



U.S. Small Business
Administration



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Thomas Rogers
Deputy Director
Office of Government Contracting

Doing Business with Marshall Space Flight Center
25 June 2025

SBA Updates

Small Business Administration

Manufacturing Initiative

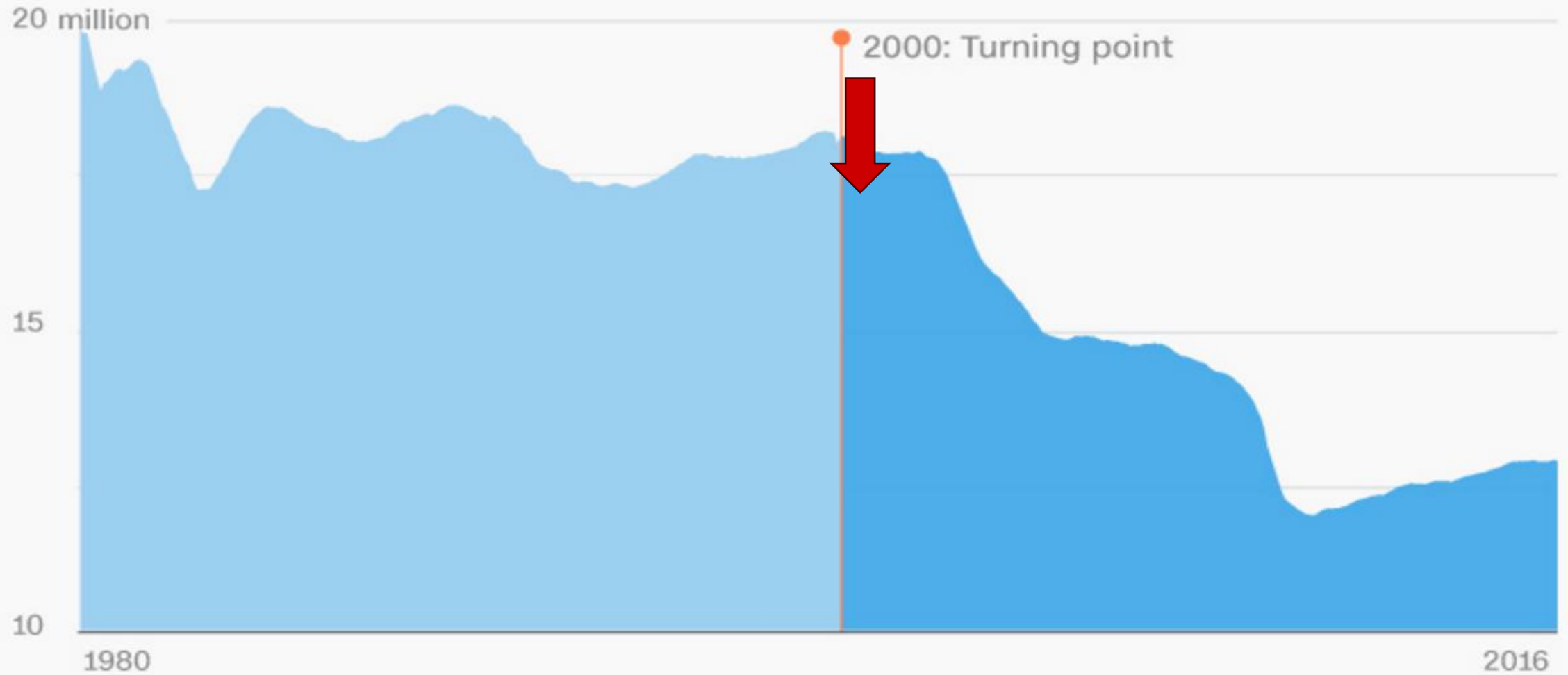
Empower, Resiliency, and Capacity

SBA Manufacturing Initiative

“Restore American economic dominance and national security by empowering small manufacturers”

- Cut \$100 billion in **regulation** through the Office of Advocacy, empowered by law to work across federal agencies to **identify and eliminate rules, policies and procedures that disproportionately burden small businesses and manufacturers.**
- Launch a Red Tape Hotline for small business owners and manufacturers to share feedback and submit onerous regulations for review.
- Deploy the newly announced Office of Manufacturing and Trade to offer **small manufacturers dedicated resources** and **training** in partnership with **SBA field offices** across the country.
- Reduce barriers to access for the 504 Loan Program, a zero-subsidy program that provides capital for real estate, construction and equipment purchases. Zero subsidy means the program operates without ongoing taxpayer funding and is sustained by borrower and lender fees.
- Expand the use of the 7(a) Working Capital Pilot Program, which provides financing to fund inventory purchases and export-related expenses for international markets.
- Promote a skilled manufacturing workforce by **partnering with agencies**, trade schools and **private sector stakeholders** to create a **pipeline of skilled workers to support manufacturing.**
- Support President Trump’s manufacturing agenda, including tariffs to restore fair and reciprocal trade, tax cuts on domestic production, and 100 percent expensing retroactive to January 20, 2025, for manufacturers.

