



DEPARTMENT OF VETERANS AFFAIRS
Deputy Assistant Secretary for Acquisition and Materiel Management
Washington DC 20420

IL 049-06-1
December 28, 2005

OFFICE OF ACQUISITION AND MATERIEL MANAGEMENT INFORMATION LETTER

TO: Under Secretaries for Health, Benefits, and Memorial Affairs; Assistant Secretary for Management; Chief Facilities Management Officer, Office of Facilities Management; Veterans Integrated Service Network Directors; Directors, VA Medical Center Activities, Domiciliaries, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices; Directors, Denver Distribution Center, Austin Automation Center, Records Management Center, VBA Benefits Delivery Centers, and VA Health Administration Center; and the Executive Director and Chief Operating Officer, VA National Acquisition Center

ATTN: Heads of the Contracting Activity, VA Contracting Officers, Purchase Card Holders, and All Other VA Employees Involved with Acquiring Equipment, Supplies, and Services, Including Construction

SUBJ: Increasing Opportunities for Awards to Veteran-Owned and Service-Disabled Veteran-Owned Small Businesses

1. This Information Letter (IL) provides guidance to contracting officers on awarding contracts to small business concerns owned and controlled by veterans and by service-disabled veterans. This IL replaces ILs 049-03-14, 049-04-9, 049-04-10, and 049-05-1.
2. On December 16, 2003, President Bush signed Public Law No. 108-183 the Veterans Benefits Act of 2003 (http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108_cong_public_laws&docid=f:publ183.108.pdf). Section 308, Procurement Program for Small Business Concerns Owned and Controlled by Service-Disabled Veterans, permits contracting officers to restrict competition to small business concerns owned and controlled by service-disabled veterans. The Government-wide goal for award of contracts to service-disabled veteran-owned small businesses (SDVOSB) is 3 percent of the total value of all prime contracts. In addition, the Secretary of Veterans Affairs has established a goal of awarding at least 7 percent of Department of Veterans Affairs (VA) prime contract dollars to veteran-owned small businesses (VOSB).
3. In order to further strengthen opportunities in Federal contracting for SDVOSBs, on October 20, 2004, President Bush issued Executive Order 13360, Providing Opportunities for Service-Disabled Veteran Businesses to Increase Their Federal Contracting and Subcontracting (see <http://www.vetbiz.gov/fpp/eosdvob.pdf>). One of the requirements of that Executive Order is that agencies develop a strategy to implement the policies set forth in the Order. VA's Strategy can be found at <http://www.vetbiz.gov/fpp/VAstrategy.pdf>. This IL is part of that Strategy and VA's efforts to carry out the policies of that Executive Order.

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4. Goals. Buying directly from VOSBs and SDVOSBs supports the socioeconomic well-being of the Nation and is directly linked to VA's mission goals.

Goal 1: Restore the capability of veterans with disabilities to the greatest extent possible and improve the quality of their lives and that of their families.

Supporting the service-disabled veterans who own their own businesses can contribute significantly toward restoring their capability and the quality of their lives.

Goal 2: Ensure a smooth transition of veterans from active military service to civilian life.

Here, too, supporting the veterans who start up their own businesses can smooth their transition from active duty to civilian life.

Goal 3: Honor and serve veterans in life and memorialize them in death for their sacrifices on behalf of the Nation.

Buying from veteran-owned businesses honors and serves the veterans who own those firms.

Goal 4: Contribute to the public health, emergency management, socioeconomic well-being, and history of the Nation.

Buying from small businesses, especially veteran-owned small businesses, supports the socioeconomic well-being of the Nation.

5. New and Expanded Requirements. In order to place greater emphasis on the award of contracts to VOSBs and SDVOSBs, the requirements in Attachment 1 are hereby set forth for use by heads of contracting activities (HCAs), contracting officers, purchase cardholders, and other VA staff to seek out, assist, and contract with VOSBs and SDVOSBs. It is imperative that all VA employees involved with the acquisition decision-making process, including service chiefs and staff, take an active role in promoting VA's efforts to acquire goods and services from VOSBs and SDVOSBs. This is especially important when considering items for standardization. It is not just contracting officers or purchase cardholders who need to be involved. End users who make the initial recommendations on what to buy and from whom, including users groups, play a critical role in the acquisition process and must take an active part in seeking out and supporting veteran-owned firms. Acquisition planning and market research are team efforts, and every member of the acquisition team must participate in efforts to locate and buy from VOSBs and SDVOSBs. Acquisition planning must start with the first inclination of need and must include a search for VOSBs and SDVOSBs that can furnish the goods or services required.

