



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

November 7, 2002

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

The United States Government's policy is 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.

Small business is the engine that drives America's economy. Approximately 25 million small businesses represent 99 percent of all businesses and they employ more than one-half of the U.S. workforce. Sixty-six percent of all new jobs nationwide are created by small businesses. Small businesses generate more than 50 percent of the Nation's Gross Domestic Product. Chances are, you have family members, friends or know people that work for small businesses, perhaps even at one time, you have worked for a small business. You can appreciate the importance of small businesses to their employees and communities.

I am keenly aware of the accomplishments and importance of small businesses to VA in providing optimum service to America's veterans. History is replete with the accomplishments of America's small businesses, from the "Higgins Boats" manufactured by Andrew Jackson Higgins during World War II, to the present day innovations of 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.

Ensuring small business programs remain an important part of VA's business and acquisition strategies may become more difficult as the Department consolidates and streamlines acquisition operations. 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.

Therefore, I am establishing the Department-wide Small Business Program Goals for Fiscal Year (FY) 2003 prime contract awards, as noted below. Achievement will be based upon total procurement dollars.

Service-Disabled Veteran-Owned Small Business	3%
Veteran-Owned Small Business	7%
Small Business	35%
Small Disadvantaged Business	10%
Women-Owned Small Business	6%
Historically Underutilized Business (HUB) Zone Small Business	3%

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Department-wide Small Business Program Goals for FY 2003

Achievements against the goals for Service-Disabled Veteran-Owned Small Business, Veteran-Owned Small Business, Small Disadvantaged Business, Women-Owned Small Business and HUBZone Small Business also count toward the Small Business Goal. Achievements may also be counted in multiple categories.

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 2003.



Anthony J. Principi