

develop new products, ideas, and gain respected external validators.

H.R. 6368 also incentivizes mentorship with previous SBIR and STTR companies that have found success in the programs to share and impart that knowledge and experience.

Today's bill is endorsed by the National Defense Industrial Association, an association whose majority are small businesses.

Mr. Speaker, I urge my colleagues to support this bipartisan legislation.

Mr. CHABOT. Mr. Speaker, I continue to reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I thank the gentleman from New York (Mr. ESPAILLAT) for introducing today's bill to spur increased contracting activities in the SBIR/STTR programs, and I ask all my colleagues to support this important piece of legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume to close.

Mr. Speaker, I, first of all, thank the gentlewoman, the ranking member, for her leadership on this, and Mr. ESPAILLAT, as well, and Mr. NORMAN for working together in a bipartisan manner.

Mr. Speaker, the SBIR and STTR play pivotal roles in the development of new technologies while giving Federal agencies innovative and cost-effective ways to solve operational problems. They are highly popular and have helped thousands of small businesses create new technologies, commercialize their ideas, and generate new jobs.

The reforms contained in H.R. 6368 will bring more firms into the programs and make it easier for them to win contracts. This is a win-win for small businesses and the Federal Government as competition breeds innovation, and innovation leads to saving taxpayer dollars.

Mr. Speaker, I urge my colleagues to support the bipartisan and common-sense reforms of H.R. 6368, and I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise in support of H.R. 6368, the "Encouraging Small Business Innovators Act," which encourages R&D small business set-asides, to incentivize Small Business Innovation Research Program (SBIR) and Small Business Technology Transfer Program (STTR) participants to serve as mentors under the Small Business Administration's mentor-protégé program.

The SBIR program is a highly competitive program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization.

Through a competitive awards-based program, SBIR enables small businesses to explore their technological potential and provides the incentive to profit from its commercialization.

By including qualified small businesses in the nation's R&D arena, high-tech innovation is stimulated and the United States gains en-

trepreneurial capacity as it meets its specific research and development needs.

STTR is another program that expands funding opportunities in the federal innovation research and development (R&D) arena.

Central to the STTR program is expansion of the public/private sector partnerships to include the joint venture opportunities for small businesses and nonprofit research institutions.

The unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II.

STTR's most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations.

As a member of Congress, I have worked to advance policies that promote business opportunities and business growth because I believe that this is at the heart of the American dream—small businesses are the backbone of the American economy.

To this end, I have authored numerous Legislative proposals empowering small businesses such as the American Rising Act and the Transitioning Heroes Act, to name a few to provide opportunities for small businesses.

I have also hosted events to create a platform for entrepreneurial and small business participants to hear from experts in the industry and to network with supplier outreach representatives from major government agencies and corporations.

By finding the right mentors like SBIR and STTR, small business owners and incubators can learn valuable tools to aid in leading small businesses to success.

For these reasons, I urge my colleagues to stand with me in the support of H.R. 6368.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. CHABOT) that the House suspend the rules and pass the bill, H.R. 6368, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. CHABOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

#### MESSAGE FROM THE SENATE

A message from the Senate by Ms. Lasky, one of its clerks, announced that the Senate has agreed to a concurrent resolution of the following title in which the concurrence of the House is requested:

S. Con. Res. 48. Concurrent resolution directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 1551.

□ 1745

#### EXPANDING CONTRACTING OPPORTUNITIES FOR SMALL BUSINESSES ACT OF 2018

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill

(H.R. 6369) to amend the Small Business Act to eliminate the inclusion of option years in the award price for sole source contracts, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6369

*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 "Expanding Contracting Opportunities for Small Businesses Act of 2018".*

#### SEC. 2. AMENDMENTS TO CONTRACTING AUTHORITY FOR CERTAIN SMALL BUSINESS CONCERNS.

(a) **QUALIFIED HUBZONE SMALL BUSINESS CONCERNS.**—Subparagraph (A) of section 31(b)(2) of the Small Business Act (15 U.S.C. 657a(b)(2)) is amended to read as follows:

"(A) **SOLE SOURCE CONTRACTS.**—A contracting officer may award sole source contracts under this section to any qualified HUBZone small business concern, if—

"(i) the qualified HUBZone small business concern is determined to be a responsible contractor with respect to performance of such contract opportunity;

"(ii) the contracting officer does not have a reasonable expectation that two or more qualified HUBZone small business concerns will submit offers for the contracting opportunity;

"(iii) the anticipated award price of the contract will not exceed—

"(I) \$7,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

"(II) \$4,000,000, in the case of all other contract opportunities; and

"(iv) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price."

