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**Veteran Owned Small Business  
Contracting Programs**  
U.S. Small Business Administration  
Office of Government Contracting & Business Development

June 2012

Slide 1 Veteran Owned Small Business  
Contracting Programs  
Primer On:  
Service Disabled Veteran Owned small Business Program  
Veterans First Program

Narrative

This is about helping veteran owned small businesses benefit from federal contract markets. Welcome to SBA's primer on contracting programs that support veteran owned and service disabled, veteran owned small businesses.

Slide 2 Introduction

- Overview of key contracting programs that support veteran owned small businesses
- Describes, explains and outlines differences between:
  - Service Disabled Veteran Owned Small Business Procurement Program
  - Veterans First Contracting Program
- Clarifies when self-certification is acceptable and when verification through the VA is required

Narrative

This training module provides an overview of the key contracting programs that support veteran owned small businesses. Specifically, it describes, explains and outlines the differences between the Service Disabled Veteran Owned Small Business Procurement Program and the Veterans First Contracting Program.

The module also provides clarity regarding when self-representation of veteran status is acceptable and when verification of veteran status is required through the VA's Veteran Information Pages or VIP database.

Slide 3 Veteran Owned Small Business

- Veteran owned firms represent a unique and important force within the American economy
- Veterans own approximately 2.5 million small businesses or 9% of all small firms in the U.S.
- Special programs created by Congress to support service disabled and veteran owned small firms in federal contract markets

Narrative

But first, a statement about our veteran entrepreneurs.

Veteran owned firms represent a unique force within the American economy. Veterans own approximately 2.5 million small businesses or 9 percent of all small firms in the U.S. In addition, some 200,000 veteran owned firms are owned by service-connected disabled veterans.

Historically, about one in six veterans choose self-employment as their vocation. This is a significant percentage.

Veteran entrepreneurs are an incredibly important dimension in America and within the U.S. economy. This is why special programs have been created by Congress to assist veteran owned and service disabled veteran owned small businesses to benefit from federal contracts.

#### Slide 4 Key Legislative Guidance

- **Veteran Entrepreneurship and Small Business Development Act of 1999 (PL 105-50)**
  - Established annual 3% government-wide prime and subcontracting goals for SDVOSB
- **Veterans Benefits Act of 2003 (PL 108-183)**
  - Created SDVOSB Procurement Program allowing restricted competition with sole source and set-asides for SDVOSBs
- **Veterans Benefits, Health Care and Information Technology Act of 2006 (PL 109-461)**
  - Created the *Veterans First Contracting Program* – applying only to VA acquisitions – establishes contracting goals, gives the VA sole-source contracting authority and permits restricted competition for SDVOSBs and VOSBs

#### Narrative

Key legislation established important programs and initiatives to aid veterans in federal contract markets.

First, in 1999, the Veteran Entrepreneurship and Small Business Development Act established an annual government-wide procurement goal of 3 percent for service disabled veteran owned small businesses. This goal stipulates that not less than 3 percent of the total annual value of all prime and subcontract awards should be awarded to small business concerns owned and controlled by service disabled veterans.

In 2003, the Veterans Benefits Act established a procurement program specifically for service disabled veteran owned small business concerns. This national program, administered by the SBA is designed to help agencies to meet the 3 percent procurement goal, by allowing contracting officers to restrict competition to service disabled veteran owned small businesses and to award sole-source and set-aside contracts, where certain criteria are met.

In 2006, the Veterans Benefits, Health Care and Information Technology Act created the Veterans First Contracting Program. This program applies only to acquisitions made by the Department of Veterans Affairs, an important distinction. The Veterans First Program gives the

VA sole-source contracting authority and permits restricted competition for both service disabled veteran owned small businesses and veteran owned small businesses. Importantly, the program applies not only to serviced disabled veteran owned small businesses, but to veteran owned small businesses, as well.

The programs highlighted here and their differences are discussed in the following sections.

#### Slide 5 Contracting Programs

##### Narrative

Contracting programs. This section is in two parts and describes the Service Disabled Veteran Owned Small Business Procurement Program and the Veterans First Contracting Program.

