



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

APR 27 2006

OFFICE OF THE ADMINISTRATOR

The Honorable John F. Kerry
Ranking Member
Committee on Small Business & Entrepreneurship
United States Senate
Washington, D.C. 20510

Dear Senator Kerry:

Thank you for your letter of February 27, 2006, to the U.S. Small Business Administration (SBA) regarding Federal agencies' use of the Service-Disabled Veteran-Owned Small Business (SDVOSB) Program. I am pleased to provide the following responses to your questions.

1. Has the SBA communicated with Federal agencies to ensure that they develop specific strategies to comply with P.L. 108-183? If so, please provide copies of those communications.

On January 12, 2005, by joint memorandum, SBA and the Office of Management and Budget (OMB) requested that acquisition agencies submit strategic plans for compliance with the provisions of P.L. 108-183 and Executive Order 13360, an order to strengthen the opportunities in Federal contracting for Service-Disabled Veteran Owned Small Businesses signed by the President on October 20, 2004. On July 30, 2005, after analyzing the agencies' strategic plans, SBA provided each agency with recommendations to strengthen its plan, and provided guidance on annual reporting requirements mandated by Executive Order 13360. Since that time, SBA has continuously worked with acquisition agencies on implementation of their strategic plans. (See Enclosure 1)

2. What training opportunities or briefings has the SBA provided for procurement officers at Federal agencies to ensure that they are educated on how to comply with P.L. 108-183?

Among other things, SBA has developed a PowerPoint training module and frequently asked questions addressing P.L. 108-183. These materials are available online at www.sba.gov/gc/indexprograms-vets.html. The SBA also has provided guidance and recommendations to the Defense Acquisition University in development of its training module for contracting officers that addresses requirements of this statute.

As part of ongoing training of Federal buying activity personnel, SBA's procurement center representatives (PCRs) are devoting substantial attention to SDVOSB and Veteran-Owned Small Business (VOSB) program policy and procedures. It is notable that since fiscal year 2003, SBA has participated in more than 12,000 training activities for Federal contracting officers and program managers that addressed provisions of P.L. 108-183. Also, in the same period, SBA has counseled more than 1,000 VOSBCs and 900 SDVOSBs on how to do business with the Federal Government. Further, SBA has provided agency-specific training and assistance in implementation of P.L. 108-183. (See Enclosure 2)

In addition, all SBA resource partners, including Small Business Development Centers, Women's Business Centers, Score and Veteran Business Outreach Centers, provide procurement counseling and training.

3. Has the SBA requested reports or communications from any Federal agency regarding the number of contracts an agency plans to sole-source or set-aside for service-disabled veterans? If so, how many specific recommendations for sole-source or set-asides did the SBA recommend in 2004, 2005, and 2006? Please provide copies of any documentation for these recommendations.

Executive Order 13360, requires agencies to develop strategic plans that include, among other things, reserving contracts exclusively for Service-Disabled Veteran Owned Small Businesses. Agencies are currently in the process of submitting their FY 2005 annual reports to SBA.

SBA is aware of the unique challenges facing SDVOSBs and has instructed its staff to vigorously pursue the set-aside of requirements for such firms. In FY 2005, SBA awarded four contracts to service-disabled veterans totaling over \$1 million.

The Agency's PCRs work closely with Federal agencies to advocate on behalf of the small business community, including SDVOSBs. In the last 3 fiscal years, PCRs have filed almost 1,200 recommendations with Federal contracting officers for all classes of small business set-asides. Many of these have pertained to SDVOSB opportunities. In accordance with EO 13360, we are in the process of gathering information on specific recommendations for the set-aside of requirements for SDVOSBs.

4. Has the SBA contacted any Federal agency regarding that agency's inability to meet its statutory goal for utilizing service-disabled veteran-owned small businesses? If so, please provide a list of those agencies and a copy of the communication.

The SBA routinely works and communicates with agencies to assist them in meeting statutory goals. Accordingly, as earlier noted, SBA has reviewed all of the strategies submitted by agencies and provided recommendations on how to strengthen the plans so that agencies can more effectively reach out to SDVOSBs, and make greater contracting opportunities to them. Because it believes the higher the quality and reliability of

performance reporting, the more effectively it can assess accomplishments and success of the SDVOSB Program, SBA has worked closely with acquisition agencies on compliance with annual reporting requirements. Further, on a monthly basis, SBA meets with Veteran Program Managers during the Federal Agencies' Interagency Working Group sessions. Additionally, SBA's national goaling manager emphasizes attainment of SDVOSB goals in ongoing discussions with acquisition agencies.

