

110TH CONGRESS  
1ST SESSION

# H. R. 1873

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IN THE SENATE OF THE UNITED STATES

MAY 11, 2007

Received; read twice and referred to the Committee on Small Business and  
Entrepreneurship

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## AN ACT

To reauthorize the programs and activities of the Small  
Business Administration relating to procurement, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “Small Business Fairness in Contracting Act”.

4 (b) **TABLE OF CONTENTS.**—The table of contents for  
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Regulations.

**TITLE I—CONTRACT BUNDLING**

Sec. 101. Definitions of bundling of contract requirements and related terms.

Sec. 102. Justification.

Sec. 103. Appeals.

Sec. 104. Review.

**TITLE II—INCREASING THE NUMBER OF SMALL BUSINESS  
CONTRACTS AND SUBCONTRACTS**

Sec. 201. Small business goal.

Sec. 202. Include overseas contracts in small business goal.

Sec. 203. Annual goal negotiation.

Sec. 204. Usage of small companies in goal achievement.

Sec. 205. Annual plan for each agency explaining how agency will meet small  
business goals.

Sec. 206. Making small businesses the first choice.

Sec. 207. Uniform metric for subcontracting achievements.

Sec. 208. Subcontracting database.

Sec. 209. National database.

Sec. 210. Review of subcontracting plans.

Sec. 211. Agency obligation for fulfilling contracting goals.

Sec. 212. Appropriate limits on value of sole source contracts.

Sec. 213. Small business goals for green small business concerns.

Sec. 214. Study on providing financial incentives to contractors that meet mi-  
nority and disadvantaged business enterprise goals.

**TITLE III—PROTECTION OF TAXPAYERS FROM FRAUD**

Sec. 301. Small business size protest notification.

Sec. 302. Review of national registry.

Sec. 303. Recertification of compliance with size standards and registration with  
Central Contractor Registry.

**TITLE IV—AUTHORIZATION OF APPROPRIATIONS**

Sec. 401. Authorization of appropriations.

6 **SEC. 2. REGULATIONS.**

7 (a) **IN GENERAL.**—Not later than 180 days after the  
8 date of the enactment of this Act—

1           (1) the Administrator of the Small Business  
2 Administration shall promulgate regulations to im-  
3 plement this Act and the amendments made by this  
4 Act; and

5           (2) the Federal Acquisition Regulation shall be  
6 revised to implement this Act and the amendments  
7 made by this Act.

8           (b) NOTICE AND COMMENT.—The regulations re-  
9 quired by subsection (a) shall be promulgated after oppor-  
10 tunity for notice and comment as required by section  
11 553(b) of title 5, United States Code.

## 12   **TITLE I—CONTRACT BUNDLING**

### 13   **SEC. 101. DEFINITIONS OF BUNDLING OF CONTRACT RE-** 14                           **QUIREMENTS AND RELATED TERMS.**

15           Section 3 of the Small Business Act (15 U.S.C. 632)  
16 is amended by amending subsection (o) to read as follows:

17           “(o) DEFINITIONS OF BUNDLING OF CONTRACT RE-  
18 QUIREMENTS AND RELATED TERMS.—For purposes of  
19 this Act:

20           “(1) BUNDLED CONTRACT.—

21                   “(A) IN GENERAL.—The term ‘bundled  
22 contract’ means a contract or order that is en-  
23 tered into to meet procurement requirements  
24 that are consolidated in a bundling of contract  
25 requirements, without regard to its designation

1 by the procuring agency or whether a study of  
2 the effects of the solicitation on civilian or mili-  
3 tary personnel has been made.

4 “(B) EXCEPTIONS.—The term does not in-  
5 clude—

6 “(i) a contract or order with an aggre-  
7 gate dollar value below the dollar threshold  
8 specified in paragraph (4); or

9 “(ii) a contract or order that is en-  
10 tered into to meet procurement require-  
11 ments, all of which are exempted require-  
12 ments under paragraph (5).

