VA Subcontracting Update

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Office of Small and Disadvantaged Business Utilization (OSDBU)
U.S. Department of Veterans Affairs

2015 Winter TRIAD Meeting
February 5, 2015
## VA Subcontracting Performance

### Goal Performance as of 1/30/15

<table>
<thead>
<tr>
<th>VA Goal</th>
<th>VA Percentage</th>
<th>VA Dollars</th>
<th>2014</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>All small business</td>
<td>17%</td>
<td>15.8%</td>
<td></td>
<td>$1.6B</td>
</tr>
<tr>
<td>SDVOSB</td>
<td>3%</td>
<td>.03%</td>
<td></td>
<td>$31.8M</td>
</tr>
<tr>
<td>VOSB</td>
<td>5%</td>
<td>.06%</td>
<td></td>
<td>$62.4M</td>
</tr>
<tr>
<td>Small Disadvantaged Business (SDB) – includes 8(a)</td>
<td>5%</td>
<td>2.7%</td>
<td></td>
<td>$276.3M</td>
</tr>
<tr>
<td>Women-Owned Small Business (WOSB)</td>
<td>5%</td>
<td>2.4%</td>
<td></td>
<td>$239.7M</td>
</tr>
<tr>
<td>Historically Underutilized Business Zone (HUBZone)</td>
<td>3%</td>
<td>.04%</td>
<td></td>
<td>$43.2M</td>
</tr>
</tbody>
</table>
VA Subcontracting Program Goals

- Improve oversight of prime contractor’s utilization of SDVOSBs and VOSBs in accordance with P.L. 109-461

- Increase subcontracting goal performance across all socio-economic categories

- Provide training and tools for acquisition staff, small businesses, and prime contractors
Challenges in Managing Subcontracting

• Subcontracting spend: FY12-$3B, FY13 $1.9B, FY14 - $1.6B (40% of plans remain unaccepted)

• 390 Individual Plans show small business subcontracting at 33% but it only represents 22% of total VA dollars subcontracted

• 285 Commercial Plans show small business subcontracting at 14% representing 78% of subcontracted dollars
Small Business Participation Plan

• **T4 NextGen:**
  - Commitment to Small Business Participation - The proposal will be evaluated to determine the extent to which the Offeror demonstrates a commitment to meeting or exceeding Small Business Goals.
  - Any inability to meet the Government’s subcontracting goal(s) for this procurement must be supported by an adequate explanation as to why that goal(s) cannot be met.
  - The proposal will also be evaluated to determine whether the Offeror has met the overall Small Business Participation Requirement for this procurement which is 35% of the total contract value. The Offeror must meet the Small Business Participation Requirement in order to be found acceptable under this factor.
SB Participation Plan

• Plans will be evaluated quarterly; results will impact consideration on future task orders (on IDIQ contracts):

**T4 NextGen:** “The prime contractor's efforts towards, and results in, achieving their small business subcontracting requirement and small business participation percentages will be considered by the Contracting Officer (CO) in his/her evaluation of the prime contractor's past performance on future task order awards.”
Veteran Employment

- VOLUME IV – VETERANS EMPLOYMENT FILE. All Offerors, regardless of size status, are required to submit the number of Veterans currently employed by the Prime Offeror.
- Offeror will show percentage of Veterans employed.
- Quarterly Reports
  - Veterans Employment Certification Report
Important Contacts

**OSDBU:**

http://www.va.gov/osdbu

- **Subcontracting POC:**
  
  Tammy Proffitt- (202)632-5567