(b) **SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.**—Subsection (a) of section 36 of the Small Business Act (15 U.S.C. 657f) is amended to read as follows:

"(a) **SOLE SOURCE CONTRACTS.**—In accordance with this section, a contracting officer may award a sole source contract to any small business concern owned and controlled by service-disabled veterans if—

"(1) such concern is determined to be a responsible contractor with respect to performance of such contract opportunity;

"(2) the contracting officer does not have a reasonable expectation that two or more small business concerns owned and controlled by service-disabled veterans will submit offers for the contracting opportunity;

"(3) the anticipated award price of the contract will not exceed—

"(A) \$7,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

"(B) \$4,000,000, in the case of any other contract opportunity;

"(4) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price;

"(5) the contracting officer has notified the Administration of the intent to make such award and requested that the Administration determine the concern's eligibility for award; and

"(6) the Administration has determined that such concern is eligible for award."

(c) **CERTAIN SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY WOMEN.**—Section 8(m) of the Small Business Act (15 U.S.C. 637(m)) is amended—

(1) by amending paragraph (7) to read as follows:

"(7) **AUTHORITY FOR SOLE SOURCE CONTRACTS FOR ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY**

WOMEN.—A contracting officer may award a sole source contract under this subsection to any small business concern owned and controlled by women described in paragraph (2)(A) and certified under paragraph (2)(E) if—

“(A) such concern is determined to be a responsible contractor with respect to performance of the contract opportunity;

“(B) the contracting officer does not have a reasonable expectation that two or more businesses described in paragraph (2)(A) will submit offers;

“(C) the anticipated award price of the contract will not exceed—

“(i) \$7,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

“(ii) \$4,000,000, in the case of any other contract opportunity;

“(D) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price;

“(E) the contracting officer has notified the Administration of the intent to make such award and requested that the Administration determine the concern's eligibility for award; and

“(F) the Administration has determined that such concern is eligible for award.”; and

(2) by amending paragraph (8) to read as follows:

“(8) **AUTHORITY FOR SOLE SOURCE CONTRACTS FOR SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY WOMEN IN SUBSTANTIALLY UNDER-REPRESENTED INDUSTRIES.**—A contracting officer may award a sole source contract under this subsection to any small business concern owned and controlled by women certified under paragraph (2)(E) that is in an industry in which small business concerns owned and controlled by women are substantially underrepresented (as determined by the Administrator under paragraph (3)) if—

“(A) such concern is determined to be a responsible contractor with respect to performance of the contract opportunity;

“(B) the contracting officer does not have a reasonable expectation that two or more businesses in an industry that has received a waiver under paragraph (3) will submit offers;

“(C) the anticipated award price of the contract will not exceed—

“(i) \$7,000,000, in the case of a contract opportunity assigned a standard industrial classification code for manufacturing; or

“(ii) \$4,000,000, in the case of any other contract opportunity;

“(D) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price;

“(E) the contracting officer has notified the Administration of the intent to make such award and requested that the Administration determine the concern's eligibility for award; and

“(F) the Administration has determined that such concern is eligible for award.”.

(d) **ELIMINATION OF THE INCLUSION OF OPTION YEARS IN THE AWARD PRICE FOR CONTRACTS.**—Section 8 of the Small Business Act (15 U.S.C. 637) is amended by striking “(including options)” each place such term appears.

### SEC. 3. SBA CERTIFICATION PROGRAM NOTIFICATION.

The Administrator of the Small Business Administration shall notify the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate when the Administrator has implemented each of the following:

(1) A program to certify small business concerns owned and controlled by women.

(2) A program to certify small business concerns owned and controlled by service-disabled veterans.

### SEC. 4. GAO REPORT.

(a) **STUDY.**—With respect to the Small Business Administration's procurement programs for

women-owned small business concerns and for small business concerns owned and controlled by service-disabled veterans, the Comptroller General of the United States shall conduct an evaluation of the policies and practices used by the Administration and other Federal agencies to provide assurance that contracting officers are properly classifying sole source awards under those programs in the Federal Procurement Data System and that sole source contracts awarded under those programs are being awarded to eligible concerns.

