

THE BEACON

VA OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION / December 2001



NOTES FROM SCOTT

I hope this edition of *The Beacon* finds everyone doing well. Our hearts and prayers go out to everyone affected by the horrific events of September 11th. These events, unimaginable the day before being perpetrated on our Nation, have forever changed us. While both large and small businesses have been adversely affected by these tragic events, the impact on small business concerns is particularly poignant. As our economy struggles to regain its robustness, we ask VA's acquisition community, now more than ever, that small business programs be used to the maximum practicable extent when developing acquisition strategies. Small business needs VA's business.

We honored our Nation's veterans in November, with a National holiday and appropriate commemorative ceremonies, recognizing their sacrifices for the freedom we all enjoy. The week of November 5 – 9 was set-aside as VA's Acquisition and Materiel Management Week to honor our logistics community and their many contributions to supporting the veterans we all serve. We also have our FY 2002 Forecast of Contracting Opportunities and the Secretary's FY 2002 Small Business Program goals in place. This important info can be obtained from our World Wide Web site at <http://www.va.gov/osdbu>.

On October 19, 2001, Secretary Principi issued a memorandum announcing the Secretary's Fiscal Year 2002 Small Business Program Goals. These prime contracting goals, the same as for FY 2001, are Department goals – meaning they are everyone's goals, not just goals for VA's acquisition professionals. To achieve these goals requires the hard work and commitment from VA program officials working in concert with VA's acquisition professionals and VA's industry partners. A copy of Secretary Principi's memorandum is available at the following URL address:

<http://www.va.gov/osdbu/programs/progs/htm>. The FY 2002 Goals are 40% Small Business; 10% Small Disadvantaged Business; 6% Women-Owned Small Business; 3% Service-Disabled Veteran-Owned Small Business; 3% Historically Underutilized (HUB) Zone Small Business; and 7% Veteran-Owned Small Business. Subcontracting goals will soon be posted to our website for your ease of reference.

On October 2, 2001, through our mutual efforts, we published VA's FY 2002 Forecast of Contracting Opportunities. Thanks to funding provided by our



friends in the Office of Acquisition and Materiel Management, VA's automated Forecast of Contracting Opportunities System was enhanced to facilitate data input and include other features beneficial to users of the system.

A major enhancement of the Forecast System is that the respective Forecasts can be updated at anytime throughout the fiscal year. In addition, we are only issuing hard copies of the Forecast upon request, and hard copies will be generated by the Forecast System's Administrator at the time of the request, and will include all information and updates to the Forecast as of the date the hard copy is generated. This will allow us to redirect funds for publishing hard copies of the annual Forecast to support other small business program needs and initiatives. Given this new capability, we strongly encourage everyone to now think of the Forecast as a living document. The Forecast is an excellent resource for small business concerns and for small business specialists assisting prospective vendors and contractors with identifying acquisition opportunities. I also want to give special thanks to our own Ilene Waggoner, Senior Procurement Analyst, and Ms. Michelle Ranes, Office of Acquisition and Materiel Management, for their extraordinary efforts in developing, testing and implementing the enhanced Forecast System. Thanks again Ilene and Michelle!

Small Business Advocate of the Year Award: This year marks the first time the Secretary's Small Business Program Awards recognized the accomplishments of an individual. A new award, the Secretary's Small Business Advocate of the Year, was presented to a true advocate and friend of small business, Mr. Francis (Frank) E. Sullivan, Jr. Mr. Sullivan, a contracting officer and project manager with VA's Office of Facilities Management also served as that organization's small business specialist, recently retiring from Federal Service. His small business advocacy will be sorely missed and we wish him the best in his future endeavors.

The FY 2000 winners of the Secretary's Small Business Program Awards were awarded to the respective facilities since the publication of the last issue. The award winners in their respective categories are:

First Place VISN Award Winners/Categories: Rocky Mountain Network (VISN 19), Service-Disabled Veteran-Owned Small Business; VA Capitol Health Care Network (VISN 5), Veteran-Owned Small Business; Sierra Pacific Network (VISN 12), Vietnam-Era Veteran-Owned Small Business; the Great Lakes Health Care System (VISN 12), 8(a) and HUBZone; VA Healthcare Network Upstate New York (VISN 2), Women-Owned Small Business; VA Heart of Texas Health Care Network (VISN 17), Small Disadvantaged Business; and VA Healthcare System of Ohio, (VISN 10) Small Business.

