

Winter 2000
Volume 01, Issue 3

Department of Veterans Affairs

Office of Small and
Disadvantaged Business
Utilization (OSDBU)

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THE BEACON

Published By:
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Notes from the Director

In OSDBU, this year we are involved in a number of initiatives. Our goals for 2000 include:

Veterans Entrepreneurship and Small Business Development Act of 1999:

During this year, our staff will be working closely with various VA offices; the Small Business Administration; the Department of Labor; the Association of Small Business Development Centers; and the newly created National Veterans Business Corporation to identify the most efficient and effective ways to support veteran business owners and, service-disabled veteran entrepreneurs.

VA Subcontracting Task Force The goal of this intra-agency team is to examine our Department's subcontracting program and recommend any changes needed to enhance the accuracy of reporting and compliance. We hope to soon charter this group.

Health Care Services Contracting: The Small Business Administration's Office of Size Standards is examining whether the current size standards in Group 80 are accurate for today's business practices and

patterns. Our staff will work closely with SBA in collecting data on this project. We are also working with VA's Office of Acquisition and Materiel Management to support the publication of the proposed Simplified Acquisition Procedures for Health Care Contracting. This initiative, has encountered some unexpected delays during FY 1999, but is expected to be revitalized during this Fiscal Year.

Advance Procurement Planning: We look forward to working with Acquisition executives to develop realistic planning documents and to obtain them from *all* of VA's contacting activities.



**REMEMBERING
THOSE WHO HAVE
SERVED**

Awards and Recognition: This year we will examine the VA Small Business Awards Program. We are also encouraging all of our contracting offices to submit nominations for awards from other agencies for their staffs and for vendors with whom they work.

Federal Procurement Data System Replacement Project: Lisa Russell, VA's FPDS Program Manager, has been invited to participate on an interagency project that is examining the entire reporting system to see what changes will enhance its usefulness. This project involves piloting new reporting systems by Defense personnel, collecting recommendations from Government and industry about what elements the new system needs and developing any new regulation or policy needed to implement the new system. This project is just getting underway. Lisa has been asked to brief personnel from other agencies about FPDS.

Because OSDBU exists to support VA's vendor communities, it's contracting and program offices, we'd like to get your ideas on these initiatives and to hear of others that are meaningful to you. Remember, small business builds America! ✨

Scott Denniston, Director, OSDBU



Veteran Businesses in VA

By Ilene Waggoner

With the passage of Public Law 106-50, the "Veterans Entrepreneurship and Small Business Development Act of 1999," each Federal agency will have a goal to award procurement dollars to disabled service connected veteran-owned businesses. We in VA have had a goal for awards to veteran, Vietnam Era veteran-owned and disabled veteran-owned businesses since 1983. The enactment of the law will require the identification of veteran-owned businesses by not only our agency, but other Federal agencies as well.

P. L. 106-50 establishes a federally chartered corporation known as the "National Veterans Business Development Corporation." This corporation will assist veterans by working with and organizing public and private resources, including the Department of Veterans Affairs and the business development staffs of each department and agency of the United States. The corporation will also establish and maintain a network of information and assistance centers for use by veterans.

With the passage of the new law this office has had an increase in inquiries regarding the law and how it will apply to veteran business owners and those wishing to go into business. Many of the inquiries have been in regard to funding for the startup of a new business venture.

Unfortunately, the law does not designate any direct money for startup costs in setting up a new business. This office has compiled a list of resources that will help those individuals seeking funding assistance. Many states have micro or revolving loan programs which

have been funded by Federal money. Each program has different criteria for qualifying depending on the qualifications and income levels set by the state. We have made this resource guide available on our website, which can be accessed at <http://www.va.gov/osdbu>.

With the passage of the new law the Government-wide goal for participation by small business concerns owned and controlled by service-disabled veterans shall be established at not less than 3 percent of the total value of all prime contract and subcontract awards for each fiscal year. Additionally agencies and contractors will establish "best effort" goals for veterans.

