



News Release

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SBA to Revise Format for Small Business Procurement Scorecard

WASHINGTON – The U.S. Small Business Administration is revising the format of the annual Small Business Procurement Scorecard to provide more clarity and transparency on the federal government’s performance in meeting its small business contracting goals. The revised scorecard will be based on an A through F letter grade system, as opposed to the previous red, yellow, green ratings.

“This revision to the Scorecard will provide greater clarity and transparency on how well each agency is doing in meeting its small business prime contracting goals,” said SBA Administrator Karen Mills. “Federal contracts provide critical opportunities for small businesses to grow and create jobs. This revision builds on our ongoing efforts to strengthen the integrity of the overall process for small business contracting, while also expanding opportunities for small businesses to compete for and win federal contracts.”

The revisions will appear when SBA issues its report later this year for federal contracting in fiscal year 2009. Over the past year, SBA has worked collaboratively with contracting and small business officials to develop the new system. The new system better reflects the unique needs of individual agencies while maintaining a focus on achieving the statutory small business contracting goals.

The overall small business prime contracting goals have been established by Congress to ensure that small businesses get their fair share of federal contracts. The government-wide goal for prime contracts to small businesses is 23 percent of total qualified contract dollars, with additional goals of 5 percent for small disadvantaged businesses, 5 percent for women-owned businesses, 3 percent for HUBZone small businesses, and 3 percent for service-disabled veteran-owned small businesses.

SBA negotiates individual goals for each agency, while ensuring that when combined they meet the overall statutory goals for the federal government. SBA’s small business procurement goal, for example, is 67.05 percent. While Scorecards will measure subcontracting activity, that information is not factored into the determination of whether the federal government meets the statutory small business prime contracting goals.

The new scorecard holistically assesses an agency’s entire small business procurement performance. An agency’s overall grade will be comprised of three quantitative measures: prime contracts (80 percent), subcontracts (10 percent) and its progress plan for meeting goals (10 percent).

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The letter grades for prime contracting and subcontracting will show an A+ for agencies that meet or exceed 120 percent of their goals, an A for those between 100 percent and 119 percent, a B for 90 to 99 percent, a C for 80 to 89 percent, a D for 70 to 79 percent and an F for less than 70 percent.

In last year's Scorecard rating performance for the FY 2008 contracting year, small businesses won 21.5 percent of contract dollars, or about \$93.3 billion out of a small business-eligible base of about \$434 billion. More than half of all agencies met their individual goals. The small business eligible base for FY 2009 was about \$437 billion.

An example of the new Scorecard format can be accessed at http://www.sba.gov/idc/groups/public/documents/sba_homepage/score_card_mock_up.pdf.

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