

115TH CONGRESS  
1ST SESSION

# H. R. 1773

To amend the Small Business Act to improve reporting on small business goals, achieve uniformity in procurement terminology, clarify the role of small business advocates, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2017

Mr. CHABOT (for himself and Ms. VELÁZQUEZ) introduced the following bill;  
which was referred to the Committee on Small Business

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## A BILL

To amend the Small Business Act to improve reporting on small business goals, achieve uniformity in procurement terminology, clarify the role of small business advocates, 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 “Clarity for America’s Small Contractors Act of 2017”.

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

Sec. 1. Short title; table of contents.

TITLE I—IMPROVING TRANSPARENCY AND CLARITY FOR SMALL  
BUSINESSES

Sec. 101. Improving reporting on small business goals.

Sec. 102. Uniformity in procurement terminology.

TITLE II—CLARIFYING THE ROLES OF SMALL BUSINESS  
ADVOCATES

Sec. 201. Responsibilities of commercial market representatives.

Sec. 202. Responsibilities of business opportunity specialists.

1 **TITLE I—IMPROVING TRANS-**  
2 **PARENCY AND CLARITY FOR**  
3 **SMALL BUSINESSES**

4 **SEC. 101. IMPROVING REPORTING ON SMALL BUSINESS**  
5 **GOALS.**

6 (a) IN GENERAL.—Section 15(h)(2)(E) of the Small  
7 Business Act (15 U.S.C. 644(h)(2)(E)) is amended—

8 (1) in clause (i)—

9 (A) in subclause (III), by striking “and” at  
10 the end; and

11 (B) by adding at the end the following new  
12 subclauses:

13 “(V) that were purchased by an-  
14 other entity after the initial contract  
15 was awarded and as a result of the  
16 purchase, would no longer be deemed  
17 to be small business concerns for pur-  
18 poses of the initial contract; and

19 “(VI) that were awarded using a  
20 procurement method that restricted

1 competition to small business concerns  
2 owned and controlled by service-dis-  
3 abled veterans, qualified HUBZone  
4 small business concerns, small busi-  
5 ness concerns owned and controlled by  
6 socially and economically disadvan-  
7 taged individuals, small business con-  
8 cerns owned and controlled by women,  
9 or a subset of any such concerns;”;

10 (2) in clause (ii)—

11 (A) in subclause (IV), by striking “and” at  
12 the end; and

13 (B) by adding at the end the following new  
14 subclauses:

15 “(VI) that were purchased by an-  
16 other entity after the initial contract  
17 was awarded and as a result of the  
18 purchase, would no longer be deemed  
19 to be small business concerns owned  
20 and controlled by service-disabled vet-  
21 erans for purposes of the initial con-  
22 tract; and

23 “(VII) that were awarded using a  
24 procurement method that restricted  
25 competition to qualified HUBZone

1 small business concerns, small busi-  
2 ness concerns owned and controlled by  
3 socially and economically disadvan-  
4 taged individuals, small business con-  
5 cerns owned and controlled by women,  
6 or a subset of any such concerns;”;

7 (3) in clause (iii)—

8 (A) in subclause (V), by striking “and” at  
9 the end; and

10 (B) by adding at the end the following new  
11 subclauses:

12 “(VII) that were purchased by  
13 another entity after the initial con-  
14 tract was awarded and as a result of  
15 the purchase, would no longer be  
16 deemed to be qualified HUBZone  
17 small business concerns for purposes  
18 of the initial contract; and

19 “(VIII) that were awarded using  
20 a procurement method that restricted  
21 competition to small business concerns  
22 owned and controlled by service-dis-  
23 abled veterans, small business con-  
24 cerns owned and controlled by socially  
25 and economically disadvantaged indi-

1                   viduals, small business concerns  
2                   owned and controlled by women, or a  
3                   subset of any such concerns;”;

4                   (4) in clause (iv)—

5                   (A) in subclause (V), by striking “and” at  
6                   the end; and

7                   (B) by adding at the end the following new  
8                   subclauses:

