



DEPARTMENT OF VETERANS AFFAIRS
DEPUTY ASSISTANT SECRETARY FOR ACQUISITION AND MATERIEL MANAGEMENT
WASHINGTON DC 20420

IL 049-05-1
October 13, 2004

OFFICE OF ACQUISITION AND MATERIEL MANAGEMENT INFORMATION LETTER

TO: Under Secretaries for Health, Benefits, and Memorial Affairs; Assistant Secretary for Management; Chief Facilities Management Officer, Office of Facilities Management; Veterans Integrated Service Network Directors; Directors, VA Medical Center Activities, Domiciliary, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices; Directors, Denver Distribution Center, Austin Automation Center, Records Management Center, VBA Benefits Delivery Centers, and the VA Health Administration Center; and the Executive Director and Chief Operating Officer, VA National Acquisition Center

ATTN: Head of the Contracting Activity, All VA Contracting Officers, and All Other VA Employees Involved With Acquiring Goods and Services.

SUBJ: Advance Procurement Planning to Increase Opportunities for Awards to Veteran-Owned and Service-Disabled Veteran-Owned Small Businesses

1. As noted in Federal Acquisition Regulation subpart 19.2, it is the policy of the Federal Government to provide maximum practicable opportunities in acquisitions to small businesses, including Veteran-Owned (VO) and Service-Disabled Veteran-Owned (SDVO) small businesses. To further increase opportunities for VO and SDVO small businesses, this information letter (IL) provides additional guidance to contracting officers in the development of advance procurement planning.
2. The Veterans Entrepreneurship and Small Business Development Act of 1999 (Public Law 106-50) established a Government-wide goal of 3 percent for Service-Disabled Veteran-Owned small business concerns. In addition, the Act requires all Federal agencies to establish agency-specific procurement goals for small businesses. VA's internal goal for doing business with VO small businesses is 7 percent of total procurement dollars. For FY 2003, VA achieved only 3.08 percent of its contract dollars to VO small businesses and .49 percent to SDVO small businesses, which is disappointing.
3. VA contracting officers and end users should use the following procedures during acquisition planning and think first of VO and SDVO small businesses for each procurement requirement.

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a. Consider Early Exchanges of Information. The contracting officer should determine whether to initiate early exchanges. If early exchanges are utilized, VO and SDVO small business goals should be considered during this process in order of precedence as the SDVO small business concerns do not override existing acquisition law or regulation, including the requirements to purchase products from Federal Prison Industries, Inc., and products and services from the Committee for Purchase From People Who are Blind or Severely Disabled (see FAR Parts 8 and FAR 19.1404 Exclusions). The contracting officer conducts early exchanges with vendors and Government personnel to improve the Government's understanding of Government requirements and industry capabilities to perform the requirements. Although the contracting officer is the lead in achieving the shared value that the parties seek through the business relationship, end users should also be made aware of this requirement during acquisition planning. Early exchanges can be accomplished through industry or small business conferences, pre-solicitation notices, pre-solicitation or pre-proposal conferences, draft request for proposals (RFPs), request for information (RFI), or site visits. Exchange of information must be consistent with procurement integrity requirements as referenced in FAR 3.104.

b. Market Research. During the acquisition planning process, contracting officers and end users should perform a market survey to accurately reflect the market's capabilities (lead-times, production, delivery, and cost) and procurement lead-times. Use of sources sought notices for VO and SDVO concerns is a key component in conducting market research and should be used extensively in this process. VA contracting officers and end users can access the comprehensive listing of what VA buys at (<http://www.va.gov/osdbu>) under the heading "Business Opportunities" to identify potential VA procurement opportunities for VO and SDVO small businesses. In performing a market survey, contracting officers must use the VetBiz VIP website (<http://www.vetbiz.gov>) and the Central Contractor Registration (CCR) website (<http://www.ccr.gov>) to search for VO and SDVO small businesses. If the contracting officer cannot locate a VO or SDVO contractor for the agency's requirements, the contracting officer should contact the Center for Veterans Enterprise for assistance. In addition, the contracting officer should provide a statement in each required advance procurement plan whether or not the Office of Small and Disadvantaged Business Utilization (OSDBU)/Center for Veterans Enterprise identified any VO and SDVO business contractors that should be included on the mailing list.

c. Contents of Written Acquisition Plan. A summary of the technical and contractual history of the acquisition should be included in the Acquisition Plan,

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along with acquisition objectives and milestones. The contracting officer and end users should pay particular attention to areas in the acquisition plan where contractors are considered, contacted, or identified. Those areas of consideration include the following:

(1) Acquisition Streamlining (FAR 7.105(a)(8)). Contracting officers should consider industry participation by using draft solicitations, pre-solicitation conferences, and other means of stimulating industry involvement during design and development in recommending the most appropriate application and tailoring of contract requirements.

(2) Plan of Action - Sources (FAR 7.105(b)(1)). Contracting officers and program officials should review VA's website (<http://www.vetbiz.gov>) to review the list of small businesses known to be VO or SDVO as possible sources of supplies or services for the acquisition.

(3) Plan of Action – Competition (FAR 7.105(b)(2)). The contracting officer may restrict competition to small business concerns owned and controlled by SDVO small businesses under certain circumstances, as noted in IL 049-04-09. When using Federal Supply Schedule (FSS) contracts, contracting officers should consider the SDVO small business status of FSS contractors when selecting contractors for competition for award of an FSS order or blanket purchase agreement in accordance with IL 049-04-10.

(4) Plan of Action – Source-Selection Procedures (FAR 7.105(b)(3)). Contracting officers are encouraged to use VO and SDVO small businesses as subcontractors if full and open competition is used, as noted in IL 049-04-10.

4. As the chief advocate for veterans within the Federal Government, VA has a special obligation to support, to the maximum extent possible, VO and SDVO small businesses. Please do your part to support VO and SDVO small businesses throughout the acquisition process. Likewise, please submit any applicable award information on the Federal Procurement Data System-Next Generation (FPDS-NG) report.

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5. Please direct any questions regarding this information letter to Patricia A. Ellis, Acquisition Policy Division (049A5A), at (202) 273-6058.

A handwritten signature in black ink, appearing to read "C. Ford Heard". The signature is written in a cursive style with a large initial "C" and "F".

C. Ford Heard
Director
Acquisition Resources Service

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