



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

APR 9 2004

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND
AGENCIES

FROM:

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Administrator
Small Business Administration

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Acting Administrator
Office of Federal Procurement Policy

SUBJECT: Participation of Service-Disabled Veterans in Federal Contracting

The purpose of this memorandum is to encourage agencies to focus contracting efforts on small businesses owned and controlled by service-disabled veterans and to inform you of some new tools that will assist agencies in this effort.

As background, Section 502 of Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999, set a 3 percent goal for participation by small businesses owned and controlled by service-disabled veterans in federal contracting and subcontracting. The law was implemented through regulations and goaling guidance issued by the Small Business Administration (SBA). Following implementation of the law, a review of statistics obtained from the Federal Procurement Data System was conducted and reflected that we need to do a better job of providing opportunities to service-disabled veterans.

On December 16, 2003, Congress passed Public Law 108-183, the Veterans Benefit Act of 2003, which provides several mechanisms to ensure that service-disabled veterans receive an appropriate share of federal government contracting opportunities. First, the new law permits contracting officers to award sole source contracts to any responsible small business owned and controlled by service-disabled veterans for manufacturing contracts under \$5,000,000, and for other contracts under \$3,000,000. Second, the law permits contracting officers, under certain circumstances, to restrict competition to small businesses owned and controlled by service-disabled veterans. We are currently working with the Federal Acquisition Regulatory Council to implement this new law as soon as possible.

We appreciate the progress agencies have made to meet their goals. However, we are asking all agencies to rethink their contracting efforts in light of the new law. To assist agencies in locating small businesses owned and controlled by service-disabled

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veterans, the Department of Veterans Affairs has created the VETBIZ Vendor Information Pages at www.vetbiz.gov. We must demonstrate to those who have served our nation that we support them, and that we fully appreciate the sacrifices they have made on our behalf.

cc:

Chair and Ranking Member, Senate Small Business and Entrepreneurship Committee

Chair and Ranking Member, Senate Veterans' Affairs Committee

Chair and Ranking Member, House Small Business Committee

Chair and Ranking Member, House Veterans' Affairs Committee

Federal Acquisition Council

Agency Senior Procurement Executives

Agency Offices of Small and Disadvantaged Business Utilization