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**AMENDMENT TO H.R. 5136, AS REPORTED  
OFFERED BY MR. HODES OF NEW HAMPSHIRE** *for himself and*

At the end of subtitle C of title VIII, add the following new section:

*Mrs. Pingree  
of Maine*

1 **SEC. 826. INSPECTOR GENERAL OF DEPARTMENT OF DE-**  
2 **FENSE STUDY AND REPORT RELATING TO**  
3 **SMALL BUSINESSES.**

4 (a) **STUDY REQUIRED.**—The Inspector General of  
5 the Department of Defense shall conduct a study on the  
6 classification of small businesses under section 8(a) of the  
7 Small Business Act for the purposes of contracts set aside  
8 for small businesses.

9 (b) **MATTERS COVERED.**—The study required by sub-  
10 section (a) shall specifically investigate the following, with  
11 regard to their impact on achieving small business con-  
12 tracting goals and effective use of taxpayer money:

13 (1) Contracts awarded to bidders that qualify  
14 as small businesses under section 8 (a) of the Small  
15 Business Act, but then contract the majority of the  
16 work out to larger businesses.

17 (2) Exemption from competitively bidding sub-  
18 contracts for 8(a) small businesses under the set  
19 aside program.

1           (3) Accuracy of the classification of businesses  
2           that had previously been certified under section 8(a)  
3           but have consequently grown beyond the definition  
4           of a small business.

5           (4) The practice of designating contracts as set-  
6           asides to small businesses based on the number of  
7           small business inquiries or bids, rather than the abil-  
8           ity of each bidder to perform the work of the con-  
9           tract.

10          (5) The extent to which subcontractors on set-  
11          aside contracts are scrutinized with regard to pre-  
12          vious reported violations of OSHA or other worker  
13          health and safety laws.

14          (c) REPORT.—The Inspector General of the Depart-  
15          ment of Defense shall submit to Congress a report on the  
16          results of the study required by subsection (a) not later  
17          than 120 days after the date of the enactment of this Act.

