



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

March 25, 2015

The Honorable Ernest J. Moniz  
Secretary  
U. S. Department of Energy  
1000 Independence Ave., SW  
Washington, DC 20585

Dear Mr. Moniz:

We appreciate your agency's assistance and collaboration in setting the Fiscal Year (FY) 2015 small business contracting goals.

Every year, the U.S. Small Business Administration (SBA) works with federal agencies to set their small business procurement goals. The Small Business Act (The Act) provides that each agency shall have an annual goal that represents, for that agency, the maximum practicable opportunity for small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, small business concerns owned and controlled by women, small business concerns owned and controlled by service disabled veterans, and qualified Historically Underutilized Business Zone (HUBZone) small business concerns to participate in the performance of contracts led by that agency.

The Act provides for the establishment of government-wide goals for award of not less than 23% of the total value of Federal prime contracts to small businesses each fiscal year. It also provides for the establishment of individual prime contracting goals for small disadvantaged businesses (SDB): 5%, women-owned small businesses (WOSB): 5%, service-disabled veteran-owned small businesses (SDVOSB): 3%, and HUBZone small businesses: 3%.

The Act does not set a statutory government-wide requirement for small business subcontracting participation. However, it does mandate a subcontracting government-wide goal for SDB, WOSB, SDVOSB, and HUBZone of 5%, 5%, 3% and 3%, respectively.

The SBA issued proposed FY2015 agency prime contracting goals to all agencies except the Department of Energy (DOE) on September 2, 2014. In its calculations, SBA utilized the FY2013 actual Small Business Goaling Report final data and the Buying Opportunity calculations to determine FY2013 Buying Opportunity Possible Achievement. We also requested that each agency provide its FY2014 year-end projections. To arrive at proposed FY2015 goals for each agency, we averaged the FY2013 performance combined with the Buying Opportunity Possible Achievement percentage and the FY2014 Agency year-end projected percentage.



Twenty-two agencies responded to our proposal with counter-proposals in the form of a lower goal. SBA reviewed the agency counter-proposals. If accepted, the agency counter-proposals would have resulted in a government-wide percentage that was below the statutory requirement of at least 23%. After another series of proposals and counter-proposals, SBA and the agencies reached an agreement on the small business goals.

For subcontracting, SBA reviewed each agency's proposed subcontracting goal and either accepted or counter-proposed a goal, based on the agency's performance, explanations, expected FY2015 performance, and review of the agency's maximum practicable opportunity.

Section 318 of the Consolidated Appropriations Act of 2014 ("CAA"), (Public Law 113-76), states, "First tier subcontracts that are awarded by Management and Operating (M&O) Contractors sponsored by the Department of Energy to small business concerns, small business concerns owned and controlled by service disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women, shall be considered toward the annually established agency and government-wide goals for procurement contracts awarded." DOE, the Office of Federal Procurement Policy (OFPP), and SBA have discussed potential avenues for the implementation of this provision during FY2015, given that we do not yet have the complete data we requested from DOE at this time.

We have agreed to establish DOE's FY 2015 prime contracting and subcontracting goal in the same manner as SBA has established those goals for all other agencies with the following exception: We agree that, to the extent DOE is able to provide M&O subcontracting data in an appropriate format, M&O first tier subcontracting will be counted towards DOE's prime contracting goal performance for each M&O contractor that is able to furnish the requested data, and it will not be counted towards DOE's subcontracting performance.

The reporting format will be jointly decided by both agencies, with ultimate approval coming from SBA, and in a manner that will be made public. Based on joint discussions to date, the format is currently set at 57 data fields and reflects the elimination of a number of data fields to make compliance reasonable while still informative. SBA will consider additional limited adjustments requested by DOE if information that subsequently comes to DOE's attention suggests that reporting on a particular field, or fields, would present a significant challenge and deny the Department credit for substantial compliance with this data set. The data must be supplied no later than January 31, 2016, unless an extension is granted by SBA. Any subcontracting data submitted after the deadline will not be counted towards DOE's prime contracting goals, but instead will be counted towards DOE's subcontracting goals.

After considering input from your agency in response to the proposed goals, your agency's FY2015 final small business prime and subcontracting goals are shown in the table below. SBA has made the decision to set every agency's socio-economic prime and subcontracting goals at the government-wide mandated level.

**U. S. Department of Energy Final FY 2015 Goals**

<b>FY 2015 Final Goals</b>		
	<b>Prime</b>	<b>Sub</b>
<b>Small Business</b>	<b>6.00%</b>	<b>50.00%</b>
SDB	<b>5.00%</b>	<b>5.00%</b>
WOSB	<b>5.00%</b>	<b>5.00%</b>
SDVOSB	<b>3.00%</b>	<b>3.00%</b>
HUBZone	<b>3.00%</b>	<b>3.00%</b>

Please note that agencies choosing not to accept these final goals may appeal to OFPP within 15 days of the date of this letter.

If you have any questions regarding the goaling process, please contact Ms. Ilene Rubio, Goaling Manager, at (202) 205-6579 or via e-mail at [ilene.rubio@sba.gov](mailto:ilene.rubio@sba.gov).

Thank you for your continued support of the small business community and for making substantive contracting opportunities available to it.

Warm regards,



Maria Contreras-Sweet

Cc: Deputy Secretary  
Chief Acquisition Officer  
Senior Procurement Executive  
Director, Office of Small and Disadvantaged Business Utilization