



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

DEPUTY ADMINISTRATOR

January 7, 2008

The Honorable Michael Chertoff  
Secretary of Homeland Security  
245 Murray Lane  
Washington, DC 20528

Dear Secretary Chertoff:

This letter transmits your agency's final small business contracting goals for FY 2008 and FY 2009. (See enclosure.) The Small Business Act (the Act) provides for 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. Pursuant to the Act, the U.S. Small Business Administration (SBA) issued proposed agency goals on November 17, 2007. Seventeen agencies responded with counter-proposals that taken together would have yielded a government-wide goal for contract awards to small businesses significantly below the statutory requirement of 23%. The remaining agencies accepted the proposed goals without further discussion.

Please note that agencies' counter-proposals would have resulted in a government-wide goal of 22.8268%. In this regard, SBA found each of the justifications supporting the counter-proposal reasonable. However, it also concluded that in order to ensure attainment of the statutory government-wide goal, it could only entertain counter proposals that were *unique and compelling*. For example, an agency that showed a direct impact on FY 2008 achievements because of agency-specific statutory mandates received more favorable consideration than an agency that predicted a decrease in small business eligible dollars because of environmental factors that affect all agencies [e.g. government-wide implementation of small business size recertification requirements]. The SBA ranked counter-proposals on their merit, and granted adjusted goals for four agencies.

The final goaling strategy for FY 2008 and FY 2009 is based on trend analysis, prior year goal achievement, and ultimate impact on the government-wide goal. Goal analysis was prepared by SBA and presented to the Small Business Procurement Advisory Council's (SBPAC) Goaling Executive Committee, an interdepartmental working group that includes the Office of Federal Procurement Policy, Procurement Advisory Committee members and Chief Acquisition Officers for review and recommendation. As a result of these decisions, the government-wide statutory mandate of a goal of not less than 23% will be met.

Socio-economic prime contracting goals will remain at the statutory level, as discussed in our previous letter. Because the Act does not set a statutory government-wide requirement for small business subcontracting participation, in establishing subcontracting goals, SBA used the

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FY2006 small business subcontracting achievement of each agency as the FY 2008 and FY 2009 small business goals. Accordingly, goals for small disadvantaged business (SDB), women owned small business (WOSB), and service disabled veteran owned small business (SDVOSB) programs are set at 5%, 5%, and 3%, respectively. With respect to the HUBZone Program, SBA used the statutory 3 percent prime contract requirement in setting the subcontracting goal.

It should be noted that agencies that are at impasse in negotiating contracting goals may appeal the proposed goal to the Office of Federal Procurement Policy. Also, please note that in May 2008, SBA plans to review agencies' FY 2009 goals for prime and subcontracting programs, and negotiate adjustments as appropriate. It should be understood that in the four cases in which SBA adjusted prime contracting small business goals, such adjustment is applicable to FY 2008, and not, by extension, to FY 2009.

Beginning this year, SBA will release new Small Business Procurement Scorecards that will rate agencies' small business contracting program *plans* as of January, and small business *accomplishments* as of July. Thus, the first bi-annual scorecard will measure plans made only, present FY 2008 goals, and reflect FY 2006 results. The second bi-annual scorecard will grade agency achievement in FY 2007, display FY 2008 goals, and measure progress made against plans during FY 2008. Separate guidance will be issued for the FY 2008, Small Business Procurement Scorecard, which will provide for a January 31, 2008, submission date for agencies.

Should you have any questions in these matters, please contact Mr. Arthur E. Collins, Jr., Director for Government Contracting, at (202) 205-7218 or [arthur.collins@sba.gov](mailto:arthur.collins@sba.gov).

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

Sincerely yours,

  
Jovita Cafranza

Enclosure

**FY2008 AND FY2009  
FINAL SMALL BUSINESS GOALS FOR THE 86 FEDERAL AGENCIES**

<b>FY06 Funding Department</b>	<b>Proposed Goals</b>	<b>Counter-Proposed Goal</b>	<b>Final Negotiated Goal</b>
DEPT OF DEFENSE (9700)	22.2375%	22.2375%	22.2375%
ENERGY, DEPARTMENT OF (8900)	5.8700%	5.3700%	5.8700%
HOMELAND SECURITY, DEPARTMENT OF (7000)	36.5558%	31.9000%	31.9000%
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (8000)	15.3548%	15.3548%	15.3548%
HEALTH AND HUMAN SERVICES, DEPARTMENT OF (7500)	29.3327%	19.0000%	19.0000%
VETERANS AFFAIRS, DEPARTMENT OF (3600)	28.7077%	28.7077%	28.7077%
GENERAL SERVICES ADMINISTRATION (4700)	35.7418%	33.8400%	35.7418%
JUSTICE, DEPARTMENT OF (1500)	36.8125%	23.5000%	36.8125%
AGRICULTURE, DEPARTMENT OF (1200)	49.8762%	46.5000%	49.8762%
INTERIOR, DEPARTMENT OF THE (1400)	55.4888%	55.4888%	55.4888%
STATE, DEPARTMENT OF (1900)	42.2275%	37.0000%	37.0000%
COMMERCE, DEPARTMENT OF (1300)	50.7903%	35.0000%	50.7903%
TREASURY, DEPARTMENT OF THE (2000)	29.3895%	25.0000%	29.3895%
LABOR, DEPARTMENT OF (1600)	33.4152%	26.0000%	33.4152%
ENVIRONMENTAL PROTECTION AGENCY (6800)	39.8129%	36.0000%	39.8129%
TRANSPORTATION, DEPARTMENT OF (6900)	43.2819%	37.8000%	43.2819%
EDUCATION, DEPARTMENT OF (9100)	12.7964%	12.7964%	12.7964%
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (8600)	66.3310%	55.0000%	66.3310%
SOCIAL SECURITY ADMINISTRATION (2800)	36.7023%	32.0000%	36.7023%
OFFICE OF PERSONNEL MANAGEMENT (2400)	28.9404%	23.0050%	28.9404%
FEDERAL EMERGENCY MANAGEMENT AGENCY (5800)	39.5464%	39.5464%	39.5464%
AGENCY FOR INTERNATIONAL DEVELOPMENT (7200)	37.5853%	19.6000%	19.6000%
NATIONAL SCIENCE FOUNDATION (4900)	28.2646%	23.0000%	28.2646%
SMITHSONIAN INSTITUTION (3300)	57.0061%	23.0000%	57.0061%
EXECUTIVE OFFICE OF THE PRESIDENT (1100)	16.8049%	16.8049%	16.8049%
NUCLEAR REGULATORY COMMISSION (3100)	36.7111%	36.7111%	36.7111%

<b>FY06 Funding Department</b>	<b>Proposed Goals</b>	<b>Counter-Proposed Goal</b>	<b>Final Negotiated Goal</b>
AGENCY FOR INTERNATIONAL DEVELOPMENT (1152)	2.1951%	2.1951%	2.1951%
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION (8800)	29.2037%	29.2037%	29.2037%
SECURITIES AND EXCHANGE COMMISSION (5000)	49.6492%	49.6492%	49.6492%
BROADCASTING BOARD OF GOVERNORS (9568)	43.9784%	43.9784%	43.9784%
FEDERAL COMMUNICATIONS COMMISSION (2700)	52.8949%	52.8949%	52.8949%
SMALL BUSINESS ADMINISTRATION (7300)	67.0509%	67.0509%	67.0509%
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (4500)	23.5772%	23.5772%	23.5772%
PEACE CORPS (1145)	60.5668%	60.5668%	60.5668%
ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS (5500)	1.3136%	1.3136%	1.3136%
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (9577)	31.2832%	31.2832%	31.2832%
MILLENNIUM CHALLENGE CORPORATION (9543)	54.9711%	30.1380%	54.9711%
FEDERAL TRADE COMMISSION (2900)	69.8129%	69.8129%	69.8129%
THE LEGISLATIVE BRANCH (0000)	59.2344%	59.2344%	59.2344%
ARMED FORCES RETIREMENT HOME (84AF)	44.3903%	44.3903%	44.3903%
NATIONAL LABOR RELATIONS BOARD (6300)	34.0575%	34.0575%	34.0575%
OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION (9514)	86.1513%	86.1513%	86.1513%
RAILROAD RETIREMENT BOARD (6000)	49.2952%	49.2952%	49.2952%
J. F. KENNEDY CENTER FOR THE PERFORMING ARTS (3352)	5.6060%	5.6060%	5.6060%
CONSUMER PRODUCT SAFETY COMMISSION (6100)	59.9800%	54.0000%	59.9800%
UNITED STATES TRADE AND DEVELOPMENT AGENCY (1153)	97.1056%	97.1056%	97.1056%
COMMODITY FUTURES TRADING COMMISSION (9507)	36.8344%	36.8344%	36.8344%
FEDERAL ENERGY REGULATORY COMMISSION (8961)	48.1153%	48.1153%	48.1153%
NATIONAL TRANSPORTATION SAFETY BOARD (9508)	50.1124%	50.1124%	50.1124%
FEDERAL ELECTION COMMISSION (9506)	42.4661%	42.4661%	42.4661%

