

Department of Veterans Affairs

Memorandum

Date: February 11, 2005

From: Deputy Secretary

Subj: VA Implementation Plan under Executive Order 13360, Contracting with Service-Disabled Veterans' Businesses

To: Under Secretaries, Assistant Secretaries, and Other Key Officials

1. On October 20, 2004, President George W. Bush issued Executive Order (E.O.) 13360 to increase federal contracting and subcontracting for service-disabled veteran-owned businesses. Each agency head is required to develop a strategy to implement the requirements of E.O. 13360. Attached is VA's implementation plan, which was developed by VA's Office of Small and Disadvantaged Business Utilization (OSDBU).

2. As the senior-level official who is responsible for implementing VA's plan, I am establishing a task force, with OSDBU serving as chair, to assist me in effecting the requirements under this plan. Each of your offices shall appoint a representative to this task force. Please provide that individual's name and contact information to Ms. Deborah Van Dover, OSDBU Senior Procurement Analyst, no later than February 18, 2005.

3. You may refer questions to Ms. Van Dover at (202) 565-7795.

/s/Gordon H. Mansfield

Attachments

Executive Order 13360
Service-Disabled Veteran Executive Order
Implementation Outline

On October 20, 2004, President George W. Bush issued Executive Order (E.O.) 13360 to provide and strengthen prime and subcontracting opportunities in Federal contracting for service-disabled veteran-owned small businesses (SDVOSB) in Federal contracting and subcontracting. Each Federal Government Agency Head must develop a strategy to implement the E.O.'s policy and designate a senior-level agency official to develop and execute the strategy. The Deputy Secretary of Veterans Affairs has been designated by the Secretary as the official responsible for implementation of E.O. 13360. The development and implementation of this plan shall be included as a significant element in the performance plans of the Deputy Secretary, Assistant Secretary for Management, Deputy Assistant Secretary for Acquisition and Materiel Management, and the Director, Office of Small and Disadvantaged Business Utilization.

1. Reserving agency contracts exclusively for service-disabled veteran owned small businesses.

- (a) Encourage VA contracting officers to seek out SDVOSBs for award of standardization and prime vendor contracts and encourage user groups to give priority consideration to the products of SDVOSBs, and whenever possible, require Department of Veterans Affairs (VA) contracting officers to use partial set-asides, when permitted, or the award of partial requirements to SDVOSB in cases where SDVOSBs cannot meet all of the Department's needs;
- (b) Incorporate SDVOSB and veteran owned small business (VOSB) socioeconomic goals in performance plans of executives, managers, and any employees who influence or are involved in the acquisition process;
- (c) Require contracting officers to use SDVOSBs awarded standardization or Federal Supply Schedule (FSS) contracts placing orders directly with the SDVOSB contractors rather than the prime vendors (unless the prime vendor is also a SDVOSB);
- (d) Propose a change to the VA Acquisition Regulation (VAAR), allowing VA to apply the provisions of the Veterans Benefits Act of 2003, Public Law 108-183 (e.g., set-asides), to purchases under FSS contracts;
- (e) Explore development of a clause similar to a former FSS clause that permitted agencies to deviate from the requirement to purchase from the FSS or national contract source if VA can purchase the identical item (exact same brand, make, and model or product number), under comparable contract terms and conditions (e.g., F.O.B. (Free on Board) Destination) from a SDVOSB source at the same or lower price than the FSS or national contract price (or blanket purchase agreement price if lower than the FSS or national price);
- (f) Ensure the Head of the Contracting Activity (HCA) and the contracting officers include achievement of the annual goal of 3 percent of procurement dollars be spent with SDVOSBs by showing acquisitions targeted for SDVOSBs as SDVOSB set-asides in advance procurement plans and the Forecast of Contracting Opportunities (FCO).
- (g) Require written justification by the HCA for each acquisition not using SDVOSB set-aside or sole source authority when sources are available;

- (h) Require contracting officers to initiate a provisional entry into the Vendor Information Pages (VIP) whenever a SDVOSB is located and not yet entered into the database;
- (i) Provide subscriptions to the *Veterans Business Journal* to all members of VA's Senior Executive Service (SES);
- (j) Compare VIP database with the FCO to identify opportunities that can be conducted using SDVOSB set-aside and sole source authority;
- (k) Review VIP entries quarterly for possible matches with upcoming requirements;
- (l) Compare each VA Form 2268 (Procurement Request Review for the Small business Program and Contract Bundling) with the submitting facility's FCO to ensure accuracy;
- (m) Recognize outstanding contracting officers through VA's incentives awards program; and
- (n) Provide a briefing packet, describing veteran entrepreneurial programs from the VA Deputy Secretary to all members of VA's SES.

