

General Services Administration (GSA)  
Small Business Advisory Committee (SBAC)  
Subcommittee on Service-Disabled Veteran-Owned  
Small Businesses

GSA Building  
1800 F Street NW  
Room 6009  
Washington, DC

Meeting Minutes  
January 13, 2009  
1:00 PM

**Members Present:**

John Moliere, Chairman  
James Blanco  
Robert Might  
Arthur Salus  
Rick Weidman  
Chuck Forrest  
Tom Brown  
Tom Schultz  
Aaron Collmann, DFO  
Lucy Jenkins, DFO

**Others Present**

Michael Rigas, Associate Administrator, GSA OSBU  
William Webster, Senior-level official for E.O. 13360

The meeting was called to order at approximately 1:10 pm where Mr. William Webster, GSA's newly appointed Senior-level Official for Executive Order 13360 gave brief remarks, providing information about his background and his office.

Mr. Webster then proceeded to inform the Subcommittee that they would need to determine their role and how they will be benefiting GSA. Mr. Webster also explained that the fleet program's leasing initiatives work to keep as many contracting opportunities going to small businesses.

At this point, Mr. Webster turned things over to Mr. John Moliere, the Subcommittee's chairman. Mr. Moliere asked all the members to introduce themselves and provide a brief statement about each of their backgrounds.

Following the introductions of the Subcommittee members, Mr. Dan Ross of the GSA Office of General Counsel, proceeded to provide the Subcommittee members with their required annual ethics briefing.

Following the ethics briefing, Mike Rigas, Associate Administrator for the Office of Small Business Utilization joined the meeting and proceeded to welcome the Subcommittee briefly. As a part of the welcome, Mr. Rigas presented each of the Subcommittee members with the letters of appointment, appointing each of the members to the Subcommittee for a period of year, ending on December 31, 2009.

After the presentation of the letters, Mr. Moliere explained to Mr. Webster the expectations of the veteran community and the history of Webster's appointment as a part of Executive Order 13360. As a part of EO 13360, there is a requirement that there is an annual report required to SBA detailing the progress of the initiatives for the executive order. Mr. Moliere explained how the SDVOSBs are behind the progress of other socio-economic programs, such as 8(a) and HUBZone. Moliere expects that there will be two-way communication between the agency, Mr. Webster and the Subcommittee. Mr. Brown noted that Mr. Moliere will also be required to assist in corralling the veteran community who at times "tend to run amok" when discussing the issues. Mr. Weidman also mentioned that he and his organization will do the same, keeping the focus on the issues.

Mr. Salus asked for a briefing on the purpose of the Subcommittee from Mr. Moliere. To which Mr. Moliere responded that the 3% goal set by the Clinton Administration wasn't met. EO 13360 added teeth to the previously passed public laws. The most notable agency not currently meeting the 3% SDVOSB contracting goal is the Department of Defense, simply because that without DOD, there would be no service-disabled veterans. The big role of the Subcommittee is to chink the armor of DOD and level the playing field by advising GSA of how to improve the GSA program.

Mr. Moliere explained that there is a somewhat adversarial relationship between the SDVOSBs and contracting officers and government employees. The government people are frequently comfortable in their positions and are frequently risk adverse. They do not want to take the risks to give the SDVOSBs contracts and deal with the unknowns that can come with it.

Moliere continued saying that he would like to bring forward innovative concepts in contracting and other items such as access to funds to the full Small Business Advisory Committee. This could also include ways to make business work better for the veterans and how to get a GSA Schedule. This could even include the acceptance of credit cards for a small business that may not deal regularly with the credit cards. This would also include other areas, because of their general appeal to small businesses. The Subcommittee must think outside of the box to be useful. The Subcommittee was brought together bringing people together from different backgrounds and provide a wide variety of advice the GSA.

Mr. Rigas mentioned at this point that since he was leaving at the end of the week, his replacement will be Ms. Mary Parks, who has postponed retirement to serve at the Acting Associate Administrator for the Office of Small Business Utilization until a new political appointment is made. Ms. Parks was appointed

based on her knowledge of small business matters and her ability to keep the programs moving forward.

