

# NOAA Fiscal Year (FY) 2021 Overview: Small Business

A small business is defined as a for-profit business (corporation, Limited Liability Company or proprietorship) that falls under SBA's established size standards for manufacturing and non-manufacturing industries.

According to the United States U.S. Small Business Administration (SBA), small businesses represent 99.9% of all employer firms, 97.5% of exporting firms, 33.3% of known export value and 40.7% of the private-sector payroll. There are 30.7 million small businesses in the US, compared to only 19,699 large businesses. From 2000 to 2018, small businesses created 9.6 million net new jobs, while large businesses created 5.2 million. During this period, small businesses accounted for 64.9% of net new job creation. That substantial part of the economy stimulates and drives the rest of the U.S. economy by providing funds for employees to spend on necessities and other items they desire. <sup>A</sup>

While small businesses may not generate as much money as large corporations, they are a critical component of and major contributor to the strength of local economies. Small businesses present new employment opportunities and serve as the building blocks of the U.S.'s largest corporations. Many small businesses also possess the ability to respond and adapt quickly to changing economic climates. This is due to the fact that small businesses are often very customer-oriented. Small businesses employ over 56 million people in the U.S. Job growth is imperative for the continued growth of the U.S. economy, and small businesses meet those needs with new jobs being created all the time. <sup>B</sup>

**Small Business suppliers have been in decline for years but is there light at the end of the tunnel?** There were nearly 11,000 fewer small business government contractors in FY 19 than in FY 18. This is thought to be due in part to the recent trend of having fewer, consolidated, larger procurements instead of purchasing in a more piecemeal fashion. <sup>C</sup> However, the total number of active contractors registered in the System for Award Management (SAM) system has increased for the second year in a row. NOAA awarded contracts to 1,862 individual small business firms in FY21, a decrease of over 31% from FY 20 (Source: FPDS-NG).

Socioeconomic Category	Total firms
8(a)	6,761
SDB (Self-certified)	200,218
HUBZone	7,296
VOSB	63,034
SDVOSB	33,375
WOSB	113,889
EDWOSB	46,711

Table 1 – Outlines the number of Small Business registered by category in the SAM database on 11/5/2021.

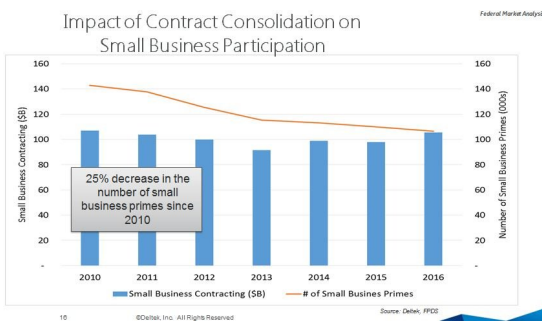


Figure 1 – Declining trends in Small Business by firm size provided by Deltek through the Federal News Radio, 10/16/2017

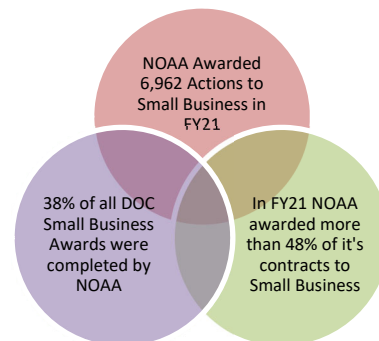


Figure 2 – NOAA's continued leadership in government partnerships with Small Business

NOAA obligated approximately \$3.31B in FY21. Financial Assistance and transfers to other agencies accounted for approximately \$1.4B and the remaining \$1.91B was obligated under contracts. NOAA goals are reviewed in three different methodologies: Achievement, Goaling & NOAA-only. The Achievement methodology takes into consideration what NOAA is in control of obligating as well as all other agency obligations of NOAA funds, except for the National Aeronautics Space Administration (NASA). The NOAA only methodology is simply NOAA's discretionary spend. The Goaling methodology takes into consideration all contracting dollars obligated by both NOAA and all other agencies spending NOAA funds, including NASA. For FY20, Goaling included approximately \$542M in transfers to NASA and other organizations; all of which NOAA has no control over. According to Federal Procurement Data System – Next Generation (FPDS-NG) approximately 302 actions were closeout actions. Removing these actions from the overall transaction list leaves NOAA at approximately 10,409 transactions for the year.

