



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 31, 2002

S. 2753

Small Business Procurement Ombudsman Act of 2002

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

S. 2753 would create a new Procurement Ombudsman within the Small Business Administration (SBA). The Ombudsman would address concerns raised by small businesses participating in the federal procurement process and annually report to the Congress. The bill also would make technical changes to the Offices of Small and Disadvantaged Business Utilization within each federal agency exercising procurement authority. Finally, S. 2753 would raise the statutory goal for the value of federal contracts awarded to minority and women-owned businesses.

CBO estimates that implementing S. 2753 would cost about \$1 million a year, subject to the availability of appropriated funds. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 2753 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 SBA, CBO expects that the office of the Procurement Ombudsman that would be established under S. 2753 would be similar in size to the office of the agency's Regulatory Enforcement Ombudsman. Therefore, CBO estimates that creating the office of the Procurement Ombudsman would cost about \$500,000 a year, assuming the appropriation of the necessary amounts.

Additionally, the Offices of Small and Disadvantaged Business Utilization within each agency with procurement authority could incur additional costs to implement new management practices and reporting requirements related to the contracting goals for minority and women-owned businesses. CBO estimates these requirements would cost less than \$500,000 a year.

The CBO staff contacts for this estimate are Ken Johnson and Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.