

**H.R. 5146, Unlocking Opportunities for Small Businesses Act of 2019**

As passed by the House of Representatives on January 8, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	*	*	*
Revenues	<b>0</b>	<b>0</b>	<b>0</b>
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	<b>1</b>	not estimated
Statutory pay-as-you-go procedures apply?	<b>Yes</b>	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	<b>No</b>	Contains intergovernmental mandate?	<b>No</b>
		Contains private-sector mandate?	<b>Yes, Under Threshold</b>
* = between zero and \$500,000.			

H.R. 5146 would require contracting officers at federal agencies to consider the performance of a small business, including its joint ventures and subcontracts, when evaluating that business for a prime contract. The Small Business Administration (SBA) and the General Services Administration (GSA) would issue and update regulations to implement H.R. 5146.

CBO assumes that the legislation will be enacted in fiscal year 2020. Using information from the SBA, CBO estimates that the SBA and GSA would need three employees to issue and update regulations. In addition, all federal agencies that contract with small businesses would incur costs to update information technology systems and procurement processes and adhere to the new requirements. CBO estimates that the total cost to implement H.R. 5146 would be \$1 million over the 2020-2025 period; any spending would be subject to the availability of appropriated funds.

Enacting H.R. 5146 could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

The act would require prime contractors with the federal government to submit, upon request, information to the contracting agency about the performance of small-business subcontractors that have submitted an offer for a prime contract. Because that requirement

would apply to existing contracts, it is a private-sector mandate as defined in the Unfunded Mandate Reform Act (UMRA). However, the mandated entities already collect or possess the information to be reported under the act, so CBO estimates that the incremental cost of the mandate would be small and below the annual threshold established in UMRA (\$164 million in 2019, adjusted annually for inflation).

The act contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis