



# Understanding Goal Setting

## Goal Setting Policy

Goal setting will replace the current scoring process used for Small and Small Diverse Business (SB/SDB) participation on competitively procured state contracting opportunities. The policy tailors participation goals based on the market and geographic availability of SDBs and Veteran Business Enterprises (VBE) on a solicitation-by-solicitation basis. For each goods and services solicitation over \$250,000 and construction solicitation over \$300,000, the SDB and VBE utilization goals will be stated in the solicitation document and potential vendors/contractors will be required to meet those goals as part of their proposal to do business with the commonwealth. Proposers will be able to request a good faith effort waiver to ensure that the initiative complies with constitutional requirements.

## Goal Setting Basics

SDB and VBE participation goals are set for each solicitation using an analysis and mathematical calculation for each solicitation that considers the detailed scope of each solicitation, the estimated amount of spend for each detailed line item of work to be done, the geographic market where the work will be performed, and percent of DGS verified SDBs available to do the specific work as determined by the Disparity Study.

Each line item of work is matched to one or more United Nations Standard Products and Services Code® (UNSPSC®). Each UNSPSC code is then cross-referenced in the Disparity Study data to find the availability percentage for SDBs. That availability percentage is multiplied by the estimated spend for the line item. The result of those calculations is summed and then divided by the total cost estimate for the entire solicitation, resulting in a percentage that is the starting point for determining the SDB participation goal for that solicitation. Following the mathematical calculation, the Procurement Review Group (PRG), consisting of individuals from the issuing office, a project manager or subject matter expert, and a BDISBO representative meets to review historical data on similar work and any market pressures that could impact the goal and adjust the mathematically-set goal if appropriate. The outcome of the mathematical calculation and the PRG meeting is a goal set for that specific solicitation.

Goal Setting Worksheet: Work Scope Calculations					
Work Category/Scope	Work Code/UNSPSC	Work Scope Availability	Work Scope Amount	Certified Work Scope Amount	Comments
Sample Work Scope	999999	10.0%	\$100,000	\$100,000	No adjustments made.
1 Project Management	80101600	0.0%	\$333,076	\$0	Prime - Self Performing
2 Computer Programmer	81111600	27.0%	\$707,812	\$191,109	147 SDB Firms
3 Photog & Cinematographers	82131600	27.0%	\$829,061	\$223,846	12 SDB Firms
4 Geographic Info./GIS Services	81101500	14.0%	\$633,054	\$88,628	35 SDB Firms
5 Lead Field Surveyor/ Cartography	81151600	0.0%	\$329,107	\$0	Prime - Self Performing
6 Quality Assurance Services	81111819	0.0%	\$1,110,252	\$0	Prime - Self Performing
7				\$0	
<b>Sum of Certified Work Scope Amounts:</b>				<b>\$503,583</b>	
			<b>Total Project Amount:</b>	<b>\$3,942,362</b>	
<b>Estimated Project Goal:</b>				<b>12.8%</b>	