#### Slide 6 Part 1 Service Disabled Veteran Owned Small Business Procurement Program

##### Narrative

Part 1 --- Service Disabled Veteran Owned Small Business Procurement Program.

#### Slide 7 SDVOSB Procurement Program

- Helps agencies and contracting officers to achieve 3 percent government-wide procurement goal for SDVOSBs
  - Set-asides
  - Sole source awards
  - Unique SDVOSB eligibility
  - Self-certification of SDVOSB status
  - FAR Part 19.14

##### Narrative

The Service Disabled Veteran Owned Small Business Procurement Program, more commonly referred to as SDVOSB, helps contracting officers and agencies to meet the 3 percent government-wide procurement goal for service disabled veteran owned small businesses. It is a program designed to help service disabled veteran owned firms to win federal contracts.

The program provides procuring agencies with authority to set acquisitions aside for exclusive competition among service disabled veteran owned small businesses, as well as the authority to make sole-source awards to service disabled veteran owned firms, if certain conditions are met.

Eligibility for this program is unique only to service disabled veteran owned small firms. In addition, service disabled veteran status is self-conveyed to the contracting officer without verification of veterans status from the VA or a third-party entity.

#### Slide 8 Set-Asides

- Contracting officer may set-aside an award for a SDVOSB
  - Reasonable expectation that two or more responsible SDVOSBs will submit offers
  - Award can be made at a fair market price.

- FAR Part 19.1405

#### Narrative

Under the SDVOSB program, a contracting officer may set-aside a procurement for a service disabled veteran owned small business if there is a reasonable expectation that two or more responsible SDVOSBs will submit offers, and, if the award can be made at a fair market price.

#### Slide 9 Sole Source Awards

- Sole source awards can be made to SDVOSBs
  - If only one SDVOSB can satisfy requirements
  - Limitations on award amounts
    - \$6 million for manufacturing
    - \$3.5 million for all other procurements
  - Firm is responsible
  - Award can be made at a fair and reasonable price
  - FAR Part 19.1406

#### Narrative

Also under the program, a contracting officer may award contracts to service disabled veteran owned small businesses on a sole source basis.

However, such awards can only be made if, only one SDVOSB can satisfy the requirement; the anticipated contract award price is less than \$6 million for manufacturing requirements or \$3.5 million for all other procurements; the firm is a responsible business; and, the award can be made at a fair and reasonable price.

#### Slide 10 Some Exclusions

- Exclusions to the SDVOSB program
- Requirements can be satisfied through:
  - Federal Prisons Industries, Inc. (FAR Subpart 8.6)
  - Participating non-profit agencies for the blind (FAR Subpart 8.7)
  - Orders under indefinite delivery contracts (FAR Subpart 16.5)
  - Orders against Federal Supply Schedules (FAR Subpart 8.4)
  - Requirements currently being performed by an 8(a) participant or requirements SBA has accepted for performance under 8(a) authority
  - FAR Part 19.1404

#### Narrative

There are some exclusions. A contracting officer may not use the SDVOSB program if the needed requirements can be satisfied through Federal Prison Industries, Inc., or through participating non-profit agencies for the blind.

In addition, the SDVOSB program may not be used if the requirements can be satisfied through orders under indefinite delivery contracts or through orders against Federal Supply Schedules. However, with regards to IDIQ or Federal Supply Schedule exclusions, a contracting officer may still conduct a set-aside. This is a bit confusing, but a contracting officer has discretion here.

Further, the program is excluded if the requirements that are currently being performed by an 8(a) firm or the requirements that have already been accepted by the SBA for performance under the 8(a) program, must first be released from the 8(a) program before they can be set-aside for the SDVOSB program. Please review the noted FAR references for additional clarity regarding exclusions.

#### Slide 11 Eligibility

- Eligibility for the SDVOSB program requires
  - Service disabled veteran must have a service-connected disability that has been determined by the VA or DoD
  - SDVOSB must be “small” under the NAICS code assigned to the procurement
  - SDV must own at least 51% of the SDVOSB
  - SDV must hold the highest office and control the management and daily operations of the SDVOSB
  - FAR Part 19.1403

#### Narrative

Eligibility requirements for participation in the SDVOSB program are unique to firms owned by service disabled veterans:

- the service disabled veteran must have a service-connected disability that has been determined by the VA or DoD;
- the SDVOSB must be “small” under the NAICS code assigned to the procurement;
- the service disabled veteran must own at least 51% of the SDVOSB; and,
- the service disabled veteran must hold the highest office and control the management and daily operations of the SDVOSB.