13 “(2) BUNDLING OF CONTRACT REQUIRE-  
14 MENTS.—

15 “(A) IN GENERAL.—The term ‘bundling of  
16 contract requirements’ means the use of any  
17 bundling methodology to satisfy 2 or more pro-  
18 curement requirements for goods or services  
19 previously supplied or performed under separate  
20 smaller contracts or orders, or to satisfy 2 or  
21 more procurement requirements for construc-  
22 tion services of a type historically performed  
23 under separate smaller contracts or orders, that  
24 is likely to be unsuitable for award to a small  
25 business concern due to—

1 “(i) the diversity, size, or specialized  
2 nature of the elements of the performance  
3 specified;

4 “(ii) the aggregate dollar value of the  
5 anticipated award;

6 “(iii) the geographical dispersion of  
7 the contract or order performance sites; or

8 “(iv) any combination of the factors  
9 described in clauses (i), (ii), and (iii).

10 “(B) INCLUSION OF NEW FEATURES OR  
11 FUNCTIONS.—A combination of contract re-  
12 quirements that would meet the definition of a  
13 bundling of contract requirements but for the  
14 addition of a procurement requirement with at  
15 least one new good or service shall be consid-  
16 ered to be a bundling of contract requirements  
17 unless the new features or functions substan-  
18 tially transform the goods or services and will  
19 provide measurably substantial benefits to the  
20 government in terms of quality, performance, or  
21 price.

22 “(C) EXCEPTIONS.—The term does not in-  
23 clude—

24 “(i) the use of a bundling method-  
25 ology for an anticipated award with an ag-

1 aggregate dollar value below the dollar  
2 threshold specified in paragraph (5); or

3 “(ii) the use of a bundling method-  
4 ology to meet procurement requirements,  
5 all of which are exempted requirements  
6 under paragraph (6).

7 “(3) BUNDLING METHODOLOGY.—The term  
8 ‘bundling methodology’ means—

9 “(A) a solicitation to obtain offers for a  
10 single contract or order, or a multiple award  
11 contract or order; or

12 “(B) a solicitation of offers for the  
13 issuance of a task or a delivery order under an  
14 existing single or multiple award contract or  
15 order.

16 “(4) SEPARATE SMALLER CONTRACT.—The  
17 term ‘separate smaller contract’, with respect to  
18 bundling of contract requirements, means a contract  
19 or order that has been performed by 1 or more small  
20 business concerns or was suitable for award to 1 or  
21 more small business concerns.

22 “(5) DOLLAR THRESHOLD.—The term ‘dollar  
23 threshold’ means \$65,000,000, if solely for construc-  
24 tion services.

1           “(6) EXEMPTED REQUIREMENTS.—The term  
2           ‘exempted requirement’ means a procurement re-  
3           quirement solely for items that are not commercial  
4           items (as the term ‘commercial item’ is defined in  
5           section 4(12) of the Office of Federal Procurement  
6           Policy Act (41 U.S.C. 403(12)).

7           “(7) PROCUREMENT REQUIREMENT.—The term  
8           ‘procurement requirement’ means a determination  
9           by an agency that a specified good or service is  
10          needed to satisfy the mission of the agency.”.

11 **SEC. 102. JUSTIFICATION.**

12          Section 15(a) of the Small Business Act (15 U.S.C.  
13 644(a)) is amended—

14           (1) by striking “(2) why delivery schedules”  
15           and inserting “(2) the names, addresses and size of  
16           the incumbent contract holders; (3) a description of  
17           the industries that might be interested in bidding on  
18           the contract requirements; (4) the number of small  
19           businesses listed in the industry categories that  
20           could be excluded from future bidding if the contract  
21           is combined or packaged; (5) why delivery sched-  
22           ules”;

23           (2) by striking “(3) why the proposed acquisi-  
24           tion” and inserting “(6) why the proposed acquisi-  
25           tion”;

1           (3) by striking “(4) why construction” and in-  
2           serting “(7) why construction”;

3           (4) by striking “(5) why the agency” and in-  
4           serting “(8) why the agency”;