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6. Locating Eligible Firms. Before VA can make awards to VOSBs or SDVOSBs, VA must be able to locate such firms. A recent study commissioned by the Small Business Administration (see <http://www.sba.gov/advo/press/04-20.html> and <http://www.sba.gov/advo/research/rs239tot.pdf>) indicated that acquisitions from VOSBs are significantly under-reported and that firms that are, in fact, VOSBs are not being credited as such. The actions required by paragraph 3 in Attachment 1 should help VA and other Federal agencies locate VOSBs and SDVOSBs.

a. **Registration in CCR.** Veteran small business owners who are not registered in either CCR or VetBiz Vendor Information Pages (VIP) should be provided with the Website addresses for CCR (<http://www.ccr.gov>) and VetBiz VIP (<http://www.vetbiz.gov>) and offered assistance in registering, if needed. By registering in CCR, VOSBs and SDVOSBs will be provisionally registered in VetBiz VIP. However, those firms will need to verify and complete their provisional VetBiz VIP registration. Registration or verification of provisional registration in VetBiz by the contractor is in addition to registration in CCR, but it will help VOSB and SDVOSB contractors obtain VA and other Government agency business.

b. **Market Research.** Contracting officers must use other market research sources, such as CCR, to locate eligible firms. A recent search in CCR for North American Industry Classification System (NAICS) code 339112, surgical and medical instrument manufacturing, located 157 small businesses that are owned by veterans, 48 of which are service-disabled veterans. There are over 400,000 firms currently registered in CCR. The old Standard Form 129 has been replaced with registration in CCR. Thus, CCR should be one of the primary sources for locating bidders for open market acquisitions, and special emphasis should be placed on locating VOSBs and SDVOSBs.

7. VetBiz.gov. In performing market research in accordance with Federal Acquisition Regulation (FAR) Part 10, the contracting officer must use the VetBiz VIP Web site as one of the sources used to assess whether there are VOSBs or SDVOSBs that can meet VA requirements. Any company that has registered as an SDVOSB in this database has stipulated that the firm is at least 51 percent owned and controlled by one or more service-disabled veterans, as defined in the FAR, and that the business is currently small by Federal size standards.

8. Acquisition Planning. Acquisition planning is a critical function in promoting the award of contracts to VOSBs and SDVOSBs. VA contracting officers and end users should use the following procedures during acquisition planning and think first of VOSBs and SDVOSBs for each procurement requirement.

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a. **Early Exchanges of Information.** The contracting officer should determine whether to initiate early exchanges of information with industry. If early exchanges are used, VOSB and SDVOSB goals should be considered during this process. The contracting officer conducts all early exchanges with vendors. Early exchanges can be accomplished through industry or small business conferences, pre-solicitation notices, pre-solicitation or pre-proposal conferences, draft requests for proposals (RFPs), requests for information (RFI), or site visits. Contracting officers are urged to make use of these and other sources sought notices and efforts (see FAR 5.204, 5.205, and 15.201) to seek out VOSBs and SDVOSBs for their proposed open market acquisitions. Exchange of information must be consistent with procurement integrity requirements as referenced in FAR 3.104.

b. **Market Research.** During the acquisition planning process, contracting officers, in cooperation with end users, should perform a market survey to accurately reflect the market's capabilities (lead-times, production, delivery, and cost). Use of sources sought notices for VOSBs and SDVOSBs is a key component in conducting market research and should be used extensively in this process. If the contracting officer cannot locate a VOSB or SDVOSB contractor for the agency's requirements, the contracting officer should contact the Center for Veterans Enterprise (CVE) for assistance. In addition, the contracting officer should include a statement in individual written acquisition plans, if required (see FAR 7.105(b) and 807.105(a)), addressing whether or not the Office of Small and Disadvantaged Business Utilization (OSDBU)/CVE was able to identify any VOSB and SDVOSB contractors to be included on the mailing list.

c. **Written Acquisition Plan.** A summary of the technical and contractual history of the acquisition should be included in the written acquisition plan for individual acquisitions in excess of \$1,000,000, along with acquisition objectives and milestones. However, acquisition planning must also be conducted for smaller acquisitions, even though a formal written plan may not be required. The contracting officer and end users should pay particular attention to areas in the acquisition plan where contractors are considered, contacted, or identified. A written plan should include a section on competition (FAR 7.105(b)(2)).

9. **Can FSS Task or Delivery Orders be Set Aside?** When using Federal Supply Schedule (FSS) contracts, proposed task and delivery orders may not be set aside, but contracting officers should consider the VO and SDVO small business status of FSS contractors when selecting contractors for competition in accordance with FAR 8.405-5 (see Attachment 1, paragraph 10).

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10. Can Open Market Contracts Be Awarded Sole Source to SDVOSBs?

a. The contracting officer may restrict open market competitions to small business concerns owned and controlled by service-disabled veterans under certain circumstances (see FAR 19.14). If, after conducting a thorough market search under an open market acquisition, the contracting officer can only locate one SDVOSB that can meet VA's requirements, the contracting officer may consider a sole source award to the SDVOSB, provided the acquisition meets the requirements of FAR 19.1406 (i.e., does not exceed the dollar thresholds therein). However, open market set-asides for SDVOSBs and proposed open market sole source awards to SDVOSBs are not exempt from the requirements of FAR 5.201 and must be synopsisized in VA's Business Opportunities System (BOS) if they meet the requirements of FAR 5.101 (e.g., valued at \$25,000 or more) and provided none of the other exemptions in FAR 5.202 apply. Any protests regarding the size or socioeconomic status of an offeror shall be handled in accordance with FAR 19.302 and 19.307.

b. However, the authority in Public Law 108-183 to set aside acquisitions does not override existing acquisition law or regulation regarding requirements to purchase products from Federal Prison Industries, Inc., and products and services from the Committee for Purchase from People Who Are Blind or Severely Disabled (see FAR Parts 8 and 19) or from other higher priority sources (see FAR 8.002). However, if a required or higher priority source (e.g., Federal Supply Schedule contract) for the needed goods or services cannot be located, contracting officers may set aside an open market acquisition and restrict competition to SDVOSBs in accordance with FAR 19.1405.

c. Note that FAR clause 52.219-27 requires that the SDVOSB contractor perform at least a certain percentage of the work under the contract with its own employees or those of another SDVOSB.

11. Can Evaluation Factors Be Used to Favor VOSBs and SDVOSBs?

a. In an effort to further assist VOSBs and SDVOSBs, we recommend that contracting officers consider the inclusion of evaluation factors in competitively negotiated solicitations that are not set aside for SDVOSBs, including requests for quotation (RFQs) issued under FSS contracts, giving preferential consideration to offers received from VOSBs and additional consideration to offers received from SDVOSBs. Preferential consideration should also be given to any offeror, regardless of size status, that proposes to subcontract with VOSBs and SDVOSBs. Finally, consideration should be given to offerors that are other than small

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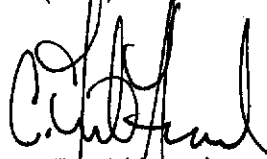
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businesses that have a history of meeting or exceeding their subcontracting goals. To be fair to small businesses that are not required to prepare subcontracting plans, small businesses should be given full credit for this subcontracting goal evaluation factor if it is used.

b. Attachment 2 provides guidance on and samples of evaluation factors that contracting officers may include in their competitively negotiated solicitations to promote the award of prime contracts and subcontracts to VOSBs and SDVOSBs and to promote compliance with subcontracting plans. These evaluation factors are samples only and may be modified as necessary.

c. There are many reasons justifying use of evaluation factors to promote VOSBs and SDVOSBs. It is clearly VA's mission to serve veterans, and buying from VOSBs and SDVOSBs directly supports VA's mission. The FAR at 1.102-2 provides that the Federal Acquisition System "must support the attainment of public policy goals adopted by the Congress and the President." It is public policy, as expressed in 15 United States Code Sections 637 and 644, that small businesses owned by veterans and service-disabled veterans, among others, shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency and that, as a goal, 3 percent of all Federal acquisition dollars will be spent with small businesses owned and controlled by service-disabled veterans.

12. As the chief advocate for veterans within the Federal Government, VA has a special obligation to support, to the maximum extent possible, VO and SDVO small businesses. Supporting VOSBs and SDVOSBs is a worthy effort and is directly tied to VA's mission and goals and VA's very reason for existence. VA should and must be the Federal Government leader in providing support to veterans, not only in its medical and benefits programs but also in its business dealings with the veteran community. Veterans deserve nothing less. We encourage all VA employees to support VOSBs and SDVOSBs throughout the acquisition process and thank you for your continuing support of veterans. Please direct any questions regarding the above guidance to Don Kaliher, Acquisition Policy Division (049A5A), at (202) 273-8819.



