

OFFICE OF THE UNDER SECRETARY FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS

**Department of Defense
Service-Disabled Veteran-Owned
Small Business Strategic Plan**



In accordance with Section Two of Presidential Executive Order 13360, and in order to significantly increase contract and subcontract award opportunities for Service-Disabled Veteran-Owned Small Businesses, the undersigned hereby issue and publish the third year edition of this Strategic Plan for the United States Secretary of Defense.

The Honorable James I. Finley
Deputy Under Secretary of Defense
Acquisition & Technology

DATE: 6/23/07

Anthony R. Martocchia, Director
Office of Small Business Programs

DATE: 06-22-07



OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS

Goal: Strengthen Opportunities in Federal Contracting and Subcontracting for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs)



Objective 1: More effective use of data and databases to perform market research for potential SDVOSB prime contractors and subcontractors

<p>Description:</p> <ul style="list-style-type: none"> Collaborate with other federal agencies and veteran service organizations (VSOS) to increase access to the supplier base of SDVOSBs for use by acquisition community and DoD prime contractors through enhanced market research for strategic sourcing and restricted competition <p>Impact:</p> <ul style="list-style-type: none"> Access to a broadened supplier base will provide acquisition community and large prime contractors with an enhanced market research tool 	<p>Schedule:</p> <p>FY 07 Continue to encourage registration of SDVOSBs in CCR at conferences and through counseling</p> <p>FY 07 and out years Continue coordinated data sharing with other federal agencies and VSOS</p> <p>FY 07 Continue to encourage VSOS and other federal agencies to assist in market research on SDVOSBs</p> <p>FY 07 Continue to analyze SDVOSB data in all pertinent databases by industry and NAICS</p> <p>FY 07 and out years Perform annual analysis and review of all SDVOSBs in databases by industry and NAICS</p>
<p>Impediment:</p> <ul style="list-style-type: none"> Inefficient use of databases does not provide timely market research for strategic sourcing and restricted competition <p>Accomplishments:</p> <p>FY 05 DoD continues to work on <i>ad hoc</i> basis to share information and establish working relationships with other federal agencies and VSOS</p> <p>June 05 Supported on-site registration of SDVOSBs in CCR at National Veterans Small Business Conference</p> <p>FY 05 Increase from 5,006 SDVOSBs in CCR in July, 2004 to more than 9,600 in January of 2007</p> <p>FY 06 Performed preliminary analysis of CCR, with 30% in IT, 15% in construction and 15% in manufacturing</p>	<p>Near Term Actions [90 days]:</p> <p>June 07 Coordinate data sharing strategies with federal agencies and VSOS with existing databases (VetBizVIP, Dynamic Small Business Search, TVCbusinessdirectory and vetbiznetwork)</p> <p>June 07 Encourage military departments, other defense agencies (ODAs), and VSOS to develop strategies on use of databases for market research on SDVOSBs</p> <p>June 07 Encourage registration of SDVOSBs in CCR at 3rd Annual Veterans and SDVOSBs Conference on June 26-28, 2007</p>



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Objective 2: Training of acquisition community to increase use of restricted competition and sole source awards for SDVOSBs



Description:

- Coordinate with Defense Procurement and Acquisition Policy (DPAP) and Defense Acquisition University (DAU), to inform and train acquisition community of FAR 19.14 and the authority to use restricted competition and sole source awards to increase awards to SDVOSBs
 - Encourage military Departments and other defense agencies to initiate credible and aggressive metric based, sole-source and restricted competition awards to SDVOSBs
 - Encourage DoD Prime contractors to subcontract with SDVOSBs
- Impact:**
- Create workforce that is knowledgeable about FAR 19.14, and will increase use of restricted competition where appropriate to increase awards to SDVOSBs

Impediments to Completion:

- Lack of awareness or inducements to take training

Accomplishments:

- FY 05** Final rule on sole-source and set-asides published
- FY 06** DAU updates SDVOSB online SDVOSB training module
- FY 07** OSBP Places 42 Power Point training modules on website from Veterans Doing Business with DoD Conference
- FY 07** Directors of DPAP and OSBP issue memos on use of set-aside authorities
- FY 07** GSA and Army present GSA Vets GWAC training at SBT Conference
- FY 07** DoD Introduces video-streaming training modules

Schedule:

- FY 07 and out years.** DoD will provide training at conferences, including annual Mentor-Protégé conference, 3rd Annual Veterans and SDVOSB Small Business Conference, and DoD Small Business Training Conference
- FY 07** Establish outreach strategy with military Departments and other defense agencies and DPAP
- FY 07 and out years** Update DAU training module for next FY with DAU and incorporate into relevant electronic training modules
- FY 07 and out years** Continue to post power point training modules and video-streaming modules on website for distance learning opportunities

