

## Union Calendar No. 390

114<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 1481

**[Report No. 114-510]**

To amend the Small Business Act to strengthen the small business industrial base, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2015

Mr. CHABOT introduced the following bill; which was referred to the Committee on Small Business

APRIL 19, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 19, 2015]

# **A BILL**

To amend the Small Business Act to strengthen the small  
business industrial base, 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; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*  
 5 *“Small Contractors Improve Competition Act of 2015”.*

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

*Sec. 1. Short title; table of contents.*

*Sec. 2. Including subcontracting goals in agency responsibilities; reports.*

*Sec. 3. Data quality improvement.*

*Sec. 4. Notice and justification requirements for bundling or consolidation of con-*  
*tract requirements.*

*Sec. 5. Joint venturing and teaming.*

*Sec. 6. Limitations on reverse auctions.*

*Sec. 7. Revision to the nonmanufacturer rule.*

*Sec. 8. Certification requirements for procurement center representatives.*

*Sec. 9. Certification requirements for Business Opportunity Specialists.*

*Sec. 10. Certification requirements for commercial market representatives.*

8 **SEC. 2. INCLUDING SUBCONTRACTING GOALS IN AGENCY**  
 9 **RESPONSIBILITIES; REPORTS.**

10 (a) *IN GENERAL.*—*Section 1633(b) of the National De-*  
 11 *fense Authorization Act for Fiscal Year 2013 (Public Law*  
 12 *112–239; 126 Stat. 2076; 15 U.S.C. 631 note) is amended*  
 13 *by striking “assume responsibility for of the agency’s suc-*  
 14 *cess in achieving small business contracting goals and per-*  
 15 *centages” and inserting “assume responsibility for the agen-*  
 16 *cy’s success in achieving each of the small business prime*  
 17 *contracting and subcontracting goals and percentages”.*

18 (b) *GAO STUDY AND REPORT ON ACCOUNTABILITY*  
 19 *FOR SUBCONTRACTING.*—

1           (1) *STUDY.*—Not later than 180 days after the  
2           date of enactment of the Small Contractors Improve  
3           Competition Act of 2015, the Comptroller General of  
4           the United States shall begin a study, which shall be  
5           conducted for a period of 1 year, to assess whether the  
6           systems of an agency or department accurately record  
7           the data necessary to comply with any requirements  
8           related to subcontracting at any tier under the Small  
9           Business Act (15 U.S.C. 631 et seq.).

10           (2) *REPORT.*—Not later than 90 days after the  
11           date on which the study described in paragraph (1)  
12           is completed, the Comptroller General shall submit a  
13           report to the Committee on Small Business of the  
14           House of Representatives and the Committee on  
15           Small Business and Entrepreneurship of the Senate  
16           on the results of such study.

17           (c) *GAO STUDY AND REPORT ON SIZE STATUS.*—

18           (1) *STUDY.*—The Comptroller General of the  
19           United States shall conduct a study—

20                   (A) to assess whether Federal agencies are  
21                   accurately identifying the size status of business  
22                   concerns awarded contracts in the Federal Pro-  
23                   curement Data System as small business con-  
24                   cerns; and

1           (B) to identify, to the extent practicable, the  
2           impact of incorrect size status designations on  
3           meeting the requirements related to goals in sub-  
4           sections (g) and (h) of section 15 of the Small  
5           Business Act (15 U.S.C. 644).

6           (2) CONTENTS.—The study described in para-  
7           graph (1) shall include—

8           (A) a description of the procedures and  
9           processes of each Federal agency, including the  
10          roles of the individuals described in section  
11          1633(b) of the National Defense Authorization  
12          Act for Fiscal Year 2013 (Public Law 112–239;  
13          126 10 Stat. 2076; 15 U.S.C. 631 note) and the  
14          training provided to the acquisition workforce of  
15          such agency (as described under section 1703 of  
16          title 41, United States Code);

17          (B) a description of the extent to which such  
18          processes and procedures help ensure that busi-  
19          ness concerns are assigned the most appropriate  
20          size status;

21          (C) a description of the interactions among  
22          the Federal Procurement Data System, the Sys-  
23          tem for Award Management (as described under  
24          subpart 4.11 of title 48, Code of Federal Regula-  
25          tions) and comparable systems run by the Small

1           *Business Administration and recommendations*  
2           *for improving each system to reduce errors in re-*  
3           *porting size status; and*

