

Officials Commit to Disabled Veterans' Businesses

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WASHINGTON, July 15, 2010 – Defense Department officials are committed to providing service-disabled, veteran-owned small businesses with contracting opportunities, and are closer to its goal of awarding 3 percent of department contracts to such businesses, the acting director for the Pentagon's Small Business Programs Office said today.

Testifying before the House Small Business Committee, Linda B. Oliver said the department has seen a steady increase in its annual contract awards to such businesses since 2003, when \$300,000 was awarded to disabled-veteran-owned small businesses.

In 2009, \$4.3 million in contracts was awarded to disabled-veteran-owned small businesses.

"We are proud of this progress, one that shows a 14-fold increase," Oliver said in her written testimony, which also noted the number of contracts awarded also has increased. "It is good for [veterans] when the percentages are increasing in an upward trend and also when the total dollars are increasing at an even faster pace.

"While these trends are positive and encouraging, we cannot and will not relax our efforts until we achieve the government-wide goal of 3 percent," she continued.

Also, the number of firms awarded defense contracts has steadily increased from 751 in 2003 to more than 3,000 in 2009. Of the \$7.4 billion appropriated to the Defense Department in Recovery Act funds, \$157 million was awarded and being worked by disabled-veteran small businesses, she said.

Oliver credits the Pentagon's Mentor-Protégé Program and other training opportunities geared toward such contractors for the positive trend. The program helps "protégé" companies learn from established "prime" contractors through a three- or four-year agreement, Oliver explained.

"As a result, protégé firms that graduate from the program are generally valuable additions to the department's supplier base," she added.

The Pentagon also has undergone research to better understand the characteristics of disabled-veteran contractors, she said. Oliver's office monitors the Central Contract Registration, which has received registrations from 500 businesses this year, she said.

Analysis shows that more disabled-veteran contractors each year want to do business with the federal government, Oliver said. Also, a majority of these contracts are awarded to businesses in specific categories. These areas include professional, scientific and technical services, construction and administration specialties, she explained.

“I believe that we are gaining insights that will help us develop mechanisms that will, in turn, allow us to make even greater use of [service-disabled, veteran-owned small businesses] in our contracting program,” Oliver said.

Another initiative to help service-disabled, veteran-owned small businesses attain federal contracts is eliminating fraud and enhancing participation among deserving business owners, said Timothy Foreman, executive director of the Veterans Affairs Department’s Office of Small and Disadvantaged Business Utilization, who also testified before the committee.

“Small business enterprise can best serve as an engine of ingenuity and creativity with favorable impact on both business and government when it is free of fraud and enthusiastically engaged in its work or mission,” Foreman said in his submitted remarks.

Foreman is set to become chairman of VA’s newly-formed Suspension and Debarment Committee for non-federal acquisition regulation debarment actions, he said. The committee will be a tool to deter fraud from companies posing as service-disabled, veteran owned businesses, he added.

“Keeping the pretenders out of the competitive process will prevent them from stealing the statutory and regulatory rights due only to real [veteran-owned small businesses] and [service-disabled, veteran-owned small businesses],” he said. “[The committee] will prevent them from stealing the valor of those who are entitled to meaningful procurement advantages.”

VA awarded 16 percent of its fiscal 2009 contracts to disabled-veteran businesses, exceeding its goal of 7 percent. Still, the VA stands to improve, he said.

Foreman pointed to VA’s current lack of tracking veteran subcontractors as one such area. Also, he noted shortfalls in verifying veteran- and disabled-veteran owned businesses as another reason for fraud.

Currently, businesses appear in VA’s data base as “VA-verified or self-verified,” he said. But by 2012, he added, only VA-verified businesses will be visible in the database.

VA hopes to accomplish this through the Suspension and Debarment Committee. VA’s robust framework to identify fraud may be mirrored by other government agencies, Foreman said, with hopes of deterring fraud throughout the government.

As VA programs grow, “our veteran clients will continue to receive quality services and products from increasing numbers of service-disabled veteran suppliers who, as fellow veterans, better understand the needs of the community VA serves,” Foreman explained. “This symbiotic aspect of VA’s program is a win-win.”