Under the NOAA only methodology NOAA met and exceeded the SDB, HUBZone, VOSB, 8(a) and SDVOSB small business socioeconomic goals set by the Department of Commerce (hereafter, "the Department," "Commerce," or "DOC"). NOAA obligated approximately \$779M out of \$1.78B to small businesses equating to a 43.7% overall small business goal achievement for the year. Note that approximately \$158M was obligated by NOAA that is attributed to NASA but is included in this calculation. NOAA met its HUBZone goal under this methodology for the sixth year in a row.

The Achievement methodology revealed similar results to that of the NOAA-only methodology except we additionally met the general SB and WOSB goals. NOAA achieved an overall SB goal of 48.0% under this methodology, just over the 45% goal provided to NOAA by Commerce. The Achievement methodology goal attained is higher than the NOAA-only methodology due to two (2) NASA contract awards now being administered by NOAA. The Office of Small & Disadvantaged Business Utilization (OSDBU) agreed that the money NOAA obligates to these contracts should continue to be excluded under this methodology until NOAA awards new contracts.



Figure 3 – NOAA Small Business Initiatives in FY21

## FY21 Small Business Accomplishments:

**NOAA obligated 48.0% overall spending to Small Business**

NOAA exceeded goals in all socioeconomic programs.

NOAA's goal achievements were, on average, on par when compared with the goal attainment over the last 5 years

NOAA's small business office facilitates annual small business industry day events as an opportunity to support the small business contracting community. As a result, NOAA was identified by the Montgomery County Chamber of Commerce as the "Partner of the Year." <https://www.youtube.com/watch?v=u0cxdkcJPMM>

# FY21 Small Business Accomplishments

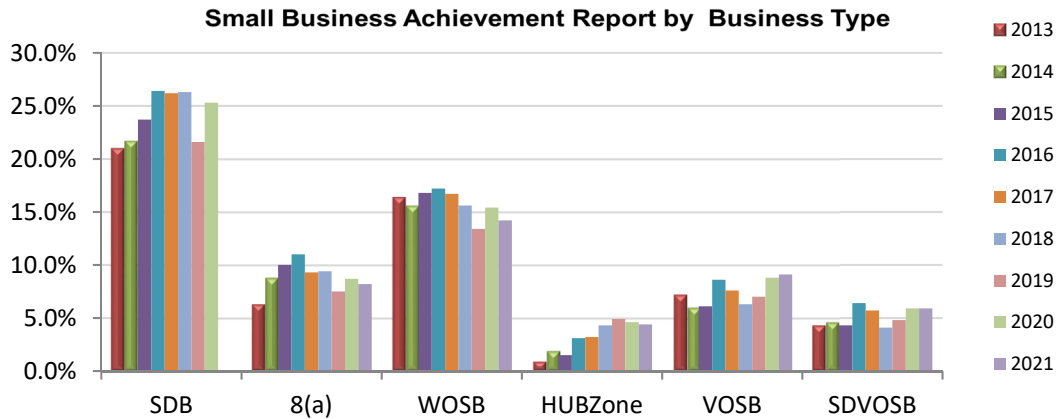


Figure 4 - Shows NOAA's small business socioeconomic performance using the Achievement method with stable to increasing trends in all categories.