C. Ford Heard
Director
Acquisition Resources Service

Distribution: RPC 7029

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SPECIAL PROCEDURES TO ASSIST AND ENHANCE VOSB AND SDVOSB PARTICIPATION IN VA ACQUISITIONS

1. Procurement Technical Assistance Center (PTAC)

Contracting officers shall include in solicitations a statement similar to the following encouraging VOSBs and SDVOSBs to contact their nearest Procurement Technical Assistance Center (PTAC) if assistance is needed in preparing their proposal.

Small businesses, especially veteran-owned and service-disabled veteran-owned small businesses, are encouraged to contact their nearest Procurement Technical Assistance Center (PTAC) if assistance is needed in preparing their proposal. The website address for the location of the nearest PTAC is <http://www.sellingtothegovernment.net>.

2. Electronic Search Capabilities

Every contracting officer and purchase cardholder must become familiar with the advanced search capabilities of the Central Contractor Registration (CCR) (see <http://www.bpn.gov/CCRINQ/scripts/search.asp>) and VetBiz Vendor Information Pages (VIP) (see http://vip.vetbiz.gov/general_user/search/default.asp and click on the "Customized Search" link at the bottom of the page). These sites shall be used by contracting officers and purchase cardholders to locate veteran-owned and service-disabled veteran owned small businesses.

3. Outreach to VOSBs and SDVOSBs

The HCA must appoint a team in each contracting office over which the HCA has responsibility to seek VOSBs and SDVOSBs among the small businesses with whom the contracting offices have contracts. Staff assigned to the team should contact the owners of each such small business, or small businesses with whom purchase cardholders routinely place purchases, to determine whether or not the firm is at least 51 percent owned by a veteran and, if so, whether or not the veteran owner is service-disabled. A veteran with a service-connected disability rating from VA, even a zero percent evaluation for which he or she is not receiving compensation, is still considered to be "service-disabled." A small business whose management and daily business operations are controlled by a spouse or permanent caregiver of a service-disabled veteran owner who is permanently and severely disabled is eligible for SDVOSB status. Many small business owners may not realize the advantages of being known as a VOSB or an SDVOSB. Also, many veteran small business owners

may not be aware that they qualify as service-disabled veterans. If a firm is determined to be a VOSB or an SDVOSB, the staff conducting the survey should ensure that data in CCR for that firm is current and that it reflects the actual socioeconomic status of the firm. If the data is not current or accurate, the vendor should be requested to update its data. An acquisition will be counted as VOSB or SDVOSB only if CCR shows the contractor's status as such.

4. Registering Veteran-owned Vendors in VetBiz VIP

Contracting officers and other VA staff who locate a veteran-owned firm that is not registered in VetBiz VIP shall provisionally register the VOSB or SDVOSB in VetBiz VIP by posting information contained on the company's business card or capability statement. The vendor will be contacted by staff from the Center for Veterans Enterprise and will be requested to verify any provisional information posted by the contracting officer and will be provided assistance in completing their registration.

5. Rule of Two/Sources Sought

Prior to issuing a request for quotations (RFQ) or a solicitation or seeking verbal quotes for open market acquisitions in excess of \$2,500 that are not set aside for SDVOSBs, contracting officers must search CCR and VetBiz VIP to locate at least two VOSBs, one of which must be an SDVOSB if available, that sell the types of supplies or services being acquired, based on the North American Industrial Classification System (NAICS) codes involved. Contracting officers must send those vendors a written or e-mail RFQ or solicitation or, if seeking verbal quotes, request a verbal quote from these firms. If the contracting officer is unable to locate any VOSB or SDVOSB within that NAICS code, the contracting officer must document in the solicitation file the efforts made to locate a VOSB or SDVOSB (see Acquisition Planning/Market Research below). Purchase cardholders must also search the CCR and VetBiz VIP Web sites to locate local VOSBs and SDVOSBs with whom to place open market purchases for supplies and services of \$2,500 or less.