First Place Facility Winners / Categories: VA Sierra Nevada Health Care System, Reno, Nevada, Service-Disabled Veteran-Owned Small Business; Muskogee VA Medical Center, Veteran-Owned Small Business and Vietnam-Era Veteran-Owned Small Business; Louis A. Johnson VA Medical Center, Clarksburg, West Virginia, Small Business and 8(a); San Juan VA Medical Center, Small Disadvantaged Business; Coatesville VA Medical Center, Women-Owned Small Business; Shreveport VA Medical Center, HUBZone.

Superior Performance Winners: Carl Vinson VA Medical Center, Dublin, Georgia; Washington, DC VA Medical Center; Atlanta, Georgia VA Medical Center and the Asheville North Carolina VA Medical Center.

Outstanding Performance Winners: Louis A. Johnson VA Medical Center, Clarksburg West Virginia; Muskogee Oklahoma VA Medical Center; Shreveport Louisiana VA Medical Center; Desert Pacific Healthcare Network (VISN 22), Long Beach, California; Beckley West Virginia VA Medical Center; Chillicothe Ohio VA Medical Center; Biloxi Mississippi VA Medical Center; Lincoln Nebraska VA Medical Center; Fayetteville Arkansas VA Medical Center; and the Central Texas Health Care System, Temple, Texas.

Best wishes from everyone in OSDBU for the upcoming holiday season. Remember, small business builds America!



Scott Denniston

Director

KARNAK, CITY IN ANCIENT EGYPT, FORMER LATE NIGHT TV HOST, OR LATEST WEB SEARCH TOOL?

By Jim Dunning, Senior Procurement Analyst



Actually it's all three, though you wouldn't be dating yourself nearly as much by saying you remembered watching

Johnny Carson hold envelopes to his head as you would if you remembered when Karnak was at its height of power in Thebes.

The latest reincarnation is a formidable online research tool. Located at www.karnak.com, Karnak sets itself apart from other search engines by offering continual research. You build your own personal library, construct your queries, and then Karnak constantly adds results while you're offline. The findings are stored on their server so you can access them from any Internet connection. You receive regular e-mail updates as new findings are added to your library.

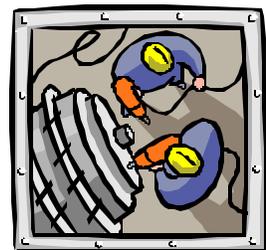
Karnak allows you to set up research groups as an easy way to share knowledge with other Karnak members. You can make specific research and associated results that are stored in your library available to other Karnak users. They will be able to read all the results of your research, but will not be able to change the request in any way. You can also conveniently email a copy of your research to others.

Free access is available with the number of simultaneous queries limited. Fee basis memberships are available for those with more extensive query requirements. ✍

THE NON-MANUFACTURER RULE

By Deborah VanDover, Senior Procurement Analyst

Under Federal Acquisition Regulation Part 19, Subpart 19.5, the **non-manufacturer rule** states that, "a



contractor under a small business set-aside or 8(a) contract shall be a small business under the applicable business size standard and shall provide either its own product or that of another domestic

small business manufacturing or processing concern." In other words, when buying the equipment of a "large business", a small-business reseller cannot use its small business status to receive an award under the rule. However, an important exception under FAR 19.102-7 allows the small-business reseller an exception for procurements under \$25,000. In those procurements the offeror need not supply the product of a small-business manufacturer as long as the product is manufactured or produced in the United States.

Does the non-manufacturer rule apply to the Historically Underutilized Business Zone (HUBZone) Program?

Yes. In a HUBZone set-aside, the furnished products must be those of a HUBZone manufacturer, unless the procurement is under \$25, 000.

Does the non-manufacturer rule apply to the Very Small Business (VSB) Program?

Yes. According to Small Business Administration's (SBA) VSB program final rule, the processing of VSB set-asides in the \$2,500 to \$50,000 range vis a vis the non-manufacturer rule will be no different than the processing of small business set-asides in that range being done currently, i.e., according to FAR 19.102(f), for small business set-asides estimated between \$2,500 and \$25,000, a small business may provide the product of a domestic firm, but for those small business set-asides estimated between \$25,001 and \$50,000, the small business must provide the product manufactured by a small business.

Does the non-manufacturer rule apply to SBA's 8(a) Business Development Program?

Yes. Supply contracts must be filled by the manufacturer of the end item. Often, the 8(a) company makes a minor modification to a finished product manufactured by another company. The product that is manufactured by the non-8(a) company is considered to be "basic material" for the new product and the 8(a) Company, is credited with making a "new product". The non-manufacturer rule includes requirements that the 8(a) company must be engaged in wholesale or retail trade and must sell the item being supplied to the general public. This rule is intended to promote the business development of the retailer or wholesaler and to prevent brokering, packaging or pass-through contracts.

Can waivers be requested from the Non-manufacturer Rule?

Yes. Information pertaining to requesting a waiver from the non-manufacturer rule requirement can be found online at: <http://www.sba.gov/GC/indexprograms-nonmanufacturer.html>.

VET 100 REPORTING

By Lynette Simmons Procurement Analyst

Any Federal contractor or subcontractor receiving a Federal contract of \$25,000 or more is required to submit an annual VETS-100 Report on employment of veterans. All Federal Contracting Officers are prohibited from awarding contracts or disbursing funds to Federal contractors or subcontractors that have not submitted a current VETS-100 Report. For new contractors and



subcontractors that have not previously been assigned a company number, they must obtain an identification number before submitting their report. For a new contractor or subcontractor to obtain a number they must submit a request to newcompany@vets100.com or call (703) 461-2460. VET-100 Reports are submitted to the U.S. Department of Labor, Veterans Employment and Training Service, VETS-100 Reporting Office, 6101 Stevenson Avenue, Alexandria, VA 22304-3540. ✍

**PARTNERING AGREEMENT (PA)
BETWEEN U.S. SMALL
BUSINESS ADMINISTRATION
(SBA) & THE DEPARTMENT OF
VETERANS AFFAIRS (VA)
QUESTIONS & ANSWERS**

By Lynette Simmons, Procurement Analyst

It has been nearly one year since VA and SBA entered into a Partnership Agreement (PA), authorizing VA to make 8(a) awards directly, and further streamlining the process. Many VA facilities are using and benefiting from the PA.

In this issue, we want to share with you the most frequently asked questions we receive about the PA:

Q. When did the PA become effective and when does the PA expire?

A. The PA became effective December 26, 2000, and expires June 30, 2003.

Q. Why was the PA established?

A. The PA was established to simplify 8(a) contract awards by VA contracting officers. Contracting Officers no longer have to wait 15 days for an eligibility

determination from SBA. Awards can be made within at least 5 days.

Q. Can the PA be terminated?

A. Yes, it may be terminated by either SBA or the VA upon 30 days advance written notice to the other party.

Q. Are there any consequences under the PA for VA?

A. Yes. If contracts have not been offered to and accepted by the SBA into the 8(a) Business Development Program, VA cannot use this for negotiating the Agency's 8(a) goal. SBA has the option to suspend or rescind the authority of the PA if VA fails to submit copies of the award documents to the SBA within 15 days of award.

Q. When and where are offering letters submitted?

A. An offering letter is submitted:

- a. For sole source requirements to the SBA's district office responsible for servicing the selected 8(a) and to the VA Office of Small and Disadvantaged Business Utilization (OSDBU).*
- b. For competitive 8(a) procurement to the SBA district office that services the geographical area where the contracting activity is located and to VA OSDBU.*
- c. For competitive 8(a) construction to the SBA district office located in geographical area where the work will be performed and to VA OSDBU.*
- d. An open offering letter for sole source requirements to the SBA district office that services the geographical area where the contracting activity is located when*

an 8(a) has not been identified and to VA OSDBU.

Q. When can the contracting officer make direct award of a contract to an 8(a) Participant?

A. Direct award can only be made after the requirement has been offered to and accepted by the SBA.

Q. Is an offering letter needed for requirements under the Simplified Acquisition Threshold?

A. No.

Q. Will SBA issue subcontract Numbers?

A. No.

Q. How do contracting officers identify 8(a) awards?

A. 8(a) awards on contract documents are identified by adding the suffix "8(a)" to the end of your local contracting number. Example: V000P-00008(a).

Q. What does the contracting officer send to SBA?

A. The SBA servicing district office shall receive a copy of any contract, as defined in FAR 2.101, including basic contracts, orders, modifications, and purchase orders.

Q. How long after a contract is awarded does the contracting officer have to send the required documents to SBA?

A. SBA must receive a copy of all contract documents within 15 calendar days of the date of award. This is a very important requirement. Should VA

fail to comply with this requirement, SBA may terminate the PA.

