U.S. Small Business Administration  
Office of Government Contracting and Business Development  

Supplemental Workbook  

Veteran Owned Small Business  
Contracting Programs  
Service Disabled Veteran Owned Small Business Program  
Veterans First Program  

June 2013
This is about helping veteran owned small businesses benefit from federal contract markets.

Welcome to SBA’s primer on contracting programs that support veteran owned and service disabled, veteran owned small businesses.

**NOTE:** This supplemental workbook tracks the slides and narrative contained in the training module, *Veteran Owned Small Business – Contracting Programs*. It is a guide to the Service Disable Veteran Owned Small Business Program and the Veterans First Program. The online version of the training program, with audio can be accessed at: [www.sba.gov/gcclassroom](http://www.sba.gov/gcclassroom). For the user’s convenience, all hyperlinks contained in the copied slides are included as links at the end of the workbook.
This training module provides an overview of the key contracting programs that support veteran owned small businesses. Specifically, it describes, explains and outlines the differences between the Service Disabled Veteran Owned Small Business Procurement Program and the Veterans First Contracting Program.

The module also provides clarity regarding when self-representation of veteran status is acceptable and when verification of veteran status is required through the VA’s Veteran Information Pages or VIP database.
But first, a statement about our veteran entrepreneurs.

Veteran owned firms represent a unique force within the American economy. Veterans own approximately 2.5 million small businesses or 9 percent of all small firms in the U.S. In addition, some 200,000 veteran owned firms are owned by service-connected disabled veterans.

Historically, about one in six veterans choose self-employment as their vocation. This is a significant percentage.

Veteran entrepreneurs are an incredibly important dimension in America and within the U.S. economy. This is why special programs have been created by Congress to assist veteran owned and service disabled veteran owned small businesses to benefit from federal contracts.
Key Legislative Guidance

- Veteran Entrepreneurship and Small Business Development Act of 1999 (PL 105-50)
  - Established annual 3% government-wide prime and subcontracting goals for SDVOSB
  - Created SDVOSB Procurement Program allowing restricted competition with sole source and set-asides for SDVOSBs
- Veterans Benefits, Health Care and Information Technology Act of 2006 (PL 109-461)
  - Created the Veterans First Contracting Program – applying only to VA acquisitions – establishes contracting goals, gives the VA sole-source contracting authority and permits restricted competition for SDVOSBs and VOSBs

Key legislation established important programs and initiatives to aid veterans in federal contract markets.

First, in 1999, the Veteran Entrepreneurship and Small Business Development Act established an annual government-wide procurement goal of 3 percent for service disabled veteran owned small businesses. This goal stipulates that not less than 3 percent of the total annual value of all prime and subcontract awards should be awarded to small business concerns owned and controlled by service disabled veterans.

In 2003, the Veterans Benefits Act established a procurement program specifically for service disabled veteran owned small business concerns. This national program, administered by the SBA is designed to help agencies to meet the 3 percent procurement goal, by allowing contracting officers to restrict competition to service disabled veteran owned small businesses and to award sole-source and set-aside contracts, where certain criteria are met.

In 2006, the Veterans Benefits, Health Care and Information Technology Act created the Veterans First Contracting Program. This program applies only to acquisitions made by the Department of Veterans Affairs, an important distinction. The Veterans First Program gives the VA sole-source contracting authority and permits restricted competition for both service disabled veteran owned small businesses and veteran owned small businesses. Importantly, the program applies not only to serviced disabled veteran owned small businesses, but to veteran owned small businesses, as well.

The programs highlighted here and their differences are discussed in the following sections.
Contracting Programs
Veteran Owned Small Businesses

Contracting programs. This section is in two parts and describes the Service Disabled Veteran Owned Small Business Procurement Program and the Veterans First Contracting Program.
Part 1
Service Disabled Veteran Owned Small Business (SDVOSB) Procurement Program

Part 1 --- Service Disabled Veteran Owned Small Business Procurement Program.

Notes...
The Service Disabled Veteran Owned Small Business Procurement Program, more commonly referred to as SDVOSB, helps contracting officers and agencies to meet the 3 percent government-wide procurement goal for service disabled veteran owned small businesses. It is a program designed to help service disabled veteran owned firms to win federal contracts.

The program provides procuring agencies with authority to set acquisitions aside for exclusive competition among service disabled veteran owned small businesses, as well as the authority to make sole-source awards to service disabled veteran owned firms, if certain conditions are met.

