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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

July 12, 2011

Mr. Mauricio Vera
Chairman
Office of Small and Disadvantaged Business Utilization Council
301 4th Street, S.W. Room 848
Washington, DC 20523-5800

Dear Mr. Vera:

We are writing to invite you to testify before the Subcommittee on Contracting Oversight at a hearing entitled, "Small Business Contracts: How Oversight Failures and Regulatory Loopholes Allow Large Businesses to Get and Keep Small Business Contracts." The hearing will be held on Tuesday, July 26, 2011 at 10:00 A.M. in Room SD-342 of the Dirksen Senate Office Building.

Since 2005, the Inspector General of the Small Business Administration (SBA) has listed as one of the agency's top management challenges the fact that large firms are obtaining small business contracts and agencies are counting contracts performed by large businesses toward their small business goals. According to the Inspector General, many contract awards recorded as going to small businesses are actually performed by large businesses.¹

The purpose of the hearing is to examine the ways in which large businesses are obtaining and performing small business contracts. The hearing will also assess the steps taken by the SBA to improve oversight and the reasons why the SBA and other agencies have failed to adequately implement the Inspector General's recommendations. The hearing will also examine what legislative and regulatory steps may be necessary to address these issues.

Your testimony should address the ways large businesses can obtain and perform small business contracts and the steps taken by agencies to mitigate these occurrences. In addition, your testimony should address recent concerns raised about how large businesses are counted as small businesses in the annual small business scorecards, the systems and processes contracting officers use to verify a small business's size status, and what steps agencies are taking to ensure contracting officers accurately classify small businesses.

To assist the Subcommittee in preparing for the hearing, we request that you provide the Subcommittee staff with a briefing on these issues. We request that you provide this briefing as soon as possible, but in no case later than **July 19, 2011**.

¹ Small Business Administration Office of the Inspector General, *Fiscal Year 2011 Report on the Most Serious Management and Performance Challenges Facing the Small Business Administration* (Oct. 15, 2011) (Report No. 11-01).

We request that you summarize your testimony in 5 minutes, although a longer written statement may be submitted for the official record. This will allow adequate time for you to engage in questions and answers with members of the Subcommittee. **Subcommittee rules require that your testimony be submitted by no later than 10:00 A.M. on Friday, July 22, 2011.** Please send official correspondence relating to this request and invitation, including an electronic copy of your written statement and a brief one page biography, to Subcommittee Clerk, Kelsey Stroud, at Kelsey_Stroud@hsgac.senate.gov.

The jurisdiction of the Subcommittee on Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108th Congress); and Senate Resolution 73 (111th Congress).

We look forward to your participation. Please contact Alan Kahn with Senator McCaskill's Subcommittee staff at (202) 224-3230 or Brian Callanan with Senator Portman's Subcommittee staff at (202) 224-4148 with any questions.

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Contracting Oversight



Rob Portman
Ranking Member
Subcommittee on Contracting Oversight