



# Cultivating a Marketplace for Veteran Contractors

Department of Agriculture builds upon initial progress to reach for the 3 percent mandate.

by Michael Crawford



## Help Wanted:

**Agency:** U.S. Department of Agriculture

**Web site:** [www.usda.gov](http://www.usda.gov)

**Contact:** Linda Epstein

**Title:** SDVOB Program Manager

**Phone:** (202) 720-2212

**E-mail:** [linda.epstein@usda.gov](mailto:linda.epstein@usda.gov)

**Current Opportunities:** food commodity vendors, bonded construction and security project firms, non-IT related companies of various agency needs.

• The U.S. Department of Agriculture (USDA) is progressively trending upward, but is only one-third of the way toward the federally-mandated 3 percent SDVOB contracting requirement.

• USDA Office of Small and Disadvantaged Business Utilization (OSDBU) holds monthly vendor outreach programs to build relationships.

• USDA is currently seeking SDVOB food commodity vendors, firms with the bonding capacity for large construction and security guard projects, and non-IT firms to fulfill requirements.

It's been nearly three years since President George W. Bush issued Executive Order 13360 requiring federal agencies to provide 3 percent of contracting opportunities to service-disabled veteran-owned small businesses (SDVOBs). To date, less than a handful have been successful in achieving that

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annual goal. Most of the federal agencies are making slow, but consistent progress in attaining the mark.

The U.S. Department of Agriculture (USDA) fits in that category. In the 2005, the first year the order went into effect, USDA awarded \$26.8 million or 0.6 percent of its total outsourced contracting dollars to SDVOB and followed-up with 0.84 percent or \$34.4 million, representing a 28 percent increase over the initial year in 2005.

Jim House, director of the USDA Office of Small and Disadvantaged Business Utilization (OSDBU), says the USDA is still trying to steer the department towards increasing the number of SDVOB contractors.

"USDA is extremely committed to substantially increasing the number of veteran-owned and service disabled veteran-owned small businesses contracting with the department," House said. "We are indebted to those men and women who have selflessly served this Nation. American veterans are a priority. USDA is serious about providing opportunities to veteran-owned and service disabled veteran-owned small businesses."

The agencies progress is on track to break 1 percent this year, still only one-third of the way toward the coveted 3 percent benchmark. As of May 15, 2007, the USDA had awarded 1.06% of its total contract dollars with SDVOBs.

The USDA supervises the markets of food, agriculture, natural resources and related issues. The agency also supports further development of alternative markets for agricultural products and activities and provides

financing needed to help expand job opportunities and improve housing, utilities and infrastructure in rural America.

The USDA focuses on improving nutrition and health by providing food assistance and nutrition education and promotion. The agency procures approximately \$4 bil- >>>>



■ Jim House, director of the USDA Office of Small and Disadvantaged Business Utilization (OSDBU). *NaVOBA photo*

## House's Advice to VOBs:

- 1 Continue to market your company to the program/projects managers and small businesses representatives. Those simplified procurements contracts may lead to large procurement contracts down the road.
- 2 There may be many businesses competing for a requirement; just continue to pursue your objective.
- 3 Due to the diversity and dispersion of the agricultural programs, marketing to USDA can be complex. USDA recommends that businesses interested in selling their products and services review the "Doing Business with USDA" section of its homepage.



# USDA

**The U.S. Department of  
Agriculture Needs Qualified  
Veteran-Owned and Service-  
Disabled Veteran-Owned  
Small Business Vendors To Help  
Fulfill Its Diverse and Complex  
Missions:**

- Increasing the Competitiveness of American Agriculture
- Enhancing the Sustainability of Rural and Farm Economies
- Advancing Economic Opportunities and Quality of Life in Rural America
- Protecting the Nation's Agriculture and Food Supply
- Improving Nutrition and Health
- Safeguarding Natural Resources and the Environment

**What USDA Buys:**

- Subsistence/Agricultural Commodities
- Environmental Services
- Architectural and Engineering Services
- Construction Services and Real Property Management
- Information Technology Products and Services
- Professional, Administrative and Management Services
- Facilities Management Services
- Special Studies, Analyses and Training
- Other Supplies

For additional information, please call USDA's Office of Small and Disadvantaged Business Utilization at (202) 720-7117 or visit <http://www.usda.gov/osdbu>.



