



Information Regarding the “Veterans Small Business Enhancement Act”

Thank you for your interest in the Federal Surplus Property Program! Public Law (115-416) “Veteran Small Business Enhancement Act” was signed into law by the President on January 3, 2019 and gives veteran-owned small businesses access to our program. While the bill has been passed, we are currently awaiting guidance from the federal government on how to implement the new law, including details on how to properly certify a business as eligible. In the meantime, please feel free to browse the Federal Surplus inventory and information on our website to familiarize yourself with our Federal Surplus Property program: www.tfc.texas.gov/FSP.

If you are interested in being placed on our email list so that you will be informed of any significant developments, please send an email to federal.surplus@tfc.texas.gov.

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Here are answers to some FAQs regarding the Veterans Small Business Enhancement Act....

1) How do I know if my veteran owned small business will qualify?

- a. There are two steps that we recommend you consider taking now so that your business will on track when we are finally able to welcome VOSBs into our program.
- b. First, per the law and proposed rules, the small business must be “verified by the Secretary of Veterans Affairs under section 8127 of title 38, United States Code” in order to be eligible for the Federal Surplus Property Program. Our understanding is that the [VA’s online database of Veteran Businesses](#) contains the list of veteran owned small businesses who are currently verified under that portion of the US code, and would consequently be eligible for the Federal Surplus Property Program. Therefore, we highly recommend visiting the VA websites listed below to find out more about the VA’s verification process:
 - i. <https://www.va.gov/careers-employment/veteran-owned-business-support/>
 - ii. <https://www.vip.vetbiz.va.gov/>
- c. Second, on a recent call with the U.S. Small Business Administration (SBA), their representative did mention that, in order to streamline and standardize the eligibility review process among the states, the SBA is considering requiring small businesses to register with the US Government’s “SAM” system. This would allow our program to check the SAM system, which has already “pre-vetted” a business to ensure it meets the standard for being classified as “small.” Here is a link to that website: <https://www.sam.gov/SAM/>

2) What is the timeline for implementation? When can I start getting equipment for my business?

- a. The SBA is continuing to work to develop the procedures on how this program will be administered. Per the last update that we received from the federal government in July, our best estimate is that the final regulations should be released in September. After that release, our state has to sign an agreement with the federal government. The agreement has already been drafted and is being circulated among the federal government for review. Until the regulations and agreement are finalized, we cannot guarantee what will be required in order to prove you are an eligible veteran-owned small business. We

are hopeful that Veteran Owned Small Businesses will be able to receive property through our program before the end of the year.

3) Will the property be offered to my business at no charge?

- a. All property obtained through our federal program will have an associated service charge that your business must pay. On average, the service charge is 5-10% of the item's original value, but will vary according to the item's type, condition, and current value. The service charges paid by participating organizations fund our program, as we do not receive any funding from the State or Federal government.

4) Are there any business who can currently obtain Federal Surplus?

- a. Currently, the only for-profit businesses that can access our program are those certified by the US Small Business Administration under the 8(a) program. If you are 8(a)-certified, please download an "Application for Eligibility" from our website and submit according to the instructions on the form: www.tfc.texas.gov/divisions/supportserv/prog/fedsurplus/forms/

5) Do non-profits who assist veterans qualify for the program?

- a. Yes, some nonprofits who assist the elderly, impoverished, and/or homeless do qualify, as well as Veterans Service Organizations recognized by the Veterans Administration. Please see pages 8-11 of our "Application for Eligibility" for more details: www.tfc.texas.gov/divisions/supportserv/prog/fedsurplus/forms/

6) Will there be restrictions on the types of property that my business can obtain, and how it must be used?

- a. We are unable to answer that question at this time because we must wait and see what policies and procedures the SBA establishes. However, based on the general rules of our program, it is safe to assume that the property must be obtained to support your businesses operations (it may not be used for personal or unrelated reasons), and there will be a certain restriction or "compliance" period, during which the property must be used by your business. The "compliance" period must be completed before any property received may be sold, discarded or otherwise disposed of. The compliance period will likely be *at least* 12-18 months and may vary according the item's type and value.

Finally, below is additional information on other opportunities the Texas Facilities Commission offers regarding the sale of surplus property to the general public, as well as how to do business with our agency.

- **State Surplus Property (public sales)**

All members of the general public are welcome to visit our **State Surplus Warehouse** at 6506 Bolm Road in Austin, TX or bid on one of our **online auctions**. ****NOTE:** The Austin Warehouse is currently closed due to COVID-19, however, some auctions are proceeding. Please see the State program's website for updates: www.tfc.texas.gov/ssp

- **Contracting Opportunities:**

- **Service-Disabled Veteran, Woman or Minority-Owned Small Businesses**

The Texas Facilities Commission procures a wide variety of goods and services. TFC is responsible for managing state-owned buildings, and handles both minor repairs, as well as construction on new facilities across the state. For more information about bidding as a prime contractor or subcontractor on TFC projects, please contact the TFC Historically Underutilized Business Program at HUB@tfc.state.tx.us.

- **Freight Transportation Vendors**

The Surplus Property Program is responsible for arranging shipping of surplus property from locations across the U.S. to our warehouses in Texas. For vendors who are interested in providing freight transportation services for the Surplus Property Program, please contact surplusfreight@tfc.texas.gov.

- **General Information about doing business with the State of Texas**

TFC is responsible for managing state-owned buildings, and handles both minor repairs, as well as construction of new facilities across the state. For more information about bidding on state contracts, please see the Comptroller's website: www.comptroller.texas.gov/purchasing/vendor/

If you have any additional questions, please contact us at federal.surplus@tfc.texas.gov.