Socioeconomic Program	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Small Business</b>	47.8%	49.1%	53.4%	59.8%	53.7%	52.1%	47.1%	50.6%	<b>47.6%</b>
<b>SDB</b>	21.0%	21.7%	23.7%	26.4%	26.2%	26.0%	21.3%	25.3%	<b>22.1%</b>
<b>8(a)</b>	6.3%	8.8%	10.0%	11.0%	9.3%	9.2%	7.5%	8.7%	<b>8.2%</b>
<b>WOSB</b>	16.4%	15.6%	16.8%	17.2%	16.7%	15.4%	13.3%	15.4%	<b>14.2%</b>
<b>HUBZone</b>	0.9%	1.9%	1.5%	3.1%	3.2%	4.2%	4.8%	4.6%	<b>4.4%</b>
<b>VOSB</b>	7.2%	6.0%	6.1%	8.6%	7.6%	7.1%	6.9%	8.8%	<b>9.1%</b>
<b>SDVOSB</b>	4.3%	4.6%	4.3%	6.4%	5.7%	4.8%	4.7%	5.9%	<b>5.9%</b>

Historically highest % of obligations to VOSB ever

Table 2 – Outlines the historic trends for NOAA Small Business in various sub-categories using the Achievement methodology

Under the Goaling methodology, which is inclusive of NASA spend, NOAA met the SDB, VOSB, SDVOSB and HUBZone goals set by Commerce. Statutorily NOAA met all the goals.

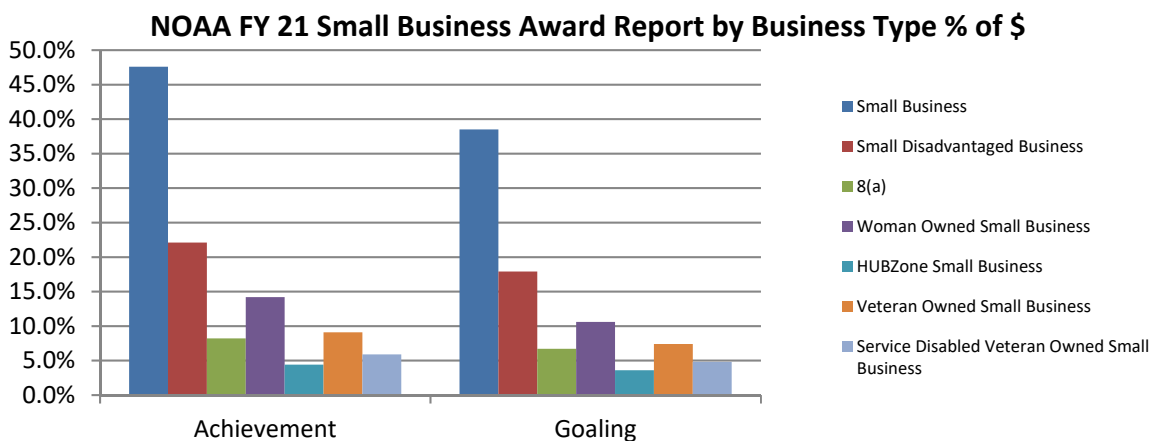


Figure 5 - Shows significant increase of spending in a comparison of NOAA's Small Business Measurements using Achievement vs Goaling methods.

# FY21 Small Business Accomplishments

Program	NOAA-Only (Discretionary)	NOAA Achievement	NOAA Goaling	NOAA Goal	DOC Goal	Statutory Goal
Small Business	43.7%	47.6%	38.5%	45%	33%	23%
Small Disadvantaged Business	21.4%	22.1%	17.9%	16%	5%	5%
8(a)	8.1%	8.2%	6.7%	8%	-	-
Woman Owned Small Business	12.2%	14.2%	10.6%	13%	5%	5%
HUBZone Small Business	4.3%	4.4%	3.6%	3.05%	3%	3%
Veteran Owned Small Business	7.5%	9.1%	7.4%	5%	-	-
Service Disabled Veteran Owned Small Business	4.9%	5.9%	4.8%	4%	3%	3%

Table 3 – Green highlights show FY20 SB accomplishments exceed NOAA's DOC goals and statutory goals

