

Calendar No. 694107TH CONGRESS
2^D SESSION**S. 2466****[Report No. 107-306]**

To modify the contract consolidation requirements in the Small Business Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 7, 2002

Mr. KERRY (for himself, Mr. BOND, Mrs. CARNAHAN, Ms. COLLINS, Mr. CLELAND, Ms. LANDRIEU, and Ms. STABENOW) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

OCTOBER 8, 2002

Reported by Mr. KERRY, with amendments

[Omit the part struck through and insert the part printed in *italic*]**A BILL**

To modify the contract consolidation requirements in the Small Business Act, 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 “Small Business Fed-
5 eral Contractor Safeguard Act”.

1 **SEC. 2. CONTRACT CONSOLIDATION.**

2 (a) DEFINITIONS.—Section 3(o) of the Small Busi-
3 ness Act (15 U.S.C. 632(o)) is amended to read as follows:

4 “(o) DEFINITIONS.—In this Act the following defini-
5 tions shall apply:

6 “(1) CONSOLIDATED CONTRACT; CONSOLIDA-
7 TION.—The term ‘consolidated contract’ or ‘consoli-
8 dation’ means a multiple award contract or a con-
9 tract for goods or services with a Federal agency
10 that—

11 “(A) combines discrete procurement re-
12 quirements from not less than 2 existing con-
13 tracts;

14 “(B) adds new, discrete procurement re-
15 quirements to an existing contract; or

16 “(C) includes 2 or more discrete procure-
17 ment requirements.

18 “(2) MULTIPLE AWARD CONTRACT.—The term
19 ‘multiple award contract’ means—

20 “(A) a contract that is entered into by the
21 Administrator of General Services under the
22 multiple award schedule program referred to in
23 section 2302(2)(C) of title 10, United States
24 Code;

25 “(B) a multiple award task order contract
26 or delivery order contract that is entered into

1 under the authority of sections 2304a through
 2 2304d of title 10, United States Code, or sec-
 3 tions 303H through 303K of the Federal Prop-
 4 erty and Administrative Services Act of 1949
 5 (41 U.S.C. 253h through 253k); and

6 “(C) any other indefinite delivery or indefi-
 7 nite quantity contract that is entered into by
 8 the head of a Federal agency with 2 or more
 9 sources pursuant to the same solicitation.”.

10 (b) PROCUREMENT STRATEGIES.—Section 15(e) of
 11 the Small Business Act (15 U.S.C. 644(e)) is amended
 12 to read as follows:

13 “(e) PROCUREMENT STRATEGIES; CONTRACT CON-
 14 SOLIDATION.—

15 “(1) IN GENERAL.—To the maximum extent
 16 practicable, procurement strategies used by the var-
 17 ious agencies having contracting authority shall fa-
 18 cilitate the maximum participation of small business
 19 concerns as—

20 “(A) prime contractors;

21 “(B) subcontractors; and

22 “(C) suppliers.

23 “(2) PROCUREMENT STRATEGY REQUIREMENTS
 24 WHEN THE VALUE OF A CONSOLIDATED CONTRACT
 25 IS GREATER THAN \$2,000,000.—

1 “(A) IN GENERAL.—An agency official
2 may not execute a procurement strategy that
3 includes a consolidated contract valued at more
4 than \$2,000,000 unless the proposed procure-
5 ment strategy—

6 “(i) specifically identifies the benefits
7 anticipated from consolidation;

8 “(ii) identifies any alternative con-
9 tracting approaches that would involve a
10 lesser degree of contract consolidation; and

11 “(iii) includes a specific determination
12 that the proposed consolidation is nec-
13 essary and the anticipated benefits of such
14 consolidation justify its use.

15 “(B) NECESSARY AND JUSTIFIED.—The
16 head of an agency may determine that a pro-
17 curement strategy under subparagraph (A)(iii)
18 is necessary and justified if the monetary bene-
19 fits of the procurement strategy, including ad-
20 ministrative and personnel costs, substantially
21 exceed the monetary benefits of each of the pos-
22 sible alternative contracting approaches identi-
23 fied under subparagraph (A)(ii).

