

Summary of Testimony  
Bob Hesser  
U.S. Senate Committee on Small Business and Entrepreneurship  
“Assessing Federal Small Business Assistance Programs for Veterans and Reservists”  
January 31, 2007

Mr. Hesser will testify on the problems associated with the Federal Procurement Program for Veterans, and propose congressional actions that he believes would streamline the process.

Mr. Hesser believes that Section 308 of the Federal Procurement Program which sets forth procedures for awarding contracts to service-disabled veteran-owned small businesses, while originally well intentioned, has caused greater confusion. Under Section 308, contracting officers were to be given authority to restrict competition or make sole source awards for procurements to service-disabled veteran-owned businesses. However, the procedures used to sole source and set-aside 8(a) and HUBzone procurements do not exist for SDVOBs.

Mr. Hesser will outline the relationship between government agencies and contractors: When a new requirement surfaces, contractors go through a three step process. If the requirement can be provided by a small business, the contractor will then analyze the scope of existing small business contracts. Next, they will consider contractors with whom they already work. Large businesses with an existing subcontracting relationship with a small business could be included in this. Lastly, they are likely to consider inquiring the GSA Schedule system, GSA Advantage. They will not consider SDVOSBs “sole source” or “set-aside” because they can award contracts to the other businesses without additional justifications. Mr. Hesser will note that SDVOSB contracts are connected to larger big business contracts.

In order to see SDVOSBs achieve parity with big businesses in the Federal Procurement Program, Mr. Hesser will propose three possible congressional actions that could be taken: 1) Assist the Task Force for Veteran Entrepreneurship and Veteran Service Organizations in changing legislation critically needed to move forward; 2) Program Oversight. Ensure that the Small Business Administration, Office of Management and Budget, and General Services Administration, and other agencies report to Congress each agency’s quarterly actions taken in support of the Federal Procurement Program for Veterans; and 3) Ensuring that contractors are given the authority to execute the program effectively, and that they are not burdened by poor policy.