Many of the VA facilities do an excellent job in seeking out and awarding contracts to veteran-owned businesses. In the past five years the stations listed have achieved first place in awards to veterans. The chart on page (7) lists the First Place award winners and the percentages. We as an agency will need to make a greater effort if we are to meet our veteran goals each year. **Please see page six for charts on VA trends.** ✨

FEDERAL CONTRACTOR VETERANS' EMPLOYMENT REPORT (VETS-100)

By Lynette Simmons

Department of Labor Requirements for Contractors to Hire Veterans

It's a good time to review contractors' requirements for hiring veterans. Have all your contractors filed their

reports? They were due September 30, 1999. Why is this important to small business programs? First, veterans hire veterans at higher rates than non-veterans. This practice offers mentoring and, in many cases, incubator experiences for veterans to acquire the skills and knowledge needed to open their own businesses. Secondly, companies who do not file the required reports are not eligible to receive new Federal awards until such time as the report is filed. We have collected some material on this topic for you to use in counseling small businesses:

VETERANS' EMPLOYMENT REPORT (VETS-100)

FAR GUIDANCE: Part 22.1304(b), FAR Clause 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era; and 52.222-37, Employment Reports on Disabled Veterans and Veterans of the Vietnam Era. Note that the guidance requires the clause and reporting for Federal contracts exceeding \$10,000. FAR Part 22.1303 permits a waiver under certain circumstances.

PURPOSE: Public Law 105-339, Section 1354, was enacted on October 31, 1998. It provides that no agency may obligate or expend appropriated funds to enter into a contract with a contractor subject to filing a VETS-100 report for the preceding fiscal year under Title 38, US Code, Section 4212(d). A contract using appropriated funds can be placed with that contractor as soon as the required report is filed. Federal contractors must report at least annually the numbers of: 1) special disabled veterans, 2) veterans of the Vietnam era, and 3) other veterans who served on active duty during a war or in a campaign or

expedition for which a campaign badge has been authorized who are in their workforce. Reporting is required by hiring location and includes both the number employed and the number of new hires, within the three categories listed above. The number of veterans employed within these categories is to be broken out by job category and maximum and minimum total employment is to be reported as well.

WHO MUST FILE: The VETS-100 Report is to be completed by **all** nonexempt federal contractors and subcontractors with contracts or subcontracts for the furnishing of supplies and services or the use of real or personal property for **\$25,000 or more** (note: FAR guidance currently says \$10,000 or more because the FAR text predates P.L. 105-339). Services included but not limited to are: utilities, construction, transportation, research, insurance, and fund depository, irrespective of whether the government is the purchaser or seller. The existence of \$25,000 or more in federal contracts or subcontracts during a given calendar year establishes the requirement to file a VETS-100 report during the following calendar year.

WHEN TO FILE: This is an annual report and must be filed **no later than September 30th of each year**. The form is mailed to the U.S. Department of Labor; Veterans Employment and Training Service; VETS-100 Reporting; 6101 Stevenson Avenue; Alexandria, VA 22304.

HOW TO LOCATE THE FORM: You can download the form at <http://vets100.cudenver.edu>. This site also provides information about the report. A copy of the report can

be downloaded from the site. If you do not have Internet access, you may call (703) 461-2460. This is a voice mail box where you may request a copy of the form to be mailed to you.

HOW TO SUBMIT REPORTS: Single establishment employers must file one completed form. All multi-establishment employers, i.e., those doing business at more than one hiring location, must file (A) one form covering the principal or headquarters office; (B) a separate form for each hiring location employing 50 or more persons; and (C) EITHER (1) a separate form for each hiring location employing fewer than 50 persons, OR (ii) consolidated reports that cover hiring locations within one State that have fewer than 50 employees. Each state-consolidated report must also list the name and address of the hiring locations covered by the report. **COMPANY CONSOLIDATED REPORTS SUCH AS THOSE REQUIRED BY EEO-1 REPORTING PROCEDURES ARE NOT REQUIRED FOR THE VETS-100 REPORT.** Completed reports for the headquarters location and all other hiring locations for each company should be mailed in one package to the address listed above.