6. Justification if an Acquisition is Not Set Aside for SDVOSBs

If the contracting officer can locate one or more SDVOSBs that meet the requirements of FAR 19.1405 or 19.1406 and if the contracting officer then decides to not set the acquisition aside for award to an SDVOSB, the contracting officer shall fully justify in writing the reasons why the solicitation is not set aside and submit the justification to the HCA for concurrence. The approved justification shall accompany the VA Form 90-2268 submitted to OSDDBU if submission of the form is required.

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7. Advanced Procurement Plan and Forecast of Contracting Activities

The HCA shall consider VA's statutory 3 percent goal when formulating the Advanced Procurement Plan and Forecast of Contracting Activities for the VISN or individual medical facility. The HCA shall compare the planned acquisitions in the Plan and Forecast with SDVOSB sources available on VetBiz VIP and identify on the Plan and Forecast those acquisitions that are being considered for set-aside for SDVOSBs. The HCA shall update the Plan and Forecast at least quarterly, including a review of current SDVOSB sources in VetBiz VIP and an update of which planned acquisitions are being considered for set-aside for SDVOSBs.

8. Acquisition Planning/Market Research

The contracting officer shall include in the solicitation file information on the market research conducted, the databases used (e.g., VetBiz VIP (<http://www.vetbiz.gov>), CCR (<http://www.ccr.gov>), etc.), copies of the sources sought notices and e-mail messages to VO/SDVO small businesses advising of the impending acquisition, and documentation of the other specific and special efforts taken by the contracting officer to include VO/SDVO small businesses in the acquisition. Sources sought notices in VA's Business Opportunities System shall be used extensively to seek out VOSBs and SDVOSBs.

9. Required Outreach

The HCA for each VISN shall ensure that each medical center within the VISN participates in a formal outreach program for VOSBs and SDVOSBs at least annually. This participation may consist of hosting a local contracting opportunities fair, participating in fairs hosted by other Government agencies, attending veteran conferences, or other outreach activities as decided locally. HCAs shall cooperate with OSDBU and provide support as necessary in attending outreach events sponsored by other Government agencies.

10. Federal Supply Schedule

a. When conducting acquisitions over \$2,500 under a Federal Supply Schedule (FSS) or other multiple award contract, contracting officers must review the socioeconomic status of all awardees under the FSS or multiple award contract involved and must include at least two VOSBs, at least one of which is an SDVOSB, if available, in the acquisition. When selecting an FSS contractor, this means considering reasonably available information on the VOSBs and SDVOSBs in General Services Administration (GSA) Advantage or reviewing the contractors' catalogs or price lists (see FAR 8.405-1), or, for services, sending requests for quotation (RFQs) to VOSBs and SDVOSBs on the schedule (see FAR 8.405-2). Information on the

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socioeconomic status of FSS contractors is available in the GSA Schedules e-Library at <http://www.gsaelibrary.gsa.gov/ElibMain/ElibHome>.

b. FAR 8.405-1 and 8.405-2 require contracting officers to consider the prices of, or send RFQs to, at least three FSS contractors (plus additional contractors if the order will exceed the maximum order threshold of the FSS contract). Contracting officers may not restrict acquisitions under the FSS program to specific socioeconomic categories, but if three or more VOSBs or SDVOSBs that can meet VA's needs are on FSS, contracting officers may consider the price lists of or send RFQs to those three or more VOSBs or SDVOSBs when selecting an FSS contractor for award (see FAR 8.405-5(b)). Other FSS contractors can not be excluded from consideration if they request a copy of the RFQ. The set-aside authority in FAR Part 19 does not apply to task or delivery orders under the FSS program. However, evaluation factors may be included in the FSS RFQs giving preference to VOSBs and SDVOSBs (see Attachment 2).

c. When making FSS acquisitions of \$2,500 or less, purchase cardholders must consider the socioeconomic status of the FSS contractors when selecting a firm with whom to place orders. VOSB and SDVOSB FSS contractors should be considered first when selecting an FSS contractor.

11. Standardization

Whenever possible, users groups should give priority consideration to products available from SDVOSBs. When planning standardization acquisitions, users groups and contracting officers shall consider using partial set-asides, when permitted, for SDVOSBs in cases where SDVOSBs might not be able to meet all of the Department's needs.

12. Standardization Items Available from SDVOSBs

When a contract for a standardized item is awarded to an SDVOSB, medical center and VISN contracting officers shall not add that item to the prime vendor contract being used by the facilities and shall not order that standardized item through the prime vendor unless the prime vendor contractor is also an SDVOSB. Instead, contracting officers shall place all orders for that particular standardized item directly with the SDVOSB contractor. This action is necessary to ensure that VA receives credit for acquisitions from SDVOSBs.

