



Weekly Report for June 24, 2016

Jon Williams Testifies in Kingdomware Senate Committee Hearing

On June 23, Jon Williams, Partner in the PiliroMazza Government Contracts Group, testified before the U.S. Senate Committee on Small Business & Entrepreneurship. The committee held a hearing on the ramifications of the Supreme Court's recent decision in Kingdomware Technologies, Inc. v. United States. Mr. Williams, and others, testified about the significance of the Kingdomware ruling for veteran-owned small businesses. The Supreme Court found that the "Vets First" mandate applies to all Department of Veterans Affairs contracts, including Federal Supply Schedule ("FSS") task orders. This ruling is expected to increase contracting opportunities for veteran-owned small businesses at the VA.

Tom Leney, Executive Director of the VA's Office of Small and Disadvantaged Business Utilization, told the committee that the VA will comply with the Supreme Court's ruling and is aggressively looking at how to implement the decision throughout its acquisition system. The VA expects to have policies to accomplish this by mid-July, at which time the VA will report back to the committee. John Shoraka, Associate Administrator of Government Contracting and Business Development for the U.S. Small Business Administration, told the committee that SBA is examining whether the Kingdomware ruling has government-wide applicability for FSS task orders and how it impacts goaling.

GOVERNMENT CONTRACTS

Small Business Transforming America's Regions Act of 2016

The HUBZone Program was created in 1997 to spur economic development in historically underutilized regions of the country. The aim is as worthwhile now as it was then, and there remains a real need for the HUBZone Program to be the engine of economic growth in many struggling communities. However, despite the needs, HUBZone spending has been in steady decline over the past several years, and is overall much lower than the other small business programs, both in terms of prime contracting and subcontracting goal achievement. The hard data and anecdotal evidence indicate that, to reach its full potential, the HUBZone Program needs to be simpler and more business friendly. Given the heightened attention to the program,

Congress is currently considering several significant proposals, such as [S.2838](#), which proposes to change the length of a HUBZone's redesignated status from three to seven years.

Federal Acquisition Regulation: Strategic Sourcing Documentation

DOD, GSA, and NASA are proposing to revise the FAR to implement section 816 of the National Defense Authorization Act for Fiscal Year 2016 to increase the simplified acquisition threshold for special emergency procurement authority from \$300,000 to \$750,000 within the United States, and from \$1 million to \$1.5 million outside the United States. The threshold is used for acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack, [81 Fed. Reg. 39883](#). Comments are due by August 19, 2016.

Federal Civil Penalties Adjustment Act Amendments

Department of Veterans Affairs ("VA"), interim final rule, the Federal Civil Monetary Penalties Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, sets forth a formula increasing the maximum statutory amounts for civil monetary penalties and requires federal agencies to give notice of the new maximum amounts by regulation. Accordingly, this document gives notice that the VA is increasing maximum civil monetary penalties from \$10,000 to \$21,563 for false loan guaranty certifications and from \$5,500 to \$10,781 for fraudulent claims or fraudulent statements in any VA program, [81 Fed. Reg. 40523](#). This interim final rule became effective June 22, 2016. Comments are due by August 22, 2016.

Transactional Data Reporting

The General Services Administration (GSA) is amending the General Services Administration Acquisition Regulation to include clauses that require vendors to report transactional data from orders placed against certain Federal Supply Schedule (FSS) contracts, Governmentwide Acquisition Contracts, and Governmentwide Indefinite-Delivery, Indefinite-Quantity Contracts. GSA will introduce a new Transactional Data Reporting clause to its FSS contracts in phases, beginning with a pilot for select Schedules and Special Item Numbers. Participating vendors will no longer be subject to the existing requirements for Commercial Sales Practices disclosures and Price Reductions clause basis of award monitoring, resulting in a substantial burden reduction, [81 Fed. Reg. 41104](#). This rule became effective June 23, 2016.