AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Contract Our Veterans Act of 2026''.

SEC. 2. AGENCY CONTRACTING GOALS FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY VETERANS.

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

"SEC. 36B. SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY VETERANS.

''(a) CONTRACTING OFFICER DEFINED.—In this section, the term 'contracting officer' has the meaning given the term in section 2101 of title 41, United States Code.

''(b) SOLE SOURCE CONTRACTS FOR CONTRACTS ABOVE SIMPLIFIED ACQUISITION THRESHOLD.—A contracting officer may award a contract to a small business concern owned and controlled by veterans using procedures other than competitive procedures if—

''(1) the concern is determined to be a responsible source with respect to performance of the contract;

''(2) the anticipated award price of the contract (including options) will not exceed the amounts specified in section 36(c)(2); and

''(3) the contracting officer determines the contract award can be made at a fair and reasonable price that offers best value to the United States.

''(c) RESTRICTED COMPETITION.—A contracting officer shall award contracts on the basis of competition re-

stricted to small business concerns owned and controlled by veterans if the contracting officer has a reasonable expectation that—

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

''(2) the award can be made at a fair and reasonable price that offers best value to the United States.

''(d) ELIGIBILITY OF SMALL BUSINESS CONCERNS.—A small business concern may be awarded a contract under this section only if the small business concern and the veteran owner of the small business concern are listed in the database described in section 36(f)(1).''.

SEC. 3. GOVERNMENTWIDE GOALS AND REPORTING REQUIREMENTS FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY VETERANS.

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

(1) by striking ''and small business concerns owned and controlled by women'' and inserting '', small business concerns owned and controlled by women, and small business concerns owned and controlled by veterans'' each place it appears;

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

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

(3) in paragraph (2)(A), by striking "and by small business concerns owned and controlled by women" and inserting "by small business concerns owned and controlled by women, and by small business concerns owned and controlled by veterans".

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

(1) in subparagraph (E)—

(A) in clauses (i)(VI), (ii)(VII), (iii)(VIII), and (iv)(VIII), by inserting "small business concerns owned and controlled by veterans" after "small business concerns owned and controlled by women,";

(B) in clause (vii)(VI), by striking "and" at the end;

(C) in clause (viii)(X), by inserting ''small business concerns owned and controlled by veterans'' after ''small business concerns owned and controlled by socially and economically disadvantaged individuals,''; and

(D) by adding at the end the following:

''(ix) small business concerns owned and controlled by veterans—

''(I) in the aggregate;

''(II) through sole source contracts;

''(III) through competitions restricted to small business concerns;

''(IV) through competitions restricted to small business concerns owned and controlled by veterans;

''(V) through unrestricted competition;

''(VI) that were purchased by another entity after the initial contract was awarded and as a result of the purchase, would no longer be deemed to be small business concerns owned and controlled by veterans for purposes of the initial contract; and

''(VII) that were awarded using a procurement method that restricted competition to small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, small business concerns owned and controlled by women, or a subset of any such concerns; and''; and

(2) in subparagraph (F), by striking ''and small business concerns owned and controlled by women'' and inserting ''small business concerns owned and controlled by women, and small business concerns owned and controlled by veterans''.

SEC. 4. PARTICIPATION IN FEDERAL PROCUREMENT BY SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY VETERANS.

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

(1) in the matter preceding subparagraph (A), by striking ''and 36'' and inserting ''36, and 36B'';

(2) in subparagraph (A)(v), by striking ''36, and'' and inserting ''36, 36B, and''; and

(3) in subparagraph (D), by striking ''36, or'' and inserting ''36, 36B, or''.

(b) COMMERCIAL MARKET REPRESENTATIVE.—Section 4(h)(1) of the Small Business Act (15 U.S.C. 633(h)(1)) is amended, in the matter preceding subparagraph (A), by striking ''and 36'' and inserting ''36, and 36B''.

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

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

(1) in subclause (III), by striking ''and'' at the end;

(2) in subclause (IV), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(V) small business concerns owned and controlled by veterans.''.

(e) OFFICES OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION.—Section 15(k) of the Small Business Act (15 U.S.C. 644(k)) is amended—

(1) in the matter preceding paragraph (1), by striking ''or 44'' and inserting ''36B, or 44'';

(2) by striking ''and 44'' and inserting ''36B, and 44'' each place it appears; and

(3) by striking ''or 36'' and inserting ''36, or 36B'' each place it appears.

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

(1) by striking ''and small business concerns owned and controlled by women'' and inserting '', small business concerns owned and controlled by women, and small business concerns owned and controlled by veterans'' each place it appears; and

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

''(E) The number (expressed as a percentage) and total dollar amount of awards made to small business concerns owned and controlled by veterans through sole source contracts and competitions restricted to small business concerns owned and controlled by veterans under section 36B.''.

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

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

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

"(iii) small business concerns owned and controlled by veterans;".

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

(1) in subsection (a), by striking "or 36" and inserting "36, or 36B"; and

(2) in subsection (e)—

(A) in paragraph (1)—

(i) in subparagraph (D), by striking "or" at the end;

(ii) in subparagraph (E), by striking the period at the end and inserting "; or"; and

(iii) by adding at the end the following:

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

(B) in paragraph (2)—

(i) in subparagraph (E), by striking ''or'' at the end;

(ii) in subparagraph (F), by striking the period at the end and inserting ''; or''; and

(iii) by adding at the end the following:

''(G) if a subcontractor for a small business concern owned and controlled by veterans, is such a concern.''.

○