2. Encouraging and facilitating participation by service-disabled veteran businesses in competitions for award of agency contracts.

- (a) Require contracting officers to update/revise the FCO quarterly;
- (b) Require each VA contracting activity to host a SDVOSB/VOSB outreach event annually;
- (c) Require VA contracting activities to support requests from OSDDBU and VA's Center for Veterans Enterprise (CVE) to attend local outreach events sponsored by other organizations;
- (d) Ensure that contracting officers solicit at least one SDVOSB and one VOSB whenever an acquisition strategy is not SDVOSB set-aside or sole source;
- (e) Ensure VA contracting officers to consider SDVOSB FSS contractors first when using FSS contracts, as provided in Federal Acquisition Regulation (FAR) 8.405-5(b) (and see paragraph 1.(e) of this implementation strategy);
- (f) Require the use of Sources Sought notices extensively as a tool for acquisitions not reserved for SDVOSB set-aside or sole source;

- (g) Propose a change to the VAAR allowing VA Contracting officers to give preference to SDVOSB sources when making local micro-purchases (i.e., commercial source purchases from other than the higher priority sources as specified in FAR 8.002) using the purchase card;
- (h) Propose a change to the VAAR requiring VA contracting officers to:
 - (1) include provisions giving preference to offers received from VOSBs and additional preference to offers received from SDVOSBs;
 - (2) use past performance in meeting subcontracting goals relative to SDVOSBs as a non-price evaluation factor in selecting offers for award; and
 - (3) use the proposed inclusion of VOSBs or SDVOSBs as subcontractors as an evaluation factor when competitively negotiating contracts or task or delivery orders; and
- (i) Ensure SDVOSBs registered in VIP are provided messages of SDVOSB opportunities;

3. Encouraging agency contractors to subcontract with service-disabled veteran businesses and actively monitoring and evaluating agency contractors' efforts to do so.

- (a) Propose a change to the VAAR establishing a VA mentor/protégée program for VOSB/SDVOSB firms;
- (b) Encourage past performance of subcontracting accomplishments with VOSB/SDVOSB as a significant non-price evaluation factor in all Request for Proposals (RFPs) and propose a change to VAAR to mandate this;
- (c) Require suggested subcontracting goals in all major acquisitions;
- (d) Encourage use of subcontracting incentive fees whenever possible;
- (e) Propose a change to the VAAR requiring prime contractors awarded a contract based on their proposal to include on or more VOSBs or SDVOSBs as subcontractors and to replace any proposed VOSB or SDVOSB subcontractor that is not used for the specified subcontract with another VOSB or SDVOSB, whenever such a firm can provide equivalent value;
- (f) Encourage prime contractors to assist SDVOSB/VOSB in obtaining performance and payment bonds.

- (g) Review accuracy of prime contractor submissions in the Government-wide Electronic Subcontracting Reporting System (eSRS);
- (h) Participate with prime contractors in outreach events targeting VOSB/SDVOSBs; and
- (i) Establish and recognizing outstanding prime contractors in VA awards program.

4. Training agency personnel on applicable law and policies relating to participation of service-disabled veteran businesses in Federal contracting.

- (a) Update VA's Acquisition Training Program (ATP) level courses to include training on the requirements of Public Law 108-183 and E.O. 13360;
- (b) Establish an online course through VA's Office of Acquisition and Materiel Management (OA&MM) Center for Acquisition and Materiel Management Education Online (CAMEO) System for veteran entrepreneurial programs; and
- (c) Provide veteran entrepreneurial program training at all Chief Logistics Officers (CLO) conferences and at other gatherings of decision makers in the acquisition process.

5. Disseminating information to service-disabled veteran businesses that would assist these businesses in participating in awards of agency contracts.

- (a) HCAs shall ensure a protocol for VOSB/SDVOSB to obtain access to key officials and decision makers on acquisitions is developed for each contracting activity;
- (b) Provide SDVOSBs in VIP with email notification of all upcoming SDVOSB set-aside opportunities;
- (c) Develop newsletter for SDVOSBs on VA activities;
- (d) Meet with SDVOSB/VOSB trade associations on a frequent basis;
- (e) Develop list of major goods and services required by VA;
- (f) Link OSDBU/CVE websites to main VA Website;
- (g) Recognize outstanding VOSB/SDVOSB in VA awards program;

- (h) Conduct monthly conference calls with selected SDVOSB to discuss impediments and challenges to obtaining a contract with VA; and
- (i) Notify SDVOSBs, U.S. Small Business Administration (SBA) offices and Procurement Technical Assistance Centers (PTAC) of location of FCO.