4                     (D) *recommendations on how to improve*  
5           *the accuracy of the goaling reports required*  
6           *under section 15(h) of the Small Business Act*  
7           *(15 U.S.C. 644(h)).*

8           (3) *REPORT.*—*Not later than 1 year after the*  
9           *date of enactment of the Small Contractors Improve*  
10          *Competition Act of 2015, the Comptroller General*  
11          *shall submit a report to the Committee on Small*  
12          *Business of the House of Representatives and the*  
13          *Committee on Small Business and Entrepreneurship*  
14          *of the Senate containing the results of the study con-*  
15          *ducted under paragraph (1).*

16                    (4) *DEFINITIONS.*—*In this subsection, the fol-*  
17          *lowing definitions shall apply:*

18                           (A) *FEDERAL AGENCY.*—*The term “Federal*  
19           *agency” has the meaning given such term in sec-*  
20           *tion 3(b) of the Small Business Act (15 U.S.C.*  
21           *632(b)).*

22                           (B) *FEDERAL PROCUREMENT DATA SYS-*  
23           *TEM.*—*The term “Federal Procurement Data*  
24           *System” means the system referred to in section*

1           1122(a)(4)(A) of title 41, United States Code, or  
2           any successor system.

3           (C) *SMALL BUSINESS CONCERN.*—The term  
4           “small business concern” has the meaning given  
5           such term under section 3 of the Small Business  
6           Act (15 U.S.C. 632).

7   **SEC. 3. DATA QUALITY IMPROVEMENT.**

8           (a) *IN GENERAL.*—Section 15(s) of the Small Business  
9           Act (15 U.S.C. 644(s)) is amended—

10           (1) by redesignating paragraph (4) as para-  
11           graph (6); and

12           (2) by inserting after paragraph (3) the fol-  
13           lowing new paragraphs:

14           “(4) *IMPLEMENTATION.*—Not later than the first  
15           day of fiscal year 2017, the Administrator of the  
16           Small Business Administration shall implement the  
17           plan described in this subsection.

18           “(5) *CERTIFICATION.*—The Administrator shall  
19           annually provide to the Committee on Small Business  
20           of the House of Representatives and the Committee on  
21           Small Business and Entrepreneurship of the Senate  
22           certification of the accuracy and completeness of data  
23           reported on bundled and consolidated contracts.”.

24           (b) *GAO STUDY.*—

1           (1) *STUDY.*—Not later than the first day of fiscal  
2           year 2018, the Comptroller General of the United  
3           States shall initiate a study on the effectiveness of the  
4           plan described in section 15(s) of the Small Business  
5           Act (15 U.S.C. 644(s)) that shall assess whether con-  
6           tracts were accurately labeled as bundled or consoli-  
7           dated.

8           (2) *CONTRACTS EVALUATED.*—For the purposes  
9           of conducting the study described in paragraph (1),  
10          the Comptroller General of the United States—

11                 (A) shall evaluate, for work in each of sec-  
12                 tors 23, 33, 54, and 56 (as defined by the North  
13                 American Industry Classification System), not  
14                 fewer than 100 contracts in each sector;

15                 (B) shall evaluate only those contracts—

16                         (i) awarded by an agency listed in sec-  
17                         tion 901(b) of title 31, United States Code;  
18                         and

19                         (ii) that have a *Base and Exercised*  
20                         *Options Value*, an *Action Obligation*, or a  
21                         *Base and All Options Value* (as such terms  
22                         are defined in the Federal procurement data  
23                         system described in section 1122(a)(4)(A) of  
24                         title 41, United States Code, or any suc-  
25                         cessor system); and



1           (C) shall not evaluate contracts that have  
2           used any set aside authority.

3           (3) *REPORT.*—Not later than 12 months after  
4           initiating the study required by paragraph (1), the  
5           Comptroller General of the United States shall report  
6           to the Committee on Small Business of the House of  
7           Representatives and the Committee on Small Business  
8           and Entrepreneurship of the Senate on the results  
9           from such study and, if warranted, any recommenda-  
10          tions on how to improve the quality of data reported  
11          on bundled and consolidated contracts.

