



## Mitigating Risk for the Small Business

Office of Small and Disadvantaged  
Business Utilization



# What is the Risk?



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## Risk to the VA

- Awarding to a small business unable to fulfill contract requirements



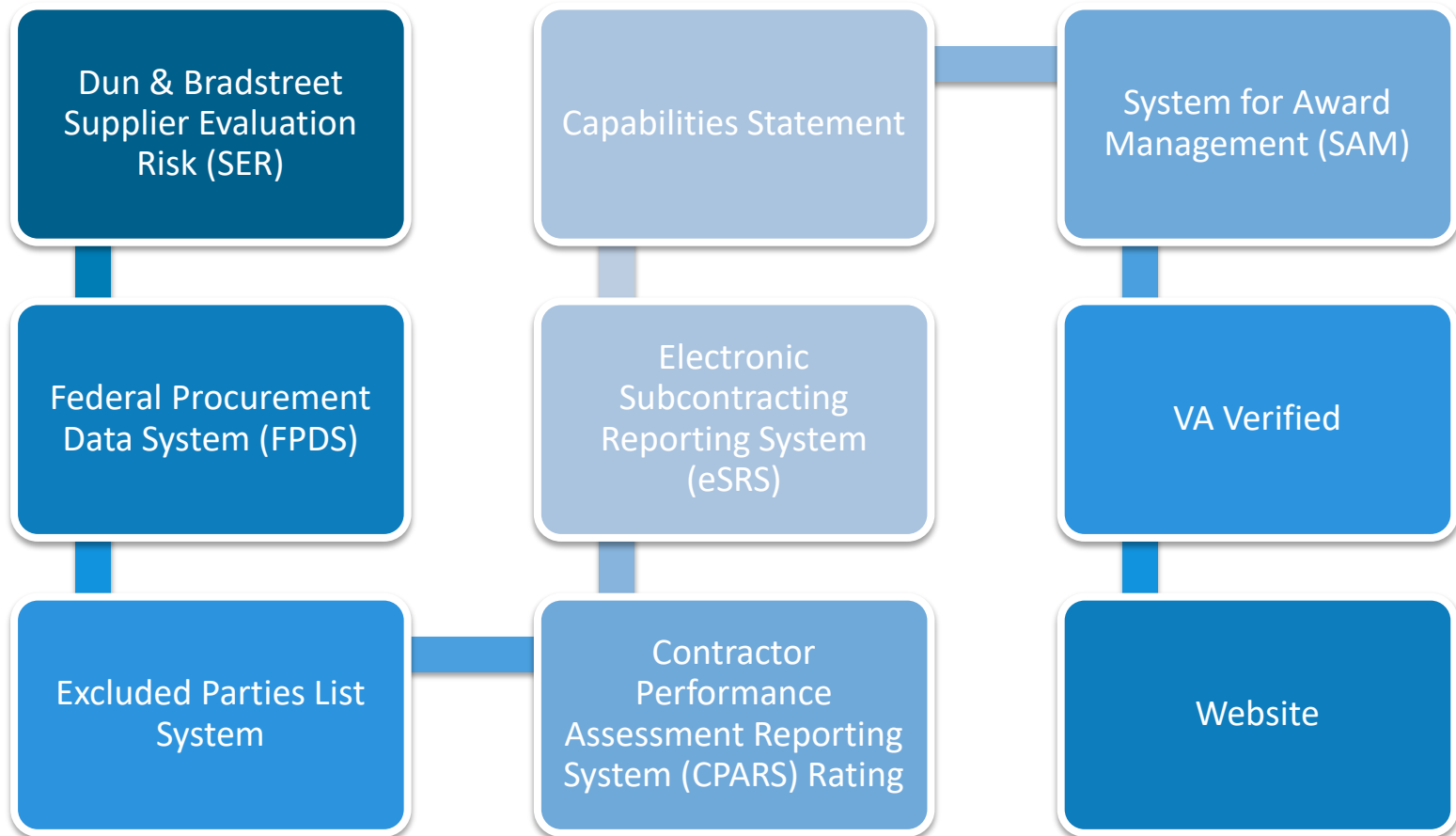
## Risk to the Small Business

- Low Contractor Performance Assessment Reporting System (CPARS) and/or Electronic Subcontracting Reporting System (eSRS) rating
- A high Dun & Bradstreet Supplier Evaluation Risk (SER) rating
- Unable to compete in the future



