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Contact: Tiffani S. Clements (202) 401-0035
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New SBA Regulations to Create Contracting Opportunities For Service-Disabled Veterans

WASHINGTON – The U.S. Small Business Administration today announced a new procurement program that will boost federal contract opportunities for service-disabled veteran-owned small businesses. The interim rule will be published tomorrow and is effective immediately. The Federal Acquisition Regulatory Council concurrently released regulations implementing the program.

“President Bush has made it a priority to reach out to all of America’s entrepreneurs, and we have a special responsibility to make an effort for those who sacrificed for our safety and freedom,” SBA Administrator Hector V. Barreto said. “We have made a strong effort to do precisely that. Federal contract dollars to service-disabled veterans increased from \$298 million in fiscal year 2002 to \$510 million in FY2003. But we want to do more. The regulations being issued today will ensure that those great Americans who served our country proudly continue to have fair and open access to contracting opportunities.”

The new rule will amend the relevant sections of the Code of Federal Regulations, adding provisions that will allow contracting officers to restrict contract awards to service-disabled veteran-owned small businesses when there is a reasonable expectation that two or more service-disabled veteran-owned small businesses will submit bids at a fair market price. It also allows awards of sole-source contracts to service-disabled veteran-owned small businesses when there is not a reasonable expectation that two or more service-disabled veteran-owned firms will submit bids and the anticipated contract price does not exceed \$3 million, with the exception of manufacturing contracts where the contracting threshold is \$5 million.

The interim rule allows small businesses to self-certify as service-disabled veteran-owned businesses. Any challenge to a firm’s status as a small business or standing as a service-disabled veteran-owned small business must be referred to the SBA for resolution. The SBA will rely upon existing Department of Veteran’s Affairs or Department of Defense determinations regarding status and will help enforce penalties for false representation.

For more information about all of the SBA’s programs for small businesses, visit the SBA’s extensive Web site at www.sba.gov.

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