

**FREQUENTLY ASKED QUESTIONS  
SMALL BUSINESS GOALING REPORT AND  
SMALL BUSINESS PROCUREMENT SCORECARD**

**What are the roles of federal departments and agencies, including SBA, in federal contract reporting?**

Federal contracting data is entered into the Federal Procurement Data System-Next Generation (FPDS-NG) by acquisition agencies, each of which has primary responsibility for the quality of the data that they submit to the system. After each fiscal year, submitting departments and agencies verify to the Office of Federal Procurement Policy, in the Office of Management and Budget, that their procurement data is properly entered into the system.

FPDS-NG is managed by the General Services Administration's (GSA's) Integrated Acquisition Environment Program Office (IAEPMO). This office assures proper maintenance of FPDS-NG's online database of federal procurement actions, assures its continued accessibility by members of the public, media, congressional staffs, and by federal officials who must reference the data they have submitted. The system provides substantial report writing capability, including many standard reports that allow users to retrieve information about federal procurements.

Contracting information captured in FPDS-NG is used by SBA in preparation of annual Small Business Goaling Reports (SBGRs). In turn, these reports are used to evaluate federal agencies performance under socioeconomic procurement preference programs, and achievement of goals under those programs.

**What are federal departments and agencies doing to assure that the data they submit to FPDS-NG is as accurate as possible?**

The federal government is committed to improving the acquisition data it reports to FPDS-NG. While progress has been made, additional process improvements are underway. For example, the Administrator of the Office of Federal Procurement Policy now requires that agencies establish and document procedures for validating and verifying contract data submitted to FPDS-NG, and, beginning with FY 2007, attest to the integrity of their data submissions by December 15 of each year. Therefore, FY 2007 data should be even more reliable than that of FY 2006.

**Why does accuracy in small business contracting data matter?**

Federal contracting preference programs are intended to promote a vibrant National industrial base, which provides the government an ample pool of vendors. To ensure full participation in the federal marketplace, statutory goals have been established for each of these programs. Each year, performance against these goals is evaluated. Because the purpose of contracting goals is so important, performance evaluation must be accurate. With accurate contract data, federal agencies can take appropriate credit for their small business contract awards.

### **What else has SBA done to improve data integrity?**

In July 2007, SBA and the General Services Administration published regulations requiring periodic re-representation of compliance with small business size standards on long-term contracts, and similar re-representations, regardless of contract duration, if small businesses are merged or acquired during period of contract performance. The resulting re-representation of business sizes by contracting departments and agencies will lead to a more accurate accounting of contract awards to small businesses.

### **Is it still possible for data anomalies to exist?**

Yes, there are two broad categories of data anomalies that merit discussion. One is related to changing conditions; the other relates to data cleanup.

First, there are cases in which contracts were originally awarded to small firms, and subsequent to awards, such firms were acquired or merged into other entities, resulting in current ownership of the contracts by large businesses. The result is that contract records, for awards that were originally made to small businesses, may now appear in the names of entities that are large businesses. Prior to the effective date of the SBA's small business size re-representation certification regulation, and companion change to the Federal Acquisition Regulation (FAR), on June 30, 2007, this condition was allowable. Going forward, this will be corrected through implementation of the noted regulation and FAR change.

Second, data entry errors can and do occur. As a federal community, we strive to provide the most accurate data possible. An example of a problem that is being corrected can be found in cases in which contracts were originally awarded to entities that were 'other than small,' but were erroneously coded by submitting departments and agencies as having been made to small businesses. The result is that contract records for entities coded as small businesses may appear under the names of entities that are 'other than small.' While limited in scope, such anomalies will be corrected through agencies' review of source documents and their subsequent efforts to correct their electronic records in FPDS-NG.

### **How does the Small Business Procurement Scorecard work?**

The scorecard is patterned on the one used under the President's Management Agenda to monitor and evaluate performance. It is comprised of two sections. The left side of the scorecard reflects the agency's 'current status,' and the right side reflects the agency's 'progress.' We evaluated current status and progress based on the 2006 Small Business Goaling Report and the agency's response to our request for qualitative small business program information. By its design, the scorecard helps ensure transparency in small businesses government contracting. Further, it reflects strong commitment across all federal agencies to increase opportunities for such firms. Therefore, it can be a powerful tool to demonstrate agency-specific and government-wide progress in reaching small business goals.

### **Why did the small business contracting numbers decline from FY 2005 to FY 2006?**

The FY 2006 report was run after completion of comprehensive data reviews by agencies, resulting in improved data quality. This effort reduced the number of coding errors and anomalies. Despite an increase in dollars awarded to small businesses, more accurate data caused the overall percentage of prime contracts in 2006 that went to small businesses to slightly decline to 22.8 percent, below the government goal of 23 percent. The 2005 goaling report, reissued today with scrubbed data, was revised to 23.41 percent, down from the 25.36 percent announced last summer.