Near Term Actions [90 days]:

- June 07** Present 3rd year of 5 year plan to all conferences
- June 07** Present 3rd year of 5 year plan to 3rd Annual Veterans and SDVOSB Small Business Conference
- June 07** Monitor DoD participation in Veterans and SDVOSB conferences in coming year
- July 07** Participate in planning for 4th National Veterans Business Conference



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Objective 3: Focus on SDVOSB firms that can bring innovative technology to meet the needs of the warfighter



<p>Description:</p> <ul style="list-style-type: none"> • Collaborate with military Departments and other defense agencies to initiate focus on SDVOSBs in innovative technologies that serve the future needs of the warfighter <p>Impact:</p> <ul style="list-style-type: none"> • The SDVOSBs DoD identifies will be able to ride the wave of the future with DoD since DoD's small business future is in high tech • Increasing outstanding SDVOSBs that fill a critical DoD niche will create "halo" effect for other SDVOSBs 	<p>Schedule:</p> <p>FY 07 Identify SDVOSBs in technologically innovative industries like robotics, IED Defeat, etc.</p> <p>FY 07 Encourage major commands to seek SDVOSBs in their strategic sourcing decisions</p> <p>FY 07 Present new Objective 3 at all Veterans and SDVOSB conferences in coming years</p>
<p>Impediments to Completion:</p> <p>None</p> <p>Accomplishments:</p> <p>FY 07 First 2 years of participation saw increase in SDVOSB protégés from 0 to 24</p> <p>FY 07 Two SDVOSB protégés receive Nunn-Perry Award at Annual MPP Conference</p> <p>FY 07 Previous objective 3 was successful by increasing SDVOSBs in Mentor-Protégé Program and now is time to change focus to broader objective of innovative technologies</p>	<p>Near Term Actions [90 days]:</p> <p>June 07 Analyze the 24 SDVOSBs that became protégés and ascertain aggregate increase in gross revenues since becoming protégés by industry and NAICS</p> <p>June 07 Present new Objective 3 at Third Annual Veterans Small Business Conference, June 26-28, 2007</p> <p>July 07 Establish DoD internal working group to develop strategy for focusing innovative technologies for SDVOSB in contracting and subcontracting.</p>



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Objective 4: Increase prime contractor subcontracting with SDVOSBs



<p>Description: Collaborate with Defense Contract Management Agency (DCMA) as it negotiates increased SDVOSB subcontracting goals with the select prime contractors</p> <ul style="list-style-type: none"> • Use the data and techniques developed above as model to negotiate subcontracting goals with all prime contractors <p>Impact:</p> <ul style="list-style-type: none"> • Increase the dollar amount of SDVOSB subcontracting by large prime contractors 	<p>Schedule:</p> <p>FY 07 DCMA continues lead responsibility for this objective</p> <p>FY 07 and out years. DCMA to negotiate increased SDVOSB subcontracting goals with select DoD prime contractors as part of the annual subcontracting plan negotiations</p> <p>FY 07 and out years DCMA will provide annual evaluations and progress on SDVOSB subcontracting</p>
<p>Impediments to Completion:</p> <ul style="list-style-type: none"> • Identification of sufficient numbers of qualified SDVOSBs in NAICS to meet large prime contractor subcontracting goals <p>Accomplishments:</p> <p>FY 06 OSBP and DCMA initiate action plan to increase subcontracting with DoD prime contractors by sharing data that each prime had for SDVOSB subcontractors</p> <p>FY 07 DCMA reviewed prime contractor action plan against actual subcontracting dollars awarded by select primes</p> <p>FY 07 DoD presents Objective 4 to large prime conference on SDVOSB subcontracting</p> <p>FY 07 DoD includes panel with 3 prime contractors which subcontract with SDVOSBs at SDVOSB conference and posts power point presentations on website</p>	<p>Near Term Actions [90 days]:</p> <p>July 07 DoD will inform large buying commands of 3% goal for subcontracting with SDVOSBs and encourage increase in subcontracting with SDVOSBs</p> <p>July 07 DoD will establish plan to monitor progress and past performance of prime contractors as an evaluation factor</p> <p>Sep 07 DCMA to analyze subcontracting dollars with SDVOSBs of select prime contractors to identify opportunities for SDVOSBs</p>



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Objective 5: Relegate surety bonding solutions for SDVOSBs to the private marketplace



