



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

OFFICE OF THE ADMINISTRATOR

December 14, 2011

The Honorable Martha N. Johnson  
Administrator  
U.S. General Services Administration  
1800 F Street, NW, Room 6137  
Washington, DC 20405

Dear Administrator Johnson:

We appreciate your agency's assistance and collaboration during the recent process of setting the FY 2012 and FY 2013 small business contracting goals. With the help of your agency, the process was consistent, transparent, and analytical.

Every two years, the U. S. Small Business Administration (SBA) works with federal agencies to set their small business procurement goals. As you may know, 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 further provides that agencies negotiate goals with SBA that represents that agency's maximum practicable utilization of small businesses.

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 agency goals for FY 2012 and FY 2013 on October 18, 2011. Fifteen agencies responded to our initial proposal with counter-proposals, while nine agencies accepted the proposed goals without further discussion. The counter-proposals, in totality, would have resulted in a government-wide goal of less than the 23% mandate. As a result, the SBA evaluated the counter-proposals, goals and supporting documentation, and utilized a fact-based, data-driven and analytical approach to set goals. We utilized three key data points to set prime contracting goals: 1) agency's past performance; 2) agency's future forecasts; and 3) SBA's analysis and DOD's Maximum Practicable Opportunity Analysis Model (MaxPrac) tool and granted adjusted goals accordingly to ensure the establishment of a 23% government-wide goal.

The data we provided will help your agency identify the specific funding offices and NAICS codes for which there is the most small business opportunity. For subcontracting, SBA determined your agency's goal by analyzing your FY 2010 performance, your FY 2008-2010 average performance, your current FY 2010-2011 goal, and your agency's proposed FY 2012 and FY 2013 goal.

Below please find your agency's FY 2012 and FY 2013 final small business prime and subcontracting goals. Please note that we have made the decision to set every agency's socio-economic prime and subcontracting goals at the government-wide mandated level.

#### **General Services Administration Final FY 2012/2013 Goals**

<b>FY 2012/2013 Proposed Goals</b>		
	<b>Prime</b>	<b>Sub</b>
<b>Small Business</b>	<b>30.0%</b>	<b>25.0%</b>
SDB	<b>5.0%</b>	<b>5.0%</b>
WOSB	<b>5.0%</b>	<b>5.0%</b>
HUBZone	<b>3.0%</b>	<b>3.0%</b>
SDVOSB	<b>3.0%</b>	<b>3.0%</b>

Please note agencies that choose not to accept these final goals may appeal to the Office of Federal Procurement Policy (OFPP). Please also note that at the end of FY 2012, SBA will review agencies' FY 2012/2013 goals and negotiate adjustments as appropriate.

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).

The Honorable Martha Johnson  
Page 3

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

With warmest regards,

A handwritten signature in cursive script that reads "Karen G. Mills". The signature is written in black ink and is positioned above the printed name.

Karen G. Mills

Cc: Chief Acquisition Officer  
Senior Procurement Executive  
Office of Small and Disadvantaged Business Utilization