HOW TO CHECK THAT THE FORM HAS BEEN FILED WITH DOL: The DOL is required to maintain a database listing contractors that have filed a VETS-100 report for the current reporting period. The database resides on <http://nvti.cudenver.edu/vets/vets100Search.htm>. If for some reason this site does not work, you may go through DOL's home page at <http://www.dol.gov>, click on DOL agencies, click on Veterans' Employment and Training Services,

at the bottom of the page, click on Federal Contractor Veterans' Employment Inquiries. Both these paths take you to a screen that reads FEDERAL CONTRACTOR VETERANS' EMPLOYMENT REPORT. You must enter the Validation Code, which is vets. Then proceed with filling out the screen as prompted. The database is updated monthly.

WHAT TO DO IF THE REPORT CANNOT BE LOCATED: If the company indicates that it has recently filed a VETS-100 report but it does not appear on the screen, this information can be verified by contacting the DOL Office of Veterans Employment and Training at (703) 461-2461. ☛

Disabled Business Enterprise Outreach Efforts

Congratulations to the Disabled Businesspersons Association (DBA) and the U.S. Small Business Administration, San Diego District Office! The DBA and the SBA have recently executed a Memorandum of Understanding designating the first Wednesday of each month, which began September 1, 1999, as "Disabled Businesspersons Association Day" at the SBA District Office in San Diego, CA. We understand this is the first SBA office in the nation to take this leadership initiative. Jointly, SBA and DBA representatives will provide information on SBA lending programs, procurement opportunities, and technical management with enterprising individuals with disabilities and with vocational rehabilitation counselors. DBA representatives will also actively participate in SBA education programs to raise awareness among

the business and government communities of the unique needs and challenges facing small business owners who have a disability. If you would like to learn more about the program, give us a call and we'll get you more details. We encourage all VA offices to partner VHA, VBA and local SBA resources to develop their own local programs.

SBA's Veterans Business Outreach Program: On September 30, 1999, the SBA announced that 4 organizations have received grants arising from section 708 of the Small Business Reauthorization Act of 1997 to assist disabled veteran-owned enterprises. The four locations are responsible for about 55% of the nation's 12 million veterans. Called "Veteran Business Outreach Centers (VBOCs)," these organizations will provide technical assistance to service disabled veterans including: pre-business workshops; concept assessments which analyze the veteran's needs to determine if the entrepreneurial development plan will result in financial success and long term sustainability of the enterprise; comprehensive business feasibility assessment to include pre-qualification loan packaging and analysis; entrepreneurial training and mentorship.

The 4 VBOCs are:

University of Texas, Pan American, Edinburg, TX
POC is Brett Mann (956) 381-3361
Region: TX; OK; AR; LA; NM

TEP Consulting, Herndon, VA
POC is Timothy Proctor (703) 707-0931
Region: VA; DC; MD; PA; DE; WV

University of West Florida, Lynn Haven, FL
POC is Angela Partin (850) 271-1108
Region: FL; NC; SC; GA; AL; MS; TN; KY

Research Foundation of the State University of New York, Albany, NY
POC is Mike Ross (518) 443-5398
Region: NY; NJ; Puerto Rico; Virgin Islands

VA's Director, OSDDBU, Meets with Members of the House Small Business and Veterans Affairs Committee: On October 5, VA OSDDBU and VA's Office of Congressional Affairs representatives met with staffers from the House Veterans Affairs and House Small Business Committees to discuss VA's plans to implement P.L. 106-50. The staffers are meeting with SBA, VA and the Department of Labor individually to ensure that the timelines of this law are identified and fully supported. Later, joint meetings will be held. At this time, we are waiting for the appointments of the Advisory Committee members and the Board of Directors of the new National Veterans Business Development Corporation. Those appointments are expected soon. If you want a copy of the law, it is available from <http://www.sba.gov/VETS>. ☛

SBA Recognizes VA Heartland Network with 1999 MED Week Award

In a public ceremony on October 14, 1999, the Small Business Administration District Office in Wichita, and the Kansas Minority Business Development Council, announced the 1999 Minority Enterprise Development Week award recipients. VA's Heartland Network 15 Contracting Activity received the 1999 Corporate Award - Public Sector, for their contributions to minority enterprise development. Their nomination noted that VISN 15 awarded 47% of their procurements to small businesses, exceeding VA's department-wide goal of 40%. They awarded 11.96% of their procurements to the 8(a) Program, again exceeding VA's goal. In all, 14.94% of their procurements went to small disadvantaged businesses and 13% of their procurements went

to women-owned small businesses. This well-justified recognition reflects the commitment of all VA staff within the VISN to supporting small business programs. We especially want to congratulate Ms. *Patricia Crosetti*, Network Director, Mr. *Frank Gilbert*, HCA, and Mr. *Marcus Clayton*, Network Small Business Specialist, for their leadership and drive to receive this award. ❁