12 **SEC. 4. NOTICE AND JUSTIFICATION REQUIREMENTS FOR**  
13           **BUNDLING OR CONSOLIDATION OF CON-**  
14           **TRACT REQUIREMENTS.**

15          (a) *NOTICE OF CONTRACT CONSOLIDATION FOR AC-*  
16          *QUISITION STRATEGIES.*—Section 44(c)(2) of the Small  
17          Business Act (15 U.S.C. 657q(c)(2)) is amended by adding  
18          at the end the following:

19                 “(C) *NOTICE.*—Not later than 7 days after  
20                 making a determination that an acquisition  
21                 strategy involving a consolidation of contract re-  
22                 quirements is necessary and justified under sub-  
23                 paragraph (A), the senior procurement executive  
24                 or Chief Acquisition Officer shall publish a no-  
25                 tice on a public website that such determination

1           *has been made. Any solicitation for a procure-*  
2           *ment related to the acquisition strategy may not*  
3           *be published earlier than 7 days after such notice*  
4           *is published. Along with the publication of the*  
5           *solicitation, the senior procurement executive or*  
6           *Chief Acquisition Officer shall publish a jus-*  
7           *tification for the determination, which shall in-*  
8           *clude the information in subparagraphs (A)*  
9           *through (E) of paragraph (1).”.*

10           *(b) NOTICE OF CONTRACT CONSOLIDATION FOR PRO-*  
11           *CUREMENT STRATEGIES.—Section 15(e)(3) of such Act (15*  
12           *U.S.C. 644(e)(3)) is amended to read as follows:*

13                   *“(3) STRATEGY SPECIFICATIONS.—If the head of*  
14           *a contracting agency determines that an acquisition*  
15           *plan for a procurement involves a substantial bun-*  
16           *dling of contract requirements, the head of a con-*  
17           *tracting agency shall publish a notice on a public*  
18           *website that such determination has been made not*  
19           *later than 7 days after making such determination.*  
20           *Any solicitation for a procurement related to the ac-*  
21           *quisition plan may not be published earlier than 7*  
22           *days after such notice is published. Along with the*  
23           *publication of the solicitation, the head of a con-*  
24           *tracting agency shall publish a justification for the*

1 *determination, which shall include following informa-*  
2 *tion:*

3 “(A) *The specific benefits anticipated to be*  
4 *derived from the bundling of contract require-*  
5 *ments and a determination that such benefits*  
6 *justify the bundling.*

7 “(B) *An identification of any alternative*  
8 *contracting approaches that would involve a less-*  
9 *er degree of bundling of contract requirements.*

10 “(C) *An assessment of—*

11 “(i) *the specific impediments to par-*  
12 *ticipation by small business concerns as*  
13 *prime contractors that result from the bun-*  
14 *dling of contract requirements; and*

15 “(ii) *the specific actions designed to*  
16 *maximize small business participation as*  
17 *subcontractors (including suppliers) at var-*  
18 *ious tiers under the contract or contracts*  
19 *that are awarded to meet the require-*  
20 *ments.”.*

21 (c) *TECHNICAL AMENDMENT.—Section 44(c)(1) of*  
22 *such Act (15 U.S.C. 657q(c)(1)) is amended by striking*  
23 *“Subject to paragraph (4), the head” and inserting “The*  
24 *head”.*

1 **SEC. 5. JOINT VENTURING AND TEAMING.**

2       (a) *JOINT VENTURE OFFERS FOR BUNDLED OR CON-*  
3 *SOLIDATED CONTRACTS.*—Section 15(e)(4) of the Small  
4 *Business Act (15 U.S.C. 644(e)(4)) is amended to read as*  
5 *follows:*

6               “(4) *CONTRACT TEAMING.*—

7                       “(A) *IN GENERAL.*—*In the case of a solici-*  
8 *tation of offers for a bundled or consolidated con-*  
9 *tract that is issued by the head of an agency, a*  
10 *small business concern may submit an offer that*  
11 *provides for use of a particular team of sub-*  
12 *contractors or a joint venture of small business*  
13 *concerns for the performance of the contract.*

14                       “(B) *EVALUATION OF OFFERS.*—*The head of*  
15 *the agency shall evaluate the offer of a team or*  
16 *a joint venture of small business concerns in the*  
17 *same manner as other offers, with due consider-*  
18 *ation to the capabilities of all of the proposed*  
19 *subcontractors or members of the joint venture as*  
20 *follows:*

21                               “(i) *TEAMS.*—*When evaluating an*  
22 *offer of a small business prime contractor*  
23 *whose offer includes a proposed team of*  
24 *small business subcontractors, the head of*  
25 *the agency shall consider the capabilities*  
26 *and past performance of each first tier sub-*

1 contractor that is part of the team as the  
2 capabilities and past performance of the  
3 team.