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13. Verifying Federal Procurement Data System-Next Generation (FPDS-NG) Data

Contracting officers must review FPDS-NG data to ensure that all applicable contract award information is submitted on a timely and accurate basis to FPDS-NG. Data on a contractor's socioeconomic status is extracted by FPDS-NG from CCR, so contracting officers or other staff must ensure, when preparing FPDS-NG reports, that the data extracted from and contained in CCR is accurate and correct. If a contractor states that it is an SDVOSB but its registration in CCR does not reflect that status, the contracting officer or other staff must contact the contractor and request that it update its CCR registration with the correct data. Awards that are not properly credited will not help VA meet its goals.

14. Purchase Card Data in IFCAP

Veterans Health Administration Handbook 1730.1 requires the use of the "detailed" process in the Integrated Funds Distribution, Control Point Activity, Accounting and Procurement (IFCAP) System when entering certain types of purchase card transactions. However, purchase cardholders are strongly encouraged to use the "detailed" process when entering all purchase card transactions and to work with acquisition staff to ensure that purchase card vendors are registered in CCR. All "detailed" purchase card actions will be automatically formatted and transmitted to FPDS-NG beginning late in FY 2006. However, data for any vendor who is not registered in CCR will reject at FPDS-NG. It is imperative that all acquisitions from VOSBs and SDVOSBs, regardless of dollar value and method of purchase or payment, be accounted for in VA's socioeconomic statistics. Purchase cardholders must make every effort to ensure all VOSB and SDVOSB reports are accepted so that VA's efforts to support VOSBs and SDVOSBs can be recognized.

15. Incentive Subcontracting Program

FAR 19.708(c) and 52.219-10 provide a means whereby contracting officers may include an incentive to promote increased subcontracting to socioeconomic small businesses in contracts awarded to large businesses and that require the submission of a subcontracting plan. Contracting officers are encouraged to use such incentives whenever possible and in accordance with the FAR.

EVALUATION FACTORS

1. The mission of the Department of Veterans Affairs (VA) is "To care for him who shall have borne the battle and for his widow and his orphan." These words, spoken by Abraham Lincoln, are the focus of VA's endeavors to serve our Nation's veterans and their families. Buying the goods and services necessary to operate the Department from veteran-owned (VO) and service-disabled veteran-owned (SDVO) small businesses is in direct support of this mission. In an effort to increase the amount of business that the Department does with VO and SDVO small businesses, contracting officers are encouraged to give preference to VO and SDVO small businesses. Contracting officers may include one or more of the evaluation factors similar to the following as part of the list of evaluation factors in Section M in negotiated non-commercial item solicitations or in paragraph (a) of FAR clause 52.212-2 in negotiated commercial item solicitations. The following evaluation factors may be listed in any order, but should not be valued higher than other evaluation factors in the solicitation.

a. Veteran-Owned Small Business and Service-Disabled Veteran-Owned Small Business Status

b. Proposed Use of Veteran-Owned and Service-Disabled Veteran-Owned Small Business Subcontractors

c. Adherence to Subcontracting Plan Requirements

2. If any of the respective evaluation factors above are included in a solicitation, a provision similar to the following should also be included in Section M of a negotiated non-commercial item solicitation or as an addendum to FAR clause 52.212-1, Instructions to Offerors—Commercial Items, in a negotiated commercial item solicitation.

VETERAN-OWNED SMALL BUSINESSES

a. In an effort to achieve socioeconomic small business goals, depending on the evaluation factors included in the solicitation, VA may evaluate offerors based on their veteran-owned or service-disabled veteran-owned status, their proposed use of veteran-owned or service-disabled veteran-owned small businesses as subcontractors, and their past performance on adherence to subcontracting plan requirements.

b. Firms qualifying as veteran-owned small businesses will receive partial credit, and firms qualifying as service-disabled veteran-owned small businesses

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will receive full credit for the Veteran-Owned Small Business and Service-Disabled Veteran-Owned Small Business Status evaluation factor.

c. Offerors proposing to use veteran-owned or service-disabled veteran-owned small businesses as subcontractors will receive more favorable consideration under the Proposed Use of Veteran-Owned and Service-Disabled Veteran-Owned Small Business Subcontractors evaluation factor.

d. Businesses that are other than small businesses that complied with the requirements of past small business subcontracting plans, as reflected in the responses to a Past Performance Questionnaire submitted to the offerors' Federal Government references, will receive more favorable consideration under the Adherence to Subcontracting Plan Requirements. Small businesses will receive full credit for this evaluation factor, since they are not required to submit small business subcontracting plans.