U.S. General Services Administration

Executive Order 13360

SERVICE-DISABLED VETERANS

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to strengthen opportunities in Federal contracting for service-disabled veteran businesses, it is hereby ordered as follows:

Section 1. Policy. America honors the extraordinary service rendered to the United States by veterans with disabilities incurred or aggravated in the line of duty during active service with the armed forces. Heads of agencies shall provide the opportunity for service-disabled veteran businesses to significantly increase the Federal contracting and subcontracting of such businesses. To achieve that objective, agencies shall more effectively implement section 15(g) of the Small Business Act (15 U.S.C. 644(g)), which provides that the President must establish a goal of not less than 3 percent for participation by service-disabled veteran businesses in Federal contracting, and section 36 of that Act (15 U.S.C. 657f), which gives agency contracting officers the authority to reserve certain procurements for service-disabled veteran businesses.

Sec. 2. Duties of Agency Heads. To implement the policy set forth in section 1, heads of agencies shall:

- (a) develop a strategy to implement the policy set forth in section 1;
- (b) make the agency's strategy publicly available and report annually to the Administrator of the Small Business Administration on implementation of the agency's strategy;
- (c) designate a senior-level official who shall be responsible for developing and implementing the agency's strategy;
- (d) include development and implementation of the agency's strategy and achievements in furtherance of the strategy as significant elements in any performance plans of the agency's designated agency senior-level official, chief acquisition officer, and director of small and disadvantaged business utilization; and
- (e) include in the agency's strategy plans for:
 - (i) reserving agency contracts exclusively for service-disabled veteran businesses;
 - (ii) encouraging and facilitating participation by service-disabled veteran businesses in competitions for award of agency contracts;
 - (iii) encouraging agency contractors to subcontract with service-disabled veteran businesses and actively monitoring and evaluating agency contractors' efforts to do so;

(iv) training agency personnel on applicable law and policies relating to participation of service-disabled veteran businesses in Federal contracting; and

(v) disseminating information to service-disabled veteran businesses that would assist these businesses in participating in awards of agency contracts.

Sec. 3. Additional Duties of Administrator of the Small Business Administration. The Administrator of the Small Business Administration shall:

(a) designate an appropriate entity within the Small Business Administration that shall, in coordination with the Veterans Affairs' Center for Veterans Enterprise (CVE), provide to service-disabled veteran businesses information and assistance concerning participation in Federal contracting;

(b) advise and assist heads of agencies in their implementation of section 2 of this order; and

(c) make available to service-disabled veteran businesses training in Federal contracting law, procedures, and practices that would assist such businesses in participating in Federal contracting.

Sec. 4. Additional Duties of Administrator of General Services. The Administrator of General Services shall:

(a) establish a Government-wide Acquisition Contract reserved for participation by service-disabled veteran businesses; and

(b) assist service-disabled veteran businesses to be included in Federal Supply Schedules.

Sec. 5. Additional Duties of the Secretary of Defense. The Secretary of Defense shall direct the Defense Acquisition University (DAU) to develop training on contracting with service-disabled veteran businesses and make this training available on line through the DAU continuous learning program.

Sec. 6. Additional Duties of the Secretary of Veterans Affairs. The Secretary of Veterans Affairs shall assist agencies by making available services of the CVE and assist in verifying the accuracy of contractor registration databases with regard to service-disabled veteran businesses.

Sec. 7. Additional Duties of the Secretary of Labor and Secretary of Veterans Affairs. The Secretary of Labor and Secretary of Veterans Affairs shall, respectively, direct the Transition Assistance Program and the Disability Transition Assistance Program to educate separating service members as to the benefits available to service-disabled veteran businesses and as to potential entrepreneurial opportunities.

Sec. 8. Definitions. As used in this order:

(a) the term "agency" means an "executive agency" as that term is defined in section 105 of title 5, United States Code, excluding an executive agency that has fewer than 500 employees, the Government Accountability Office, or a Government corporation;

(b) the term "service-disabled" means, with respect to disability, that the disability was incurred or aggravated in the line of duty in the active service in the United States Armed Forces;

(c) the term "service-disabled veteran" means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16);

(d) the term "service-disabled veteran business" means a small business concern owned and controlled by service-disabled veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)); and

(e) the term "small business concern" has the meaning specified in section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and the definitions and standards issued under that section.

Sec. 9. General Provisions. (a) Heads of agencies shall carry out duties assigned by sections 3, 4, 5, 6, and 7 of this order to the extent consistent with applicable law and subject to the availability of appropriations.

(b) To the extent permitted by law, an agency shall disclose personally identifying information on service-disabled veterans to other agencies who require such information in order to discharge their responsibilities under this order.

(c) An agency that consists of a multi-member commission shall implement this order to the extent it determines appropriate to the accomplishment of the agency's mission.

(d) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities or entities, its officers, employees or agents, or any other person.

GEORGE W. BUSH
THE WHITE HOUSE,
October 20, 2004.