

Did you know?

The National Defense Authorization Act (NDAA) includes two key provisions that could have a significant business impact on the member companies.

1) **Increased Goal for Service-Disabled Veteran Firms:** The Act phases out the self-certification of Small Business Concerns Owned and Controlled by Service-Disabled Veterans (SDVoB) and increased the government-wide goal for federal contracting with from 3% to 5%. In 2023, the federal government awarded a record \$765 billion in contracts in fiscal year 2023, a 9.5% increase over 2022. If we use the total 2023 spend, it could reflect an additional \$15.3B in Federal spend available to SDV owned businesses. Implementation regulations for this provision are due by Wednesday, June 19, 2024.

2) **Prompt Payment:** The Act amends the Small Business Act to reduce the payment duration to subcontractors from 90 days to 30 days, ensuring faster payment processes for small business subcontractors. The provision also empowers contracting officers, in coordination with the agency Director of Small Business Programs or OSDBU to develop correcting and mitigation for prime contractors that failure by the prime contractor to make a full or timely payment to a subcontractor. Prime contractor cooperation continues until the subcontractor is made whole or the determination of the contracting officer is no longer effective - regardless of performance or close-out status of the covered contract. Implementation regulations for this provision are due by Wednesday, June 19, 2024.

3) **Past Performance of Affiliates of Small businesses:** Effective no later than July 1, 2024 - when small business concerns bid on Defense contracts, the past performance evaluation and source selection processes will consider the past performance information of affiliate companies of the small business concerns, if relevant. This provision aims to support small businesses with affiliate companies in securing contracts by leveraging their collective past performance.