

DEPARTMENTAL REGULATION		NUMBER: 5090-005
SUBJECT: USDA Small Business Programs – Contracting with Service Disabled Veteran- Owned Small Businesses	DATE : September 26, 2006	
	OP: Office of Small and Disadvantaged Business Utilization	

1 PURPOSE

This Departmental Regulation (DR) codifies the policy and roles and responsibilities set forth in Secretary's Memorandum 5090-001, USDA Service Disabled Veteran-Owned Small Business Strategic Initiative. Specifically, it addresses the requirements of Executive Order 13360 - Service-Disabled Veterans Executive Order; the USDA Service Disabled Veteran-Owned Small Business Strategic Initiative Plan ("the Initiative") (available at <http://www.va.gov/vetbiz/fpp/Dstrategy.pdf>); the Veterans Benefits Act of 2003 (P.L. 108-183) and the Veterans' Entrepreneurship and Small Business Development Act of 1999 (P.L. 106-50); and the Service Disabled Veteran-Owned Small Business Procurement Program as required by the Federal Acquisition Regulation Subpart 19.14 to fully implement and attain or exceed the mandated 3 percent goal for prime contracts and subcontracts awarded to Service Disabled Veteran-Owned Small Businesses. The collective involvement and support of all USDA agencies and staff offices are required to attain or exceed the mandated overall 3 percent goal and USDA's 5 percent goal for information technology contracting actions for prime contracts and subcontracts awarded to Service Disabled Veteran-Owned Small Businesses.

2 CANCELLATION

This Departmental Regulation replaces Secretary's Memorandum 5090-001, USDA Service Disabled Veteran-Owned Small Business Strategic Initiative, dated July 12, 2005.

3 BACKGROUND

President Bush signed Executive Order 13360 on October 20, 2004, to demonstrate the Nation's appreciation for the services rendered by Service Disabled Veteran-Owned Small Business owners, whose disabilities were incurred while serving in the Armed Forces. We are indebted to these men and women for their service to our country. One tangible method for expressing our gratitude to these individuals for their sacrifices is to provide Federal contracting opportunities to Service Disabled Veteran-Owned Small Business owners, enabling these businesses to expand their ability to grow their enterprises utilizing Federal contracting opportunities. The Executive Order requires Heads of Agencies to significantly

increase the number of prime contracts and subcontracts awarded to Service Disabled Veteran-Owned Small Businesses and directs Federal agencies to develop strategies for implementing the policies set forth in the Order.

4 REFERENCES

Executive Order 13360, Service-Disabled Veterans Executive Order

P.L. 108-183, Veterans Benefits Act of 2003

P.L. 106-50, Veterans Entrepreneurship and Small Business Development Act of 1999

Federal Acquisition Regulation (FAR) Subpart 19.14, Service Disabled Veteran-Owned Small Business Procurement Program

5 DEFINITIONS

- a Acquisition Planning. The process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.
- b Agency Head (within USDA). The head of a USDA agency or staff office with ultimate authority for the actions of a major line or program organization of the Department who reports to the Secretary, the Deputy Secretary, an Under or Assistant Secretary, or a General Officer.
- c Agency Program Executive and/or Manager. The agency representative designated to lead and manage a program activity of a USDA agency or staff office, including the identification of programmatic requirements resulting in contracting actions.
- d Agency Small Business Specialist/Coordinator (SBS). The agency representative designated by the Head of the Contracting Activity (HCA) to ensure agency compliance with USDA small business programs.
- e Chief Acquisition Officer (CAO). The Assistant Secretary for Administration serves as USDA's Chief Acquisition Officer (CAO). The position of the CAO was created by the Services Acquisition Reform Act, Section 1421 of P.L. 108-136. CAO responsibilities include evaluating the performance of acquisition programs and advising the agency head on business strategy; increasing competition and performance-based contracting; directing acquisition policy for the agency; developing agency acquisition career management programs; and addressing acquisition workforce needs and strategies as part of strategic planning and performance results processes.