(b) **REPORT.**—No later than 18 months after the Small Business Administration implements the certification programs described under section 3, the Comptroller General shall issue a report to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate containing the findings made in carrying out the study required under subsection (a).

(c) **SBA CONSIDERATION OF GAO REPORT.**—

(1) **IN GENERAL.**—The Administrator of the Small Business Administration shall review the report issued under subsection (b) and take such actions as the Administrator may determine appropriate to address any concerns raised in such report and any recommendations contained in such report.

(2) **REPORT TO CONGRESS.**—After the review described under paragraph (1), the Administrator shall issue a report to the Congress—

(A) stating that no additional actions were necessary to address any concerns or recommendations contained in the report; or

(B) describing the actions taken by the Administrator to resolve such concerns or implement such recommendations.

### SEC. 5. REMOVAL OF ELIGIBILITY DETERMINATION UPON IMPLEMENTATION OF CERTIFICATION PROGRAMS.

Effective upon the notification described under section 3, the Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 8(m)—

(A) in paragraph (7)—

(i) in subparagraph (C), by adding “and” at the end;

(ii) in subparagraph (D), by striking the semicolon at the end and inserting a period; and

(iii) by striking subparagraphs (E) and (F); and

(B) in paragraph (8)—

(i) in subparagraph (C), by adding “and” at the end;

(ii) in subparagraph (D), by striking the semicolon at the end and inserting a period; and

(iii) by striking subparagraphs (E) and (F); and

(2) in section 36(a)—

(A) in paragraph (3), by adding “and” at the end;

(B) in paragraph (4), by striking the semicolon at the end and inserting a period; and

(C) by striking paragraphs (5) and (6).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. CHABOT) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

### GENERAL LEAVE

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank Dr. MARSHALL and Mr. SCHNEIDER for their leadership on this bill.

The Small Business Act currently allows Federal agencies to award sole-source contracts to women-owned; service-disabled veteran-owned; HUBZone; and socially and economically disadvantaged small businesses. However, these awards can only be made in the narrowest of circumstances, rightly protecting the ability of small businesses to compete against each other.

Even though Federal contracting officers have this procurement tool in their toolbox, the reality is that small business sole-source contracting is rare and may be underutilized. This can, in part, be attributed to the fact that the maximum dollar threshold for Federal sole-source contracts designated in statute has fallen far behind the typical size of contract awards made today.

As contracts increase in size and scope, the usefulness of small business sole-source contracts diminishes, to the detriment of small contractors eligible to receive such awards.

H.R. 6369, as amended, adjusts the dollar threshold to actually reflect the size of contracts that are commonly used across the government today. This modest change will provide agencies with an accessible pathway to achieving their small business goals in categories they have historically been unable to meet.

Additionally, and importantly, this bill institutes a new oversight process which will help reduce the chances of sole-source awards being made to ineligible firms by requiring positive confirmation by the Small Business Administration that this small business is, in fact, eligible to receive the award before it is issued by the Federal agency.

I urge my colleagues to support H.R. 6369, as amended, and I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 6369, the Expanding Contracting Opportunities for Small Businesses Act of 2018.

The Small Business Act sets forth a government-wide 23 percent goal of Federal contracts that should be awarded to small businesses. Each Federal agency is charged with setting its own small business goals which are to reflect the maximum possible opportunity for small businesses within that agency.

By promoting the use of sole-source contracts to small businesses, this bill adds to the government's pool of suppliers. This results in higher-quality goods and increased job creation for the economy as these direct awards require the small businesses to do the majority of the work and not subcontract out.

I urge Members to support this legislation, and I reserve the balance of my time.

Mr. CHABOT. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. MARSHALL), the leader on this particular legislation.

Mr. MARSHALL. Mr. Speaker, I rise today to urge my colleagues to support H.R. 6369, the Expanding Contracting Opportunities for Small Business Act of 2018.

Not only will this bill provide opportunities for women-owned, service-disabled veteran-owned, HUBZone, and socially and economically disadvantaged small businesses, this legislation also helps Federal agencies achieve and exceed their small business goals.

Small business sole-source contracting can be a valuable tool for both Federal agencies and small businesses, but our current statute is outdated.

