

SDVOSB Contract Vehicle Explainer

A Guide for Security Professionals

American Veteran Ventures

NEXUS DEFENSE DIVISION

SBA VetCert Certified SDVOSB | Virginia | VA-02
americanvetventures.com



\$28.6B

Total to SDVOSB
Firms (FY25)

\$8.68B

Set-Aside
Contracts (FY25)

5%

Statutory
Spending Goal

12

Registered
NAICS Codes

Why This Matters

Federal agencies awarded **\$28.6 billion** to SDVOSB (Service-Disabled Veteran-Owned Small Business) firms last year. Of that, **\$8.68 billion** was through set-aside contracts reserved exclusively for certified firms. Congress raised the spending target to **5% of all federal contracts**. Both numbers are growing.

These contracts are legally restricted to certified SDVOSB firms. Without a certified partner, your company cannot bid, no matter how qualified you are. **That is the gap this partnership closes.**

Veterans Affairs: Our Strongest Lane. The VA awarded **\$10.2 billion** to SDVOSB firms in FY2024. That is **23% of all VA prime contracts**. Under **VAAR 819.70 (Veterans First)**, VA contracting officers must consider SDVOSB firms before any other category. Sole-source up to **\$5M flat**, all categories. No requirement to prove only one firm can perform. **1,300+ VA facilities** buying physical security. **2,300+ SDVOSB firms** already awarded. This law has been in effect for 20 years.

P.L. 109-461 · 38 U.S.C. §8127 · VAAR 819.7008 · Source: VA OSD BU FY2024

The Numbers: What Changes With This Partnership

WHAT YOU GET	WITH THIS PARTNERSHIP	SOURCE
NAICS Coverage	12 registered codes	SBA VetCert profile (company-data.json)
How Fast You Get Paid	15-30 days (federal law)	Prompt Payment Act / FAR 52.232-25 / DFARS 232.903
Contract Length	3-5 years typical	HigherGov Small Business Trends Report
Risk of Non-Payment	Near zero (US Treasury backed)	US Treasury / Prompt Payment Act

What You Are Investing In

CATEGORY	QUICK-START JV	LONG-TERM JV
JV agreement & legal review	Low	Moderate
Entity formation (LLC, EIN, SAM, UEI)	Low	Low
Proposal development	Low	Low
SBA Mentor-Protégé application	N/A	Moderate

Who We Are / Who You Are

American Veteran Ventures (Nexus Defense) is a federally certified SDVOSB based in Virginia Beach. Our principals bring **60+ years combined experience** as federal security buyers and program managers. They have specified access control systems, managed surveillance upgrades, overseen IDS installations, and evaluated contractor proposals from the government side of the table.

You: A security professional with qualified personnel, infrastructure, and past performance / relevant experience in physical security. But no way into the federal SDVOSB set-aside market.

Together: You keep running operations the way you already do. We bring the SDVOSB certification, compliance architecture, and government relationship. Your existing capabilities become eligible for a market you could not access yesterday. Minimal disruption. New revenue.

How the Partnership Is Structured

We form a **joint venture**, a legal entity between our certified SDVOSB and your company. The JV bids on federal contracts, wins them, and performs the work. We handle government paperwork and compliance. You deliver the physical security integration. Per 13 CFR 128.402(a), SBA does not certify the JV itself. The JV registers in SAM with AVV identified as the VetCert-certified SDVOSB partner, and AVV must hold active certification at time of offer and award.

Two Options to Get Started

	STANDARD JOINT VENTURE	MENTOR-PROTÉGÉ JOINT VENTURE
Formation How long to stand up	60-75 days	6-9 months (SBA approval)
Size Affiliation Can gov count your size against JV	Yes. Your size may disqualify the JV	No. SBA waives this rule
Contract Ceiling Max contract value	Limited by NAICS size standard	No limit
Best For	Testing fit, chasing a live opportunity	Large IDIQs (multi-year, multi-task)

Who Does What (SDVOSB Must Perform at Least 40% by Federal Law)

SDVOSB / NEXUS DEFENSE (42%)	PARTNER / YOU (58%)
Government Relations (12%) CO contact, reporting, contract mods	System Installation (25%) Access control, CCTV/IP, IDS, cabling, rack builds
Security Design & Planning (10%) Site assessments, specs, design drawings	Configuration & Commissioning (15%) Software setup, programming, integration testing
Quality Assurance (10%) Inspections, acceptance testing, punch list	Maintenance & Support (13%) PM, break/fix, monitoring, warranty admin
Compliance & Documentation (10%) As-builts, O&M manuals, NIST, deliverables	Equipment & Logistics (5%) Procurement, warehousing, material mgmt

Illustrative example for physical security systems integration. Actual percentages tailored per contract.

KEY RULE: Federal law requires the SDVOSB to lead the JV. We serve as managing partner, provide the PM, and control the government relationship. Your team handles installation and maintenance under our quality oversight.

Timeline to First Bid

PHASE	WHEN	WHAT HAPPENS
Find a Contract	Weeks 1-2	We identify a qualified opportunity from daily SAM.gov monitoring
Build the JV	Weeks 3-6	Legal agreement, form entity, register with government
Submit the Bid	Week 7+	We write the proposal, you provide technical input, we submit

What Can Go Wrong (And How We Prevent It)

Most SDVOSB joint ventures that fail do so on **compliance, not performance**. The SBA interprets rules with strict literalism.

1. The Agreement Has to Be Exact

The government has disqualified JVs for agreements that were too vague about who does what, or that gave the commercial partner too much control. The agreement must clearly spell out the work split and keep the SDVOSB firm in the lead. We draft these to spec.

2. The SDVOSB's 40% Must Be Real Work

Federal rules require the SDVOSB to perform at least 40% of the contract work, and it has to be substantive, not filing paperwork. Our 42% covers project management, security system design, quality assurance, and compliance documentation. All measurable, all auditable.

3. Integration Quality Is Under a Spotlight

Federal agencies are increasing oversight of physical security systems that don't meet performance specifications. Installations that fail acceptance testing or don't integrate with existing infrastructure delay occupancy and trigger contract remedies. JVs that invest in design quality, commissioning standards, and documentation have a clear advantage.

Bottom Line: The rules are strict but manageable. Our job is to own the compliance so you can focus on what you do best: delivering quality security integrations.

Next Steps

STEP	WHAT HAPPENS	TIME
1	Introductory call to see if there is a fit	30 min
2	Sign a mutual NDA so we can share details	1-2 days
3	Working session: pick a contract, map the work split	1-2 hrs
4	Build the joint venture: legal, registration, first proposal	2-3 wks

Contact

Dion Davis | ddavis@americanvetventures.com
americanvetventures.com

Sources: Fed-Spend FY25 (Feb 2026); GovSpend FY25 (Jan 2026); SBA.gov; FAR 19.1406; VAAR 819.70 (Veterans First); VA OSDDBU FY2024; P.L. 109-461; Holland & Knight / PilieroMazza FAR Part 19 analyses; GovConWire OBBBA (Oct 2025); SmallGovCon OHA case analyses.