<p>Description:</p> <ul style="list-style-type: none"> • Increase surety bonding coverage for SDVOSBs to increase size of contracting and subcontracting awards for set-aside solicitations <p>Impact:</p> <ul style="list-style-type: none"> • Accord acquisition community more latitude for set-aside solicitations to allow SDVOSBs to compete for larger awards 	<p>Schedule:</p> <p>FY 07 Discuss with Veterans Corporation and Surety Association training for DoD personnel in fundamentals of bonding process</p> <p>FY 07 Provide hotlink on OSBP website to the Veterans Corporation surety bonding program</p>
<p>Impediments to Completion:</p> <ul style="list-style-type: none"> • Market forces have reduced the amount of bonding capacity at all levels -- large prime construction contractors, as well as small primes and subcontractors • SBA surety bond guarantee program has a low cap <p>Accomplishments:</p> <p>FY 06 Convened Roundtable with key stakeholders in bonding: COE, OFPP, OMB, SBA, Surety Industry, AGC, small construction firm, DoD & Veterans Corporation</p> <p>FY 07 Veterans Corporation and Surety Bonding Industry present program to assist SDVOSBs obtain bonding at Veterans Doing Business with DoD in December, 2006</p> <p>FY 07 Posted December power point presentation on DoD website and video streaming to be made available for distance learning</p> <p>FY 07 DoD relegates surety bonding solutions to the private sector through Veterans Corporation program</p>	<p>Near Term Actions [90 days]:</p> <p>June 07 Adjust Strategic Plan to incorporate program initiated by Veterans Corporation and the Surety Bonding Industry</p> <p>June 07 Present 3rd year of strategic plan to 3rd Veterans Small Business Conference on June 26-28, 2007</p> <p>June-July 07 Promote distance learning modules prepared by the Veterans Corporation and the Surety Industry by reference to website power points and hot links to video streaming websites</p>



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Objective 6: Use teaming and joint venture agreements to increase capacity and enhance capabilities of SDVOSBs



<p>Description:</p> <ul style="list-style-type: none"> Encourage the use of teaming and joint venture agreements to increase capacity and enhance capabilities of SDVOSBs to successfully bid on larger contracts for prime contracting and subcontracting <p>Impact:</p> <ul style="list-style-type: none"> Provide acquisition community and SDVOSBs teaming models with increased capacity and enhanced capabilities to allow SDVOSBs to compete for larger prime contracts and subcontracts 	<p>Schedule:</p> <p>FY 07 Post SDVOSB teaming and joint venture training modules on OSBP website for acquisition community distance learning</p> <p>FY 07 Invite select GSA personnel to train DoD acquisition community on GSA Vets GWAC at DoD events</p> <p>FY 07 Present SDVOSB Teaming training module to Small Business Training Conferences</p> <p>FY07 and out years Continue presenting SDVOSB teaming and joint venture training modules to acquisition community</p>
<p>Impediments to Completion:</p> <ul style="list-style-type: none"> Lack of awareness or reluctance of acquisition community to accept small business teaming and joint venture agreements for use in federal contracting and subcontracting <p>Accomplishments:</p> <p>FY 05 Presentation on teaming and joint venture agreements for federal contracting and subcontracting at National Veterans Small Business Conference</p> <p>FY 06 Presented teaming and joint venture agreement panel at SBT Conference</p> <p>FY 06 Presented teaming and joint venture panel at Veterans Doing Business with DoD in December 2006</p> <p>FY 07 Under Secretary for AT & L urges DoD to participate in GSA Information Technology GWAC</p> <p>FY 07 GSA and Army trained acquisition officials on the GSA GWAC at SBT Training Conference in May, 2007</p>	<p>Near Term Actions [90 days]:</p> <p>June 07 Post Krieg Memorandum on GSA GWAC on OSD website</p> <p>June 07 Present Teaming and Joint Venture Objective on panel at Veterans Small Business conference on June 26-28, 2007</p> <p>June 07 Attend and monitor Teaming and Joint Venture Breakout workshop at 3rd National Veterans Small Business Conference for future training of DoD personnel</p>



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Acronyms



- AT&L – Acquisition, Technology and Logistics
- CCR – Central Contractor Registration
- COE – Army Corps of Engineers
- DAU – Defense Acquisition University
- DLA – Defense Logistics Agency
- DoD – Department of Defense
- DFARS – Defense Federal Acquisition Regulation Supplement
- DPAP – Defense Procurement and Acquisition Policy
- E.O. – Executive Order
- FAR – Federal Acquisition Regulation
- MPP – DoD Mentor Protégé Program
- NAICS – North American Industry Classification System
- ODA – Other Defense Agencies
- OSBP – Office of Small Business Programs
- OUSD – Office of the Under Secretary of Defense
- PTAC – Procurement Technical Assistant Center
- SBA – Small Business Administration
- SBLO – Small Business Liaison Officer
- SDVOSB – Service-Disabled Veteran-Owned Small Business
- SECDEF – Secretary of Defense
- VA – U.S. Department of Veteran's Affairs
- VSO – Veteran Service Organization