U.S. manufacturing jobs rapidly declined since 2000

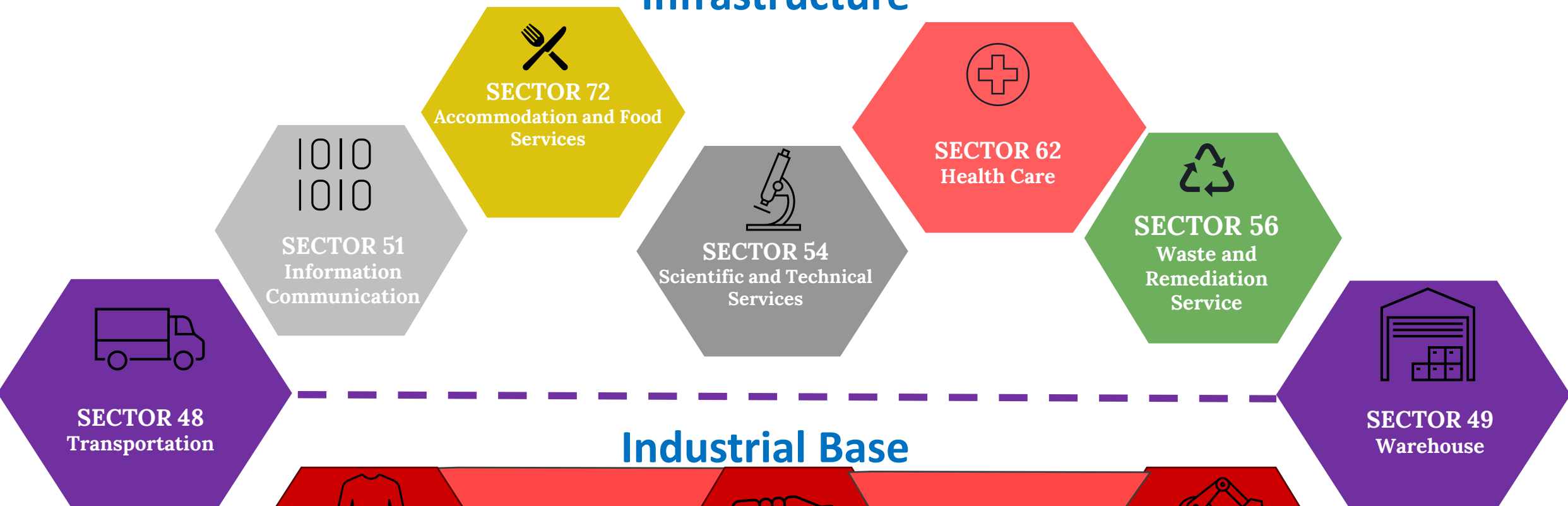


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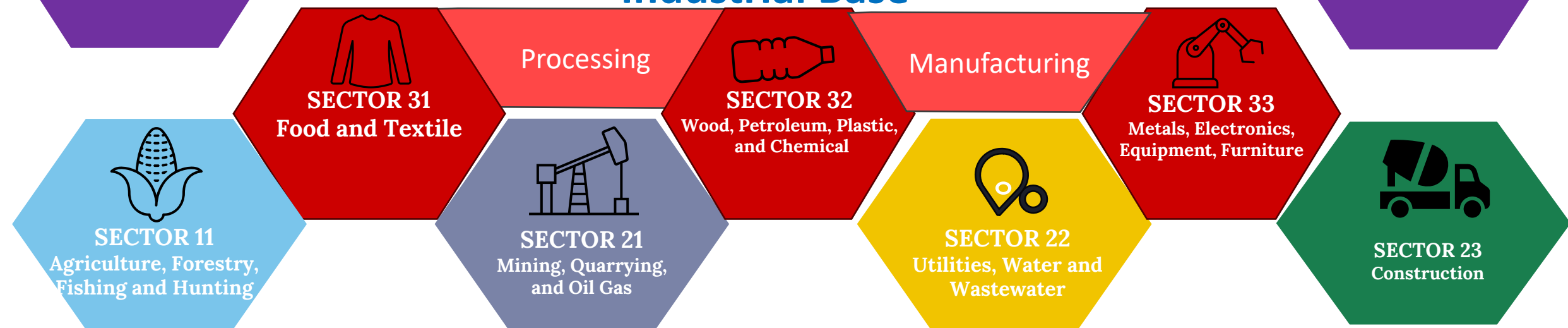
The number of United States manufacturing jobs fell from 17 Million to 12 Million