#### Slide 12 Self Certification – Important Clarification

- SDVOSB program -- bidding firm is responsible for self-certifying or representing to the contracting officer that it is a service disabled veteran owned small business concern
- Self-certification can be achieved through SAM
- Different from Veterans First Contracting Program which requires verification of veteran status and placement in VetBiz database
- Agencies cannot require certification by the VA
- FAR Part 19.307
- 13 CFR 125.8

#### Narrative

Under the SDVOSB program, the bidding firm is responsible for self-certifying or representing to the contracting officer that it is a service disabled veteran owned small business concern. A firm can do this by simply self-certifying through the government’s System for Award Management (SAM) – by declaring that it meets the definition of a service disabled veteran owned small business.

This is an important distinction from the Veterans First Contracting Program, which applies only to VA acquisitions and requires verification of veteran status through the VA in its Vendor

Information Pages or VetBiz database. Agencies, other than VA, cannot require certification by the VA or placement in the VetBiz database. The Veterans First Contracting Program is discussed in the following section.

Guidance for self certification, under the SDVOSB procurement program is contained in 13 CFR Part 125.8 and FAR Subpart 19.307.

#### Slide 13 Part 2 Veterans First Contracting Program

Narrative

Part 2, Veterans First Contracting Program.

#### Slide 14 Veterans First Contracting Program

- Public Law 109-461 created the Veterans First Contracting Program
  - Applies only to VA acquisitions
  - Provides sole-source authority to the VA and permits restricted set-asides to both SDVOSBs and VOSBs
  - Establishes contracting goals unique to the VA
    - 7% for veteran owned businesses
    - 10% for service disabled veteran owned businesses
  - Requires veteran status to be verified by the VA
  - P.L. 109-461
  - 48 CFR Part 808

Narrative

Public Law 109-461 created the Veterans First Contracting Program, better known as the Vets First Program.

This program applies only to acquisitions made by the Department of Veterans Affairs. The 2006 law gives the VA sole-source contracting authority and permits restricted competition or set-asides for both service disabled veteran owned small businesses and veteran owned small businesses. It also establishes contracting goals unique to the Department of Veterans Affairs. The goals are 10% for veteran owned businesses and 7% for service disabled veteran owned businesses.

In addition, a key element of this program, making it very different from the SDVOSB procurement program, is that - veterans status - can not be self represented. Rather, status as a service disabled veteran owned small business or a veteran owned small business must be verified through the VA, by registering in the VA's Vendor Information Pages or VIP database. The program is also unique in that it only applies to purchases made by the Department of Veterans Affairs.

By-the-way, the VA spends over \$3 billion with eligible veteran owned small businesses each year. That's a lot of opportunity.

#### Slide 15 Verification Assistance Program (VAP)

- Verification Assistance Program is intended to assist veterans with the verification process
- Verification is the process by which a veteran is evaluated by the VA and determined eligible to be listed in the VIP or VetBiz database
- Visit [VA's VAP website](#) for information about:
  - Guide for applicants
  - Counseling programs
  - Center for Veterans Enterprise (CVE)
  - And more...

Narrative

The VA developed the verification assistance program to help veterans understand the verification policy and process.

As was previously mentioned, under the Veterans First Program, contract set-asides are available for veteran owned small businesses and service disabled small businesses.

However, an applicant or contract bidder's veteran status must be verified to qualify. Verification is the process by which a veteran is evaluated and determined eligible to be listed in the Vendor Information Pages (VIP) database. This repository of verified veteran owned firms is also sometimes referred to as the VetBiz database.

The Center for Veterans Enterprise is the office within VA that manages the verification process and verifies VOSBs and SDVOSBs for inclusion in the VIP or VetBiz database.

Slide 16 Summary

	SDVOSBs	VOSBs	Applies to All Agencies	Applies to Only VA	Self-Certification	VA Verification Required
<b>SDVOSB Program</b>	Yes	No	Yes	No	Yes	No
<b>Vets First Program</b>	Yes	Yes	No	Yes	No	Yes

Narrative

The Service Disabled Veteran Owned Small Business Procurement Program and the Veterans First Contracting Program are both very helpful contracting initiatives for veteran entrepreneurs. They are similar, but very different.

It is important to understand the features and differences of each.

## Slide 17 Key Resources

Narrative

Key resources.

## Slide 18 Resources and Tools

- Veterans Business Outreach Centers
  - <http://www.sba.gov/content/veterans-business-outreach-centers-0>
- Entrepreneurship Boot Camp for Veterans with Disabilities
  - <http://whitman.syr.edu/ebv/>
- Federal Acquisition Regulations
  - <https://www.acquisition.gov/far>
- Acquisition Central
  - <https://www.acquisition.gov/>
- FAR Part 19 – Small Business Programs
  - <http://www.acquisition.gov/far>
- System for Award Management (SAM)
  - [www.sam.gov](http://www.sam.gov)

Narrative

Numerous resources are available to assist individuals who are interested in learning more about and participating in veteran owned small business contracting programs.

## Slide 19 Resources and Tools

- SBA – Office of Veterans Business Development
  - <http://www.sba.gov/about-offices-content/1/2985>
- Federal Business Opportunities
  - <http://www.fbo.gov>
- SBA-Government Contracting
  - <http://www.sba.gov/aboutsba/sbaprograms/gc/index.html>
- VA Vendor Information Pages (VIP)
  - <http://www.vetbiz.gov/>
- VA Verification Assistance Program
  - <http://www.va.gov/osdbu/veteran/vap.asp>
- Code of Federal Regulations (13CFR) (48 CFR)
  - <http://www.gpoaccess.gov/cfr/index.html>

Narrative

Discover what is available and learn from the wisdom of others.

## Slide 20 Resources and Tools

- Learn more about:
  - [SBA Size Standards](http://www.sba.gov/category/navigation-structure/contracting/contracting-officials/eligibility-size-standards) - <http://www.sba.gov/category/navigation-structure/contracting/contracting-officials/eligibility-size-standards>



- [8\(a\) Business Development Program](http://www.sba.gov/content/8a-business-development-0) - http://www.sba.gov/content/8a-business-development-0
- [WOSB Program](http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses) - http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses
- [HUB Zone Program](http://www.sba.gov/content/hubzone-0) - http://www.sba.gov/content/hubzone-0
- Local (client) resources:
  - [SBA district office](http://www.sba.gov/localresources/index.html) - http://www.sba.gov/localresources/index.html
  - [Procurement Technical Assistance Center \(PTAC\)](http://www.aptac-us.org/new/Govt_Contracting/find.php) - http://www.aptac-us.org/new/Govt\_Contracting/find.php
  - [Government Contracting Classroom](http://www.sba.gov/gcclassroom) (free online courses) – http://www.sba.gov/gcclassroom
  - [SCORE chapter](http://www.score.org) – http://www.score.org
  - [Small Business Development Center](http://www.asbdc-us.org/) - http://www.asbdc-us.org/
    - [SBA/SBDC Program Office](http://www.sba.gov/content/small-business-development-centers-sbdcs) - http://www.sba.gov/content/small-business-development-centers-sbdcs

Narrative

Use these resources to become better informed and improve your chances of being a successful participant in federal contracting markets.

Slide 21 Contact Us...

- Thank you for taking the time to learn about contracting programs for veteran owned small businesses
- Please contact us with any questions you may have

**U.S. Small Business Administration**

**Office of Government Contracting and Business Development**

800 U-ASK SBA

[www.sba.gov/gcclassroom](http://www.sba.gov/gcclassroom)

Narrative

Thank you for taking the time to learn about contracting programs for veteran owned small businesses.

Much information has been discussed and we hope it is helpful. Please contact us with any additional questions you may have. Consider viewing other training modules in SBA's online

**Government Contracting Classroom.**

Thank you.