Amendment to H.R. 4081 Offered by Mr. Graves of Missouri

Strike all that follows after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Contractor Oppor-3 tunity Protection Act of 2012".

4 SEC. 2. CONSOLIDATION OF PROVISIONS RELATING TO 5 CONTRACT BUNDLING.

6 Section 44 of the Small Business Act (15 U.S.C.
7 657q) is amended to read as follows:

8 "SEC. 44. CONTRACT BUNDLING.

9 "(a) DEFINITIONS.—In this Act:

10 "(1) BUNDLED CONTRACT.—The term 'bundled
11 contract'—

"(A) means a contract that is entered into
to meet procurement requirements that are
combined in a bundling of contract requirements, without regard to whether a study of the
effects of the solicitation on Federal officers or
employees has been made; and

18 "(B) does not include—

1	"(i) a contract with an aggregate dol-
2	lar value below the dollar threshold; or
3	"(ii) a single award contract for the
4	acquisition of a weapons system acquired
5	through a major defense acquisition.
6	"(2) BUNDLING METHODOLOGY.—The term
7	'bundling methodology' means—
8	"(A) a solicitation to obtain offers for a
9	single contract or a multiple award contract;
10	"(B) a solicitation of offers for the
11	issuance of a task or a delivery order under an
12	existing single or multiple award contract; or
13	"(C) the creation of any new procurement
14	requirements that permits a combination of
15	contract requirements, including any combina-
16	tion of contract requirements or order require-
17	ments.
18	"(3) BUNDLING OF CONTRACT REQUIRE-
19	MENTS.—The term 'bundling of contract require-
20	ments', with respect to the contract requirements of
21	a Federal agency—
22	"(A) means the use of any bundling meth-
23	odology to satisfy 2 or more procurement re-
24	quirements for new or existing goods or services
25	provided to or performed for the Federal agen-

1	cy, including any construction services, that is
2	likely to be unsuitable for award to a small-
3	business concern due to—
4	"(i) the diversity, size, or specialized
5	nature of the elements of the performance
6	specified;
7	"(ii) the aggregate dollar value of the
8	anticipated award;
9	"(iii) the geographical dispersion of
10	the contract performance sites; or
11	"(iv) any combination of the factors
12	described in clauses (i), (ii), and (iii); and
13	"(B) does not include the use of a bun-
14	dling methodology for an anticipated award
15	with an aggregate dollar value below the dollar
16	threshold.
17	"(4) CHIEF ACQUISITION OFFICER.—The term
18	'Chief Acquisition Officer' means the employee of a
19	Federal agency designated as the Chief Acquisition
20	Officer for the Federal agency under section 16(a)
21	of the Office of Federal Procurement Policy Act (41
22	U.S.C. 1702(a)).
23	"(5) CONTRACT.—The term 'contract' includes,
24	for purposes of this section, any task order made

1	pursuant to an indefinite quantity, indefinite deliv-
2	ery contract.
3	"(6) CONTRACT BUNDLING.—The term 'con-
4	tract bundling' means the process by which a bun-
5	dled contract is created.
6	"(7) DOLLAR THRESHOLD.—The term 'dollar
7	threshold' means—
8	"(A) in the case of a contract for construc-
9	tion, \$5,000,000; and
10	"(B) in any other case, \$2,000,000.
11	"(8) Major defense acquisition pro-
12	GRAM.—The term 'major defense acquisition pro-
13	gram' has the meaning given in section 2430(a) of
14	title 10, United States Code.
15	"(9) Previously bundled contract.—The
16	term 'previously bundled contract' means a contract
17	that is the successor to a contract that required a
18	bundling analysis, contract for which any of the suc-
19	cessor contract were designated as a consolidated
20	contract or bundled contract in the Federal procure-
21	ment database, or a contract for which the Adminis-
22	trator designated the prior contract as a bundled
23	contract.

1	"(10) PROCUREMENT ACTIVITY.—The term
2	'procurement activity' means the Federal agency or
3	office thereof acquiring goods or services.
4	"(11) PROCUREMENT REQUIREMENT.—The
5	term 'procurement requirement' means a determina-
6	tion by an agency that a specified good or service is
7	needed to satisfy the mission of the agency.
8	"(12) Senior procurement executive.—
9	The term 'senior procurement executive' means an
10	official designated under section 16(c) of the Office
11	of Federal Procurement Policy Act (41 U.S.C.
12	1702(c)) as the senior procurement executive for a
13	Federal agency.
14	"(b) POLICY.—The head of each Federal agency shall
15	ensure that the decisions made by the Federal agency re-
16	garding contract bundling are made with a view to pro-
17	viding small business concerns with appropriate opportu-
18	nities to participate as prime contractors and subcontrac-
19	tors in the procurements of the Federal agency.
20	"(c) Contract Bundling.—
21	"(1) Proposed procurements.—Paragraphs
22	(2) through (4) shall apply to to a proposed procure-

