



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

September 17, 2002

**S. 2466**

**Small Business Federal Contractor Safeguard Act**

*As ordered reported by the Senate Committee on Small Business and Entrepreneurship  
on July 24, 2002*

S. 2466 would restrict the ability of agencies to combine different procurement contracts for goods and services. Under current law, federal agencies may combine small procurement contracts into larger, “bundled contracts” under certain conditions. S. 2466 would limit the circumstances when small contracts may be combined. Instead of “bundled” contracts, the bill would allow “consolidated” contracts that combine small procurement contracts for economic reasons. The bill would require agencies to prepare a written justification for any consolidated contract valued at over \$2 million and conduct a more extensive analysis of the benefits of any consolidation of contracts valued at over \$5 million.

CBO estimates that implementing S. 2466 would cost about \$500,000 a year, subject to the availability of appropriated funds. The bill would not affect direct spending or receipts, so pay-as-you-go procedures would not apply. S. 2466 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

Based on information from the Small Business Administration and the Office of Federal Procurement Policy, CBO does not expect that the change in the requirements to combine contracts would lead to significant increased costs for procuring agencies. However, agencies could incur additional costs to implement the bill’s new reporting requirements. CBO estimates that the additional workload associated with the analyses of consolidated contracts valued at over \$2 million would cost about \$500,000 a year, assuming the appropriation of the necessary amounts.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.