Agricultural Marketing Service • Animal and Plant Health Inspection Service • Departmental Administration  
Farm Service Agency • Food and Nutrition Service • Food Safety and Inspection Service  
Forest Service • Natural Resources Conservation Service • Rural Development

USDA is an equal opportunity provider and employer.  
2007

lion worth of products and services annually, approximately 60 percent of which is spent on food commodity purchases.

House knows a little about the challenges facing small businesses. From 1971-91, he worked as an entrepreneur and an economic development consultant as president of the Eckenberge Group, a professional services firm based in Bowie, Md., which provided marketing assistance services to small businesses, large federal prime contractors, state governments, and historically black colleges and universities. He is putting that experience to use as he tries to improve his agency's report card with VOBs.

To get the USDA on track with its goals, the House has a direct staff of 12 full-time employees who work with 15 small business specialists and an SBA procurement rep to increase outreach to all diverse firms, including veteran-owned concerns.

USDA is a large diverse organization, with 29 agencies and staff offices each with unique missions. Offices are located throughout the United States and its territories as well as in major embassies around the world. Despite the challenges faced by an organization of this size, USDA awards approximately 50 percent of its annual contracts to small businesses.

Strategies used by USDA to improve its performance include providing quarterly agency Small Business Contracting Program Goal Achievement scorecards reflecting agency progress in all small business categories, to agency heads and the sub-cabinet. Another tactic is convening vendor outreach sessions for SDVOBs during which SDVOBs meet in one-on-one sessions with contracting office representatives.

### Construction

The latter method proved successful for Ken Morrow, a Navy veteran (1966-1970). He



■ Ken Morrow, Owner of Tri-Systems Inc.

### Morrow's Advice

■ Morrow advises firms to never back out of a contract even if you lose money because the reputation of the contracting officer, who has placed his confidence in your ability to do the job, is at stake. If you back out and leave the "C.O." hanging, you'll find yourself at the bottom of the list.

is the owner of Tri-Systems Inc., in Clarkville, Arkansas. Earlier this year his business concluded a \$750,000 contract with USDA's Forestry Service to build benches, roads and swimming access to the lake at Cedar Lake in Oklahoma. Morrow describes Tri-Systems as a light construction company that supplies exclusively to federal and state governments.

The company has been particularly successful in the past two years constructing shower and bathroom facilities for government-run parks including those run by the Army Corps of Engineers. Morrow employs nine people and has garnered revenues of more than \$1.5 million the past two years.

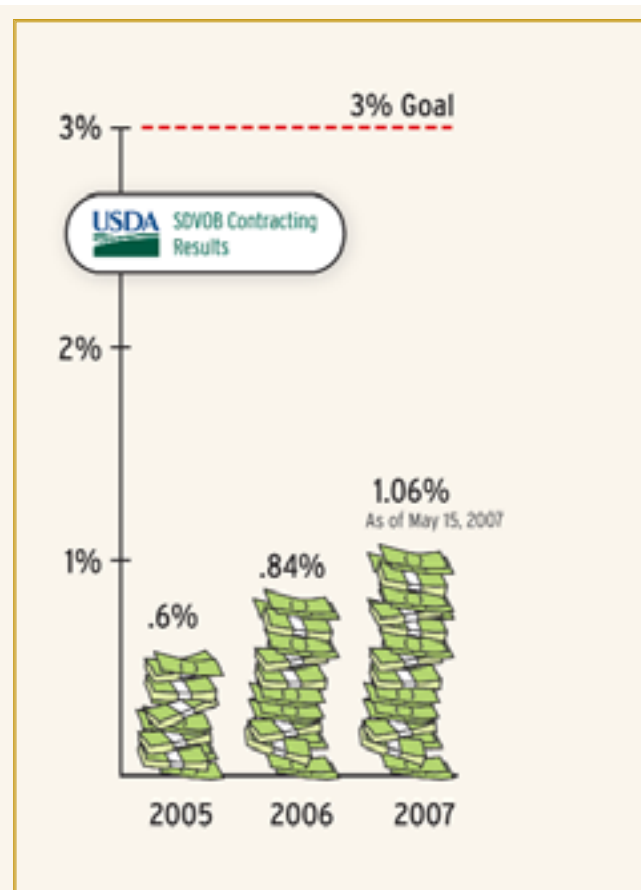
"You've got to make yourself visible to USDA. The number one thing I've heard in meetings with USDA is the ability to put a name and a face together," said Morrow, an SDVOB and Native American. "Once they put them together you are more apt to be called."

