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.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2018

Mr. MARSHALL (for himself and Mr. SCHNEIDER) introduced the following bill; which was referred to the Committee on Small Business

JULY --, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on July 13, 2018]
A BILL

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.
Be it enacted by the Senate and House of Representa-
tives 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 CON-
CERNS.—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 con-
tracting 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 re-
 sponsible contractor with respect to per-
formance 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 con-
tracting 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 vet-
(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 BUSI-
NESS 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 UNDERREPRESENTED 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 busi-
nesses 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 con-
taining the findings made in carrying out the study re-
quired under subsection (a).

(c) SBA CONSIDERATION OF GAO REPORT.—

(1) IN GENERAL.—The Administrator of the
Small Business Administration shall review the re-
port 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 de-
scribed 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 rec-
ommendations contained in the report; or

(B) describing the actions taken by the Ad-
ministrator to resolve such concerns or imple-
ment 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 semi-colon at the end and inserting a period; and

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