5           (5) by striking “justified.” and inserting “justi-  
6           fied. The statement shall also set forth the proposed  
7           procurement strategy required by subsection (e) and,  
8           if applicable, the specifications required by sub-  
9           section (e)(3). The statement shall be made available  
10          to the public, including through dissemination in the  
11          Federal contracting opportunities database, concu-  
12          rently with the issuance of the solicitation.”; and

13          (6) by inserting after “prime contracting oppor-  
14          tunities.” the following: “If no notification of the  
15          procurement and accompanying statement is re-  
16          ceived, but the Administrator determines that there  
17          is cause to believe the contract combines require-  
18          ments or a contract (single or multiple award) or  
19          task or delivery order for construction services or in-  
20          cludes unjustified bundling, then the Administrator  
21          may request that such a statement of work goods or  
22          services be completed by the procurement activity  
23          and sent to the Procurement Center Representative  
24          and the solicitation process postponed for 10 days to  
25          allow the Administrator to review the statement and



1 make recommendations as described in this section  
2 before the procurement is continued.”.

3 **SEC. 103. APPEALS.**

4 Section 15(a) of the Small Business Act (15 U.S.C.  
5 644(a)) is amended by inserting before “Whenever the Ad-  
6 ministration and the contracting procurement agency fail  
7 to agree,” the following: “If a small business concern  
8 would be adversely affected, directly or indirectly, by the  
9 procurement as proposed, and that small business concern  
10 or a trade association on behalf of that small business con-  
11 cern so requests, the Administrator may, in the Adminis-  
12 trator’s discretion, take action to further the interests of  
13 that small business concern, and shall make available to  
14 the public on the website of the Administration the action  
15 taken and the result achieved.”.

16 **SEC. 104. REVIEW.**

17 Section 15(a) of the Small Business Act (15 U.S.C.  
18 644(a)) is amended by striking the sentence beginning  
19 “Whenever the Administration and the contracting pro-  
20 curement agency fail to agree,” and inserting the fol-  
21 lowing: “Whenever the Administration and the contracting  
22 procurement agency fail to agree, the Administrator shall  
23 submit the matter to the head of the agency for a deter-  
24 mination. The head of the agency shall provide a written  
25 response to the Administrator. A copy of such response

1 shall also be provided to the Committees on Small Busi-  
 2 ness of the House of Representatives and Senate, the  
 3 Committee on Oversight and Government Reform of the  
 4 House of Representatives, and the Committee on Home-  
 5 land Security and Governmental Affairs of the Senate,  
 6 and any other committee of the House and Senate that  
 7 has jurisdiction over the agency concerned.”.

8 **TITLE II—INCREASING THE**  
 9 **NUMBER OF SMALL BUSINESS**  
 10 **CONTRACTS AND SUB-**  
 11 **CONTRACTS**

12 **SEC. 201. SMALL BUSINESS GOAL.**

13 (a) GOVERNMENT-WIDE GOAL.—Section 15(g)(1) of  
 14 the Small Business Act (15 U.S.C. 644(g)(1)) is amended  
 15 by striking “23 percent” and inserting “30 percent”.

16 (b) GOALS FOR SMALL DISADVANTAGED BUSI-  
 17 NESSES AND WOMEN-OWNED BUSINESSES.—Section  
 18 15(g)(1) of such Act is further amended by striking “5  
 19 percent” both places it appears and inserting “8 percent”.

20 **SEC. 202. INCLUDE OVERSEAS CONTRACTS IN SMALL BUSI-**  
 21 **NESS GOAL.**

22 Section 15(g) of the Small Business Act (15 U.S.C.  
 23 644(g)) is amended by adding at the end the following:

24 “(3) The procurement goals required by this sub-  
 25 section apply to all procurement contracts, without regard

1 to whether the contract is for work within or outside the  
2 United States.”.

3 **SEC. 203. ANNUAL GOAL NEGOTIATION.**

4 Section 15(g)(1) of the Small Business Act (15  
5 U.S.C. 644(g)(1)) is amended by striking “The President  
6 shall annually establish Government-wide goals for pro-  
7 curement contracts” and inserting “The President shall  
8 before the close of each fiscal year establish new Govern-  
9 ment-wide procurement goals for the following fiscal year  
10 for procurement contracts”.

