

The Honorable Nick LaLota
Chairman, Subcommittee on Contracting and Infrastructure
S. House of Representatives
Washington, D.C. 20515

The Honorable Gil Cisneros
Ranking Member, Subcommittee on Contracting and Infrastructure
S. House of Representatives
Washington, D.C. 20515

To Whom It May Concern,

Sygnetics, Inc. is a SDVOSB business that relies on fair competition in contracting with Federal and State Governments. The Rule of Two ensures that the playing field is somewhat level for small businesses.

Below are reasons the rule was implemented:

- ***Promoting Small Business Participation:*** *The core objective is to create a level playing field for small businesses and increase their opportunities to compete for government contracts.*

Small businesses continue to fight for their ‘piece of the pie’ in the government contracting arena. Removal of any part of the Rule of Two would affect the number of opportunities available to maintain a small business,

- ***Ensuring Fair Competition:*** *The rule mandates that contracting officers set aside certain procurements for small businesses when there is a reasonable expectation of receiving competitive offers from at least two responsible small businesses. This prevents larger businesses from dominating the contracting landscape and fosters a more competitive environment.*

Fair competition should be the underlying reason that no change is made to the rule. Large businesses have an unfair advantage when it comes to personnel, funds, and marketing. There are an expansive number of contracts that must be carried out by large businesses. There are also multiple contracts that can be successfully performed by small businesses.

If the Rule of Two is removed or changed, the contracting landscape will eventually include only a handful of large businesses and will push out the small businesses all together.

- ***Supporting Economic Growth and Innovation:*** *By providing opportunities for small businesses, the Rule of Two contributes to economic growth and job creation. Small businesses often drive innovation, and their involvement in government contracting can lead to the development of new technologies and solutions.*

Small businesses are an integral part of the economy. Many Veterans, after serving our country, come back home and start companies that support the federal government in many areas – IT, medical, logistics, etc.

These businesses should be given the opportunity to thrive and become one of the large businesses that dominate government contracting.

The environment of government contracting has not changed regarding small businesses enough to warrant a change to the use of the rule.

If any change should be made - it should be increasing the use of the rule. Applying the Rule of Two to multi- award contract task and delivery orders would ensure that large companies that are the Prime on these IDIQs must use the small businesses on their team to fill task order opportunities. Many times, a large business is awarded an IDIQ and must have small business representation on their team, but these small businesses never get one contract position or the opportunity to bid on any of the task orders because the prime takes it themselves. The small business winds up being a place holder for the large prime – they are required for the bid, but after the award no government entity ensures that the small business is treated fairly as far as task order competition goes.

As the owner of a Service - Disabled Veteran Owned Small Business, I have had to compete with large businesses for over 40 years. The competitive advantage of the large businesses is ingrown in its resources – both staff and financial. Any change that would level this out, even to a small degree, would be a welcome and needed change to the millions of small businesses that strive to offer the government superlative support.

Thank you,

A handwritten signature in black ink, reading "Tony Tarkowski". The signature is fluid and cursive, with the first name "Tony" and last name "Tarkowski" clearly distinguishable.

Tony Tarkowski
Sygnetics, Inc.
President/CEO