

119TH CONGRESS
2D SESSION

S. 3964

To amend the Small Business Act to establish a goal for participation by small business concerns owned and controlled by veterans in procurement contracts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 3, 2026

Mr. SHEEHY (for himself and Mr. SCHIFF) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To amend the Small Business Act to establish a goal for participation by small business concerns owned and controlled by veterans in procurement contracts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Contract Our Veterans
5 Act of 2026”.

1 **SEC. 2. AGENCY CONTRACTING GOALS FOR SMALL BUSI-**
 2 **NESS CONCERNS OWNED AND CONTROLLED**
 3 **BY VETERANS.**

4 The Small Business Act (15 U.S.C. 631 et seq.) is
 5 amended by inserting after section 36A the following:

6 **“SEC. 36B. SMALL BUSINESS CONCERNS OWNED AND CON-**
 7 **TROLLED BY VETERANS.**

8 “(a) CONTRACTING OFFICER DEFINED.—In this sec-
 9 tion, the term ‘contracting officer’ has the meaning given
 10 the term in section 2101 of title 41, United States Code.

11 “(b) SOLE SOURCE CONTRACTS FOR CONTRACTS
 12 ABOVE SIMPLIFIED ACQUISITION THRESHOLD.—A con-
 13 tracting officer may award a contract to a small business
 14 concern owned and controlled by veterans using proce-
 15 dures other than competitive procedures if—

16 “(1) the concern is determined to be a respon-
 17 sible source with respect to performance of the con-
 18 tract;

19 “(2) the anticipated award price of the contract
 20 (including options) will not exceed the amounts spec-
 21 ified in section 36(c)(2); and

22 “(3) the contracting officer determines the con-
 23 tract award can be made at a fair and reasonable
 24 price that offers best value to the United States.

25 “(c) RESTRICTED COMPETITION.—A contracting of-
 26 ficer shall award contracts on the basis of competition re-

1 stricted to small business concerns owned and controlled
 2 by veterans if the contracting officer has a reasonable ex-
 3 pectation that—

4 “(1) 2 or more small business concerns owned
 5 and controlled by veterans will submit offers; and

6 “(2) the award can be made at a fair and rea-
 7 sonable price that offers best value to the United
 8 States.

9 “(d) ELIGIBILITY OF SMALL BUSINESS CON-
 10 CERNS.—A small business concern may be awarded a con-
 11 tract under this section only if the small business concern
 12 and the veteran owner of the small business concern are
 13 listed in the database described in section 36(f)(1).”.

14 **SEC. 3. GOVERNMENTWIDE GOALS AND REPORTING RE-**
 15 **QUIREMENTS FOR SMALL BUSINESS CON-**
 16 **CERNS OWNED AND CONTROLLED BY VET-**
 17 **ERANS.**

18 (a) GOVERNMENTWIDE GOALS.—Section 15(g) of the
 19 Small Business Act (15 U.S.C. 644(g)) is amended—

20 (1) by striking “and small business concerns
 21 owned and controlled by women” and inserting “,
 22 small business concerns owned and controlled by
 23 women, and small business concerns owned and con-
 24 trolled by veterans” each place it appears;

1 (2) in paragraph (1)(A), by adding at the end
2 the following:

3 “(vi) The Governmentwide goal for
4 participation by small business concerns
5 owned and controlled by veterans shall be
6 established at not less than 5 percent of
7 the total value of all prime contract and
8 subcontract awards for each fiscal year.”;
9 and

10 (3) in paragraph (2)(A), by striking “and by
11 small business concerns owned and controlled by
12 women” and inserting “by small business concerns
13 owned and controlled by women, and by small busi-
14 ness concerns owned and controlled by veterans”.

15 (b) REPORTING ON GOALS.—Section 15(h)(2) of the
16 Small Business Act (15 U.S.C. 644(h)(2)) is amended—

17 (1) in subparagraph (E)—

18 (A) in clauses (i)(VI), (ii)(VII), (iii)(VIII),
19 and (iv)(VIII), by inserting “small business
20 concerns owned and controlled by veterans”
21 after “small business concerns owned and con-
22 trolled by women,”;

23 (B) in clause (vii)(VI), by striking “and”
24 at the end;

1 (C) in clause (viii)(X), by inserting “small
2 business concerns owned and controlled by vet-
3 erans” after “small business concerns owned
4 and controlled by socially and economically dis-
5 advantaged individuals,”; and

6 (D) by adding at the end the following:

7 “(ix) small business concerns owned
8 and controlled by veterans—

9 “(I) in the aggregate;

10 “(II) through sole source con-
11 tracts;

12 “(III) through competitions re-
13 stricted to small business concerns;

14 “(IV) through competitions re-
15 stricted to small business concerns
16 owned and controlled by veterans;

17 “(V) through unrestricted com-
18 petition;

19 “(VI) that were purchased by an-
20 other entity after the initial contract
21 was awarded and as a result of the
22 purchase, would no longer be deemed
23 to be small business concerns owned
24 and controlled by veterans for pur-
25 poses of the initial contract; and

1 “(VII) that were awarded using a
 2 procurement method that restricted
 3 competition to small business concerns
 4 owned and controlled by service-dis-
 5 abled veterans, qualified HUBZone
 6 small business concerns, small busi-
 7 ness concerns owned and controlled by
 8 socially and economically disadvan-
 9 tagged individuals, small business con-
 10 cerns owned and controlled by women,
 11 or a subset of any such concerns;
 12 and”; and

13 (2) in subparagraph (F), by striking “and small
 14 business concerns owned and controlled by women”
 15 and inserting “small business concerns owned and
 16 controlled by women, and small business concerns
 17 owned and controlled by veterans”.