# Managing Contractor Risk

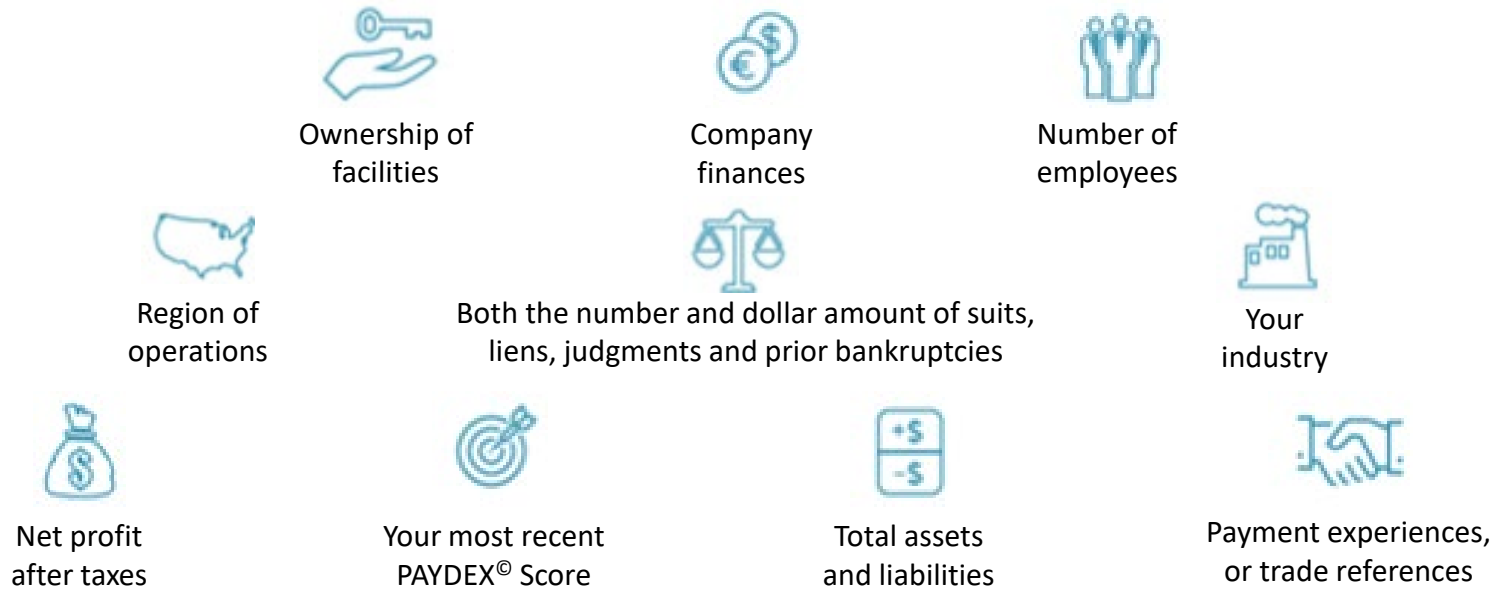
Through a vigorous due diligence process, the VA verifies that any prospective small businesses are responsible and capable by evaluating the following information:



# Dun & Bradstreet Supplier Evaluation Risk (SER)

The Supplier Evaluation Risk (SER) Rating is Dun & Bradstreet's proprietary scoring system used to assess probability that a business will seek relief from creditors or cease operations within the next 12 months.

SER rating range from 1 to 9, with 9 indicating the highest risk of failure.



To learn more, visit: [Dun & Bradstreet Supplier Evaluation Risk \(SER\)](#)

# Federal Procurement Data System (FPDS)

The Federal Procurement Data System is an automated system used to collect and report on federal procurement spending.



Transparency  
and Visibility



Business  
Decision-Making  
Tool



Standardized  
Contracting  
Process



Web Accessible  
Reporting Tool

To learn more, visit: [Federal Procurement Data System \(FPDS\)](#)

# Excluded Parties List System (EPLS)

The Excluded Parties List System (EPLS) was a database maintained by the General Services Agency (GSA) which identified vendors (contractors) that were excluded from receiving Federal contracts, certain subcontracts, and certain types of Federal financial and non-financial assistance.

In November 2012, this system was incorporated into the System for Award Management (SAM).



To learn more, visit: [SAM Exclusion Search](#)

# Contractor Performance Assessment System (CPARS) Rating

Government officials use multiple sources of information when making award decisions. Agencies are instructed to use the Contractor Performance Assessment Reporting System (CPARS) to create and measure the quality and timely reporting of performance information.



Requirements  
and Standards of  
Work



Cost Control



Adherence to  
Schedules



Customer  
Satisfaction



Reporting



Integrity and  
Business Ethics



Concern for  
Interest of the  
Customer

To learn more, visit: [CPARS](#)

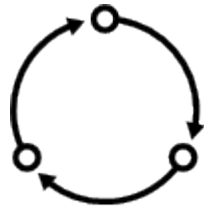


# Electronic Subcontracting Reporting System (eSRS)

As part of the President's Management Agenda for Electronic Government, the Small Business Administration (SBA), the Integrated Acquisition Environment (IAE), and a number of Agency partners collaborated to develop the next generation of tools to collect subcontracting accomplishments.