Mr. Moliere also asked that there be a working meeting held in the near future to get some work done once some housekeeping issues are completed.

Mr. Collmann noted that there are few remaining housekeeping issues to complete before moving on including travel information and that the Subcommittee must forward all of their recommendations to the full SBAC for consideration and then move on to the agency. He also reminded the Subcommittee that there are several requirements that must be met to hold meetings, including publication notices, open meeting requirements, and public accessibility to the meetings.

The recommendations should be directed to GSA as an agency, being reminded that these items can only be acted on by the agency. The agency is only able to act on recommendations that are related to GSA processes.

Mr. Brown pointed out that three years ago, there were only about 96 SDVOSBs on the GSA Schedules with about \$100 million in sales governmentwide. Currently there are 864 SDVOSBs on Schedule with nearly \$850 million in sales. That really shows the commitment that GSA has made to veterans. In FY 2008, GSA met the 3% contracting goal for the first time. When the Subcommittee has items that are actionable, GSA will be able to act on them.

Mr. Blanco asked if there is any form stating where the money is being spent. Mr. Brown replied that he is sure the information is available, but will need to find out where the information is housed. Most money spent by GSA is in the Public Buildings Service with requirements that aren't necessarily available for SDVOSBs'

At this point in the meeting, GSA Chief of Staff John Phelps came in to address the Subcommittee. Mr. Phelps spent a few minutes speaking with the Subcommittee and introduced himself to those present. He also thanked each of the Subcommittee members for serving and providing GSA with the candid advice needed to improve contracting opportunities and shape the progress of this initiative. This is one way that GSA could bring people together and make the group stick together and move beyond changes in the administration. Mr. Phelps greatest concern is the 3% goal and ensuring that GSA continues to meet this goal and keep it visible within the agency. He also asked the Subcommittee to keep GSA's feet to the fire and ensure that this initiative continues to go forward.

Mr. Moliere affirmed that he will ensure that the Subcommittee continues to go forward.

Mr. Phelps also affirmed that he will continue to work for the vets even after he leaves GSA and the Federal government.

Ms. Liz Ivey then joined the meeting and was introduced by Mr. Rigas as one of the OSBU staff members who will continue to serve at GSA and continue the mission.

Following Ms. Ivey's introduction, the Subcommittee moved on to the public comment portion of the meeting, before beginning any new business.

Mr. Bruce Donaldson of Intec, LLC provided the comments below.

*Good afternoon*

*I am Bruce Donaldson, president of InTec LLC, a Service Disabled Veteran Owned Small Business located in Vienna, Virginia. I started the business in 2005 and have been working primarily with the Intelligence Community ever since. I would like to thank the present Administration for working with and placing emphasis on the use of Veteran Owned Small Businesses. The 3% goal established in 1998 and emphasized by President Bush is good and would be better if more in the government and industry put more effort into it. There are some outstanding results, but there is much room for improvement. While the 3% is just a goal, when it gets written into a proposal as a small business plan, it should become more enforceable. Unfortunately many large corporations feel their efforts end in including SDVOs on the team and don't work with them to meet the goals during the life of the contract. There is little to no follow up to evaluate the performance of these small business plans. There needs to be better oversight and enforcement of the utilization of small businesses with penalties for not meeting small business plan goals.*

*Competition for contracts is fierce and large corporations have a lot more funding and more resources to develop a proposal for a contract so Set Asides are important for small businesses to compete. But their use needs to be reviewed;*

*I run an ongoing SDVO search in FEDBIZOPPS and 80% of the opportunities are for construction and cleaning. Very few are for professional services like engineering or IT. Service members are more highly educated than the general public and when they start businesses, many are in Information technology or intelligence or engineering fields. We need to emphasize to the Contracting Officers not to just steer manual labor contracts to SDVOs. Small Business advocates need to be more proactive in requesting SDVO sources sought.*

*Participation of large companies on SDVO Set Asides should also be reviewed. In many cases, it becomes a case of the tail wagging the dog. Mentorship is good, but when it limits the ability of SDVOs to grow because 50% of the manning for set aside contracts ends up back in the large corporations, it is not helping the community. These should be targeted for small company teaming by placing stricter limits on large company participation.*

