

Bill would protect minority, women-owned firms

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Sen. Bob Casey (D-Pa.) proposed a bill Wednesday that would require prime contractors to notify minority-owned businesses and women-owned businesses when including them on contracts - or face strict penalties.

"This piece of legislation will help women and minority-owned businesses by protecting them from fraud and providing support for them to grow and create jobs," Casey said in a [release](#).

Casey said prime contractors have a habit of naming these firms on their contracts to strengthen their appeal to the agency. But a lot of the time, subcontractors have no idea they have been included and do not receive the business they are entitled to, he said.

The bill calls for penalties on prime contractors, such as prohibiting them from seeking federal contracts for a year, or even permanently.

This bill would:

- Require subcontractors identified on a solicitation for a competitive proposal made by an executive agency be notified by the prime contractor before the application is submitted. A written agreement between the prime contractor and the subcontractor must be submitted to the contracting officer that includes the identity of the subcontractor, the scope of the work to be performed under the subcontract and the dollar amount of the subcontract.
- Impose penalties for failure to notify subcontractors of their inclusion on proposals will result in the following: First time offense: fine of 20 percent of the overall contract; second time offense: fine of 50 percent and prohibited from seeking federal contracts for one year; third time offense: permanently prohibited from seeking federal contracts.
- Establish a reporting mechanism that allows a subcontractor to report fraudulent activity by a contractor.

"Especially in the current economic climate, supporting small business is vital to our economic recovery," Casey said.

This legislation comes a week after the Small Business Administration [announced changes](#) to its 8(a) program that helps keep minority-owned businesses on equal footing with each other.