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Procurement Goal Order of Preference

The Department of State supports maximum practicable opportunities to small businesses as an integral part of our contracting program and as a core function of the Agency. The Department goal for Fiscal Year (FY) 2020 is to award at least 26 percent of all prime contract dollars (value of the sum of all financial obligations awarded through the acquisition process above the micro-purchase limit of \$10,000^[1]) to U.S. small businesses^[2]. In addition to this overall small business goal, the Department tracks performance against goals for four specific categories of small businesses: Historically Underutilized Business Zone^[3]; Women-owned (including Economically Disadvantaged Women-owned Small Businesses)^[4] Service Disabled Veteran-Owned^[5]; and Small Disadvantaged businesses, which includes the 8(a) Program^[6].

The Office of Small and Disadvantaged Business Utilization (OSDBU) will periodically establish goaling priorities based on the Department's need for achievements against its established goals. The following priority order should be given to set-asides for FY 2020:

1. Woman-owned and Economically Disadvantaged Woman-owned Small Businesses
2. Service Disabled Veteran Owned Small Businesses
3. Historically Underutilized Business Zone Small Businesses
4. Small Disadvantaged Businesses

The accomplishment of small business goals is a Departmental mission that requires partnering between program offices and acquisition offices. Program offices should use market research to identify small businesses capable of satisfying requirements. Contracting Officers must encourage maximum response to solicitations by small businesses, and must set aside acquisitions for small businesses unless there is a documented reason not to do so^[7]. All acquisitions that do not comply with this order of preference should contain documentation explaining why the set aside could not be made. Unjustified acquisitions will be returned without action.

Please contact Richard Vinnacombe, Deputy Director, OSDBU at 703-875-7491 for clarification of small business requirements and assistance in maximizing small business participation.

^[1] 18 State 31846

^[2] 48 C.F.R. § 19.5

^[3] 48 C.F.R. § 19.13

^[4] 48 C.F.R. § 19.15

^[5] 48 C.F.R. § 19.14

^[6] 48 C.F.R. § 19.8

^[7] 48 C.F.R. § 19.501(c)

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