*Finally, my primary customer base, the Intelligence Agencies should be brought into line with the rest of the Federal Government with respect to veteran owned utilization. This is an immense market which is very much restricted to SDVOs. Some Agencies like NSA and NGA make an effort with Small Business Advocates, but others have no support and explicitly ignore small business participation in procurement. They don't have offices to help, don't use set asides, and don't encourage large companies to team with and mentor smaller companies. The response that is always given when a question is asked about a proposal is that small businesses don't have the security clearances or the experience. Both of these are blatantly false. Many of us work in the field and we recruit from the same pool as the large corporations. The Intelligence Community is a natural customer for SDVOs. Many agencies participate in the Wounded Warrior programs so they realize the strengths and contributions we can bring individually. They need to understand as small businesses we bring innovation and flexibility, something that many of their large corporations no longer excel at. I realize that opening up these Agencies to better utilization of SDVOs is not your responsibility. However, the more we make it known that these Agencies which excel at supporting our front line troops and wounded warriors, don't support our SDVOs, the better chance that we can make changes.*

*Thank you for allowing me to speak this afternoon.*

Mr. Moliere thanked Mr. Donaldson for speaking to the Subcommittee and responded to him mentioning that his issues have been ongoing, but there are agencies that are making progress. The biggest problem occurs when a typical large business contractors has been doing the work, and then the agency decides to use a SDVOSB set-aside. The issue seems to be that the large incumbents simply want to use the SDVOSB as a pass-through, keeping the money going to the large business, not as intended by the agency. However, he also stated that once an SDVOSB has a reputation as being able to perform the work, the agency will frequently give the SDVOSB the opportunity to perform the work. One significant advantage of the SDVOSB, is that he/she can bring quick thinking and small business agility and flexibility to bear on the contract. The agencies are learning that once a company has a track record, they can count on the company.

Mr. Blanco asked what GSA can do for Mr. Donaldson. Donaldson replied that he isn't sure what GSA can do related to the intelligence agencies, but they can at least bring this issue forward into more of a public forum. Mr. Brown replied that if compliance with the contracts is an issue, then there should be more audits to ensure compliance. There was also discussion about the requirements of the subcontracting plans, but the plans are too nebulous to ensure complete compliance.

Mr. Blanco mentioned that under FAR 19, there is a 51% requirement for the SDVOSB to the work. The GSA Schedules may be different. There is no set

aside authority for the GSA Schedules program, but there is the ability for contracting officers to use SDVOSB status as a rating criteria, but there isn't very much enforcement of this requirement.

Mr. Blanco continued mentioning that the 51% requirement is being enforced very closely on the VETS GWAC, simply because GSA is reviewing every task order that comes in.

Mr. Weidman mentioned that this issue is ongoing and will probably come back to harm the SDVOSB program because the program is self certifying. His mentioning of the "rent-a-vet" issue could most likely be resolved by having a verification process of SDVOSB status through the Center for Veterans Enterprise within the Department of Veterans Affairs.

Mr. Moliere mentioned that Mr. Donaldson may want to bring his issues forward with another organization such as VET-Force, which Mr. Weidman is the chairman.

At this point, Mr. James Williams, Acting Administrator stopped in to thank the Subcommittee members for serving and to have the members introduce themselves to himself. The chairman also took this as an opportunity for a 5 minute break.

Following the brief recess, the chairman recognized Mr. Gary Hoffman of Hoffman Technologies a SDVOSB in California.

Mr. Hoffman owns an SDVOSB IT firm and has three GSA Schedule contracts. His contracts overall have been a good thing. He has lost awards to other businesses that claim to be SDVOSBs but are not. There is no way to really fight this problem. If you go to the contracting officer, they CO says the company is listed as such in CCR. You can then go to SBA, which will hear the issue in about 2 years. So, there really is no way to fight the problem. Mr. Hoffman wanted to applaud GSA for creating the Subcommittee and believes that GSA is leading the way with support to SDVOSBs.

