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July 11, 2025

The Honorable **Nick LaLota**
Chairman, Subcommittee on Contracting & Infrastructure
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

The Honorable **Gil Cisneros**
Ranking Member, Subcommittee on Contracting & Infrastructure
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Subject: *Statement for the Record – Hearing: “Leveling the Playing Field: The State of Small Business Contracting” (July 8, 2025)*

Dear Chairman LaLota and Ranking Member Cisneros:

I am Charles Hargett, Founder and Principal of Procurement Advisors, LLC, dba **First Principles & Concepts (FP&C)**, a Service-Disabled Veteran-Owned Small Business (SDVOSB) headquartered in Parker, Colorado. Established in 2017, FP&C provides federal clients with mission-critical professional services—including program evaluation, healthcare administration support, facility and audiovisual integration, and proposal development—delivered with the agility, innovation, and cost discipline that small businesses uniquely supply.

I write to express my strong support for the federal government’s portfolio of small-business contracting programs and to underscore the need to **preserve and codify the “Rule of Two,” expand mentor-protégé and joint-venture authorities, and maintain robust set-aside thresholds.** Together, these policies:

- **Protect competition and value for taxpayers.** The Rule of Two ensures that when at least two qualified small businesses can meet a requirement at a fair market price, the government benefits from competitive pricing and fresh, innovative approaches that are frequently unavailable from large incumbents.
- **Strengthen the industrial base.** Small firms now comprise 99.9 percent of U.S. businesses and create roughly two-thirds of net new jobs, accounting for 44 percent of U.S. economic activity. Stable access to federal opportunities sustains that engine of growth and helps cushion the supply chain against single-source disruptions.
- **Advance national priorities.** Socio-economic programs—SDVOSB, HUBZone, 8(a), and WOSB—channel federal spending to under-represented entrepreneurs, enabling veterans, women, and minority owners to translate specialized expertise, combat-tested leadership, and community roots into mission success for the American people.



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FP&C's experience illustrates these benefits.

- In 2024 we installed and integrated a base-wide digital-signage network at Fort Bliss—delivering enhanced command-information capability *three weeks ahead of schedule* and 6 percent under budget, despite pandemic-era supply-chain constraints.
- Our team currently supports TriWest Healthcare Alliance's TRICARE transition—managing multiple subcontractors, mitigating risk, and protecting continuity of care for military families across the western United States.
- Through a mentor-protégé joint venture, we are bringing model-based systems-engineering (MBSE) expertise to federal facilities projects, helping agencies modernize infrastructure while cultivating the next generation of small-business talent.

These achievements were possible because federal procurement policy deliberately **“levels the playing field.”** Dismantling or diluting those safeguards—especially by eliminating the Rule of Two—would shrink the competitive pool, reduce innovation, and ultimately raise costs to taxpayers.

Accordingly, I respectfully recommend that the Subcommittee:

1. **Codify the Rule of Two for all agencies** by advancing legislation such as H.R. 2804.
2. **Retain existing set-aside thresholds and parity among socio-economic categories.**
3. **Expand and streamline mentor-protégé and joint-venture programs** to help small firms scale while protecting them from unnecessary recertifications during contract performance.
4. **Enforce Prompt-Payment provisions** and continue progress toward e-Invoicing, which is critical to small-business cashflow.
5. **Require early industry engagement during any FAR overhaul** to ensure unintended barriers are identified and removed.

FP&C stands ready to provide additional data or testimony at the Subcommittee's convenience. Thank you for your leadership in safeguarding policies that not only empower small businesses but also enhance government mission performance, fiscal stewardship, and economic vibrancy.

Respectfully,

Charles Hargett
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