

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contracting can be a valuable tool for both Federal agencies and small businesses, but our current statute is outdated.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

the \$500 billion a year Federal marketplace. When small firms are awarded Federal contracts, the result is a win-win.

While category management is billed as the strategy to get agencies the lowest price, we have heard the contrary in our committee, in that more contracts are being consolidated out of the reach of small businesses.

By requiring that contracting activity under this new regime be reported in the annual goaling report from agencies to Congress, today's bill protects the industrial base by creating a mechanism for much needed accountability.

I am proud to be a cosponsor of H.R. 6382, and commend Congresswoman ADAMS for her work to provide accountability to the category management regime.

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

Mr. CHABOT. Mr. Speaker, I have no further speakers, and I reserve the balance of my time.

Ms. VELAZQUEZ. Mr. Speaker, I yield 5 minutes to the gentlewoman from North Carolina (Ms. ADAMS), who is the sponsor of the bill and ranking member of the Subcommittee on Investigations, Oversight and Regulations.

Ms. ADAMS. Mr. Speaker, I rise in support of my bill, H.R. 6382, the Clarity on Small Business Participation in Category Management Act.

Small businesses are the heart of American enterprise, and we must ensure a level playing field for all of them to compete for Federal contracts. My legislation is the first step to addressing the many concerns of the small business community regarding the current administration's efforts to expand the use of category management.

Although category management has been billed as the procurement strategy that can get Federal agencies the lowest price, the actual numbers tell a very different story. In fact, the data shows us that small business vendors on the Multiple Award Schedule continually provided agencies with lower prices than those offered by category management contract holders.

However, due to the changes under this administration, many Federal agencies and contracting officers can no longer take advantage of increased competition and lower prices because some category management vehicles are the only option available.

Unfortunately, the current trend of this administration is to increase the number of agencies heading in this misguided direction. This will result in wasteful spending of taxpayer dollars because a reduction of competing vendors means Federal agencies will pay more than necessary for goods and services.

Furthermore, the harmful effect of the use of the category management business model could mean further exclusion of minorities, women, veterans, and other already disadvantaged small

business owners in the Federal marketplace.

My bill requires the Small Business Administration to include in their annual report information on best-in-class contractors, which are the companies that largely benefit from category management.

This bill would also provide lawmakers with information on whether category management is reducing the role of small firms, women-owned firms, minority-owned companies, and veteran-owned enterprises in Federal contracting.

I am also proud to say that my bill is endorsed by the National Defense Industrial Association, an association whose 1,600 corporate members and over 85,000 individual members are 70 percent small business. NDIA works to help small companies grow and remain a strong part of the defense industrial base.

The ability for Congress to see this data allows us to determine the effectiveness of such contracting vehicles for small firms and to make needed changes where appropriate.

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Mr. Speaker, I urge Members to support this legislation. I thank very much our chairman and our ranking member for their support.

Ms. VELAZQUEZ. Mr. Speaker, I want to thank the gentlewoman from North Carolina (Ms. ADAMS) for introducing this important piece of legislation to provide much needed oversight of small business participation in the streamlined acquisition strategy known as category management.

Mr. Speaker, I urge all the Members 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 would like to thank Ms. ADAMS for her leadership on this measure and congratulate her for its passage here shortly.

This legislation raises the profile of this important issue and requires that the SBA keep track of how much Federal spending is made through best-in-class vehicles. I applaud the administration for looking for ways to ensure taxpayer dollars are utilized in the most efficient ways possible.

At the same time, we must be watchful to safeguard small businesses' proper importance and place in the Federal marketplace. Enacting this legislation will help ensure that the correct data is collected and reported to help maintain that balance.

Mr. Speaker, I urge my colleagues to support this bipartisan legislation, and I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise in support of H.R. 6382, the "Clarity on Small Business Participation in Category Management Act of 2018".

H.R. 6382 amends the Small Business Act to require the Administrator of the Small Business

Administration to report certain information to the Congress and to the President.

This bill directs the administrator of the Small Business Administration to report to Congress on: the total amount of spending government wide in such designation; the number of small business concerns awarded contracts and the dollar amount of contracts within such category awarded to each of the following—

1. HUBZone small business concerns;
2. Small business concerns owned and controlled by women;
3. Small business concerns owned and controlled by service-disabled veterans; and
4. Socially and economically disadvantaged small business concerns.

More than 99 percent of Houston's businesses are considered small.

In 2016, roughly seven businesses in the Houston District received a loan averaging \$500,000 each weekday.

Small businesses are the lifeblood of our economy in Houston and across America.

Small business was key for the nation's recovery from the recession.

Between the middle of 2009 and the middle of 2013, 60 percent of the jobs created were from small businesses.

I am committed to producing tangible results in suffering communities through legislation that creates jobs, fosters minority business opportunities, and builds a foundation for the future.

Studies have shown that supporting small businesses is good for the American economy. For every \$1 invested, small businesses will contribute \$7 to the economy.

Every American deserves the right to be gainfully employed or own a successful business and I know we are all committed to that right and will not rest until all Americans have access to economic opportunity.

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. 6382, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SMALL BUSINESS INNOVATION PROTECTION ACT OF 2017

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and pass the bill (S. 791) to amend the Small Business Act to expand intellectual property education and training for small businesses, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

S. 791

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 "Small Business Innovation Protection Act of 2017".

SEC. 2. DEFINITIONS.

In this Act—

- (1) the term "Administrator" means the Administrator of the SBA;
- (2) the term "Director" means the Under Secretary of Commerce for Intellectual Property and Director of the USPTO;