

OSDBU UPDATE

Department of Veterans Affairs

May/June 1999

Notes from Scott

Welcome to this Special Edition of VA's OSDBU Update. In this issue, we celebrate two important events to small business programs - Public Service Recognition Week which occurs each May and Small Business Week, which occurs every June. To commemorate these events, it is appropriate that we combine them into this very special issue. The contents of this Update highlight and honor the conscientious achievements of VA personnel around the country, who work diligently to ensure that our nation's small business community gets a fair share of VA business - through direct and indirect awards, through access to VA officials, through prompt payment and through business assistance counseling and education. Our dedicated corps of Small Business Specialists are complemented by each and every VA employee in our efforts to ensure equitable treatment of the small businesses who market VA as a business partner.

To assist the Small Business Specialists in their efforts, OSDBU has developed a formal 2-day orientation program for newly designated SBSs. I'm pleased to report that **Stacey Mallott-Hennes** from West Palm Beach and **Paul Dixon** from Dublin, GA were the very first SBSs to complete this program. At their request, we added an additional, optional FPDS training module on Day #3. We will customize this orientation program to your needs. If you are interested in learning more, just give us a call.

Now, for the best part of my job - recognizing VA's extraordinary employees - the FY 1998 Small Business Program award winners and certificate recipients for their small business achievements, as noted in our feature article. Keep up the good work everyone. SMALL BUSINESS BUILDS AMERICA!

The Secretary's Socioeconomic Awards Program was established in 1987 by the then Administrator Thomas K. Turnage. The purpose of this program is to provide an incentive to VA procuring activities to increase procurement performance in achieving

established socioeconomic goals by rewarding those activities who achieve the highest percentage of their assigned goals.

FY 1998 Socioeconomic Award Winners are as follows:

VISN Award Winners

VISN 22	Small Business
VISN 17	Minority-owned Small Business
VISN 22	8(a)
VISN 15	Women-owned Small Business
VISN 4	Veteran-owned Small Business
VISN 4	Vietnam Era Veteran-owned Small Business
VISN 11	Disabled Veteran-owned Small Business

1st Place Facility Award Winners

Salisbury, NC	Small Business
Dallas, TX	Minority-owned Small Business
VISN 15 CSC	8(a)
Fayetteville, AR	Women-owned Small Business
Butler, PA	Veteran-owned Small Business
Butler, PA	Vietnam Era Veteran-owned Small Business
Battle Creek, MI	Disabled Veteran-owned Small Business

Organizations Exceeding FY 98 Goals in Major Categories

Providence, RI	Washington, DC
Montgomery, AL	Columbus, OH
Muskogee, OK	Shreveport, LA
VISN 22 NBC	Office of Resource Management
Veterans Benefits Administration	

Austin Automation Center received an outstanding achievement award for achieving 84.79% to Small Business and 36.25% to Minority and 8(a).

NEWS FLASH!!

VA has signed the 8(a) Streamlined Memorandum of Understanding with SBA. Details will be announced on the OA&MM conference call on June 23rd. An Information Letter from 90 will follow

2nd Place Facility Award Winners

Boise, ID	Small Business
Fayetteville, AR	Minority
Wilmington, DE	8(a)
Little Rock, AR	Women
Shreveport, LA	Veteran
Shreveport, LA	Vietnam Veteran
Montgomery/Tuskegee, AL	Disabled Veteran

3rd Place Facility Award Winners

Columbus, OH	Small Business
San Juan, PR	Minority
Hampton, VA	8(a)
Poplar Bluff, MO	Women
Wilmington, DE	Veteran
Muskogee, OK	Vietnam Veteran
VISN 15 CSC	Disabled Veteran

Our office recognizes the work and effort these stations have made in awarding contracts to small, minority, women and veteran-owned businesses. It not only requires a concerted effort on the part of the procurement staff, but a diligence in reporting the information into the FPDS program. Thanks to all who worked to make this program a success.

In this issue we are also including the accomplishments of all organizations. We appreciate the efforts of all personnel in locating and utilizing small, minority, women and veteran-owned businesses. See excel graph attachment.



The following are some excerpts from the President's report to Congress:

PRESIDENTIAL REPORT ON SMALL BUSINESS

TO THE CONGRESS OF THE UNITED STATES:

I am pleased to present my fifth annual report on the state of small business. In 1996, the year covered by this report, more than 23.2 million small business tax returns were filed. A record 842,000 new small employers opened their doors and new incorporations hit a record high for the third straight year. Corporate profits, employment compensation, and proprietorship earnings all increased significantly. Industries dominated by small firms created an estimated 64 percent of the 2.5 million new jobs.

Small businesses represent the individual economic efforts of our Nation's citizens. They are the foundation of the Nation's economic growth: virtually all of the new jobs, 53 percent of employment, 51 percent of private sector output, and a disproportionate share of innovations come from small firms. Small businesses are avenues of opportunity for women and minorities, first employers and trainers of the young, important employers of elderly workers, and those formerly on public assistance. The freedom of America's small businesses to experiment, create, and expand makes them powerhouses in our economic system.