SMALL BUSINESS TYPE	Add'l SB \$ Needed to Meet FY 21 Goal	
	Achievement	Goaling
Small Business	\$0	\$140,695,020
Small Disadvantaged Business	\$0	\$0
8(a)	\$0	\$29,026,087
Woman-Owned Small Business	\$0	\$51,089,043
HUBZone Small Business	\$0	\$0
Veteran-Owned Small Business	\$0	\$0
Service Disabled Veteran Owned	\$0	\$0

Table 4 – Identifies areas where NOAA did not meet Small Business goals and how much more \$ would need to be obligated in order to meet those goals

## How NOAA's funds were obligated by the NOAA Acquisition and Grants Office (AGO) and Delegates

The Western Acquisition Division (WAD) led AGO in the small business set aside numbers for FY21 for the fifth year in a row. They processed approximately 2,300 transactions worth over \$258M and were able to set aside over 69% of their dollars for small businesses and met almost all of the socioeconomic category goals. The Corporate Services Acquisition Division (CSAD) and WAD together processed over 3,400 transactions worth over \$555M and together met or exceeded every small business goal NOAA has.

Program	SSAD	EAD	SIAD	WAD	Field Delegate	NOAA Goal
Small Business	51.6%	44.1%	26.6%	69.6%	72.5%	45%
SDB	38.5%	15.2%	12.9%	35.7%	19.4%	16%
8(a)	24.1%	5.0%	3.3%	8.8%	0.7%	8%
WOSB	22.8%	8.7%	4.4%	25.6%	14.4%	13%
HUBZone	5.8%	4.0%	1.6%	9.7%	5.2%	3.05%
VOSB	16.8%	7.9%	3.0%	5.7%	14.5%	5%
SDVOSB	6.6%	7.7%	1.5%	3.7%	9.1%	4%

Table 5 – Lists Percentage of overall small business obligated dollars by AGO Division and NOAA Delegates

In FY 19 the NOAA Small Business Office implemented a program to recognize small businesses that demonstrate outstanding performance and accomplishments in support of NOAA's mission through an official awards program. This program, named the "Small Business Program Awards (SBPA)," is utilized to recognize small businesses within NOAA on an annual basis. The FY21 award was the third annual award under this program. It was the first year that recognition of firms in 3 of the 4 socioeconomic categories were also made.

**The NOAA Small Business of the Year award was presented to UIC Nappairit for the following achievement:**

UIC Nappairit, LLC was tasked to design an observatory in Utqiagvik, Alaska to replace the current 47-year old observatory. The requirements document outlined the basic structure of the facility as well as what types of missions would be performed at the new facility. Through partnership with their design firm, UIC Nappairit was able to create a design and build a facility that was unlike any other facility within NOAA. UIC Nappairit was able to identify a new source for the science tower that exceeded the original requirements and reduced potential issues caused by the natural elements in the region where this observatory is located. The design and building of the facility is on track to receive Leadership in Energy and Environmental Design (LEED) gold certification, which would make it the only facility above the Arctic Circle in the world to hold such certification.

UIC Nappairit, LLC has been performing work on schedule since the original inception of the contract. However, when COVID-19 was declared a pandemic in the United States there was an expectation that all work would cease in Utqiagvik. The borough of Utqiagvik had closed down and prevented any outside visitors from coming in. Understanding the severity of lost time to the current schedule, UIC Nappairit's employees volunteered to remain in Utqiagvik to continue construction and declined to take any leave to ensure that the schedule would not be compromised and Oceanic and Atmospheric Research (OAR's) target transition date to move to the new facility would remain feasible.

