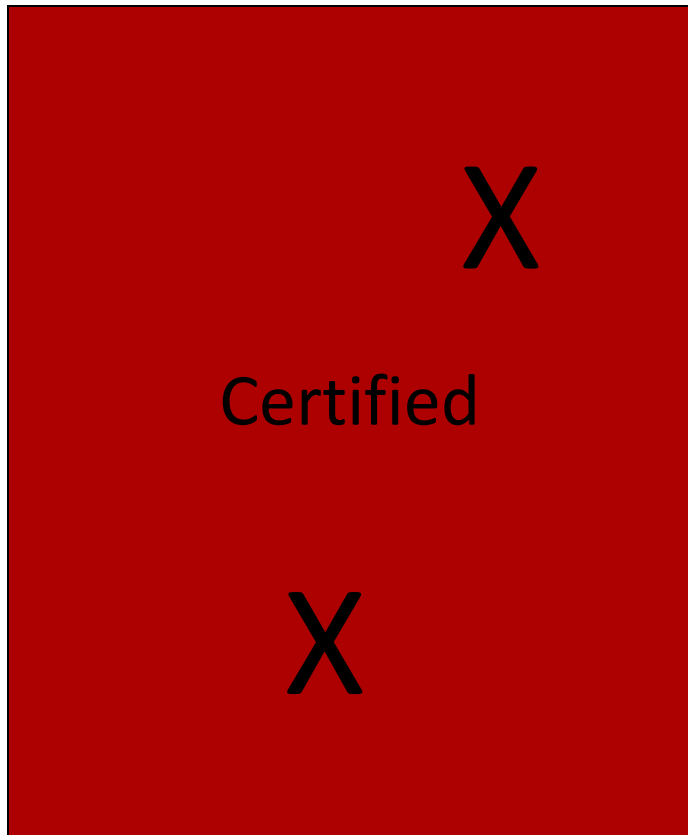


Federal Service Disabled Veteran Owned Business Verification (SDVOSB) Process



Presented by the
Wisconsin Procurement Institute
July 29, 2015

Case -1



Competition factors

- Price
- Capability
- Quality
- Past performance
- Customer service
- Flexibility
- Attention to detail
- Responsiveness

Case - 2



Competition - Factors

- Price
- Capability
- Quality
- Past performance
- Customer service
- Flexibility
- Attention to detail
- Responsiveness

Rule of two – FAR 19.1405

Service-disabled veteran-owned small business set-aside procedures.

- Shall consider SDVOSB set-asides before considering SDVOSB sole source awards (see [19.1406](#)) or small business set-asides (see subpart [19.5](#)).
- (b) To set aside an acquisition for competition restricted to service-disabled veteran-owned small business concerns, the contracting officer must have a reasonable expectation that-
 - (1) Offers will be received from **two or more** service-disabled veteran-owned small business concerns; and
 - (2) Award will be made at a **fair market price**.
- (c) If the contracting officer receives only one acceptable offer from a service-disabled veteran-owned small business concern in response to a set-aside, the contracting officer should make an award to that concern. If the contracting officer receives no acceptable offers from service-disabled veteran-owned small business concerns, the service-disabled veteran-owned set-aside shall be withdrawn and the requirement, if still valid, set aside for small business concerns, as appropriate (see [19.203](#)).

Responsible – FAR Part 9

- **9.103 Policy.**
- (a) Purchases shall be made from, and contracts shall be awarded to, responsible prospective contractors only.
- (b) No purchase or award shall be made unless the contracting officer makes an affirmative determination of responsibility. In the absence of information clearly indicating that the prospective contractor is responsible, the contracting officer shall make a determination of nonresponsibility.