Driving the U.S. Critical Infrastructure to build the U.S. SB Industrial Base

Infrastructure



Industrial Base



Proposed Solutions

Restoring the Industrial Base

Solutions

- Track the data, keep score, provide incentives
- Promote Total Life Cycle Cost
- Fix or remove the Agency Goaling Strategy.
- Focus on maximum competition in Federal Procurement.
 - Especially in critical infrastructure and industrial base industries.
- Enforce existing antitrust, oligopoly and monopoly laws
 - The Sherman Antitrust Act - 1890
 - The Federal Trade Commission Act - 1914
 - Clayton Antitrust Act – 1914
- Enforcement Tools
 - [U.S. Firms must have U.S. investors](#)
 - LLC principals can not transfer Federal Contracts to OTSB
- Promote quality over quantity
- Unify resources such SBDC, Apex, BOS, SBA GC, OSDBU\OSBP. Remove State funding.

FAR Overhual

Proposed Revolutionary FAR Overhaul

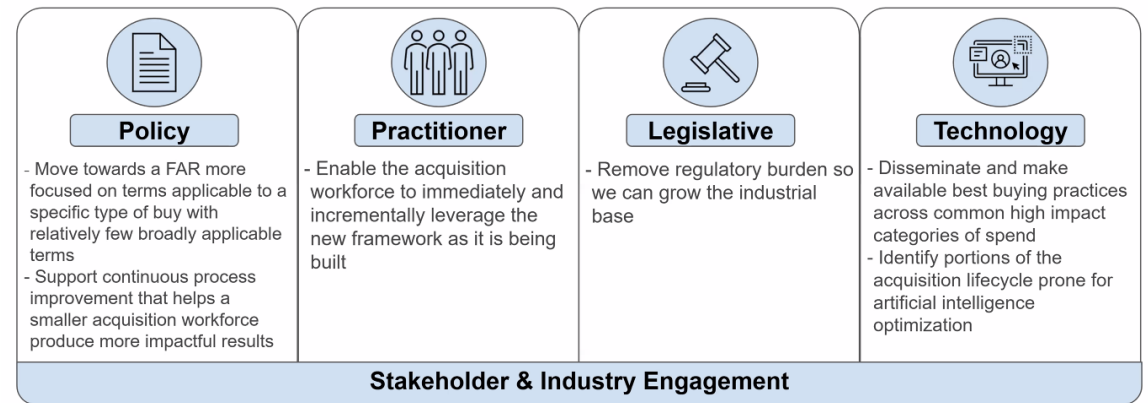
Executive Order 14257: Restoring Common Sense To Federal Procurement

Initiative is designed to return the FAR to its statutory roots, rewritten in plain language, and remove most non-statutory rules. In addition, non-regulatory buying guides will provide practical strategies grounded in common sense while remaining outside the FAR.

RFO Workstreams

Anticipated Goals

- One Central Location for the Acquisition Community
- Common clauses and representations
- Remove non-statutory requirements
- Establish common vocabulary
- Common rules of operations



FAR Overhaul Highlights

Feedback for these FAR parts are **due July 18, 2025**, and can be found on the individual FAR part webpage or here: [Feedback FAR Part 18](#), [Feedback FAR Part 39](#), and [Feedback FAR Part 43](#).

- OFPP and FAR Council have release model deviation text for [FAR Part 18](#), [FAR Part 39](#), and [FAR Part 43](#).
- Each model FAR part includes a Practitioner Album (PA), which summarizes changes as well as provides perspectives and smart accelerators. PAs can be found here: [PA FAR Part 18](#), [PA FAR Part 39](#), and [PA FAR Part 43](#).

Feedback for this FAR part is **due August 4, 2025** and can be submitted [here](#).

