

# Union Calendar No. 530

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4121

**[Report No. 112-727]**

To provide for a program to provide Federal contracts to early stage small businesses, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 2012

Mr. SCHRADER (for himself, Ms. HAHN, Mr. CICILLINE, Ms. CHU, Ms. VELÁZQUEZ, Mr. PETERS, and Mr. RICHMOND) introduced the following bill; which was referred to the Committee on Small Business

DECEMBER 21, 2012

Additional sponsor: Ms. CLARKE of New York

DECEMBER 21, 2012

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on March 1, 2012]

# **A BILL**

To provide for a program to provide Federal contracts to  
early stage small businesses, 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 “Early Stage Small Busi-*  
 5       *ness Contracting Act of 2012”.*

6       **SEC. 2. IN GENERAL.**

7       *The Small Business Act (15 U.S.C. 631 et seq.) is*  
 8       *amended by adding at the end the following:*

9       **“SEC. 46. PROGRAM TO PROVIDE FEDERAL CONTRACTS TO**  
 10       **EARLY STAGE SMALL BUSINESSES.**

11       *“(a) ESTABLISHMENT.—The Administrator shall es-*  
 12       *tablish and carry out a program in accordance with the*  
 13       *requirements of this section to provide improved access to*  
 14       *Federal contract opportunities for early stage small busi-*  
 15       *ness concerns.*

16       *“(b) PROCUREMENT CONTRACTS.—*

17               *“(1) IN GENERAL.—In carrying out subsection*  
 18       *(a), the Administrator, in consultation with other*  
 19       *Federal agencies, shall identify procurement contracts*  
 20       *of Federal agencies for award under the program.*

21               *“(2) CONTRACT AWARDS.—Under the program*  
 22       *established pursuant to this section, the award of a*  
 23       *procurement contract of a Federal agency identified*  
 24       *by the Administrator pursuant to paragraph (1) shall*  
 25       *be made by the agency to an eligible program partici-*

1        *pant selected, and determined to be responsible, by the*  
2        *agency.*

3            “(3) *COMPETITION.*—

4            “(A) *SOLE SOURCE.*—A contracting officer  
5        *may award a sole source contract under this*  
6        *program if such concern is determined to be a*  
7        *responsible contractor with respect to perform-*  
8        *ance of such contract opportunity and the con-*  
9        *tracting officer does not have a reasonable expect-*  
10       *tation that 2 or more early stage small business*  
11       *concerns will submit offers for the contracting*  
12       *opportunity and in the estimation of the con-*  
13       *tracting officer, the contract award can be made*  
14       *at a fair and reasonable price.*

15           “(B) *RESTRICTED COMPETITION.*—A con-  
16        *tracting officer may award contracts on the basis*  
17        *of competition restricted to early stage small*  
18        *business concerns if the contracting officer has a*  
19        *reasonable expectation that not less than 2 early*  
20        *stage small business concerns will submit offers*  
21        *and that the award can be made at a fair mar-*  
22        *ket price.*

23           “(4) *CONTRACT VALUE.*—Contracts shall be  
24        *awarded under this program if its value is greater*

1        *than \$3,000 and less than half the upper threshold of*  
2        *section 15(j)(1) of the Small Business Act.*

3        “(c) *ELIGIBILITY.—Only an early stage small business*  
4        *concern shall be eligible to compete for a contract to be*  
5        *awarded under the program. The Administrator shall cer-*  
6        *tify that a small business concern is an early stage small*  
7        *business concern, or the Administrator shall approve a Fed-*  
8        *eral agency, a State government, or a national certifying*  
9        *entity to certify that the business meets the eligibility cri-*  
10       *teria of an early stage small business concern.*

11       “(d) *TECHNICAL ASSISTANCE.—The Administrator*  
12       *shall provide early stage small business concerns with tech-*  
13       *nical assistance and counseling with regard to—*

14                “(1) *applying for and competing for Federal*  
15       *contracts; and*

16                “(2) *fulfilling the administrative responsibilities*  
17       *associated with the performance of a Federal contract.*

18        “(e) *ATTAINMENT OF CONTRACT GOALS.—All contract*  
19       *awards made under the program shall be counted toward*  
20       *the attainment of the goals specified in section 15(g) of the*  
21       *Small Business Act.*

22        “(f) *REGULATIONS.—The Administrator shall—*

23                “(1) *issue proposed regulations to carry out this*  
24       *section not later than 180 days after the date of en-*  
25       *actment of this Act; and*

1           “(2) *issue final regulations to carry out this sec-*  
 2           *tion not later than 270 days after the date of enact-*  
 3           *ment of this Act.*

4           “(g) *REPORT TO CONGRESS.*—*Not later than April 30,*  
 5           *2015, the Administrator shall transmit to the Congress a*  
 6           *report on the performance of the program.*

7           “(h) *DEFINITIONS.*—*For purposes of this section, the*  
 8           *following definitions shall apply:*

9                   “(1) *PROGRAM.*—*The term ‘program’ means a*  
 10           *program established pursuant to subsection (a).*

11                   “(2) *EARLY STAGE SMALL BUSINESS CONCERN.*—  
 12           *The term ‘early stage small business concern’ means*  
 13           *a small business concern that—*

14                           “(A) *has not more than 15 employees; and*

15                           “(B) *has average annual receipts that total*  
 16                   *not more than \$1,000,000, except if the concern*  
 17                   *is in an industry with an average annual rev-*  
 18                   *enue standard that is less than \$1,000,000, as*  
 19                   *defined by the North American Industry Classi-*  
 20                   *fication System.”.*

21   **SEC. 3. REPEAL OF SIMILAR PROGRAM.**

22           *Section 304 of the Small Business Administration Re-*  
 23           *authorization and Amendments Act of 1994 (15 U.S.C. 644*  
 24           *note) is repealed.*



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