Mitigating Risk for the Small Business

Office of Small and Disadvantaged Business Utilization
What is the Risk?
Risk to the VA

• Awarding to a small business unable to fulfill contract requirements

Risk to the Small Business

• Low Contractor Performance Assessment Reporting System (CPARS) and/or Electronic Subcontracting Reporting System (eSRS) rating

• A high Dun & Bradstreet Supplier Evaluation Risk (SER) rating

• Unable to compete in the future
Managing Contractor Risk

Through a vigorous due diligence process, the VA verifies that any prospective small businesses are responsible and capable by evaluating the following information:

- Dun & Bradstreet Supplier Evaluation Risk (SER)
- Federal Procurement Data System (FPDS)
- Excluded Parties List System
- Capabilities Statement
- Electronic Subcontracting Reporting System (eSRS)
- Contractor Performance Assessment Reporting System (CPARS) Rating
- System for Award Management (SAM)
- VA Verified Website
The Supplier Evaluation Risk (SER) Rating is Dun & Bradstreet’s proprietary scoring system used to assess probability that a business will seek relief from creditors or cease operations within the next 12 months.

SER rating range from 1 to 9, with 9 indicating the highest risk of failure.

- Ownership of facilities
- Company finances
- Number of employees
- Region of operations
- Both the number and dollar amount of suits, liens, judgments and prior bankruptcies
- Your industry
- Net profit after taxes
- Your most recent PAYDEX® Score
- Total assets and liabilities
- Payment experiences, or trade references

To learn more, visit: [Dun & Bradstreet Supplier Evaluation Risk (SER)](https://www.dnb.com/ser)
The Federal Procurement Data System is an automated system used to collect and report on federal procurement spending.

To learn more, visit: Federal Procurement Data System (FPDS)
The Excluded Parties List System (EPLS) was a database maintained by the General Services Agency (GSA) which identified vendors (contractors) that were excluded from receiving Federal contracts, certain subcontracts, and certain types of Federal financial and non-financial assistance.

In November 2012, this system was incorporated into the System for Award Management (SAM).

To learn more, visit: SAM Exclusion Search
Government officials use multiple sources of information when making award decisions. Agencies are instructed to use the Contractor Performance Assessment Reporting System (CPARS) to create and measure the quality and timely reporting of performance information.

To learn more, visit: CPARS
As part of the President’s Management Agenda for Electronic Government, the Small Business Administration (SBA), the Integrated Acquisition Environment (IAE), and a number of Agency partners collaborated to develop the next generation of tools to collect subcontracting accomplishments.

To learn more, visit: eSRS
Capabilities Statement

A Capabilities Statement is your company’s resume and it should give a contracting officer a clear and concise snapshot of your company.
The System for Award Management (SAM) is a government run site that is the central registration point for government contractors.

To learn more, visit: SAM
The Vets First Verification Program affords verified firms owned and controlled by Service-Disabled Veterans and Veterans the opportunity to compete for VA set asides.

To learn more, visit: Vets First Verification Program
Website

A small business’ website can be just as important as their capabilities statement when doing business with the VA.

A successful small business’s website should effectively market their products and/or services to potential customers, expand on its Capabilities Statement, and increase their visibility.
Is Your Company Worth the Risk?
## Is Your Small Business Worth the Risk?

<table>
<thead>
<tr>
<th>Dun &amp; Bradstreet SER Rating</th>
<th>CPARS and eSRS Rating</th>
<th>SAM</th>
<th>Verified</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Credit score</td>
<td>• Contracting officer’s review</td>
<td>• Comprehensive profile</td>
<td>• SDVOSB or VOSB</td>
</tr>
<tr>
<td>• High score = high risk</td>
<td>• Prime contractor complete review</td>
<td>• Update recently</td>
<td>• Eligible for set-asides</td>
</tr>
<tr>
<td>• Get your credit files</td>
<td></td>
<td>• Renewed annually</td>
<td></td>
</tr>
</tbody>
</table>

### Website
- • Current
- • Reflect Core Competencies
- • Contact Information
- • Validated

### FPDS
- • Awarded
- • Not Awarded
- • Future desired contracts

### FCO
- • Recently reviewed
- • New area of expertise
- • Plan ahead
Teaming Arrangements that help Mitigate Risk
Teaming Arrangements

Prime/Subcontracting
- Most common strategy
- Learn how to do business with the government
- Establish Past Performance
- SBA’s SubNet
- SBA’s Dynamic Small Business Search

Joint Ventures
- All Small Mentor-Protégé program
  - Set-Aside Contract
  - Veteran-Owned
  - Women-Owned
  - HUBZone
- 8(a) Business Development program
  - Competitive and Sole Source

Contractor Teaming Arrangements
- Arrangement between two GSA Schedule contractors
- Compete for orders they may not qualify for individually
- Far 9.6, CTAs, does not apply to GSA CTAs
Surety Bonds
Surety Bonds help small businesses win contracts by providing the customer with a guarantee that the work will be completed.

To learn more, visit: SBA Surety Bonds
Every time the VA awards a contract and the small business accepts it, there is an element of risk for each party.

- Contracting officer’s thorough review
- Mitigate the risk
- Teaming opportunities
- Surety Bonds
Questions
Useful Links

• Learn more about VA OSBDU: http://www.va.gov/osdbu
• VA Vendor Information Pages (VIP): https://www.vip.vetbiz.va.gov/
• VA Kingdomware Information: https://go.usa.gov/xKsp5
• How to Get Verified: http://www.va.gov/osdbu/verification/index.asp
• National Veterans Small Business Engagement: http://www.nvsbe.com
• Procurement Technical Assistance Center (PTAC): https://www.aptac-us.org
Stay Connected

OSDBU Help Desk:
Phone: 1-866–584–2344
Email: osdbustratcomm@va.gov
Website: https://www.va.gov/osdbu/

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