11 **SEC. 204. USAGE OF SMALL COMPANIES IN GOAL ACHIEVE-  
12 MENT.**

13 Section 15(g) of the Small Business Act (15 U.S.C.  
14 644(g)) is amended by adding at the end the following:

15 “(4) For purposes of this subsection and subsection  
16 (h), a small business concern shall be counted toward one  
17 additional category goal only, even if that small business  
18 concern otherwise qualifies under more than one category  
19 goal. In this paragraph, the term ‘category goal’ means  
20 a goal described in paragraph (2).”.

21 **SEC. 205. ANNUAL PLAN FOR EACH AGENCY EXPLAINING  
22 HOW AGENCY WILL MEET SMALL BUSINESS  
23 GOALS.**

24 Section 15(g) of the Small Business Act (15 U.S.C.  
25 644(g)) is amended by adding at the end the following:

1 “(5) Before the beginning of each fiscal year, the  
2 head of each Federal agency shall submit to the Adminis-  
3 trator of the Small Business Administration and to Con-  
4 gress a detailed plan explaining how the agency intends  
5 to meet the small business goals under this subsection that  
6 apply to that agency for that fiscal year.”.

7 **SEC. 206. MAKING SMALL BUSINESSES THE FIRST CHOICE.**

8 Section 15(j) of the Small Business Act (15 U.S.C.  
9 644(j)) is amended—

10 (1) in paragraph (1), by striking “\$100,000”  
11 and inserting “the Simplified Acquisition Thresh-  
12 old”; and

13 (2) in paragraph (3), by striking “subsection  
14 (a) of section 8” and inserting “section 8, 31, or  
15 36”.

16 **SEC. 207. UNIFORM METRIC FOR SUBCONTRACTING**  
17 **ACHIEVEMENTS.**

18 Section 8(d) of the Small Business Act (15 U.S.C.  
19 637(d)) is amended by adding at the end the following:

20 “(12) In carrying out this subsection, the Adminis-  
21 trator shall require each prime contractor to report small  
22 business subcontract usage at all tiers based on the per-  
23 centage of the total dollar amount of the contract award.”.

1 **SEC. 208. SUBCONTRACTING DATABASE.**

2 Section 8(d) of the Small Business Act (15 U.S.C.  
3 637(d)) is amended by adding at the end the following:

4 “(13) In carrying out this subsection, the Adminis-  
5 trator shall develop and maintain a password-protected  
6 database that will enable the Administration to assist  
7 small businesses in marketing to large corporations that  
8 have not achieved their small business goals.”.

9 **SEC. 209. NATIONAL DATABASE.**

10 The Administrator of the Small Business Administra-  
11 tion shall ensure that whenever a small business enters  
12 its information in the Central Contractor Registry, or any  
13 successor to that registry, the Administrator contacts that  
14 business within 30 days regarding the likelihood of Fed-  
15 eral contracting opportunities. The Administrator shall  
16 ensure that each small business that so registers is, for  
17 each industry code entered by that small business, pro-  
18 vided with the total dollar value of government contract  
19 awards to small businesses for that industry.

20 **SEC. 210. REVIEW OF SUBCONTRACTING PLANS.**

21 (a) IN GENERAL.—Not later than 180 days after the  
22 date of the enactment of this Act, the General Services  
23 Administration shall, after an opportunity for notice and  
24 comment, begin to make modifications, if necessary, to the  
25 Electronic Subcontracting Reporting System (ESRS) for  
26 the purpose of tracking companies’ compliance with small

1 business subcontracting plans included in successful con-  
2 tract bids. ESRS shall be further developed, if necessary,  
3 in such a way that it allows agencies to track whether or  
4 not the prime contractor actually subcontracted work out  
5 to the subcontracting firms described in the Small Busi-  
6 ness Subcontracting Plan. Further, ESRS shall be modi-  
7 fied, if necessary, so that it facilitates review of a com-  
8 pany's record of compliance with small business subcon-  
9 tracting plans.