<b>FY06 Funding Department</b>	<b>Proposed Goals</b>	<b>Counter-Proposed Goal</b>	<b>Final Negotiated Goal</b>
DEFENSE NUCLEAR FACILITIES SAFETY BOARD (9516)	75.6705%	75.6705%	75.6705%
NATIONAL GALLERY OF ART (3355)	43.2917%	43.2917%	43.2917%
MERIT SYSTEMS PROTECTION BOARD (4100)	26.9442%	26.9442%	26.9442%
SELECTIVE SERVICE SYSTEM (9000)	14.8877%	14.8877%	14.8877%
CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD (9565)	67.9426%	67.9426%	67.9426%
NATIONAL ENDOWMENT FOR THE ARTS (5920)	86.5193%	86.5193%	86.5193%
GOVERNMENT PRINTING OFFICE (0400)	55.7046%	55.7046%	55.7046%
FEDERAL MARITIME COMMISSION (6500)	42.8555%	42.8555%	42.8555%
NATIONAL CAPITAL PLANNING COMMISSION (9502)	31.7476%	31.7476%	31.7476%
FEDERAL HOUSING FINANCE BOARD (9540)	70.6043%	70.6043%	70.6043%
FEDERAL LABOR RELATIONS AUTHORITY (5400)	46.1611%	46.1611%	46.1611%
FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL (9562)	42.4170%	42.4170%	42.4170%
COMMITTEE FOR PRCH FROM BLIND & OTHER SEVERELY HANDICAPPED (9518)	100.0000%	100.0000%	100.0000%
OFFICE OF SPECIAL COUNSEL (6201)	43.6141%	43.6141%	43.6141%
NATIONAL MEDIATION BOARD (9524)	9.4321%	9.4321%	9.4321%
ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD (9532)	23.2488%	23.2488%	23.2488%
THE JUDICIAL BRANCH (1000)	100.0000%	100.0000%	100.0000%
INTERNATIONAL TRADE COMMISSION (3400)	50.5449%	50.5449%	50.5449%
ABRAHAM LINCOLN BICENTENNIAL COMMISSION (0938)	0.0000%	0.0000%	0.0000%
FARM CREDIT ADMINISTRATION (7800)	59.8514%	59.8514%	59.8514%
DENALI COMMISSION (9572)	96.9222%	96.9222%	96.9222%
U.S. COURT OF VETERAN APPEALS (9593)	100.0000%	100.0000%	100.0000%
NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE (9527)	55.4069%	55.4069%	55.4069%
FEDERAL RESERVE SYSTEM, BOARD OF GOVERNORS (9559)	0.0000%	0.0000%	0.0000%
COURT SECURITY (1025)	0.0000%	0.0000%	0.0000%
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY (4609)	0.0000%	0.0000%	0.0000%

<b>FY06 Funding Department</b>	<b>Proposed Goals</b>	<b>Counter-Proposed Goal</b>	<b>Final Negotiated Goal</b>
LIBRARY OF CONGRESS (0300)	49.8488%	49.8488%	49.8488%
OFFICE OF GOVERNMENT ETHICS (9549)	100.0000%	100.0000%	100.0000%
FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION (9504)	100.0000%	100.0000%	100.0000%
U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT (1003)	0.0000%	0.0000%	0.0000%
U.S. COURT OF INTERNATIONAL TRADE (1004)	100.0000%	100.0000%	100.0000%
FEDERAL PUBLIC DEFENDERS (1023)	0.0000%	0.0000%	0.0000%
AMERICAN BATTLE MONUMENTS COMMISSION (7400)	0.0000%	0.0000%	0.0000%
FEDERAL MEDIATION AND CONCILIATION SERVICE (9300)	100.0000%	100.0000%	100.0000%
INTERAGENCY COUNCIL ON THE HOMELESS (4865)	0.0000%	0.0000%	0.0000%
UNITED STATES INFORMATION AGENCY (6700)	0.0000%	0.0000%	0.0000%

**FY2008 AND FY2009  
FINAL SMALL BUSINESS SUBCONTRACTING GOALS FOR THE 24 FEDERAL  
AGENCIES SCORED**

<b>Reporting Agency</b>	<b>SB%</b>	<b>SDB%</b>	<b>WOSB%</b>	<b>HUBZ%</b>	<b>SD_VOSB %</b>
DEPT OF DEFENSE (9700)	37.2%	5.0%	5.0%	3.0%	3.0%
ENERGY, DEPARTMENT OF (8900)	46.4%	5.0%	5.0%	3.0%	3.0%
HOMELAND SECURITY, DEPARTMENT OF (7000)	58.0%	5.0%	5.0%	3.0%	3.0%
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (8000)	48.6%	5.0%	5.0%	3.0%	3.0%
HEALTH AND HUMAN SERVICES, DEPARTMENT OF (7500)	39.9%	5.0%	5.0%	3.0%	3.0%
VETERANS AFFAIRS, DEPARTMENT OF (3600)	19.5%	5.0%	5.0%	3.0%	3.0%
GENERAL SERVICES ADMINISTRATION (4700)	28.3%	5.0%	5.0%	3.0%	3.0%
JUSTICE, DEPARTMENT OF (1500)	42.9%	5.0%	5.0%	3.0%	3.0%
AGRICULTURE, DEPARTMENT OF (1200)	24.6%	5.0%	5.0%	3.0%	3.0%
INTERIOR, DEPARTMENT OF THE (1400)	47.1%	5.0%	5.0%	3.0%	3.0%
STATE, DEPARTMENT OF (1900)	49.6%	5.0%	5.0%	3.0%	3.0%
COMMERCE, DEPARTMENT OF (1300)	51.5%	5.0%	5.0%	3.0%	3.0%
TREASURY, DEPARTMENT OF THE (2000)	44.7%	5.0%	5.0%	3.0%	3.0%
LABOR, DEPARTMENT OF (1600)	55.3%	5.0%	5.0%	3.0%	3.0%
ENVIRONMENTAL PROTECTION AGENCY (6805)	67.0%	5.0%	5.0%	3.0%	3.0%
TRANSPORTATION, DEPARTMENT OF (6900)	52.6%	5.0%	5.0%	3.0%	3.0%
EDUCATION, DEPARTMENT OF (9100)	37.5%	5.0%	5.0%	3.0%	3.0%
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (8600)	57.0%	5.0%	5.0%	3.0%	3.0%
SOCIAL SECURITY ADMINISTRATION (2800)	60.8%	5.0%	5.0%	3.0%	3.0%
OFFICE OF PERSONNEL MANAGEMENT (2400)	51.3%	5.0%	5.0%	3.0%	3.0%
AGENCY FOR INTERNATIONAL DEVELOPMENT (7200)	40.3%	5.0%	5.0%	3.0%	3.0%
NATIONAL SCIENCE FOUNDATION (4900)	29.7%	5.0%	5.0%	3.0%	3.0%
NUCLEAR REGULATORY COMMISSION (3100)	75.7%	5.0%	5.0%	3.0%	3.0%
SMALL BUSINESS ADMINISTRATION (7300)	80.0%	5.0%	5.0%	3.0%	3.0%
<b>Totals</b>	<b>35.9%</b>	5.0%	5.0%	3.0%	3.0%