Eligibility for this program is unique only to service disabled veteran owned small firms. In addition, service disabled veteran status is self-conveyed to the contracting officer without verification of veterans status from the VA or a third-party entity.
Under the SDVOSB program, a contracting officer may set-aside a procurement for a service disabled veteran owned small business if there is a reasonable expectation that two or more responsible SDVOSBs will submit offers, and, if the award can be made at a fair market price.
Also under the program, a contracting officer may award contracts to service disabled veteran owned small businesses on a sole source basis.

However, such awards can only be made if, only one SDVOSB can satisfy the requirement; the anticipated contract award price is less than $6 million for manufacturing requirements or $3.5 million for all other procurements; the firm is a responsible business; and, the award can be made at a fair and reasonable price.
Some Exclusions…..
Contracting Programs – SDVOSB Program

- Exclusions to the SDVOSB program
- Requirements can be satisfied through:
  - Federal Prisons Industries, Inc. (FAR Subpart 8.6)
  - Participating non-profit agencies for the blind (FAR Subpart 8.7)
  - Orders under indefinite delivery contracts (FAR Subpart 16.5)
  - Orders against Federal Supply Schedules (FAR Subpart 8.4)
  - Requirements currently being performed by an 8(a) participant or requirements SBA has accepted for performance under 8(a) authority
  - Review the FAR reference for additional clarity regarding exclusions

Veteran Owned Small Business Contracting Programs

There are some exclusions. A contracting officer may not use the SDVOSB program if the needed requirements can be satisfied through Federal Prison Industries, Inc., or through participating non-profit agencies for the blind.

In addition, the SDVOSB program may not be used if the requirements can be satisfied through orders under indefinite delivery contracts or through orders against Federal Supply Schedules. However, with regards to IDIQ or Federal Supply Schedule exclusions, a contracting officer may still conduct a set-aside. This is a bit confusing, but a contracting officer has discretion here.

Further, the program is excluded if the requirements that are currently being performed by an 8(a) firm or the requirements that have already been accepted by the SBA for performance under the 8(a) program, must first be released from the 8(a) program before they can be set-aside for the SDVOSB program. Please review the noted FAR references for additional clarity regarding exclusions.
Eligibility requirements for participation in the SDVOSB program are unique to firms owned by service disabled veterans:

- the service disabled veteran must have a service-connected disability that has been determined by the VA or DoD;
- the SDVOSB must be “small” under the NAICS code assigned to the procurement;
- the service disabled veteran must own at least 51% of the SDVOSB; and,
- the service disabled veteran must hold the highest office and control the management and daily operations of the SDVOSB.
Under the SDVOSB program, the bidding firm is responsible for self-certifying or representing to the contracting officer that it is a service disabled veteran owned small business concern. A firm can do this by simply self-certifying through the government’s System for Award Management (SAM) – by declaring that it meets the definition of a service disabled veteran owned small business.

This is an important distinction from the Veterans First Contracting Program, which applies only to VA acquisitions and requires verification of veteran status through the VA in its Vendor Information Pages or VetBiz database. Agencies, other than VA, cannot require certification by the VA or placement in the VetBiz database. The Veterans First Contracting Program is discussed in the following section.

Guidance for self certification, under the SDVOSB procurement program is contained in 13 CFR Part 125.8 and FAR Subpart 19.307.
Part II
Veterans First Contracting Program

Part 2 -- Veterans First Contracting Program.

Notes...
Public Law 109-461 created the Veterans First Contracting Program, better known as the Vets First Program.

This program applies only to acquisitions made by the Department of Veterans Affairs. The 2006 law gives the VA sole-source contracting authority and permits restricted competition or set-asides for both service disabled veteran owned small businesses and veteran owned small businesses. It also establishes contracting goals unique to the Department of Veterans Affairs. The goals are 10% for veteran owned businesses and 7% for service disabled veteran owned businesses.

In addition, a key element of this program, making it very different from the SDVOSB procurement program, is that - veterans status - cannot be self represented. Rather, status as a service disabled veteran owned small business or a veteran owned small business must be verified through the VA, by registering in the VA’s Vendor Information Pages or VIP database. The program is also unique in that it only applies to purchases made by the Department of Veterans Affairs.

By-the-way, the VA spends over $3 billion with eligible veteran owned small businesses each year. That’s a lot of opportunity.
The VA developed the verification assistance program to help veterans understand the verification policy and process.