1	"(A) would adversely affect one or more
2	small business concerns, including the potential
3	loss of an existing contract;
4	"(B) includes, in its statement of work,
5	goods or services—
6	"(i)(I) currently being performed by a
7	small business; and
8	"(II) if the proposed procurement is
9	in a quantity or estimated dollar value the
10	magnitude of which renders small business
11	prime contract participation unlikely; or
12	"(ii)(I) that are of a type that the Ad-
13	ministrator through market research can
14	demonstrate that two or more small busi-
15	nesses are capable of performing; and
16	"(II) if the proposed procurement
17	would be combined with other require-
18	ments for goods and services;
19	"(C) is for construction and—
20	"(i) seeks to package or combine dis-
21	crete construction projects; or
22	"(ii) the value of the goods or services
23	subject to the contract exceeds the dollar
24	threshold; or

"(D) is determined by the Administrator
 to have a solicitation that involves an unneces sary or unjustified bundling of contract require ments.

"(2) Responsibility of the procurement 5 6 ACTIVITY.—At least 45 days prior to the issuance of 7 a solicitation, the Procurement Activity shall notify 8 and provide a copy of the proposed procurement to 9 the procurement center representative assigned to 10 the Procurement Activity. The 45-day notification 11 process under this paragraph shall occur concur-12 rently with other processing steps required prior to 13 issuance of the solicitation. The notice shall include 14 a statement setting forth the proposed procurement 15 strategy required by subsection (e), and—

16 "(A) explaining why the proposed acquisi17 tion cannot be further divided into reasonably
18 small lots or discrete tasks in order to permit
19 offers by small business concerns;

"(B) listing, if applicable, the incumbent
contractors disaggregated by and including
names, addresses, and whether or not the contractor is a small business concern;

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"(C) describing the industries that might be interested in bidding on the contract requirements;

"(D) delineating the number of small business concerns listed in the industry categories that could be excluded from future bidding if the contract is a bundled contract, including any small business bidders that had bid on previous procurement requirements that are included in the bundling of contract requirements;

"(E) delineating the number of existing 12 small business concerns whose contracts will 13 cease if the contract bundling proceeds;

14 "(F) explaining why the delivery schedules 15 cannot be established on a realistic basis that 16 will encourage small business participation to 17 the extent consistent with the actual require-18 ments of the Government;

19 "(G) explaining why the proposed acquisition cannot be offered so as to make small busi-20 21 ness participation likely;

22 "(H) explaining why construction cannot 23 be procured as separate discrete projects; and

"(I) explaining why the agency has deter mined that the bundled contract is necessary
 and justified.

4 "(3) PUBLICATION OF NOTICE STATEMENT.—
5 Concurrently, the statement required in paragraph
6 (2) shall be published in the Federal contracting op7 portunities database.

8 "(4) RECOMPETITION OF A PREVIOUSLY BUN-9 DLED CONTRACT.—If the proposed procurement is a 10 previously bundled contract, that is to be recompeted 11 as a bundled contract, the Administrator shall deter-12 mine, with the assistance of the agency proposing 13 the procurement—

14 "(A) the amount of savings and benefits
15 (in accordance with subsection (d)) achieved
16 under the bundling of contract requirements;

"(B) whether such savings and benefits
will continue to be realized if the contract remains bundled, and whether such savings and
benefits would be greater if the procurement requirements were divided into separate solicitations suitable for award to small business concerns;

24 "(C) the dollar value of subcontracts25 awarded to small business concerns under the

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bundled contract, disaggregated by North
 American Industrial Classification System
 Code;

"(D) the percentage of subcontract dollars awarded to small businesses under the bundled contract, disaggregated by North American Industrial Classification System Code; and

8 "(E) the dollar amount and percentage of 9 prime contract dollars awarded to small busi-10 nesses in the primary North American Indus-11 trial Classification System Code for that bun-12 dled contract during each of the two fiscal years 13 preceding the award of the bundled contract 14 and during each fiscal year of the performance 15 of the bundled contract.

16 "(5) Failure to provide notice.—

17 "(A) NO NOTIFICATION RECEIVED.—If no 18 notification of the proposed procurement or ac-19 companying statement is received, but the Ad-20 ministrator determines that the proposed pro-21 curement is a proposed procurement described 22 in paragraph (1), then the Administrator shall 23 require that such a statement of work be com-24 pleted by the Procurement Activity and sent to 25 the procurement center representative and post-

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pone the solicitation process for at least 10 2 days but not more than 45 days to allow the 3 Administrator to review the statement and make recommendations as described in this sec-4 tion before the procurement process is contin-6 ued.

