Long-Term Performance Goal Text: By September 30, 2026, award 4% of EPA contract spending to small businesses located in Historically Underutilized Business Zones (HUBZones) compared to the FY 2018-2020 average annual baseline of 2.2%.

Corresponding Annual Performance Goal: Percentage of EPA contract spending awarded to HUBZone businesses.

Goal Number/Objective: Cross-Agency Strategy 3


1a. Purpose of Long-Term Performance Goal:
This long-term performance goal (LTPG) is intended to expand the percent of EPA contract dollars awarded to small businesses that are located in Historically Underutilized Business Zones (HUBZones). The Small Business Act, 15 U.S.C. § 644(g)(1)(A)(iii), establishes a governmentwide goal of at least 3% of annual federal contract spend to HUBZone-certified small businesses. The expressed legislative purpose of the statutory goal is to stimulate employment, investment, and economic revitalization in distressed communities. Based on the final federal procurement small business goaling data available through Fiscal Year (FY) 2020, EPA has not achieved the 3% HUBZone goal since the goal became effective in 2003. Utilizing this long-term performance goal to strengthen EPA’s annual HUBZone goal achievements will mean more acquisition dollars to qualified businesses that operate in and employ residents from underserved areas. These acquisition dollars will serve as a catalyst for advancing business growth, building wealth, and reinvesting in long marginalized communities, consistent with the Biden-Harris Administration priorities for economic recovery, and the advancement of procurement equity and environmental justice at the heart of Executive Orders (EO) 13985 and 14008.

1b. Performance Measure Term Definitions:
The long-term performance goal tracks the percentage of total EPA contract dollars awarded to certified HUBZone businesses as prime contractors. To qualify as a HUBZone business, the firm must:
(1) Be a small business as defined by the U.S. Small Business Administration (SBA);
(2) Be at least 51% owned and controlled by U.S. citizens, a Community Development Corporation, an agricultural cooperative, or an Indian tribe;
(3) Maintain its principal office within a HUBZone; and
(4) Hire at least 35% of its workforce from HUBZone areas. HUBZones are generally defined to include areas with low income, high poverty, or high unemployment. They are identified and searchable by address on the SBA HUBZone Map.

1c. Unit of Measure:
The unit of measure is the percent of EPA-funded contract dollars awarded to HUBZone-certified small businesses.
2a. Data Source:
The data will be generated from the Federal Procurement Data System (FPDS), which is the authoritative source of federal procurement data. In accordance with the governing Federal Acquisition Regulation, federal agencies are required to report information on all unclassified contract actions that exceed $10,000, and any modifications of those actions regardless of dollar value. OSDBU maintains a Small Business Contracting Dashboard that will visually display the number, dollar value and percent of EPA awards to HUBZone businesses, as reported in FPDS. OSDBU’s Dashboard is accessible EPA-wide and will be updated with current FPDS data on a daily basis.

2b. Data needed for interpretation of (calculated) Performance Result:
Based on the final verified FPDS data available through FY 2020, EPA, like the government as a whole, has failed to meet the established HUBZone 3% goal since it became effective in 2003. EPA’s HUBZone goal achievements for the last three completed FYs, for which there is final FPDS data, are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>EPA HUBZone Goal Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2.40%</td>
</tr>
<tr>
<td>2019</td>
<td>1.76%</td>
</tr>
<tr>
<td>2020</td>
<td>2.02%</td>
</tr>
</tbody>
</table>

3. Calculation Methodology:
The percent of EPA’s HUBZone awards is based on the percentage of the total dollar value of EPA-funded acquisitions reported in FPDS that are awarded to certified HUBZone businesses.

4. Quality Assurance/Quality Controls:
OSDBU’s Small Business Contracting Dashboard will report FPDS data through an automated uploading process daily. The availability of the dashboard EPA-wide will enable Agency procuring and program officials to track progress in goal achievements and identify and correct any discrepancies in the reported data. In addition, at the close of each FY, the FPDS data is subject to a rigorous governmentwide review and validation process before the data is locked for final small business contracting goal achievement reports.

5. Data Limitations/Qualifications:
The data assumes the contracting official accurately and timely reports the required information on EPA’s contract actions. Based on the annual governmentwide FPDS data verification and validation process at the close of each FY, there is a several month lag in the final FY FPDS goal achievement reports.

6. Technical Contact:
Denise Benjamin Sirmons (OA), 202-564-6771.

7. Certification Statement/Signature:
I certify the information in this DQR is complete and accurate.

DAA Signature  Original signed by Wesley Carpenter   Date  5/20/2022