5. What steps has the SBA taken to actively seek out eligible service-disabled veteran-owned businesses and inform them of the contracting opportunities made available under the Veterans Benefits Act of 2003?

The SBA has taken a number of steps to identify SDVOSBs, and to inform them of opportunities available under the statute. For example, to assist Federal agencies and prime contractors with locating SDVOSBs, SBA has converted information from records of SDVOSBs in the Central Contractor Registration (CCR) database into a user-friendly Excel spreadsheet format and distributed it to acquisition agencies. This format has proven to be easy to manipulate for contracting officers and program managers, and enables them to identify SDVOSB sources by industrial classification and/or geographical location.

SBA's Business Matchmaking initiative has provided a unique venue for the Agency to reach out to the VOSB and SDVOSB communities. For example, in FY 2005, VOSB and SDVOSB participation in Regional Business Matchmaking events averaged 15 percent, and 6 percent, respectively. Such firms participated in face-to-face meetings with contracting officers, program managers, and commercial buyers, and received counseling and training in doing business with the government. It is notable that this pattern continued at the February 13, 2006, Regional Business Matchmaking event in Oakland, California, at which 17 percent of participants were VOSBs, and 8 percent were SDVOSBs. The SBA continues to reach-out to veterans' organizations to increase participation in such events.

SBA also works closely with its resource partners (e.g., Small Business Development Centers, SCORE, Office of Small and Disadvantaged Business Utilizations, Business Programs, Veteran Business Development Officers, Women's Business Centers, Veteran Business Outreach Centers and Veteran Service Organizations) to more effectively support the veterans' community.

To more effectively assist the veterans' community in pursuing contracting opportunities, SBA routinely works with the Department of Veterans Affairs (VA) on all areas that affect veterans' access to opportunities in the Federal marketplace. For example, SBA has coordinated with the VA on developing a process to validate the service-connected disability of self-represented service-disabled veterans. Further, the SBA has worked with the VA in resolving specific veteran issues referred by the VA's Center for Veterans Enterprises. The SBA has also participated in a number of training activities for SDVOSBs. (See Enclosure 3)

6. Has the SBA coordinated its outreach efforts with the Department of Veterans Affairs in order to educate the veteran community on the entrepreneurship and contracting opportunities available to them? If so, how?

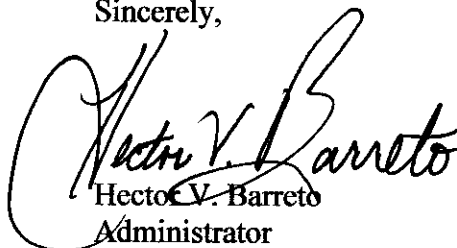
As noted above, to assist the veterans' communities in pursuing contracting opportunities, SBA routinely works with the VA on all areas that affect veterans' abilities to participate in the Federal marketplace. For example, SBA and VA have developed a process to validate the service-connected disability of self-represented service disabled veterans. Further, we have worked together in resolving issues referred by the Center for Veterans Entrepreneurship.

As elsewhere noted, SBA has supported the VA in training SDVOSBs. For example, the Agency trained over 140 veterans during the July 27, 2005, VA SDV construction forum. The SBA also coordinated with the VA to train over 200 veterans during the November 14, 2005, IBM Information Technology conference. In December 2005, the Agency videotaped a training session for the VA that is accessible on the VA intranet for training its procurement officials.

I am pleased to tell you that SBA is actively coordinating implementation of P.L. 108-183 and the President's Service-Disabled Veterans Executive Order 13360 to assist Federal Agencies and prime contractors in meeting the 3 percent statutory goals. Should you require additional information, please feel free to contact C. Edward (Tee) Rowe, Associate Administrator in the SBA's Congressional and Legislative Affairs Office, at (202) 205-6700.

Again thank you for your letter.

