

Ms. Luz A. Hopewell
Associate Administrator, Office of Government Contracting
U.S. Small Business Administration
Washington, DC 20416

Dear Ms. Hopewell:

Enclosed are the Office of Personnel Management's (OPM) small business contracting goals for Fiscal Years 2002 and 2003 as requested by your letter dated July 6, 2001. These goals will be posted on the OPM home page at <http://www.opm.gov/procure>. We have set as our goal that 14.7 percent in FY 2002 and 16.4 percent in FY 2003 of all our prime contracting dollars will go to small business concerns.

These goals are based upon historical information from Fiscal Year 2001 for our simplified acquisitions, information on our existing contracts for which we have exercised options, and projected new contract awards to be made during Fiscal Year 2002. Please note that these goals include orders to be placed against the General Services Administration's Federal Supply Schedules (FSS) as directed by your letter. We have not included the dollar value of purchase card orders in our procurement bases and goals as we currently have no way of collecting this data.

Subcontracting goals for the Federal Employees Health Benefits (FEHBP) Program are not included with this submission. The goals for the FEHBP subcontracting pilot project will be sent by separate letter in accordance with arrangements made with Mr. Bob Taylor of the Small Business Administration.

If you have any questions or need additional information, please contact Fred Chatterton, Chief, Contracting Division at 202-606-1004.

Sincerely,

Steven T. Van Rees
Director, Office of Contracting
and Administrative Services

Enclosures

METHODS FOR ESTABLISHING GOALS

The information provided for the Office of Personnel Management (OPM) small, small disadvantaged, Section 8(a), and woman owned/controlled contracting goals (presented as ENCLOSURE 2) has been developed with information from various sources. Report preparation procedures are detailed below.

A. Prime Contract Goals.

Prime contract goals for OPM's procurements were developed from Federal Procurement Data System (FPDS) information and from projections provided by OPM Program Offices. FPDS information is summarized from Standard Forms (SF) 279 and 281 information that is collected, reconciled, and input into the FPDS each quarter. These reports give baseline information from OPM simplified acquisitions and contract actions, including Federal Supply Schedule acquisitions.

This baseline information is modified to include Program Office estimates for new procurements in Fiscal Year 2002 as well as for estimates of activity levels of contracts which will be active in FY 2002 and 2003. This information is gathered from responses to the Contracting Division's Advanced Annual Procurement Planning Request memorandums distributed to all of OPM's Program Offices.

B. Subcontracting Goals.

Subcontracting goals are developed from SF 295 reports that are submitted annually to OPM's Contracting Division by all OPM prime contractors except health insurance carriers (to be separately reported as FEHBP Subcontracting Goals). The reports are summarized and are used as baseline information for the Subcontracting Goals report. The baseline information is adjusted to include subcontracting goals anticipated for Fiscal Years 2002 and 2003. OPM prime contractors also submit SF 294 reports which measure contractor accomplishments in meeting their established goals. Both reports are reviewed to identify contractors who are not meeting their goals. Where appropriate, prime contractors are requested to supply reasons for failure to attain their goals.

ENCLOSURE 3 contains summarized SF 295 reports from OPM prime contractors adjusted for anticipated subcontract goals for Fiscal Years 2002 and 2003 (does not include FEHBP goals for FY 2002 and 2003).

METHODS FOR ESTABLISHING GOALS

C. FEHBP Subcontracting Goals

Normally, these subcontracting goals are developed by OPM's Office of Insurance Programs (OIP), an organization within the Office of Personnel Management's Retirement and Insurance Service. OIP personnel work directly with the SBA and with Federal Employee Health Benefit Plan (FEHBP) health insurance carriers in developing the goals. The carriers submit subcontract information on SF 295 reports which are reviewed by FEHBP contracting personnel and the SBA. Subcontract goals by carrier, developed from the SF 295 review, are negotiated with carriers and are included in annual contract renewals for those carriers. The FY 2002 and 2003 goals are not included with this report. OIP will submit its subcontracting goals for FY 2002 and 2003 by separate letter in accordance with arrangements made with Mr. Bob Taylor of the Small Business Administration.

