45%)	3 (9.09%)
Interviews with PC staff	9 (27.27%)	8 (24.24%)	12 (36.36%)	4 (12.12%)	0 (0.00%)
On-site contract review	6 (18.18%)	9 (27.27%)	7 (21.21%)	10 (30.30%)	1 (3.03%)
Report creation*	3 (9.38%)	4 (12.50%)	8 (25.00%)	12 (37.50%)	5 (15.63%)
Other (*On-site reviews cited as easier, missing documents easier to track in person, ease of scheduling; challenges include poor data reporting quality, desire for report template*)**	3 (33.33%)	0 (0.00%)	3 (33.33%)	2 (22.22%)	1 (11.11%)

N = 33; *N = 32; **N = 9

Question 25

Thinking about full compliance SRs in general, please rate each step on how easy or difficult it is for the PC to complete.	Count (%)				
	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Entrance briefings	15 (45.45%)	10 (30.30%)	7 (21.21%)	1 (3.03%)	0 (0.00%)
Exit briefings*	11 (34.38%)	11 (34.38%)	9 (28.13%)	1 (3.13%)	0 (0.00%)
Gathering contract files for review	0 (0.00%)	4 (12.12%)	6 (18.18%)	17 (51.52%)	6 (18.18%)
Interviews with SBA staff**	6 (19.35%)	7 (22.58%)	11 (35.48%)	7 (22.58%)	0 (0.00%)
Logistics (booking a surveillance review location, obtaining security clearances, etc.)*	3 (9.38%)	4 (12.50%)	8 (25.00%)	13 (40.63%)	4 (12.50%)
Completing a Corrective Action Plan**	2 (6.45%)	3 (9.68%)	14 (45.16%)	10 (32.26%)	2 (6.45%)
Other (*Challenges include resource availability; scheduling while being on-site made responding to PC questions easier*)***	2 (33.33%)	0 (0.00%)	2 (33.33%)	1 (16.67%)	1 (16.67%)

N = 33; *N = 32; **N = 31; ***N = 6

Figure B-2 shows the ratings for a few of the steps that PCs have difficulty completing during in-person surveillance reviews compared to virtual reviews, according to respondents. Forty-two percent of respondents reported it was very or somewhat easy for PCs to complete interviews with SBA staff during in-person SRs, whereas 66% of respondents said PCs could complete the virtual interviews with ease.

Figure B-2: Ease of surveillance review step for Procurement Centers

Gathering contract files for review
(In-person N=33; Virtual N=15)
- Very easy: In-person 0, Virtual 13
- Somewhat easy: In-person 12, Virtual 33
- Neither easy nor difficult: In-person 18, Virtual 0
- Somewhat difficult: In-person 52, Virtual 33
- Very difficult: In-person 18, Virtual 20

Interviews with SBA staff
(In-person N=31; Virtual N=15)
- Very easy: In-person 19, Virtual 33
- Somewhat easy: In-person 23, Virtual 33
- Neither easy nor difficult: In-person 35, Virtual 20
- Somewhat difficult: In-person 23, Virtual 13
- Very difficult: In-person 0, Virtual 0

Completing a Corrective Action Plan
(In-person N=31; Virtual N=15)
- Very easy: In-person 6, Virtual 13
- Somewhat easy: In-person 10, Virtual 27
- Neither easy nor difficult: In-person 45, Virtual 47
- Somewhat difficult: In-person 32, Virtual 0
- Very difficult: In-person 6, Virtual 13

Question 26

Thinking about the entire SR process, do you have any suggestions for how the process could be made more efficient or effective? (summary of categories from open-ended responses)
Management support to encourage PC participation
Additional staffing resources and managing their workload
Virtual reviews proved beneficial, make greater use of virtual SRs
Improved staff training
Use of templates

N = 26

Virtual surveillance reviews questions (conducted only or mostly virtual full compliance SRs)

Question 27

Overall, how effective do you think the virtual full compliance SR process is?	Count (%)
Very effective	4 (23.53%)
Somewhat effective	5 (29.41%)
Neutral	3 (17.65%)
Not very effective	1 (5.88%)
Not at all effective	1 (5.88%)
Don't know	3 (17.65%)

N = 17

Question 28

The SBA identifies eight goals of the SR program. For each goal, please indicate if you believe virtual full compliance SRs effectively achieve the goal.	Count (%)		
	SRs effectively achieve	SRs do not effectively achieve	Don't know
Evaluate the PC's performance on attaining its assigned goals.	12 (75.00%)	3 (18.75%)	1 (6.25%)
Evaluate PC compliance with FAR requirements and agency supplements affecting the small business program.	10 (62.00%)	4 (25.00%)	2 (12.50%)
Evaluate agency or local policy impacting small business opportunities.	10 (62.50%)	5 (31.25%)	1 (6.25%)
Evaluate PC compliance with requirements and authorities for award of 8(a) contracts.	11 (68.75%)	1 (6.25%)	4 (25.00%)
Evaluate PC compliance with any other relevant agreements between SBA and the PC.	10 (62.50%)	3 (18.75%)	3 (18.75%)
Identify improvements to support SB participation in the PC's acquisition process.	12 (75.00%)	2 (12.50%)	2 (12.50%)
Identify training or technical assistance to the PC to enable it to improve its ability to provide opportunity with small business concerns.	13 (81.25%)	1 (6.25%)	2 (12.50%)
Identify best practices that the PC is using that could be used with other agencies.	12 (75.00%)	2 (12.50%)	2 (12.50%)

N = 16

Question 29

Based on your experience, do PCs increase the overall award of contracts to small businesses after a virtual full compliance SR?	Count (%)
Yes, to a large extent	1 (6.25%)
Yes, to some extent	9 (56.25%)
No, not at all	1 (6.25%)
Don't know	5 (31.25%)

N = 16

Question 30

Overall, how often are virtual full compliance SR steps performed within an appropriate timeframe?	Count (%)
Always	2 (12.50%)
Usually	9 (56.25%)
Sometimes	3 (18.75%)
Rarely	1 (6.25%)
Never	1 (6.25%)

N = 16

Question 31

Overall, does the virtual full compliance SR process reflect an appropriate use of resources?	Count (%)
Yes, very appropriate	5 (31.25%)
Yes, somewhat appropriate	6 (37.50%)
Neutral	2 (12.50%)
No, not very appropriate	3 (18.75%)
No, not at all appropriate	0 (0.00%)

N = 16

Question 32

Based on your experience, are there any resources that could be reduced to save money while still conducting effective virtual surveillance reviews? (Select all that apply.)	Count (%)
No resources can be eliminated	12 (75.00%)
Number of staff	1 (6.25%)
Time	2 (12.50%)
Software	2 (12.50%)
Training	2 (12.50%)
Other (*Contract file access and determining files for review*)	3 (18.75%

N = 16

Question 33

Based on your experience, please select the top three resources which virtual SR teams need more of to complete their surveillance reviews.	Count (%)
No additional resources are needed	1 (6.67%)
Number of staff	4 (26.67%)
Time	3 (20.00%)
Software	7 (46.67%)
Training	6 (40.00%)
Best practices information on conducting surveillance reviews	7 (46.67%)
Examples of past SR reports	3 (20.00%)
Examples of past SR documentation	5 (33.33%)
Other (*Access to contract files*)	4 (25.00%)

N = 16

Question 34

Did you experience any of the following challenges when conducting a virtual full compliance SR?	Count (%)	
	No, this was not a challenge	Yes, this was a challenge
Team member availability	10 (66.67%)	5 (33.33%)
Cost limitations	14 (93.33%)	1 (6.67%)
Difficulty scheduling surveillance review	7 (46.67%)	8 (53.33%)
Receiving requested documentation from PCs*	2 (12.50%)	14 (87.50%)
Other (*Access to new software such as Microsoft Teams cited as beneficial; challenges include access to contract files and staffing bandwidth*)**	4 (44.44%)	5 (55.56%)

N = 15; *N = 16; **N = 9

Question 35

Thinking about virtual full compliance SRs in general, please rate each step on how easy or difficult it is for the surveillance review team to complete.	Count (%)				
	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Entrance briefings	10 (62.50%)	3 (18.75%)	1 (6.25%)	2 (12.50%)	0 (0.00%)
Exit briefings	10 (62.50%)	2 (12.50%)	1 (6.25%)	3 (18.75%)	0 (0.00%)
Documentation selection*	4 (26.67%)	4 (26.67%)	4 (26.67%)	2 (13.33%)	1 (6.67%)
Interviews with PC staff	6 (37.50%)	4 (25.00%)	3 (18.75%)	2 (12.50%)	1 (6.25%)
Contract review*	3 (20.00%)	3 (20.00%)	3 (20.00%)	4 (26.67%)	2 (13.33%)
Report creation*	3 (20.00%)	5 (33.33%)	4 (26.67%)	3 (20.00%)	0 (0.00%)
Other (*Contract file access and review issues*)**	0 (0.00%)	1 (20.00%)	0 (0.00%)	2 (40.00%)	2 (40.00%)

N = 16; *N = 15; **N = 5

Question 36

Thinking about virtual full compliance SRs in general, please rate each step on how easy or difficult it is for the PC to complete.	Count (%)				
	Very easy	Somewhat easy	Neither easy nor difficult	Somewhat difficult	Very difficult
Entrance briefings*	11 (68.75%)	3 (18.75%)	0 (0.00%)	2 (12.50%)	0 (0.00%)
Exit briefings*	10 (62.50%)	4 (25.00%)	0 (0.00%)	2 (12.50%)	0 (0.00%)
Gathering contract files for review	2 (13.33%)	5 (33.33%)	0 (0.00%)	5 (33.33%)	3 (20.00%)
Interviews with SBA staff	5 (33.33%)	5 (33.33%)	3 (20.00%)	2 (13.33%)	0 (0.00%)
Logistics (booking a surveillance review location, obtaining security clearances, etc.)	1 (6.67%)	4 (26.67%)	3 (20.00%)	6 (40.00%)	1 (6.67%)
Completing a Corrective Action Plan	2 (13.33%)	4 (26.67%)	7 (46.67%)	0 (0.00%)	2 (13.33%)
Other (*Contract file access*)**	0 (0.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (100%)

N = 15; *N = 16; **N = 1

Question 37

Thinking about the entire SR process, do you have any suggestions for how the process could be made more efficient or effective? (summary of categories from open-ended responses)
Update templates and forms
Management support for SR process
Improve contract file access
Provide guidance on types of documentation to review