Sincerely,



Hector V. Barreto
Administrator

Enclosures

Enclosure 1
List of Correspondence with Acquisition Agencies
Regarding Implementation of P.L.180-183

These documents are available online at www.sba.gov/GC/eo-implementation-by-agency.html

- January 12, 2005, joint memorandum of SBA and OMB requesting that acquisition agencies submit strategic plans for compliance with provisions of P.L. 108-183. See copy following.
- During July 2005, based on analysis of strategic plans, letters sent to all acquisition agencies. See sample letter following.
 - Department of Agriculture
 - Department of Commerce
 - Department of Defense
 - Department of Education
 - Department of Energy
 - Department of Health and Human Services
 - Department of Homeland Security
 - Department of Housing and Urban Development
 - Department of Interior
 - Department of Justice
 - Department of Labor
 - Department of State
 - Department of the Treasury
 - Department of Transportation
 - Environmental Protection Agency
 - Equal Opportunity Employment Commission
 - Federal Election Commission
 - International Broadcasting Bureau
 - National Aeronautical and Space Administration
 - National Credit Union Association
 - National Labor Relations Board
 - National Science Foundation
 - Peace Corps
 - Railroad Retirement Board
 - Securities and Exchange Commission
 - Selective Service System
 - Small Business Administration
 - Smithsonian Institution
 - Social Service Administration
 - U.S. Agency for International Development

Enclosure 2
List of Training for Contracting Officers
In Provisions of P.L.180-183

- Department of Housing and Urban Development (HUD) – April 27, 2005: Trained 47 contracting and program office personnel.
- Federal Procurement Data System – Next Generation (FPDS-NG) Interagency Group – May 11, 2005: Briefed the interagency group.
- HUD – May 13, 2005: Provided virtual training to field offices via teleconference to 48 individuals in 8 cities.
- Department of the Treasury – June 15, 2005: Trained approximately 24 Agency small business specialists.
- Department of Agriculture – July 12, 2005: Presented on the SDVOSB Program at the Department of Agriculture’s monthly “First Tuesday” association briefing to approximately 40 attendees.
- General Services Administration (GSA) – October 18, 2005: Videotaped presentation on the SDVOSB Program for distribution on GSA’s intranet to train Agency procurement officials.
- Federal Aviation Administration – October 26, 2005: Trained 15 Agency small business specialists.
- December 2005, SBA videotaped a training session for the VA that is accessible on the VA intranet for training its procurement officials.
- Department of Defense/Department of the Army – February 9, 2005: Trained 15 Army/INSCOM contracting personnel.

Enclosure 3
List of Outreach to
VOSB and SDVOSB Communities

- May 17, 2005, SBA trained approximately 30 veterans and veteran-advocates on the requirements of the SDVOSB Program during the Task Force for Veterans-Entrepreneurship monthly meeting.
- Environmental Protection Administration – December 8, 2005: Trained approximately 40 SDVs at SDV Vendor Outreach Session.
- June 20-22, 2005, SBA participated in the Department of Defense's first National Veterans Small Business Conference in Las Vegas, Nevada and trained approximately 150 attendees on the program requirements.
- June 30, 2005, SBA trained approximately 100 service-disabled veterans at the Department of Transportation's "DOT Building Business Relationships with SDVB and WOB" Conference.
- July 13, 2005, SBA and the Director of the Department of Defense's Procurement Technical Assistance Centers, agreed on how the two organizations can support each other's mission vis a vis the SDVOSB Program.
- July 27, 2005, SBA trained over 140 veterans during the VA SDV construction forum in Washington, D.C.
- August 1 – 3, 2005, SBA participated in the Federal Aviation Administration's National Small Business Training Conference in Orlando, Florida. There were approximately 350 attendees.
- August 11, 2005, SBA participated in the Environmental Protection Agency's SDVOSB Counseling Session and Trade Fair in Washington, D.C. There were approximately 100 attendees.
- September 29, 2005, SBA participated in a panel during the Task Force for Veterans' Entrepreneurship and Army Corp of Engineers' Veterans Business Development and Government Contracting Training Program, in Washington, D.C.
- November 14, 2005, SBA trained approximately 200 SDVOSBs during IBM's event entitled "Connecting with Those who Served," in Bethesda, Maryland.
- November 17, 2005, SBA trained approximately 150#VOSBs owners at GovConnect's small business conference, in Washington, D.C.

- **December 14, 2005, SBA trained over 500 individuals during the first live web cast training for Veteran Business Owners at www.tvworldwide.com/events/usvets/051214.**
- **February 27, 2006, SBA trained approximately 40 American Legion district directors on the SDVOSB Program during the American Legion's Washington, D.C., conference.**