9                   “**(VII)** that were purchased by  
10                  another entity after the initial con-  
11                  tract was awarded and as a result of  
12                  the purchase, would no longer be  
13                  deemed to be small business concerns  
14                  owned and controlled by socially and  
15                  economically disadvantaged individ-  
16                  uals for purposes of the initial con-  
17                  tract; and

18                  “**(VIII)** that were awarded using  
19                  a procurement method that restricted  
20                  competition to small business concerns  
21                  owned and controlled by service-dis-  
22                  abled veterans, qualified HUBZone  
23                  small business concerns, small busi-  
24                  ness concerns owned and controlled by

1 women, or a subset of any such con-  
2 cerns;”;

3 (5) in clause (v)—

4 (A) in subclause (IV), by striking “and” at  
5 the end;

6 (B) in subclause (V), by inserting “and” at  
7 the end; and

8 (C) by adding at the end the following new  
9 subclause:

10 “(VI) that were purchased by an-  
11 other entity after the initial contract  
12 was awarded and as a result of the  
13 purchase, would no longer be deemed  
14 to be small business concerns owned  
15 by an Indian tribe other than an Alas-  
16 ka Native Corporation for purposes of  
17 the initial contract;”;

18 (6) in clause (vi)—

19 (A) in subclause (IV), by striking “and” at  
20 the end;

21 (B) in subclause (V), by inserting “and” at  
22 the end; and

23 (C) by adding at the end the following new  
24 subclause:

1                   “(VI) that were purchased by an-  
2                   other entity after the initial contract  
3                   was awarded and as a result of the  
4                   purchase, would no longer be deemed  
5                   to be small business concerns owned  
6                   by a Native Hawaiian Organization  
7                   for purposes of the initial contract;”;

8                   (7) in clause (vii)—

9                   (A) in subclause (IV), by striking “and” at  
10                  the end; and

11                  (B) by adding at the end the following new  
12                  subclause:

13                                 “(VI) that were purchased by an-  
14                                 other entity after the initial contract  
15                                 was awarded and as a result of the  
16                                 purchase, would no longer be deemed  
17                                 to be small business concerns owned  
18                                 by an Alaska Native Corporation for  
19                                 purposes of the initial contract; and”;  
20                                 and

21                   (8) in clause (viii)—

22                   (A) in subclause (VII), by striking “and”  
23                   at the end;

24                   (B) in subclause (VIII), by striking “and”  
25                   at the end; and

1 (C) by adding at the end the following new  
2 subclauses:

3 “(IX) that were purchased by an-  
4 other entity after the initial contract  
5 was awarded and as a result of the  
6 purchase, would no longer be deemed  
7 to be small business concerns owned  
8 and controlled by women for purposes  
9 of the initial contract; and

10 “(X) that were awarded using a  
11 procurement method that restricted  
12 competition to small business concerns  
13 owned and controlled by service-dis-  
14 abled veterans, qualified HUBZone  
15 small business concerns, small busi-  
16 ness concerns owned and controlled by  
17 socially and economically disadvan-  
18 taged individuals, or a subset of any  
19 such concerns; and”.

20 (b) EFFECTIVE DATE.—The Administrator of the  
21 Small Business Administration shall be required to report  
22 on the information required by clauses (i)(V), (ii)(VI),  
23 (iii)(VII), (iv)(VII), (v)(VI), (vi)(VI), (vii)(VI), and  
24 (viii)(IX) of section 15(h)(2)(E) of the Small Business Act  
25 (15 U.S.C. 644(h)(2)(E)) beginning on the date that such



1 information is available in the Federal Procurement Data  
2 System, the System for Award Management, or any new  
3 or successor system.

4 **SEC. 102. UNIFORMITY IN PROCUREMENT TERMINOLOGY.**

5 (a) IN GENERAL.—Section 15(j)(1) of the Small  
6 Business Act (15 U.S.C. 644(j)(1)) is amended by striking  
7 “greater than \$2,500 but not greater than \$100,000” and  
8 inserting “greater than the micro-purchase threshold, but  
9 not greater than the simplified acquisition threshold”.