N = 10

Question 38

In your opinion, should the SBA continue conducting virtual full compliance SRs after the end of the COVID-19 pandemic?	Count (%)
Yes	9 (56.25%)
No	5 (31.25%)
I don't know	2 (12.50%)

N = 16

Question 39

Why do you think the SBA should continue conducting virtual full compliance SRs?* (summary of categories from open-ended responses)
Cost-effectiveness, saving travel money and time
Hybrid could be cost-effective
Why do you think the SBA should not continue conducting virtual full compliance SRs? (summary of categories from open-ended responses)
Challenges with access to contract files
Challenges with internet connectivity
Challenges maintaining interpersonal relationships

*N = 9; **N = 5

Question 40

Are there any specific aspects of the virtual SR process that should be retained after the COVID-19 pandemic?	Count (%)
Yes	9 (56.25%)
No	7 (43.75%)

N = 16

Question 41

What parts of the virtual SR process should the SBA continue moving forward? (summary of categories from open-ended responses)
Virtual interviews
Electronic file reviews
Maintaining virtual reviews as an option

N = 9

Comparing virtual and in-person surveillance reviews (conducted both in-person and virtual full compliance SRs)

Question 42

In your experience, are there specific benefits of the virtual full compliance SR process that the in-person process does not have?	Count (%)
Yes	29 (72.50%)
No	10 (25.00%)
I don't know	1 (2.50%)

N = 40

Question 43

What benefits do virtual full compliance SRs have that in-person SRs do not? (summary of categories from open-ended responses)
In-person allows for review of more files, virtual review can also allow more time to obtain files
In-person allows for interaction with staff, avoiding tension
Virtual saves travel times and cost
Virtual reviews could allow more PCs to participate

N = 29

Question 44

In your experience, are there challenges specific to the virtual full compliance SR process that are not encountered during in-person full compliance SRs?	Count (%)
Yes	36 (90.00%)
No	3 (7.50%)
I don't know	1 (2.50%)

N = 40

Question 45

What challenges do virtual full compliance SRs have that in-person full compliance SRs do not? (summary of categories from open-ended responses)
Relationship building with PC staff
Obtaining contract files is more challenging, software and access challenges contribute to this
The ability to address questions in person and almost immediately

N = 36

Follow-up surveillance reviews (conducted FuSRs)

Question 46

Thinking about your most recent FuSR, how many of the actions in their Corrective Action Plan had the PC completed?	Count (%)
All	3 (10.71%)
Most	17 (60.71%)
Some	6 (21.43%)
A few	1 (3.57%)
None	0 (0.00%)
PC did not complete a Corrective Action Plan	1 (3.57%)

N = 28

Question 47

To the best of your knowledge, did the PC make changes that will extend into subsequent years following the FuSR?	Count (%)
Yes	19 (67.86%)
No	1 (3.57%)
I don't know	8 (28.57%)

N = 28

Appendix C   ADDITIONAL ADMINISTRATIVE DATA TABLES

Timing analysis tables. The following tables support the analysis of the length of the surveillance review process to answer Research Questions 1 and 2. Counts are number of days unless otherwise specified.

Table C-1: Surveillance review key dates

Surveillance Review Key Date	Characteristics
Inform Date	The Inform Date is standard across most PCs on an annual basis. From 2016 to 2019, the standard Inform Date occurred between late January and mid-February. For 2020, the Inform Date for most PCs was November 21, 2019. For the 2021 cohort, the Inform Date was December 7, 2020. Each year there are a few PCs that are informed slightly earlier or later.
Notice Date	From 2016 to 2019, the Notice Date ranged between late February and May. For 2020, Notice Letters were distributed between mid-December 2019 and the end of February 2020. The 2021 Notice Letters are primarily dated in January or February, but a few were dated in April and May.
Review Start Date	Most Review Start Dates from 2016 to 2019 occurred between June and August. In 2020, the review timeline was moved up, and as a result, some 2020 reviews were conducted in February, but others were delayed due to the COVID pandemic. In 2021, reviews were conducted between March and early July.
Review End Date	The Review End Date is typically scheduled for 3 days after the Review Start Date.
Report Date	In 2016, all Report Dates fell in September and October. That timeline has shifted earlier throughout the years. In 2019, Report Dates fell between July and September. In 2021, the latest Report Date was September 27, 2021.

Table C-2: Average length of full surveillance reviews (2015–2021)

	2015	2016	2017	2018	2019	2020 In-Person Reviews	2020 Virtual Reviews	2021 Virtual Reviews
Number of Reviews	16	18	19	24	26	7	7	26
Inform Date to Notice Date	29	56	67	27	41	35	71	65
Notice Letter to Review Start Date	58	77	98	102	85	59	135	72
Review Start Date to Review End Date	4	3	3	3	3	3	12	13
Review End Date to Report Date	121	89	84	55	61	50	45	64
Aggregate Average Review Length	212	225	253	188	190	147	263	214

Figure C-1: Average length of full surveillance reviews (2015–2021)
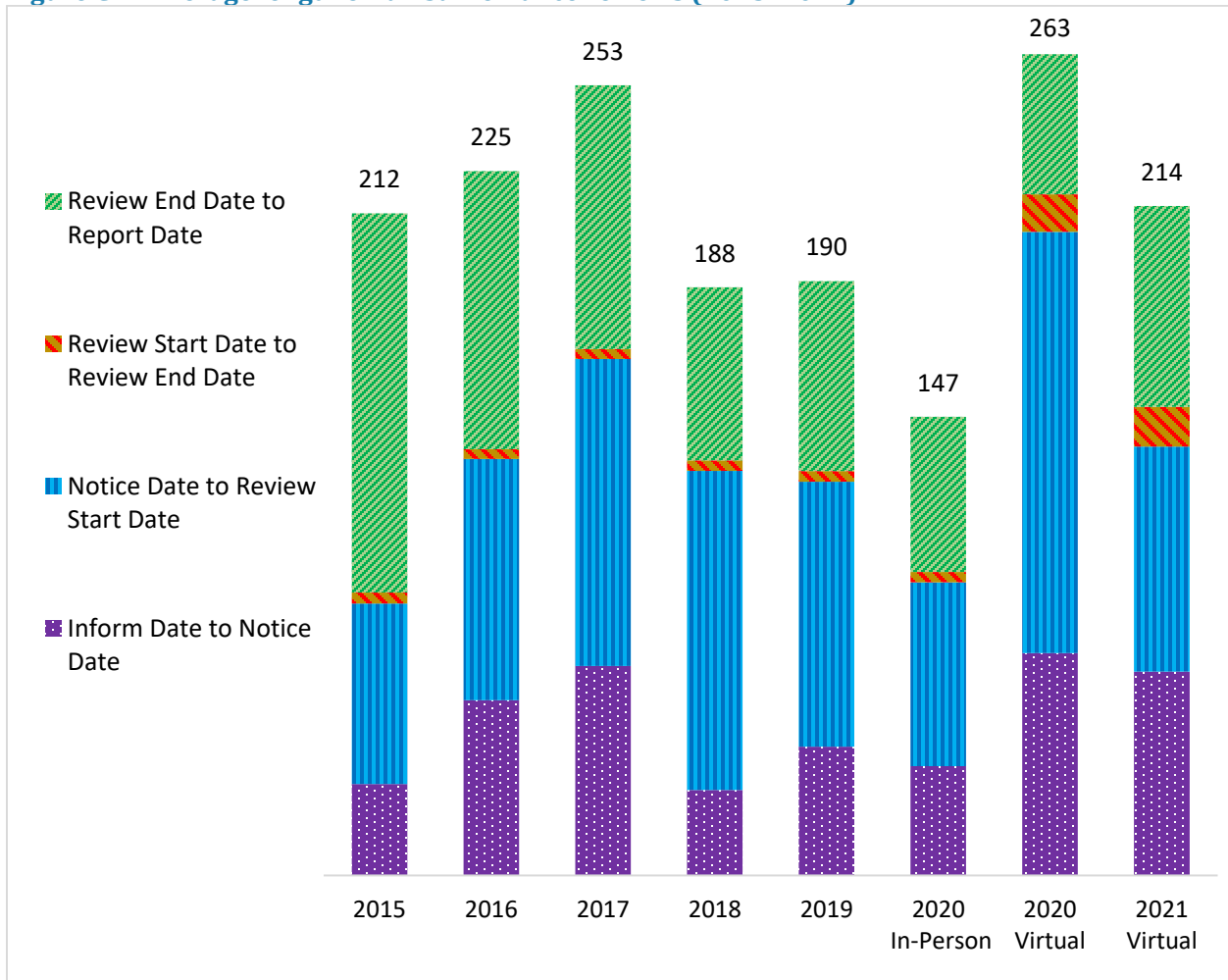
Figure C-2: The length of each stage as a percent of the total review period (2015–2021)
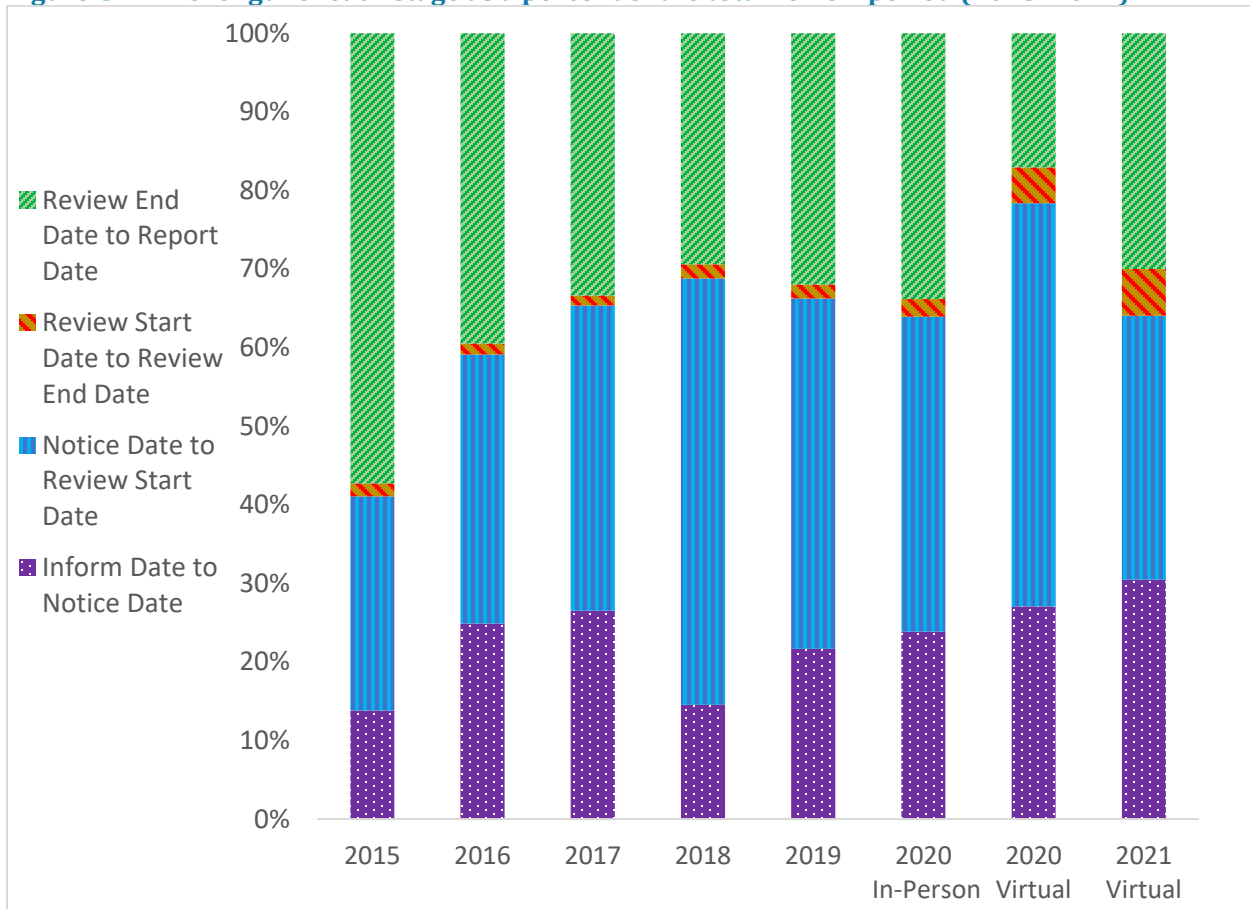
Table C-3: Average length of full surveillance reviews by Area Office (2015–2021)