7 "(B) NO WORK CONTINUED.—If the Ad-8 ministrator requires a Procurement Activity to 9 provide a statement of work pursuant to sub-10 paragraph (A), the Procurement Activity shall 11 not be permitted to continue with the procure-12 ment until such time as the Procurement Activ-13 ity complies with the requirements of subpara-14 graph (A).

15 "(6) RESPONSIBILITY OF THE PROCUREMENT 16 CENTER REPRESENTATIVE.—Within 15 days after 17 receipt of the proposed procurement and accom-18 panying statement, if the procurement center rep-19 resentative believes that the procurement as pro-20 posed will render small business prime contract par-21 ticipation unlikely, the representative shall rec-22 ommend to the Procurement Activity alternative pro-23 curement methods which would increase small busi-24 ness prime contracting opportunities.

1	"(7) DISAGREEMENT BETWEEN THE ADMINIS-
2	TRATOR AND THE PROCUREMENT ACTIVITY.—
3	"(A) IN GENERAL.—The Administrator
4	may take action under this paragraph to fur-
5	ther the interests of small businesses if—
6	"(i) a small business concern would be
7	adversely affected, directly or indirectly, by
8	the proposed procurement, and that small
9	business concern or a trade association
10	representing such small business concern
11	so requests; or
12	"(ii) if the Administrator determines
13	that a small business concern would be ad-
14	versely affected, directly or indirectly, by
15	the proposed procurement.
16	"(B) APPEAL TO AGENCY HEAD.—First,
17	the proposed procurement shall be submitted
18	for determination to the head of the contracting
19	agency by the Administrator.
20	"(C) FAILURE TO AGREE.—Whenever the
21	Administrator and the head of the contracting
22	agency fail to agree—
23	"(i) the Administrator, within ten
24	days after such decision, may file an ap-

1	peal with the appropriate agency board of
2	contract appeals;
3	"(ii) the board shall provide the Ad-
4	ministrator and the head of the con-
5	tracting agency the opportunity to provide
6	their views on the disputed contract, except
7	that no oral testimony or oral argument
8	shall be permitted;
9	"(iii) the board shall permit interested
10	bidders to intervene; and
11	"(iv) the board shall render its deci-
12	sion, which shall be final agency action for
13	purposes of chapter 7 of title 5, United
14	States Code, within 30 days after the ap-
15	peal has been filed.
16	"(D) Appeal by affected small busi-
17	NESS CONCERN TO GAO.—If the Administrator
18	takes no action pursuant to subparagraph (C),
19	a small business concern that would be ad-
20	versely affected, directly or indirectly, by the
21	procurement as proposed, or a trade association
22	that includes such a small business concern as
23	a member, may file a protest with the Govern-
24	ment Accountability Office. If the protest is
25	filed by a trade association, the trade associa-

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1	tion shall not be required to identify a specific
2	member in connection with the protest.
3	"(d) Market Research.—
4	"(1) IN GENERAL.—Before proceeding with an
5	acquisition strategy that could lead to bundled con-
6	tracts, the head of an agency shall conduct market
7	research to determine whether bundling of the re-
8	quirements is necessary and justified.
9	"(2) FACTORS.—For purposes of subsection
10	(c)(1), a bundled contract is necessary and justified
11	if the bundling of contract requirements will result
12	in substantial measurable benefits in excess of those
13	benefits resulting from a procurement of the con-
14	tract requirements that does not involve contract
15	bundling.
16	"(3) BENEFITS.—For the purposes of bundling
17	of contract requirements, benefits described in para-
18	graph (2) may include the following:
19	"(A) Cost savings.
20	"(B) Quality improvements.
21	"(C) Reduction in acquisition cycle times.
22	"(D) Better terms and conditions.
23	"(E) Any other benefits.
24	"(4) Reduction of costs not determina-
25	TIVE.—For purposes of this subsection:

"(A) Cost savings shall not include any re duction in the use of military interdepartmental
 purchase requests or any similar transfer funds
 among Federal agencies for the use of a con tract issued by another Federal agency.

6 "(B) The reduction of administrative or 7 personnel costs alone shall not be a justification 8 for bundling of contract requirements unless 9 the cost savings are expected to be substantial 10 in relation to the dollar value of the procure-11 ment requirements to be bundled.

