



DEPARTMENT OF VETERANS AFFAIRS
Center for Veterans Enterprise
Washington DC 20420

MAY 31 2012

In Reply Refer To: OOVE

Ms. Chelsea Derrah
Derrah Morrison Enterprises, LLC
1120 Toro Grande Blvd
Cedar Park, TX 78613

Dear Ms. Derrah:

Congratulations! On behalf of the U.S. Department of Veterans Affairs (VA), the Center for Veterans Enterprise (CVE), upon review of the Request for Reconsideration received, February 27, 2012, I am writing to inform you that the service-disabled Veteran-owned small business (SDVOSB), Derrah Morrison Enterprises LLC (DME) has been verified and added to the verified Veteran business database at www.VetBiz.gov. The business will be eligible to participate in Veterans First Contracting Program opportunities with VA. This verification is valid for up to one year from the date of this letter.

CVE initially denied DME verified status by decision dated February 6, 2012. CVE determined that DME was affiliated with PDME and that PDME is a similar business owned by the minority owner of DME. Because of this association, CVE determined that undue reliance existed which would make it impossible for the Veteran to exercise independent business judgment without great economic risk as specified by 38 Code of Federal Regulations (CFR) Part 74.

With your Request for Reconsideration, the applicant provided a detailed explanation of how DME differs from PDME and explained that while the businesses are collocated they actually do not offer the same service and operate independently of one another. Based on the foregoing, CVE has determined to grant the Request for Reconsideration.

Please be aware, however, that as your business acts as a supplier, rather than a manufacturer, that you must follow the "Nonmanufacturer Rule" of the Federal Acquisition Regulation (FAR). FAR § 19.001 states that the Nonmanufacturer Rule requires that, "a contractor under a small business set-aside or 8(a) contract shall be a small business under the applicable size standard and shall provide either its own product or that of another domestic small business manufacturing or processing concern."

Page 2.

Ms. Chelsea Derrah

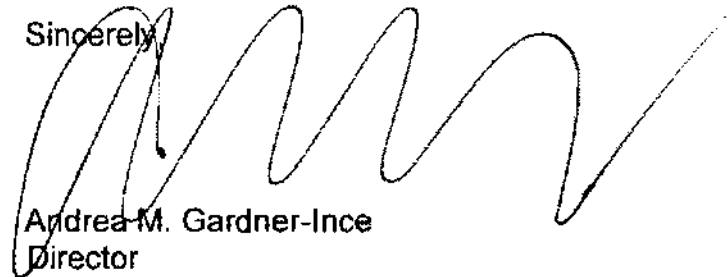
Our goal is to establish a strong Veterans' movement by branding your status as a verified service-disabled Veteran-owned small business. You may use the following logo link to download the logo for use on your marketing materials and business cards: http://www.vetbiz.gov/cve_completed_s.jpg

To ensure that you are captured in the Vendor Information Pages, check your profile for the verified logo. Please notify us if the logo is not present within 72 hours of receipt of this letter.

Thank you for your service to our country and for continuing to serve America through small business ownership. It is our honor to support "Veterans in Business – Still Serving America!"

If you have any further questions regarding this matter, please contact our CVE, representatives via The Vaco Reconsideration mailbox, at vacorecons@va.gov.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Andrea M. Gardner-Ince'.

Andrea M. Gardner-Ince
Director
Center for Veterans Enterprise