	Area Office 1	Area Office 2	Area Office 3	Area Office 4	Area Office 5	Area Office 6
Number of Reviews	17	33	26	26	23	18
Inform Date to Notice Letter	51	35	55	52	53	65
Notice Letter to Review Start Date	97	101	83	90	87	66
Review Start Date to Review End Date	5	7	5	5	7	4
Review End Date to Report Date	63	75	51	72	74	55
Aggregate Average Review Length	216	218	194	219	221	189

SBGR spending data analysis. The following tables support the analysis of SBGR spending data to answer Research Question 3.

Table C-4: Pre- versus post-review change in average small business contracting as a percent of total eligible spending

Review Cohort	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
	Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	31%	49%	18%	32%	39%	7%	12%
2016	47%	47%	0%	36%	39%	3%	-3%
2017	35%	35%	0%	34%	40%	5%	-5%
2018	45%	49%	4%	37%	36%	-1%	4%
2019	45%	48%	3%	37%	39%	1%	2%

Table C-5: Pre- versus post-review change in average small disadvantaged business contracting as a percent of total eligible spending

Review Cohort	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
	Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	10%	23%	12%	14%	14%	0%	13%
2016	14%	18%	4%	15%	14%	-1%	5%
2017	14%	14%	0%	14%	14%	0%	1%
2018	20%	23%	3%	15%	13%	-2%	5%
2019	21%	25%	4%	14%	15%	1%	4%

Table C-6: Pre- versus post-review change in average SDVOB contracting as a percent of total eligible spending

Review Cohort	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
	Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	8%	15%	7%	5%	5%	1%	6%
2016	21%	24%	3%	6%	5%	-1%	4%
2017	5%	4%	0%	6%	4%	-2%	2%
2018	5%	10%	4%	5%	5%	0%	4%
2019	8%	8%	0%	5%	8%	3%	-3%

Table C-7: Pre- versus post-review change in average HUBZone contracting as a percent of total eligible spending

Review Cohort	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
	Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	2%	3%	1%	4%	3%	0%	1%
2016	2%	3%	1%	4%	3%	-1%	2%
2017	3%	2%	-1%	3%	3%	0%	-1%
2018	5%	6%	2%	3%	3%	0%	2%
2019	3%	4%	0%	3%	3%	0%	1%

Table C-8: Pre- versus post-review change in average WOSB contracting as a percent of total eligible spending

Review Cohort	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
	Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	9%	15%	7%	7%	10%	2%	4%
2016	6%	6%	0%	8%	10%	2%	-1%
2017	7%	9%	1%	8%	10%	3%	-1%
2018	10%	12%	3%	9%	8%	-2%	4%
2019	8%	9%	1%	9%	8%	0%	1%

Table C-9: Pre- versus post-review change in average small business contracting as a percent of total eligible spending—Marginally Satisfactory PCs

Review Cohort	PC Count	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
		Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	3	23%	36%	13%	32%	39%	7%	6%
2016	5	47%	42%	-6%	36%	39%	3%	-8%
2017	0	-	-	-	34%	40%	5%	-
2018	3	26%	27%	1%	37%	36%	-1%	1%
2019	4	36%	37%	1%	37%	39%	1%	0%

Table C-10: Pre- versus post-review change in average small disadvantaged business contracting as a percent of total eligible spending—Marginally Satisfactory PCs

Review Cohort	PC Count	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
		Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	3	8%	15%	8%	14%	14%	0%	8%
2016	5	14%	19%	5%	15%	14%	-1%	6%
2017	0	-	-	-	14%	14%	0%	-
2018	3	13%	11%	-2%	15%	13%	-2%	0%
2019	4	15%	20%	5%	14%	15%	1%	4%

Table C-11: Pre- versus post-review change in average SDVOB contracting as a percent of total eligible spending—Marginally Satisfactory PCs

Review Cohort	PC Count	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
		Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	3	6%	19%	12%	5%	5%	1%	12%
2016	5	23%	21%	-1%	6%	5%	-1%	0%
2017	0	-	-	-	6%	4%	-2%	-
2018	3	1%	2%	0%	5%	5%	0%	0%
2019	4	4%	3%	-1%	5%	14%	9%	-10%

Table C-12: Pre- versus post-review change in average HUBZone contracting as a percent of total eligible spending—Marginally Satisfactory PCs

Cohort	PC Count	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
		Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	3	1%	4%	3%	4%	3%	0%	3%
2016	5	1%	2%	1%	4%	3%	-1%	2%
2017	0	-	-	-	3%	3%	0%	-
2018	3	0%	1%	1%	3%	3%	0%	1%
2019	4	4%	4%	0%	3%	14%	11%	-11%

Table C-13: Pre- versus post-review change in average WOSB contracting as a percent of total eligible spending—Marginally Satisfactory PCs

Review Cohort	PC Count	Reviewed PCs			Non-Reviewed PCs			Difference Between Groups [G] = [C] − [F]
		Pre [A]	Post [B]	Change [C] = [B] − [A]	Pre [D]	Post [E]	Change [F] = [E] − [D]	
2015	3	4%	6%	2%	7%	10%	2%	-1%
2016	5	3%	3%	-1%	8%	10%	2%	-2%
2017	0	-	-	-	8%	10%	3%	-
2018	3	4%	6%	2%	9%	8%	-2%	4%
2019	4	4%	4%	-1%	9%	14%	5%	-6%

Figure C-3: Annual small business spending as a percentage of small business eligible spending
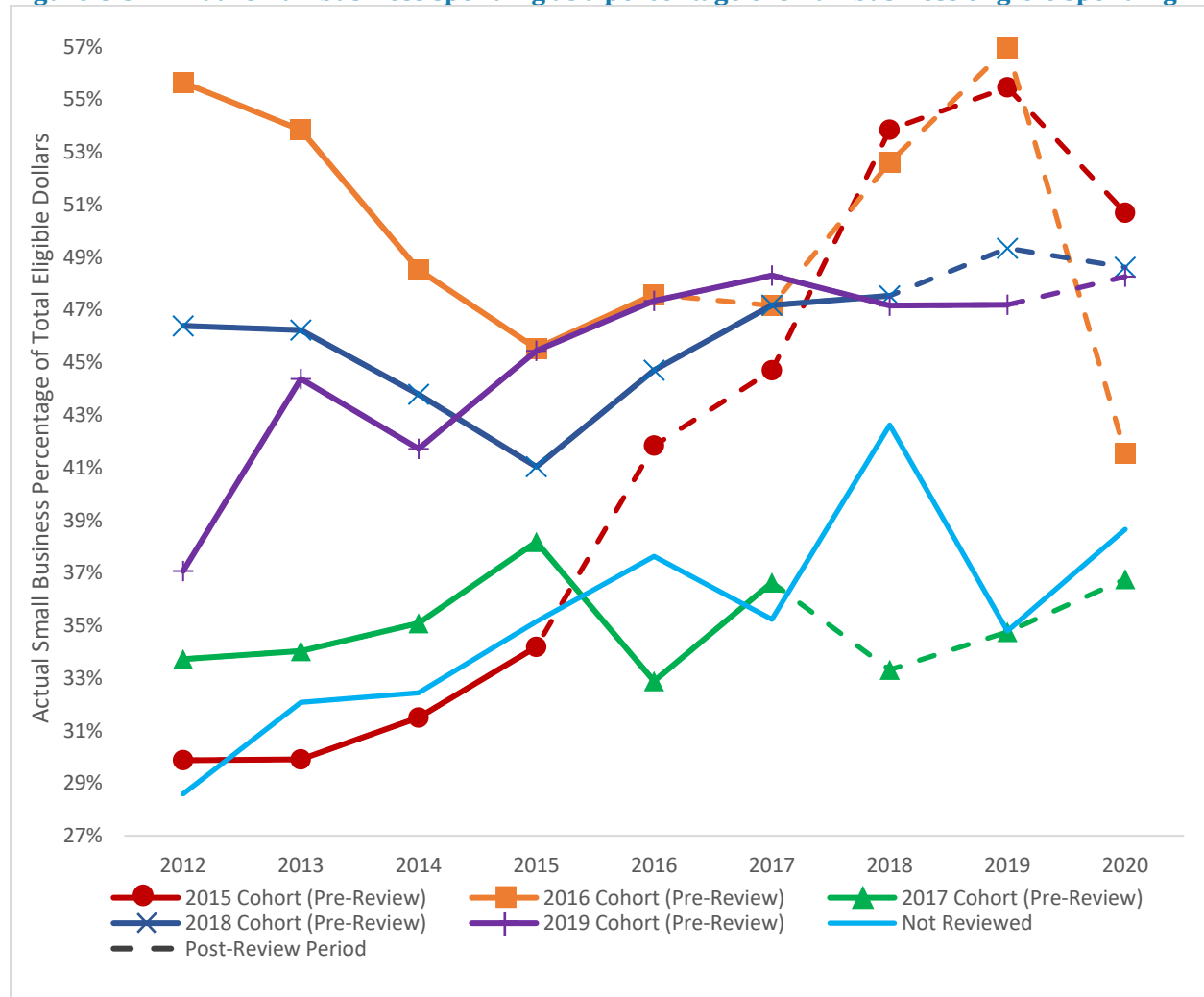
Note: This figure displays the average spending in a socioeconomic category as a percent of total eligible spending. In other words, each value reflects the average spending percentage across all PCs for a given group in the specific year. The availability of these data by review cohort is summarized in Table 5: SBGR data availability.

