

INTRODUCTION: PUBLIC COMMENT SUBMISSION

Re: Docket No. DoD-2025-OS-0018

Service-Disabled Veteran Medical Products Group

SUBJECT: Comment on Implementation of E.O. 14265-Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base

INTRODUCTION: The Service-Disabled Veteran Medical Products Group (SDV-MPG) is a 501(C)(6) non-profit trade association incorporated in Virginia. SDV-MPG members are all verified veteran or service-disabled veteran-owned small businesses providing medical/surgical supplies and equipment to the Department of Defense, Department of Veterans Affairs (VA) and other Federal healthcare organizations. We have well over 100 years' combined experience doing business with the DoD and particularly Defense Logistics Agency (DLA).

SDV-MPG members are concerned about the 40 percent drop in the number of small businesses doing business with DoD over the past decade. We believe this is caused by overwhelming number of rules, regulations, terms and conditions which are not understood by the small business community and add additional costs and risks to small businesses attempting to do work with DoD. We have also seen a decrease in the number of contract opportunities brought about by consolidation, bundling and prime vendor contract vehicles. We have experienced a decline in the influence of DoD small business personnel in comparison to program managers and contracting officers.

We hope our comments will bring a fresh and innovative thought process to DoD and successfully working with small businesses. Comments are provided in the same format/text as requested in the public notice announcement. Thank you for this opportunity.

ACQUISITION PROCESS REFORM:

No one knows the needs, demands, ethos of DoD better than those of us who have served; VETERANS. VA was experiencing the same decline of small businesses participating in VA acquisitions until PL 109-461 instituted VETS First at VA. VETS First required VA to give first consideration to service-disabled and veteran-owned small businesses. This program greatly expanded the number of veteran small businesses doing work at VA. Who knows the mission of DoD better than those of us who have served? A VETS First program at DoD will expand the base of capable, knowledgeable small businesses competing for DoD work without increasing costs and also be in line with DoD Directive 4205.01, Small Business Act 19.2.

DoD has for too long relied on small businesses to research DoD acquisition opportunities, learn the entry points, contract vehicles, decision makers, and become qualified. This process is time-consuming and costly for small businesses and most give up. DoD needs to establish a coordinated marketing campaign identifying all the key technologies required by DoD, then needs to do market research to identify capable and qualified small businesses. DoD then needs to work with small businesses, particularly veteran and service-disabled veteran-owned, and develop a “qualified vendor list”. When opportunities are identified in specific technologies/capabilities opportunities should be set aside for competition amongst firms on that list. This would speed up the acquisition process, ensure capable competition, reduce protests and provide a quicker, cheaper and better outcome.

DoD needs to increase the support for domestic manufacturing in key industries. This support could include working with the Small Business Administration to establish a long-term financing program to support development of new facilities. DoD can also restructure contracts to commit a specific volume over longer terms, including price differentials, advanced or progress payments. DoD can also make greater use of “Buy American” in its contracts.

DoD should identify what products are purchased that are “commercial”. An expedited process can be developed to expedite the purchasing of these products. Commercial prices should then also be acceptable to the DoD.

Micro-purchase and simplified acquisition thresholds should be increased. These opportunities should be reserved for small businesses as these types of acquisitions are critical to newer and smaller small businesses trying to gain a foothold in the DoD marketplace.

DoD should expand the use of electronic commerce platforms in the GSA E-commerce program, particularly those that prioritize small business vendors. Under this program, GSA has awarded multiple vendors contracts whereby government purchasing personnel can use the government purchase card (GCP) to obtain items under the micro-purchase threshold. One of the awardees has over 200 vendors on their platform, ALL ARE SMALL BUSINESSES! Army has used this program with great success, even issuing a policy that after exhausting mandatory sources, purchase card holders should screen purchases through the ePS eMarketplace before purchasing from other sources and award if the price found was fair and reasonable. Other DoD services and components should institute this program.

REGULATIONS REVIEW

Establish a VETS First acquisition policy like VA's.

Require first consideration for U.S. made products, ahead of TAA compliant or global commercial solutions, wherever a qualified domestic source exists.

Prohibit the use of government purchase cards to purchase items from non-TAA compliant countries, including China, even under the micro-purchase threshold.

Incorporate "Made in America" as a strategic sourcing priority, not just a compliance check, within acquisition planning and market research.

Establish policies which require small business specialists to pre-qualify small businesses to be DoD procurement ready with the assistance of the appropriate technical staff.

Establish policy to reserve all micro-purchases and simplified acquisition threshold acquisitions for small business.

Establish policy of using E-commerce platforms which emphasize small business vendors.

ACQUISITION WORKFORCE REFORM

DoD small business personnel need to be trained in identifying and prequalifying small businesses for DoD work in different technologies. The pre-qualified lists of firms need to be combined and shared amongst the services and DoD components.

DoD small business specialists need to be integrated into the advanced planning teams for major acquisitions.

DoD project managers and contracting officers must be incentivized through annual performance plans to support small businesses.

The DoD culture must change so all personnel are not fearful of risk taking and using innovation to improve the DoD acquisition process.

Thank you for the opportunity to submit comments on this important subject. If you have any questions, I can be reached at scott.denniston@sdvmpg.org or 703-581-7142.

Respectfully submitted.

Scott Denniston, Executive Director

Service-Disabled Veteran Medical Products Group