



2019 HUBZone COUNCIL ADVOCACY ACTION REPORT

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Senate Small Business Committee SBA Reauthorization

- Council member Delali Dzirasa, President of Fearless, testified on behalf of the Council at the Senate Small Business Committee June 12 hearing, “Reauthorization of SBA’s Contracting Programs” – this was the only hearing the Committee held around contracting provisions in the reauthorization
- HUBZone advocated-for provisions included in draft chairman’s mark of the reauthorization bill:
 1. Raises sole source thresholds to \$8 million generally and \$10 million for manufacturing contracts
 - Eliminates inclusion of option years
 - Proposed amendment to be offered by Cardin: Eliminates the language from the WOSB/HUBZone/SDVOSB sole source programs that “unless the contracting officer is unable to obtain offers from two or more small business concerns that are competitive with market prices and are competitive with regard to the quality and delivery of the goods or services being purchased”
 2. Solidifies Small Business Runway Extension Act 5-year average of gross receipts for revenue based NAICS codes and adds employee based NAICS codes to this calculation by allowing them to also use a 5-year average for the purposes of size determination
 3. Adds the SBA as a member of the Federal Acquisition Regulatory (FAR) Council
 4. Requires SBA to report for each agency its goal achievement including the number, dollar amount, and distribution of subcontracts awarded to small businesses each year
 5. Requires the offices of small and disadvantaged business utilization (OSDBUs) to assist contracting officers with subcontracting compliance and developing remedial plans
 6. Requires agencies to pay small business contractors for work performed within 15 days of performance
 7. Requires prime contractors to pay small business subcontractors for work performed within 15 days of work performed

SBA HUBZone Program Rule Changes

- Worked throughout 2019 to shape HUBZone regulations with SBA
- Submitted comments to proposed rule, “Small Business HUBZone Program and Government Contracting Programs”
- Final regulation issued on November 26, 2019 – SBA agreed with 10 of the Council’s comments and implemented accordingly

Category Management

- Took the lead on the issue for the small business community
- Convened a roundtable with industry and government experts to discuss this topic
- As a result of this roundtable, House Small Business Committee held hearing on category management and Shirley Bailey testified on behalf of the Council
- Testimony resulted in H.R. 6382, “Clarity on Small Business Participation in Category Management Act of 2018” - creates a reporting requirement on small business participation in Best in Class vehicles - Provision was signed into law as part of the FY2020 National Defense Authorization Act (NDAA)

Subcontracting

- Council encouraged the Committee to look at incentives that would spur subcontracting plan compliance in our Senate testimony. As a result, in the SBA Reauthorization bill, included were:
 1. Requires SBA to report for each agency its goal achievement including the number, dollar amount, and distribution of subcontracts awarded to small businesses each year
 2. Requires the officers of small and disadvantaged business utilization (“OSDBUs”) to assist contracting officers with subcontracting compliance and developing remedial plans
- Supported, H.R. 227: Incentivizing Fairness in Subcontracting Act
 1. Allows subcontractors to report nonpayment to OSDBU offices
 2. Included as a provision in the FY2020 NDAA, which was signed into law

Other Items

- Small Business Runway Extension Act
 1. Council supported legislation throughout the process that was signed into law in December 2018, but wrote comments in support when SBA invoked rulemaking - officially enacted as of January 6, 2020
- Section 809 Panel Recommendation to eliminate most small business set-asides for DoD acquisitions
 1. Council joined 26 organizations in signing onto a letter, organized by MSGI, that disputed recommendation
 2. Worked to ensure that the Senate and House Armed Services did not adopt this recommendation, as well as that the DoD did not adopt on its own
- Prompt Payment
 1. Encouraging a goal of 15 days for prompt payment of small business contractors
 2. Included in FY2020 NDAA provision that puts the goal into statute, so it will not expire – Council has advocated for this since 2017
 3. Council submitted comments on the proposed rule by DoD for its implementation
- S. 3038: Promoting Rigorous and Innovative Cost Efficiencies for Federal Procurement and Acquisitions (PRICE) Act
 1. Supported bill that requires the Director of the Office of Management and Budget to convene the existing Chief Acquisition Officers Council to identify and disseminate best practices in non-defense small business contracting in the federal government
 2. Council support mentioned in Ranking Member Gary Peters (D-MI) press release
- Department of Defense, General Services Administration and National Aeronautics and Space Administration Federal Acquisition Regulation: Lowest Price Technically Acceptable Source Selection Process
 1. Submitted comments on proposed rule
- Government Shutdown – Contractor Back Pay
 1. Council submitted a letter of support for S.162, the Fair Compensation for Low-Wage Contractor Employees Act
 2. Bill instructs federal agencies to adjust contracts to reduce the overall impact of the shutdown to low-wage workers employed by small business contractors
 3. S.162 included as provision in the FY2020 appropriations five bill minibus package, which was signed into law
- Signed on PSC Council Comments on GSA implementation of Section 889: Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment
- Appropriations
 1. Requested \$5 million for HUBZone program