

Advisory Committee on Veterans Business Affairs

Thursday, March 4, 2021 | 9:00 a.m. – 3:30 p.m. ET

Virtual Meeting Minutes

ACVBA Members present: Robert Bailey, Jeff Hall, Glenett Hannah, Valerie Lewis, Lynn Lowder, Fran Perez-Wilhite, Mike Phipps, Kandis Porter, Matt Wiggins, Mike Zacchea

ACVBA Members absent: Sean Gwinner, Joe Sharpe

OVBD Participants: Amy Garcia, Stan Kurtz, Taylor Starkman, Larry Stubblefield, and Star Wilbraham

For The Record - Stenographer: Jen Razzino

Guest Presenters: Rob Carpenter, SBA; Tom McGrath, SBA; and Cordell Smith, VA OSDDBU

Call to Order: Mr. Stubblefield, ACVBA Designated Federal Officer (DFO), called the meeting to order at 9:05 a.m. ET.

Opening and Welcoming Remarks: Mr. Stubblefield welcomed the committee.

Ms. Fran Perez-Wilhite, Chairperson, ACVBA: Stated that businesses are emerging from the pandemic. The ACVBA will build a bridge between veterans, federal agencies, prime contractors, and VSOs and they will develop and maintain key relationships. Ms. Perez-Wilhite introduced three priority focus areas: (1) Access to capital; (2) Educate the public about veteran's programs; and (3) Federal contracting and veterans' business concerns which includes to monitor the www.beta.sam.gov changeover. Ms. Perez-Wilhite welcomed the new members and recognized Mike Phipps as he prepares to leave the committee after serving two terms.

Mr. Larry Stubblefield, Associate Administrator, Office of Veterans Business Development (OVBD): Mr. Stubblefield provided an update on the political transition of SBA Administrator nominee Isabel Guzman and other key leadership positions at SBA that have been filled for the Offices of Capital Access, Government Contracting and Business Development, and Entrepreneurial Development, and a nominee was announced for the SBA Deputy Administrator.

The following are the topics discussed:

Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government'. He stated that there's some reporting requirements, and that the executive order is directing all federal agencies to focus on underserved markets.

Public Law 115-416, the Veteran Small Business Enhancement Act allows veteran small business owners access to surplus property.

Mr. Stubblefield and Ms. Perez-Wilhite are focused on www.beta.sam.gov. Mr. Stubblefield stated that OVBD/ACVBA will work directly with the GSA leadership and representatives at SBA in Government Contracting and Business Development who are part of that governance structure at GSA for www.beta.sam.gov.

FY21 National Defense Authorization Act (NDAA) requirement that the CVE be transferred from VA to SBA. The SBA and VA met and are looking at the charter of what governance structure look like, reporting requirements, timelines, what role OMB will have, and funding.

Ms. Amy B. Garcia, Veterans Business Analyst OVBD -Veteran Owned Small Business Access to Federally Donated Surplus Property: Provided a status update on the Veteran Small Business Enhancement Act of 2018 that amends the Small Business Act to allow small businesses owned and controlled by veterans access to federal surplus property. On November 2, SBA published a final rule that provides regulatory guidance on how the law is to be implemented. There is a requirement for an MOA to be signed by each State Agency for Surplus Property (SASP), along with GSA and SBA that needs to be in place at the state agency level for VOSBs to access property. SASPs are responsible for managing surplus property disbursement including verification of eligibility and program compliance, fee collection, record-keeping, and dispute resolution.

SBA has a responsibility for educating VOSBs on what's needed to participate in the program, and plans are underway to update SBA's web content to support this effort The MOA outlines conditions that allow VOSBs to obtain federal surplus property from the SASP in the state where the property will be located. At a minimum, VOSBs will need to formally agree to the following:

1. VOSB is located and operated within that state
2. VOSB is registered and has verified status in the VA VETS First verification program database (CVE and the VIP, the veteran information database).
3. VOSB will use the acquired surplus property for business activity, not personal.
4. VOSB will not sell, transfer, loan, lease, encumber, or otherwise dispose of the property during the period of restriction, unless it's received permission and then it will work with the SASP before permanently removing the property from the state.

Cordell Smith, VA OSDBU: The OSDBU extracts data monthly to see how well they are doing with small business goals. The large contracts for healthcare, hearing aids, pharmaceuticals, and others will start to show up in FPDS this month and that will tend to pull numbers down.

The OSDBU has held in-person and virtual events; seven virtual events since January, collaborations with some key industry partners like Amazon, AT&T, Export-Import Bank, and within VA's Office of Construction and Facilities Management. VA OSDBU held their first digital on-demand event at one of the VA medical centers in Palo Alto, which allowed outreach and direct access to procurement decision-makers that were there. Registration for the February event was at capacity. Also, the OSDBU conducted a virtual training webinar which introduced people to basic VA procurement.

Ms. Fran Perez-Wilhite asked how to find upcoming digital on-demand sessions and were there more sessions held than just one at the Palo Alto. Mr. Smith replied that the VA had a link for this information and his colleague, Mr. Antoine Broughton handles that program.

Mr. Robert Bailey asked a question which referred to how the VA uses goals. Mr. Smith replied that the VA uses the same method as SBA and all other federal agencies. VA counts not only new contract awards that were made during the reporting period but also modifications of the previously awarded contracts. VA has an operations board of the senior leadership for which metrics are reported. Mr. Bailey also wanted to know, is the VA looking at strengthening subcontracting plans for new entities, and are there encouragements with large primes from a subcontracting plan perspective to where you all are leveraging them to also figure out how to bring in new entities with good past performance or, as it was years ago with the VA procurement-ready entities? Mr. Smith responded the subcontracts that prime contractors award come in twos. One is the individual subcontracting plan, those that are specifically associated with an individual contract, looking at the Federal Acquisition Regulation standards and the Small Business Act standards, when a subcontracting plan is required on a particular contract.

