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Office of Small & Disadvantaged Business Utilization (OSDBU)
1-800-949-8387

OSDBU UPDATE



Notes From Scott

It's been an incredibly busy and satisfying summer. We've received approval to staff a new component of the Office of Small and Disadvantaged Business Utilization (OSDBU). We're working closely with all offices in VA to roll-out the Department's new 2001-2006 Strategic Plan. We're working with VA's Procurement Executive to write implementing language in support of the recent Executive Orders for women-owned small business and small disadvantaged businesses. The Federal Government's implemented a new size standard system, so we're all learning a lot of new codes. The OSDBU reorganization reported in the spring has generated a lot of positive benefits so far, including our new web site. If you haven't visited our site lately, I strongly encourage you to log on. The address is <http://www.va.gov/osdbu>. Acting Secretary Gober has approved the FY 2001 small business program goals. A copy is attached to this issue.

Lisa Russell, the FPDS Program Manager, has completed the first year of our new reporting system, FPDS Connect. Please let us know what you'd like to see in the OSDBU Update issues during FY 2001. Send your comments to Ilene Waggoner either by phone to (202) 565-8124 or via email to Ilene.Waggoner@mail.va.gov.

Minority Enterprise Development Week 2000

By Ilene Waggoner

The U.S. Department of Commerce's Minority Business Development Agency (MBDA) and the U.S. Small Business Administration (SBA) jointly sponsor MED Week. Activities are held throughout the country under the auspices of MBDA's and SBA's Regional and District offices and funded organizations in celebration of MED Week, culminating in the national Conference held in Washington DC. There are many activities planned during the week. Receptions, keynote speakers, luncheons, lectures, congressional receptions, awards to outstanding minority business persons of the year and a business expo. These activities promote and recognize the achievements of minority-owned businesses and the significant and outstanding contributions of major corporations to minority business growth and development. The event was held for the eighteenth year in September. We in the OSDBU staff participated in some of the week's activities including the business expo, which allows the small business community to meet with the buyers from the federal agencies and their prime

Competency and Determinations of Responsibility

By Deborah Van Dover

Subpart 19.6--Certificates of Competency (CoC)

What is a COC?

A Certificate of Competency (COC) is the certificate issued by the Small Business Administration (SBA) stating that the holder is responsible for the purpose of receiving and performing a specific Government contract. SBA certifies to Government contracting officers as to all elements of responsibility of any small business concern to receive and perform a specific Government contract. The COC program is applicable to all Government acquisitions. If a contracting officer determines an apparently successful small business offeror to be nonresponsible, he/she shall refer that small business to the SBA for a possible COC. Once the contracting officer has determined and documented that an apparent successful small business offeror lacks certain elements of responsibility, the contracting officer shall-- Withhold contract award and refer the matter to the SBA Area Office serving the area in which the headquarters of the offeror is located. This referral shall include those elements as listed in FAR 19.602-1 (C)(I-vi). The contracting officer shall withhold award for 15 days, or longer if agreed to by both SBA and the CO, after the appropriate SBA Area Office has received the

referral with all required information. Unless a longer time has been agreed to by both C.O. and SBA, the SBA has 15 days in which to review the small business concern listed in the referral. The specific issues are listed in FAR Part 19.602-2. When the Area Director determines that a COC is warranted (for contracts valued at \$25,000,000 or less) SBA notifies the contracting officer.

The contracting officer may accept the Area Director's decision to issue a COC and award the contract to the concern or ask to have the case suspended to allow a variety of reviews in which SBA and the contracting officer may both participate. The contracting officer may also appeal the decision, at this time, to SBA Headquarters under FAR19.602-3, if the contract is valued at \$100,000 or less. There is no appeal allowed for this dollar range.

COCs valued between \$100,000 and \$25,000,000: The SBA and Area Headquarters will make every attempt to settle a disagreement, however, in the event one cannot be reached, the contracting officer can request the case be suspended and referred to SBA Headquarters for review. SBA Headquarters will then notify the OSDBU office. If the contracting agency decides to file an appeal, it must notify SBA Headquarters through the Director, OSDBU within 10 business days (or a time period agreed upon by both agencies) that it intends to appeal the issuance of the COC. Detailed information on this process can be found in FAR 19.602-3.