Tri-Systems was praised by the USDA Forest Service as one of its best contractors.

According to one USDA inspector, "Tri-Systems has the knowledge and competency to perform tasks as requested and actually completed those tasks assigned, according to specifications and with enthusiasm."

### Food Delivery

Another SDVOB that has been successful in contracting with the USDA. Capture, LLC, a food delivery contractor. Capture has been awarded contracts for the USDA Agricultural Marketing Service, Fruit and Vegetable Division and Commodity Procurement Division for fruits and vegetable products for the National School Lunch Program. CEO Robert H. Barrow, a former Marine lieutenant colonel, attributes Capture's success to "its efforts to develop relationships with various suppliers that are prepared to function as 'backup sup-



pliers,' enabling them to successfully fulfill requirements."

### IT Equipment

RTL Networks, Inc., a hardware delivery and installation contractor in the government and commercial sector from Glendale, Colo., oversaw the purchase and installation of information technology equipment for the USDA. The agency was so impressed with the company's performance that it awarded RTL Networks a second contract to provide telecommunication support services.

House's staff has been identifying and promoting contracting and subcontracting opportunities suitable for performance by SDVOBs and actively assisting these businesses in marketing to USDA. The USDA has set aside opportunities specifically for SDVOB and encourages prime contractors to subcontract with SDVOB.

The agency is presently faced with the challenge of finding businesses with the capabilities or bonding requirements to fulfill the requirements for some of the major requirements for the goods or services being procured, Billups said. Acquisition personnel continue to educate its customer base about the types of vendors to be considered for contract award and to diversify the range of source material used for market research. The USDA uses market research tools such as electronic catalogs, vendors' Web site and vendors' marketing material from conferences, workshops, but encourages vendor to attend one of its monthly outreach sessions to meet with actual buyers and begin to establish relationships that can lead to contracting success.

The USDA is also currently working to locate food commodity vendors, firms with the bonding capacity for large construction and security guard projects, and non-information technology firms to fulfill a variety of other requirements. Businesses may contact the USDA small business specialists or register to attend one of the USDA vendor outreach sessions. A list of small business specialists and the dates for the vendor outreach sessions are located at [www.usda.gov/osdbu](http://www.usda.gov/osdbu).