Small Business Program Changes in

FAC #97-15

This FAC took effect on December 27, 1999, for the following changes:

Subcontracting Opportunity Notices:

Advise your contractors that they may use the CBD to announce subcontracting opportunities. This applies to contractors receiving awards exceeding \$100,000 that have subcontracting opportunities, and to subcontractors and suppliers, at any tier, that have subcontracting opportunities which exceed \$10,000 when the value of the prime contract exceeds \$100,000. This tool should be emphasized to contractors who have formal subcontracting plans to help them achieve their goal commitments.

Interim Rule on Contract Bundling:

This FAC provides the definition of bundling in FAR Part 2.

It prescribes FPDS reporting of bundled actions exceeding \$5 million in FAR 5.

FAR 7 adds a new element to acquisition planning which requires that planners structure contract requirements to facilitate competition by and among small business concerns; and that they avoid unnecessary and unjustified bundling that precluded small business participation. Formal written acquisition plans now have a new element that requires identifying the impact that bundling has upon small business participation in the acquisition.

The FAC adds a new FAR section, 7.107, "Additional Requirements for Acquisitions Involving Bundling of Contract Requirements." This section addresses the "substantial benefits" that must be documented in support of a bundled requirement and provides quantitative measures of benefits equivalent to: 10% of the estimated contract value (including options) if the contract is \$75 million or less and 5% if the value is above \$75 million.

The Deputy Secretary of Veterans Affairs may determine bundling is necessary in requirements that do not meet the threshold but which are "critical to the agency's mission success" and where the acquisition strategy provides for maximum practicable participation by small business concerns.

Requirements exceeding \$10 million have very specific documentation elements in support of the acquisition strategy.