Federal procurement practices are rapidly changing, and the sole-source authority provided by the Small Business Act has not kept up with the changes of today's procurement landscape. By adjusting the statutory sole-source dollar thresholds, H.R. 6369 incentivizes contracting officers' use of small business sole-source contracting in order to help agencies swiftly meet their goals.

While it is critical that agencies maximize opportunities to small businesses, it is equally important that they have procedures in place to assure that awards are made only to eligible and qualified firms. This bill will apply a new oversight procedure that requires agencies to coordinate with the SBA prior to awarding a sole-source contract, ensuring that firms receiving awards are, in fact, qualified and eligible.

I am proud of H.R. 6369 and its mission to promote small business growth, strengthen oversight, and incentivize Federal agencies to work with small businesses. I encourage my colleagues to support this bill.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to thank the gentleman from Kansas for introducing this important legislation to provide flexibility to contracting officers when awarding sole-source contracts.

H.R. 6369 promotes the use of sole-source contracts to small business concerns through the SBA contracting programs by raising the dollar threshold of these contract types to account for inflation. This bill will make valuable strides to a more equitable playing field for small contractors. I urge Members to support this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume to close.

Mr. Speaker, this bill provides greater opportunities for women-owned, service-disabled veteran-owned, HUBZone, and socially and economically disadvantaged small businesses.

Additionally, it will help Federal agencies achieve and exceed their

small business goals. It reinforces oversight, and gives Federal agencies a greater motivation to work with small firms.

Therefore, I urge my colleagues to support the bipartisan and commonsense reforms in H.R. 6369, as amended.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. CHABOT) that the House suspend the rules and pass the bill, H.R. 6369, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. CHABOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

#### CLARITY ON SMALL BUSINESS PARTICIPATION IN CATEGORY MANAGEMENT ACT OF 2018

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6382) to amend the Small Business Act to require the Administrator of the Small Business Administration to report certain information to the Congress and to the President, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6382

*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 "Clarity on Small Business Participation in Category Management Act of 2018".*

#### SEC. 2. REPORTING.

*Section 15(h) of the Small Business Act (15 U.S.C. 644(h)) is amended by adding at the end the following:*

*"(4) BEST IN CLASS SMALL BUSINESS PARTICIPATION REPORTING.—*

*"(A) ADDENDUM.—The Administrator, in addition to the requirements under paragraph (2), shall include in the report required by such paragraph, for each best in class designation—*

*"(i) the total amount of spending government wide in such designation;*

*"(ii) the number of small business concerns awarded contracts and the dollar amount of contracts within such category awarded to each of the following—*

*"(I) HUBZone small business concerns;*

*"(II) small business concerns owned and controlled by women;*

*"(III) small business concerns owned and controlled by service-disabled veterans; and*

*"(IV) socially and economically disadvantaged small business concerns.*

*"(B) BEST IN CLASS.—The term 'best in class' has the meaning given to it by the Director of the Office of Management and Budget.*

*"(C) EFFECTIVE DATE.—The Administrator shall be required to report on the information described by subparagraph (A) beginning on the*

*date that such information is available in the Federal Procurement Data System, the System for Award Management, or any successor to such systems."*

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. CHABOT) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

#### GENERAL LEAVE

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CHABOT. Mr. Speaker, I yield myself such time as I may consume.

I would like to thank Ms. ADAMS for leading this important piece of legislation.

Category management is a procurement initiative that is currently being rolled out across the Federal Government. It can be a positive tool, allowing the Federal Government to better understand its purchasing habits and identify cost savings where appropriate. However, setting mandatory targets to manage agency spending may result in unintended consequences.

Specifically, there is concern that this initiative may have the effect of reducing competition to only a few select vendors. As we continue to see increased use of these best-in-class vehicles by Federal agencies, it is important to remember that it is not the job of the government to pick winners and losers. We must be vigilant and ensure that maximum opportunities are given to small businesses, even as we continue to pursue cost savings across the Federal Government.

H.R. 6382, as amended, takes that critical first step by tracking the potential impacts of category management on small businesses. The bill requires the SBA to report exactly how much of these dollars spent through best-in-class vehicles are awarded to small businesses. Obtaining this data and identifying trends or patterns affecting small businesses will become increasingly important as category management continues to be used in years to come.

This is a commonsense piece of oversight legislation, and I urge my colleagues to support the measure.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 6382, the Clarity on Small Business Participation in Category Management Act of 2018.

Our committee has long acknowledged small businesses' critical role in