Customer Requirements

Federal Government

- Self-certification -- SAM

Veterans Affairs & FAA

- SAM + Verification

Formal Verification Vs. Self Representation

- The VA as well as the FAA require SDVOSBS as well as VOSBS to go through the Formal CVE verification process in order to participate in the Veterans First Contracting Program with the VA or to participate in SDVOSB set asides with the FAA
- All other Federal agencies accept **Self Representation** in the System for Award Management (SAM)
- **NOTE:** There is no set aside program for VOSBS Government-wide - ONLY with the VA
 - **3% Goal** for SDVOSBS government-wide
 - **12% Goal** for VOSBS with the VA
 - **10% Goal** for SDVOSBS with the VA

Eligible - discharges

Discharge type	Eligible (Yes / No)
Honorable	Yes
General	Yes
Other than Honorable	Yes
Dishonorable	No

Self Representation - SDVOSB

Eligibility - Control

- Business owned by a Service-Disabled Veteran (SDV)
 - **51% direct and unconditional ownership** by one or more SDVs
- Control of the business
 - **Long-term decisions, daily business operations, management** controlled by SDV(s)
 - **Ultimate control of the business entity** (partnership, LLC, corporation) by SDV(s)
 - SDV must have:
 - **Management experience** to run the concern
 - **Ultimate managerial, supervisory control** of technical experts, license holders
 - SDV need NOT have technical expertise or license

Self Representation - SDVOSB Self Representation

- With initial offer on a specific contract, SDVOSB must represent:
 - It is an SDVOSB business (SAM)
 - DD-214
 - VA or DoD Letter – other official document
 - It is small under the NAICS code assigned (solicitation)
 - It will meet percentage of work requirements
 - Other considerations
 - Ostensible subcontracting
 - Non-manufacturer rule

Self Representation - SDVOSB Sole Source Awards

- A contracting officer may award a sole-source contract to a SDVOSB firm when:
 - The contract is not set aside for the 8(a) program
 - Award price including options will not exceed:
 - \$5 million for manufacturing
 - \$3 million for all other NAICS codes
 - The SDVOSB firm is a responsible contractor
 - The contract award price is fair and reasonable

Self Representation - Limitations on Subcontracting **

- Limitations on Subcontracting that a SDVOSB Prime or Sub-contractor can subcontract for:
 - Services Contracts (Except Construction):
 - 50% of the contract performance incurred for SDVOSB personnel
 - Supply Contract:
 - 50% of the cost of manufacturing the supplies
 - General Construction:
 - 15% of the contract performance incurred for SDVOSB personnel
 - Construction by Special Trade:
 - 25% of the contract performance incurred for SDVOSB personnel

The Veterans First Contracting Program

Relevant to the Department of Veterans Affairs – ONLY

Contracting priority: Contracting Order of Priority – VAAR 819.7004

...Contracting officer shall consider in the following order of priority,...

- (a) To SDVOSBs
- (b) To VOSB, including but not limited to SDVOSBs
- (c) Pursuant to –
 - (1) Section 8(a) of the Small Business Act or
 - (2) The Historically-Underutilized Business Zone (HUBZone) Program and
- (d) Pursuant to any other small business contracting preference.

Verification Benefits

- Opportunities for **eligible firms to participate in Veteran-Owned Service-Disabled (VOSB) and SDVOSB set-asides.**
- **Subcontracts** with VA's large prime contractors in acquisitions
 - Only awards to verified firms count toward subcontracting goals
- Participate in VA's SDVOSB **Mentor-Protégé Program.**
- **VA is one of the largest Federal Government procurement organizations** – over \$3 Billion to Veteran-Owned Small Businesses
- The “recognized” logo (symbols) for **Vet “owned and controlled”**

Primary resource – www.vetbiz.gov

U.S. Department of Veterans Affairs

Health Benefits Burials & Memorials About VA Resources News Room Locations

Contact Us

VetBiz.gov

Center for Verification and Evaluation Transformation

Center for Verification and Evaluation Transformation
CVE has implemented significant improvements to assist veterans and become more veteran friendly. The Veterans Affairs CVE White Paper outlines the organizational transformation and improvements to overall results.
[Read CVE White Paper](#)

Active Director for OSDBU CVE CVE ISO 9001 Certification Verification Assistance Staff Updates Center for Verification and Evaluation Transformation

Welcome to the Office of Small and Disadvantaged Business Utilization's (OSDBU) VetBiz web site! This site provides information about the Center for Verification and Evaluation (CVE) efforts to verify Service-Disabled Veteran-Owned Small Businesses (SDVOSEs) and Veteran-Owned Small Businesses (VOSBs). SDVOSEs and VOSBs who want to participate in the VA's Veterans First Contracting Program must be verified by CVE in order to be eligible for VA contract services.