Denial of a COC by the SBA does not preclude a contracting officer from awarding a contract to the referred concern, nor does it prevent the concern from making an offer on any other procurement.

If new information causes the contracting officer to determine that the concern referred to the SBA is actually responsible to perform the contract, and award has not already been made under paragraph (c) of this subsection, the contracting officer shall reverse the determination of non-responsibility, notify the SBA of this action, withdraw the referral, and proceed to award the contract. Additionally, a SBA-certified concern shall not be required to meet any other requirements of responsibility.

If SBA has not issued the COC within 15 days, unless a longer period has been agreed upon, the contracting officer shall proceed with the acquisition and award the contract to another firm.

COC provide small businesses with an objective review of their ability to perform. Contracting officers should not be fearful of the process. Over the past several years only about half of the small businesses referred by the contracting officers make application. Of those who make application, only, half are awarded a COC.

If you have questions or need assistance with the COC process, please contact your OSDBU representative at (202) 565-8124.

www.va.gov.osdbu



I've just returned from the first of our training sessions for FY 2001. I hope to see you in an upcoming session. If your network would like to host training, OSDBU will fund the travel expenses for our faculty and provide the training materials. We've already got some commitments for the first quarter. Additionally, in response to your suggestions, we will be putting our training materials on the web site in the near future.

Remember, Small Business Builds America!

Scott

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Center for Veterans Enterprise

Recruitment is underway to staff this new organizational element within OSDBU. Probably, by the next issue, you'll be hearing from the new Team Leader. We're very excited about this new office. Here's what's been happening since our last issue:

July 24, 2000 - Bill Elmore was Appointed Associate Administrator for the U.S. Small Business Administration's Office of Veterans Business Development. Bill is a great guy with a long time record of superior advocacy on behalf of veterans. Since his appointment in late July, he's developed a cooperative working relationship with VA.

contractors. This provides an excellent opportunity for networking with federal agency buyers and other small businesses. America's minority entrepreneurs have contributed to the strength of our economy and the quality of our national life.

Today, minority business owners are branching out from predominantly retail and service industries into the fields of manufacturing, transportation, construction, energy, and technology, helping to power the longest peacetime economic expansion in our Nation's history. The staff in OSDBU, were happy, to participate this year in the MED week activities.

VISN 15 8(a) HUBZONE COMPANY SUCCESS

Industrial Supplies Inc. (ISI) is a small disadvantaged 8(a) company located in a HUBZone in Wyandote County, KS. The staff in VISN 15 initially established an EMS supply contract for a 70-day trial period due to the history of problems they had experienced with previous 8(a) contractors. The contract stated that the contractor was to:

- ??Inventory hospitals existing products to help with standardization.
- ??Our hospitals were required to use this contract for 90% -- 95% of their usage of EMS supplies listed on the contract.
- ??Contractor to deliver within 5-days.
- ??Cost to be 10% below FSS.

- ??Develop a training schedule by product for EMS Supervisors and staff.
- ??Demonstrate ability to develop positive rapport with VISN management, committee members and hospital staff employees.

Since that time Industrial Supplies Inc. (ISI) has formed alliances to allow national procurement and logistical delivery. They established an e-commerce system within our VISN so that orders are placed electronically with delivery time within 5-days which also assists us in reducing inventory space requirements. They continue to provide "state of the art" training on products to new staff and to help solve problems.

Thus far, they are performing according to the contract. We have experienced some problems, but none that have not been insurmountable. They are a small business, new to the VA, which has required some guidance and training. But they are a company that will give their very best to meet your needs.



**SBA OFFERS
HUBZONE
TRAINING**
www.sba.gov/HUBZone

NAC Industry Day

Article by Deborah A. Van Dover

Congratulations to the National Acquisition Center for hosting a large, and very well attended Industry Day on September 12, 2000, entitled "Strengthening the Partnership – Building on a Firm Foundation". The Industry Day was held at the Rosemont Convention Center in Rosemont, Illinois, and was well attended, in spite of extremely inclement weather. The focus was on bringing our partners up-to-date on current and new contracting programs and initiatives. There were over 600 registrants, representing large and small business concerns, and Federal Government personnel. Workshops were held from 9 am until 4 pm, and covered a range of topics such as "Small Business Issues – Subcontracting", "Electronic Commerce", "The Audit Process", "Meet Your Contracting Officers", and "Prime Vendors". OSDBU conducted two workshops to help VA prime contractors understand the subcontracting process.