10 (b) PERIODIC REPORTS.—Prime contractors shall be  
11 required to submit Small Business Subcontracting Plans  
12 to ESRS and submit subsequent periodic reports to ESRS  
13 describing the extent to which the prime contractor com-  
14 plied with small business subcontracting plans submitted  
15 as part of the company's successful contract proposal.  
16 Each such report shall include a specific accounting of  
17 compliance with subcontracting goals described in the  
18 prime contractor's Small Business Subcontracting Plans  
19 related to Small Disadvantaged Businesses Concerns,  
20 Women-Owned Small Business Concerns, Historically  
21 Black Colleges and Universities and Minority Institutions,  
22 Service-Disabled Veteran-Owned Small Business Con-  
23 cerns, and HUBZone Small Business Concerns. Each  
24 such accounting of compliance shall also be included in  
25 ESRS.

1 (c) INCLUSION IN ESRS.—The “percentage of the  
2 total dollar amount of the contract award” that is paid  
3 to small business, as referred to in paragraph (12) of sec-  
4 tion 8(d) of the Small Business Act (as added by section  
5 206 of this Act) shall also be included in ESRS.

6 (d) AVAILABILITY OF ESRS.—ESRS and the infor-  
7 mation therein shall be made available to agency officials  
8 and Source Selection Evaluation Boards (as referred to  
9 in Federal Acquisition Regulations 3.104–1) that are  
10 charged with evaluating contract proposals, and, when  
11 evaluating contract proposals, agencies shall take into con-  
12 sideration the compliance with small business subcon-  
13 tracting plans of companies competing for Federal con-  
14 tracts, and within one year after the date of the enactment  
15 of this Act such consideration shall be reflected in the  
16 Federal Acquisition Regulations.

17 (e) FURTHER MODIFICATIONS REQUIRED.—ESRS  
18 shall be modified in such a way that it can generate com-  
19 parable reports on individual companies’ compliance  
20 records to be used in the contract proposal evaluation  
21 processes of agencies.

22 **SEC. 211. AGENCY OBLIGATION FOR FULFILLING CON-**  
23 **TRACTING GOALS.**

24 Section 15(h) of the Small Business Act (15 U.S.C.  
25 644(h)) is amended by adding at the end the following:

1       “(4) At the conclusion of each fiscal year, the head  
2 of each Federal agency shall submit to Congress a report  
3 specifying the percentage of contracts awarded by that  
4 agency for that fiscal year that were awarded to small  
5 business concerns. If the percentage is less than 25 per-  
6 cent, the head of the agency shall, in the report, explain  
7 why the percentage is less than 25 percent and what will  
8 be done to ensure that the percentage for the following  
9 fiscal year will not be less than 25 percent.”.

10 **SEC. 212. APPROPRIATE LIMITS ON VALUE OF SOLE**  
11 **SOURCE CONTRACTS.**

12       (a) **APPROPRIATE LIMITS.**—If a law is not enacted  
13 by December 31, 2007, revising the limits referred to in  
14 this subsection, the Administrator for Federal Procure-  
15 ment Policy, in consultation with the Administrator for  
16 Small Business, shall establish appropriate limits on the  
17 value of contracts awarded without the use of competitive  
18 procedures to participants in the program established by  
19 section 8(a) of the Small Business Act (15 U.S.C. 637(a))  
20 that are not subject to the limits on the value of such con-  
21 tracts established by paragraph (1)(D) of section 8(a) of  
22 such Act.

23       (b) **CONSULTATION.**—In establishing any limit de-  
24 scribed in subsection (a). the Administrator for Federal  
25 Procurement Policy shall consult with representatives of



1 the affected program participants. The Administrator  
2 shall also take into account—

3 (1) any special circumstances and needs of the  
4 affected program participants; and

5 (2) the advantages of promoting competition in  
6 Federal contracting.