- f Chief Information Officer (CIO). The position of the Chief Information Officer (CIO) was created by the Information Technology Management Reform Act of 1996, P.L. 104-106, Division E. The CIO has primary responsibility for supervision and coordination within the Department of the design, acquisition, maintenance, use, and disposal of information technology by USDA agencies, and for monitoring the performance of USDA's information technology programs and activities.
- g Head of Contracting Activity (HCA) or HCA Designee. The official who has overall responsibility for managing a contracting activity (i.e., Chief, Forest Service; Administrator, Agricultural Research Service; etc.) and who is responsible for establishing and reporting on small business preference goals, or the individual designated by such an official to carry out the functions of the HCA.
- h Service Disabled Veteran-Owned Small Business.
 - (1) Means a small business concern—
 - (a) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
 - (b) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.
 - (2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

6 POLICY

It is USDA policy to:

- a Meet or exceed the mandatory Federal-wide 3 percent goal for prime contracts and subcontracts awarded to Service Disabled Veteran-Owned Small Businesses;
- b Meet or exceed USDA's 5 percent goal for applicable information technology contracting actions for prime contracts and subcontracts awarded to Service Disabled Veteran-owned Small Businesses (NOTE: These dollars are included in USDA's total for meeting its overall 3 percent Service Disabled Veteran-Owned Small Business goal.);
- c Fully implement the USDA Service Disabled Veteran-Owned Small Business Strategic Initiative; and

- d Fully consider Service Disabled Veteran-Owned Small Businesses when conducting market research and acquisition planning, and to identify and utilize Service Disabled Veteran-Owned Small Businesses to meet USDA requirements to the maximum extent practicable to achieve USDA program goals.

7 SERVICE DISABLED VETERAN-OWNED CONTRACTING GOALS AND OPPORTUNITIES

The small business goals for Service Disabled Veteran-Owned Small Business of 3 percent overall and 5 percent for information technology apply to both prime contracting and subcontracting procurement actions. The below requirements are outlined in USDA's Service Disabled Veteran-Owned Small Business Strategic Initiative Plan.

a Prime Contracting Opportunities

USDA agencies and staff offices will:

- (1) Aggressively identify procurement opportunities to assist USDA to meet or exceed the 3 percent overall mandated and 5 percent information technology goals for contracting actions with Service-Disabled Veteran-Owned Small Businesses.
- (2) Identify/review, during the advance acquisition process and during the development of the procurement forecast, new contracts that will be set aside exclusively for Service-Disabled Veteran-Owned Small Businesses.
- (3) Ensure that at least one Service Disabled Veteran-Owned Small Business is solicited (in situations where such vendors exist) whenever the acquisition strategy does not involve a Service-Disabled Veteran-Owned Small Business set-aside or a sole source acquisition.
- (4) Provide consideration to Service Disabled Veteran-Owned Small Businesses when using Federal Supply Schedules.

b Subcontracting Opportunities

USDA agencies and staff offices will:

- (1) Include Service Disabled Veteran-Owned Small Businesses as a significant evaluation factor in all applicable requests for proposals.
- (2) Include suggested subcontracting goals for Service Disabled Veteran-Owned Small Business of at least 3 percent for in all applicable major acquisitions and of at least 5 percent in all applicable information technology acquisitions.

