



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON
May 11, 2006

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

SUBJECT: Department-wide Small Business Program Goals for FY 2006 and FY 2007

President George W. Bush and I recognize and respect the value of small business to our Government and way of life. The President has set forth an aggressive small business agenda that contains many important initiatives to assist and sustain small business in its contributions to a robust American economy. Under this Administration, the Department of Veterans Affairs (VA) is committed to supporting the growth and prosperity of small business. Make no mistake about it, small business is the great engine that drives America's economy. As the saying goes, *"The business of the American People is business."*

Small business represents 99 percent of all employers, employing more than half of the Nation's private sector workforce. Small business creates three of every four new jobs and generates the majority of American inventions and innovations. It also accounts for 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. Small business sustains VA's business—serving America's veterans and their families. Small business is our partner in providing the services and supplies that underwrite our network of care. Small business helps us fulfill our mission *"to care for him who shall have borne the battle, and his widow and his orphan."* When VA partners with small business, we serve not only veterans, but the community-at-large, and in a greater sense, the country-at-large. We become an agent for economic growth by contributing to local communities and position ourselves to create a more wide-reaching and effective VA.

Maximizing opportunities for veteran-owned and service-disabled veteran-owned small businesses is a priority and must continue in FYs 2006 and 2007. Doing business with these firms is a logical extension of VA's mission: spending our acquisition dollars with the very individuals we are charged with serving.

Department-wide Small Business Program Goals for FYs 2006 and 2007

As the chief advocate for veterans at the Federal level, veteran-owned and service-disabled veteran-owned small businesses look to VA to be the leader in these two important socioeconomic categories. Deputy Secretary Mansfield and I are committed to VA becoming the Federal leader in these categories.

Goals for this and next fiscal year are based on total procurement dollars spent and are shown below. I believe these goals are more realistic than the "stretch goals" proposed in recent years. They take into consideration the realities and competing interests faced by VA acquisition professionals, program managers and officials in carrying out our mission. By setting more realistic goals, we establish goals that are both meaningful and attainable, yet challenging as we work to serve our Nation's veterans:

Small Business	25%
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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 (includes Section 8(a))	9%
Women-Owned Small Business	5%
Service-Disabled Veteran-Owned Small Business	3%
Historically Underutilized Business (HUB) Zone Small Business	3.05%
Veteran-Owned Small Business	7%

Every Secretary of Veterans Affairs has recognized the socioeconomic accomplishments of its contracting activities for surpassing the Secretary's goals. I am proud to continue the Secretary's Socioeconomic Achievement Awards Program and challenge every VA contracting activity to commit to becoming an award recipient for their FY 2006 and 2007 accomplishments.



R. James Nicholson