Verification Assistance Stay Informed FAQs

What is Verification?

Verification is the process that SDVOSEs and VOSBs must undergo in order to qualify for VA services. This process is managed by CVE.

How do I apply for Verification?

Does my business qualify? [?](#)

What documents do I need to apply?

[Learn more about Verification](#)

Pre-Determination...another chance to get verified!

Pre-Determination helps businesses who are on the verge of denial by giving them a chance to correct issues with their application.

[Learn more about Pre-Determination](#)

VENDOR INFORMATION PAGES (VIP) DATABASE

Search VIP for a Veteran-Owned Business

Check VIP for Eligibility

Apply for Verification

Secure Login to the VIP

CONNECT WITH US

Help Desk
(888) 554-2344
Monday—Friday
8:00am to 5:00pm (Eastern)

Status Updates:
verification@owasp@va.gov

Profile Questions:
vip@va.gov

QUICK LINKS

Fact Sheets

Frequently Asked Questions

Primary resource –
www.vetbiz.gov

A red-bordered callout box highlights a specific section of the website. It contains the following text:


What is Verification?

Verification is the process that SDVOSBs and VOSBs must undergo in order to qualify for VA set-asides. This process is managed by CVE.

.....

[How do I apply for Verification?](#)

.....

[Does my business qualify?](#) 

.....

[What documents do I need to apply?](#)

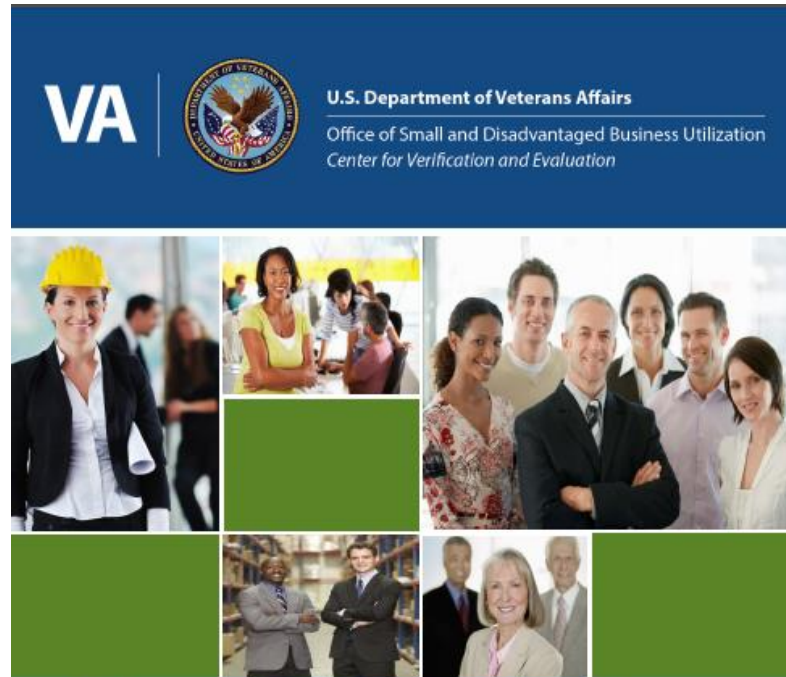
[Learn more about Verification »](#)

On the right side of this callout box is the "VETS FIRST" logo, which features a laurel wreath and the text "VETS FIRST" with "cVe" below it.

This is a screenshot of the website's "set-asides" page. The "Verification" tab is selected. The "What is Verification?" section is circled in red, and a red arrow points from this circle up to the callout box above. Below the circled section, there is a section titled "Pre-Determination... another chance to get verified!" with a brief description and a "Learn more about Pre-Determination" link.

The sidebar contains several utility links: "Check VIP for Eligibility", "Apply for Verification", and "Secure Login to the VIP". Below these is a "CONNECT WITH US" section with contact information for the Help Desk (888-554-2344, Monday-Friday, 8:00am to 5:00pm Eastern), Status Updates (verification@lowup@va.gov), and Profile Questions (vip@va.gov). At the bottom is a "QUICK LINKS" section with "Fact Sheets" and "Frequently Asked Questions".