Figure C-4: Annual small disadvantaged business spending as a percentage of small business eligible spending
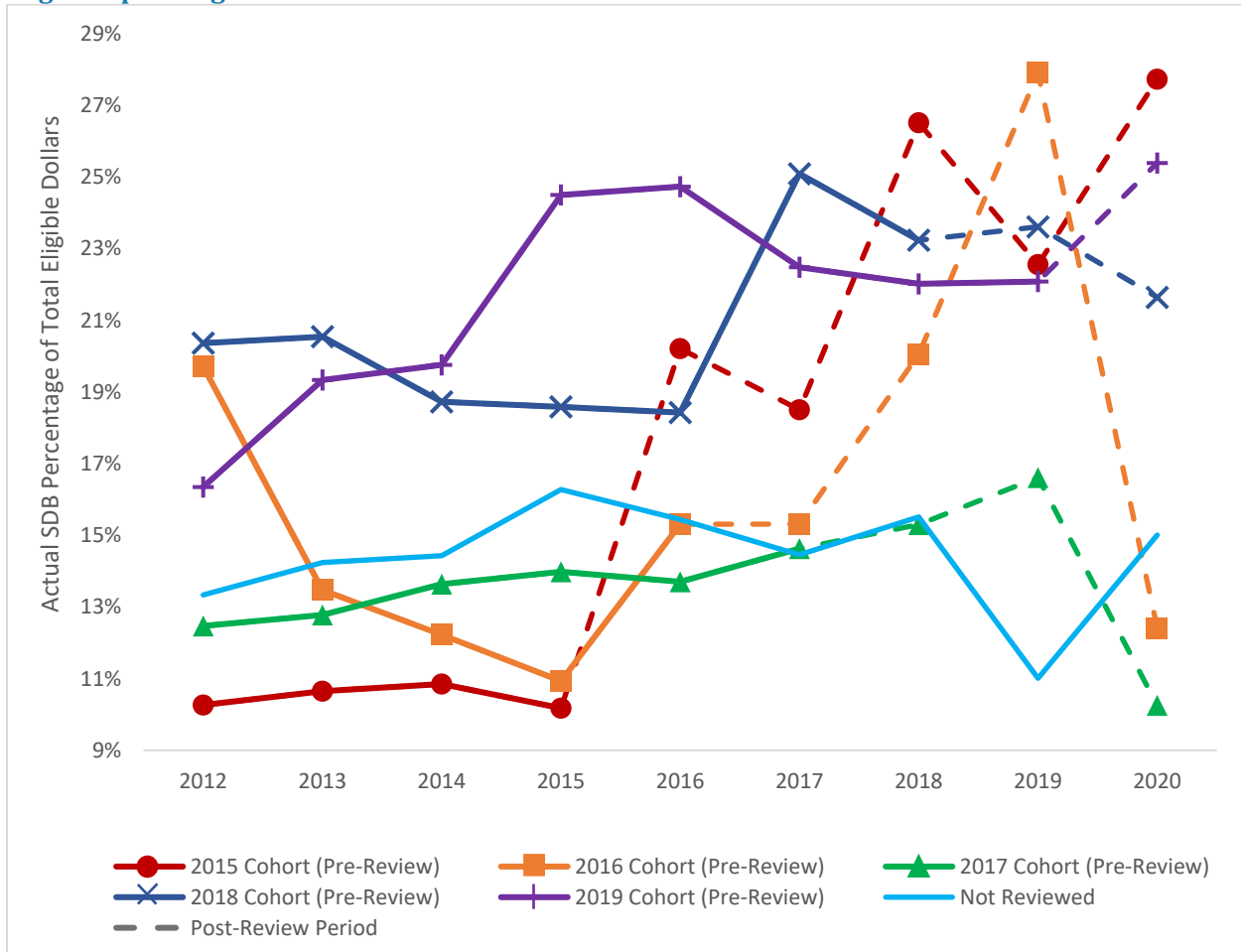
Note: This figure displays the average spending in a socioeconomic category as a percent of total eligible spending. In other words, each value reflects the average spending percentage across all PCs for a given group in the specific year. The availability of these data by review cohort is summarized in Table 5: SBGR data availability.

Figure C-5: Annual SDVOB spending as a percentage of small business eligible spending
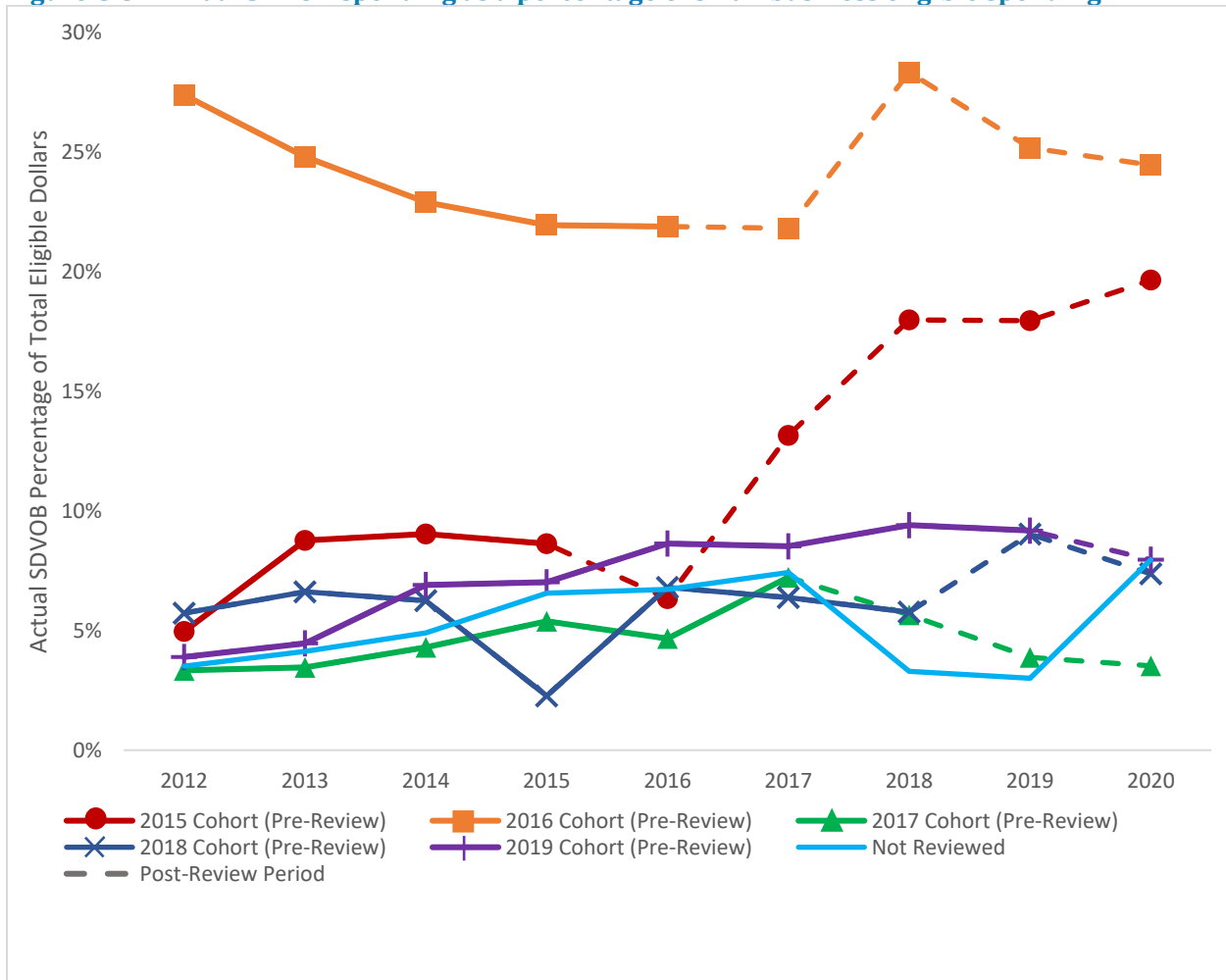
Note: This figure displays the average spending in a socioeconomic category as a percent of total eligible spending. In other words, each value reflects the average spending percentage across all PCs for a given group in the specific year. The availability of these data by review cohort is summarized in Table 5: SBGR data availability. The Team believes that the large difference in SDVOB spending in the 2016 review cohort compared to other cohorts is due to specific characteristics of that cohort and is not reflective of any issues in the data.