8 RESPONSIBILITIES

- a Assistant Secretary for Administration. The Assistant Secretary for Administration provides the executive leadership for the Initiative and is authorized by the Secretary of Agriculture to exercise all the responsibilities, authorities, and functions assigned to this effort. In compliance with Executive Order 13360, the Assistant Secretary for Administration has responsibility for implementing USDA's Service Disabled Veteran-Owned Small Business Strategic Initiative which provides the formal direction and aggressive activities essential for implementing the provisions of the Order and for the Initiative. The Assistant Secretary for Administration will collaborate with each Under and Assistant Secretary to communicate the importance of the Initiative, obtain the support of agency program and contracting officials, and increase efforts and activities designed to locate and direct contracts to Service Disabled Veteran-Owned Small Businesses.
- b Director of the Office of Small and Disadvantaged Business Utilization. The responsibilities for management of the USDA Service Disabled Veteran-Owned Small Business Strategic Initiative are assigned to the Office of Small and Disadvantaged Business Utilization and include the following:
 - (1) Coordinate the Initiative with the Assistant Secretary for Administration and USDA agencies and staff offices;
 - (2) Implement, manage and monitor the Initiative with USDA Agencies and staff offices; and
 - (3) Identify and intervene, as appropriate, to ensure USDA agencies fully consider Service Disabled Veteran-Owned Small Businesses at the earliest stages of the market research and acquisition planning phases.
- c Chief Information Officer. The Chief Information Officer, as a key partner for expanding USDA's ability to maximize information technology contracting opportunities for Service Disabled Veteran-Owned Small Businesses, is responsible for providing expertise and consultation for developing strategies to achieve the 5 percent goal for applicable information technology contracting actions.
- d Under and Assistant Secretaries and Agency Heads are responsible for carrying out the requirements of Executive Order 13360 and those outlined in the USDA Service Disabled Veteran-Owned Small Business Strategic Initiative as follows:
 - (1) Take actions necessary to increase the participation of Service Disabled Veteran-Owned Small Businesses in USDA acquisitions for attaining or exceeding the mandated 3 percent goal for both prime contracts and subcontracts awarded to these concerns, including incorporating program implementation in performance elements and standards.

- (2) Establish an aggregate goal of 5 percent of the dollar value for all applicable information technology contract requirements. (NOTE: These dollars are included in the agency's total for meeting its overall 3 percent Service Disabled Veteran-Owned Small Business goal.)

e Deputies for Administrative Management (DAMS) or equivalent, and designated HCAs or designees are responsible for carrying out the requirements of Executive Order 13360 and those outlined in the USDA Service Disabled Veteran-Owned Small Business Strategic Initiative as follows:

Agency HCAs will:

- (1) Take actions to effectively implement the Service Disabled Veteran-Owned Small Business programs within their activities;
- (2) Ensure that contracting and technical personnel maintain knowledge of the Service Disabled Veteran-Owned Small Business program requirements and take all reasonable action to increase participation in their activities' contracting processes by these businesses;
- (3) Ensure that Service Disabled Veteran-Owned Small Businesses have been considered for all non-exempt planned contract actions; and
- (4) Provide periodic goal achievement progress reports to Program Executives and Managers, as appropriate.

f Agency CIOs are responsible for carrying out the requirements of Executive Order 13360 and those outlined in the USDA Service Disabled Veteran-Owned Small Business Strategic Initiative as follows:

- (1) Meet or exceed the Service Disabled Veteran-Owned Small Business goal of 5 percent of the dollar value for all applicable Information Technology contract requirements (NOTE: These dollars are included in the agency's total for meeting its overall 3 percent Service Disabled Veteran-Owned Small Business goal.);
- (2) Fully consider Service Disabled Veteran-Owned Small Businesses during market research and acquisition planning activities; and
- (3) Meet information technology waiver conditions relating to the Service Disabled Veteran-Owned Small Business requirement.

- g Program Executives and Managers will consult with the agency's designated contracting officer, agency Small Business Specialist, and/or USDA's Office of Small and Disadvantaged Business Utilization during the acquisition strategy and planning phases to ensure that their actions adhere to the Small Business Act (P.L. 85-536) and related legislation, including legislation relating to Service Disabled Veteran-Owned Small Businesses, Federal Acquisition Regulation, Agricultural Acquisition Regulation, and Departmental Regulation requirements.
- h Contracting Officers and Agency Small Business Specialists will ensure that Service Disabled Veteran-Owned Small Businesses have been considered for all applicable nonexempt planned contract actions and take all reasonable actions to increase participation in their activities' contracting processes by these businesses.