

CLIENT ALERT

Unanimous Supreme Court Says Veteran-Owned Small Business Preferences Reign

June 20, 2016

On June 16, 2016, the U.S. Supreme Court in *Kingdomware Techs., Inc. v. U.S.* ruled that 38 U.S.C. § 8127 requires the Department of Veterans Affairs to apply the “Rule of Two” and, if met, give preference to veteran-owned small businesses (VOSBs) when awarding any contract over the dollar thresholds in subsections (b) and (c). The Court soundly rejected both the Federal Circuit’s and the VA’s position that subsection (d)’s prefatory clause somehow relaxed the plain, mandatory language of the clause providing that the preferences “shall” apply, and the VA’s newly (and untimely) raised argument that subsection (d) does not apply to orders under Federal Supply Schedule contracts, setting the stage for a notable increase in awards of VA FSS orders to VOSBs and incentivizing more VOSBs to pursue opportunities with the VA.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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