Reforming the Regulatory Process

The Small Business Regulatory Enforcement Fairness Act (SBREFA), fully implemented in 1997, gives small businesses a stronger voice where it's needed -- early in the Federal regulatory development process. The law provides for regulatory compliance assistance from every Federal agency and legal remedies where agencies have failed to address small business concerns in the rulemaking process.

The new process is working. Agencies and businesses are working in partnership to ensure that small business input is a part of the rulemaking process. In the summer of 1997, for example, the Occupational Safety and Health Administration, in conjunction with the SBA's Office of Advocacy, convened four regional meetings with small firms to discuss a safety and health program under development.

Small firms are also witnessing more agency compliance assistance once regulations are in effect. Agencies are routinely providing compliance guides and lists of telephone numbers and e-mail addresses for small business assistance.

And the law provides for a national ombudsman and 10 regional regulatory fairness boards to make it simple for small businesses to share their ideas, experiences, and concerns about the regulatory enforcement environment. The ombudsman and boards are addressing many concerns expressed by small firms in dealing with regulating agencies.

Enhancing International Trade and Federal Procurement Opportunities

During my Administration, our Nation has led the way in opening new markets, with 240 trade agreements that remove foreign barriers to U.S.-made products. Measures aimed at helping small firms expand into the

global market have included an overhaul of the Government's export controls and reinvention of export assistance. These changes have cleared a path for small businesses to enter the international economy.

To make certain that small companies can do business with the Government, my Administration and the Congress have streamlined the Federal procurement process through administrative changes and the Federal Acquisition Reform Act of 1996. The changes instituted in these reforms are cost-effective for the Government and are intended to enable businesses to compete more effectively for Government contracts worth billions of dollars.

I am pleased that the SBA has instituted a new electronic gateway to procurement information, the Procurement Marketing and Access Network, or Pro-Net. This database on small, minority-owned, and women-owned businesses will serve as a search engine for contracting officers, a marketing tool for small firms, and a link to procurement opportunities.

The Human Factor

My Administration is moving to anticipate 21st century demands on our most important resource -- our people. As a recent report by the SBA's Office of Advocacy points out, small businesses employed more people on public assistance in 1996 than did large businesses. Our Welfare to Work Partnership has already had positive results -- we've moved two million Americans off welfare two full years ahead of schedule. And we are enlisting the help of more and more small business people to expand that record of success.

We want to educate and train a work force that will meet all our future global competition. For those in the work force or moving into it, I recently signed legislation that consolidated the tangle of training programs into a single grant program so that people can move quickly on their own to better jobs and more secure futures. The Balanced Budget Act of 1997 encourages employers to provide training for their employees by excluding income spent on such training from taxation. The SBA has also increased training opportunities for businesses by funding new export assistance centers and women's business centers across the country.

Women have been starting their own businesses at a dramatic rate in recent years. More than 6 million women-owned proprietorships were in operation in 1994, a phenomenal 139 percent increase over the 2.5 million that existed in 1980. But it is also women who

are most affected by the lack of adequate child care. The SBA's Office of Advocacy has found that while small firms value the benefits of child care as much as large businesses, small businesses have been less likely to offer this benefit than large firms for a variety of reasons related to cost. The bottom line is that we've got to raise the quality of child care and make it more affordable for families. I have proposed tax credits for businesses that provide child care and a larger childcare tax credit for working families.

I am pleased that so many Americans of all races and nationalities are asserting their economic power by starting small businesses. This report documents the growth: the number of businesses owned by minorities increased from 1.2 million to almost 2 million in the 5-year period from 1987 to 1992. The Federal Government has a role in widening the circle of economic opportunity. Programs are in place to ensure that socially and economically disadvantaged businesses have a fair chance in the Federal procurement marketplace. The share of Federal contract dollars won by minority-owned firms has remained at 5.5 percent for two years running -- up from less than 2 percent in 1980. And recently the SBA and the Vice President announced new small business lending initiatives directed to the Hispanic and African American small business communities to give these Americans better access to the capital they need.

We have been working for the past 5 years to bring the spark of enterprise to inner city and poor rural areas through community development banks, commercial loans in poor neighborhoods, and the cleanup of polluted sites for development. The empowerment zone and enterprise community program offers significant tax incentives for firms within the zones, including a 20 percent wage credit and another \$20,000 in expensing and tax-exempt facility bonds. Under the leadership of the Vice President, we want to increase the number of empowerment zones to give more businesses incentives to move into these areas.

