



THE DEPUTY SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

OCT 9 2003

MEMORANDUM TO HEADS OF OPERATING DIVISIONS

SUBJECT: Small Business Goals for FY 2004

The Small Business Act requires the President to establish annual Government-wide goals for awarding contracts to small business concerns. The Secretary and the Administrator of the Small Business Administration then establish department specific goals to support the program. In FY 2001, the Small Business Administration (SBA) changed to a two-year cycle. We are now entering the FY 2004 – FY 2005 cycle. However, individual goals for the agencies within the Department are still set on an annual basis. Please see your attached FY 2004 goals.

In FY 2002 our small business procurements rose to over 28% of our overall awards, and we were very close to 30% for FY 2003. However, it should be noted that we have not reached our various subcategory goals. We must continue our efforts to keep this overall trend moving ahead. We must also pursue an aggressive small business program that will help us attain every small business goal. An additional concern is the timely and accurate reporting of award information to the Departmental Contract Information System (DCIS). Had we reported on time, our FY 2002 small business achievements would have exceeded 30%. I urge you to take action to avoid this problem in the future.

As you know, the Federal Government procures differently today than it did in the past. This requires you to think differently and be willing to try new ideas. I am asking each of you to focus your personal attention in this essential area. Every employee has a responsibility to support the Department's efforts, but this is particularly true for those professionals that are part of the acquisition process -- Small Business Specialists, Contracting Officers, and program office personnel. The ultimate success of the Small Business Program depends on the full cooperation and dedication of each employee.

Let's approach FY 2004 as a fresh opportunity to achieve all our small-business procurement goals. This is a serious obligation that has my personal commitment. I ask you to view our goals as a floor, not as a ceiling. I'm confident that, with your support, we will move forward and meet this important public policy objective. Questions regarding the goals may be directed to Debbie Ridgely, Director of our Office of Small and Disadvantaged Business Utilization, on 202-690-7235.

Claude A. Allen

Attachment.