18 **SEC. 4. PARTICIPATION IN FEDERAL PROCUREMENT BY**
 19 **SMALL BUSINESS CONCERNS OWNED AND**
 20 **CONTROLLED BY VETERANS.**

21 (a) BUSINESS OPPORTUNITY SPECIALISTS.—Section
 22 4(g)(1) of the Small Business Act (15 U.S.C. 633(g)(1))
 23 is amended—

24 (1) in the matter preceding subparagraph (A),
 25 by striking “and 36” and inserting “36, and 36B”;

1 (2) in subparagraph (A)(v), by striking “36,
2 and” and inserting “36, 36B, and”; and

3 (3) in subparagraph (D), by striking “36, or”
4 and inserting “36, 36B, or”.

5 (b) COMMERCIAL MARKET REPRESENTATIVE.—Sec-
6 tion 4(h)(1) of the Small Business Act (15 U.S.C.
7 633(h)(1)) is amended, in the matter preceding subpara-
8 graph (A), by striking “and 36” and inserting “36, and
9 36B”.

10 (c) CONSIDERATION OF OFFERS.—Section
11 8(a)(17)(A) of the Small Business Act (15 U.S.C.
12 637(a)(17)(A)) is amended by striking “or section 36”
13 and inserting “section 36, or section 36B”.

14 (d) BEST IN CLASS ADDENDUM.—Section
15 15(h)(4)(A)(ii) of the Small Business Act (15 U.S.C.
16 644(h)(4)(A)(ii)) is amended—

17 (1) in subclause (III), by striking “and” at the
18 end;

19 (2) in subclause (IV), by striking the period at
20 the end and inserting “; and”; and

21 (3) by adding at the end the following:

22 “(V) small business concerns
23 owned and controlled by veterans.”.

1 (e) OFFICES OF SMALL AND DISADVANTAGED BUSI-
2 NESS UTILIZATION.—Section 15(k) of the Small Business
3 Act (15 U.S.C. 644(k)) is amended—

4 (1) in the matter preceding paragraph (1), by
5 striking “or 44” and inserting “36B, or 44”;

6 (2) by striking “and 44” and inserting “36B,
7 and 44” each place it appears; and

8 (3) by striking “or 36” and inserting “36, or
9 36B” each place it appears.

10 (f) SCORECARD PROGRAM.—Section 15(y) of the
11 Small Business Act (15 U.S.C. 644(y)) is amended—

12 (1) by striking “and small business concerns
13 owned and controlled by women” and inserting “,
14 small business concerns owned and controlled by
15 women, and small business concerns owned and con-
16 trolled by veterans” each place it appears; and

17 (2) in paragraph (4), by adding at the end the
18 following new subparagraph:

19 “(E) The number (expressed as a percent-
20 age) and total dollar amount of awards made to
21 small business concerns owned and controlled
22 by veterans through sole source contracts and
23 competitions restricted to small business con-
24 cerns owned and controlled by veterans under
25 section 36B.”.

1 (g) MENTOR-PROTEGE REPORTING.—Section
 2 45(c)(1)(B) of the Small Business Act (15 U.S.C.
 3 657r(c)(1)(B)) is amended—

4 (1) by redesignating clauses (iii) through (v) as
 5 clauses (iv) through (vi), respectively; and

6 (2) by inserting after clause (ii) the following
 7 new clause:

8 “(iii) small business concerns owned
 9 and controlled by veterans;”.

10 (h) LIMITATIONS ON SUBCONTRACTING.—Section 46
 11 of the Small Business Act (15 U.S.C. 657s) is amended—

12 (1) in subsection (a), by striking “or 36” and
 13 inserting “36, or 36B”; and

14 (2) in subsection (e)—

15 (A) in paragraph (1)—

16 (i) in subparagraph (D), by striking
 17 “or” at the end;

18 (ii) in subparagraph (E), by striking
 19 the period at the end and inserting “; or”;
 20 and

21 (iii) by adding at the end the fol-
 22 lowing:

23 “(F) with respect to a contract awarded
 24 under section 36B, is a small business concern
 25 owned and controlled by veterans.”; and

1 (B) in paragraph (2)—

2 (i) in subparagraph (E), by striking

3 “or” at the end;

4 (ii) in subparagraph (F), by striking

5 the period at the end and inserting “; or”;

6 and

7 (iii) by adding at the end the fol-

8 lowing:

9 “(G) if a subcontractor for a small busi-

10 ness concern owned and controlled by veterans,

11 is such a concern.”.

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