10 (b) TECHNICAL AMENDMENT.—Section 3(m) of the  
11 Small Business Act (15 U.S.C. 632(m)) is amended to  
12 read as follows:

13 “(m) DEFINITIONS RELATING TO CONTRACTING.—  
14 In this Act:

15 “(1) PRIME CONTRACT.—The term ‘prime con-  
16 tract’ has the meaning given such term in section  
17 8701(4) of title 41, United States Code.

18 “(2) PRIME CONTRACTOR.—The term ‘prime  
19 contractor’ has the meaning given such term in sec-  
20 tion 8701(5) of title 41, United States Code.

21 “(3) SIMPLIFIED ACQUISITION THRESHOLD.—  
22 The term ‘simplified acquisition threshold’ has the  
23 meaning given such term in section 134 of title 41,  
24 United States Code.

1           “(4) MICRO-PURCHASE THRESHOLD.—The  
2 term ‘micro-purchase threshold’ has the meaning  
3 given such term in section 1902 of title 41, United  
4 States Code.

5           “(5) TOTAL PURCHASE AND CONTRACTS FOR  
6 PROPERTY AND SERVICES.—The term ‘total pur-  
7 chases and contracts for property and services’ shall  
8 mean total number and total dollar amount of con-  
9 tracts and orders for property and services.”.

10 **TITLE II—CLARIFYING THE**  
11 **ROLES OF SMALL BUSINESS**  
12 **ADVOCATES**

13 **SEC. 201. RESPONSIBILITIES OF COMMERCIAL MARKET**  
14 **REPRESENTATIVES.**

15           Section 4(h) of the Small Business Act is amended  
16 to read as follows:

17           “(h) COMMERCIAL MARKET REPRESENTATIVES.—

18           “(1) DUTIES.—The principal duties of a Com-  
19 mercial Market Representative employed by the Ad-  
20 ministrator and reporting to the senior official ap-  
21 pointed by the Administrator with responsibilities  
22 under sections 8, 15, 31, and 36 (or the designee of  
23 such official) shall be to advance the policies estab-  
24 lished in section 8(d)(1) relating to subcontracting.

25           Such duties shall include—

1           “(A) helping prime contractors to find  
2 small business concerns that are capable of per-  
3 forming subcontracts;

4           “(B) for contractors awarded contracts  
5 containing the clause described in section  
6 8(d)(3), providing—

7                   “(i) counseling on the contractor’s re-  
8 sponsibility to maximize subcontracting op-  
9 portunities for small business concerns;

10                   “(ii) instruction on methods and tools  
11 to identify potential subcontractors that  
12 are small business concerns; and

13                   “(iii) assistance to increase awards to  
14 subcontractors that are small business con-  
15 cerns through visits, training, and reviews  
16 of past performance;

17           “(C) providing counseling on how a small  
18 business concern may promote its capacity to  
19 contractors awarded contracts containing the  
20 clause described in section 8(d)(3); and

21           “(D) conducting periodic reviews of con-  
22 tractors awarded contracts containing the  
23 clause described in section 8(d)(3) to assess  
24 compliance with subcontracting plans required  
25 under section 8(d)(6).

1 “(2) CERTIFICATION REQUIREMENTS.—

2 “(A) IN GENERAL.—Consistent with the  
3 requirements of subparagraph (B), a commer-  
4 cial market representative referred to in section  
5 15(q)(3) shall have a Level I Federal Acquisi-  
6 tion Certification in Contracting (or any suc-  
7 cessor certification) or the equivalent Depart-  
8 ment of Defense certification.