Figure C-6: Annual HUBZone spending as a percentage of small business eligible spending
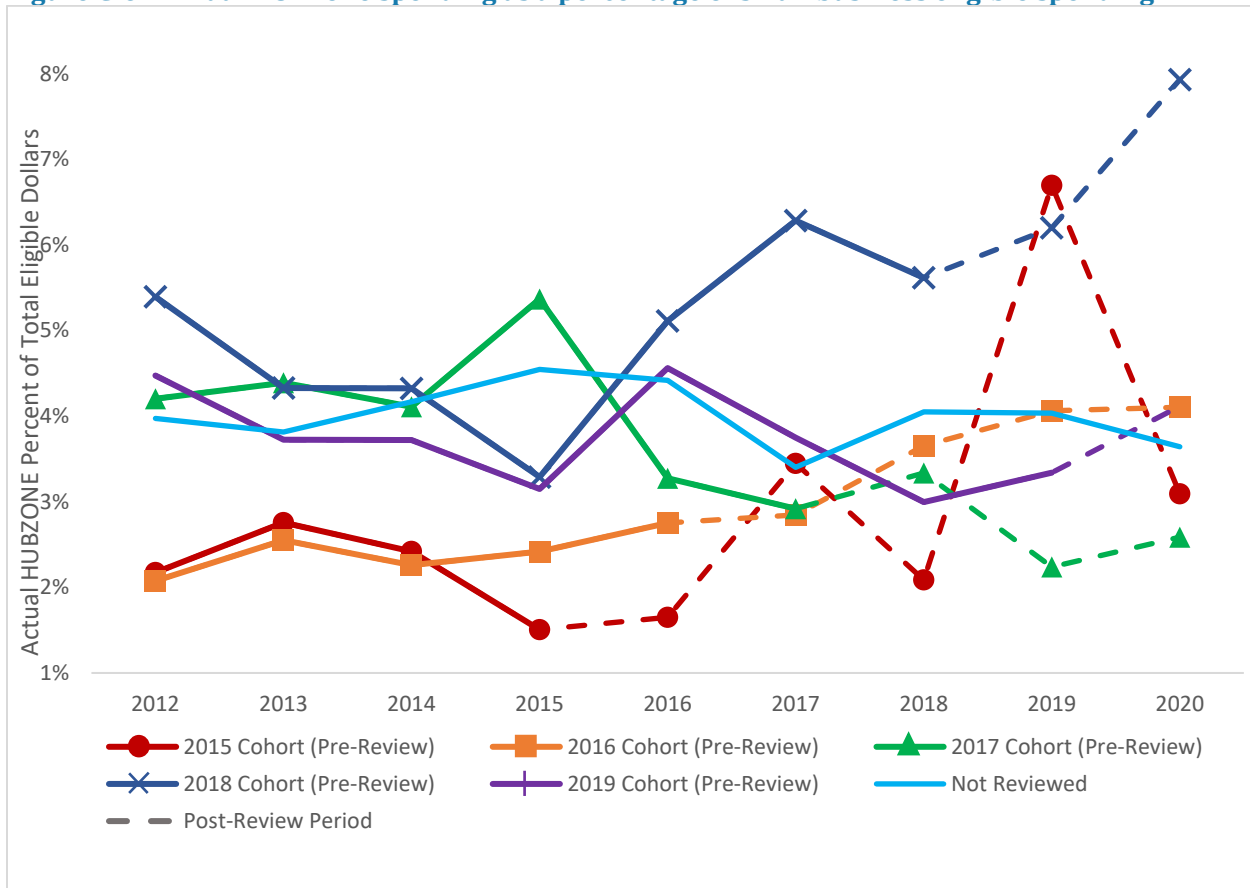
Note: This figure displays the average spending in a socioeconomic category as a percent of total eligible spending. In other words, each value reflects the average spending percentage across all PCs for a given group in the specific year. The availability of these data by review cohort is summarized in Table 5: SBGR data availability.

Figure C-7: Annual WOSB spending as a percentage of small business eligible spending
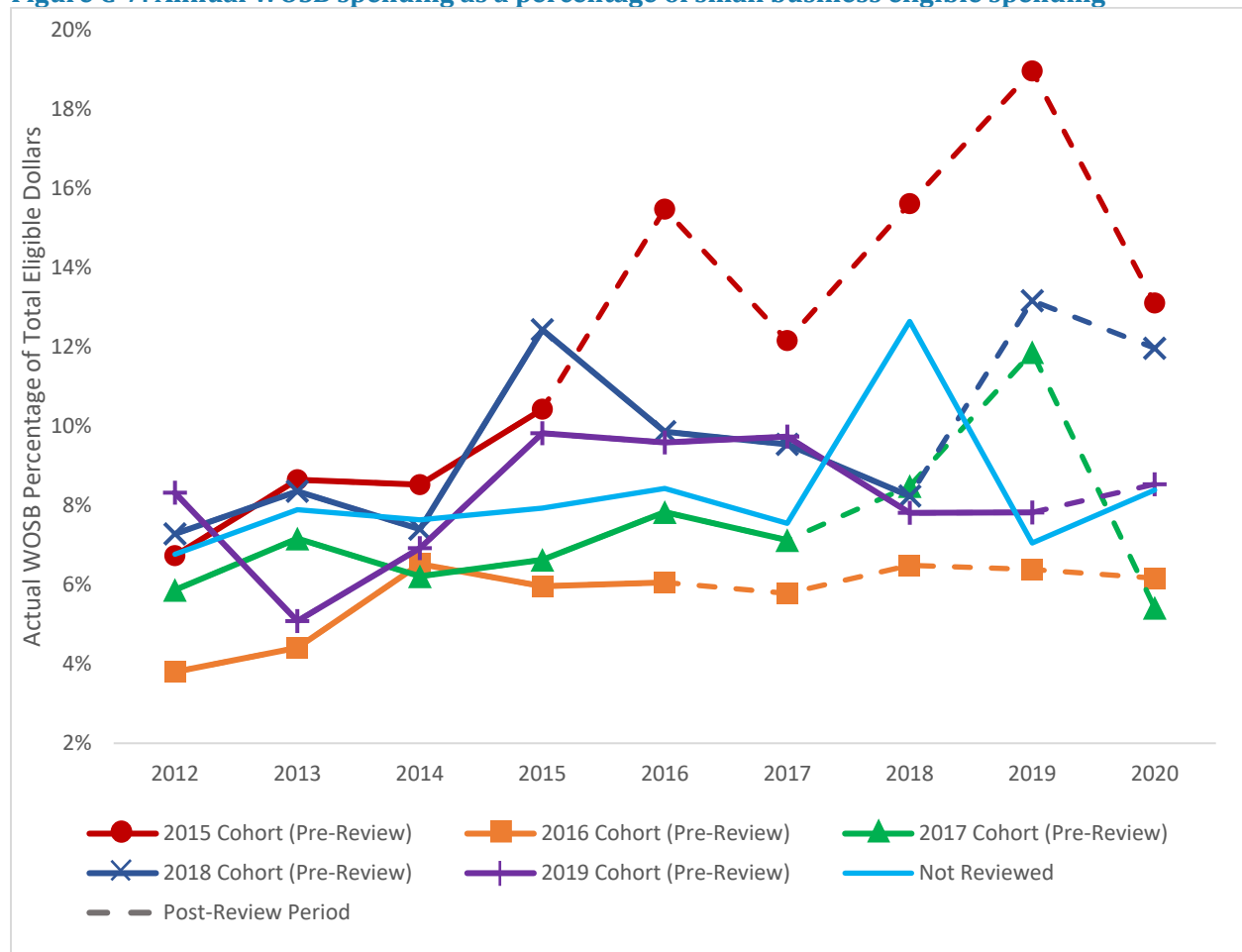
Note: This figure displays the average spending in a socioeconomic category as a percent of total eligible spending. In other words, each value reflects the average spending percentage across all PCs for a given group in the specific year. The availability of these data by review cohort is summarized in Table 5: SBGR data availability.

### Table C-14: *T*-test results comparing reviewed and non-reviewed PCs

Socioeconomic Category	Cutoff Year	*T*	Degrees of Freedom	*P*-Value
Small Business	2015	-0.4003	139.00	0.6896
Small Business	2016	0.2925	202.37	0.7702
Small Business	2017	-0.4709	191.69	0.6382
Small Business	2018	1.3672	207.40	0.173
Small Business	2019	0.1239	185.09	0.9015
Small Disadvantaged Business	2015	1.8716	157.55	0.0631*
Small Disadvantaged Business	2016	2.1049	193.06	0.0366**
Small Disadvantaged Business	2017	1.6623	209.82	0.0980*
Small Disadvantaged Business	2018	2.3974	216.99	0.0174**
Small Disadvantaged Business	2019	1.0128	211.78	0.3123
HUBZone	2015	0.4140	151.18	0.6795
HUBZone	2016	1.3887	191.34	0.1665
HUBZone	2017	0.9827	212.27	0.3269
HUBZone	2018	1.1850	201.83	0.2374
HUBZone	2019	1.6138	198.53	0.1082
Service-Disabled Veteran Owned Business	2015	0.4757	145.92	0.6350
Service-Disabled Veteran Owned Business	2016	1.1494	187.12	0.2519
Service-Disabled Veteran Owned Business	2017	1.5374	171.53	0.1260
Service-Disabled Veteran Owned Business	2018	0.6550	192.38	0.5132
Service-Disabled Veteran Owned Business	2019	-0.4753	207.40	0.6350
Women-Owned Small Business	2015	1.0153	153.58	0.3116
Women-Owned Small Business	2016	0.4932	179.92	0.6225
Women-Owned Small Business	2017	-0.0314	165.19	0.9750
Women-Owned Small Business	2018	2.4376	198.47	0.0157**
Women-Owned Small Business	2019	0.7977	206.45	0.4259

Notes: * The mean difference is significant at the 0.1 level. **The mean difference is significant at the 0.05 level.

SBGR Directional Change Analysis. The following tables and graphs describe the analysis of the directional change in SBGR spending post-review compared to pre-review values.

The directional change analysis was based on the pre- and post-review average spending levels for each review cohort and spending category calculated using the SBGR data. These two values were compared to determine the directional change in the post-review period. The directional categories were defined as follows:

- Increase – The post-review average was greater than the pre-review average.

- Decrease – The post-review average was less than the pre-review average.

- No Change – The post-review average was equal to the pre-review average.

Table C-15 shows the total number of PCs in each directional category for all review cohorts summed together. To compare reviewed PCs with the non-reviewed population, the team calculated the number of PCs in each directional category for each cutoff year.[34] As the values for these cutoff years are calculated using the same PC records, the team chose to average these results to summarize these counts rather than aggregate them (Table C-16). For example, 66 represents the average number of PCs in which the percent of small business spending increased across all cutoff years analyzed.