4 “(ii) *JOINT VENTURES.*—When evalu-  
5 ating an offer of a joint venture of small  
6 business concerns, if the joint venture does  
7 not have sufficient capabilities or past per-  
8 formance to be considered for award of a  
9 contract opportunity, the head of the agency  
10 shall consider the capabilities and past per-  
11 formance of each member of the joint ven-  
12 ture as the capabilities past performance of  
13 the joint venture.

14 “(C) *STATUS AS A SMALL BUSINESS CON-*  
15 *CERN.*—Participation of a small business con-  
16 cern in a team or a joint venture under this  
17 paragraph shall not affect the status of that con-  
18 cern as a small business concern with respect to  
19 the performance of a contract described in sub-  
20 paragraph (A).”.

21 (b) *TEAM AND JOINT VENTURES OFFERS FOR MUL-*  
22 *TIPLE AWARD CONTRACTS.*—Section 15(q)(1) of such Act  
23 (15 U.S.C. 644(q)(1)) is amended—

24 (1) in the heading, by inserting “AND JOINT  
25 VENTURE” before “REQUIREMENTS”;

1           (2) *by striking “Each Federal agency” and in-*  
2 *serting the following:*

3                   “(A) *IN GENERAL.—Each Federal agency*”;

4           *and*

5           (3) *by adding at the end the following new sub-*  
6 *paragraphs:*

7                   “(B) *TEAMS.—When evaluating an offer of*  
8 *a small business prime contractor whose offer in-*  
9 *cludes a proposed team of small business sub-*  
10 *contractors for any multiple award contract*  
11 *above the substantial bundling threshold of the*  
12 *Federal agency, the head of the agency shall con-*  
13 *sider the capabilities and past performance of*  
14 *each first tier subcontractor that is part of the*  
15 *team as the capabilities and past performance of*  
16 *the offeror.*

17                   “(C) *JOINT VENTURES.—When evaluating*  
18 *an offer of a joint venture of small business con-*  
19 *cerns for any multiple award contract above the*  
20 *substantial bundling threshold of the Federal*  
21 *agency, if the joint venture does not have suffi-*  
22 *cient capabilities or past performance to be con-*  
23 *sidered for award of a contract opportunity, the*  
24 *head of the agency shall consider the capabilities*  
25 *and past performance of each member of the*

1           *joint venture as the capabilities and past per-*  
2           *formance of the joint venture.*

3           “(D) *USE OF SMALL BUSINESS TEAMS OR*  
4           *JOINT VENTURES.—*

5                   “(i) *IN GENERAL.—For contracts*  
6                   *awarded under section 8(a), 8(m), 15(a),*  
7                   *15(j), 31, or 36 to a small business team or*  
8                   *a joint venture of small business concerns,*  
9                   *the contracting officer shall certify annually*  
10                   *to the Administration, for each year the*  
11                   *contract is in effect, that each small busi-*  
12                   *ness concern member of such team or joint*  
13                   *venture has the same status of a small busi-*  
14                   *ness concern, small business concern owned*  
15                   *and controlled by service-disabled veterans,*  
16                   *qualified HUBZone small business concern,*  
17                   *small business concern owned and controlled*  
18                   *by socially and economically disadvantaged*  
19                   *individuals, or small business concern*  
20                   *owned and controlled by women, as appli-*  
21                   *cable, that such concern had at the time the*  
22                   *contract was awarded.*

23                   “(ii) *EXCEPTION.—The requirements of*  
24                   *clause (i) shall not apply to a contract*  
25                   *awarded to a joint venture of small business*

1                    *concerns that is a protege under a mentor-*  
2                    *protege program approved pursuant to sec-*  
3                    *tion 45.”.*

4            *(c) RULEMAKING.—Not later than 1 year after the date*  
5 *of enactment of this section, the Administrator of the Small*  
6 *Business Administration shall issue any regulations nec-*  
7 *essary to carry out the amendments made by this section.*

8    **SEC. 6. LIMITATIONS ON REVERSE AUCTIONS.**

9            *(a) SENSE OF CONGRESS.—It is the sense of Congress*  
10 *that, when used appropriately, reverse auctions may im-*  
11 *prove the Federal Government’s procurement of commer-*  
12 *cially available commodities by increasing competition, re-*  
13 *ducing prices, and improving opportunities for small busi-*  
14 *nesses.*

