

112TH CONGRESS
2D SESSION

H. R. 6078

To amend the Small Business Act to provide for higher goals for procurement contracts awarded to small business concerns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 2012

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

A BILL

To amend the Small Business Act to provide for higher goals for procurement contracts awarded to small business concerns, 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 “Small Business Con-
5 tracting Opportunities Expansion Act of 2012”.

1 **SEC. 2. GOALS FOR PROCUREMENT CONTRACTS AWARDED**
2 **TO SMALL BUSINESS CONCERNS.**

3 (a) IN GENERAL.—Section 15(g) of the Small Busi-
4 ness Act (15 U.S.C. 644(g)) is amended by striking the
5 subsection enumerator and inserting the following:

6 “(g) GOALS FOR PROCUREMENT CONTRACTS
7 AWARDED TO SMALL BUSINESS CONCERNS.—”.

8 (b) GOVERNMENT-WIDE GOALS.—Paragraph (1) of
9 section 15(g) of such Act (15 U.S.C. 644(g)) is amended
10 to read as follows:

11 “(1) GOVERNMENT-WIDE GOALS.—The Presi-
12 dent shall annually establish Government-wide goals
13 for procurement contracts awarded to small business
14 concerns, small business concerns owned and con-
15 trolled by service-disabled veterans, qualified HUB-
16 Zone small business concerns, small business con-
17 cerns owned and controlled by socially and economi-
18 cally disadvantaged individuals, and small business
19 concerns owned and controlled by women in accord-
20 ance with the following:

21 “(A) The Government-wide goal for par-
22 ticipation by small business concerns shall be
23 established at not less than 26 percent of the
24 total value of all prime contract awards for each
25 fiscal year and 40 percent of the total value of
26 all subcontract awards for each fiscal year.

1 “(B) The Government-wide goal for par-
2 ticipation by small business concerns owned and
3 controlled by service-disabled veterans shall be
4 established at not less than 3 percent of the
5 total value of all prime contract and at not less
6 than 3 percent of the total value of all sub-
7 contract awards for each fiscal year.

8 “(C) The Government-wide goal for par-
9 ticipation by qualified HUBZone small business
10 concerns shall be established at not less than 3
11 percent of the total value of all prime contract
12 and at not less than 3 percent of the total value
13 of all subcontract awards for each fiscal year.

14 “(D) The Government-wide goal for par-
15 ticipation by small business concerns owned and
16 controlled by socially and economically dis-
17 advantaged individuals shall be established at
18 not less than 6 percent of the total value of all
19 prime contract and at not less than 6 percent
20 of the total value of all subcontract awards for
21 each fiscal year.

22 “(E) The Government-wide goal for par-
23 ticipation by small business concerns owned and
24 controlled by women shall be established at not
25 less than 5 percent of the total value of all

1 prime contract and at not less than 5 percent
2 of the total value of all subcontract awards for
3 each fiscal year.”.

4 (c) AGENCY GOALS.—Paragraph (2) of section 15(g)
5 of such Act (15 U.S.C. 644(g)) is amended to read as fol-
6 lows:

7 “(2) AGENCY GOALS.—

8 “(A) ESTABLISHMENT.—

9 “(i) IN GENERAL.—The head of each
10 Federal agency shall annually establish, for
11 the agency that individual heads, a goal for
12 procurement contracts awarded to—

13 “(I) small business concerns;

14 “(II) small business concerns
15 owned and controlled by service-dis-
16 abled veterans;

17 “(III) qualified HUBZone small
18 business concerns;

19 “(IV) small business concerns
20 owned and controlled by socially and
21 economically disadvantaged individ-
22 uals; and

23 “(V) small business concerns
24 owned and controlled by women.