SMALL BUSINESS GOALS FOR FY 2002

Procurement Category

A. Prime Contract Goals (1)

	No. Of Actions	Simplified Acquisition Procedures	Large Purchases	Total	Percent
All Prime Contracts	7,264	\$ 9,563	\$ 263,404	\$ 272,967	N/A
Small Business Prime	3,318	\$ 5,430	\$ 34,658	\$ 40,088	14.7
8(a) Business	211	\$	\$ 8,374	\$ 8,374	3.1
Disadvantaged Small Business (Other than 8(a) Firms)	219	\$ 620	\$ 6,214	\$ 6,834	2.5
Women-Owned/Controlled Small Business	926	\$ 1,220	\$ 11,263	\$ 12,483	4.6

SMALL BUSINESS GOALS FOR FY 2002

Procurement Category

B. Subcontracting Goals (2)	\$000	%
All Subcontracts	\$13,394	N/A
Small Business	\$10,529	78.6
Disadvantaged Business	\$ 610	4.6
Woman-Owned/Controlled	\$ 2,270	17.0
Veteran Owned Small Business	\$ 267	2.0

C. FEHBP Subcontracting Goals (3)	\$000	%
All Subcontracts	TBD	TBD
Small Business	TBD	TBD
Disadvantaged Business	TBD	TBD
Woman-Owned/Controlled	TBD	TBD
Certified HUBZone Firms	TBD	TBD

SMALL BUSINESS GOALS FOR FY 2003

Procurement Category

A. Prime Contract Goals (1)

	No. Of Actions	Simplified Acquisition Procedures	Large Purchases	Total	Percent
All Prime Contracts	7,246	\$ 9,563	\$ 212,141	\$ 221,704	N/A
Small Business Prime	3,318	\$ 5,430	\$ 31,001	\$ 36,431	16.4
8(a) Business	211	\$	\$ 5,374	\$ 5,374	2.4
Disadvantaged Small Business (Other than 8(a) Firms)	219	\$ 620	\$ 2,764	\$ 3,384	1.5
Women-Owned/Controlled Small Business	926	\$ 1,220	\$ 11,063	\$ 12,283	5.6

SMALL BUSINESS GOALS FOR FY 2003

Procurement Category

B. Subcontracting Goals (2)	\$000	%
All Subcontracts	\$13,394	N/A
Small Business	\$10,529	78.6
Disadvantaged Business	\$ 610	4.6
Woman-Owned/Controlled	\$ 2,270	17.0
Certified HUBZone Firms	\$ 267	2.0

C. FEHBP Subcontracting Goals (3)	\$000	%
All Subcontracts	TBD	TBD
Small Business	TBD	TBD
Disadvantaged Business	TBD	TBD
Woman-Owned/Controlled	TBD	TBD
Certified HUBZone Firms	TBD	TBD

SMALL BUSINESS GOALS FOR FY 2002 AND 2003

NOTES:

(1) These goals were developed from historical simplified acquisition information based on OPM's Fiscal Year 2001 results, information about existing OPM contracts for which options have been exercised, and projected new contract awards to be made during Fiscal Year 2000. These goals include orders placed against the General Services Administration's Federal Supply Schedule (FSS) contracts.

(2) Subcontracting goals for OPM's prime contractors (other than insurance firms) which are large business concerns. The goals were developed from information submitted by the contractors and discussions with those contractors about their small business subcontracting.

(3) Subcontracting goals for health insurance carriers which have contracts under OPM's Federal Employee Health Benefits Program (FEHBP) These goals will be based on an agreement between the Small Business Administration and OPM's Office of Insurance Programs (OIP), administrator for the FEHBP.

Fiscal Year 2002 and 2003 Subcontracting Goals (\$)
Based on FY 2000 Reported Results and Anticipated Goals

	Small Business	Large Business	Small Disadvan. Business	Woman - Owned Business	Veteran Owned Small Bus.
Booz, Allen & Hamilton	44,941	44,655	284	27,891	
Equifax Corporation	15,337	43,505	8,311	7,026	
General Physics Corporation	117,391	35,518	36	116,024	
Human Resources Research Organization	90,936	201,770	25,919	19,430	
Human Technology, Inc.	1,495,005	18,225	131,533	495,379	
Interactive Media Corporation	212,920	849,886		3,140	
NCS Pearson, Inc.	15,744	676,511			
PRC Inc.	865,232			31,500	
Science Applications International Inc.	348,184	385,734		11,267	
Star Mountain, Inc.	444,428	341,860		45,646	
Universal Systems Inc.	34,735			1,550	
United States Investigations Service	6,844,000	267,000	444,000	1,511,000	267,000
<i>Total</i>	<i>10,528,853</i>	<i>2,864,664</i>	<i>610,083</i>	<i>2,269,853</i>	<i>267,000</i>
Percentages	78.6%	21.4%	4.6%	17.0%	2.0%