15            *(b) LIMITATIONS ON REVERSE AUCTIONS.—The Small*  
16 *Business Act (15 U.S.C. 631 et seq.) is amended—*

17                    *(1) by redesignating section 47 (15 U.S.C. 631*  
18                    *note) as section 48; and*

19                    *(2) by inserting after section 46 the following*  
20                    *new section:*

21    **“SEC. 47. LIMITATIONS ON REVERSE AUCTIONS.**

22            *“(a) PROHIBITION ON USING REVERSE AUCTIONS FOR*  
23 *COVERED CONTRACTS.—In the case of a covered contract*  
24 *described in subsection (c), reverse auction methods may not*  
25 *be used if the award of the contract is to be made under—*



- 1           “(1) section 8(a);  
2           “(2) section 8(m);  
3           “(3) section 15(a);  
4           “(4) section 15(j);  
5           “(5) section 31; or  
6           “(6) section 36.

7           “(b) *LIMITATIONS ON USING REVERSE AUCTIONS.*—  
8 *In the case of the award of a contract to be made under*  
9 *paragraphs (1) through (6) of subsection (a) that is not a*  
10 *covered contract, reverse auction methods may be used pur-*  
11 *suant to the following requirements:*

12           “(1) *DECISIONS REGARDING USE OF A REVERSE*  
13 *AUCTION.*—*A contracting officer shall make the fol-*  
14 *lowing decisions, which may not be delegated to any*  
15 *person except for another contracting officer who*  
16 *meets the training requirements of paragraph (2):*

17           “(A) *A decision to use reverse auction meth-*  
18 *ods as part of the competition for award of a*  
19 *contract.*

20           “(B) *Any decision made after the decision*  
21 *described in subsection (A) regarding the appro-*  
22 *priate evaluation criteria, the inclusion of ven-*  
23 *dors, the acceptability of vendor submissions (in-*  
24 *cluding decisions regarding timeliness), and the*  
25 *selection of the winner.*

1           “(2) *TRAINING REQUIRED.*—*Only a contracting*  
2 *officer who has received training on the appropriate*  
3 *use and supervision of reverse auction methods of con-*  
4 *tracting may supervise or use such methods in a pro-*  
5 *curement for a contract. The training shall be pro-*  
6 *vided by, or similar to the training provided by, the*  
7 *Defense Acquisition University as described in section*  
8 *824 of the Carl Levin and Howard P. ‘Buck’ McKeon*  
9 *National Defense Authorization Act for Fiscal Year*  
10 *2015 (Public Law 113–291).*

11           “(3) *NUMBER OF OFFERS; REVISIONS TO BIDS.*—  
12 *A Federal agency may not award a contract using a*  
13 *reverse auction method if only one offer is received or*  
14 *if offerors do not have the ability to submit revised*  
15 *bids with lower prices throughout the course of the*  
16 *auction.*

17           “(4) *TECHNICALLY ACCEPTABLE OFFERS.*—*A*  
18 *Federal agency awarding a contract using a reverse*  
19 *auction method shall evaluate the technical accept-*  
20 *ability of offers only as technically acceptable or un-*  
21 *acceptable.*

22           “(5) *USE OF PRICE RANKINGS.*—*A Federal agen-*  
23 *cy may not award a contract using a reverse auction*  
24 *method if at any time during the award process the*  
25 *Federal agency misinforms an offeror about the price*

1       *ranking of the offeror’s last offer submitted in relation*  
2       *to offers submitted by other offerors.*

3               “(6) *USE OF THIRD-PARTY AGENTS.*—*If a Fed-*  
4       *eral agency uses a third party agent to assist with the*  
5       *award of contracts using a reverse auction method,*  
6       *the Federal agency shall ensure that—*

7               “(A) *inherently governmental functions (as*  
8       *such term is used in section 2303 of title 41,*  
9       *United States Code) are not performed by pri-*  
10       *vate contractors, including by the third party*  
11       *agent;*

12               “(B) *information on the past contract per-*  
13       *formance of offerors created by the third party*  
14       *agent and shared with the Federal agency is col-*  
15       *lected, maintained, and shared in compliance*  
16       *with section 1126 of title 41, United States Code;*

17               “(C) *information on whether an offeror is a*  
18       *responsible source (as defined in section 113 of*  
19       *title 41, United States Code) that is created by*  
20       *the third party agent and shared with the Fed-*  
21       *eral agency is shared with the offeror and com-*  
22       *plies with section 8(b)(7) of this Act; and*

23               “(D) *disputes between the third party agent*  
24       *and an offeror may not be used to justify a de-*  
25       *termination that an offeror is not a responsible*

1           source (as defined in section 113 of title 41,  
2           United States Code) or to otherwise restrict the  
3           ability of an offeror to compete for the award of  
4           a contract or task or delivery order.