It was an extremely productive day and was well received by the attendees.

The Government procurement practices have changed to accommodate changes in health care delivery and improve the way the VA does business. Planned exchanges of views between our business partners will further enhance the relationship between customers, contractors and the National Acquisition Center. Thank you to Phil Naas, the Small Business Specialist, for a job well done.

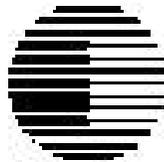
Small Business Mall for Federal Agencies Launched

Federal agencies have an opportunity to shop for information technology products and services specially from Small and Disadvantaged businesses on the new GSA web site smallbizmall.gov. This E-Commerce mall is the first of its kind in the federal marketplace to provide small and disadvantaged businesses the opportunity to fulfill orders via the web. This technology provides Government buyers several benefits:

- ?? Comparison Shopping
- ?? Secure Transaction Processing
- ?? Online account management

Why agencies Want to Use Small BizMall.Gov?

- ?? Support Small business and meet procurement preference goals
- ?? Receive the 8(a) Credit for your agency
- ?? Easy to use
- ?? Short procurement lead time
- ?? Qualified 8(a) industry partners are available
- ?? Supports the Presidential Policy for E-Commerce use.



www.smallbizmall.gov

August 1, 2000 - VA mailed 63,000+ letters to veterans in business, developed from SBA's Pro-Net database and DoD's Centralized Contractor Registry. The Director, OSDBU sent a letter to each veteran-owned firm we could identify, in compliance with the annual notification required by P.L. 106-50. Surprisingly, we received very few bad addresses back. This shows that veterans are staying in business and keeping their profiles current.

August 10, 2000 – VA's OSDBU Director initiated the development of a Prime Contractors Veterans Business Advocates Council, the private sector counterpart to the Federal Agency Veterans Business Advocates Council, developed by VA in the Spring.

August 25, 2000 – Acting Secretary Gober sends a letter to SBA Administrator Aida Alvarez expressing concern about the lack of progress in implementing P.L. 106-50, with special mention made of the FAR case.

August 25, 2000 – Acting Secretary Gober provides briefing materials to the Task Force on Veterans Entrepreneurship, a national association of advocates organization's promoting veterans and disabled veterans. This is the second briefing on the legislation to this group.

August-September, 2000 - The OSDBU Director and staff members brief attendees at the annual conferences of the American GI Forum, AMVETS, American Legion.

September 20, 2000, The FAR Council meets on the proposed Veterans Entrepreneurship Rule. VA opposes the rule as drafted because it does not clearly establish separate categories of goals for prime and subcontracting with veterans and with service-disabled veterans as distinct goaling groups. The Council decides to issue the rule as drafted.

September 25-27, 2000 - Initial Meeting of the Board of Directors of the National Veterans Business Development Corporation. They will meet again in early December. They have developed their objectives, retained legal counsel, appointed an interim Executive Director and initiated outreach. Their principle objectives are:

Fundraising (the corporation must be fully self-sustaining by October 1, 2004)
 National Clearinghouse of Resource Information
 National Veterans Database
 One-Stop Shops for Veterans Business Assistance

October 2, 2000 – Senators Bond and Kerry introduce an amendment to SBA’s Reauthorization Bill, HR 2392 Amendment 4286, to require separate subcontracting goal categories for veterans and service disabled veterans.

October 11, 2000 – the Interim FAR Rule on Veterans Entrepreneurship is published in the Federal Register. It is effective for all solicitations released on or after that date. You may download it from VA’s OSDDBU web site.