7 **SEC. 213. SMALL BUSINESS GOALS FOR GREEN SMALL**  
8 **BUSINESS CONCERNS.**

9 (a) IN GENERAL.—Section 15(g) of the Small Busi-  
10 ness Act (15 U.S.C. 644(g)) is amended—

11 (1) in paragraph (1)—

12 (A) by striking “and small business con-  
13 cerns owned and controlled by women” both  
14 places such term appears and inserting “small  
15 business concerns owned and controlled by  
16 women, and green small business concerns”;  
17 and

18 (B) by inserting before “Notwithstanding  
19 the Government-wide goal” the following: “The  
20 Government-wide goal for participation by  
21 green small business concerns shall be estab-  
22 lished at not less than 5 percent of the total  
23 value of all prime contract and subcontract  
24 awards for each fiscal year.”; and

25 (2) in paragraph (2)—

1 (A) by striking “and by small business  
2 concerns owned and controlled by women” both  
3 places such term appears and inserting “by  
4 small business concerns owned and controlled  
5 by women, and by green small business con-  
6 cerns”; and

7 (B) by striking “and small business con-  
8 cerns owned and controlled by women” and in-  
9 serting “small business concerns owned and  
10 controlled by women, and green small business  
11 concerns”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) DEFINITION.—Section 3 of that Act (15  
14 U.S.C. 632) is amended by adding at the end the  
15 following:

16 “(s) DEFINITIONS RELATING TO GREEN SMALL  
17 BUSINESS CONCERNS.—In this Act, the term ‘green small  
18 business concern’ means a small business concern that  
19 carries out its activities in an environmentally sound man-  
20 ner. The Administrator shall, in consultation with the En-  
21 vironmental Protection Agency, the General Services Ad-  
22 ministration, and other appropriate agencies, specify de-  
23 tailed definitions or standards by which a small business  
24 concern may be determined to be a green small business  
25 concern for the purposes of this Act.”.

1           (2) POLICY.—Section 8(d) of that Act (15  
2 U.S.C. 637(d)) is amended—

3           (A) in paragraph (1) (in both places such  
4 term appears), paragraph (3)(A) (in both places  
5 such term appears), paragraph (4)(D), para-  
6 graph (6)(A), paragraph (6)(C), paragraph  
7 (6)(F), and paragraph (10)(B) by striking “and  
8 small business concerns owned and controlled  
9 by women” and inserting “small business con-  
10 cerns owned and controlled by women, and  
11 green small business concerns”;

12           (B) in paragraph (3)(F) by striking “or a  
13 small business concern owned and controlled by  
14 women” and inserting “a small business con-  
15 cern owned and controlled by women, or a  
16 green small business concern”; and

17           (C) in paragraph (4)(E) by striking “and  
18 for small business concerns owned and con-  
19 trolled by women” and inserting “for small  
20 business concerns owned and controlled by  
21 women, and for green small business concerns”.

22           (3) REPORTS ON GOALS.—Section 15(h) of that  
23 Act (15 U.S.C. 644(h)) is amended, in each of para-  
24 graphs (1), (2)(A), (2)(D), and (2)(E) by striking  
25 “and small business concerns owned and controlled

1 by women” and inserting “small business concerns  
2 owned and controlled by women, and green small  
3 business concerns”.

4 (4) PENALTIES.—Section 16 of that Act (15  
5 U.S.C. 645) is amended in each of subsections  
6 (d)(1) and (e) by striking “or a ‘small business con-  
7 cern owned and controlled by women’” and inserting  
8 “a ‘small business concern owned and controlled by  
9 women’, or a ‘green small business concern’”.

10 **SEC. 214. STUDY ON PROVIDING FINANCIAL INCENTIVES**  
11 **TO CONTRACTORS THAT MEET MINORITY**  
12 **AND DISADVANTAGED BUSINESS ENTER-**  
13 **PRISE GOALS.**

14 The Administrator of the Small Business Administra-  
15 tion shall carry out a study on the feasibility and desir-  
16 ability of providing financial incentives to contractors op-  
17 erating under contracts from a Federal agency that  
18 achieve the percentage goals set forth in said contracts’  
19 subcontracting plans for the utilization of small business  
20 concerns owned and controlled by socially and economi-  
21 cally disadvantaged individuals. The Administrator shall  
22 submit to Congress a report on the results of the study,  
23 together with any findings, conclusions, and recommenda-  
24 tions that the Administrator considers appropriate.