9 “(B) DELAY OF CERTIFICATION REQUIRE-  
10 MENT.—

11 “(i) TIMING.—The certification de-  
12 scribed in subparagraph (A) is not re-  
13 quired—

14 “(I) for any person serving as a  
15 commercial market representative on  
16 the date of the enactment of this sub-  
17 section, until the date that is one cal-  
18 endar year after the date such person  
19 was appointed as a commercial mar-  
20 ket representative; or

21 “(II) for any person serving as a  
22 commercial market representative on  
23 or before November 25, 2015, until  
24 November 25, 2020.

1                   “(ii) APPLICATION.—The require-  
 2                   ments of clause (i)(I) shall be included in  
 3                   any initial job posting for the position of a  
 4                   commercial market representative.”.

5 **SEC. 202. RESPONSIBILITIES OF BUSINESS OPPORTUNITY**  
 6                   **SPECIALISTS.**

7           Section 4(g) of the Small Business Act is amended  
 8 to read as follows:

9           “(g) BUSINESS OPPORTUNITY SPECIALISTS.—

10                   “(1) DUTIES.—The exclusive duties of a Busi-  
 11                   ness Opportunity Specialist employed by the Admin-  
 12                   istrator and reporting to the senior official appointed  
 13                   by the Administrator with responsibilities under sec-  
 14                   tions 8, 15, 31, and 36 (or the designee of such offi-  
 15                   cial) shall be to implement sections 7, 8, and 45 and  
 16                   to complete other duties related to contracting pro-  
 17                   grams under this Act. Such duties shall include—

18                           “(A) with respect to small business con-  
 19                           cerns eligible to receive contracts and sub-  
 20                           contracts pursuant to section 8(a)—

21                                   “(i) providing guidance, counseling,  
 22                                   and referrals for assistance with technical,  
 23                                   management, financial, or other matters  
 24                                   that will improve the competitive viability  
 25                                   of such concerns;

1           “(ii) identifying causes of success or  
2 failure of such concerns;

3           “(iii) providing comprehensive assess-  
4 ments of such concerns, including identi-  
5 fying the strengths and weaknesses of such  
6 concerns;

7           “(iv) monitoring and documenting  
8 compliance with the requirements of sec-  
9 tions 7 and 8 and any regulations imple-  
10 menting those sections;

11           “(v) explaining the requirements of  
12 sections 7, 8, 15, 31, 36 and 45; and

13           “(vi) advising on compliance with con-  
14 tracting regulations (including the Federal  
15 Acquisition Regulation) after award of  
16 such a contract or subcontract;

17           “(B) reviewing and monitoring compliance  
18 with mentor-protege agreements under section  
19 45;

20           “(C) representing the interests of the Ad-  
21 ministrators and small business concerns in the  
22 award, modification, and administration of con-  
23 tracts and subcontracts awarded pursuant to  
24 section 8(a); and

1           “(D) reporting fraud or abuse under sec-  
2           tion 7, 8, 15, 31, 36, or 45 or any regulations  
3           implementing such sections.

4           “(2) CERTIFICATION REQUIREMENTS.—

5           “(A) IN GENERAL.—Consistent with the  
6           requirements of subparagraph (B), a Business  
7           Opportunity Specialist described under section  
8           7(j)(10)(D) shall have a Level I Federal Acqui-  
9           sition Certification in Contracting (or any suc-  
10          cessor certification) or the equivalent Depart-  
11          ment of Defense certification.

12          “(B) DELAY OF CERTIFICATION REQUIRE-  
13          MENT.—

14               “(i) TIMING.—The certification de-  
15               scribed in subparagraph (A) is not re-  
16               quired—

17                       “(I) for any person serving as a  
18                       Business Opportunity Specialist on  
19                       the date of the enactment of this sub-  
20                       section, until the date that is one cal-  
21                       endar year after the date such person  
22                       was appointed as a Business Oppor-  
23                       tunity Specialist; or

24                       “(II) for any person serving as a  
25                       Business Opportunity Specialist on or

1 before January 3, 2013, until Janu-  
2 ary 3, 2020.

3 “(ii) APPLICATION.—The require-  
4 ments of clause (i)(I) shall be included in  
5 any initial job posting for the position of a  
6 commercial market representative.”.

○