



THE CHAIRMAN

FEDERAL TRADE COMMISSION

WASHINGTON, D.C. 20580

February 15, 2006

The Honorable John F. Kerry
304 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Kerry:

Thank you for your recent letter regarding the procurement program at the Federal Trade Commission (FTC) for small businesses owned and controlled by service-disabled veterans. The FTC is aware that Section 308 of the Veterans Benefits Act of 2003 allows federal agencies to contract with such businesses on a sole-source basis and currently is using that authority as part of its procurement program. I am pleased to respond to your questions about the FTC's procurement program for service-disabled veteran-owned small businesses.

Has the FTC 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 FTC utilized the sole-source tool that was made available by P.L. 108-183, and if so, how often?

During FY 2005, the FTC awarded two contracts to two different service-disabled veteran-owned small businesses. The FTC awarded these contracts through use of GSA schedule competitions, which included these firms. For FY 2006, the FTC has set aside several contract opportunities for such businesses. The agency has not turned down any service-disabled veteran-owned small businesses who sought to do business with the agency under Section 308 or any other program.

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 FTC under the Veterans Benefits Act?

Through the use of various methods, the FTC expects to increase considerably the number and dollar value of contracts awarded under Section 308 in FY 2006. The FTC's web site (<http://www.ftc.gov/ftc/oed/fmo/procure/procure.htm>) provides information about doing business with the agency, identifies types of goods and services for which the agency typically

contracts, and specifically encourages service-disabled veteran-owned businesses to participate. The agency also actively seeks out and informs such businesses of contracting opportunities. Through web-based and other market research, the agency identifies and contacts potential contractors that are service-disabled veteran-owned small businesses and encourages their participation in both set-aside and competitive contract opportunities. During FY 2006, the agency will actively encourage participation of service-disabled veteran-owned small businesses by setting aside various contracts for these firms. In particular, our Information Technology Management Office currently is actively encouraging use of a Section 308 contract by ensuring that contract requirements are designated for this program. The agency also will continue to encourage other service-disabled veteran-owned businesses to apply under competitive procurements to increase the overall involvement of these businesses in the wider spectrum of FTC contracts.

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?

The FTC's procurement office is accessible to all businesses interested in doing business with it. As noted, the agency's web site provides service-disabled veterans and others with specific information on contracting with the agency. The web site invites service-disabled veteran-owned businesses and others to provide vendor information; the procurement office keeps this information on file and contacts firms directly when their services may meet particular agency needs. In addition, the Small Business Administration's website directory to Offices of Small and Disadvantaged Business Utilization provides contact information for the FTC's procurement office. The FTC is a small agency with only three contracting officers, and has no separate Office of Small and Disadvantaged Business Utilization; our chief procurement officer is directly responsible for, and actively engaged in, utilizing the services of small and disadvantaged businesses.

What training programs has the FTC 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?

The FTC's chief procurement officer has directly and personally discussed with the agency's other two contracting officers the availability of the Section 308 program. He is leading the staff in efforts to set aside sole-source contracts for these firms and also continues to require the staff to include service-disabled veteran-owned small businesses within competitive acquisitions. All three FTC contracting officers are fully aware of this program and its importance.

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I appreciate your interest in our Section 308 program, and hope that the foregoing information is helpful. If you have any questions or comments, please feel free to contact me, or you or your staff may contact Anna Davis, the Director of our Office of Congressional Relations, at (202) 326-2195.

Sincerely,

A handwritten signature in cursive script that reads "Deborah P. Majoras".

Deborah Platt Majoras

Chairman