1           **TITLE III—PROTECTION OF**  
2           **TAXPAYERS FROM FRAUD**

3   **SEC. 301. SMALL BUSINESS SIZE PROTEST NOTIFICATION.**

4           (a) **IN GENERAL.**—The Administrator of the Small  
5 Business Administration shall work with appropriate Fed-  
6 eral agencies to ensure that whenever a business concern  
7 is awarded a contract on the basis that it qualifies as small  
8 and then is determined not to qualify as small, a notifica-  
9 tion of those facts (that an award was made on such a  
10 basis, and that such a determination was made) shall be  
11 placed adjacent to that concern’s listing in the Central  
12 Contractor Registry (or any successor to that registry).

13           (b) **COMPTROLLER GENERAL CERTIFICATION.**—The  
14 Administrator shall, in making any report of small busi-  
15 ness goal accomplishments, qualify the accomplishments  
16 as “estimated”, until the Administrator obtains from the  
17 Comptroller General the Comptroller General’s certifi-  
18 cation that there are no data integrity issues with respect  
19 to the national repository of contract award information  
20 known as Federal Procurement Data System-Next Gen-  
21 eration (FPDS–NG), or any successor to that repository.

22           (c) **AWARDS TO LARGE BUSINESSES.**—For each Fed-  
23 eral agency, the Inspector General of that agency shall,  
24 on an annual basis, submit to Congress a report on the  
25 number and dollar value of contract awards that were

1 coded as awards to small business concerns but in fact  
2 were made to businesses that did not qualify as small busi-  
3 ness concerns.

4 **SEC. 302. REVIEW OF NATIONAL REGISTRY.**

5       The Administrator of the Small Business Administra-  
6 tion shall ensure, on a biannual basis, that an independent  
7 audit is performed of the Central Contractor Registry, or  
8 any successor to that registry, and that the Dynamic  
9 Small Business Search portion of the registry, or any suc-  
10 cessor to that portion of the registry, is purged of any  
11 businesses that are not in fact small businesses. If a busi-  
12 ness that has been so purged attempts, while not in fact  
13 a small business, to re-register, that business is subject  
14 to debarment as a Federal contractor and is further sub-  
15 ject to penalties outlined in section 16 of the Small Busi-  
16 ness Act (15 U.S.C. 645).

17 **SEC. 303. RECERTIFICATION OF COMPLIANCE WITH SIZE**  
18 **STANDARDS AND REGISTRATION WITH CEN-**  
19 **TRAL CONTRACTOR REGISTRY.**

20       Section 3(a) of the Small Business Act (15 U.S.C.  
21 632(a)) is amended by adding at the end the following:

22       “(5) RECERTIFICATION.—

23               “(A) IN GENERAL.—If a business concern is  
24       awarded a contract because of a standard by which  
25       it is determined to be a small business concern, and

1 the business concern is close to exceeding that  
2 standard at the time the award is made, then the  
3 business concern must, annually after the date of  
4 the award, recertify to the agency awarding the con-  
5 tract whether it meets that standard.

6 “(B) ‘CLOSE TO EXCEEDING’.—For purposes of  
7 subparagraph (A), a business concern is close to ex-  
8 ceeding—

9 “(i) a number-of-employees standard if the  
10 number of employees of the business concern is  
11 95 percent or more of the maximum number of  
12 employees allowed under the standard; and

13 “(ii) a dollar-volume-of-business standard  
14 if the dollar volume of business is 80 percent or  
15 more of the maximum dollar volume allowed  
16 under the standard.

17 “(6) REGISTRY.—For a business concern to be  
18 awarded a contract because of a standard by which it is  
19 determined to be a small business concern, the business  
20 concern must, annually after the end of the fiscal year  
21 used by the business concern, update its listing in the Cen-  
22 tral Contractor Registry.”.

1 **TITLE IV—AUTHORIZATION OF**  
2 **APPROPRIATIONS**

3 **SEC. 401. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated such sums  
5 as may be necessary to carry out this Act and the amend-  
6 ments made by this Act.

Passed the House of Representatives May 10, 2007.

Attest:

LORRAINE C. MILLER,

*Clerk.*