AMENDMENT TO THE RULES COMMITTEE PRINT
FOR H.R. 1735
OFFERED BY MR. CHABOT OF OHIO AND MR. CONNOLLY OF VIRGINIA

At the end of subtitle D of title VIII, add the following new section:

SEC. 8. MODIFICATION TO AND SCORECARD PROGRAM FOR SMALL BUSINESS CONTRACTING GOALS.

(a) Amendment to Governmentwide Goal for Small Business Participation in Procurement Contracts.—Section 15(g)(1)(A)(i) of the Small Business Act (15 U.S.C. 644(g)(1)(A)(i) is amended by adding at the end the following: “In meeting this goal, the Government shall ensure the participation of small business concerns from a wide variety of industries and from a broad spectrum of small business concerns within each industry.”.

(b) Scorecard Program for Evaluating Federal Agency Compliance With Small Business Contracting Goals.—

(1) In general.—Not later than September 30, 2016, the Administrator of the Small Business
Administration, in consultation with the Federal agencies, shall—

(A) develop a methodology for calculating a score to be used to evaluate the compliance of each Federal agency with meeting the goals established pursuant to section 15(g)(1)(B) of the Small Business Act (15 U.S.C. 644(g)(1)(B)); and

(B) develop a scorecard based on such methodology.

(2) AGENCY ANNUAL GOAL.—In developing the methodology for calculating a score described in paragraph (1), the Administrator shall consider each annual goal established by each Federal agency pursuant to section 15(g)(1)(B) of the Small Business Act (15 U.S.C. 644(g)(1)(B)).

(3) USE OF SCORECARD.—Beginning in fiscal year 2017, the Administrator shall establish and carry out a program to use the scorecard developed under paragraph (1) to evaluate whether each Federal agency is creating the maximum practicable opportunities for the award of prime contracts and subcontracts to small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business
concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women, by assigning a score to each Federal agency. If the Administrator fails to establish and carry out this program before the end of fiscal year 2017, the Administrator may not exercise the authority under section 7(a)(25)(A) until such time as the program is implemented.

(4) CONTENTS OF SCORECARD.—The scorecard developed under paragraph (1) shall include, for each Federal agency, the following information:

(A) A determination of whether the Federal agency met each of the prime contract goals established pursuant to section 15(g)(1)(B) of the Small Business Act (15 U.S.C. 644(g)(1)(B)) with respect to small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.
(B) A determination of whether the Federal agency met each of the subcontract goals established pursuant to such section with respect to small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

(C) The number of small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women awarded prime contracts in each North American Industrial Classification System code during the fiscal year and a comparison to the number awarded contracts during the prior fiscal year, if available.

(D) The number of small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified
HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women awarded subcontracts in each North American Industrial Classification System code during the fiscal year and a comparison to the number awarded contracts during the prior fiscal year, if available.

(E) Any other factors that the Administrator deems important to achieve the maximum practicable utilization of small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

(5) WEIGHTED FACTORS.—In using the scorecard to evaluate and assign a score to a Federal agency, the Administrator shall base—

(A) fifty percent of the score on the dollar value of prime contracts described in paragraph (4)(A); and
(B) fifty percent of the score on the information provided in subparagraphs (B) through (E) of paragraph (4), weighted in a manner determined by the Administrator to encourage the maximum practicable opportunity for the award of prime contracts and subcontracts to small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

(6) PUBLICATION.—The scorecard used by the Administrator under this subsection shall be submitted to the President and Congress along with the report submitted under section 15(h)(2) of the Small Business Act (15 U.S.C. 644(h)(2)).

(7) REPORT.—After the Administrator submits the scorecard for fiscal year 2018, but not later than March 31, 2019, the Administrator shall report to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate. Such report shall include the following:
(A) A description of any increase in the dollar amount of prime contracts and subcontracts awarded to small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women.

(B) A description of any increase in the dollar amount of prime contracts and subcontracts awarded to small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women in each North American Industrial Classification System code.

(C) A description of any increase to the number of small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small
business concerns, small business concerns
owned and controlled by socially and economi-
cally disadvantaged individuals, and small busi-
ness concerns owned and controlled by women
awarded contracts in each North American Indus-
trial Classification System code.

(D) The recommendation of the Adminis-
trator on continuing, modifying, expanding, or
terminating the program established under this
subsection.

(8) GAO REPORT ON SCORECARD METHO-
DOLOGY.—Not later than September 30, 2018, the
Comptroller General of the United States shall sub-
mit to the Committee on Small Business of the
House of Representatives and the Committee on
Small Business and Entrepreneurship of the Senate
a report that—

(A) evaluates whether the methodology
used to calculate a score under this subsection
accurately and effectively—

(i) measures the compliance of each
Federal agency with meeting the goals es-
ablished pursuant to section 15(g)(1)(B)
of the Small Business Act (15 U.S.C.
644(g)(1)(B)); and
(ii) encourages Federal agencies to expand opportunities for small business concerns, small business concerns owned and controlled by service-disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women to compete for and be awarded Federal procurement contracts across North American Industrial Classification System Codes; and

(B) if warranted, makes recommendations on how to improve such methodology to improve its accuracy and effectiveness.

(9) DEFINITIONS.—In this subsection:

(A) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Small Business Administration.

(B) FEDERAL AGENCY.—The term “Federal agency” has the meaning given the term “agency” by section 551(1) of title 5, United States Code, but does not include the United
States Postal Service or the Government Accountability Office.

(C) SCORECARD.—The term “scorecard” shall mean any summary using a rating system to evaluate a Federal agency’s efforts to meet goals established under section 15(g)(1)(B) of the Small Business Act (15 U.S.C. 644(g)(1)(B)) that—

(i) includes the measures described in paragraph (4); and

(ii) assigns a score to each Federal agency evaluated.

(D) SMALL BUSINESS ACT DEFINITIONS.—

(i) IN GENERAL.—The terms “small business concern”, “small business concern owned and controlled by service-disabled veterans”, “qualified HUBZone small business concern”, and “small business concern owned and controlled by women” shall have the meanings given such terms under section 3 of the Small Business Act (15 U.S.C. 632).

(ii) SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED IN-
DIVIDUALS.—The term “small business concern owned and controlled by socially and economically disadvantaged individuals” has the meaning given that term under section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)).