Mr. Moliere asked a member of the public, Mr. Bruce St. John from the VA, to address the concerns of Mr. Hoffman. Unfortunately, according to Mr. St. John, the VA really has no power to address this problem. The only remedy at this point is to protest the award.

Mr. Moliere mentioned that he has protested numerous times, but has found that it is more effective to use Congress to help run an issue such as this to ground. However, this cannot be overused and not all members of Congress will necessarily be able to assist.

Mr. Weidman mentioned that at the VA, there is an issue of the delegation of authority for the GSA Schedules Contracting program. GSA has delegated the authority to the VA for the Medical Schedules. The issue here is that there are some individuals at VA who are not following the rules relating to the schedules contracting program. These people are saying that if you don't manufacture the

product, you can't be on the schedules. Many of the medical equipment suppliers only work through resellers or manufacturers reps. GSA has specifically included these reps in the GSA run schedules. The VA is saying that they are excluded from the VA run schedules program. This is an issue that is affecting SDVOSBs.

Mr. Moliere mentioned that this issue has been discussed by the full SBAC. Mr. Brown asked what it is that the Subcommittee is asking GSA to do. Mr. Moliere mentioned that this issue should be researched and discussed in more detail at the next meeting. Mr. Rigas mentioned that there has been an ongoing discussion between GSA and VA regarding this issue, to which Mr. Moliere requested further information on this issue.

Mr. Salus mentioned that he was the only SDVOSB that was not awarded a DOD travel contract, which following the debriefing, he was not awarded the contract because of a lack of past performance. He wants to know who can the SDVOSBs go to when this issue comes up. There is no source of redress for this issue when the SDVOSBs do not receive a response from an agency. Mr. Salus was testifying before Congress and was sitting next to Scott Denniston (Former VA OSDBU Director) and asked who was doing Denniston's travel. Denniston replied it was American Express. Salus continued saying "Here is a SDVOSB waving the flag for you and you are using a large business." Mr. Salus went to VA, pushed into the VA and started to open the doors. The frustration is not how to register; it is who do we talk to when there is an issue.

Mr. Weidman mentioned that the issue is not addressed at an individual, it is the insensitivity toward veterans at some of the agencies. There is no redress mechanism for SDVOSBs. There is no authority for enforcement of SDVOSB issues that is available government-wide. The pattern that is in practice is what is giving SDVOSBs the most problems. There are a few contracts set aside for the SDVOSBs, but the high margin contracts are the ones that are going to the large contractors.

Mr. Brown asked the other Subcommittee members what it is that they want from GSA as a redress point that is not protest related. This topic will be included as an agenda item in a future meeting. This could also be used as an example for other agencies, especially as it is hard to get return calls from contracting officers, both within and external from GSA.

The discussion then ranged to how to reach the decision makers in the agencies, to which Mr. Moliere pulled the discussion back to the topics that are relevant to GSA and the Subcommittee's mission.

Mr. Weidman wished to commend GSA for establishing the webinars for veterans and requested that GSA work to expand this program from just "How to get on Schedule" but to include what to do after you get a schedule. He also wants to know what it would take to expand the in person seminars that are held on a monthly basis.

Mr. Collmann responded to Mr. Weidman stating that GSA is working on expanding the webinar program. This is a work in progress, and hopefully things will continually improve in both frequency and quality. He also requested that the members provide their feedback on what can be improved for the SDVOSB program. GSA does have 11 regional offices plus Central Office. The contact information for these offices is published in the "Doing Business with GSA" guidebook available at [www.gsa.gov/sbu](http://www.gsa.gov/sbu).

Mr. Weidman again wanted to make sure that GSA recognizes that no other agency is really doing the webinars, especially to ensure that this commendation does not get lost in the shuffle. The agency is very appreciative of Mr. Weidman's comments and is working hard to bring the information to as many people as possible.

Mr. Moliere thanked all the members for attending and taking time out of their busy schedules and adjourned the meeting at approximately 3:55 pm.

**I hereby certify, to the best of my knowledge that the foregoing minutes of the GSA Service Disabled Veteran Owned Small Business subcommittee meeting held on January 13, 2009 are correct.**



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**John Moliere**  
Chairman