

118TH CONGRESS
2D SESSION

H. R. 7401

To amend title 10, United States Code, to establish a goal for the Department of Defense for participation by certain veteran-owned small businesses in procurement contracts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 2024

Mr. WALTZ (for himself and Mr. PANETTA) introduced the following bill;
which was referred to the Committee on Armed Services

A BILL

To amend title 10, United States Code, to establish a goal for the Department of Defense for participation by certain veteran-owned small businesses in procurement contracts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Contract Our Veterans
5 Act of 2024”.

1 **SEC. 2. DEPARTMENT OF DEFENSE GOALS FOR PARTICIPA-**
2 **TION BY CERTAIN VETERAN-OWNED SMALL**
3 **BUSINESSES IN PROCUREMENT CONTRACTS.**

4 Chapter 287 of part V of title 10, United States
5 Code, is amended by adding at the end the following new
6 section:

7 **“§ 3906. Small business concerns owned and con-**
8 **trolled by veterans: contracting goals and**
9 **preferences**

10 “(a) CONTRACTING GOALS.—In order to increase
11 contracting opportunities for small business concerns
12 owned and controlled by veterans and small business con-
13 cerns owned and controlled by service-disabled veterans,
14 the Secretary shall—

15 “(1) establish a goal for each fiscal year for
16 participation in Department contracts (including
17 subcontracts) by small business concerns owned and
18 controlled by veterans who are not service-disabled
19 veterans that is not less than the governmentwide
20 goal for that fiscal year for participation by small
21 business concerns owned and controlled by service-
22 disabled veterans under section 15(g)(1) of the
23 Small Business Act (15 U.S.C. 644(g)(1)); and

24 “(2) establish a goal for each fiscal year for
25 participation in Department contracts (including
26 subcontracts) by small business concerns owned and

1 controlled by veterans with service-connected disabili-
2 ties that is not less than the governmentwide goal
3 for that fiscal year for participation by small busi-
4 ness concerns owned and controlled by service-dis-
5 abled veterans under section 15(g)(1) of the Small
6 Business Act (15 U.S.C. 644(g)(1)).

7 “(b) SOLE SOURCE CONTRACTS FOR CONTRACTS
8 ABOVE SIMPLIFIED ACQUISITION THRESHOLD.—For pur-
9 poses of meeting the goals under subsection (a) and in
10 accordance with this section, a contracting officer may
11 award a contract to a small business concern owned and
12 controlled by veterans or small business concerns owned
13 and controlled by service-disabled veterans using proce-
14 dures other than competitive procedures if—

15 “(1) such concern is determined to be a respon-
16 sible source with respect to performance of such con-
17 tract opportunity;

18 “(2) the anticipated award price of the contract
19 (including options) will not exceed the amounts es-
20 tablished in section 36(c)(2) of the Small Business
21 Act (15 U.S.C. 657f(c)(2)); and

22 “(3) in the estimation of the contracting officer,
23 the contract award can be made at a fair and rea-
24 sonable price that offers best value to the United
25 States.

1 “(c) USE OF RESTRICTED COMPETITION.—Except as
2 provided in subsections (b) and (c), for purposes of meet-
3 ing the goals under subsection (a) and in accordance with
4 this section, a contracting officer shall award contracts on
5 the basis of competition restricted to small business con-
6 cerns owned and controlled by veterans or small business
7 concerns owned and controlled by service-disabled veterans
8 if the contracting officer has a reasonable expectation that
9 two or more small business concerns owned and controlled
10 by veterans or small business concerns owned and con-
11 trolled by service-disabled veterans (as applicable) will
12 submit offers and that the award can be made at a fair
13 and reasonable price that offers best value to the United
14 States.

15 “(d) ELIGIBILITY OF SMALL BUSINESS CON-
16 CERNS.—A small business concern may be awarded a con-
17 tract under this section only if the small business concern
18 and the veteran owner of the small business concern are
19 listed in the database described in section 36(f)(1) of the
20 Small Business Act (15 U.S.C. 657f(f)(1)).

21 “(e) PRIORITY FOR CONTRACTING PREFERENCES.—
22 Preferences for awarding contracts to small business con-
23 cerns shall be applied in the following order of priority:

1 “(1) Contracts awarded pursuant to subsection
2 (b) or (c) to small business concerns owned and con-
3 trolled by service-disabled veterans.

4 “(2) Contracts awarded pursuant to subsection
5 (b) or (c) to small business concerns owned and con-
6 trolled by veterans that are not covered by para-
7 graph (1).

8 “(3) Contracts awarded pursuant to—

9 “(A) section 8(a) of the Small Business
10 Act (15 U.S.C. 637(a)); or

11 “(B) section 31 of such Act (15 U.S.C.
12 657a).

13 “(4) Contracts awarded pursuant to any other
14 contracting preference for small business concerns.

15 “(f) DEFINITIONS.—In this section:

16 “(1) The term ‘small business concern’ has the
17 meaning given under section 3 of the Small Business
18 Act (15 U.S.C. 632).

19 “(2) The terms ‘service-disabled veteran’, ‘small
20 business concern owned and controlled by veterans’,
21 and ‘small business concern owned and controlled by
22 service-disabled veterans’ have the meanings given,
23 respectively, under section 3(q) of the Small Busi-
24 ness Act (15 U.S.C. 632(q)).”.

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