

**Agency Strategy to Implement Executive Order 13360
Department of Health and Human Services**

Designated Senior-level Official – Deputy Secretary, however, the Chief Acquisition Officer, Catherine Tyrell, will serve until the confirmation of a new HHS Dep. Sec.

Agency Strategy:

The Department of Health and Human Services has taken several steps to provide opportunities for service-disabled veteran businesses to significantly increase their contracting and subcontracting opportunities with HHS. On March 30, 2004 HHS held a Service-Disabled Veteran Owned Business Conference. We counseled over 175 people from approximately 135 different companies. The vendors were extremely pleased with the opportunity to meet HHS program and contracting officials, as well as, representatives from a dozen other Executive Agencies. This is but one example of providing contracting opportunities to SDVO Small Businesses. We continue to hold monthly vendor outreach sessions and encourage both program offices and contracting officers to include all small businesses in the business opportunities of the Department.

**Summary of Recommendations and Action Steps
Overview**

It is the policy of the United State of America to develop and strengthen opportunities in Federal contracting for service-disabled veteran owned businesses as well as other small businesses owned by members of underserved populations. In response to this need, on October 20, 2004, President Bush signed Executive Order 13360 to provide formal structure, training and reporting framework to assist agencies in increasing opportunities with SDVO Small Businesses.

In Fiscal Year (FY) 2004, the Department of Health and Human Services (HHS) spent over 7.4 billion dollars for commodities, equipment and services to carry out its mission as the United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. To further certain socioeconomic objectives of the Nation, HHS has targeted a percentage of its procurement budget for small businesses entitled to preferential treatment. As a result, HHS procurement dollars have gone to small and disadvantaged businesses, woman-owned small businesses, and small businesses located in economically depressed areas also called historically underutilized business zones. Like every Executive Agency, HHS' goal for SDVO Small Businesses is 3%. As seen in the charts below, HHS will be challenged to achieve its goals in the area of service-disabled veteran-owned small businesses.

	FY 2001	FY 2002	FY 2003	FY 2004
Small Businesses	31.7	28.13	30.08	30.40
Small Disadvantaged Businesses	5.74	5.61	8.19	8.88
Woman-Owned Small Businesses	5.46	5.18	4.73	7.08

HUBZone	0.61	1.26	1.1	1.86
8(a) Program	4.59	5.18	4.88	1.49
<i>Service-Disabled Veteran-Owned Small Business</i>	<i>.13</i>	<i>.23</i>	<i>.42</i>	<i>.29</i>

In an effort to improve on HHS' performance, the Office of Acquisition Management Policy and the Office of Small and Disadvantaged Business Utilization will establish an intra-agency task group made up of acquisition and program officials from each of our Operating Divisions (OPDIV) to study the buying practices of the Department to determine what obstacles are preventing HHS from achieving its SDVO small business goal of three percent. In addition, this task force will provide recommendations on how the agency might overcome the identified obstacles and achieve its small business goals, including SDVO small business goals in FY 2005, 2006 and beyond.

This action plan establishes the steps that will be taken in the Department to implement the Executive Order.

1. The Deputy Secretary will issue a memorandum to all buying activities within the Department informing them of the need to support and assist SDVO small businesses in accordance with Executive Order 13360. This memorandum will also encourage the use of these businesses to support the HHS mission.
2. The Procurement Executive and Director OSDBU will jointly request OPDIV's to recommend participants for the Intra-agency Task Group.
3. The development and implementation of this plan shall be an element in the performance contract of the designated agency senior official, and will flow down as appropriate throughout the Department.
4. The Intra-agency Task Group will examine the HHS Spend Analysis to identify those business categories where there are qualified SDVO Small Businesses and target appropriate opportunities.
5. The Director, OSDBU will identify the training needs of the organization.
6. In accordance with SBA's regulations, HHS will include subcontracting with SDVO small businesses as an evaluation factor in solicitations where there are qualified SDVO small businesses that can perform the services.
7. The Office of Small and Disadvantaged Business Utilization will continue to assist SDVO Small Businesses through its monthly vendor outreach sessions and information disseminated through the its web page on the world wide web.