24 “(C) ADDITIONAL REQUIREMENTS WHEN
25 THE VALUE OF A CONSOLIDATED CONTRACT IS

1 GREATER THAN \$5,000,000.—In addition to
2 meeting the requirements under paragraph (A),
3 a procurement strategy that includes a consoli-
4 dated contract valued at more than
5 \$5,000,000—

6 “(i) shall be supported by current
7 market research that demonstrates that
8 the consolidated contract will result in—

9 “(I) cost savings;

10 “(II) quality improvements;

11 “(III) reduction in acquisition
12 cycle times; or

13 “(IV) better terms and condi-
14 tions;

15 “(ii) shall include an assessment of
16 the specific impediments to participation
17 by small business concerns as prime con-
18 tractors that result from contract consoli-
19 dation;

20 “(iii) shall specify actions designed to
21 maximize small business participation as
22 subcontractors, including suppliers, at var-
23 ious tiers under the consolidated contract;
24 and

1 “(iv) shall not be justified under para-
2 graph (A)(iii) by savings in administrative
3 or personnel costs, unless the total amount
4 of the cost savings is expected to be sub-
5 stantial in relation to the total cost of the
6 procurement.

7 “(3) CONTRACT TEAMING.—

8 “(A) IN GENERAL.—If the head of an
9 agency solicits offers for a consolidated con-
10 tract, a small business concern may submit an
11 offer that provides for the use of a particular
12 team of subcontractors for the performance of
13 the contract (referred to in this paragraph as
14 ‘teaming’).

15 “(B) EVALUATION OF OFFER.—The head
16 of the agency shall evaluate an offer submitted
17 by a small business concern under subpara-
18 graph (A) in the same manner as other offers,
19 with due consideration to the capabilities of all
20 of the proposed subcontractors.

21 “(C) NO EFFECT ON STATUS AS A SMALL
22 BUSINESS CONCERN.—If a small business con-
23 cern engages in teaming under subparagraph
24 (A), its status as a small business concern shall
25 not be affected for any other purpose.”.

1 ~~(e) CONFORMING AMENDMENTS.—~~

2 ~~(1) CONFORMING AMENDMENT TO THE SMALL~~
 3 ~~BUSINESS REAUTHORIZATION ACT OF 1997.—Section~~
 4 ~~414 of the Small Business Reauthorization Act of~~
 5 ~~1997 (41 U.S.C. 405 note) is repealed.~~

6 ~~(2) CONFORMING AMENDMENTS TO THE SMALL~~
 7 ~~BUSINESS ACT.—~~

8 ~~(c) CONFORMING AMENDMENTS.—~~The Small Business
 9 Act (15 U.S.C. 631 et seq.) is amended—

10 ~~(A1) in section 2(j)—~~

11 ~~(iA) by striking the subsection heading and~~
 12 inserting the following:

13 “~~(j) CONTRACT CONSOLIDATION.—~~”; and

14 ~~(iiB) in paragraph (3), by striking “bun-~~
 15 ~~dling of contract requirements” and inserting~~
 16 “contract consolidation”;

17 ~~(B2) in section 8(d)(4)(G), by striking “a bun-~~
 18 ~~dled contract” and inserting “a consolidated con-~~
 19 ~~tract”;~~

20 ~~(C3) in section 15(a)—~~

21 ~~(iA) by striking “bundling of contract re-~~
 22 ~~quirements” and inserting “contract consolida-~~
 23 ~~tion”; and~~

24 ~~(iiB) by striking “the bundled contract”~~
 25 and inserting “the consolidated contract”; and

1 (~~D~~) in section 15(k)(5)—

2 (~~i~~A) by striking “significant bundling of
3 contract requirements” and inserting “consoli-
4 dated contracts valued at more than
5 \$2,000,000”; and

6 (~~ii~~B) by striking “bundled contract” and
7 inserting “consolidated contract”.

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