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VA increases contracting with Service-Disabled and Veteran-Owned Small Businesses

5% growth in goals are first since FY 2010

WASHINGTON — Secretary of Veterans Affairs (VA) Robert Wilkie today announced an increase to the department's goals for contracting with [Service-Disabled Veteran-Owned Small Businesses \(SDVOSB\)](#) and [Veteran-Owned Small Businesses \(VOSB\)](#).

For fiscal year (FY) 2019, VA seeks to award at least 15% of its total contract dollars to SDVOSBs and at least 17% to VOSBs, representing a 5% increase in both goals, a significant change not noted since 2010.

This increase reflects the department's heightened emphasis on contracting with such firms after the [U.S. Supreme Court's decision in Kingdomware Technologies v. United States \(2016\)](#), Wilkie said.

"Three years ago, the U.S. Supreme Court underscored our mandate to do business with service-disabled and other Veteran entrepreneurs," Wilkie said. "We have increased the dollars awarded each year, but now it's time to update the goals to reflect this new commitment. We need to lock in the gains we have made and continue to build for the future."

In FY 2017, the last year for which official data is available, VA awarded \$5.1 billion in contracts to SDVOSBs and \$5.4 billion to VOSBs. These figures represent 19.5% and 20.6%, respectively, of VA's total procurement of \$26.1 billion.

The law directs VA to consider SDVOSBs first and VOSBs second, before considering other small business program preferences. Other federal agencies are covered by an [SDVOSB program administered by the Small Business Administration](#), with a goal of only 3% for SDVOSBs. At these agencies, the government-wide SDVOSB program has equal priority with other small business socioeconomic programs.

In FY 2017, VA awarded more than one-fourth of the dollars given to SDVOSBs by the federal government, more than all other federal civilian agencies combined. Previously, the SDVOSB and VOSB goals were 10% and 12% established by former VA Secretary Eric Shinseki in FY 2010.

FY 2018 data on federal contracting is still under review by the Small Business Administration and is considered unofficial until final figures are officially released.

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