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Homeland
Security



The Honorable John F. Kerry
United States Senate
Washington, DC 20510-6350

Dear Senator Kerry:

On behalf of Secretary Chertoff, thank you for your letter of January 27, 2006, concerning the measures the Department of Homeland Security is taking to fully utilize the procurement program for small businesses owned and controlled by service-disabled veterans.

The following responses are the answers to the questions you have requested:

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

In accordance with Federal Acquisition Regulation (FAR) 19.1405, Service-disabled veteran-owned small business (SDVOSB) set-aside procedures, the DHS has reserved several opportunities for SDVOSB firms. To date, Customs and Border Protection (CBP) has awarded the largest SDVOSB set-aside contract in the Federal Government, for security guard services, at an estimated \$35 million. Additional opportunities are currently being formulated by the DHS Chief Procurement Officer (CPO), Elaine C. Duke, to all the DHS Head of Contracting Activity's (HCA) (Attachment 1). The DHS has not presently had the opportunity to utilize the sole-source tool that was made available by P.L. 108-183.

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 Homeland Security under the Veterans Benefits Act?

The DHS Office of Small and Disadvantaged Business Utilization (OSDBU) has developed a "10 Point Strategy" (Attachment (2)), which is available on the DHS web site at www.dhs.gov/openforbusiness. Additionally, the OSDBU has met with the Small

Business Administration's (SBA) Advisory Committee on Veteran's Business Affairs, the Retired Military Officers Association, and the Chair and Vice Chair of the Task Force on Veterans Entrepreneurship to exchange information, ideas, and success stories.

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 DHS OSDBU disseminates a wealth of information on the DHS web site, including but not limited to, the DHS Forecast of Contracting Opportunities, Small Business Points of Contact, List of the DHS Prime Contractors, the DHS "How To" power point presentation, and information on the DHS Vendor Outreach Sessions (VOS) program. The VOS program allows the small business community to market themselves to the DHS Organizational Element (OE) Small Business Specialist (SBS). In honor of Veteran's Day, The DHS OSDBU conducts a VOS for all Veteran-Owned Small Businesses (VOSB), including SDVOSB, in November of each year.

What training programs has the Department of Homeland Security 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 Director, OSDBU, communicates on a regular basis with the OE SBS's regarding implementation and policies related to Executive Order 13360. Furthermore, annual training for all OE SBS's is scheduled for May 2006. Customized procurement training to each OE is made available on a regular basis, including the SDVOSB program as a topic.

I appreciate your interest in the Department of Homeland Security, and I look forward to working with you on future homeland security issues. If I may be of further assistance, please contact the Office of Legislative Affairs at (202) 205-4412.

Sincerely,



Pamela J. Turner
Assistant Secretary for Legislative Affairs

Enclosures

SUBJECT: Service Disabled Veteran Owned Small Business Procurement Opportunities

Dear Colleagues,

This is to request your assistance in increasing and identifying DHS contracting opportunities for service disabled veteran owned small businesses (SDVOSB). Kevin Boshears, the Director of the DHS Office of Small and Disadvantaged Business Utilization, and I work very closely together on a regular basis to promote a rigorous small business program at DHS.

In this spirit of partnership and in support of Executive Order 13360 to promote SDVOSB contracts, please review your acquisition plans for the remainder of the fiscal year and identify three opportunities for the SDVOSB program. Please submit the following information via e-mail by Friday January 20, 2006 to Kevin at kevin.boshears@dhs.gov, with a copy to Dan Sturdivant (who serves as the DHS SDVOSB Coordinator), at dan.sturdivant@dhs.gov:

- 1) Brief description of the project;
- 2) Estimated dollar value in FY 2006 and the life of the contract;
- 3) Planned contract award date; and
- 4) Point of Contact (name, email address and phone number) who is knowledgeable of the requirement and willing to talk to SDVOSB vendors. (This individual could be the Program Manager, Contract Specialist or Small Business Specialist.)