1 “(ii) CERTAIN GOALS DERIVED FROM
2 PRIOR FISCAL YEAR PARTICIPATION
3 RATES.—For each fiscal year—

4 “(I) each goal established under
5 clause (i)(II) shall be not less than
6 the average of the percentage of par-
7 ticipation by small business concerns
8 owned and controlled by service-dis-
9 abled veterans in each of the 3 pre-
10 ceding fiscal years;

11 “(II) each goal established under
12 clause (i)(III) shall be not less than
13 the average of the percentage of par-
14 ticipation by qualified HUBZone
15 small business concerns in each of the
16 3 preceding fiscal years;

17 “(III) each goal established
18 under clause (i)(IV) shall be not less
19 than the average of the percentage of
20 participation by small business con-
21 cerns owned and controlled by socially
22 and economically disadvantaged indi-
23 viduals in each of the 3 preceding fis-
24 cal years; and

1 “(IV) each goal established under
2 clause (i)(V) shall be not less than the
3 average of the percentage of participa-
4 tion by small business concerns owned
5 and controlled by women in each of
6 the 3 preceding fiscal years.

7 “(B) RELATIONSHIP TO GOVERNMENT-
8 WIDE GOALS.—

9 “(i) SCOPE.—The goals established by
10 the head of a Federal agency under sub-
11 paragraph (A) shall be in the same format
12 as the goals established by the President
13 under paragraph (1) and shall address
14 both prime contract and subcontract
15 awards.

16 “(ii) REQUIREMENT TO MEET OR EX-
17 CEED GOVERNMENT-WIDE GOALS.—With
18 respect to each goal for a fiscal year estab-
19 lished under subparagraph (A) for a cat-
20 egory of small business concern, the par-
21 ticipation percentage applicable to such
22 goal may not be less than the participation
23 percentage applicable to the Government-
24 wide goal for such fiscal year established
25 under paragraph (1) for such category.

1 “(C) CONSULTATION REQUIRED.—

2 “(i) IN GENERAL.—In establishing
3 goals under subparagraph (A), the head of
4 each Federal agency shall consult with the
5 Administrator.

6 “(ii) DISAGREEMENTS.—If the Ad-
7 ministrator and the head of a Federal
8 agency fail to agree on a goal established
9 under subparagraph (A), the disagreement
10 shall be submitted to the Administrator for
11 Federal Procurement Policy for final deter-
12 mination.

13 “(D) PLAN FOR ACHIEVING GOALS.—After
14 establishing goals under subparagraph (A) for a
15 fiscal year, the head of each Federal agency
16 shall develop a plan for achieving such goals,
17 which shall apportion responsibilities among the
18 employees of such agency having procurement
19 powers.

20 “(E) EXPANDED PARTICIPATION.—In es-
21 tablishing goals under subparagraph (A), the
22 head of each Federal agency shall make a con-
23 sistent effort to annually expand participation
24 by small business concerns from each industry
25 category in procurement contracts of such agen-

1 cy, including participation by small business
2 concerns owned and controlled by service-dis-
3 abled veterans, qualified HUBZone small busi-
4 ness concerns, small business concerns owned
5 and controlled by socially and economically dis-
6 advantaged individuals, and small business con-
7 cerns owned and controlled by women.

8 “(F) CONSIDERATION.—The head of each
9 Federal agency, in attempting to attain ex-
10 panded participation under subparagraph (E),
11 shall consider—

12 “(i) contracts awarded as the result of
13 unrestricted competition; and

14 “(ii) contracts awarded after competi-
15 tion restricted to eligible small business
16 concerns under this section and under the
17 program established under section 8(a).

18 “(G) COMMUNICATION REGARDING
19 GOALS.—

20 “(i) IMPORTANCE OF ACHIEVING
21 GOALS.—Each procurement employee or
22 program manager described in clause (ii)
23 shall communicate to the subordinates of
24 the procurement employee or program

1 manager the importance of achieving goals
2 established under subparagraph (A).

3 “(ii) PROCUREMENT EMPLOYEES OR
4 PROGRAM MANAGERS DESCRIBED.—A pro-
5 curement employee or program manager
6 described in this clause is a senior procure-
7 ment executive, senior program manager,
8 or Director of Small and Disadvantaged
9 Business Utilization of a Federal agency
10 having contracting authority.”.

