



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

January 6, 2005

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

SUBJECT: Departmentwide Small Business Program Goals for FY 2005

The President has set forth an aggressive small business agenda that contains many important initiatives to assist and sustain small businesses in their contributions to a robust American economy.

America's nearly 25 million small businesses represent 99 percent of all American businesses and they employ more than 50 percent of the U.S. workforce. Small businesses account for 67 percent 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.

It has long been the policy of the Federal 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.

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 optimize 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 who identify and develop VA requirements and specifications.

VA's FY 2005 Forecast of Contracting Opportunities recently showed only 28 VA contracting activities forecasting a total of 61 acquisitions that will be set-aside for service-disabled veteran-owned small businesses. This is a disappointingly low number, and I ask each of you to review the forecasts of your respective contracting activities to identify additional contracting opportunities to set-aside for service-disabled veteran-owned small businesses and update the forecasts accordingly.

Departmentwide Small Business Program Goals for FY 2005

As the chief advocate for veterans at the Federal level, doing business with veteran-owned and service-disabled veteran-owned firms is a logical extension of VA's mission—spending our acquisition dollars with the very individuals we are charged with serving—and the reason for VA's very existence. I ask that you please think first of veteran-owned and service-disabled veteran-owned small businesses in every contracting and business decision you make.

I have established the Departmentwide Small Business Program Goals for FY 2005 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 my Socioeconomic Achievement Awards Program and challenge every VA facility and contracting activity to commit to becoming an award recipient for FY 2005.



Anthony J. Principi