**The NOAA HUBZone Small Business of the Year award was presented to Repaintex for the following achievement:**

Repaintex employees on-site at NOAA/OAR/GFDL, leading up to, continuing through, and after actions in response to Tropical Storm Isaias that enabled NOAA/OAR/Geophysical Fluid Dynamics Laboratory (GFDL) to continue its mission execution uninterrupted throughout the event. With the storm bearing down on the area, initially as a Hurricane and then downgraded to a Tropical Storm, Repaintex Employees reviewed their emergency procedures and prepared the facility. They arrived on-site the day before the event's onset to ensure final preparations were in place and remained on post throughout the storm and until after midnight when utility power was successfully restored and the GFDL complex was able to transition back to it. They monitored conditions as the worst of the storm pounded the area, including overseeing the graceful transition from utility power to generator backup power at about 11:30 AM when electrical power to the area was knocked off line. They monitored water infiltration to the facility to ensure that any impacts were observed, documented, and corrective action, if possible, was taken in order to minimize facility damage. By monitoring the water infiltration to ensure that it was properly draining, this potentially avoided problems that could have required remediation or restoration. They coordinated their efforts with GFDL's management and its Information Technology Team and on-site staff and kept all apprised of pertinent conditions and facility developments.

When utility electric was restored to the campus at around 11:00 PM that night, Repaintex employees realized that GFDL did not make the transition back and that the site remained on generator power. They investigated the situation, found the root cause, and corrected it. It turns out that the controller for the transfer switch was not reading utility power. They reset the controller and utility power was restored. As a fallback plan, though, they had already called for service by an electrician who would have reported to the site the next morning. All the while, they monitored fuel levels in the generator and rate of consumption, calculating how long it could continue before requiring a refill. They had begun working on lining up fuel delivery, but that too, luckily, was not needed. By independently finding the issue and correcting the transition back to utility electric, this avoided the added expense of an outside third party electrician as well as conserving diesel fuel that otherwise would have been needed to continue to power the site in the interim. Because of their efforts, hard work, dedication, competence, and communication, GFDL was able to remain 100% mission capable and continued to execute its critical activities in support of NOAA and the Nation. This



is not possible without a highly dedicated, committed, and competent workforce. This is to recognize the work of the Repaintex Company, its management, and its on-site team at GFDL for what they do every day, especially on the worst of days, to support the mission and the people of GFDL.

**The NOAA SDVOSB Small Business of the Year award was presented to LOGMET for the following achievement:**

LOGMET LLC is NOAA's contracted facility logistics provider at the Inouye Regional Center On Ford Island at Joint Base Pearl Harbor Hickam in Honolulu, Hawaii. The entire LOGMET team provides exceptional customer service and they often go above and beyond for all occupants of the IRC. One of our IRC tenant offices recently experienced an incident in which its FedEx account number was stolen and used for a criminal and large-scale check cashing financial scam. After the perpetrator sent the checks out to various individuals across the country using the IRC tenant's FedEx account number, many of those envelopes were returned to the IRC as undeliverable packages. Upon seeing the initial return wave of undeliverable packages and their contents, LOGMET employees began to perform some research and look into the cause of this occurrence. Almost immediately, they suspected that the event was due to an illegal check-cashing endeavor using federal funds to transmit its packages. LOGMET immediately notified IRC leadership and the victim tenant office of the problem. Subsequently, they filed a report with the FedEx Fraud and Abuse Division. They cooperated fully with the investigation by providing photos, details, and videos of the check scam activity. Due to the quick and efficient LOGMET response, FedEx assigned the tenant office a new account number within two days of receiving notification. Throughout this incident, LOGMET employees kept the IRC leadership apprised of the progress of their work solutions at all times, providing everyone in OCAO with an unparalleled peace of mind. LOGMET continues to track and document all of the packages related to this unlawful activity by photographing all of the packages and their contents, as well as recording via video the destruction of the incoming fake checks and other contents.

This situation would have gone unresolved for a very long time had it not been for the efficient display of responsible and comprehensive work performed by LOGMET employees. This saved the federal government a great deal of money and prevented the tenant office from dealing with a significant amount of headache in remediating the problem. LOGMET understands that it must step forward to act responsibly in the absence of personnel at the IRC due to the pandemic.

