



U.S. Small Business  
Administration



# *Fiscal Year 2022 Small Business Procurement Scorecard*

*Grade Calculation Methodology*

*July 2023*

*FY2022 federal prime contracting data retrieved from FPDS-NG on 02/22/2023 for the date range 10/01/2021 through 9/30/2022. FY2022 federal subcontracting data retrieved from eSRS on 03/15/2023 for the date range 10/01/2021 through 09/30/2022.*

# Methodology

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

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

SBA is continuing prior years' weighting methodology (FY20-FY22) for the FY 2022 Scorecard calculations to assess how well federal agencies reach their small business and socio-economic prime contracting and subcontracting goals, to examine the number of small business prime contractors, to review the agencies compliance with Section 15(k) requirements of the Small Business Act, retaining the checklist 22 requirements from FY 2021. For the FY22 scorecard, each OSDBU director was required to provide a response to each of the 22 requirements. The answers were included in the grade calculation.

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

| Areas  | % Grade                |
|--|------------------------|
| Prime Contracting Achievement  | 50% of Scorecard Grade |
| Subcontracting Achievement   | 20% of Scorecard Grade |
| OSDBU Peer Review on Agency Compliance with Section 15(k) of the Small Business Act (22 requirements)                                  | 20% of Scorecard Grade |
| Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories Between FY 2021 and FY 2022 | 10% of Scorecard Grade |

## Methodology (continued 1)

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

The prime vendor comparison goal is the result of the number small business concerns, including small business concerns under various socioeconomic categories, regarding prime contracts awarded in the current fiscal year compared to the prior fiscal year and scored based on the following scale:

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

The OSDBU peer review consists of scoring a written response from agencies using a detailed compliance checklist for 22 requirements in 15 U.S.C. 644(k) using the following scale for each question:

Excellent = 1.0

Unsatisfactory = 0.0

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

## Methodology (continued 2)

Each federal agency has a different small business and small disadvantaged business contracting goal, established annually in consultation with SBA. SBA ensured that the sum total of all of the goals exceeds the 23% target established by law for small business and the 11% target in OMB Memorandum M-22-13 for small disadvantaged business.

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

In FY 2022, in accordance with federal law, agencies received double credit for prime contract awards awarded as local area set asides in support of a disaster. 15 USC § 644(f). Additionally, agencies received double credit for awards to small businesses located in Puerto Rico and U.S. territories, if the award did not already qualify for double credit under the disaster provision. 15 U.S.C. § 644(x). Double credit means that the small business, SDB, WOSB, SDVOSB, and HUBZone dollars were doubled for those awards, without doubling the denominator for that award.

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

# Agency Small Business Scorecard Grade Calculation Methodology

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

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

| Achievement Category   | Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories between FY 2021 and FY 2022 | Weight of Category Achievement toward overall Grade | 10%   |
|--|--|---|-------|
| Range  |  |   | Score |
| Increase in number of SB primes by 10% or more                                       |  |   | 1.3   |
| Increase in number of SB primes by more than 5% but less than or equal to 10%        |  |   | 1.2   |
| Increase in number of SB primes by more than 0% but less than or equal to 5%         |  |   | 1.1   |
| No change in the number of SB primes (Change = 0%, 0% increase/decrease) (no change) |  |   | 1     |
| Decrease in number of SB primes by more than 0% but less than or equal to 5%         |  |   | 0.9   |
| Decrease in number of SB primes by 5% or more but less than or equal to 10%          |  |   | 0.8   |
| Decrease of SB primes by 10% or more   |  |   | 0.7   |

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

|   |  |  |            |
|---|--|--|------------|
| <b>Achievement Category</b>   | <b>The OSDBU peer review consists of scoring a written response from agencies to questions on the 22 requirements in 15 U.S.C. 644(k).</b> | <b>Weight of Category Achievement toward overall Grade</b> | <b>20%</b> |
| <b>Scoring for each of the 22 requirements:</b>   |  | <b>Grade</b>   |            |
| Excellent (Yes)   |  | 1.0  |            |
| Unsatisfactory (No)   |  | 0.0  |            |
| Section 15(k)(1) is allowed partial credit of 0.5 with appropriate explanation and documentation provided. Sections 15(k)(14) and 15(k)(17) will be scored and awarded a 1-point value if, respective to the question, the OSDBU Director receives no unsolicited proposals or notifications AND a policy/procedure is in place to manage such processes. If there is no proposal or notification received but a formal policy or procedure is in place and provided as documentation, then the intent of the responsibility is considered to be met. |  | 0.5  |            |
| <b>Total for all four Category Achievements</b>   |  | <b>50%+20%+10%+20% = 100%</b>                              |            |



