



Highlights of [GAO-12-278T](#) a testimony before Subcommittees on Oversight and Investigation and Economic Opportunity, Committee on Veterans' Affairs, House of Representatives

## **GAO's Role Under The Competition in Contracting Act**

Under the Competition in Contracting Act of 1984, GAO is required to consider protests filed by interested parties concerning the terms of solicitations or contract awards. In deciding protests, GAO makes a determination of whether the agency's actions complied with procurement statutes and regulations. Aldevera, an SDVOSB concern, argued that two solicitations issued by the Veterans Administration should have been set aside for SDVOSB concerns.

## **GAO's Recommendations**

GAO recommended, for the solicitation where the record showed that two or more SDVOSBs were capable of meeting the agency's requirements at a fair and reasonable price, that the VA cancel the solicitation and obtain its requirements using an SDVOSB set-aside. GAO also recommended, for the solicitation where the record did not indicate whether there were two or more SDVOSBs capable of meeting the agency's requirements at a fair and reasonable price, that the VA conduct reasonable market research regarding its requirements. If the VA determines that there is a reasonable expectation of receiving offers from two or more SDVOSB concerns capable of performing the requirements at a fair and reasonable price, we recommended that the VA cancel the solicitation and re-solicit its requirements using an SDVOSB set-aside.

View [GAO-12-278T](#). For more information, contact Ralph White at 202-512-8278 or [whitero@gao.gov](mailto:whitero@gao.gov).

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## **VETERANS ADMINISTRATION PROCUREMENT**

### **Protests Concerning Service-Disabled Veteran-Owned Small Business Preferences Sustained**

## **GAO's Findings**

The Veterans Benefits, Health Care, and Information Technology Act of 2006, 38 U.S.C. §§ 8127-8128 (2006) provides in relevant part that the Department of Veterans Affairs (VA) must set aside procurements for Service-Disabled Veteran-Owned Small Business (SDVOSB) concerns if the contracting officer has a reasonable expectation of receiving offers from two or more SDVOSB concerns and that award can be made at a fair and reasonable price that provides the best value to the government.

Aldevera, an SDVOSB concern, challenged the terms of two solicitations issued by the VA for kitchen equipment. In both protests, Aldevera argued that the VA should have restricted the competitions to SDVOSB concerns, instead of issuing the solicitations for competition under the General Services Administration's (GSA) Federal Supply Schedule (FSS). In its response to the protest, VA argued that the SDVOSB set-aside requirements of the 2006 Act did not apply to the FSS.

In a decision issued by our Office, GAO concluded that the 2006 Act applies to the FSS.

Accordingly, GAO sustained the protests. The decision is available at: <http://www.gao.gov/decisions/bidpro/405271.pdf>.