(End of Provision)

3. If one or more of the respective evaluation factors in Paragraph 1. above are included in a solicitation, a provision similar to the following should be included in Section L of a non-commercial item solicitation or as an addendum to paragraph (b) of FAR clause 52.212-1 in a commercial item solicitation.

VETERAN-OWNED SMALL BUSINESS EVALUATION FACTORS

a. VA recognizes the contributions of our Nation's veterans, and we strive to make contract awards to small businesses owned by veterans and service-disabled veterans. We also encourage prime contractors to form partnerships and/or to pursue subcontracting opportunities with veteran-owned and service-disabled veteran-owned small businesses. Depending on the evaluation factors included in the solicitation, VA may evaluate offerors based on their veteran-owned or service-disabled veteran-owned status, their proposed use of veteran-owned or service-disabled veteran-owned small businesses as subcontractors, and their past performance on adherence to small business subcontracting plan requirements.

b. To receive credit under the Veteran-Owned Small Business and Service-Disabled Veteran-Owned Small Business Status evaluation factor, an offeror must furnish a completed representation (Federal Acquisition Regulation clause 52.212-3 or 52.219-1) that shows that it qualifies as a veteran-owned or service-

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disabled veteran-owned small business or be registered in the Online Representations and Certification Application (ORCA) Web site (<http://orca.bpn.gov>) as a veteran-owned or service-disabled veteran-owned small business.

c. To receive credit under the Proposed Use of Veteran-Owned and Service-Disabled Veteran-Owned Small Business Subcontractors evaluation factor, offerors must state in their proposals the names of the veteran-owned and service-disabled veteran-owned small businesses with whom they intend to subcontract and the approximate dollar values of the proposed subcontracts. In addition, offerors must submit completed representations (Federal Acquisition Regulation clause 52.212-3 or 52.219-1) for the proposed subcontractors or the proposed subcontractors must be registered as veteran-owned or service-disabled veteran-owned small businesses in the Online Representations and Certification Application (ORCA) Web site (<http://orca.bpn.gov>). Offerors are encouraged to use the Veterans Information Pages (VIP), located on the Web at <http://www.vetbiz.gov>, and the Central Contractor Registration (CCR), located on the Web at <http://www.ccr.gov>, to locate veteran-owned and service-disabled veteran-owned small businesses.

d. To receive credit under the Adherence to Subcontracting Plan Requirements evaluation factor, offerors that are other than small businesses must submit one or more Federal Government references where the offerors were required to submit a small business subcontracting plan. Small businesses will receive full credit for this evaluation factor, since they are not required to submit small business subcontracting plans.

(End of Provision)

4. If the Adherence to Subcontracting Plan Requirements evaluation factor above is included in a solicitation, questions similar to the following should be included in a Past Performance Questionnaire submitted to or asked of each offeror's Federal Government references:

ADHERENCE TO SUBCONTRACTING PLAN REQUIREMENTS

Note: The following questions are not applicable to small business contractors.

a. If a subcontracting plan was required, did [*the offeror*] comply with all requirements of the subcontracting plan in conjunction with this contract? If not, please explain how the contractor failed to comply.

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b. Did [*the offeror*] meet each of its subcontracting goals for each contract period (i.e., base period and option periods)? If not, which goals were not met?

c. Did [*the offeror*] exceed any of its subcontracting goals for each contract period (i.e., base period and option periods)? If so, which goals were exceeded?

5. If one or more of the evaluation factors above are included in a solicitation, questions similar to the following, as applicable, should be included in the set of questions provided to the source selection evaluation team for use in evaluating offers:

a. Is the offeror a veteran-owned (partial credit) or service-disabled veteran-owned (full credit) small business?

b. Has the offeror proposed to use veteran-owned and service-disabled veteran-owned small business subcontractors (varying credit depending on the extent and dollar value of proposed subcontracts)?

c. If the offeror is other than a small business, did the offeror adhere to its subcontracting plans on past Federal Government contracts (Note: small businesses receive full credit for this item).