





**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

December 12, 2004

M-05-06

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: David H. Safavian
Administrator
Office of Federal Procurement Policy 

Hector V. Barreto
Administrator
Small Business Administration 

SUBJECT: Contracting with Service-Disabled Veteran-Owned Businesses
(Executive Order 13360)

On October 20, 2004, the President signed Executive Order 13360 to increase federal contracting and subcontracting opportunities for service-disabled veteran businesses. This memorandum provides guidance to assist agencies in preparing their strategies to implement the Order.

Among other things, the Order requires each agency to: (1) develop a strategy to significantly increase its contracting and subcontracting with small businesses owned and controlled by service-disabled veterans; (2) designate a senior-level official to be responsible for developing and implementing the agency's strategy; and (3) report its progress annually to the Small Business Administration (SBA).

To help meet these requirements agencies are requested to submit their strategies, using the attached format, by February 7, 2005 to the Office of Federal Procurement Policy (Mike Gerich, (202) 395-6811, mgerich@omb.eop.gov) and to SBA (Dean Koppel, (202) 205-7322, dean.koppel@sba.gov). SBA will provide guidance on subsequent agency reporting requirements.

Agency-designated officials, as well as agency chief acquisition officers and small business directors, will be evaluated by the results they demonstrate.

Attachments

- Attachment A – Executive Order 13360
- Attachment B -- Agency Strategy Format

cc: Agency Chief Acquisition Officers
Agency OSDDBU Directors

Service-Disabled Veterans Executive Order

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to strengthen opportunities in Federal contracting for service-disabled veteran businesses, it is hereby ordered as follows:

Section 1. Policy. America honors the extraordinary service rendered to the United States by veterans with disabilities incurred or aggravated in the line of duty during active service with the armed forces. Heads of agencies shall provide the opportunity for service-disabled veteran businesses to significantly increase the Federal contracting and subcontracting of such businesses. To achieve that objective, agencies shall more effectively implement section 15(g) of the Small Business Act (15 U.S.C. 644(g)), which provides that the President must establish a goal of not less than 3 percent for participation by service-disabled veteran businesses in Federal contracting, and section 36 of that Act (15 U.S.C. 657f), which gives agency contracting officers the authority to reserve certain procurements for service-disabled veteran businesses.

Sec. 2. Duties of Agency Heads. To implement the policy set forth in section 1, heads of agencies shall:

- (a) develop a strategy to implement the policy set forth in section 1;
- (b) make the agency's strategy publicly available and report annually to the Administrator of the Small Business Administration on implementation of the agency's strategy;
- (c) designate a senior-level official who shall be responsible for developing and implementing the agency's strategy;
- (d) include development and implementation of the agency's strategy and achievements in furtherance of the strategy as significant elements in any performance plans of the agency's designated agency senior-level official, chief acquisition officer, and director of small and disadvantaged business utilization; and
- (e) include in the agency's strategy plans for:
 - (i) reserving agency contracts exclusively for service-disabled veteran businesses;
 - (ii) encouraging and facilitating participation by service-disabled veteran businesses in competitions for award of agency contracts;
 - (iii) encouraging agency contractors to subcontract with service-disabled veteran businesses and actively monitoring and evaluating agency contractors' efforts to do so;
 - (iv) training agency personnel on applicable law and policies relating to participation of service-disabled veteran businesses in Federal contracting; and
 - (v) disseminating information to service-disabled veteran businesses that would assist these businesses in participating in awards of agency contracts.

Sec. 3. Additional Duties of Administrator of the Small Business Administration. The Administrator of the Small Business Administration shall:

(a) designate an appropriate entity within the Small Business Administration that shall, in coordination with the Veterans Affairs' Center for Veterans Enterprise (CVE), provide to service-disabled veteran businesses information and assistance concerning participation in Federal contracting;

(b) advise and assist heads of agencies in their implementation of section 2 of this order; and

(c) make available to service-disabled veteran businesses training in Federal contracting law, procedures, and practices that would assist such businesses in participating in Federal contracting.

