

112TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend the Small Business Act with respect to goals for procurement contracts awarded to small business concerns, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

M. \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Small Business Act with respect to goals for procurement contracts awarded to small business concerns, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Government Efficiency  
5 through Small Business Contracting Act of 2012”.

6 **SEC. 2. GOALS FOR PROCUREMENT CONTRACTS AWARDED**  
7 **TO SMALL BUSINESS CONCERNS.**

8 (a) IN GENERAL.—Section 15(g) of the Small Busi-  
9 ness Act (15 U.S.C. 644(g)) is amended by striking the  
10 subsection enumerator and inserting the following:

1       “(g) GOALS FOR PROCUREMENT CONTRACTS  
2 AWARDED TO SMALL BUSINESS CONCERNS.—”.

3       (b) GOVERNMENTWIDE GOALS.—Paragraph (1) of  
4 section 15(g) of such Act (15 U.S.C. 644(g)) is amended  
5 to read as follows:

6           “(1) GOVERNMENTWIDE GOALS.—The Presi-  
7 dent shall annually establish Governmentwide goals  
8 for procurement contracts awarded to small business  
9 concerns, small business concerns owned and con-  
10 trolled by service-disabled veterans, qualified  
11 HUBZone small business concerns, small business  
12 concerns owned and controlled by socially and eco-  
13 nomically disadvantaged individuals, and small busi-  
14 ness concerns owned and controlled by women in ac-  
15 cordance with the following:

16           “(A) The Governmentwide goal for partici-  
17 pation by small business concerns shall be es-  
18 tablished at not less than 25 percent of the  
19 total value of all prime contract awards for each  
20 fiscal year and 40 percent of the total value of  
21 all subcontract awards for each fiscal year.

22           “(B) The Governmentwide goal for partici-  
23 pation by small business concerns owned and  
24 controlled by service-disabled veterans shall be  
25 established at not less than 3 percent of the

1 total value of all prime contract and at not less  
2 than 3 percent of the total value of all sub-  
3 contract awards for each fiscal year.

4 “(C) The Governmentwide goal for partici-  
5 pation by qualified HUBZone small business  
6 concerns shall be established at not less than 3  
7 percent of the total value of all prime contract  
8 and at not less than 3 percent of the total value  
9 of all subcontract awards for each fiscal year.

10 “(D) The Governmentwide goal for partici-  
11 pation by small business concerns owned and  
12 controlled by socially and economically dis-  
13 advantaged individuals shall be established at  
14 not less than 5 percent of the total value of all  
15 prime contract and at not less than 5 percent  
16 of the total value of all subcontract awards for  
17 each fiscal year.

18 “(E) The Governmentwide goal for partici-  
19 pation by small business concerns owned and  
20 controlled by women shall be established at not  
21 less than 5 percent of the total value of all  
22 prime contract and at not less than 5 percent  
23 of the total value of all subcontract awards for  
24 each fiscal year.”.

1 (c) AGENCY GOALS.—Paragraph (2) of section 15(g)  
2 of such Act (15 U.S.C. 644(g)) is amended to read as fol-  
3 lows:

4 “(2) AGENCY GOALS.—

5 “(A) ESTABLISHMENT.—The head of each  
6 Federal agency shall annually establish, for the  
7 agency that individual heads, goals for procure-  
8 ment contracts awarded to small business con-  
9 cerns, small business concerns owned and con-  
10 trolled by service-disabled veterans, qualified  
11 HUBZone small business concerns, small busi-  
12 ness concerns owned and controlled by socially  
13 and economically disadvantaged individuals, and  
14 small business concerns owned and controlled  
15 by women.

16 “(B) RELATIONSHIP TO GOVERNMENT-  
17 WIDE GOALS.—

18 “(i) SCOPE.—The goals established by  
19 the head of a Federal agency under sub-  
20 paragraph (A) shall be in the same format  
21 as the goals established by the President  
22 under paragraph (1) and shall address  
23 both prime contract and subcontract  
24 awards.