Application Guide



Veterans First Verification Program *Initial Application Guide*

Help Desk: 866-584-2344
vip@va.gov

Monday-Friday
8 a.m.-8 p.m.

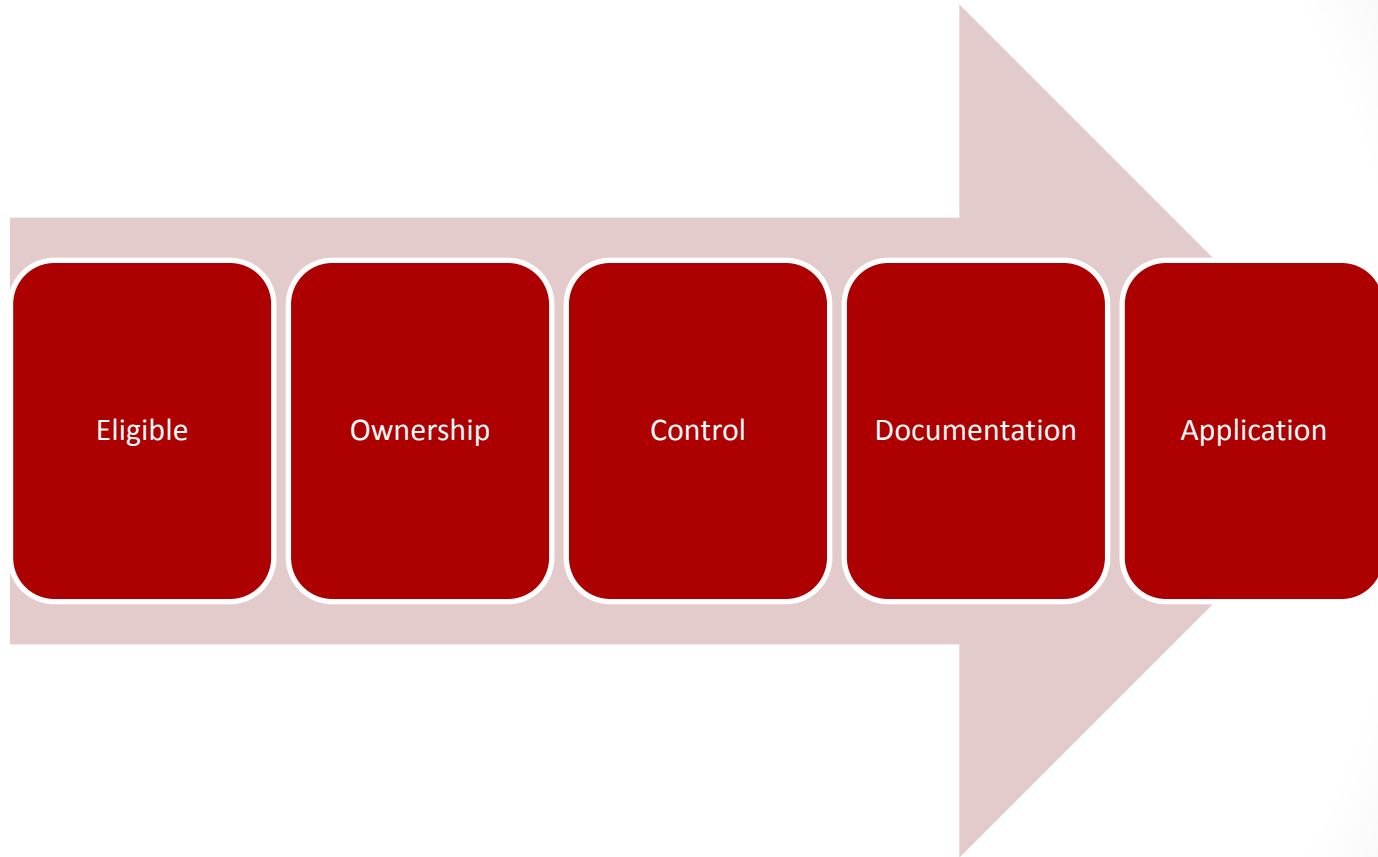
