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**Calendar No. 235**

| 115TH CONGRESS *1st Session* | SENATE | REPORT 115–166 |
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# PROCUREMENT FRAUD PREVENTION ACT

## R E P O R T

OF THE

## COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

## S. 938

TO REQUIRE NOTICE OF COST-FREE FEDERAL PROCUREMENT TECHNICAL ASSISTANCE IN CONNECTION WITH REGISTRATION OF SMALL BUSINESS CONCERNS IN PROCUREMENT SYSTEMS

OCTOBER 5, 2017.—Ordered to be printed

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# PROCUREMENT FRAUD PREVENTION ACT

OCTOBER 5, 2017.—Ordered to be printed

Mr. JOHNSON, from the Committee on Homeland Security and Governmental Affairs, submitted the following

# R E P O R T

[To accompany S. 938]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 938) to require notice of cost-free Federal procurement technical assistance in connection with registration of small business concerns in procurement systems, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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## I. PURPOSE AND SUMMARY

The Procurement Fraud Prevention Act, S. 938, requires that the General Services Administration (GSA) and the Office of Management and Budget (OMB) establish a procedure to notify small businesses registering to do business with the government that there are services available to assist them at no cost.

## II. BACKGROUND AND THE NEED FOR LEGISLATION

Doing business with the Federal Government is notoriously complex: the Federal Acquisition Regulation is nearing 2,000 pages with a supplement for the Defense Department totaling over 1,000

pages.[1] Large business enterprises with the capability to absorb the overhead required to expertly navigate this system thrive, while small businesses struggle to sell their products and services to the Federal Government.[2] To navigate the complex registration process required to do business with the Federal Government, many small businesses seek out the assistance of consultants and other organizations that offer services and support at varying prices, without realizing that there is support available at no cost.[3]

S. 938 requires GSA and OMB to establish a process for notifying small businesses that free support services exist to assist them in registering to do business with the Federal Government. These communications can be included in official communications that are already sent by GSA.

## III. LEGISLATIVE HISTORY

Senator Gary Peters (D–MI) introduced S. 938 on April 5, 2017. The bill was referred to the Committee on Homeland Security and Governmental Affairs. The Committee considered S. 938 at a July 26, 2017 business meeting.

The Committee ordered S. 938 reported favorably on July 26, 2017, *en bloc*, by voice vote. Senators present for the vote were Senators Johnson, Portman, Lankford, Daines, McCaskill, Tester, Heitkamp, Peters, Hassan and Harris.

## IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

*Section 1. Short title*

This section provides the bill's short title, the "Procurement Fraud Prevention Act."

*Section 2. Notice of cost-free federal procurement technical assistance in connection with registration of small business concerns in procurement systems*

This section requires GSA and OMB to establish a procedure to notify small businesses that there is free technical assistance available to them to assist in navigating the federal procurement process, including assisting with registering to do business with the federal government.

## V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office's statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

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[1] Federal Acquisition Regulation, 48 C.F.R. (2005).

[2] Press Release, Small Business Administration, Federal Government Achieves Small Business Procurement Contracting Goal for Second Consecutive Year (June 26, 2015), https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/federal-government-achieves-small-business-procurement-contracting-goal-second-consecutive-year.

[3] *Get Help with Government Contracting,* USA.GOV, https://www.usa.gov/expand-business (last updated May 05, 2017).

## VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

SEPTEMBER 13, 2017.

Hon. RON JOHNSON,
*Chairman, Committee on Homeland Security and Governmental Affairs, United States Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 938, the Procurement Fraud Prevention Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

KEITH HALL.

Enclosure.

*S. 938—Procurement Fraud Prevention Act*

S. 938 would require the General Services Administration (GSA) in consultation with the Office of Management and Budget, to ensure that any direct communications with small businesses about providing goods and services to the federal government contain a notice that technical assistance from the federal government on the procurement process is available to small businesses at no cost. According to GSA and the Small Business Administration, many government websites already state that such assistance is available and there would be minimal administrative costs to expand those efforts. Thus, CBO estimates any additional costs to implement S. 938 would total less than $500,000 annually; such spending would be subject to the availability of appropriated funds.

Enacting S. 938 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 938 would not increase direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 938 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

## VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

Because this legislation would not repeal or amend any provision of current law, it would make no changes in existing law within the meaning of clauses (a) and (b) of paragraph 12 of rule XXVI of the Standing Rules of the Senate.

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