Internet-based  
Tool



Streamlined  
Process



Reporting



Subcontracting  
Performance

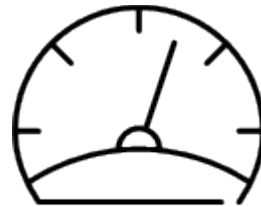
To learn more, visit: [eSRS](#)

# Capabilities Statement

A Capabilities Statement is your company's resume and it should give a contracting officer a clear and concise snapshot of your company.



Core  
Competencies



Past  
Performance



Differentiators



Company  
Data



Contact  
Information



# System for Award Management (SAM)

The System for Award Management (SAM) is a government run site that is the central registration point for government contractors.



Register



Update  
and Renew



Company  
Status



Search  
Registered  
Contractors



Search  
Exclusions  
List

To learn more, visit: [SAM](#)



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# Vets First Verification Program

The Vets First Verification Program affords verified firms owned and controlled by Service-Disabled Veterans and Veterans the opportunity to compete for VA set asides.



To learn more, visit: [Vets First Verification Program](#)

# Website

A small business' website can be just as important as their capabilities statement when doing business with the VA.

A successful small business's website should effectively market their products and/or services to potential customers, expand on its Capabilities Statement, and increase their visibility.



# Is Your Company Worth the Risk?



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# Is Your Small Business Worth the Risk?

## Dun & Bradstreet SER Rating

- Credit score
- High score = high risk
- Get your credit files

## CPARS and eSRS Rating

- Contracting officer's review
- Prime contractor complete review

## SAM

- Comprehensive profile
- Update recently
- Renewed annually

## Verified

- SDVOSB or VOSB
- Eligible for set-asides

## Website

- Current
- Reflect Core Competencies
- Contact Information
- [Validated](#)

## FPDS

- Awarded
- Not Awarded
- Future desired contracts

## FCO

- Recently reviewed
- New area of expertise
- Plan ahead



# Teaming Arrangements that help Mitigate Risk



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# Teaming Arrangements

## Prime/Subcontracting

- Most common strategy
- Learn how to do business with the government
- Establish Past Performance
- [SBA's SubNet](#)
- [SBA's Dynamic Small Business Search](#)

## Joint Ventures

- [All Small Mentor-Protégé program](#)
  - [Set-Aside Contract](#)
  - [Veteran-Owned](#)
  - [Women-Owned](#)
  - [HUBZone](#)
- [8\(a\) Business Development program](#)
  - [Competitive and Sole Source](#)

## Contractor Teaming Arrangements

- Arrangement between two GSA Schedule contractors
- Compete for orders they may not qualify for individually
- Far 9.6, CTAs, does not apply to GSA CTAs



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# Surety Bonds



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# Surety Bonds



Surety Bonds help small businesses win contracts by providing the customer with a guarantee that the work will be completed.



Bid



Payment



Performance



Ancillary

To learn more, visit: [SBA Surety Bonds](#)



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Every time the VA awards a contract and the small business accepts it, there is an element of risk for each party.

- Contracting officer's thorough review
- Mitigate the risk
- Teaming opportunities
- Surety Bonds



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# Questions



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# Useful Links

- Learn more about VA OSDBU: <http://www.va.gov/osdbu>
- Education and Training Reference Guides: <http://www.va.gov/osdbu/library/dbwva.asp>
- VA Vendor Information Pages (VIP): <https://www.vip.vetbiz.va.gov/>
- VA Kingdomware Information: <https://go.usa.gov/xKsp5>
- How to Get Verified: <http://www.va.gov/osdbu/verification/index.asp>
- Doing Business with VA Reference Guide: [https://www.va.gov/osdbu/docs/doingBusinessWithVA\\_ReferenceGuideFULL.pdf](https://www.va.gov/osdbu/docs/doingBusinessWithVA_ReferenceGuideFULL.pdf)
- Procurement Readiness Reference Guide: [http://www.va.gov/osdbu/docs/procurementReadiness\\_FULL.pdf](http://www.va.gov/osdbu/docs/procurementReadiness_FULL.pdf)
- National Veterans Small Business Engagement: <http://www.nvsbe.com>
- Procurement Technical Assistance Center (PTAC): <https://www.aptac-us.org>



# Stay Connected

**OSDBU Help Desk:**

**Phone: 1-866-584-2344**

**Email: [osdbustratcomm@va.gov](mailto:osdbustratcomm@va.gov)**

**Website: <https://www.va.gov/osdbu/>**

## Social Media



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