- FAR Council released model deviation text for [FAR Part 11](#). The Practitioner Album (PA) can be found [here](#). You can also review the specific revisions under [FAR Part 11 Line Out](#).
- FAR Council also provided a PA for previously released deviation text for [FAR Part 1](#) and [FAR Part 34](#)

Feedback

There is still time to provide input/influence the proposed policy changes

- House of Representatives
 - [Representatives | house.gov](https://www.house.gov)
- Senate
 - [U.S. Senate: Contacting U.S. Senators](https://www.senate.gov/contact)
- Small Business Administration Region 4 Advocate
 - Michael Vallante
 - Michael.Vallante@sba.gov

Executive Action

SBA Final Rule: HUBZone and Other Programs (cont.)

[89 FR 102448](#) (Dec. 17, 2024)

- Negative control changes for size and all programs
- Specifies the extraordinary circumstances where a minority shareholder may have decisionmaking authority without causing affiliation/change of status:
 - Adding a new equity stakeholder/increasing investment
 - company dissolution
 - sale of company/assets
 - company merger
 - declaring bankruptcy
 - amending governance documents
 - other actions solely to protect minority investment

FAR Final Rule: Rerepresentation of Size/Socioeconomic Status

90 FR 517 (Jan. 3, 2025)

- Requires size and socioeconomic status rerepresentation for:
 - Set-aside task orders on unrestricted multiple-award contracts, unless the order is issued against a reserve for which size and/or status was required; and
 - Set-aside orders on a multiple-award contract that was set aside for a different socioeconomic status
- Federal Supply Schedule exempt

Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement

[Executive Order](#) dated March 20, 2025

- GSA to conduct procurement for agencies for domestic common goods and services
 - Returns GSA to its original purpose from 1949
 - Within 60 days, Agency heads must submit proposals to consolidate common goods/servs; GSA plan due in 90 days
- Within 30 days, GSA to become executive agent for all IT GWACs, unless “deferred or declined”
 - GSA to “rationalize” IT IDIQs to identify/eliminate duplication and redundancy
 - OMB Director to issue memo within 14 days

Commercial Solutions, FAR Rewrite Executive Orders

April 15, 2025: [Ensuring Commercial, Cost-Effective Solutions in Federal Contracts \(14271\)](#), [Restoring Common Sense to Federal Procurement \(14275\)](#)

- EO 14271 requires agencies to procure commercial products and services to the maximum extent practicable:
 - require commercial items, unless the senior procurement executive approves an exception;
 - directs agencies to initiate a review of pending actions within 60 days.;
 - for procurements of noncommercial solutions, SPEs will assess the compliance with FASA and make appropriate recommendations to solicit commercial solutions; and
 - establishes annual reporting to OMB on the agency's compliance with FASA and the EO
- EO 14275 initiates a rewrite of the Federal Acquisition Regulation to cut down the FAR to those provisions that are required by statute or otherwise necessary...:
 - “...to support simplicity and usability, strengthen the efficacy of the procurement system, or protect economic or national security interests;”
 - FAR Council to take appropriate action to amend the FAR within 180 days of the order; and
 - establishes a 4-year sunset preference for nonstatutory FAR rules

