



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

MAK 27 2006

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

~~John:~~  
Dear Senator Kerry:

Thank you for your letter of January 27 regarding the U.S. Department of Transportation's (DOT) implementation of the Veterans Benefits Act of 2003. The Act created the Service-Disabled Veteran-Owned Small Business (SDVOSB) Procurement Program.

The purpose of the SDVOSB Program is to provide Federal contracting assistance to service-disabled veteran-owned small businesses. The Act also requires that Federal contracting agencies establish and achieve a participation goal of 3 percent of the total value of all prime contract and subcontract awards for each fiscal year for small businesses owned and controlled by veterans with service-connected disabilities.

The Department is committed to the potential benefits of the program for the men and women who have given so much to our Nation. As you pointed out in your letter, although the level of SDVOSB participation is nowhere near where we would like it to be, we have exceeded the government-wide efforts by more than 50 percent. The Department will continue to work towards reaching and surpassing the goals established by Congress. Enclosed are responses to your questions regarding the program.

If I can provide further information or assistance, please feel free to call me.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Norman Y. Mineta', is positioned below the 'Sincerely yours,' text.

Norman Y. Mineta

Enclosure

## **U.S. Department of Transportation Responses on the Service-Disabled Veteran-Owned Small Business (SDVOSB) Procurement Program**

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

**Response:** The U.S. Department of Transportation (DOT) has successfully used the SDVOSB set-aside authority for limited competition. It has not used the sole-source authority, because conditions under the statute have not been met.

In February 2005, solicitation DTFH61-05-R-00114 was issued as a set-aside for SDVOSB participation, resulting in a 5-year indefinite-delivery, indefinite-quantity contract in the amount of \$3,460,606.

Currently, the FHWA's Western Federal Lands Highway office located in Vancouver, Washington, has a competitive requirement set-aside for SDVOSB firms for information technology services, including telecommunications services. The contract will have a \$5,000,000 ceiling over a 2-year period of performance. Solicitation DTFH70-06-R-00002 was issued November 22, 2005, and a contract was awarded on February 27, 2006.

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

**Response:** One of the first actions undertaken by the Department was to issue a memorandum to all the heads of DOT operating administrations (OA) and the Department's senior procurement executive, citing the benefits of the program, the necessity of reaching the mandated 3 percent goal, and the establishment of a task group to develop and implement a department-wide strategy for implementing the SDVOSB programs. The task force has been instrumental in developing a comprehensive strategy for inclusion and expansion of opportunities for SDVOSB.

The SDVOSB strategy is implemented under the leadership of the DOT's Office of the Secretary's Office of Small and Disadvantaged Business Utilization (OSDBU). Specifically, OSDBU focuses on providing consultation services, networking opportunities, training, and technical assistance to SDVOSB. The OSDBU also works with the operating administrations individually and collectively to ensure that SDVOSB are well represented in the agency's contracts and subcontracts.

The OSDBU also sponsors and participates in a number of local and national SDVOSB conferences. In addition, OSDBU has devoted a section of its web page to SDVOSB events and issues of relevance concerning the Department's activities. A subsection was developed to host success stories, as well as to provide leads to interested parties. Moreover, the OSDBU newsletter reinforces the Department's commitment to SDVOSB.

**Question:** 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?

**Response:** Yes, SDVOSB may contact OSDBU for counseling, technical assistance, and contracting opportunities. The OSDBU Web site encourages SDVOSB to actively seek assistance from OSDBU, as well as the contracting officers directly or through the organization's SDVOSB advocates. The following are some of the tools that have been successfully employed to supplement our efforts:

DOT's website: The OSDBU developed a Web page that provides a listing of "frequently asked questions concerning the SDVOSB program." In the first 4 months, the Web page experienced a "hit rate" of 160,000 visits to the DOT Web page for assistance and marketing information.

Newsletter: The OSDBU published an article in the OSDBU Transportation Link monthly newsletter entitled "Working to Grow Service-Disabled Veteran Businesses." The Transportation Link has an average distribution of 10,000 copies per month to small businesses and the general public, including DOT operating administrations and OSDBU Minority Business Resource Centers regional network.

Awareness Campaign: To promote the need to support our service-disabled veterans, the DOT task group developed a SDVOSB poster entitled "Heroes Deserve More Than Medals. They Also Deserve an Opportunity." The poster was distributed to all DOT acquisition and program offices, as well the OSDBU regional Minority Resource Centers, which provide support and technical assistance. The poster was well-received and is currently being considered for adoption by several Federal agencies, including the Department of Defense.

**Question:** What training programs has the Department of Transportation 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?

**Response:** Since the inception of the SDVOSB program, OSDBU has engaged in proactive training programs geared to our network of contracting officials and program managers. In addition, at the beginning of each fiscal year, OSDBU meets with each DOT operating administration's Chief of Contracting Activities and small business specialist to discuss the Department's SDVOSB implementation strategy, as well as to reinforce all small business issues, with emphasis on goaling, contract bundling, and guidance in the Transportation Acquisition Manual relative to small business programs, including SDVOSB.

The OSDBU meets with the OA small business specialists the first Tuesday of each month to provide training and share strategies to further all OSDBU programs, including SDVOSB. The small business specialist in each operating administration, in turn, meets with acquisition and program managers in their respective administrations to reinforce the requirements and identify potential training needs.