5           “(c) *DEFINITIONS.*—*In this section:*

6                   “(1) *CONTRACTING OFFICER.*—*The term ‘con-*  
7                   *tracting officer’ has the meaning given that term in*  
8                   *section 2101(1) of title 41, United States Code.*

9                   “(2) *COVERED CONTRACT.*—*The term ‘covered*  
10                   *contract’ means a contract—*

11                           “(A) *for design and construction services;*

12                           “(B) *for goods purchased to protect Federal*  
13                           *employees, members of the Armed Forces, or ci-*  
14                           *vilians from bodily harm; or*

15                           “(C) *for goods or services other than those*  
16                           *goods or services described in subparagraph (A)*  
17                           *or (B)—*

18                                   “(i) *to be awarded based on factors*  
19                                   *other than price and technical responsi-*  
20                                   *bility; or*

21                                   “(ii) *if awarding the contract requires*  
22                                   *the contracting officer to conduct discus-*  
23                                   *sions with the offerors about their offer.*

24                   “(3) *DESIGN AND CONSTRUCTION SERVICES.*—  
25                   *The term ‘design and construction services’ means—*

1           “(A) *site planning and landscape design;*

2           “(B) *architectural and interior design;*

3           “(C) *engineering system design;*

4           “(D) *performance of construction work for*  
5           *facility, infrastructure, and environmental res-*  
6           *toration projects;*

7           “(E) *delivery and supply of construction*  
8           *materials to construction sites;*

9           “(F) *construction, alteration, or repair, in-*  
10          *cluding painting and decorating, of public build-*  
11          *ings and public works; and*

12          “(G) *architectural and engineering services*  
13          *as defined in section 1102 of title 40, United*  
14          *States Code.*

15          “(4) *REVERSE AUCTION.*—*The term ‘reverse auc-*  
16          *tion’ means, with respect to procurement by an agen-*  
17          *cy, an auction between a group of offerors who com-*  
18          *pete against each other by submitting offers for a con-*  
19          *tract or task or delivery order with the ability to sub-*  
20          *mit revised offers with lower prices throughout the*  
21          *course of the auction.”.*

22   **SEC. 7. REVISION TO THE NONMANUFACTURER RULE.**

23          (a) *PROCUREMENT CONTRACTS.*—*Section 8(a)(17) of*  
24          *the Small Business Act (15 U.S.C. 637(a)(17)) is amend-*  
25          *ed—*

1           (1) *in subparagraph (A), by striking “any pro-*  
2           *urement contract” and all that follows through “sec-*  
3           *tion 15” and inserting “any procurement contract,*  
4           *which contract has as its principal purpose the sup-*  
5           *ply of a product to be let pursuant to this subsection*  
6           *or subsection (m), or section 15(a), 31, or 36,”; and*

7           (2) *by adding at the end the following new sub-*  
8           *paragraph:*

9           “(C) *LIMITATION.—This paragraph shall not*  
10          *apply to a contract that has as its principal purpose*  
11          *the acquisition of services or construction.”.*

12          (b) *SUBCONTRACTOR CONTRACTS.—Section 46(a)(4) of*  
13          *such Act (15 U.S.C. 657s(a)(4)) is amended by striking “for*  
14          *supplies from a regular dealer in such supplies” and insert-*  
15          *ing “which is principally for supplies from a regular dealer*  
16          *in such supplies, and which is not a contract principally*  
17          *for services or construction”.*

18          (c) *PUBLICATION OF CLASS WAIVERS.—The Adminis-*  
19          *trator of the Small Business Administration shall publish*  
20          *a list of waivers to the requirements of section 8(a)(17) of*  
21          *the Small Business Act (15 U.S.C. 637(a)(17)) granted for*  
22          *a class of products as an appendix to section 121.406 of*  
23          *title 13, Code of Federal Regulations (or any successor regu-*  
24          *lation).*

25          (d) *RULEMAKING.—*

1           (1) *IN GENERAL.*—Not later than 1 year after  
2           the date of enactment of this section, the Adminis-  
3           trator of the Small Business Administration shall  
4           issue any rules necessary to carry out the amend-  
5           ments made by this section.