FAR Overhaul

[OMB Memo M-25-26](#), May 2, 2025

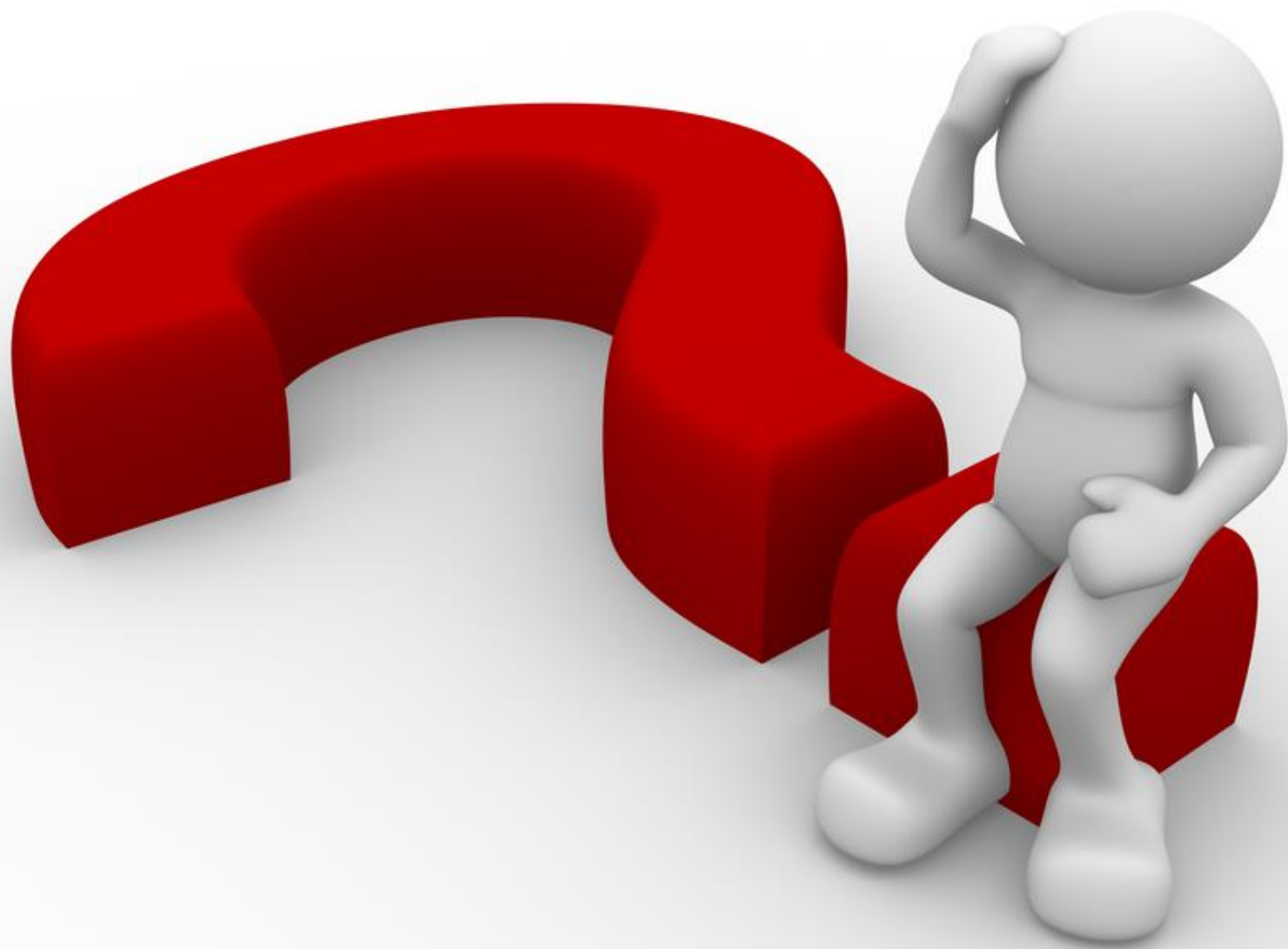
- Office of Federal Procurement (OFPP) and Federal Acquisition Regulation (FAR) Council are leading the FAR rewrite
- **Streamline FAR in Two Phases**
 - Phase 1 (Deviation Guidance) - OFPP will release rewritten FAR parts; agencies are expected to issue individual or class deviations (CD) text using FAR rewrite version as a model; once a model CD text is created for all FAR parts, the rulemaking process will begin. Follow the rewrite process at: [FAR Overhaul - FAR Part Deviation Guidance | Acquisition.GOV](#)
 - Phase 2 (Formal Rulemaking) - OFPP will conduct the formal rulemaking process (using the notice and comment process) to codify the text
- **Federal Buying Guides** – A living document that is updated to accommodate changes in procurement; focused on best practices for innovation throughout the acquisitions process
- **Agency next steps** – Identify a senior procurement official as a POC; submit deviation text to FAR Council; conduct tests on deviations and share results; submit quarterly status reports

Aquila

B-423173

GAO opinion published February 21, 2025

- **Background:** After market research, CO set aside Federal Supply Schedule (FSS) procurement for WOSB.
- **Issue:** Reasonable to set aside FSS for WOSB?
- **Analysis:** FAR part 19, small business programs, are not applicable to FSS procurements but an agency may, in its discretion, set aside orders for small business under FAR part 19.
- **Decision:** GAO dismissed the protest, finding the agency's market research adequate and finding protestor failed to state legal grounds to protest.
- **Takeaway:** Agencies have the **discretion to set aside** procurements under the FSS and FAR part 19.