Ms. Star Wilbraham: Ms. Wilbraham Star briefed the Committee on the January 20, 2021 Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. The EO defines “For purposes of the order, the term ‘equity’ means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment such as black, Latino, and Indigenous and Native American persons, Asian Americans, and Pacific Islanders and other persons of color, members of religious minorities, lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons, persons with disabilities, persons who live in rural areas, and persons otherwise adversely affected by persistent poverty or inequality.” Ms. Wilbraham provided a chat link to the EO. She also stated that OVBD and Office of Field Operations are working to develop an approach to better reach entrepreneurs who do not have access to broadband, particularly in rural areas.

Mr. Robert Carpenter – Senior Regulatory Specialist/Financial Analyst, Office of Financial Assistance, SBA: Mr. Carpenter provided an update on SBA lending to VOSBs. The numbers are down as of January 31st for 2021 compared to January 1st of 2020 and 2019 due to the pandemic emergency, likely because businesses are focusing on getting PPP loans. SBA has put out almost \$750 billion of PPP loans and the numbers for the 504 program have significantly increased. Mr. Carpenter discussed the Economic Aid Act that was signed in December, and part of that was for 7(a) loans. He also cited that the SBA Express small loans, \$150,000-and less, were increased to 75 percent, and they’ve added a temporary provision for SBA Express to take. Mr. Carpenter also said that new rules were instituted in the IFR that were published to modify the calculation for sole proprietors and for PPP.

Question: Mike Phipps asked is there going to be a way to cross-reference data for the PPP or the EIDL?

Answer: Rob Carpenter said Office of Financial Program Operations or the Office of Performance and Systems Management (OPSM) keeps detailed data on the PPP loans.

SBA Express loans were up to a million dollars which was done last year under the CARES Act that sunset on December 31. Mr. Carpenter spoke on the Mission Programs which are the micro loans and Community Advantage Lenders. He shared that Dan Upham is the chief of the Underserved and Micro Loan Program.

Mr. Tom McGrath, SBA Office of Government Contracting, and Mr. Cordell Smith, OSDDBU, VA: Mr. McGrath discussed the 2021 NDAA CVE transfer between VA and SBA. In January, the Senate passed the Defense Authorization Bill for FY2021. The law says that the verification function will transfer to SBA in two years on January 1, 2023. Mr. Smith said that the provisions for this are found in Section 862 of the final bill, all functions that CVE was performing will become functions of the SBA. The law specifically says it will not include the employees at CVE; CVE is abolished. All properties that CVE has will become available to SBA depending on the decision of the President. The legislation in VA's Veterans First program that says the Secretary will maintain a database of the verified firms. However, the SBA Administrator, on the transfer date, becomes responsible for the database. VA is required to provide SBA with the contents of the database in advance.

Question: Mike Phipps asked about tracking. Is the verification process going to now be on Certified.SBA.Gov?

Answer: Cordell Smith said the law says the word "Verification" is going away and that the successor will be "SBA Certification." There is a requirement for SBA to create a certification program for SDVOSBs participating in the government-wide program.

Question: Ms. Glenett Hannah asked if SBA is taking over the CVE in 2023 and for SDVOSB and VOSB companies that are already certified, how will it affect them in terms of renewal time?

Answer: Cordell Smith said that as part of the process, VA is required to provide SBA with the contents of the VA database, which would be the firms that have been verified...i.e... their verification and how long their verification status is valid.

Question: A member of the public asked, CVE has around 10,000 firms and SAMs self-designation has 45,000 firms. Will the new SBA-based certification program target more than 10,000 or will it add some level of certification to the existing 45,000 self-designated firms?

Answer: Tom McGrath responded they will have to address/study the certification/verification process.

Fran Perez-Wilhite said that the ACVBA would like to help with the process.

Public Forum Discussion Questions from the Chat Room:

Question: A member of the public asked, When and how will SBA announce to self-certified SDVOSBs and respond to the one-year time frame for them to apply? Apply to what and where and will the NDAA impact the VA's rule of two? If so, how?

Answer: Cordell Smith addressed the VA rule of two and Tom McGrath talked about the SBA portion.

Question: When and how will SBA announce to self-certified SDVOSBs and respond to the one-year time frame for them to apply?

Answer: That is one of the details that they are working on.

Question: Can we make sure that veterans are made aware of the franchise exclusions?

Answer: Yes

Question: How would the OVBD like to receive input from others outside of the Committee to their questions about ways to serve VOSBs in rural and underserved communities?

Answer: Star Wilbraham provided her email address.

Question: A representative from Steri-Tech Medical Innovations, LLC, when FedBizOpps transferred to Beta.Sam, micro purchases were eliminated from there. What is going to be done to help learn where those micro purchases are?

Answer: Fran Perez-Wilhite said that, FedBiz Opps didn't put anything under \$25,000 on there.

A representative from, Goldschmitt & Associates said that he believes that SBA maintains a list of franchises that have been pre-approved as not impacting ownership and control, so those folks that are looking for guidance on the franchises could reference that list. CVE history had issues of fraud and roadblocks and other matters.

There were no further questions or comments, and Mr. Kurtz concluded the public forum.

Adjourned: 12:06 p.m. ET.