VetBiz Web Site
<http://www.vetbiz.gov>

Application Status Update
verificationfollowup@va.gov

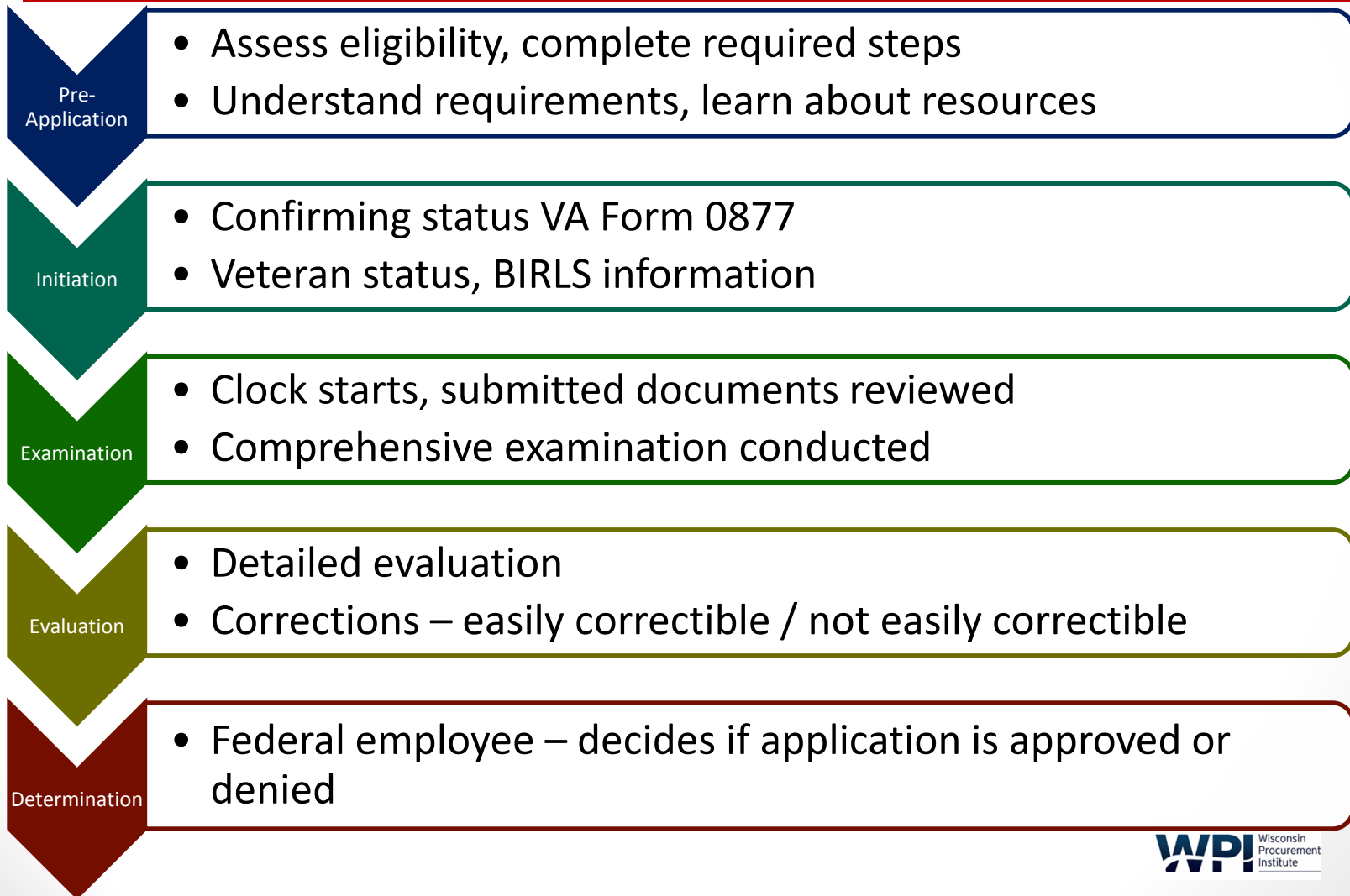
Verification Process – What is Verification?