Proposed Policy Changes

House of Representatives Proposed Changes

Bill	Excerpt Text
<p>H.R. 2804 – Amend the Small Business Act to codify the Rule of Two</p>	<p><i>Changes language to reflect: “(4) RULE OF TWO.—Each contract, task order, or delivery order for the purchase of goods or services that has an anticipated value greater than the simplified acquisition threshold shall be reserved for small business concerns when the contracting officer reasonably expects—</i> <i>“(A) to obtain offers from two or more responsible small business concerns; and</i> <i>“(B) to award such contract, task order, or delivery order at a fair market price.”</i></p>
<p>H.R. 3105 – Amend Internal Revenue Service/Small Business Act to expand employee stock ownership in S Corporations</p>	<p><i>The proposed bill expands the availability of employee stock ownership plans in S corporations, and for other purposes/Creation of the S Corporation Employee Ownership Assistance Office</i></p>
<p>H.R. 2993 – Establishes a position in the Small Business assistance with establishing employee stock ownership plans</p>	<p><i>Bill proposes to establish a position in the Small Business Administration to provide assistance to small businesses with establishing employee stock ownership plans, and for other purposes.</i></p>
<p>H.R. 3195 – Amends the Small Business Act to include surviving children in definition of owned and controlled by Service-Disabled Veteran Owned Small Business</p>	<p><i>The proposed bill allows a small business owned by a service-disabled veteran to maintain its veteran-owned status for up to three years after the veteran's death if a surviving child (defined as a biological or legally adopted child) acquires the veteran's ownership interest.</i></p>

Senate Proposed Changes

Bill	Except Text
<p>S. 991 - Amend the Small Business Act to eliminate certain requirements relating to the award of construction subcontracts within the county or State of performance.</p>	<p><i>Repeals Small Business Act Paragraph (11) of section 8(a): To the maximum extent practicable, construction subcontracts awarded by the Administration pursuant to this subsection shall be awarded within the county or State where the work is to be performed.</i></p>
<p>S.853 – Investing in National Next-Generation Opportunities for Venture Acceleration and Technological Excellence - Innovate Act</p>	<p><i>Improves the SBIR and STTR programs under the Small Business Act, and for other purposes.</i></p>
<p>S. 1786: One Stop Shop for Small Business Licensing Act of 2025. Require the Administrator of the Small Business Administration to continue to maintain a website regarding small business permitting and licensing requirements, and for other purposes.</p>	<p><i>Bill requires the Small Business Administrator to ensure all the covered website, and all of the information made available through the covered website (as that information may be updated by the Administrator given applicable changes with respect to the requirements that the covered website addresses), is publicly available.</i></p>

FAR Proposed Rule: Threshold Increases for FY26

[89 FR 94649](#) (Nov. 29, 2024)

Description	Current Threshold	Proposed Increased Threshold
Micropurchase threshold	\$10,000	\$15,000
Simplified Acquisition threshold	\$250,000	\$350,000
8(a) justification threshold for civilian-agency sole-source awards to entity-owned participants and certain other sole-source awards	\$25 million	\$30 million
Subcontracting plan threshold	\$750,000 (\$1.5 million for construction)	\$950,000 (\$2 million for construction)
8(a) sole-source threshold	\$4.5 million (\$7 million for manufacturing)	\$5.5 million (\$8.5 million for manufacturing)
HUBZone sole-source threshold	\$4.5 million (\$7 million for manufacturing)	\$5.5 million (\$8.5 million for manufacturing)
Service-disabled veteran-owned small business sole-source threshold	\$4 million (\$7 million for manufacturing)	\$5.5 million (\$8.5 million for manufacturing)
Women-owned small business sole-source threshold	\$4.5 million (\$7 million for manufacturing)	\$5.5 million (\$8.5 million for manufacturing)

Upcoming FAR proposed rules

1. Proposed 2024-006, SDVOSB Certification Requirements
2. Proposed 2024-003, 8(a) Program
3. Proposed 2023-017, Consolidation and Bundling
4. Proposed 2023-016, Subcontracting Plans and Limitations on Subcontracting
5. Proposed 2023-015, Policy on Joint Ventures
6. Proposed 2023-014, Small Business Protests
7. Proposed 2023-009, Credit for Lower-Tier Subcontracting
8. Proposed 2021-011, Past Performance Ratings for Small Business Joint Venture Members and Small Business First-Tier Subcontractor

FAR Proposed Rules: Small Business on MACs

[90 FR 3753](#); [90 FR 3761](#) (Jan. 15, 2025) – Comments due March 17

- Two proposed rules about small businesses on multiple-award contracts:
 1. require contracting officers to set aside orders under multiple-award contracts for small businesses when there is a reasonable expectation of receiving offers from two or more responsible small business contract holders that are competitive in terms of fair market price, quality, capability, delivery schedule, and past performance
 2. contracting officer's decision whether to set aside an order under a multiple-award contract is discretionary and not subject to protest