



**THE SECRETARY OF VETERANS AFFAIRS**

**WASHINGTON**

November 4, 2003

**MEMORANDUM FOR UNDER SECRETARIES, ASSISTANT SECRETARIES,  
OTHER KEY OFFICIALS, DEPUTY ASSISTANT SECRETARIES AND FIELD  
ACTIVITY DIRECTORS**

**SUBJECT: Department-wide Small Business Program Goals for FY 2004**

Small business is the engine that drives America's economy. The President has set forth a small business agenda that contains many important initiatives to assist and sustain small businesses in their contributions to a robust American economy.

It has long been the policy of the United States Government to use small businesses to the maximum practicable extent in satisfying its procurement requirements. The Department of Veterans Affairs (VA) has a proud tradition of supporting small business programs and must continue to do its part in this important area.

America's nearly 25 million small businesses represent 99 percent of all American businesses and they employ more than one-half of the U.S. workforce. Small businesses account for two-thirds of all new jobs created Nationwide and generate more than 50 percent of the Nation's Gross Domestic Product. Entrepreneurship has become the path to prosperity for many Americans, including service-disabled veterans, veterans, women and minorities.

I am keenly aware of the accomplishments and importance of small businesses to VA in providing optimum service to America's veterans. Many of today's innovations come from small information technology firms in the areas of health care, national defense and homeland security. Small business innovations have revolutionized the way America does business. As we continue to consolidate and streamline VA's acquisition operations, we must ensure that small business programs remain an important part of our business and acquisition strategies. This will require the concerted and cooperative effort of everyone involved in the acquisition process, including program officials and end users that identify and develop VA requirements and specifications.

Doing business with veteran-owned and service-disabled veteran-owned firms is another way we can further the Department's mission of providing benefits and opportunities to those who have so nobly served our Nation. VA should be a leader in goal achievement in these two categories. I urge all VA personnel to read the March 2003 report of the Veteran-Owned and Service-

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Disabled Veteran-Owned Small Business Task Force. This important report establishes 5 goals with 16 recommendations for improving VA's attainment of socioeconomic goals in the Service-Disabled Veteran-Owned and Veteran-Owned Small Business categories. In the report's preamble, I asked that you please think first of veteran-owned and service-disabled veteran-owned small business in every contracting and business decision you make, and I do so again here.

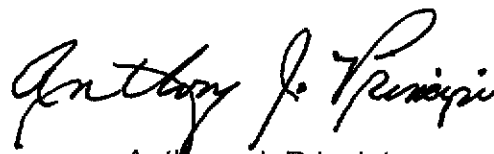
I have established the Department-wide Small Business Program Goals for Fiscal Year (FY) 2004 prime contract awards, as noted below. Achievement will be based upon total procurement dollars.

Small Business	35%
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In addition, specific goals based upon total procurement dollars have been established for the following categories of small businesses:

Small Disadvantaged Business	10%
Women-Owned Small Business	6%
Service-Disabled Veteran-Owned Small Business	3%
Historically Underutilized Business (HUB) Zone Small Business	3%
Veteran-Owned Small Business	7%

Every year since 1987, VA has recognized the socioeconomic accomplishments of its contracting activities for surpassing the Secretary's goals. I am proud to continue the Secretary's Socioeconomic Awards Program and challenge every VA facility and contracting activity to commit to becoming an award recipient for FY 2004.

  
Anthony J. Principi