12 "(5) LIMITATION ON ACQUISITION STRATEGY.— 13 The head of a Federal agency may not carry out an 14 acquisition strategy that includes bundled contracts 15 valued in excess of the dollar threshold, unless the 16 senior procurement executive or, if applicable, Chief 17 Acquisition Officer, for the Federal agency, certifies 18 to the head of the Federal agency that steps will be 19 taken to include small business concerns in the ac-20 quisition strategy prior to the implementation of 21 such acquisition strategy.

"(e) STRATEGY SPECIFICATIONS.—If the head of a
contracting agency determines that an acquisition plan or
proposed procurement strategy will result in a bundled

contract, the proposed acquisition plan or procurement
 strategy shall—

3 "(1) identify specifically the benefits anticipated
4 to be derived from the bundling of contract require5 ments;

6 "(2) set forth an assessment of the specific im-7 pediments to participation by small business con-8 cerns as prime contractors that result from the con-9 tract bundling and specify actions designed to maxi-10 mize small business participation as subcontractors 11 (including suppliers) at various tiers under the con-12 tract or contracts that are awarded to meet the re-13 quirements; and

14 "(3) include a specific determination that the
15 anticipated measurable benefits of the proposed bun16 dled contract justify its use.

17 "(f) CONTRACT TEAMING.—In the case of a solicitation of offers for a bundled contract that is issued by the 18 19 head of an agency, a small-business concern may submit 20 an offer that provides for use of a particular team of subcontractors for the performance of the contract. The head 21 22 of the agency shall evaluate the offer in the same manner 23 as other offers, with due consideration to the capabilities 24 of all of the proposed subcontractors. If a small business concern teams under this paragraph, it shall not affect 25

1 its status as a small business concern for any other pur-2 pose. 3 "(g) DATABASE, ANALYSIS, AND ANNUAL REPORT REGARDING CONTRACT BUNDLING.— 4 5 "(1) DATABASE.—Not later than 180 days 6 after the date of the enactment of this subsection, 7 the Administrator shall develop and shall thereafter 8 maintain a database containing data and informa-9 tion regarding— "(A) each bundled contract awarded by a 10 11 Federal agency; and 12 "(B) each small business concern that has 13 been displaced as a prime contractor as a result 14 of the award of such a contract. "(2) ANALYSIS.—For each bundled contract 15 that is to be recompeted, the Administrator shall de-16 17 termine-

"(A) the amount of savings and benefits
realized, in comparison with the savings and
benefits anticipated by the analysis required
under subsection (d) prior to the contract
award; and

23 "(B) whether such savings and benefits
24 will continue to be realized if the contract re25 mains bundled, and whether such savings and

1	benefits would be greater if the procurement re-
2	quirements were divided into separate solicita-
3	tions suitable for award to small business con-
4	cerns.
5	"(3) ANNUAL REPORT ON CONTRACT BUN-
6	DLING.—
7	"(A) IN GENERAL.—Not later than 1 year
8	after the date of the enactment of this para-
9	graph, and annually in March thereafter, the
10	Administrator shall transmit a report on con-
11	tract bundling to the Committee on Small Busi-
12	ness of the House of Representatives and the
13	Committee on Small Business and Entrepre-
14	neurship of the Senate.
15	"(B) CONTENTS.—Each report trans-
16	mitted under subparagraph (A) shall include—
17	"(i) data on the number, arranged by
18	industrial classification, of small business
19	concerns displaced as prime contractors as
20	a result of the award of bundled contracts
21	by Federal agencies; and
22	"(ii) a description of the activities
23	with respect to previously bundled con-
24	tracts of each Federal agency during the
25	preceding year, including—

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"(I) data on the number and
total dollar amount of all contract re-
quirements that were bundled; and
"(II) with respect to each bun-
dled contract, data or information
on—
"(aa) the justification for
the bundling of contract require-
ments;
"(bb) the cost savings real-
ized by bundling the contract re-
quirements over the life of the
contract;
"(cc) the extent to which
maintaining the bundled status
of contract requirements is pro-
jected to result in continued cost
savings;
"(dd) the extent to which
the bundling of contract require-
ments complied with the con-
tracting agency's small business
subcontracting plan, including
the total dollar value awarded to
small business concerns as sub-

1contractors and the total dollar2value previously awarded to small3business concerns as prime con-4tractors; and5"(ee) the impact of the bun-

6 dling of contract requirements on 7 small business concerns unable to 8 compete as prime contractors for 9 the consolidated requirements 10 and on the industries of such 11 small business concerns, includ-12 ing a description of any changes 13 to the proportion of any such in-14 dustry that is composed of small 15 business concerns. 16 "(h) BUNDLING ACCOUNTABILITY MEASURES.—