October 23, 2000 – OSDDBU initiated internal concurrence of a proposed Memorandum of Understanding (MOU) with the Association of Government Marketing Assistance Specialists, the organization that manages the Procurement Technical Assistance Centers. This will be similar to the MOU that VA already has in place with the SBA and the Association of Small Business Development Centers. However, the PTACs are DoD funded and do a lot of work with defense contractors.

On September 25th the Honorable Bob Stump the Chairman of the Committee on Veterans Affairs and the Honorable Lane Evans ranking member House Veterans Affairs request VA briefing materials on actions taken in support of this program.

As you can see, VA is fully committed to supporting veterans entrepreneurship, and to the success of this new Government-wide legislation. Stay tuned for more news in the next issue.

New Visibility for VA’s Small Business Programs

In addition to receiving inquiries from the Veterans Committees and the Small Business Committees in Congress, internal changes are underway to raise awareness of small business programs throughout our Department. Here’s what’s new:

VA Strategic Plan 2001-2006 was released in September. Strategic Goal #4 reads: Contribute to the Public Health, Socioeconomic Well Being and History of the Nation. Objective 4.4 in support of this goal reads: Enhance the socioeconomic well being of the Nation through veterans benefits and business assistance programs. There are two outcome measures for this objective. Small Business Procurement Goal Performance is one of them.

Executive Order 13170 dated October 6, 2000, entitled “Increasing Opportunities and Access for Disadvantaged Businesses” requires the Department’s Deputy Secretary to implement the terms of the order. It lists specific steps and requires the development of a comprehensive strategic plan to aggressively include SDBs and 8(a) concerns in VA’s prime and subcontract opportunities. The EO is posted on OSDDBU’s web page. Personnel in VA OSDDBU and VA’s Office of Acquisition and Materiel Management are coordinating this effort on behalf of the Acting Deputy Secretary. The EO requires this be forwarded to the Office of Management and Budget by January 4, 2000. By April 30 of each year, the agency must report to OMB on the success of planned efforts to increase SDB utilization. Separate sections address diversity in public advertising, information technology requirements, bundling and Federal Supply Schedule contracts.

Executive Order 13157 dated May 23, 2000, entitled “Increasing Opportunities for

Women-Owned Small Businesses.” This is similar to the SDB EO. The EO requires that a VA designate a “senior acquisition official” to represent the Department on requirements under this order. VA’s Associate Deputy Assistant Secretary for Acquisitions (David S. Derr) will be the VA official responsible for ensuring VA compliance. It too requires that VA develop a comprehensive strategy to expand opportunities for WOSBs. On October 4, VA was asked to address the joint meeting of the Interagency Committee on Women’s Business Enterprise and the National Business Women’s Council. VA is the largest agency that has succeeded in meeting the 5% goal. At this meeting, SBA’s Office of Women’s Business Ownership distributed a sample implementation guide for the EO.

Advisory Committee on Minority Veterans submitted their Sixth Annual Report to Congress and to the Acting Secretary in late July. The Report was submitted to the Veterans Affairs committees. Contained in this report, and the subject of a follow-up meeting by the Committee Chairman with VA’s Acting Secretary, are recommendations that VA needs to increase awards to small and small disadvantaged businesses.

Congresswoman Nydia Velazquez’s July 2000 Report, Failing To Meet the Grade, How the Federal Government is Failing America’s Small Businesses in the Federal Procurement Process, is released via her office’s web site. VA receives an average

grade of B-. The report notes that VA’s small business program goals are unrealistically low with regard to small disadvantaged businesses and 8(a) contracting. This report assessed accomplishments in Fiscal Years 1997 through 1999. The report will be an annual offering by her office. Representative Velazquez is the Ranking Member on the House Small Business Committee. The complete report is available at <http://www.house.gov/velazquez/>.

UPCOMING CONFERENCES		
11/8/00	Veterans Mean Business	Dayton, OH
11/13/00	WOB Conference	Charlottesville VA
11/14/00	Veterans Mean Business	Cincinnati, OH
11/16/00	Quarterly Women’s Business Advocates Council	Washington, DC
12/4/00	Business Expo	Andrews Air Force Base
12/6/00	Tidewater Regional Minority	Norfolk, VA Exhibition Hall
12/7/00	Tysons Corner	Fairfax County Chamber of Commerce

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