



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-1000

OFFICE OF CONGRESSIONAL AND
INTERGOVERNMENTAL RELATIONS

The Honorable John Kerry
Ranking Member
Committee on Small Business & Entrepreneurship
United States Senate
Washington, DC 20510-6350

MAR 6 2006

Dear Senator Kerry:

This is in response to your letter of January 27, 2006 regarding the Department's utilization of small businesses owned and controlled by service-disabled veterans. The Department recognizes that small businesses are vitally important to job growth and the economic strength of the country. The following responses to the questions presented demonstrate the Department's continued commitment to the Service-Disabled Veteran Owned Small Business (SDVOSB) community and the small business community at large.

Has the Department of Housing & Urban Development 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 Housing & Urban Development utilized the sole source tool that was made available by P.L. 108-183, and if so, how often?

Yes, beginning in FY 2004, the Department has had SDVOSB set-asides. To date, the Department has not used the sole-source tool for the SDVOSB. In the language of the P.L. 108-183, it states "the contracting officer does not have a reasonable expectation that 2 or more small business concerns owned and controlled by service-disabled veterans will submit offers for the contracting opportunity." It has been the Department's experience that, while performing the market research, more than one qualified SDVOSB has been identified; therefore it nullified the SDVOSB sole-source opportunity.

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 Housing & Urban Development under the Veterans Benefit Act?

HUD's Forecast of Contract Opportunities is posted and updated weekly on the HUD web site for all businesses to view. In August 2003, the Office of Small and Disadvantaged Business Utilization (OSDBU) hosted a Veteran's Open House. During this Open House, over 100 SDVOSBs were invited to attend and speak directly with decision maker in the program offices to market their products and service to the Department.

Since FY 2003, the OSDBU has offered outreach sessions to the small business community. These sessions are aimed at businesses new to HUD, focus on the opportunities available and

provide instruction on how to compete effectively for contracts. These sessions also allow for the opportunity to meet and network with other businesses. Beginning in FY 2004, the OSDBU offered additional sessions where participation was limited to Veteran owned businesses. Much of the information presented is the same during the Veteran outreach sessions, but greater emphasis is placed on the Veterans Benefit Act and opportunities for SDVOSBs. The OSDBU encourages SDVOSBs to contact the office and schedule a meeting with OSDBU staff. The OSDBU staff advises all businesses to insure the Department procures the services they are selling, do their homework, list their certifications and credentials, establish relationships and be patient but proactive. In addition, for the past 2 fiscal years, the Department has advertised in the Veteran's Business Journal a publication that targets the veteran small business community.

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

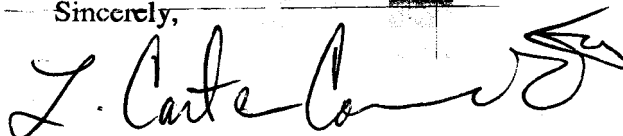
There is no specific process to contact the OSDBU but there are a few options. On Thursdays, the OSDBU Director meets with small businesses to learn about their products and services and introduces them to an OSDBU Business Utilization Development Specialist (BUDS), who will help them identify opportunities at HUD. Also daily, the OSDBU BUDS meets with small businesses to discuss HUD's contracting and subcontracting opportunities (including the types of products and services that HUD purchases). Also, the OSDBU BUDS provide mentoring for business strategies and identify contracting opportunities through the Forecast of Contracting Opportunities and subcontracting opportunities through HUD's prime contractors. Small businesses that are unable to meet with the OSDBU in Washington, D.C. are encouraged to schedule conference calls. In addition to meetings, across the country HUD participates in many expos, conferences and trade fairs, which may be of interest to the small business community. The OSDBU or the local HUD office attends these events to discuss how to do business with HUD and potential contracting opportunities.

What training programs has the Department of Housing & Urban Development 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 OSDBU formed the SDVOSB Task Force, which was co-chaired by OSDBU and the Office of the Chief Procurement Officer. The SDVOSB Task Force had representation from all of the Major Program offices within HUD and the primary purpose of the task force was to work with the program offices to identify and increase SDVOSB contract awards and future opportunities. Also in August 2005, the OSDBU coordinated a presentation with the Small Business Administration to primarily educate HUD procurement staff and program staff, responsible for contracting functions, about the Veterans Benefit Act. Over the course of two days, more than 50 HUD employees attended the presentation in the HUD Headquarters building and the presentation was also broadcasted to HUD's 81 field offices. Since August 2002, the OSDBU has had a Small Business Specialist on board, who focuses on Veteran Owned Small Businesses. The OSDBU Small Business Specialists work with and advocate for small businesses in their areas of focus in addition to the small business community at large.

Thank you for allowing the Department this opportunity to demonstrate its continued commitment to small businesses owned and controlled by service-disabled veterans. As previously illustrated, the Department has made demonstrable efforts to increase SDVOSB opportunities and awards. These efforts have resulted in new awards to SDVOSBs. In addition to the previous examples, of the total contracts awarded in FY 2005 approximately 2 percent (\$19,963,000) were awarded to SDVOSBs an increase from the 1percent (\$9,165,000) awarded in FY 2004. As the Department continues the SDVOSB efforts in FY 2006, the SDVOSB statutory goal is projected to be met this fiscal year. Should you have additional questions, I can be reached at (202) 708-0005.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Carter Cornick", with a stylized flourish at the end.

L. Carter Cornick
General Deputy Assistant Secretary for
Congressional and Intergovernmental Relations