11 (d) ENFORCEMENT; DETERMINATIONS OF THE
12 TOTAL VALUE OF CONTRACT AWARDS.—Section 15(g) of
13 the Small Business Act (15 U.S.C. 644(g)), as amended
14 by this Act, is further amended by adding at the end the
15 following:

16 “(3) ENFORCEMENT.—If the Administrator
17 does not issue the report required in paragraph (2)
18 on or before the date that is 120 days after the end
19 of the prior fiscal year, the Administrator may not
20 carry out or establish any pilot program until the
21 date on which the Administrator issues the report.

22 “(4) DETERMINATIONS OF THE TOTAL VALUE
23 OF CONTRACT AWARDS.—For purposes of the goals
24 established under paragraphs (1) and (2), the total
25 value of contract awards for a fiscal year may not

1 be determined in a manner that excludes the value
2 of a contract based on—

3 “(A) where the contract is awarded;

4 “(B) where the contract is performed;

5 “(C) whether the contract is mandated by
6 Federal law to be performed by an entity other
7 than a small business concern;

8 “(D) whether funding for the contract is
9 made available in an appropriations Act, if the
10 contract is subject to competition in the Con-
11 tract Act; or

12 “(E) whether the contract is subject to the
13 Federal Acquisition Regulation.”.

14 **SEC. 3. STUDIES ON HOW TO IMPROVE PARTICIPATION IN**
15 **FEDERAL CONTRACTING BY TARGETED**
16 **GROUPS.**

17 (a) INTERNAL AGENCY PROCESSES.—Not later than
18 December 31, 2013, the Comptroller General of the
19 United States, in consultation with the Administrator of
20 the Small Business Administration and the Administrator
21 of General Services, shall complete a study and submit a
22 report to Congress on improving internal processes of
23 agencies engaged in contracting or procurement and in-
24 creasing outreach to those groups that are the subject of

1 contracting goals under section 15(g)(1) of the Small
2 Business Act.

3 (b) RECOMMENDED LEGISLATIVE ACTION.—Not
4 later than December 31, 2013, the Comptroller General
5 of the United States, in consultation with the Adminis-
6 trator of the Small Business Administration and the Ad-
7 ministrator of General Services, shall complete a study
8 and submit a report to Congress on legislative actions
9 Congress can take to improve participation in contracting
10 by those groups that are the subject of contracting goals
11 under section 15(g)(1) of the Small Business Act.

12 (c) NEW GOVERNMENT-WIDE GOALS FOR CERTAIN
13 SMALL BUSINESSES.—Not later than December 31, 2013,
14 the Comptroller General of the United States, in consulta-
15 tion with the Administrator of the Small Business Admin-
16 istration, the Secretary of Veterans Affairs, and the Ad-
17 ministrator of General Services, shall complete a study
18 and submit a report to Congress on the feasibility of the
19 creation of a Government-wide goal for contracting with
20 small business concerns owned and controlled by veterans.

21 **SEC. 4. INCREASE IN GOVERNMENT-WIDE GOAL FOR ALL**
22 **TARGETED GROUPS IN 2018.**

23 (a) IN GENERAL.—Section 15(g)(1) of the Small
24 Business Act (15 U.S.C. 644(g)(1)), as amended by this
25 Act, is further amended—

1 (1) in subparagraph (A), by striking “26 per-
2 cent” and inserting “27 percent”;

3 (2) in subparagraph (C), by striking “3 per-
4 cent” each place it appears and inserting “4 per-
5 cent”;

6 (3) in subparagraph (D), by striking “6 per-
7 cent” each place it appears and inserting “7.5 per-
8 cent”; and

9 (4) in subparagraph (E), by striking “5 per-
10 cent” each place it appears and inserting “6 per-
11 cent”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall take effect beginning on fiscal year 2017.

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