

June 27, 2020

The Honorable Marco Rubio
Chair
Committee on Small Business &
Entrepreneurship
U.S. Senate
428A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Ben Cardin
Ranking Member
Committee on Small Business &
Entrepreneurship
U.S. Senate
428A Russell Senate Office Building
Washington, D.C. 20510

Dear Chair Rubio and Ranking Member Cardin,

We are writing to support amendments filed by Ranking Member Cardin to increase contract awards to small businesses participating in the Small Business Administration's (SBA) contracting programs. Elevating sole source contract levels and temporarily eliminating an arduous requirement that impedes the use of sole source contracts would be helpful for thousands of small contractors. This simplification could not be more timely – according to McKinsey & Company, 30 million small business jobs are vulnerable and firms with fewer than 100 employees have been the hardest hit.

Small business contractors are currently facing unprecedented economic and workforce challenges as a result of the ongoing COVID-19 crisis. According to a survey by the National Defense Industrial Association, 60% of small business respondents expect to have long-term financial and cash-flow issues. The Cardin amendments would provide small businesses a greater opportunity to participate in the federal market by raising sole source thresholds and temporarily removing impediments to sole source awards. The federal government has only met its Women-Owned Small Business (WOSB) goal once and never met the goal for awards to Historically Underutilized Business Zones (HUBZone) certified companies. Sole source authority is an important tool contracting officers can use to award contracts to small businesses expeditiously.

Additionally, we support the amendments to increase appropriations for the SBA's 7(j) Technical Assistance Program to Great Recession-era levels, extend participation in the 8(a) program for an additional year and waive 8(a) Business Activity Target requirements through FY 2023.

We urge the adoption of these amendments into the FY2021 National Defense Authorization Act (NDAA). If you have any questions, please contact Elizabeth Sullivan at esullivan@madisonservicesgroup.com or (202) 626-8528.

Sincerely,