

# Service Disabled Veteran Owned Small Business Contracting Program

## SDVOSB Contracting Goal

Public Law 106-50 established a contracting goal for Federal agencies to award 3% of prime contracts to service-disabled veteran-owned small businesses (SDVOSBs). In addition, large Prime Contractors have SDVOSB subcontracting goals.

## Set Asides and Sole Source Awards

### SDVOSB Set Aside Solicitations

A solicitation can be set aside for SDVOSBs if the Contracting Officer has a reasonable expectation that at least two qualified SDVOSBs will submit offers, and that the contract will be awarded at a fair market price. There is no dollar limit on an SDVOSB set aside. If only one offer is received, the Contracting Officer may make an award, if the award can be made at a fair market price. 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from service-disabled veteran-owned small business concerns, the service-disabled veteran-owned set-aside shall be withdrawn and the requirement, if still valid, set aside for small business concerns.

### SDVOSB Sole Source Awards

Sole-source SDVOSB contracts can be awarded if the Contracting Officer determines that only one qualified SDVOSB is available to perform the contract, and the anticipated award price of the proposed contract, including options, will not exceed:

--- \$5,000,000 for a requirement within the North American Industry Classification System (NAICS) code for manufacturing, or

--- \$3,000,000 for a requirement within all other NAICS codes.

<http://www.epa.gov/osdbu>

## Requirements

To qualify for the SDVOSB program, a business must meet the following criteria:

- It must be a small business by SBA size standards, and
- It must be owned and controlled by one or more service-disabled veterans (0 – 100% disability rating).

## Certification

There is no Federal SDVOSB certification program. The service-disabled veteran business owner self represents his service-disabled status and small business status in the contract representations and certifications.

## Protests

- Size Protests are referred to SBA Office of Size Standards
- Protests of Veteran Status are referred to SBA Office of Government Contracting

## Limitations on Subcontracting by prime SDVOSB "or other SDVOSB concern"

- 50% of direct labor for services
- 50% of cost of manufacturing
- 15% of labor costs for General Construction
- 25% of labor costs for Special Trade construction

## Finding SDVOSB firms

To search for eligible SDVOSB businesses, Contracting Officers can use

- The Vendor Information Pages database at:  
<http://vip.vetbiz.gov/search/default.asp>
- The CCR Dynamic Small Business Search at:  
[http://dsbs.sba.gov/dsbs/dsp\\_dsbs.cfm](http://dsbs.sba.gov/dsbs/dsp_dsbs.cfm)



- GSA E-Library at:  
<http://www.gsaelibrary.gsa.gov/ElibMain/ElibHome>
- TVC Veterans Business Directory at <http://www.veteranscorp.org>

These databases are searchable online.

### Top Ten NAICS Codes - Industries with Many SDVOSBs

- 233 Building, developing, and general contracting
- 234 Heavy construction
- 235 Special trade contractors
- 333 Machinery Manufacturing
- 334 Computer and Electronic Product Manufacturing
- 336 Transportation Equipment Manufacturing
- 422 Wholesale trade, nondurable goods
- 514 Information services and data processing services
- 541 Professional, Scientific, and Technical Services
- 561 Administrative and support services

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