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## New rule gives vets small-biz set-aside

BY [Michael Hardy](#)

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Procurement officials published an interim rule this month that creates a small-business set-aside program for companies owned by service-disabled veterans. But the rule is only the first step, officials said.

Advocates of such businesses, aided by the General Services Administration, are discussing ways to make sure agency contracting officers consider those businesses when making award decisions. "We've got to get the information into the hands of contracting officers," said [John Moliere](#), president of Standard Communications Inc. and one of the proponents of the program. "That's step No. 1." Less than 0.5 percent of federal contracting dollars goes to businesses owned by service-disabled veterans, [Moliere](#) said. The newly created program sets a goal of 3 percent and allows set-aside competitions, in which only qualified businesses are allowed to compete, or even sole-source acquisitions to help agencies meet the goal. It applies only to businesses owned by veterans disabled in the line of duty.

According to a Small Business Administration spokesperson, federal contract dollars to service-disabled veterans increased from \$298 million in fiscal 2002 to \$510 million in fiscal 2003. But agencies must have an incentive to comply, [Moliere](#) added. "We've got to put some teeth in the thing," he said. "It becomes, No. 1, a big education program and, two, a little bit of enforcement."

"If agencies have any hope of meeting a 3 percent goal, we have to expand our efforts," said Brad Scott, regional administrator of GSA's Region 6, which is spearheading the agency's effort. Scott said GSA officials are considering creating a governmentwide acquisition contract (GWAC) for businesses owned by service-disabled veterans. GSA's Federal Supply Service is reviewing the proposal, he said. "The business case to me looks very good," although it has not yet been submitted to the Office of Management and Budget for approval, he said.

GSA's National Capital Region will host its regional conference May 27, where Scott will announce a Web site and possibly a tollfree number for agency officials to get information about the new program, he said. The presentation likely will include an update on the GWAC and other related topics. Part of the effort GSA officials need to make is to get more qualified businesses into the mix of contractors on the GSA schedules, Scott said, adding that the number of such companies has grown to 334, up from the 167 agency officials counted last December. Most of that expansion was on paper: Officials went to businesses listed as veteran-owned and asked them whether they would qualify as service-disabled veteran-owned.

The push should be to bring new businesses into the fold, he said.

GSA will play an important role in rewriting the interim rule into a final rule once public comments come in, said David Drabkin, GSA deputy associate administrator for acquisition policy. He predicted, however, that not much will change. "We don't do interim rules lightly," he said. "I would be surprised if there would be any significant changes. [But] sometimes we can't see the forest for the trees, or sometimes the public will think of something we didn't." The interim rule allows companies to self-certify as a service-disabled veteran-owned business. SBA officials will settle disputes about whether a business qualifies, the spokesperson said.

There will be penalties for false representation.

[Moliere](#) said he is pleased the effort has reached this point but believes there is much more work to do. "We'll see when the rubber meets the road in the next few months," he said.