



Opening Statement
Chairman Mick Mulvaney
House Subcommittee on Contracting and Workforce
“Scheduling Success? Issues and Opportunities for Small Businesses on the GSA Schedules”
June 7, 2012

Good afternoon. I call this hearing to order.

Over the past few months, the Public Building Service of the General Services Administration (GSA) has received a great deal of attention for its outrageous use of taxpayer dollars. However, in those discussions, it was easy to forget about the other side of GSA. The Federal Acquisition Service (FAS) serves as the core buying agency for the federal government. This division oversees the distinctive area of Multiple Award Schedules or Schedules, as they are more commonly known – a program that poses unique challenges and opportunities for small businesses.

As we all are aware, the federal government spends half a trillion dollars every year through federal contracting. What most people don't realize is that one out of every ten of those dollars is spent using Schedules, which amounts to roughly \$50 billion per year. About 80% of the 19,000 Schedule contractors are small businesses, and they receive about 35 percent of the dollars. This is no meager feat. GSA requires detailed records from a small business before awarding a Schedule. Many small businesses are forced to hire expensive outside proposal preparation services and invest in new record keeping systems to compete for Schedule contracts.

Despite the expense associated with receiving an initial GSA award, many small businesses feel it is necessary to enter the federal procurement arena. However, recent changes in law, budget challenges, and new initiatives are changing how small businesses relate to the Schedules. This Subcommittee must ensure that small companies who invested in GSA schedules are not forgotten and those small businesses who may wish to participate in the future are not unfairly precluded. Today, we will examine four primary issues paramount to this discussion including: the Brooks Act, strategic sourcing, voluntary set-asides and the demand based efficiency model. Our questions will focus on ensuring that as GSA advances in these areas small business opportunities are preserved.

In order to have an accurate understanding of these issues, our first panel is composed of small businesses, and our second panel will feature two government witnesses. We will hear testimony from small business owners who have felt both the benefits and burdens of GSA's change in contract awards under GSA's federal strategic sourcing initiative. We will have

industry experts testify on the effects of altering the Schedules to demand-based efficiency and learn whether GSA is truly complying with small business set-asides and the Brooks Act.

I'd like to thank all of our witnesses for being here today. We look forward to your testimony on various components of GSA's federal acquisition service and ways to improve Schedule contracting for small businesses.

I now yield to Ranking Member Chu for her opening remarks.