

The Veterans Benefits Act of 2003 Procurement Program for Small Business Enterprises Owned and Controlled by Service-Disabled Veterans

The Sole Source and Restricted Competition set-aside act levels the playing field for small businesses owned by America's service-disabled veterans.

The **Veterans Entrepreneurship and Small Business Development Act of 1999** set a 3% Federal procurement goal regarding contracts and sub-contracts involving small business enterprises owned and controlled by service-disabled veterans ("SDV-owned small firms").

Now, the **Veterans Benefits Act of 2003** signed by President Bush December 16, 2003, amends the Small Business Act (U.S.C. 631 et seq.) by inserting the following:

Sec. 36 PROCUREMENT PROGRAM FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS

Sole Source Contracts – A contracting officer may award a sole source contract to any SDV-owned small firm if the firm is a responsible contractor with respect to performance of such contracts and the officer does not expect other SDV-owned small firms to submit offers for the same contract. The award value of the contract, including options, may not exceed \$5,000,000, in the case of a contract that was given a standard manufacturing

classification code, or \$3,000,000, in the case of any other contract. The contracting officer must ensure the contract is made at a fair and reasonable price.

Restricted Competition – A contracting officer may award contracts on the basis of competition re-stricted to SDV-owned small firms if the officer reasonably expects at least two SDV-owned small firms will submit offers and that the award can be made at a fair market price.

Relationship To Other Contracting Preferences – Sole Source or Restricted Competition contracts are only allowed when other Federal Procurement preferences are not available.

Enforcement; Penalties – Rules similar to Paragraphs (5) and (6) of Section 9(m) of the Small Business Act as amended 12/21/01 shall apply for purposes of this Section.

Senate and House Joint Agreement

To ensure implementation of the Sole Source and Restricted Competition programs would not be delayed, the House and Senate Veterans Affairs committees adopted the following: *"The Committees intend that a determination of service connection by the Secretary of Veterans Affairs would be binding on the SBA for purposes of participating in this program. The Committees also urge the SBA and the Office Of Fed-*

eral Procurement Policy to expeditiously and transparently implement this program, perform outreach, and provide the necessary resources to improve results with respect to SDV-owned small business concerns. The Committees note that, in 1999, Public Law 106-50 established a 3% government-wide goal for procurement from service-disabled veterans. To date, all Federal agencies fall far short of reaching this goal."

Who is Eligible?

Per the Small Business Act 1999 definition of "service-disabled veteran": *The term "service-connected" means, with respect to disability, that such disability was incurred or aggravated in the line of duty in the active military, naval or air service.* This definition applies to the Sole Source and Restricted Competition program as well as the 3% Goal program and includes veterans with 0% and higher VA disability ratings.

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