OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MAY 1 8 2007

DPAP/CPIC

MEMORANDUM FOR DIRECTORS, DEFENSE AGENCIES
DEPUTY ASSISTANT SECRETARY OF THE ARMY (POLICY AND PROCUREMENT), ASA(ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION MANAGEMENT), ASN(RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING), SAF/AQC
DIRECTOR, ADMINISTRATION AND MANAGEMENT

SUBJECT: Service-Disabled Veteran-Owned Small Business Procurement Program

We need to improve the Department of Defense's (DoD) business opportunities for Service-Disabled Veteran-Owned Small Business (SDVOSB) concerns. While the Department has made tremendous progress in increasing SDVOSB prime contract awards from $1.1 billion in FY05 to $1.5 billion in FY06, we remain significantly short of our $9 billion dollar goal (3%). A considerable amount of work needs to be accomplished if we are to achieve our goal. The following paragraphs discuss actions taken and tools available to the acquisition workforce.

The Under Secretary of Defense for Acquisition, Technology and Logistics signed the attached memorandum on April 12, 2007, encouraging the use of the Veterans Technology Services (VETS) Government-Wide Acquisition Contract (GWAC). The VETS GWAC is a small business set-aside contract for SDVOSBs and comprises of 44 information technology companies. I encourage the acquisition workforce to use the VETS GWAC, http://www.gsa.gov/vetsgwac, when appropriate. As a reminder, the Department's policy on "Proper Use of Non-DoD Contracts," is applicable when using the VETS GWAC contract vehicle. This policy is located on the Defense Procurement and Acquisition Policy website at http://www.acq.osd.mil/dpap/specificpolicy/index.htm.

The SDVOSB Procurement Program, authorized by 15 U.S.C. 657f, is implemented in the Federal Acquisition Regulation (FAR) Subpart 19.14. It allows contracting officers to set-aside acquisitions exceeding the micro-purchase threshold for competition restricted to SDVOSB concerns if there is a reasonable expectation that offers will be received from two or more SDVOSB concerns, and award will be made at a fair market price. FAR subpart 19.1406 implements the authorities that allows

contracting officers to make a sole source award to a SDVOSB concern. Contracting officers should be reminded of their market research responsibilities to ascertain the availability and capability of SDVOSBs, and to seek advice from the Component small business specialist. A useful resource for obtaining SDVOSB vendor information is located on the U.S. Department of Veterans Affairs Center for Veterans Enterprise homepage at http://www.vetbiz.gov/.

The DoD Office of Small Business Programs (OSBP) is responsible for implementation of Executive Order 13360, "Providing Opportunities for Service-Disabled Veteran Businesses to Increase their Federal Contracting and Subcontracting." The Executive Order and the updated DoD SDVOSB strategic plan are located at http://www.acq.osd.mil/osbp/programs/veterans/index.htm. The DoD OSBP has been proactive in advising SDVOSB firms to register in the Central Contractor Registration (CCR). The number of firms registered has increased from 2,175 in FY03 to more than 12,000 in FY06. The Defense Acquisition University (DAU) has developed a one hour SDVOSB training module (CLC009). It is available at http://www.dau.mil. The DAU and Veterans Corporation websites, http://www.veteranscorp.org/, have eight one-hour training sessions recorded at the "Veterans Doing Business with DoD" conference hosted by DoD in December 2006. The number of SDVOSB protégés has increased from three to nineteen participating in active DoD Mentor-Protégé agreements.

We need to dedicate efforts toward promoting increased business opportunities for those warfighters who have sacrificed in service to our Nation. By increasing business opportunities for SDVOSB concerns, not only will we demonstrate improvement towards meeting our goals, we will also be giving something back to the service disabled veterans by creating opportunities for them to provide goods and services in support of the DoD mission.

My staff point of contact for service-disabled veteran-owned small business policy is Ms. Susan Pollack, (703) 697-8336 or susan.pollack@osd.mil.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

APR 12 2007

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS AND MATERIAL READINESS)
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ATSD NUCLEAR AND CHEMICAL AND BIOLOGICAL DEFENSE PROGRAMS
DIRECTORS OF THE DEFENSE AGENCIES
DEPUTY UNDER SECRETARY OF DEFENSE, INSTALLATIONS AND ENVIRONMENT
DEPUTY UNDER SECRETARY OF DEFENSE, INDUSTRIAL POLICY
DEPUTY UNDER SECRETARY OF DEFENSE, INTERNATIONAL TECHNOLOGY SECURITY
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: General Services Administration (GSA) Government-Wide Acquisition Contract (GWAC) for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) in Information Technology

The GSA approved 43 Teams of SDVOSBs on February 2 to participate in federal information technology acquisitions through a GWAC. The GSA Administrator has requested a statement of the DoD-level participation in this GWAC, and we have replied by letter. To the extent that any of the SDVOSB Teams listed by GSA meets the requirements of a DoD buying activity, I encourage you to accord these SDVOSB Teams the maximum practicable opportunity to participate. For information on participation, training, and the list of 43 SDVOSB teams and points of contact, visit www.gsa.gov/sbu.

I urge the acquisition community and major commands to use this GSA contract vehicle to meet the 3 percent procurement goal established by Congress and incorporated into the DoD Service-disabled Veteran-owned Small Business Strategic Plan, which is posted at www.acq.osd.mil/osbp/programs/veterans. The Department has made contract awards to firms owned by service-disabled veterans who have served in World War II, the Korean War, the Vietnam War, the Gulf wars, Operation ENDURING FREEDOM and IRAQI FREEDOM. While we have made progress toward meeting the goal, we still have a long way to go. We must pursue this goal with vigor.

Many more disabled veterans will return from the campaigns in Iraq and Afghanistan and will seek to participate in DoD procurements, including GWACs, such as this one. By contracting with these teams of businesses owned by service-disabled veterans, we acknowledge their service as Warfighters and appreciate their acumen as entrepreneurs and vendors to the Department.

Sincerely,

Kenneth J. Krieg