1           “(ii) REQUIREMENT TO MEET OR EX-  
2           CEED GOVERNMENTWIDE GOALS.—With  
3           respect to each goal for a fiscal year estab-  
4           lished under subparagraph (A) for a cat-  
5           egory of small business concern, the par-  
6           ticipation percentage applicable to such  
7           goal may not be less than the participation  
8           percentage applicable to the Government-  
9           wide goal for such fiscal year established  
10          under paragraph (1) for such category.

11          “(C) CONSULTATION REQUIRED.—

12                 “(i) IN GENERAL.—In establishing  
13                 goals under subparagraph (A), the head of  
14                 each Federal agency shall consult with the  
15                 Administrator.

16                 “(ii) DISAGREEMENTS.—If the Ad-  
17                 ministrator and the head of a Federal  
18                 agency fail to agree on a goal established  
19                 under subparagraph (A), the disagreement  
20                 shall be submitted to the Administrator for  
21                 Federal Procurement Policy for final deter-  
22                 mination.

23          “(D) PLAN FOR ACHIEVING GOALS.—After  
24          establishing goals under subparagraph (A) for a  
25          fiscal year, the head of each Federal agency

1 shall develop a plan for achieving such goals,  
2 which shall apportion responsibilities among the  
3 employees of such agency having procurement  
4 powers.

5 “(E) EXPANDED PARTICIPATION.—In es-  
6 tablishing goals under subparagraph (A), the  
7 head of each Federal agency shall make a con-  
8 sistent effort to annually expand participation  
9 by small business concerns from each industry  
10 category in procurement contracts of such agen-  
11 cy, including participation by small business  
12 concerns owned and controlled by service-dis-  
13 abled veterans, qualified HUBZone small busi-  
14 ness concerns, small business concerns owned  
15 and controlled by socially and economically dis-  
16 advantaged individuals, and small business con-  
17 cerns owned and controlled by women.

18 “(F) CONSIDERATION.—The head of each  
19 Federal agency, in attempting to attain ex-  
20 panded participation under subparagraph (E),  
21 shall consider—

22 “(i) contracts awarded as the result of  
23 unrestricted competition; and

24 “(ii) contracts awarded after competi-  
25 tion restricted to eligible small business

1 concerns under this section and under the  
2 program established under section 8(a).

3 “(G) COMMUNICATION REGARDING  
4 GOALS.—

5 “(i) IMPORTANCE OF ACHIEVING  
6 GOALS.—Each procurement employee or  
7 program manager described in clause (ii)  
8 shall communicate to the subordinates of  
9 the procurement employee or program  
10 manager the importance of achieving goals  
11 established under subparagraph (A).

12 “(ii) PROCUREMENT EMPLOYEES OR  
13 PROGRAM MANAGERS DESCRIBED.—A pro-  
14 curement employee or program manager  
15 described in this clause is a senior procure-  
16 ment executive, senior program manager,  
17 or Director of Small and Disadvantaged  
18 Business Utilization of a Federal agency  
19 having contracting authority.”.

20 (d) ENFORCEMENT; DETERMINATIONS OF THE  
21 TOTAL VALUE OF CONTRACT AWARDS.—Section 15(g) of  
22 the Small Business Act (15 U.S.C. 644(g)), as amended  
23 by this Act, is further amended by adding at the end the  
24 following:

1           “(3) ENFORCEMENT.—If the Administrator  
2 does not issue the report required in paragraph (2)  
3 on or before the date that is 120 days after the end  
4 of the prior fiscal year, the Administrator may not  
5 carry out or establish any pilot program until the  
6 date on which the Administrator issues the report.

