



Getting the Numbers up

Article and photos by Dianne Ryder, Editor in Chief

In August 1999, the Veterans Entrepreneurship and Small Business Development Act became law, creating new assistance programs and expanding existing programs for veterans owning small businesses. The act added the service-disabled, veteran-owned small business (SDVOSB) category to the socioeconomic categories used by the government to track contract awards to small businesses. It also required all federal agencies to establish a goal of three percent of the total value of all prime contract and subcontract awards to

be awarded to SDVOSBs each fiscal year. Additionally, it required the Small Business Administration to report annually to Congress each federal agency's success at meeting this goal.

By December 2003, many federal agencies were still struggling to meet the three-percent goal, including the Defense Contract Management Agency. So, the act was amended to authorize contracting officers to award sole-source contracts to SDVOSBs. Although limited to \$5 million for manufacturing and \$3 million

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Mary Seabolt, assistant director, DCMA Small Business, at her desk at DCMA Headquarters in Alexandria, Va.

for non-manufacturing, the amendment allowed contracting officers to restrict competition and award contracts to qualified businesses in this category.

In October 2004, President Bush further strengthened opportunities for SDVOSBs to contract with the federal government through Executive Order 13360. This was a response to complaints from veterans organizations that the federal government had yet to reach the three-percent target goal. This order requires each federal agency to submit a five-year strategic plan to increase contracting

opportunities for veterans and to report annually on their progress. These plans and the agencies' progress are published annually.

As part of the Department of Defense strategic plan, DCMA collaborated with six large defense prime contractors — Lockheed Martin Corporation, The Boeing Company, Raytheon, Northrop Grumman Air Combat Systems, General Electric Aircraft Engines and Textron Systems Corporation — to increase contracting opportunities for veteran-owned small businesses. “We met with them, and they agreed to work with us to increase subcontracting

with SDVOSBs,” said Mary Seabolt, assistant director, DCMA Small Business. “They shared information with us and with each other on such things as SDVOSB supplier lists.”

DCMA reviewed subcontracting spending data to determine where these prime contractors were awarding large subcontracting dollars, and to whom, and compared that with the other contractors to see if there were areas where they could increase subcontracting with SDVOSBs. Using all this information, DCMA was able to negotiate higher goals in the contractors' annual plans. Seabolt noted that “although

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subcontracting has been the primary focus of the DCMA Small Business office, we are also engaged with the DCMA procurement center on providing contracting opportunities for SDVOSBs.”

30% goal



The DoD strategic plan is updated every year; the third-year plan was signed June 2007 by Dr. James Finley, Office of the Secretary of Defense deputy under secretary of defense for acquisition, technology and logistics, and Anthony Martoccia, director of DoD's Office of Small Business Programs.

Although the goal remains three percent, the federal government is still short of that goal. In fiscal year 2006, DoD awarded less than one percent of its prime and subcontracting contracts to veteran-owned small businesses; however, DCMA's SDVOSB prime contracting numbers have increased from 0.1 percent in fiscal year 2003 to 1.5 percent. Still, according to Seabolt, "recently, there have been several letters from Kenneth Krieg [former under secretary of defense, AT&L], Shay Assad [director, defense procurement and acquisition policy], and Tony Martoccia emphasizing that we must get our numbers up."

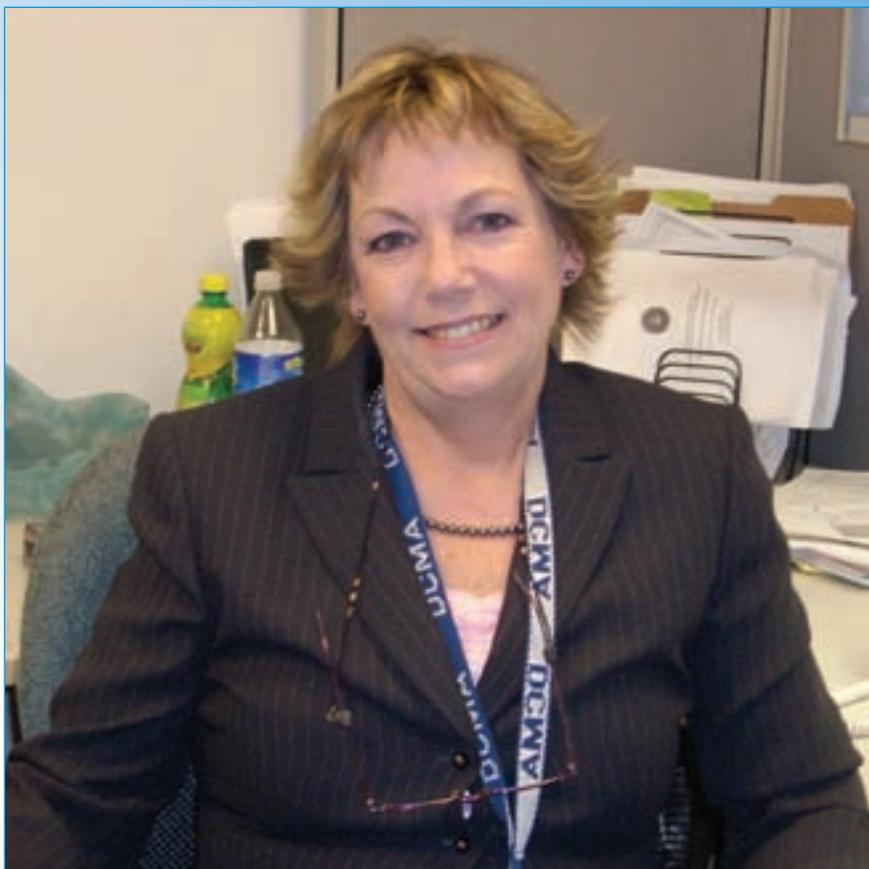
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— Mary Seabolt

Assisting in getting the numbers up is Joyce Grudzinski, chief of the DCMA procurement center. All contract requirements exceeding \$10,000 must be coordinated with Seabolt. Grudzinski reviews all requirements and determines what can be set aside for SDVOSBs. "There have to be at least two SDVOSB companies that we know can do the work before we can set it aside," she said.

Recently, the General Services Administration awarded an SDVOSB government-wide acquisition contract to 44 SDVOSBs for information technology purchases. Use of this contract vehicle streamlines DCMA's procurement process, saves time and results in DCMA getting credit for SDVOSB awards.

No surprise then that DCMA's primary focus has been on awards for information technology services and hardware purchases. "Our biggest customer is IT. I work with the IT director to identify requirements that can be awarded to SDVOSBs," Grudzinski said. "We currently have two [requests for quotation] to be posted to the GSA veterans' schedule very soon that will put us very close to our goal," she added. By fiscal year's end, Grudzinski said she feels "very confident" that DCMA will meet the three percent requirement.

Both Seabolt and Grudzinski are very enthusiastic about DCMA's future dealings with SDVOSBs, each declaring their commitment to working with veterans. **C**



Joyce Grudzinski, DCMA Procurement Center chief