- The **Process** by which Veteran-Owned Businesses are **evaluated and determined eligible** to be listed in Vendor Information Pages (**VIP**) **database for 2 years** (opportunity to renew at 2 year point prior to expiration)
- Evaluation is primarily **based on the** requirements found in **38 Code of Federal Regulations (CFR) Part 74**
- Once **eligibility is validated and determined**, a VOSB/SDVOSB is **verified** and can participate in the Veteran's First Program through the VetBiz system

Process highlights



Verification Process



Verification – Eligibility

- At least 51% owned and controlled by Veteran(s) or Service Disabled Veteran(s)
 - Honorably discharged
 - Includes Reserve/Guard
- Must be able to prove disability (no minimum rating – ie. 0%),
- **Must be registered in SAM and VIP**
- Must not be debarred from doing business with the Federal Government
- Not for profits and franchises** are ineligible
 - See www.vetfran.com & SBA

Verification – Ownership

- Vet owners must have **Direct and Unconditional Ownership of at least 51% of the business**
- **A note on community property:** VOSBs and SDVOSBs that reside in Community Property states may have to take special measures in meeting the 51% ownership stipulation. However, it can be an **EASILY CORRECTIBLE ISSUE** that may be resolved before applying.

In a Community Property jurisdiction, most property acquired during the marriage (except for gifts or inheritances) – is owned jointly by both spouses and is divided upon divorce, annulment, or death.

Joint ownership is automatically presumed by law in the absence of specific evidence that would point to the contrary.

In the instance of a business located in a Community Property state, unless otherwise indicated, the business would be automatically be **ONLY 50%** owned by the Veteran – **NOT MEETING THE ELIGIBILITY REQUIREMENTS.**

Verification – Control

- Control must be **total** and **unconditional**
- The Vet must have the **Managerial experience** to the extent needed to manage the company
 - CVE will look at your resume and other documents to make this determination
- Is the vet the Highest compensated officer?
 - *Unless there is a logical explanation otherwise submitted by the Veteran as to how taking a lower salary than other employee(s) helps the business
- Does he or she hold the highest officer position?

How do I get verified - Initiation

- Step 1 – meet with a VA Verified Counselor. We will help you with:
 - Obtaining a DUNS number and registering in SAM
 - Review the required documentation with you
 - Review a sample application with you
 - **Assist business in registering in the Vendor Information Pages (VIP) on the CVE website and uploading the documentation**
- Applicant must submit a VA Form 0877 – Verifies Eligibility/Ownership
- Submit additional documentation; dependent upon the business type

How do I get verified - Examination

- **60 day clock starts after complete application submitted**
- CVE performs a complete document review
- Documents provided by applicant are examined
- Examiners may contact company for additional documents
- Upon completion of the examination, the examiner makes a recommendation of approve, deny, site visit or further review

