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A practical guide to the Veterans Administration small business program

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A practical guide to the Veterans Administration Small Business program

The Veteran Administration (VA) Veteran Certification Program is one of the more confusing and often frustrating topics in the veteran business community. Our purpose is to clear up the confusion on the topic.

Taking the frustration out of the veteran certification process is a challenge, but we at least can offer a perspective on why the program is set up like it is and how veterans can minimize some of the hassle and improve their chance of first time approval.

Let's answer the question of "Why get verified"? This comes down to the Veterans Administration (VA) Veterans First Contracting Program (Public Law 109-461). This policy allows the VA to exceed federal spending goals of standard 3% for service-disabled veteran owned and veteran owned small businesses (SDVOSB / VOSB).

For instance, the VA spent a staggering 19.4%¹ of its discretionary budget with veteran-owned companies in 2013. Pending the final FY2015 budget, the VA could spend as much as \$12.6B of their \$65.3B² budget with verified veteran owned firms in both prime or subcontractor roles.

Large budgets and a strong affinity for veteran firms does NOT make a business case for every legitimate SDVOSB or VOSB company to get verified. A veteran business owner must conduct market

research to ensure that the VA is going to be a good prospect. SDVOSB and VOSB should work with a Nebraska Business Development Center procurement consultant and conduct federal market research to focus their federal business strategy and not base their plans solely on their socio-economic rating.

SDVOSB and VOSB firms must remember that they do NOT need to be verified to do business with the rest of the federal government. Again, based on a 3% federal spending goal, \$14.5B in spending could be set aside yearly without ever touching VetBiz.gov, the VA verification portal. Also, unverified veteran owned companies can still sell to the VA in open solicitations, small business set-asides, and government credit card sales.

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Now, let's say the VA is not a good customer for certain veteran owned firms. Should these companies avoid the hassle and forget verification efforts? There is no

straight answer. Veteran-owned firms might still benefit by getting verified for marketing purposes and differentiation.

Verification lends authenticity

Veteran verification does lend veteran companies a measure of authenticity and differentiation. ***Out of 2.75 million veteran-owned businesses in the US, only***



a mere fraction are verified. The VA Center for Veterans Enterprise (CVE) Vendor Information Portal offers contracting officers and contractors an additional means to find SDVOSB and VOSB vendors and partners. The SDVOSB and VOSB logo can be put to work

as part of the company's brand, proudly displayed on marketing materials, websites, and business cards.

Getting verified shows contracting officers and prospective teaming partners the veteran-owned business withstood the scrutiny of the VA CVE office. The decision to seek verification for marketing purposes should be tempered against the level of effort needed to submit the verification application.

Concerning the process itself, the biggest complaints the VA deals with involve the amount and types of personal and business information necessary for verification. The VA's primary motivation is to protect its Veterans First Contracting program. Should the program be repealed and the VA revert back the 3% set-aside standard, the veteran business community would lose billions in set aside contracts and subcontracts.

Processing front loads due diligence

Considering the sometimes rigid standards of ownership and control, the VA uses the same ownership and control rules (38 CFR Part 74) found in other social-

economic programs³, such as women-owned or 8(A) programs. The documentation requirements are also very similar. Details on all the differences among these various social economic programs is the subject for a different paper, but the largest difference is the VA front loads all of their due diligence and processing early in the process versus late in the process when other government officials are dealing with award protests and cases of fraud.

Although fraud prevention is the VA's primary concern, we must acknowledge that many well-meaning companies using legitimate business practices find themselves caught up by the federal standards. Problems of business control are particularly tricky as many standard business practices can become problematic for verification purpose. The fairness or lack of it cannot be debated in this simple white paper, however, the VA does provide prospective SDVOSB and VOSB applicants tools and assistance to identify these verification road blocks up front.

The decision to seek verification for marketing purposes should be tempered against the level of effort needed to submit the verification application.

Prospective applicants can take self-assessment tests and get verification counseling, so the business owners can make the appropriate decisions on pursuing verification and take actions to correct common but easily fixable items in CVE application packages the first time through.

Four NBDC procurement consultants have been certified by the VA CVE as Certified Verification Counselors. In this role, we can assist veteran-owned companies seeking verification and reduce both the time and the hassle involved with the process, as well as increasing the company's first-time acceptance rates.

For more information on veteran verification or if you need technical assistance with any government contracting, contact Jason Bosquet at Jbosquet@unomaha.edu



About the author

Jason Bousquet, FCC, CPP, CVC is a government contracting consultant for the Nebraska Business Development Center. He has been certified as a procurement professional by the Association of Technical Assistance Centers and received the Federal Contractor Certification from the Department of Veterans Affairs. He is a Certified Verification Counselor. Bousquet has an Executive MBA from the University of Nebraska at Omaha. He served in the U.S. Air Force for 11 years.



NEBRASKA BUSINESS DEVELOPMENT CENTER®

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NBDC is a cooperative program of the U.S. Small Business Administration (SBA) and the College of Business Administration at the University of Nebraska at Omaha (UNO). NBDC partners with the University of Nebraska at Kearney, Southeast Community College, Wayne State College, Mid-Plains Community College and Chadron State College to provide consulting and business support services from offices in Omaha, Lincoln, Kearney, Grand Island, North Platte, Wayne, Auburn, Scottsbluff and Chadron. Learn more about NBDC at nbdc.unomaha.edu

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¹ <http://www.sba.gov/sites/default/files/files/FY13-Summary-Prime-Spend-Subk-Plan-Progress-2014-04-28.pdf>

² <http://www.washingtonpost.com/wp-srv/special/politics/presidential-budget-2015/>

³ http://www.epa.gov/osbp/direct_socio.htm