Table C-15: Directional change in reviewed PCs by spending category (sum of review cohorts)

Spending Category	Increase	Decrease	No Change	Total
SB	49	33	0	82
SDB	49	33	0	82
SDVOB	44	37	1	82
WOSB	43	38	1	82
HUBZONE	45	36	1	82

Table C-16: Directional change in non-reviewed PCs by spending category (average of cutoff years)

Spending Category	Increase	Decrease	No Change	Total
SB	66	57	1	124
SDB	65	52	6	124
SDVOB	55	59	10	124
WOSB	56	63	4	124
HUBZONE	62	44	18	124

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[34] As there is no defined cutoff for the pre- and post-review period for non-reviewed PCs, the Team calculated the change using each possible year as a cutoff. This approach allows for a more accurate comparison between each review cohort and the population of non-reviewed PCs. For example, the 2015 review cohort is compared to a 2015 cutoff for the non-reviewed year, while the 2016 review cohort is compared to non-reviewed PCs using to a 2016 cutoff.

The Team also compared the counts of PCs in each directional category for each review cohort against the non-reviewed population (using the corresponding cutoff year). Figure C-8 to Figure C-12 describe the percent of PCs in each directional category out of the total PCs by spending category. In 18 of these 25 comparisons, the reviewed PCs outperformed the non-reviewed PCs.

Figure C-8: Directional categories as a percent of total counts—small business spending
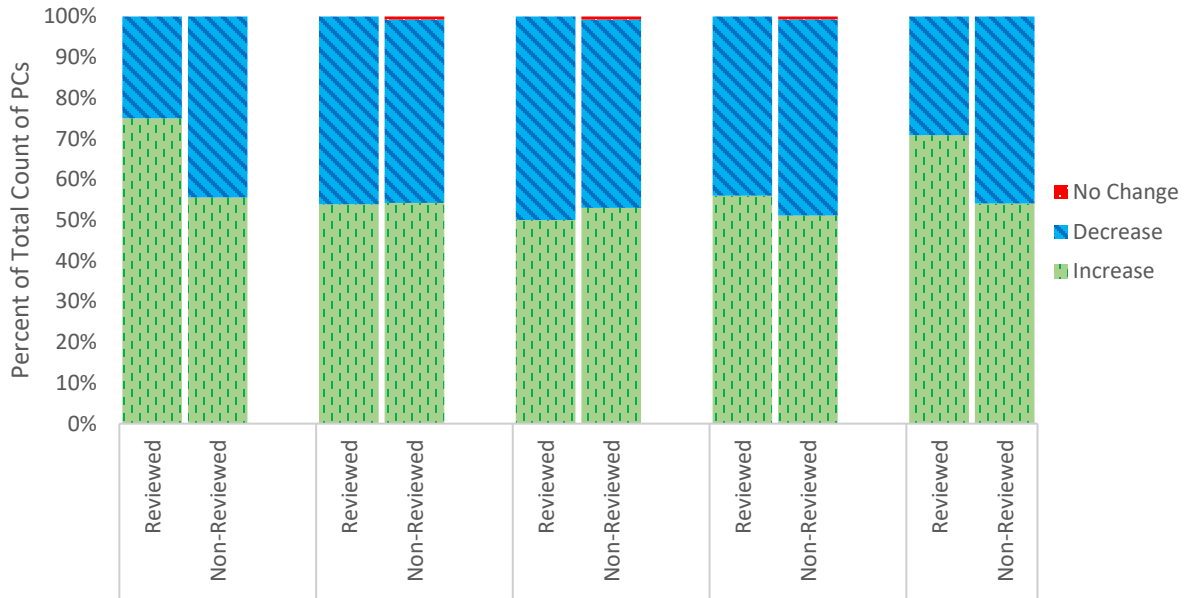
Figure C-9: Directional categories as a percent of total counts—SDB spending
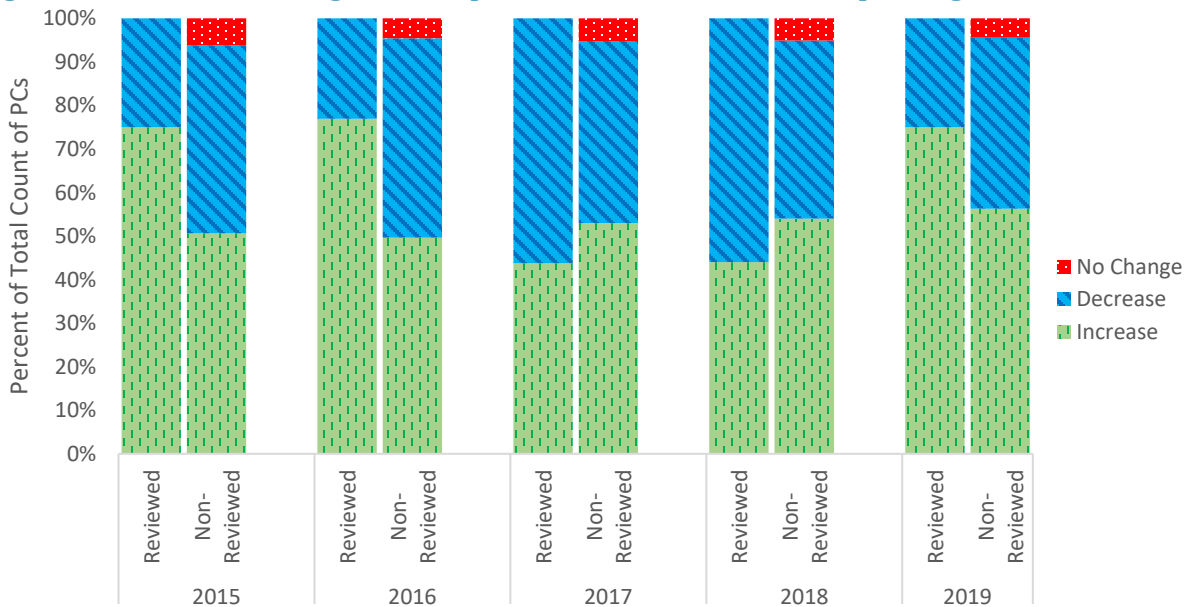
Figure C-10: Directional categories as a percent of total counts—SDVOB spending

Figure C-11: Directional categories as a percent of total counts—HUBZone spending
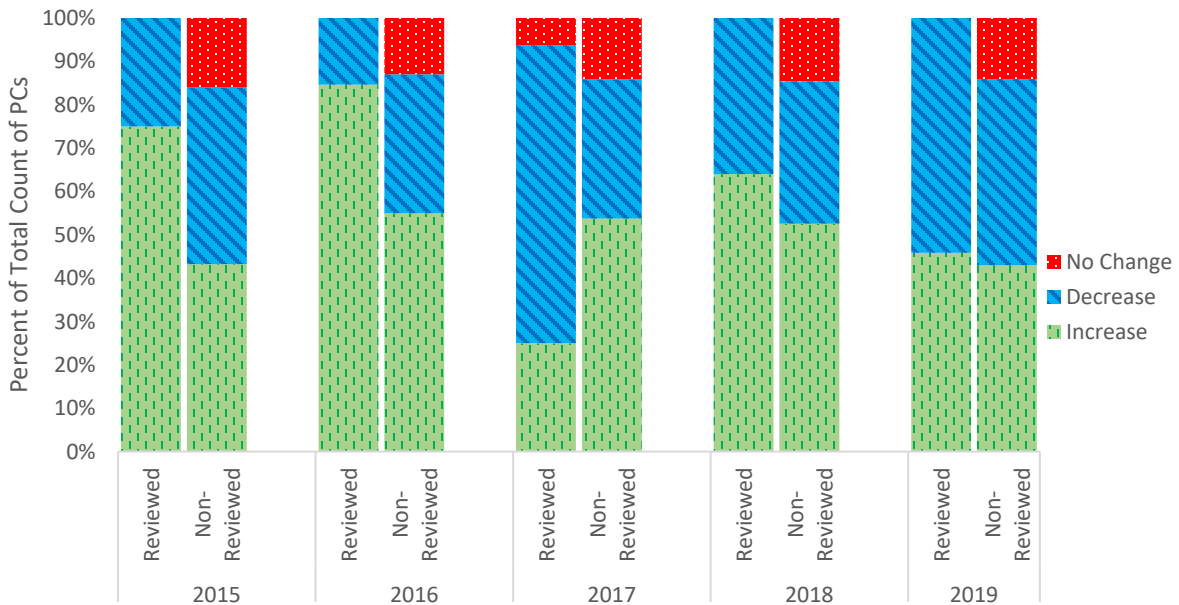
Figure C-12: Directional categories as a percent of total counts—WOSB spending
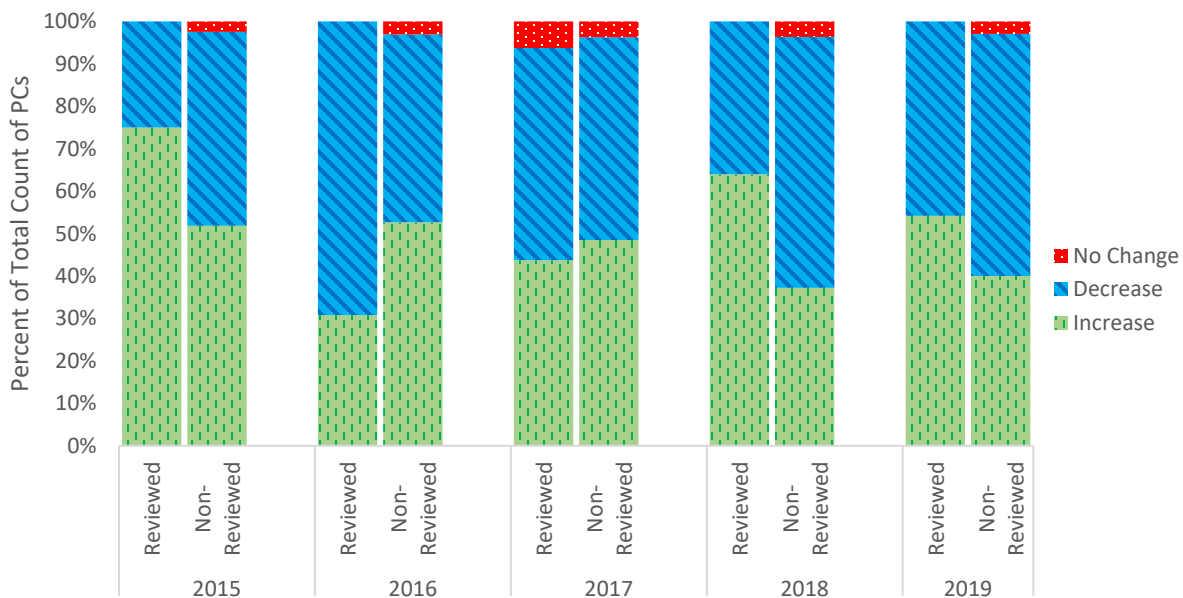
Goal data analysis. The following tables support the analysis of goal data to answer Research Question 3.

