



BOB CASEY

FIGHTING *for* PENNSYLVANIA FAMILIES

Ensuring Efficiency and Fairness in Federal Subcontracting Act

U.S. Senator Bob Casey

Small businesses have long been integral to the Nation's economic growth, innovation, and resiliency. They play a critical role in Pennsylvania, which is home to 1.1 million small businesses and 2.6 million small business employees¹. However, small businesses weather unique challenges and often face barriers that keep them from equitable access to opportunities, particularly in federal subcontracting. Small businesses can play a key role supporting the federal government to serve the needs of the American people by offering innovative goods and services for government contracts. By serving as subcontractors on government contracts, small businesses diversify the available universe of suppliers of goods, creating jobs while providing specialized skill and expertise to projects. Unfortunately, the existing federal contracting system often can tip the scales against small businesses by creating unnecessary obstacles they must overcome to offer their services to the American people. In order for small businesses to compete, we need to level the playing field.

Ensuring Efficiency and Fairness in Federal Subcontracting Act

This bill would address existing failures in the federal contracting process to ensure prime contractors do not take advantage of small business subcontractors and to improve federal subcontracting for small businesses. The bill takes a three-pronged approach to ensure that small businesses get a fair shot at federal contracts:

- **Providing recourse and transparency for small business subcontractors** by allowing small businesses included on a subcontracting plan to request updates from prime contractors on the status of the relevant federal contract; requiring that studies be conducted on strengthening the enforcement of subcontracting plan compliance by prime contractors and on improving the monitoring of small business utilization by prime contractors for large and long federal contracts; and requiring prime contractors competing for a task or delivery order to provide details on how its small business utilization plan aligns with the plan in place for the larger contract.
- **Promoting good behavior in prime contractors and federal agencies** by directing the Government Accountability Office to study the utilization of Contractor Performance Assessment Reporting System (CPARS) scores to better understand whether behavior by prime contractors toward small business subcontractors can impact these CPARS scores and, subsequently, a prime contractor's ability to obtain future federal contracts; and allowing agencies to include warnings and penalties for failing to meet small business utilization goals for prime contractors on an incentive contract.
- **Improving access to and awareness of subcontracting opportunities** by requiring agencies to take actions that increase outreach to small businesses regarding subcontracting opportunities through webinars, online engagements, and other innovative methods as well as host a minimum of two general outreach sessions per year for potential small business contractors in addition to one outreach session per year for each of the different small business types. The bill also requires the General Service Administration to improve and modernize the Electronic Subcontracting Reporting System, used to collect subcontracting reporting and ensure compliance with small business subcontracting plans.

¹ <https://advocacy.sba.gov/wp-content/uploads/2022/08/Small-Business-Economic-Profile-PA.pdf>