

# Union Calendar No. 175

115TH CONGRESS  
1ST SESSION

# H. R. 2749

**[Report No. 115–243]**

To amend title 38, United States Code, to improve the oversight of contracts awarded by the Secretary of Veterans Affairs to small business concerns owned and controlled by veterans, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2017

Mr. BERGMAN (for himself and Ms. KUSTER of New Hampshire) introduced the following bill; which was referred to the Committee on Veterans' Affairs

JULY 24, 2017

Additional sponsor: Mr. DUNN

JULY 24, 2017

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

# **A BILL**

To amend title 38, United States Code, to improve the oversight of contracts awarded by the Secretary of Veterans Affairs to small business concerns owned and controlled by veterans, 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 “Protecting Business  
5 Opportunities for Veterans Act of 2017”.

6 **SEC. 2. LIMITATIONS ON SUBCONTRACTS UNDER CON-**  
7 **TRACTS WITH SMALL BUSINESS CONCERNS**  
8 **OWNED AND CONTROLLED BY VETERANS.**

9 (a) IN GENERAL.—Section 8127 of title 38, United  
10 States Code, is amended—

11 (1) by redesignating subsection (l) as subsection  
12 (m); and

13 (2) by inserting after subsection (k) the fol-  
14 lowing new subsection (l):

15 “(l) LIMITATIONS ON SUBCONTRACTING.—(1)(A)  
16 The requirements applicable to a covered small business  
17 concern under section 46 of the Small Business Act (15  
18 U.S.C. 657s) shall apply with respect to a small business  
19 concern owned and controlled by veterans that is awarded  
20 a contract under this section.

21 “(B) For purposes of applying the requirements of  
22 section 46 of the Small Business Act (15 U.S.C. 657s)  
23 pursuant to subparagraph (A), the term ‘similarly situated  
24 entity’ used in such section 46 includes a subcontractor

1 for a small business concern owned and controlled by vet-  
2 erans described in such subparagraph (A).

3 “(2) The Secretary may award a contract under this  
4 section only after the Secretary obtains from the offeror  
5 a certification that the offeror will comply with the re-  
6 quirements described in paragraph (1)(A) if awarded the  
7 contract. Such certification shall—

8 “(A) specify the exact performance require-  
9 ments applicable under such paragraph; and

10 “(B) explicitly acknowledge that the certifi-  
11 cation is subject to section 1001 of title 18.

12 “(3)(A) The Director of Small and Disadvantaged  
13 Business Utilization for the Department, established pur-  
14 suant to section 15(k) of the Small Business Act (15  
15 U.S.C. 644(k)), and the Chief Acquisition Officer of the  
16 Department, established pursuant to section 1702 of title  
17 41, shall jointly implement a process using the systems  
18 described in section 16(g)(2) of the Small Business Act  
19 (15 U.S.C. 645(g)(2)), and any other relevant systems  
20 available, to monitor compliance with this subsection.

21 “(B) The Director of Small and Disadvantaged Busi-  
22 ness Utilization and the Chief Acquisition Officer shall  
23 jointly refer any violations or suspected violations of this  
24 subsection to the Inspector General of the Department.

1       “(C) If the Secretary determines, in consultation with  
2 the Inspector General of the Department, that a small  
3 business concern that is awarded a contract under this  
4 section did not act in good faith with respect to the re-  
5 quirements described in paragraph (1)(A), the small busi-  
6 ness concern shall be subject to any or all of the following  
7 consequences—

8               “(i) referral to the Debarment and Suspension  
9 Committee of the Department;

10              “(ii) a fine under section 16(g)(1) of the Small  
11 Business Act (15 U.S.C. 645(g)(1)); and

12              “(iii) prosecution for violating section 1001 of  
13 title 18.

14       “(D) Not later than November 30 of each year, the  
15 Inspector General shall submit to the Committees on Vet-  
16 erans’ Affairs of the Senate and House of Representatives  
17 a report for the fiscal year preceding the fiscal year during  
18 which the report is submitted that includes, for the fiscal  
19 year covered by the report—

20              “(i) the number of referred violations and sus-  
21 pected violations received under subparagraph (B);  
22 and

23              “(ii) the disposition of such referred violations,  
24 including the number of small business concerns sus-

1       pended or debarred from Federal contracting or re-  
2       ferred to the Attorney General for prosecution.”.

3       (b) **EFFECTIVE DATE.**—Subsection (l) of section  
4 8127 of title 38, United States Code, as added by sub-  
5 section (a) shall apply with respect to a contract entered  
6 into after the date of the enactment of this Act.



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