Q. What does the VA OSDBU need from the contracting officer?

A. OSDBU requires only the signature page within 15 days of the date of award.

Q. Is this information reported in the Federal Procurement Data System?

A. Yes, once a contract has been awarded, it is the contracting officer's responsibility to ensure the award is reported into the Federal Procurement Data System for that quarter. ✍

UNSOLICITED PROPOSAL

By Deborah VanDover

As FAR 15 states, each agency is to develop procedures and points of contact to assist in the proper, and timely, processing of unsolicited proposals. VAAR 815.5 details, in depth, the procedures of processing an unsolicited proposal.

As stipulated in Veterans Affairs Acquisition Regulation 815.5, any inquiries from a potential offeror of an unsolicited proposal are to be referred to the appropriate VA point of contact. These points of contact are: The Chief, Acquisition and Materiel Management Service for all VA field activities, the Executive Director and Chief Operating Officer of the VA National Acquisition Center (NAC) for unsolicited proposals submitted to that facility, and the Deputy Assistant Secretary for Acquisition and Materiel Management (OA&MM) for all unsolicited proposals received at VA Central Office. These points of contact will discuss issues with the potential offeror to determine the need for the

item or services and then consult with the technical personnel. The point of contact will also inform the potential offeror of all information required when submitting an unsolicited proposal. Each unsolicited proposal is to be forwarded to the appropriate contact point. The VA point of contact will review all unsolicited proposals to ensure it is complete in accordance with FAR 15.505. After review, if the determination is made that the proposal meets all requirements, and is related to the mission of the VA, the offeror will be contacted to ensure all restricted data has been marked as such.

Each VA point of contact will maintain a log of unsolicited proposals that are to be evaluated. This log will include such information as the date of receipt, a description of the proposal, and the offices that have been requested to evaluate the proposals. Each level of review will be provided with a due date as to when the evaluations are to be returned to the point of contact.

These are a few of the highlights relative to VA procedures for processing unsolicited proposals. For the complete list of procedures, please refer to VAAR 815.5, which can be viewed at www.va.gov/oa&mm/vaar/index.htm.

VA'S BUSINESS OPPORTUNITIES SYSTEM (BOS)

By Ilene Waggoner, Senior Procurement Analyst

On October 2, 2001, VA began requiring all of its contracting offices to begin posting all procurement actions over \$25,000 to the VA's Business Opportunities System (BOS). The system allows contractors to access and search VA notices, solicitations, and contract award information from a

single-point of entry. The BOS will automatically notify registered contractors of various postings via email, and will allow automatic notification of amendments.

Concurrently, beginning October 1, 2001 all Federal agencies began using FedBizOpps to provide the public access to notice of procurement actions over \$25,000. FedBizOpps has been designated as the single point of entry for Federal government procurement opportunities. To give the public a period to adjust to the change, notices are being posted on FedBizOpps and published in the Commerce Business Daily until January 1, 2002. After January 1, 2002, contracting officers can stop posting notices in the Commerce Business Daily. By signing up users can automatically receive procurement information, by solicitation number, selected organizations, and product service classification, vendors can react more quickly to procurement opportunities because they are better informed. VA's BOS system can be accessed at www.bos.oamm.va.gov/, FedBizOpps at www.fedbizopps.gov.

USING THE 8(A) PROGRAM TO ACQUIRE A/E SERVICES

By Wayne Simpson, Deputy Director for Small Business Programs

OSDBU has received a number of inquiries recently concerning contracting for A/E Services through the 8(a) Program, specifically as it relates to the competition requirements set forth in the Brooks Architect-Engineer Act, Public Law 92-582, as amended.

Section 543 of the Act, provides in part, that the discussions *with no less than three firms* regarding anticipated concepts and relative utility of alternative methods of approach for furnishing the

required services and *shall select there from*, in order of preference, based upon the criteria established by the contracting officer, *no less than three of the firms* deemed to be the most highly qualified to provide the services required.”

The Small Business Administration’s (SBA) Washington District Office advises us that contracting for A/E Services through the 8(a) Program does not eliminate the need for complying with the Brooks Architect-Engineer Act.

SBA further advises that if an SBA office provides the contracting officer with the name of only one A/E firm for negotiation through the 8(a) Program, the contracting officer should contact that SBA office back and ask they provide the names of at least three A/E firms for consideration, the intent being to satisfy the Brooks Act requirement that the most qualified firm be selected.

The competition of any 8(a) A/E acquisition should be handled as with any non-8(a) A/E Firm in accordance with FAR and VAAR Subparts 36.6 and 836.6, respectively.



IF YOU WISH TO RECEIVE THIS PUBLICATION VIA
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Happy Holidays

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