



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 7, 2014

**H.R. 2452
Women's Procurement Program Equalization Act of 2013**

As ordered reported by the House Committee on Small Business on March 5, 2014

SUMMARY

H.R. 2452 would broaden the range of contracts that could be awarded to small businesses owned and controlled by women to include sole-source contracts (which are not available to this group under current law) if certain conditions are met. The bill also would require the Small Business Administration (SBA) to certify the ownership status of each small business seeking to participate in programs that provide contracting preferences to businesses owned and controlled by women.

CBO estimates that implementing H.R. 2452 would cost \$30 million over the 2015-2019 period, assuming appropriation of the necessary amounts. The bill could affect direct spending by agencies not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net change in spending by those agencies would not be significant. Enacting H.R. 2452 would not affect revenues.

H.R. 2452 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 2452 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars					2015- 2019
	2015	2016	2017	2018	2019	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	8	6	6	6	6	32
Estimated Outlays	6	6	6	6	6	30

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted in 2014, that the necessary amounts will be appropriated near the start of each fiscal year, and that spending will follow historical patterns for contract certification activities.

Under current law, federal agencies are authorized, under certain conditions, to restrict competition for contracts to procure goods or services to small businesses owned by women. To be eligible to compete for those contracts, such a business must certify to the contracting agency, using documentation approved by the SBA, that it is owned and controlled by women. H.R. 2452 would terminate the self-certification option and require the SBA to certify the ownership status of small businesses wishing to take advantage of contract set-asides for women-owned businesses. In addition, the bill would broaden the range of contracting opportunities for businesses owned by women to include sole-source contracts (awarded through a non-competitive process), which are unavailable to this group under current law.

Based on information from the SBA and the General Services Administration, CBO estimates that implementing H.R. 2452 would cost \$30 million over the 2015-2019 period, assuming appropriation of the necessary amounts. That amount includes estimated costs to train contracting officers in federal agencies on the new eligibility rules, to hire additional staff, and to develop systems at the SBA to administer the new certification process.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Provisions of H.R. 2452 that change procedures for awarding contracts could affect direct spending by agencies not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net change in spending by those agencies would not be significant. Enacting H.R. 2452 would not affect revenues.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2452 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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