



THE UNDER SECRETARY OF THE NAVY
WASHINGTON, D.C. 20350-1000

AUG 24 2006

MEMORANDUM FOR CHIEF OF NAVAL OPERATIONS
COMMANDANT OF THE MARINE CORPS
ASSISTANT SECRETARIES OF THE NAVY
GENERAL COUNSEL OF THE NAVY
NAVAL INSPECTOR GENERAL OF THE NAVY
DEPARTMENT OF THE NAVY CHIEF INFORMATION
OFFICER
JUDGE ADVOCATE GENERAL OF THE NAVY
NAVAL AUDITOR GENERAL
CHIEF OF INFORMATION
DIRECTOR, NAVAL CRIMINAL INVESTIGATIVE
SERVICE
DIRECTOR, SMALL AND DISADVANTAGE BUSINESS
UTILITATION

SUBJECT: Contracting with Service-Disabled Veteran-Owned Small Businesses

It is the policy of the Department of the Navy (DON) to provide maximum practicable opportunity to service-disabled veteran-owned small business (SDVOSB). The continuing success of this portion of the Department's Small Business Program depends on the pursuit of the Program's objectives by the acquisition, technical and small business personnel of your commands. Special diligence and innovative strategies may be required as our structures and programs change to reflect current mission requirements.

Despite the Department's success in increasing the total dollars awarded SDVOSBs, DON failed to achieve the 3 percent goal established by the Veterans Entrepreneurship and Small Business Development Act of 1999 (P.L. 106-50). To assist Federal agencies in achieving this goal for contracts awarded to SDVOSBs, Congress enacted The Veterans Benefit Act of 2003 (PL 108-183). This legislation created a procurement set-aside program for small businesses owned and controlled by service-disabled veterans. The Final Rule implementing P.L. 108-183, (March 23, 2005) provided authority for contracting officers to set-aside certain acquisitions for SDVOSB firms. Additionally, Executive Order 13360 of October 20, 2004, emphasizes the importance of increasing Federal contracting and subcontracting opportunities with SDVOSBs. The Final Rule and P.L.108-183 can be found at <http://www.vetbiz.gov/library/library.htm>.

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Your personal involvement and the full support of all your acquisition personnel are required to fulfill this goal. I urge all acquisition professionals to be proactive and ensure that SDVOSBs are included in the acquisition process. There are over 800 SDVOSB firms registered on the Central Contractor Registration (CCR) (www.ccr.gov) and this number continues to grow. The U.S. Department of Veterans Affairs, Center for Veterans Enterprise website (www.va.gov/vetbiz) contains useful information that can facilitate the process of doing business with SDVOSB entities.

Achieving the three percent SDVOSB goal is a major challenge. To achieve success, the DON must improve its record of awarding contracts to America's service-disabled veteran-owned small businesses. Please relay the message to your acquisition workforce that you expect their whole-hearted support in increasing SDVOSB firms' participation in your acquisition programs.



Dionel M. Aviles

cc:

CMC (DC, I&L)

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