This request does not apply to our colleagues at the Federal Law Enforcement Training Center which identified 4 SDVOSB projects in the initial DHS FY 2006 Forecast of Contract Opportunities. Kevin and I appreciate your efforts.

To assist you in identifying these SDVOSB opportunities, please review the guidance at FAR 19.14, 13 CFR 125.18, and 13 CFR 125.19. The SDVOSB program may be used on either a competitive or sole source basis. It also may be helpful to review the DHS FY 2006 Forecast of Opportunities and examine those projects whose set aside status was originally noted as "To Be Determined" or the generic "Small Business Set-Aside" and to review any new requirements that you plan to procure prior to fiscal year end.

Kevin and I realize the statutory language for the SDVOSB program uses the permissive term "may"; however, in order to meet our 3% SDVOSB goal, we must proactively identify projects for the SDVOSB program while maintaining our historic commitment to the 8(a), HUBZone, and traditional small business set aside programs. Our preliminary DHS small business accomplishments for FY 2005 show tremendous achievements in all of the small business categories (please see the attachments containing our preliminary results) with the exception of the SDVOSB program. The results reveal about \$43 million in SDVOSB contracts for all of DHS or about 0.7% of our total procurement dollars, which is far short of the statutory 3% goal.

Further, electronic market research tools can be helpful in identifying SDVOSB opportunities. Three examples of these tools are: 1) sources sought notices in FedBizOpps at www.fedbizopps.gov; 2) SDVOSB profiles in the CCR at www.ccr.gov in the Dynamic Small Business Search section; and 3) SDVOSB profiles at www.vetbiz.gov, a system maintained by the Department of Veterans Affairs.

Additional sources may be available from your Operational Small Business Specialists from vendor meetings and outreach events and the DHS OSDBU is always available to provide small business sourcing assistance.

Senior management at DHS has made a commitment to promoting SDVOSB opportunities. Please join Kevin and I in supporting this commitment to these brave American men and women

who have made tremendous sacrifices for our freedom and now, with an entrepreneurial spirit, seek procurement opportunities in the federal marketplace. As I have stated many times, I consider a strong small business program to be a significant part of building a world class acquisition program.

If you have any questions or would like OSDBU small business sourcing assistance, please contact Dan Sturdivant at (202) 205-0129 or Kyle Groome at (202) 205-1446.

Thank you for your support of this critical request and Happy Holidays to all.

-Elaine

Elaine C. Duke
Acting Chief Procurement Officer
Department of Homeland Security
(202)205-0140

Service Disabled Veteran Owned Small Business (SDVOSB) Program Strategy
Department of Homeland Security (DHS)

- 1) Appoint a SDVOSB/VOSB Coordinator in the DHS OSDBU
- 2) Identify procurements for the SDVOSB program (sole source or competitive) in accordance with FAR 19.14 and 13 CFR 125.18 and 125.19
- 3) Include SDVOSB projects in upcoming updates to the Forecast of Contract Opportunities
- 4) Perform Outreach by hosting a DHS SDVOSB/VOSB event each November (in honor of the Veterans Day Holiday); work with the Center for Veterans Enterprise and the Small Business Administration
- 5) Participate in SDVOSB events hosted by other federal agencies and trade associations
- 6) Continue to promote SDVOSB participation in the DHS mentor-protégé program
- 7) Continue to promote SDVOSB participation in the DHS subcontracting program by making the subcontracting plan part of the evaluation criteria on major projects
- 8) Actively seek SDVOSBs from GSA's Federal Supply Schedule (FSS) when using the FSS in accordance with FAR 8.405-5(b)
- 9) Meet periodically with veteran trade organizations (such as the Association for Service Disabled Veterans) to exchange information, ideas, success stories, etc.
- 10) Promote the use of all available SDVOSB databases for market research and inclusion/consideration (such as www.ccr.gov and www.vetbiz.gov)