WILLIAM J. CLINTON

THE WHITE HOUSE,
May 6, 1999



VISN 2 Community Outreach

by Howard Swartzman

The VA Medical Center Canandaigua, NY and the Small Business Administration Buffalo District Office recently cosponsored the 1999 8(a) Contractors Business Development Conference. VA speakers included Canandaigua's Director W. David Smith and Senior Contracting Officer **Howard Swartzman**. SBA was represented by James Branch, Buffalo District Office Contracting Officer; F. Peter Flihan, Branch Manager, Rochester Branch Office; and Assistant District Director Dave Brinck, Syracuse District Office. The sponsors viewed this as a transitional conference, where 8(a) participants focused on developing partnerships with large commercial buyers (companies an corporations). Government participants offered their time in personally counseling and advising the 8(a) firms about marketing their offices. Conference participants offered very positive feedback about the program's structure. Some firms indicating that they had been trying for some time to set up initial contacts with some of the commercial concerns that were present at the conference. Also the SBA provided on-line access and registration to Pro-Net for 8(a) firms in attendance. We congratulate VISN 2 for arranging this important bridge between the small and large business communities and educating all the vendors about the changing world of Federal contracting.



An Austin Small Business Success

by Lisa Russell

The Department of Veterans Affairs Austin Automation Center recently entered into a contract with The Computer Support Group, Inc. (TCSG), a small business headquartered in Ellisville, MO. TCSG provides data transfer and storage services to the VA using their proprietary product, ELECTROFICHE®. Using ELECTROFICHE®, TCSG is able to compress up to 7 Gigabytes of data (approximately 1 million pages) onto a single CD ROM, saving the VA and their other customers thousands of dollars a month in microfiche production and mailing costs.

Founded in 1988, its original charter was to augment the MIS functions of small to medium size companies emphasizing custom program development. With the advent of recordable CD ROM technology TCSG started a service bureau to process customer data which had historically been processed into microfiche or film. With ELCTROFICHE®, data recorded on CD ROM can be accessed by multiple users, in a network

environment. Moreover, by using multiple indexes, the same data can be accessed by multiple criteria. Their current offerings include the custom development and licensing of "COLD" software as well as the service bureau CD-ROMs. Their software is also being incorporated into vertical market software systems under license.

As of March 1999, TCSG has provided nine months of service to the VA. Their performance to date has been excellent. Their turnaround times and data compaction techniques have met all of the VA's requirements.



SUBCONTRACTING

by Lynette Simmons

1. When a company/corporation submits their 295 as a company/corporate subcontracting plan, reporting their accomplishments for the fiscal year, **ONLY VA DOLLARS SHOULD BE REPORTED**. Some companies are including other government agencies accomplishments on their report to the VA. It is your responsibility to make sure companies only report VA dollars. In FY 98, VA FPDS reports showed more subcontracting dollars than the whole VA budget. Below is an example of a 295 submitted showing inaccurate information:

EXAMPLE:

Standard Form 295

BLOCK 6. ADMINISTERING ACTIVITY (PLEASE CHECK APPLICABLE BOX)

X ARMY X DEFENSE LOGISTICS AGENCY

X OTHER AGENCY (SPECIFY) - DEPARTMENT OF VETERANS AFFAIRS

10A. -	SMALL BUSINESS CONCERNS	\$ 500,000,000
10B. -	LARGE BUSINESS CONCERNS	800,578,336
10C. -	TOTAL	1,300,578,336
11. -	SMALL DISADVANTAGED CONCERNS	64,522
12. -	WOMEN-OWNED SMALL BUSINESS	6,999

REMARKS: TOTAL SUBCONTRACTING DOLLARS ATTRIBUTED TO GOVERNMENT AGENCIES WERE:

VA 1,693,336
ARMY - 1,298,885,000

2. In this example, the company should not input the total of \$1,300,578,336, but only \$1,693,336.

3. The company needs to prorate the subcontracting for VA portion in each of the above categories (10A through 12).

Return the 295 to the contractor and have them resubmit the form showing only the VA dollars and accomplishments.



Size Standard Changes

by Gail Wegner

In the May 14 Federal Register, new standards for Architect & Engineering Services were finalized for SIC codes 8712, 8713, 7389 and part of 8711. The new standard is \$4 million in average annual receipts. The size standards were last changed in 1986.

In the May 4 Federal Register, SBA published a proposed rule to increase size standards for the health care industries in Major Group 80. VA supports the proposed increase.

Expected sometime this summer are proposals to increase the standards for the construction industry, last changed in 1984; refuse collection; help supply services, which include businesses that provide clerical, administrative or professional personnel support and business services; and the North American Industry Classification System.



Regulation & Reporting Guidance

by Gail Wegner

The revised VAAR Chapter 819, Small Business Programs, and its related supplemental handbook have been forwarded to the Office of Acquisition Policy for action. The VAF 2268 has been reformatted, and is available for use now. Reporting instructions on the new programs in FY 1999 are contained in an Information Letter which has been dispatched to VA's Publications Control Office. Advance copies may be obtained from your supporting OSDDBU Analyst.

A copy of the new 2268 is attached. Feel free to make copies.



The Beacon

Starting in July OSDDBU will be publishing another publication called the Beacon. This publication will be distributed to other government agencies, trade organizations, businesses. If you have any articles you would like to submit for this publication, please notify your OSDDBU representative.



FAREWELL

Ramona Jones, Acquisition Policy Review, has accepted another job with Department of Commerce and will be leaving the VA the end of this month. We would like to thank her for all her efforts and support during her time with VA. We wish her luck in her new endeavor.

Give us your comments – contact us:

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