As was previously mentioned, under the Veterans First Program, contract set-asides are available for veteran owned small businesses and service disabled small businesses.

However, an applicant or contract bidder’s veteran status must be verified to qualify. Verification is the process by which a veteran is evaluated and determined eligible to be listed in the Vendor Information Pages (VIP) database. This repository of verified veteran owned firms is also sometimes referred to as the VetBiz database.

The Center for Veterans Enterprise is the office within VA that manages the verification process and verifies VOSBs and SDVOSBs for inclusion in the VIP or VetBiz database.
The Service Disabled Veteran Owned Small Business Procurement Program and the Veterans First Contracting Program are both very helpful contracting initiatives for veteran entrepreneurs. They are similar, but very different.

It is important to understand the features and differences of each.

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Key Resources
Veteran Owned Small Business Contracting Programs

Key resources.
Resources and Tools

Key Resources

• Veterans Business Outreach Centers
  • [http://www.sba.gov/content/veterans-business-outreach-centers-0](http://www.sba.gov/content/veterans-business-outreach-centers-0)
• Entrepreneurship Boot Camp for Veterans with Disabilities
  • [http://whitman.syr.edu/ebv/](http://whitman.syr.edu/ebv/)
• Federal Acquisition Regulations
  • [https://www.acquisition.gov/far](https://www.acquisition.gov/far)
• Acquisition Central
  • [https://www.acquisition.gov/](https://www.acquisition.gov/)
• FAR Part 19 – Small Business Programs
  • [http://www.acquisition.gov/far](http://www.acquisition.gov/far)
• System for Award Management (SAM)
  • [www.sam.gov](http://www.sam.gov)

Numerous resources are available to assist individuals who are interested in learning more about and participating in veteran owned small business contracting programs.

Notes...
Resources and Tools

Key Resources

- SBA – Office of Veterans Business Development
  - http://www.sba.gov/about-offices-content/1/2985
- Federal Business Opportunities
  - http://www.fbo.gov
- SBA-Government Contracting
- VA Vendor Information Pages (VIP)
  - http://www.vetbiz.gov/
- VA Verification Assistance Program

Discover what is available and learn from the wisdom of others.

Notes...
Resources and Tools
Key Resources

- Learn more about:
  - SBA Size Standards
  - 8(a) Business Development Program
  - WOSB Program
  - HUB Zone Program

- Local (client) resources:
  - SBA district office (Business Opportunity Specialists)
  - Procurement Technical Assistance Center (PTAC)
  - Government Contracting Classroom (free online courses)
  - SCORE chapter
  - Small Business Development Center
    - SBA/SBDC Program Office

Use these resources to become better informed and improve your chances of being a successful participant in federal contracting markets.
Thank you for taking the time to learn about contracting programs for veteran owned small businesses.

Much information has been discussed and we hope it is helpful. Please contact us with any additional questions you may have. Consider viewing other training modules in SBA’s online Government Contracting Classroom.

Thank you.
Hyperlinks Contained in the Workbook

- Veterans Business Outreach Centers
  - http://www.sba.gov/content/veterans-business-outreach-centers-0

- Entrepreneurship Boot Camp for Veterans with Disabilities
  - http://whitman.syr.edu/ebv/

- SBA – Office of Veterans Business Development
  - http://www.sba.gov/about-offices-content/1/2985

- Federal Business Opportunities
  - http://www.fbo.gov

- SBA-Government Contracting

- VA Vendor Information Pages (VIP)
  - http://www.vetbiz.gov/

- VA Verification Assistance Program

- Acquisition Central
  - https://www.acquisition.gov/

- System for Award Management
  - http://www.sam.gov

- FAR Part 19 – Small Business Programs
  - http://www.acquisition.gov/far

- Access & Register in GLS
  - https://eweb.sba.gov/gls/dsp_addcustomer.cfm?IMAppSysTypNm=8ASDB

- Code of Federal Regulations (13CFR)
• Federal Business Opportunities
  – http://www.fbo.gov

• SBA-Government Contracting

• Learn more about:
  – SBA Size Standards
  – 8(a) Business Development Program
  – WOSB Program
  – HUB Zone Program

• Local (client) resources:
  – SBA district office
  – Procurement Technical Assistance Center (PTAC)
  – SCORE chapter
  – Small Business Development Center
    • SBA/SBDC Program Office
  – Women’s Business Center
    • SBA/WBC Program

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