7           “(4) DETERMINATIONS OF THE TOTAL VALUE  
8 OF CONTRACT AWARDS.—For purposes of the goals  
9 established under paragraphs (1) and (2), the total  
10 value of contract awards for a fiscal year may not  
11 be determined in a manner that excludes the value  
12 of a contract based on—

13                   “(A) where the contract is awarded;

14                   “(B) where the contract is performed;

15                   “(C) whether the contract is mandated by  
16 Federal law to be performed by an entity other  
17 than a small business concern;

18                   “(D) whether funding for the contract is  
19 made available in an appropriations Act, if the  
20 contract is subject to competition in the Con-  
21 tract Act; or

22                   “(E) whether the contract is subject to the  
23 Federal Acquisition Regulation.”.



1 **SEC. 3. REPORTING ON GOALS FOR PROCUREMENT CON-**  
2 **TRACTS AWARDED TO SMALL BUSINESS CON-**  
3 **CERNS.**

4 Subsection (h) of section 15 of the Small Business  
5 Act (15 U.S.C. 644) is amended to read as follows:

6 “(h) REPORTING ON GOALS FOR PROCUREMENT  
7 CONTRACTS AWARDED TO SMALL BUSINESS CON-  
8 CERNS.—

9 “(1) AGENCY REPORTS.—At the conclusion of  
10 each fiscal year, the head of each Federal agency  
11 shall submit to the Administrator a report describ-  
12 ing—

13 “(A) the extent of the participation by  
14 small business concerns, small business con-  
15 cerns owned and controlled by veterans (includ-  
16 ing service-disabled veterans), qualified  
17 HUBZone small business concerns, small busi-  
18 ness concerns owned and controlled by socially  
19 and economically disadvantaged individuals, and  
20 small business concerns owned and controlled  
21 by women in the procurement contracts of such  
22 agency during such fiscal year;

23 “(B) whether the agency achieved the  
24 goals established for the agency under sub-  
25 section (g)(2)(A) with respect to such fiscal  
26 year; and

1           “(C) any justifications for a failure to  
2           achieve such goals.

3           “(2) REPORTS BY ADMINISTRATOR.—Not later  
4           than 60 days after receiving a report from each Fed-  
5           eral agency under paragraph (1) with respect to a  
6           fiscal year, the Administrator shall submit to the  
7           President and Congress a report that includes—

8           “(A) a copy of each report submitted to  
9           the Administrator under paragraph (1);

10           “(B) a determination of whether each goal  
11           established by the President under subsection  
12           (g)(1) for such fiscal year was achieved;

13           “(C) a determination of whether each goal  
14           established by the head of a Federal agency  
15           under subsection (g)(2)(A) for such fiscal year  
16           was achieved;

17           “(D) the reasons for any failure to achieve  
18           a goal established under paragraph (1) or  
19           (2)(A) of subsection (g) for such fiscal year and  
20           a description of actions planned by the applica-  
21           ble agency to address such failure, except that  
22           the Administrator must concur with each reme-  
23           diation plan;

24           “(E) for the Federal Government and each  
25           Federal agency, an analysis of the number and

1 dollar amount of prime contracts awarded dur-  
2 ing such fiscal year to—

3 “(i) small business concerns—

4 “(I) in the aggregate;

5 “(II) through sole source con-  
6 tracts;

7 “(III) through competitions re-  
8 stricted to small business concerns;  
9 and

10 “(IV) through unrestricted com-  
11 petition;

12 “(ii) small business concerns owned  
13 and controlled by service-disabled vet-  
14 erans—

15 “(I) in the aggregate;

16 “(II) through sole source con-  
17 tracts;

18 “(III) through competitions re-  
19 stricted to small business concerns;

20 “(IV) through competitions re-  
21 stricted to small business concerns  
22 owned and controlled by service-dis-  
23 abled veterans; and

24 “(V) through unrestricted com-  
25 petition;

1 “(iii) qualified HUBZone small busi-  
2 ness concerns—

3 “(I) in the aggregate;

4 “(II) through sole source con-  
5 tracts;

