



THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

February 21, 2012

MEMORANDUM FOR UNDER SECRETARIES, ASSISTANT SECRETARIES, OTHER KEY OFFICIALS, DEPUTY ASSISTANT SECRETARIES, HEADS OF CONTRACTING ACTIVITY, AND FIELD DIRECTORS

SUBJECT: Fiscal Year (FY) 2012 and FY 2013 Department-wide Small Business Program Goals

The Department of Veterans Affairs (VA) continues to lead the Federal government in contracting with small businesses, especially service-disabled and other Veteran-owned small businesses. With the fourth largest procurement budget, amounting to over \$16 billion in FY 2010, VA out-paced every other civilian agency in contract dollars awarded to small businesses. I am grateful to you and to VA's acquisition professionals and program managers for recognizing the value small business brings in supplying our contracting requirements, and for once again earning an "A" on the Small Business Administration's 2010 Small Business Procurement Scorecard.

We must continue to build on that success, and do so in a challenging budget environment. Small businesses employ about half of America's workforce, and created 65% percent of net new jobs between 1993 and 2009. Small businesses are a vital part of our nation's economic recovery. Small business entrepreneurship provides a key option for Veterans seeking to re-integrate into our nation's domestic life after honorable military service. When VA spends its contracting dollars with small businesses, we not only purchase the goods and services we need to serve Veterans directly, we leverage that spending to support Veterans in America's competitive marketplace.

Accordingly, I am establishing VA's Department-wide small business goals for FY 2012 and FY 2013, as set forth below. These goals are based upon VA's total procurement dollars expended. I am also directing the Acting Chief Acquisition Officer (CAO) and the Executive Director, Small and Veteran Business Programs, in collaboration with the Heads of Contracting Activity (HCA), to lead a task force to develop comparable goals for the Administrations and Staff Offices with procurement authority.

Further, the task force will develop systems for monitoring and managing progress toward these goals. I expect the Acting CAO and the Executive Director to closely monitor VA's performance in this area, and I expect the HCAs to aggressively manage performance in contracting activities under their purview. I look forward to receiving the task force's recommendations. However, the need to focus our procurement efforts on meeting the FY 2012 goals begins immediately. The Executive Director will provide me with a detailed quarterly report, in addition to summary reports provided as part of the Monthly Performance Review process.

Fiscal Year (FY) 2012 and FY 2013 Department-wide Small Business Program Goals

Prime Contracting Goals

Small Business	34.0%
Veteran-Owned Small Business	12.0%
Service-Disabled Veteran-Owned Small Business	10.0%
Small Disadvantaged Businesses (including Section 8(a))	5.0%
Women-Owned Small Business	5.0%
Historically Underutilized Business Zone (HUBZone) Small Business	3.0%

Subcontracting Goals

Small Business	17.5%
Veteran-Owned Small Business	5.0%
Service-Disabled Veteran-Owned Small Business	3.0%
Small Disadvantaged Businesses (including Section 8(a))	5.0%
Women-Owned Small Business	5.0%
Historically Underutilized Business Zone (HUBZone) Small Business	3.0%

These are ambitious goals for VA. They are achievable only with our concerted efforts to provide opportunities for small businesses and add value to the mission of VA. I will continue to recognize outstanding small business achievements through the Secretary's Socioeconomic Achievement Awards Program. Thank you for your continued support of small businesses, Veteran entrepreneurs, and Veterans.

/s/

Eric K. Shinseki