**The NOAA WOSB Small Business of the Year award was presented to IMSolutions for the following achievement:**

In 2019, IMSolutions received a special project task to provide extensive support to AGO on the development of an updated Mission, Vision, Core Values, and Guiding Principles (M/V/CV/GP) by facilitating a highly collaborative and transparent process. In 2020, IMSolutions received an additional special project to help AGO build on that success by developing, implementing and facilitating a comprehensive process to create an AGO Strategic Plan designed to assist AGO in executing that Mission and achieving its Vision while being true to its Core Values and Guiding Principles. That process required the creation, facilitation, and coordination of multiple working groups staffed by high level AGO personnel. The resultant Strategic Plan will be launched in January 2021, focusing around four key focus areas identified by the AGO Director. IMSolutions is currently supporting the development of specific Implementation Plans to achieve the Strategic Plan goals and objectives through a similar process. It will also involve creation and facilitation of multiple working groups composed mainly of working level AGO personnel.

In addition to the above, in 2020, IMSolutions also completed a special project tasking for a full upgrade and expansion of the AGO websites to both make them compliant with the revised NOAA policy and to improve their content and usability. In Phase 1 of the task, IMSolutions redeveloped the AGO internal website creating 78 new webpages in Google Sites and consolidated information previously listed on multiple websites into a single location. IMSolutions migrated over 1,100 documents from old websites, uploading 61% of documents to a new AGO Google Drive; archiving 37% of old documents; and deleting 2% of documents that were no longer relevant. The website presents newly designed information specific to internal NOAA clients, providing templates, policies, and training information in one location, as well as creating Toolkits with step-by-step guidance for both Contracting Series and Grants Series employees. First and foremost, this allows the contracting personnel to quickly find current policies, templates and relevant material in a timelier manner with complete trust in the currency of the information.

NOAA clients will be able to find and use, for the first time, current acquisition procedures and templates in one place. In the second phase of the task, IMSolutions created a new AGO public website with 38 webpages using NOAA's Drupal platform. This new website aligns AGO's web presence to NOAA requirements, organizes essential information clearly and topically and is easier to maintain than former sites. IMSolutions eliminated internal information, presenting only on public-facing content. The website uniquely addresses information needed by prospective vendors by providing contracting and subcontracting opportunities, budget and forecasting information, and resource documents. The website establishes new guidance and provides reference information for financial assistance applicants including how to apply for a grant, financial assistance monitoring resources, post award action documents, and frequently asked questions. The website communicates newly created information for small businesses to include NOAA small business goals and annual reporting, vendor resources, and frequently asked questions. IMSolutions consolidated AGO's Division information to provide an AGO overview that did not previously exist for staff, prospective employees, and the public. This now allows NOAA to provide greater access to information for contractors--particularly small businesses, which assists NOAA in achieving its socioeconomic goals--while obtaining high quality products and services from vendors. The new website is far more structured, clear and simple to navigate. A key benefit is ease of access to information by the public.

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<sup>A</sup> Small Business Administration Office of Advocacy, **Frequently Asked Questions September 2019**, <https://cdn.advocacy.sba.gov/wp-content/uploads/2019/09/24153946/Frequently-Asked-Questions-Small-Business-2019-1.pdf>, *September 2019*.

<sup>B</sup> Vicki Wright, Demand Media, **Business & Entrepreneurship**. "Reasons Why Small Businesses are Important". <http://yourbusiness.azcentral.com/reasons-small-businesses-important-1830.html>, *November 2015*.

<sup>C</sup> Emily Theriault and David Gallacher, SheppardMullin, **Government Contracts and Investigations Blog**. "Government Small Business Contracting Continues to Increase: Creating Opportunities and Potential Pitfalls". <https://www.governmentcontractslawblog.com/2020/08/articles/sba/government-sba-contracting-hubzone/>, *August 2020*.