6 “(III) through competitions re-  
7 stricted to small business concerns;

8 “(IV) through competitions re-  
9 stricted to qualified HUBZone small  
10 business concerns;

11 “(V) through unrestricted com-  
12 petition where a price evaluation pref-  
13 erence was used; and

14 “(VI) through unrestricted com-  
15 petition where a price evaluation pref-  
16 erence was not used;

17 “(iv) small business concerns owned  
18 and controlled by socially and economically  
19 disadvantaged individuals—

20 “(I) in the aggregate;

21 “(II) through sole source con-  
22 tracts;

23 “(III) through competitions re-  
24 stricted to small business concerns;

1                   “(IV) through competitions re-  
2                   stricted to small business concerns  
3                   owned and controlled by socially and  
4                   economically disadvantaged individ-  
5                   uals; and

6                   “(V) through unrestricted com-  
7                   petition;

8                   “(v) small business concerns owned by  
9                   an Alaska Native Corporation—

10                   “(I) in the aggregate;

11                   “(II) through sole source con-  
12                   tracts;

13                   “(III) through competitions re-  
14                   stricted to small business concerns;

15                   “(IV) through competitions re-  
16                   stricted to small business concerns  
17                   owned and controlled by socially and  
18                   economically disadvantaged individ-  
19                   uals; and

20                   “(V) through unrestricted com-  
21                   petition; and

22                   “(vi) small business concerns owned  
23                   and controlled by women—

24                   “(I) in the aggregate;

1                   “(II) through competitions re-  
2                   stricted to small business concerns;

3                   “(III) through competitions re-  
4                   stricted using the authority under sec-  
5                   tion 8(m)(2);

6                   “(IV) through competitions re-  
7                   stricted using the authority under sec-  
8                   tion 8(m)(2) and in which the waiver  
9                   authority under section 8(m)(3) was  
10                  used; and

11                  “(V) through unrestricted com-  
12                  petition; and

13                  “(F) for the Federal Government and each  
14                  Federal agency, the number, dollar amount,  
15                  and distribution with respect to the North  
16                  American Industry Classification System of  
17                  subcontracts awarded during such fiscal year to  
18                  small business concerns, small business con-  
19                  cerns owned and controlled by service-disabled  
20                  veterans, qualified HUBZone small business  
21                  concerns, small business concerns owned and  
22                  controlled by socially and economically dis-  
23                  advantaged individuals, and small business con-  
24                  cerns owned and controlled by women.”.

1 **SEC. 4. SENIOR EXECUTIVES.**

2 (a) TRAINING.—Programs established for the devel-  
3 opment of senior executives under section 3396(a) of title  
4 5, United States Code, shall include training with respect  
5 to Federal procurement requirements, including con-  
6 tracting requirements under the Small Business Act (15  
7 U.S.C. 631 et seq.).

8 (b) SABBATICALS.—If a Federal agency does not  
9 achieve, with respect to a fiscal year, a goal established  
10 by the head of such agency under section 15(g)(2)(A) of  
11 the Small Business Act (15 U.S.C. 644(g)(2)(A)), a senior  
12 executive within that agency may not be granted, during  
13 the succeeding fiscal year, a sabbatical under section  
14 3396(c) of title 5, United States Code.

15 (c) INCENTIVE AWARDS.—If a Federal agency does  
16 not achieve, with respect to a fiscal year, a goal established  
17 by the head of such agency under section 15(g)(2)(A) of  
18 the Small Business Act (15 U.S.C. 644(g)(2)(A)), a senior  
19 executive within that agency may not receive, during the  
20 succeeding fiscal year, any incentive award under sub-  
21 chapter I of chapter 45 of title 5, United States Code.

22 (d) SENIOR EXECUTIVE DEFINED.—In this section,  
23 the term “senior executive” has the meaning given that  
24 term in section 3132(a) of title 5, United States Code.