17 "(1) TEAMING REQUIREMENTS.—Each Federal 18 agency shall include in each solicitation for any mul-19 tiple award contract above the dollar threshold a 20 provision soliciting bids from any responsible source, 21 including responsible small business concerns and 22 teams or joint ventures of small business concerns. 23 "(2) Policies on reduction of contract 24 BUNDLING.-

1	"(A) IN GENERAL.—Not later than 270
2	days after the date of enactment of this sub-
3	paragraph, the Federal Acquisition Regulatory
4	Council, established under section 25(a) of the
5	Office of Federal Procurement Policy Act (41
6	U.S.C. 1302(a)), shall amend the Federal Ac-
7	quisition Regulation issued under section 25 of
8	such Act to—
9	"(i) establish a Government-wide pol-
10	icy regarding contract bundling;
11	"(ii) establish a Government-wide pol-
12	icy on the solicitation of contractor teams
13	and joint ventures; and
14	"(iii) require that the policies estab-
15	lished under clauses (i) and (ii) be pub-
16	lished on the website of each Federal agen-
17	cy.
18	"(B) RATIONALE FOR CONTRACT BUN-
19	DLING.—Not later than 30 days after the date
20	on which the head of a Federal agency submits
21	the report required under section 15(h), the
22	head of the Federal agency shall publish on the
23	website of the Federal agency a list and ration-
24	ale for any bundled contract for which the Fed-

eral agency solicited bids or that was awarded
 by the Federal agency.".

3 SEC. 3. REPEAL OF REDUNDANT PROVISIONS.

4 (a) CERTAIN PROVISIONS REGARDING CONTRACT BUNDLING REPEALED.—Section 15(a) of the Small Busi-5 ness Act (15 U.S.C. 644(a)), is amended by striking "If 6 a proposed procurement includes" and all that follows 7 8 through "the matter shall be submitted for determination 9 to the Secretary or the head of the appropriate depart-10 ment or agency by the Administrator.". All references in law to such sentences as they were in effect on the date 11 that is 1 day prior to the effective date of this Act shall 12 13 be deemed to be references to section 44(d), as added by this Act. 14

15 (b) CERTAIN PROVISIONS REGARDING MARKET RE-SEARCH REPEALED.—Paragraphs (2) through (4) of sec-16 tion 15(e) of the Small Business Act (15 U.S.C. 644(e)) 17 are repealed. All references in law to such paragraphs, as 18 in effect on the date that is one day prior to the effective 19 date of this Act, shall be deemed to be references to sub-20 21 sections (d) through (f), respectively, of section 44 of the 22 Small Business Act, as added by this section.

23 (c) CERTAIN PROVISIONS REGARDING CONTRACT
24 BUNDLING DATABASE REPEALED.—

1	(1) Paragraph (1) of section $15(p)$ of the Small
2	Business Act (15 U.S.C. 644(p)) is repealed.
3	(2) Paragraphs (2) through (4) of section $15(p)$
4	of the Small Business Act (15 U.S.C 644(p)) are re-
5	pealed. All references in law to such paragraphs, as
6	in effect on the date that is one day prior to the ef-

fective date of this Act, shall be deemed to be references to paragraphs (1) through (3), respectively,
of section 44(h) of the Small Business Act, as added
by this Act.

11 (d) CERTAIN PROVISIONS REGARDING BUNDLING ACCOUNTABILITY MEASURES REPEALED.—Paragraphs 12 (1) and (2) of section 15(q) of the Small Business Act 13 14 (15 U.S.C 644(q)) are repealed. All references in law to 15 such paragraphs, as in effect on the date that is one day prior to the effective date of this Act, shall be deemed to 16 be references to paragraphs (1) and (2), respectively, of 17 18 section 44(i) of the Small Business Act, as added by this 19 Act.

20 (e) CERTAIN PROVISIONS REGARDING.—Subsection
21 (o) of section 3 of the Small Business Act (15 U.S.C.)
22 is repealed.

23 SEC. 4. TECHNICAL AMENDMENTS.

24 Section 15 of the Small Business Act (15 U.S.C. 644)
25 is amended—

(1) in the subsection heading of subsection (p), 1 to read as follows: "ACCESS TO DATA."; and 2 3 (2) in the subsection heading of subsection (p), to read as follows: "REPORTS RELATED TO PRO-4 CUREMENT CENTER REPRESENTATIVES.". 5 6 SEC. 5. EXPANSION OF AGENCY'S RESPONSIBILITY. Section 44(b) of the Small Business Act (15 U.S.C. 7 657q(b)) is amended by striking "appropriate" and insert-8 ing "the maximum practicable". 9

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