6           (2) *REPORT.*—Not later than 1 year after the  
7           issuance of the rules required in paragraph (1), the  
8           Comptroller General shall—

9                   (A) review the compliance of the Small  
10                  Business Administration with the application of  
11                  the requirements of section 8(a)(17) of the Small  
12                  Business Act (15 U.S.C. 637(a)(17)); and

13                  (B) submit a report to the Committee on  
14                  Small Business of the House of Representatives  
15                  and the Committee on Small Business and En-  
16                  trepreneurship of the Senate with any rec-  
17                  ommendations on how to increase compliance  
18                  with such requirements.

19 **SEC. 8. CERTIFICATION REQUIREMENTS FOR PROCURE-**  
20 **MENT CENTER REPRESENTATIVES.**

21           Section 15(l)(5)(A)(iii) of the Small Business Act (15  
22           U.S.C. 644(l)(5)(A)(iii)) is amended by striking “except  
23           that” and all that follows through the period at the end  
24           and inserting the following: “except that—

1           “(I) any person serving in such a  
2           position on or before January 3, 2013,  
3           may continue to serve in that position  
4           for a period of 5 years beginning on  
5           such date without the required certifi-  
6           cation; and

7           “(II) any person hired for such  
8           position after January 3, 2013, may  
9           have up to one calendar year from the  
10          date of employment to obtain the re-  
11          quired certification.”.

12 **SEC. 9. CERTIFICATION REQUIREMENTS FOR BUSINESS OP-**  
13 **PORTUNITY SPECIALISTS.**

14          (a) *IN GENERAL.*—Section 4 of the Small Business Act  
15          (15 U.S.C. 633) is amended by adding at the end the fol-  
16          lowing new subsection:

17          “(g) *CERTIFICATION REQUIREMENTS FOR BUSINESS*  
18          *OPPORTUNITY SPECIALISTS.*—A Business Opportunity  
19          Specialist described under section 7(j)(10)(D) shall have a  
20          Level I Federal Acquisition Certification in Contracting (or  
21          any successor certification) or the equivalent Department  
22          of Defense certification, except that—

23                 “(1) a Business Opportunity Specialist who was  
24                 serving on or before January 3, 2013, may continue  
25                 to serve as a Business Opportunity Specialist for a



1       *period of 5 years beginning on such date without such*  
2       *a certification; and*

3               “(2) *any person hired as a Business Oppor-*  
4       *tunity Specialist after January 3, 2013, may have up*  
5       *to one calendar year from the date of employment to*  
6       *obtain the required certification.”.*

7       (b)           *CONFORMING            AMENDMENT.—Section*  
8       *7(j)(10)(D)(i) of such Act (15 U.S.C. 636(j)(10)(D)(i)) is*  
9       *amended by striking the second sentence.*

10   **SEC. 10. CERTIFICATION REQUIREMENTS FOR COMMER-**  
11                   ****CIAL MARKET REPRESENTATIVES.****

12       *Section 4 of the Small Business Act (15 U.S.C. 633),*  
13       *as amended by section 9 of this Act, is further amended*  
14       *by adding at the end the following new subsection:*

15               “(h) *CERTIFICATION REQUIREMENTS FOR COMMER-*  
16       *CIAL MARKET REPRESENTATIVES.—A commercial market*  
17       *representative referred to in section 15(q)(3) shall have a*  
18       *Level I Federal Acquisition Certification in Contracting (or*  
19       *any successor certification) or the equivalent Department*  
20       *of Defense certification, except that—*

21               “(1) *a commercial market representative who*  
22       *was serving on or before the date of enactment of the*  
23       *Small Contractors Improve Competition Act of 2015*  
24       *may continue to serve as a commercial market rep-*

1        *representative for a period of 5 years beginning on such*  
2        *date without such a certification; and*

3                *“(2) any person hired as a commercial market*  
4        *representative after the date of enactment of the Small*  
5        *Contractors Improve Competition Act of 2015 may*  
6        *have up to one calendar year from the date of employ-*  
7        *ment to obtain the required certification.”.*



Union Calendar No. 390

114<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**H. R. 1481**

[Report No. 114-510]

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## **A BILL**

To amend the Small Business Act to strengthen the small business industrial base, and for other purposes.

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APRIL 19, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed