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

OFFICE OF THE ADMINISTRATOR

December 1, 2015

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

Dear Mr. Secretary:

We appreciate your agency's assistance and collaboration in setting the Fiscal Year (FY) 2016 small business contracting goals and thank you for your contributions in providing small businesses with contracting opportunities.

FY2014 represented the second consecutive year that the federal government exceeded the 23.00% statutory requirement, with a small business prime contracting goal achievement of 24.99%. The FY2015 year-to-date performance demonstrates that the federal government may again exceed the 23.00% statutory requirement.

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 let by that agency.

The Act provides for the establishment of government-wide goals for award of not less than 23.00% 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): 5.00%, women-owned small businesses (WOSB): 5.00%, service-disabled veteran-owned small businesses (SDVOSB): 3.00%, and HUBZone small businesses: 3.00%.

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 small businesses of 5.00%, 5.00%, 3.00% and 3.00%, respectively.

The SBA issued proposed FY2016 agency prime contracting goals on September 4, 2015. In its calculations, SBA utilized the FY2014 actual Small Business Goaling Report final data with the inclusion of overseas contracts, and the FY2014 Buying Opportunity calculations to determine the FY2014 Buying Opportunity Possible Achievement. We also requested that each agency provide its FY2015 year-end projections. To arrive at proposed FY2016 goals for each agency, we averaged the FY2014 performance, combined with the Buying Opportunity Possible Achievement percentage including overseas contracts, and your FY2015 Agency year-end projected percentage. After a series of calculations and a rounding down of some of the agency goal proposals, the government-wide percentage was just slightly above the statutory requirement of at least 23.00%.

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 FY2016 performance, and review of the agency's maximum practicable opportunity.

After considering input from your agency in response to the proposed goals, the impact of same on the government-wide percentage, and the proximity to the 23.00% statutory requirement, your agency's FY2016 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 FY2016 Goals

FY2016 Final Goals		
	Prime	**Sub**
Small Business	**6.37%**	**50.00%**
SDB	**5.00%**	**5.00%**
WOSB	**5.00%**	**5.00%**
SDVOSB	**3.00%**	**3.00%**
HUBZone	**3.00%**	**3.00%**

Please note that agencies choosing not to accept these final goals may appeal to the Office of Federal Procurement Policy (OFPP) by no later than 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.

Thank you for your continued support of the small business community.

Warm regards,

Maria Contreras-Sweet

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