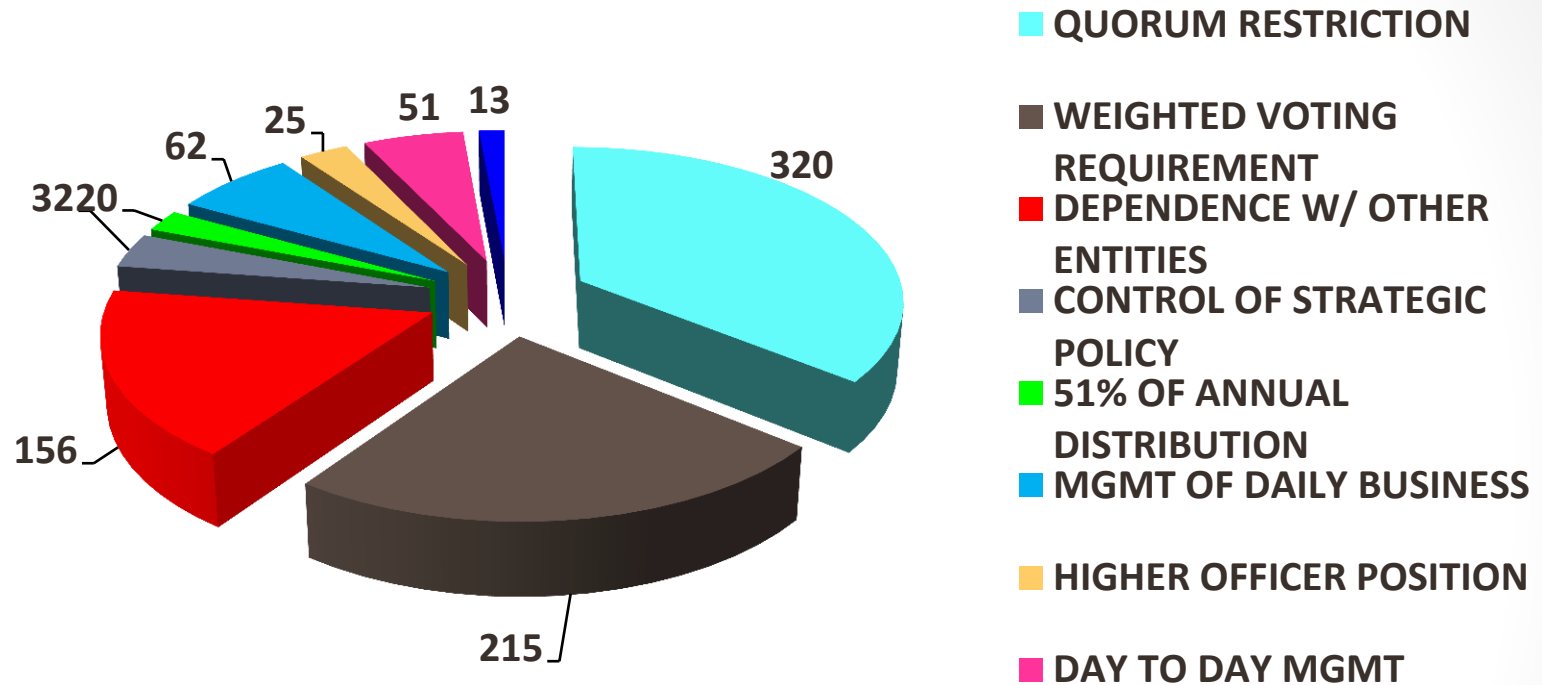
How do I get verified - Evaluation

- The CVE staff Evaluator receives the file and reviews the documents and examination report to verify that the analysis was correct from the initial Examination phase
- If the business is in compliance, it will forgo the Pre-Determination stage and go on straight to the Determination stage.

How do I get verified – Determination

- Once examination and site visits are complete, the evaluation team evaluates the file and makes a determination
- Denials often based on a single point of failure (ownership/control)
- Determination letter is signed and emailed to the Veteran
- Approved companies have their company name and verification logo visible in VIP
- Denied companies have 30 days to file a request for reconsideration

Top 10 Reasons For Denial In FY 2013



Companies who receive a denial based on these categories are deemed by Title 38 CFR Part 74 as enforcing restrictions on the Veteran owner and does **NOT PROTECT THEIR VETERAN ADVANTAGE!!!**

Request for Reconsideration (R4R)

- After all options are exhausted and CVE issues a denial, the Veteran may appeal through the R4R process
- **Key Points to Remember:**
 - **Follow instructions** outlined in initial denial letter to prevent processing delays
 - Every R4R will receive a **complete examination and evaluation** of all documents, including the original documents and those submitted in support of the R4R
 - **Site visits may occur** to gain further clarification
 - A **final denial** requires the participant to **wait for six months** before a new application will be processed (38 CFR § 74.14)

For assistance or additional information - contact

- Wisconsin Procurement Institute (WPI) –
 - Ben Blanc – 414-270-3600, benjaminb@wispro.org
 - Joseph Smetak – 414-270-3600, josephs@wispro.org
 - Marc Violante – 920-456-9990 or marcv@wispro.org
- For other upcoming training opportunities visit www.wispro.org
- Sign up for our newsletter!