

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

June 26, 2025

The Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Mr. Stephen Ehikian
Acting Administrator
General Services Administration
1800 F Street, NW
Washington, DC 20405

Dear Administrator Loeffler and Acting Administrator Ehikian:

I am writing to request information regarding GSA's OneGov Strategy and the potential impact on small business government contractors.

The House Small Business Committee began hearing from small government contractors shortly after GSA announced, but did not release, the OneGov Strategy on April 29, 2025: "GSA Unveils OneGov Strategy to Transform How the Government Buys Goods and Services."¹ Given the limited information provided at the time of the announcement, many small businesses expressed immediate concerns about the impact on current federal contracts and future contracting opportunities.

Since then, there have been press reports that some small business contractors received a letter from GSA on May 28, 2025, stating that they are "auditing IT product and services contracts and the associated mark-ups from Value-Added Resellers (VARs)" and requiring the companies to provide GSA with "all open contracts that include OEM costs, VAR mark-ups and any additional fees."² The letter states that the information provided will be used to create a scorecard that would potentially impose price caps or controls. The 10 companies listed include small businesses participating in the SBA's contracting programs, including at least three service-disabled veteran-owned small businesses (SDVOSB).

Many small VARS play an important role in IT supply chains, providing the government with complex technology solutions. In fact, OEMs largely depend on their small business channel partners to sell to the public and private sectors. Policy changes that impact small businesses should be deliberately crafted to account for the difference between the large businesses that make up the industrial base, and the small businesses who lack the same size and scale. This is

¹ Press Release, GEN. SERV. ADMIN., GSA Unveils OneGov Strategy to Transform How the Government Buys Goods and Services (Apr. 29, 2025), <https://www.gsa.gov/about-us/newsroom/news-releases/gsa-unveils-onegov-strategy-04292025>.

² Ross Wilkers, GSA expands contract reviews to resellers, NextGov/FCW (Jun. 4, 2025), <https://www.nextgov.com/acquisition/2025/06/gsa-expands-contract-reviews-resellers/405773/?oref=ng-skybox-hp>.

the reason that Congress has enacted the Small Business Act’s requirements that small businesses “*shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency,*” and be awarded a “*fair proportion of the total purchases and contracts for goods and services of the Government...*”³

I am therefore seeking information on this strategy and the impact on small business government contractors, and respectfully request you provide answers to the questions below, in written form or via briefing, by July 18, 2025:

GSA’s OneGov Strategy:

- 1) Does GSA plan to publicly release the OneGov strategy and if so, what is the timeline?
- 2) Has SBA viewed GSA’s draft of the OneGov strategy?
- 3) To what extent has SBA been involved in the development of GSA’s OneGov strategy?
- 4) If SBA officials were not involved in the development of the strategy, has SBA been provided with the opportunity to review or provide feedback on the strategy or any part or provision that will directly or indirectly impact small businesses?
 - (a) If so, what input was provided by SBA on the impact on small business government contractors, and specifically the impact on VARs?
 - (b) If not, will SBA review or provide feedback on the strategy or any part or provision that will directly or indirectly impact small businesses prior to its release?
- 5) Did GSA and SBA coordinate, or was SBA provided notice that contractors in the SBA’s SDVOSB program would receive the May 28, 2025 letter from GSA requesting this information?
- 6) Does GSA plan to send the same demands to other small businesses, including any participating in SBA’s contracting programs?
- 7) Has GSA or SBA consulted with the federal agencies that awarded the contracts or task orders, or the OSBDU offices at the federal agencies that awarded the contracts or task orders requested in the letter?
- 8) Has SBA provided the targeted small businesses with any guidance on their response to GSA, including how they can safeguard proprietary information and privity?

Contract Pricing Scorecard:

- 9) The May 28, 2025 letter states that GSA plans to develop a “scorecard to potentially establish a mark-up cap or other spend controls on OEM or vendor costs moving forward.”
 - (a) Is SBA involved in the development of a scorecard?
 - (b) If not, will SBA provide feedback to GSA on the scorecard’s impact on small business contractors?

³ 48 C.F.R. §19.201

10) What criteria is GSA using to develop this scorecard? Is there any distinction between the criteria to assess cost and pricing data of small businesses versus the same information from large corporations?

Small Business Outreach and Input:

11) The Committee is aware that GSA officials have participated in industry events where the strategy was discussed but have not yet seen any outreach directed toward small businesses or discussing the impact on small businesses. Has either GSA or SBA conducted outreach specifically to target small businesses and small business stakeholders on the development of the strategy and/or the scorecard, and the identification of any impacts unique to small businesses?

(a) If so, what stakeholders have been consulted and provided feedback on the strategy thus far?

(b) If not, are there plans for any small business stakeholder involvement, participation, and input during the development or review of the strategy and/or the scorecard?

12) Has outreach been directed specifically towards small businesses that participate in SBA's contracting programs or their trade associations and other stakeholders?

13) Are any mechanisms in place to receive, consider, track, and respond to stakeholder feedback on the strategy and/or the scorecard prior to its release?

Waivers of the Nonmanufacturer Rule:

14) Has SBA taken any action since January 20, 2025, to change policies toward or utilization of waivers of the nonmanufacturer rule (NMR)?

15) If SBA has taken actions to change policies toward or utilization of the waivers, were they related to GSA's OneGov strategy?

(a) If so, were these changes coordinated with or requested by GSA or any other agency or official in the Administration?

16) Does SBA plan to issue any changes to utilization of waivers of the NMR, or the policies and procedures that govern its use?

GSA's latest comment that these small business prime contractors be shifted to a subcontractor role as defined by the large OEMs is concerning. I am disappointed that the small businesses targeted by GSA will not have the opportunity to share with senior agency officials how they contribute to efficiency and innovation governmentwide, as GSA officials previously suggested. I urge you to reverse course and ensure that small businesses have the opportunity—both individually and collectively—to provide input as the strategy and scorecard are developed.

Pursuant to Rule X of the House of Representatives, the Committee on Small Business has broad authority to investigate "problems of all types of small business." The Committee possesses jurisdiction over "assistance to and protection of small businesses."

I appreciate your time and attention to this matter, and look forward to your response. If you have any questions, please contact the Committee's Democratic staff at (202) 225-5821.

Thank you,

A handwritten signature in blue ink, appearing to read "Nydia M. Velázquez". The signature is fluid and cursive, with the first name "Nydia" being the most prominent part.

Nydia M. Velázquez
Ranking Member
Committee on Small Business