## State Procurement Web Sites

Alabama	<a href="http://purchase.alabamagov">http://purchase.alabamagov</a>
Alaska	<a href="http://www.state.ak.us/procurement/ADMIN/asp/procurement.asp">www.state.ak.us/procurement/ADMIN/asp/procurement.asp</a>
Arizona	<a href="http://www.state.arizona.gov">www.state.arizona.gov</a>
Arkansas	<a href="http://www.state.ar.gov">www.state.ar.gov</a>
California	<a href="http://www.purchase.ca.gov">www.purchase.ca.gov</a>
Colorado	<a href="http://www.purchase.state.co.us">www.purchase.state.co.us</a>
Connecticut	<a href="http://www.purchase.state.ct.us">www.purchase.state.ct.us</a>
Delaware	<a href="http://www.purchase.state.de.us">www.purchase.state.de.us</a>
Florida	<a href="http://www.purchase.state.fl.us">www.purchase.state.fl.us</a>
Georgia	<a href="http://www.purchase.state.ga.us">www.purchase.state.ga.us</a>
Hawaii	<a href="http://www.purchase.state.hi.us">www.purchase.state.hi.us</a>
Idaho	<a href="http://www.purchase.state.id.us">www.purchase.state.id.us</a>
Illinois	<a href="http://www.purchase.state.il.us">www.purchase.state.il.us</a>
Indiana	<a href="http://www.purchase.state.in.us">www.purchase.state.in.us</a>
Iowa	<a href="http://www.purchase.state.ia.us">www.purchase.state.ia.us</a>
Kansas	<a href="http://www.purchase.state.ks.us">www.purchase.state.ks.us</a>
Kentucky	<a href="http://www.purchase.state.ky.us">www.purchase.state.ky.us</a>
Louisiana	<a href="http://www.purchase.state.la.us">www.purchase.state.la.us</a>
Maine	<a href="http://www.purchase.state.me.us">www.purchase.state.me.us</a>
Maryland	<a href="http://www.purchase.state.md.us">www.purchase.state.md.us</a>
Massachusetts	<a href="http://www.purchase.state.ma.us">www.purchase.state.ma.us</a>
Michigan	<a href="http://www.purchase.state.mi.us">www.purchase.state.mi.us</a>
Minnesota	<a href="http://www.purchase.state.mn.us">www.purchase.state.mn.us</a>
Mississippi	<a href="http://www.purchase.state.ms.us">www.purchase.state.ms.us</a>
Missouri	<a href="http://www.purchase.state.mo.us">www.purchase.state.mo.us</a>
Montana	<a href="http://www.purchase.state.mt.us">www.purchase.state.mt.us</a>
Nebraska	<a href="http://www.purchase.state.ne.us">www.purchase.state.ne.us</a>
Nevada	<a href="http://www.purchase.state.nv.us">www.purchase.state.nv.us</a>
New Hampshire	<a href="http://www.purchase.state.nh.us">www.purchase.state.nh.us</a>
New Jersey	<a href="http://www.purchase.state.nj.us">www.purchase.state.nj.us</a>
New Mexico	<a href="http://www.purchase.state.nm.us">www.purchase.state.nm.us</a>
New York	<a href="http://www.purchase.state.ny.us">www.purchase.state.ny.us</a>
North Carolina	<a href="http://www.purchase.state.nc.us">www.purchase.state.nc.us</a>
North Dakota	<a href="http://www.purchase.state.nd.us">www.purchase.state.nd.us</a>
Ohio	<a href="http://www.purchase.state.oh.us">www.purchase.state.oh.us</a>
Oklahoma	<a href="http://www.purchase.state.ok.us">www.purchase.state.ok.us</a>
Oregon	<a href="http://www.purchase.state.or.us">www.purchase.state.or.us</a>
Pennsylvania	<a href="http://www.purchase.state.pa.us">www.purchase.state.pa.us</a>
Rhode Island	<a href="http://www.purchase.state.ri.us">www.purchase.state.ri.us</a>
South Carolina	<a href="http://www.purchase.state.sc.us">www.purchase.state.sc.us</a>
South Dakota	<a href="http://www.purchase.state.sd.us">www.purchase.state.sd.us</a>
Tennessee	<a href="http://www.purchase.state.tn.us">www.purchase.state.tn.us</a>
Texas	<a href="http://www.purchase.state.tx.us">www.purchase.state.tx.us</a>
Utah	<a href="http://www.purchase.state.ut.us">www.purchase.state.ut.us</a>
Vermont	<a href="http://www.purchase.state.vt.us">www.purchase.state.vt.us</a>
Virginia	<a href="http://www.purchase.state.va.us">www.purchase.state.va.us</a>
Washington	<a href="http://www.purchase.state.wa.us">www.purchase.state.wa.us</a>
West Virginia	<a href="http://www.purchase.state.wv.us">www.purchase.state.wv.us</a>
Wisconsin	<a href="http://www.purchase.state.wi.us">www.purchase.state.wi.us</a>
Wyoming	<a href="http://www.purchase.state.wy.us">www.purchase.state.wy.us</a>