# Agency Achievement Example

| Prime Contract |          |                 |
|----------------|----------|-----------------|
| Category       | Goal (%) | Achievement (%) |
| Small Business | 23       | 21              |
| SDB            | 11       | 13              |
| WOSB           | 5        | 4               |
| SDVOSB         | 3        | 3.5             |
| HUBZone        | 3        | 1.5             |

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

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

# Agency Achievement Example (cont.)

Number of Small Business Prime Contractors:

- Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories Between FY 2021 and FY 2022:

| Category       | Number of Prime Contractors FY 21 | Number of Prime Contractors FY22 | % Change (+/-) |
|----------------|-----------------------------------|----------------------------------|----------------|
| Small Business | 1500                              | 1450                             | -3.33%         |
| SDB            | 675                               | 700                              | 3.70%          |
| WOSB           | 550                               | 550                              | 0.0%           |
| SDVOSB         | 400                               | 390                              | -2.5%          |
| HUBZone        | 175                               | 170                              | 2.86%          |

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

## Agency Achievement Example (cont. 2)

### OSDBU Peer Review

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

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

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

# OSDBU Peer Review Form

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

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

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

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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

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



## Calculating Prime Contracting Score for the Example

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

\*Positive achievement score capped at 200.00%.

Negative achievement score capped at 0.0%

# Calculating Subcontracting Score

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

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

## Calculating Number of Small Business Prime Contractors

| Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories Between FY 2021 and FY 2022 | Performance   |
|--|---------------|
| Percentage change in the number of SB prime contractors from FY 2021 to FY 2022 = -3.33%   | 0.9           |
| Percentage change in the number of SDB prime contractors from FY 2021 to FY 2022 = +3.70%  | 1.1           |
| Percentage change in the number of WOSB prime contractors from FY 2021 to FY 2022 = 0.00%  | 1.0           |
| Percentage change in the number of SDVOSB prime contractors from FY 2021 to FY 2022 = -2.50%   | 0.9           |
| Percentage change in the number of HUBZone SB prime contractors from FY 2021 to FY 2022 = -2.86%                                       | 0.9           |
| Total Score for this Category  | 4.8           |
| <b>Number of SB Prime Contractors Score = Sum of 5 Scores ÷ 5 = 4.8 ÷ 5</b>  | <b>96.00%</b> |

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

# Calculating OSDBU Peer Review Score

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

| Req. # | Score | Req. # | Score | Req. # | Score |
|--------|-------|--------|-------|--------|-------|
| (k)/0  | 1.0   | 8      | 1.0   | 16     | 1.0   |
| 1      | 0.5   | 9      | 1.0   | 17     | 1.0   |
| 2      | 1.0   | 10     | 1.0   | 18     | 1.0   |
| 3      | 1.0   | 11     | 1.0   | 19     | 1.0   |
| 4      | 1.0   | 12     | 1.0   | 20     | 1.0   |
| 5      | 1.0   | 13     | 1.0   | 21     | 1.0   |
| 6      | 1.0   | 14     | 1.0   | Total: | 21.5  |
| 7      | 1.0   | 15     | 1.0   |        |       |

OSDBU Peer Review Score:  $22 \text{ Scores Combined} \div 22 = 21.5 \div 22$  **97.62%**

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



## Calculating Agency Overall Small Business Procurement Grade

| Achievement Category   | Category Score | X | Weight of Category toward Overall Grade | = | Partial Grade       |
|--|----------------|---|---|---|---------------------|
| Prime Contracts  | 91.25%         | x | 50%                                     | = | 45.63%              |
| Subcontracting   | 105.90%        | x | 20%                                     | = | 21.18%              |
| Comparison of the Number of Small Business Prime Contractors in each of the Five Small Business Categories Between FY 2021 and FY 2022 | 96.00%         | x | 10%                                     | = | 9.60%               |
| OSDBU Peer Review on the 22 requirements in 15 U.S.C. 644(k)   | 97.62%         | x | 20%                                     | = | 19.52%              |
| <b>Overall Small Business Performance Grade</b>  |                |   |   |   | <b>95.93%<br/>B</b> |

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

# Questions

## **SBA.gov Small Business Procurement Scorecards**

➤ <https://www.sba.gov/scorecard>

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

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

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