Table C-17: Cumulative goal achievement—2015 cohort

Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	8	8	100%	6	10	60%	-40%
SDB	7	8	88%	6	10	60%	-28%
SDVOB	7	8	88%	7	10	70%	-18%
HUBZone	5	8	63%	6	10	60%	-3%
WOSB	8	8	100%	9	10	90%	-10%

Table C-18: Cumulative goal achievement—2016 cohort

Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	19	51	37%	11	42	26%	-11%
SDB	9	51	18%	2	42	5%	-13%
SDVOB	9	51	18%	8	42	19%	1%
HUBZone	39	51	76%	22	42	52%	-24%
WOSB	32	51	63%	28	42	67%	4%

Table C-19: Cumulative goal achievement—2017 cohort

Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	26	83	31%	21	45	47%	15%
SDB	22	83	27%	18	45	40%	13%
SDVOB	48	81	59%	25	45	56%	-4%
HUBZone	33	81	41%	15	45	33%	-7%
WOSB	28	83	34%	21	45	47%	13%

Table C-20: Cumulative goal achievement—2018 cohort

Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	62	162	38%	15	50	30%	-8%
SDB	45	162	28%	16	50	32%	4%
SDVOB	82	162	51%	20	50	40%	-11%
HUBZone	80	162	49%	25	50	50%	1%
WOSB	71	162	44%	18	50	36%	-8%

Table C-21: Cumulative goal achievement—2019 cohort

Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	66	158	42%	8	24	33%	-8%
SDB	44	158	28%	6	24	25%	-3%
SDVOB	86	158	54%	10	24	42%	-13%
HUBZone	64	158	41%	8	24	33%	-7%
WOSB	63	158	40%	10	24	42%	2%

Table C-22: Annual goal achievement rates—2015 cohort

Category	Pre-Review				Post-Review				
	2012	2013	2014	2015	2016	2017	2018	2019	2020
SB	100%	100%	100%	100%	100%	50%	50%	50%	50%
SDB	100%	100%	50%	100%	100%	50%	50%	50%	50%
HUBZone	100%	100%	50%	100%	100%	50%	100%	50%	50%
SDVOB	100%	50%	50%	50%	100%	50%	50%	50%	50%
WOSB	100%	100%	100%	100%	100%	100%	100%	50%	100%
Number of PCs	2	2	2	2	2	2	2	2	2

Table C-23: Annual goal achievement rates—2016 cohort

Category	Pre				Post				
	2012	2013	2014	2015	2016	2017	2018	2019	2020
SB	20%	40%	20%	50%	45%	40%	20%	18%	27%
SDB	20%	20%	20%	20%	0%	10%	0%	0%	9%
HUBZone	70%	70%	80%	90%	73%	60%	40%	45%	55%
SDVOB	20%	20%	30%	10%	9%	20%	10%	18%	18%
WOSB	60%	70%	60%	70%	55%	70%	60%	73%	64%
Number of PCs	10	10	10	10	11	10	10	11	11

Table C-24: Annual goal achievement rates—2017 cohort

Category	Pre				Post				
	2012	2013	2014	2015	2016	2017	2018	2019	2020
SB	27%	15%	29%	29%	50%	33%	47%	47%	47%
SDB	27%	23%	14%	21%	38%	33%	27%	47%	47%
HUBZone	55%	69%	69%	62%	56%	47%	40%	60%	67%
SDVOB	64%	38%	29%	38%	40%	40%	27%	27%	47%
WOSB	27%	23%	29%	50%	25%	47%	33%	47%	60%
Number of PCs	11	13	14	14	16	15	15	15	15

Table C-25: Annual goal achievement rates—2018 cohort

Category	Pre				Post				
	2012	2013	2014	2015	2016	2017	2018	2019	2020
SB	25%	39%	43%	43%	52%	38%	25%	31%	29%
SDB	25%	30%	26%	26%	36%	25%	25%	27%	38%
HUBZone	40%	57%	52%	65%	52%	46%	42%	46%	33%
SDVOB	45%	52%	43%	57%	40%	54%	54%	50%	50%
WOSB	35%	43%	39%	48%	52%	38%	50%	35%	38%
Number of PCs	20	23	23	23	25	24	24	26	24

Table C-26: Annual goal achievement rates—2019 cohort

Category	Pre				Post				
	2012	2013	2014	2015	2016	2017	2018	2019	2020
SB	73%	53%	56%	31%	29%	29%	42%	38%	33%
SDB	40%	33%	31%	25%	13%	29%	25%	33%	25%
HUBZone	60%	67%	63%	69%	50%	46%	50%	46%	42%
SDVOB	67%	47%	44%	38%	33%	46%	33%	29%	33%
WOSB	53%	53%	38%	25%	29%	42%	42%	42%	42%
Number of PCs	15	15	16	16	24	24	24	24	24

Table C-27: Annual average and cumulative goal achievement rates—2015 cohort

Category	Cumulative			Annual Average		
	Pre	Post	Difference	Pre	Post	Difference
SB	100%	60%	-40%	100%	60%	-40%
SDB	88%	60%	-28%	88%	60%	-28%
HUBZone	88%	70%	-18%	88%	70%	-18%
SDVOB	63%	60%	-3%	63%	60%	-3%
WOSB	100%	90%	-10%	100%	90%	-10%

Table C-28: Annual average and cumulative goal achievement rates—2016 cohort

Category	Cumulative			Annual Average		
	Pre	Post	Difference	Pre	Post	Difference
SB	35%	26%	-9%	35%	26%	-9%
SDB	16%	5%	-11%	16%	5%	-11%
HUBZone	76%	50%	-26%	77%	50%	-27%
SDVOB	18%	17%	-1%	18%	17%	-1%
WOSB	63%	67%	4%	63%	67%	4%

Table C-29: Annual average and cumulative goal achievement rates—2017 cohort

Category	Cumulative			Annual Average		
	Pre	Post	Difference	Pre	Post	Difference
SB	31%	47%	15%	31%	47%	16%
SDB	27%	40%	13%	26%	40%	14%
HUBZone	59%	56%	-4%	60%	56%	-4%
SDVOB	41%	33%	-7%	42%	33%	-8%
WOSB	34%	47%	13%	33%	47%	13%

Table C-30: Annual average and cumulative goal achievement rates—2018 cohort

Category	Cumulative			Annual Average		
	Pre	Post	Difference	Pre	Post	Difference
SB	38%	30%	-8%	38%	30%	-8%
SDB	28%	32%	4%	28%	32%	5%
HUBZone	51%	40%	-11%	50%	40%	-11%
SDVOB	49%	50%	1%	49%	50%	1%
WOSB	44%	36%	-8%	44%	36%	-8%

Table C-31: Annual average and cumulative goal achievement rates—2019 cohort

Category	Cumulative			Annual Average		
	Pre	Post	Difference	Pre	Post	Difference
SB	42%	33%	-8%	44%	33%	-11%
SDB	28%	25%	-3%	29%	25%	-4%
HUBZone	54%	42%	-13%	56%	42%	-15%
SDVOB	41%	33%	-7%	42%	33%	-9%
WOSB	40%	42%	2%	40%	42%	1%

Table C-32: Cumulative goal achievement rates—2015 cohort Marginally Satisfactory PCs

Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	8	8	100%	6	10	60%	-40%
SDB	7	8	88%	6	10	60%	-28%
SDVOB	7	8	88%	7	10	70%	-18%
HUBZone	5	8	63%	6	10	60%	-3%
WOSB	8	8	100%	9	10	90%	-10%

Table C-33: Cumulative goal achievement rates—2016 cohort Marginally Satisfactory PCs

Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	5	16	31%	6	16	38%	6%
SDB	3	16	19%	1	16	6%	-13%
SDVOB	15	16	94%	15	16	94%	0%
HUBZone	1	16	6%	5	16	31%	25%
WOSB	14	16	88%	14	16	88%	0%

Table C-34: Cumulative goal achievement rates—2017 cohort Marginally Satisfactory PCs

Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	0	-	-	0	-	-	-
SDB	0	-	-	0	-	-	-
SDVOB	0	-	-	0	-	-	-
HUBZone	0	-	-	0	-	-	-
WOSB	0	-	-	0	-	-	-

Table C-35: Cumulative goal achievement rates—2018 cohort Marginally Satisfactory PCs

Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	18	21	86%	4	6	67%	-19%
SDB	15	21	71%	4	6	67%	-5%
SDVOB	13	21	62%	2	6	33%	-29%
HUBZone	17	21	81%	6	6	100%	19%
WOSB	17	21	81%	4	6	67%	-14%

Table C-36: Cumulative goal achievement rates—2019 cohort Marginally Satisfactory PCs

| Category	Pre-Review Successes	Pre-Review Total	Pre-Review Percent	Post-Review Successes	Post-Review Total	Post-Review Percent	Post-Review Change
SB	8	20	40%	2	4	50%	10%
SDB	6	20	30%	1	4	25%	-5%
SDVOB	14	20	70%	2	4	50%	-20%
HUBZone	14	20	70%	3	4	75%	5%
WOSB	12	20	60%	3	4	75%	15%

SBGR spending data availability. The following tables support the description of the availability of SBGR spending data and the methodology of the SBGR data analysis.