Sec. 4. Additional Duties of Administrator of General Services. The Administrator of General Services shall:

(a) establish a Government-wide Acquisition Contract reserved for participation by service-disabled veteran businesses; and

(b) assist service-disabled veteran businesses to be included in Federal Supply Schedules.

Sec. 5. Additional Duties of the Secretary of Defense. The Secretary of Defense shall direct the Defense Acquisition University (DAU) to develop training on contracting with service-disabled veteran businesses and make this training available on line through the DAU continuous learning program.

Sec. 6. Additional Duties of the Secretary of Veterans Affairs. The Secretary of Veterans Affairs shall assist agencies by making available services of the CVE and assist in verifying the accuracy of contractor registration databases with regard to service-disabled veteran businesses.

Sec. 7. Additional Duties of the Secretary of Labor and Secretary of Veterans Affairs. The Secretary of Labor and Secretary of Veterans Affairs shall, respectively, direct the Transition Assistance Program and the Disability Transition Assistance Program to educate separating service members as to the benefits available to service-disabled veteran businesses and as to potential entrepreneurial opportunities.

Sec. 8. Definitions. As used in this order:

(a) the term "agency" means an "executive agency" as that term is defined in section 105 of title 5, United States Code, excluding an executive agency that has fewer than 500 employees, the Government Accountability Office, or a Government corporation;

(b) the term "service-disabled" means, with respect to disability, that the disability was incurred or aggravated in the line of duty in the active service in the United States Armed Forces;

(c) the term "service-disabled veteran" means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16);

(d) the term "service-disabled veteran business" means a small business concern owned and controlled by service-disabled veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)); and

(e) the term "small business concern" has the meaning specified in section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and the definitions and standards issued under that section.

Sec. 9. General Provisions. (a) Heads of agencies shall carry out duties assigned by sections 3, 4, 5, 6, and 7 of this order to the extent consistent with applicable law and subject to the availability of appropriations.

(b) To the extent permitted by law, an agency shall disclose personally identifying information on service-disabled veterans to other agencies who require such information in order to discharge their responsibilities under this order.

(c) An agency that consists of a multi-member commission shall implement this order to the extent it determines appropriate to the accomplishment of the agency's mission.

(d) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, instrumentalities or entities, its officers, employees or agents, or any other person.

GEORGE W. BUSH
THE WHITE HOUSE
October 20, 2004

Department or Agency

Designated Senior-level Official - - [name, title, and signature]

Agency Strategy [Describe actions taken, and to be taken, to provide opportunities for service-disabled veteran businesses to significantly increase their contracting and subcontracting with your Department or agency. For example - -

- designate a senior level official to be responsible for development and implementation of the agency's strategy
- make the strategy publicly available and report progress annually to SBA
- include development and implementation of your agency's strategy and achievements in furtherance of the strategy as significant elements in any performance plans of your agency's designated senior-level official, chief acquisition officer, and director of small and disadvantaged business utilization
- reserve certain agency contracts exclusively for service-disabled veteran businesses
- encourage and facilitate participation by service-disabled veteran businesses in competitions for award of your agency's contracts
- encourage your agency's contractors to subcontract with service-disabled veteran businesses and actively monitor and evaluate your agency's contractors' efforts to do so
- train your agency personnel on applicable law and policies relating to participation of service-disabled veteran businesses in Federal contracting, and
- disseminate information to service-disabled veteran businesses that would assist these businesses in participating in awards of your agency's contracts.]

[Describe actions taken, and to be taken, to meet your agency's additional duties identified in the Order. For example, section 4 of the Order requires the General Services Administration (GSA) to: establish a Government-wide Acquisition Contract reserved for participation by service-disabled veteran businesses; and to assist these businesses to be included in Federal Supply Schedules. GSA's strategy - - as well as the strategies of all other agencies assigned additional duties in the Order - - must include actions to be taken to meet those additional duties.]