



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE CHIEF FINANCIAL OFFICER

MAR - 3 2006

Honorable John F. Kerry
United States Senate
Washington, DC 20510

Dear Senator Kerry:

Thank you for your letter of January 27, 2006 requesting information regarding the Department of Education's (Department) use of the procurement program outlined in Section 308 of the Veterans Benefits Act of 2003 for utilizing service-disabled veteran-owned small businesses. Secretary Spellings has asked me to respond on her behalf.

The following responds to the specific questions raised in your letter.

Has the Department of Education set aside any contracts for service-disabled veteran-owned small business owners and limited competition for these businesses since the passage of this legislation? Has the Department of Education utilized the sole-source tool that was made available by P.L. 108-183, and if so, how often?

As a matter of background, the following provides the total number of Department contracts and obligated dollars for Fiscal Year (FY) 2004 and FY 2005 to service-disabled veteran-owned small businesses (SDVOSBs):

<u>FY</u>	<u>No. of Actions</u>	<u>Dollars Obligated</u>
2004	16 Contracts	\$4,706,039.00
2005	29 Contracts	\$869,371.00

None of these contract awards were set aside to SDVOSBs, or awarded using sole-source or restricted competition. The SDVOSB firms won the contract awards through standard competitive procedures.

What strategies are being implemented to inform agency contractors about the opportunities available to them through this program? What steps has the agency taken to actively seek out eligible businesses and inform them of the contracting opportunities at the Department of Education under the Veterans Benefits Act?

In February 2004, shortly after the passage of the Veterans Benefits Act of 2003, the Department held a small business outreach conference. The goal of the conference was to familiarize small and small disadvantaged businesses with the mission of the Department and the many programs supporting that mission. Businesses were informed

of contracting opportunities in support of the Department's mission. Planning is under way to host another small business conference in spring 2006.

In July 2005, the Department submitted a plan for increasing contracting and subcontracting with SDVOSBs to the Small Business Administration (SBA). The plan included the following strategies: designation of a senior level official responsible for deployment and implementation of Department strategy; development of an information program using media such as seminars and formal classroom training by SBA, the General Services Administration, or in-house staff to ensure all acquisition professionals understand and are ready to implement E.O. 13360; and utilizing set-asides for certain opportunities for SDVOSBs and encouraging prime contractors to subcontract with SDVOSBs. Upon reviewing the Department's plan, SBA requested permission to include some of the Department's strategies as best practices that would be listed on SBA's website. SBA stated that the Department's planned strategies would assist all federal agencies with increasing awards to SDVOSBs.

Further, in a recent attempt to actively seek out eligible SDVOSBs, the Department's Office of Small and Disadvantaged Business Utilization (OSDBU) contacted SBA's Assistant Administrator for the Office of Federal Contracts Assistance for Veteran Business Owners. The OSDBU provided SBA information on a Department open solicitation for a multiple award, multi-year task order contract to share with veteran-owned businesses in any of the veteran-owned small business channels the assistant administrator's office networks or is affiliated with. The OSDBU also contacted the Center for Veterans Enterprise (CVE) regarding how to disseminate this information via their vendor database. OSDBU staff also continue to attend local and out of town conferences targeting SDVOSBs to provide them counseling and information on how to do business with the Department.

Additionally, the Department posts all contract opportunities online at FedBizOpps.gov, the single point on the internet where all vendors can access information needed to bid on government contracts. Also online is a Department forecast of contract opportunities and a list of active contracts, which small businesses can utilize to look for prime contract and subcontracting opportunities.

Is there a process for service-disabled veteran-owned small businesses to proactively contact contracting officers or the Office of Small and Disadvantaged Business Utilization to learn about contracts for which they are eligible under this program?

SDVOSBs can contact the OSDBU in several ways with questions or concerns. The email address is: small.business@ed.gov. The small business specialist handling veteran-owned and service-disabled veteran-owned small business issues is John Townsend. He can be reached at 202-245-6300 or by fax at 202-245-6304.

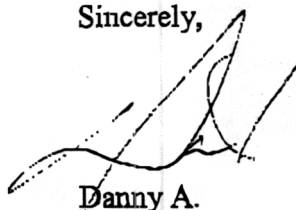
What training programs has the Department of Education implemented to ensure that the Agency's procurement staff is fully aware of the various tools available to them to assist in the utilization of service-disabled veteran-owned businesses?

In FY 2005, the Department conducted mandatory training on federal acquisition for all acquisition and program staff. The training included a module on small business contracting, including such topics as use of small businesses required by FAR, the President's small business agenda, acquisition goals set by Congress and negotiated with the Small Business Administration, and a highlight of the recent focus on SDVOSB contracting.

In February 2006, the Department conducted further training for acquisition staff in an effort to improve our results. The training included an overview of the Veterans Benefits Act program and also technical guidance relating to the VetBiz Vendor Information Pages database - the resource developed to assist in linking Federal program staff and contracting officials with capable veteran-owned small businesses. SBA and the CVE participated in the training.

I hope this information is helpful. If you have further questions or need additional information, please contact the Office of Legislation and Congressional Affairs, at 202-401-0020.

Sincerely,

A handwritten signature in black ink, appearing to read "Danny A.", is written over a light blue horizontal line. The signature is stylized and somewhat cursive.

Danny A.