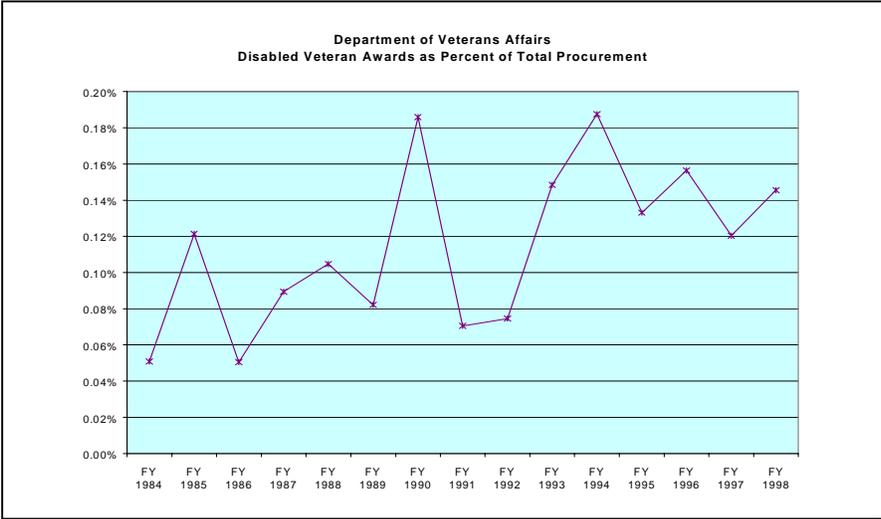
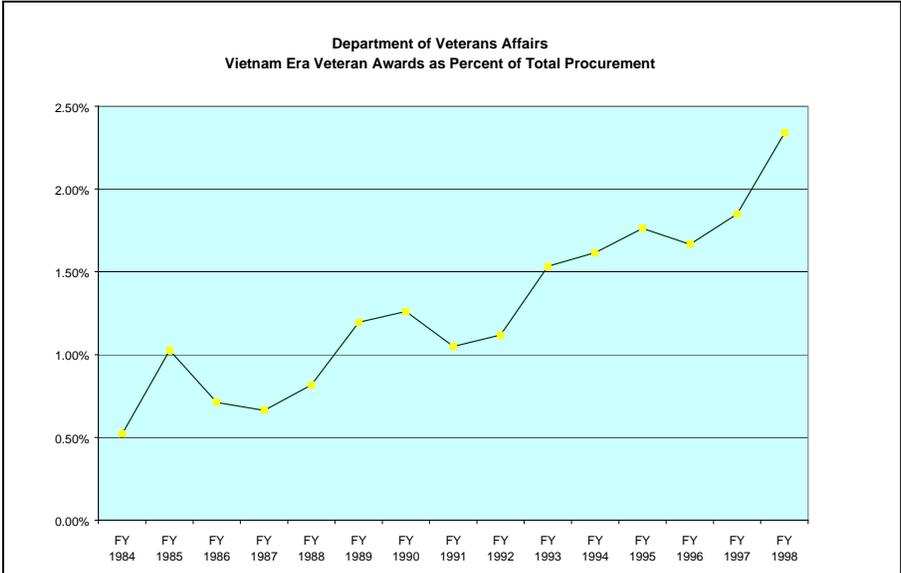
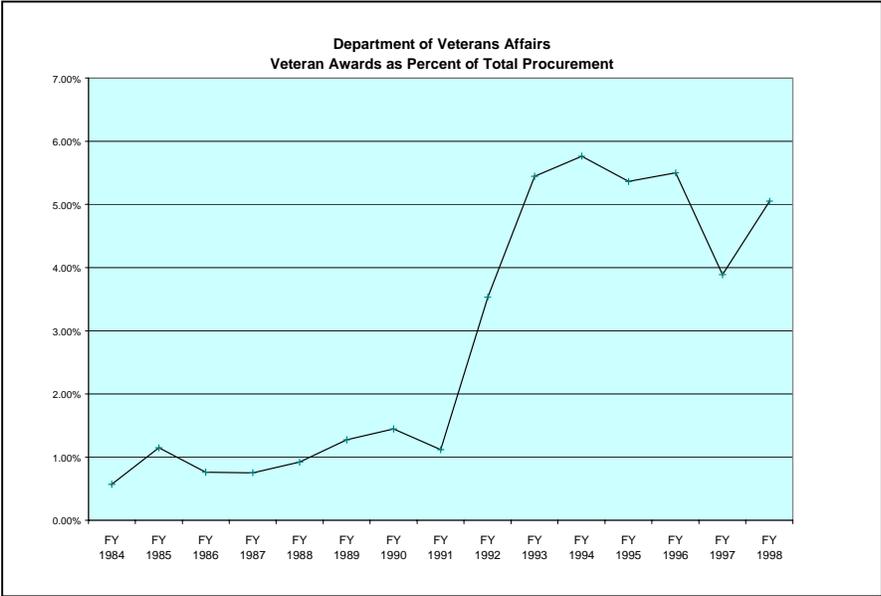
FAR Part 10 has been changed to include guidance on notifying the SBA Procurement Center Representative (or SBA Area Office of Government Contracting in the absence of a PCR) and notifying incumbent small businesses when the

contracting officer intends to bundle a requirement. This guidance includes informing small business incumbents of how they may contact their Small Business Administration representative.

FAR 15 is modified to require that evaluation of past performance in subcontracting plans be evaluated in bundled requirements and that small business subcontracting participation in the new requirement also be evaluated. Solicitations shall be structured "to give offers from small business concerns the highest rating" for these evaluation factors" per FAR 15.305(a)(5).

FAR Part 19 is not significantly changed. One change to note is that contracting officers must now document why a "consolidated construction project cannot be acquired as separate discrete projects" (FAR 19.202-1(d)(2)(iv)). Size standard determinations for joint ventures are clarified for bundled requirements and for non-bundled requirements. See FAR 19.101. ❁