Figure C-13: Annual average small business spending compared to total eligible spending
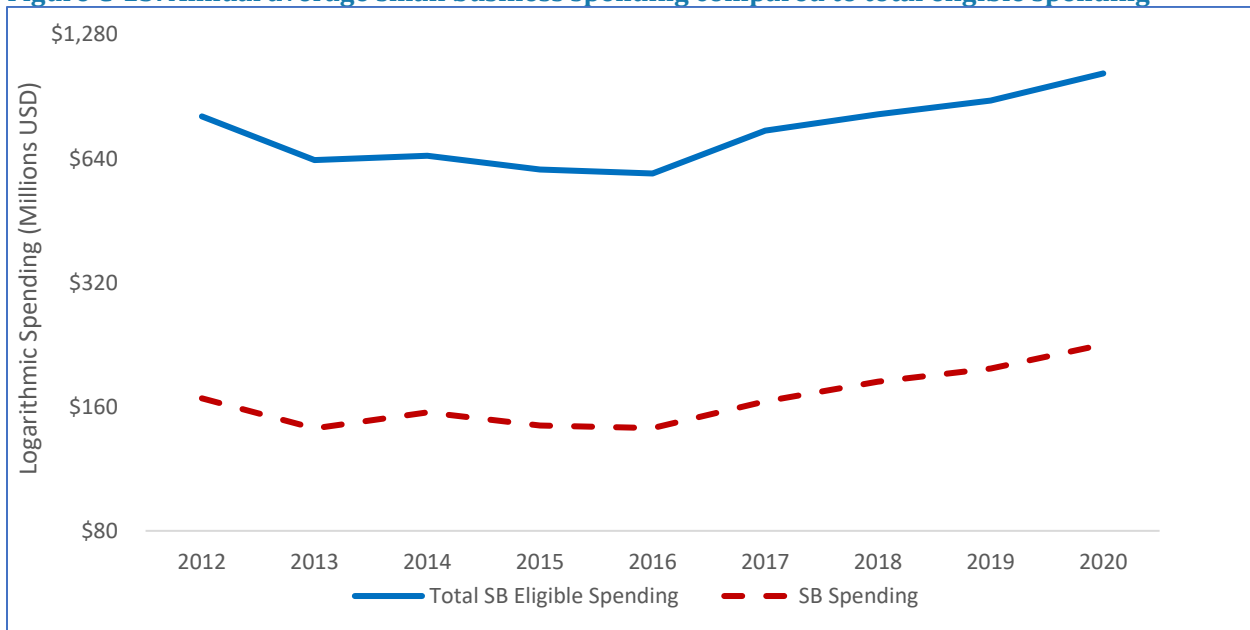
Note: This figure uses a base-two logarithmic scale to capture the magnitude differences in the spending in each category while preserving the trends in the data. A base-two logarithmic scale has increments that double each time rather than increasing linearly. Logarithmic scales are often used when one series of data takes on much larger values than another.

Figure C-14: Annual average small disadvantaged business spending compared to total eligible spending
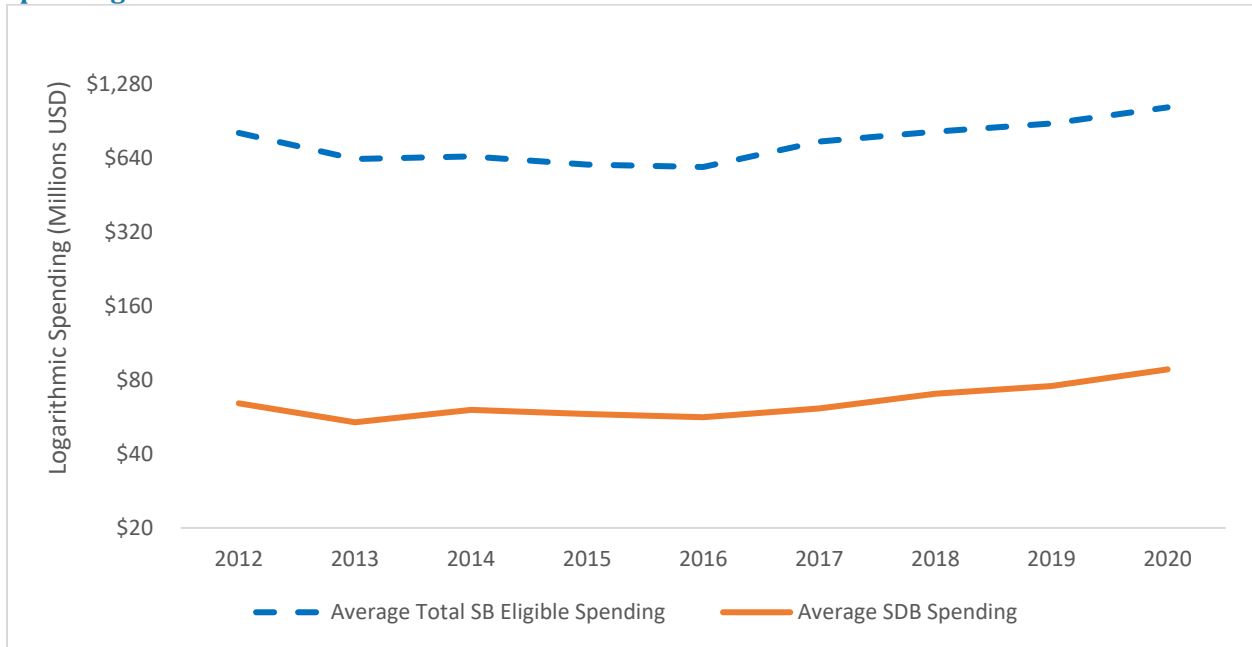
Note: This figure uses a base-two logarithmic scale to capture the magnitude differences in the spending in each category while preserving the trends in the data. A base-two logarithmic scale has increments that double each time rather than increasing linearly. Logarithmic scales are often used when one series of data takes on much larger values than another.

Figure C-15: Annual average HUBZone, SDVOB, and WOSB spending compared to total eligible spending

Note: This figure uses a base-two logarithmic scale to capture the magnitude differences in the spending in each category while preserving the trends in the data. A base-two logarithmic scale has increments that double each time rather than increasing linearly. Logarithmic scales are often used when one series of data takes on much larger values than another.
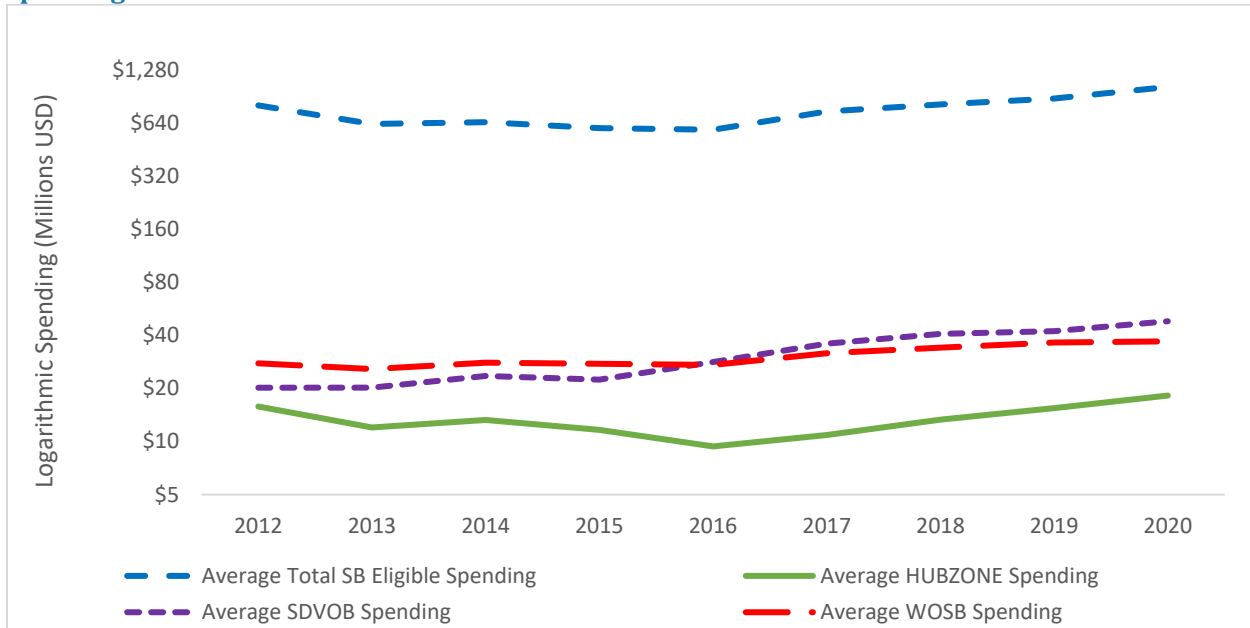
Table C-37: SBGR spending summary statistics (in millions of USD)

Statistic	SB Spending	SDB Spending	HUBZone Spending	SDVOB Spending	WOSB Spending	Total SB Eligible Spending
Average	$172.34	$66.49	$13.37	$33.03	$31.24	$765.04
Min	-$4.52	-$3.18	-$10.81	-$14.49	-$10.32	-$3.67
25th Percentile	$28.36	$5.93	$0.24	$0.95	$3.13	$130.83
Median	$98.99	$32.25	$3.66	$9.87	$13.75	$336.33
75th Percentile	$224.22	$83.22	$14.20	$35.93	$37.29	$762.11
Max	$2,356.55	$1,086.38	$624.22	$2,207.39	$385.01	$32,533.79

SBGR goal data methodology. The following tables relates to the availability of reported goal data and available information on how often PCs change small business goals.

Table C-38: Spending goals that changed from the prior year

Year	Total Count of Goals with Available Data	Count of Goals That Did Not Change from the Prior Year	Percent
2013	29	28	97%
2014	56	41	73%
2015	79	47	59%
2016	94	43	46%
2017	83	33	40%
2018	65	26	40%
2019	37	21	57%
2020	14	7	50%
Total	457	246	54%

Table C-39: Annual count of reviewed PCs with goal data by surveillance review cohort

	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total by Initial Review Year
2015	0	0	0	0	1	1	1	1	1	5
2016	2	2	2	2	11	10	10	11	11	61
2017	7	9	9	9	16	16	17	17	17	117
2018	21	23	23	23	24	21	23	25	22	205
2019	15	15	16	16	24	24	24	24	24	182
2020	8	8	8	8	13	13	13	13	13	97
Total PCs Per Fiscal Year	53	57	58	58	89	85	88	91	88	667

Non-reviewed population comparison group. The following tables were used in the creation of the comparison group of non-reviewed PCs.

Table C-40: Count of reviewed PCs by percentile rank

Percentile	Count	Percent
0%–10%	4	3%
10%–20%	1	1%
20%–30%	1	1%
30%–40%	0	0%
40%–50%	1	1%
50%–60%	2	1%
60%–70%	0	0%
70%–80%	11	8%
80%–90%	35	25%
90%–100%	83	60%
Total	**138**	**100%**

Table C-41: Count of non-reviewed PCs in comparison group by percentile rank

Percentile	Count	Percent
0%–10%	5	4%
10%–20%	1	1%
20%–30%	1	1%
30%–40%	2	1%
40%–50%	1	1%
50%–60%	4	3%
60%–70%	5	4%
70%–80%	2	1%
80%–90%	35	25%
90%–100%	84	60%
Total	**140**	**100%**

Appendix D   LITERATURE REVIEW WORKS CITED

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