VA First Place Awards to Veteran-owned Businesses

<u>Year</u>	<u>Facility</u>	<u>Award</u>	<u>Percentage</u>
1998	Butler, PA	Veteran-owned	44.53%
	Butler, PA	Vietnam Veteran-owned	42.23%
	Battle Creek, MI	Disabled Veteran-owned	6.38%
1997	Grand Island, NE	Veteran-owned	40.94%
	Grand Island, NE	Vietnam Veteran-owned	39.13%
	Las Vegas, NV	Disabled Veteran-owned	3.08%
1996	Prescott, AZ	Veteran-owned	39.21%
	Prescott, AZ	Vietnam Veteran-owned	38.11%
	Bedford, MA	Disabled Veteran-owned	4.27%
1995	Boise, ID	Veteran-owned	24.43%
	Boise, ID	Vietnam Veteran-owned	20.69%
	Los Angeles, CA	Disabled Veteran-owned	15.64%
1994	Canandaigua, NY	Veteran-owned	48.76%
	Salisbury, NC	Vietnam Veteran-owned	24.07%
	Knoxville, IA	Disabled Veteran-owned	8.63%

Veterans Mean Business Conferences

By Ilene Waggoner

The State of Ohio has shown its commitment to supporting and helping veterans interested in starting or expanding their own business. This past year the VA Vocational Rehabilitation & Counseling Division has sponsored three Veterans Mean Business conferences, in Columbus, and Cleveland, attended by Ramsey Alexander of the OSDBU office; and Cincinnati, Ohio, which was attended by Ilene Waggoner. Voc REHAB teamed with the Small Business Administration, SCORE, AMVETS, the Ohio Bureau of Employment Services, the University of Cincinnati SBDC, the City of Cincinnati, Hamilton County, Wright Patterson AFB, Enterprise Works, and local small business bankers to offer a day

where all of these resources would be under one roof. Veterans were invited to spend a few hours receiving one on one counseling from the various participants. The conferences featured business start-up information and assistance, a "How to Do Business With Government Entities Workshop," financing information, business resources and access to commercial banks and SBA loans. Many veterans were counseled and received information at the three conferences. Mr. Bruce Holderead, Vocational Rehabilitation Officer and Ms. Melissa Fraley, Vocational Rehabilitation Counselor in Cleveland Mr. Lynn Johnson, Vocational Rehabilitation Counselor in Columbus, and Mr. Mike Lee and Mr. Sam Keifer Vocational Rehabilitation Counselors in Cincinnati were all instrumental in developing, planning and pulling the conferences together. We

congratulate their efforts in promoting the Veterans Mean Business theme, and dedicating their time to helping the veterans in their state learn more about the opportunities available to them. If anyone is interested in sponsoring a Veterans Mean Business Conference please contact our office at 1-800-949-8387. ☎



VA OSDBU Reorganization

The Office of Small and Disadvantaged Business Utilization welcomes Christine Bosworth as the newest member of our staff. Christine comes to us from the Office of Memorial Affairs. Because of the new addition to our staff the Director of OSDBU has taken this opportunity to reorganized the responsibilities of the OSDBU office, organizing the staff into three teams. The teams consist of the Acquisition Team, the Outreach Team and the Policy and Data Analysis Team. The Acquisition Team will be responsible for support of the contracting activities, planning support (which will include Advance Procurement Plans and Forecasting.)

The Outreach Team will be responsible for the electronic

outreach, the VA subcontracting program and outreach to veteran and small business entities and state and local governments.

The Policy and Data Analysis team will be responsible for FPDS data and analysis and policy and legislative issues.

It is the hope of the OSDBU office that the re-organization will allow the members of the staff to better serve the VA procurement offices, and the small businesses and veteran communities.

VA Makes Major Award at White House Procurement Fair

The first White House community Empowerment Board Procurement Fair held recently in Washington, D.C., promoted the Historically Underutilized Business Zone Empowerment Contracting Program,

a new Federal program that will expand investment in selected communities across the country. This event was attended by more than 800 business owners and Federal officials. A highlight of the event was the luncheon address by SBA's Administrator, Aida Alvarez, and the announcement of VA's HUB Zone set-aside award to Mr. McKinley Battle, a veteran and president of Battle's Transportation. This minority-owned company will provide wheelchair van service to eligible veterans who need to visit the Washington, DC, VA medical center. The competitive award is valued at \$4 million over the term of the base year plus 4 year options. We congratulate our proactive Small Business Specialist, Ms. Joan VanMiddlesworth and the contracting officer, Ms. Hazel Bristow, for their achievement.

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