U.S. SMALL BUSINESS ADMINISTRATION

WASHINGTON, DC 20416

July 19, 2024

The Honorable Roger Williams Chairman U.S. House Committee on Small Business Washington, DC 20515 The Honorable Joni Ernst Ranking Member U.S. Senate Committee on Small Business Washington, DC 20510

Dear Chairman Williams and Ranking Member Ernst:

Thank you for your July 11, 2024 letter regarding SBA's technology upgrades to the certification system.

We appreciate the Committee's support of SBA's efforts to modernize and upgrade our technology platforms to ensure that the agency can reach even more small businesses. The planned certification modernization will make certifications easier so small businesses spend less time on paperwork and get back to doing what they do best—bidding on federal contracts, building their business and delivering for our nation.

Obtaining certification from the SBA can help small businesses access government contracts and help our nation meet our small business contracting goals. The Committee was very involved in understanding the technological modernization project with Veteran Certification (VetCert) when that certification transitioned from the Department of Veterans Affairs (VA) to the SBA. As the Committee is aware, VetCert was delivered on-time and on-budget, and has become the gold standard for certifications. That upgrade – just like our current upgrade plan – required SBA to suspend new certification applications: In 2022, the VetCert platform did not accept new certifications for 10 weeks. Ample communication from the SBA helped minimize the impact for veteran firms that could not access the platform during the upgrade. Since the upgrade was completed, SBA has certified over 17,000 veteran business owners – nearly doubling the total numbers of certified firms.

Beginning August 1, 2024, SBA will begin updating the Certify system and processes across all of our programs for system modernizations that will make it possible for users to request multiple certifications at one time and track their information in the MySBA portal. This upgrade will require SBA to temporarily pause new applications. Our team has planned for, and remains committed to managing, any potential impacts of the pause on the current year contracting cycle which is why this upgrade period is carefully scoped to pause only new incoming applications; active/pending applications as well as all certification updates and customer support services will not be impacted.

SBA will continue to process to completion any application submitted prior to August 1, 2024 through the current systems in the order in which they were received. SBA will offer a manual application submission and expedited review for any business that fails to submit an application for initial certification prior to the August 1 deadline and is the apparent successful offeror on a

contract, Firms with emergency needs can email <u>certifications@sba.gov</u> with the solicitation number, agency, and bid due date.

As we communicated to the Committee during our briefing on June 13, 2024, SBA is taking proactive steps to minimize disruption for businesses. Most applicants begin their certification journey on the SBA program websites and application portals, before they are ready to apply. On June 17, 2024, SBA posted a public notice on all eight landing pages announcing the temporary pause in new application certification – allowing 6 weeks of advance notice for businesses to plan and minimize disruption to their operations. Each notification offers a link to additional information including a fact sheet and customer service phone number and email which are monitored throughout the day.

In advance of the system upgrade, we announced the system upgrades and timelines to thousands of small business contractors at major conferences across the country, to include Hawaii, Alaska and Puerto Rico. Additionally, we separately briefed major stakeholders including veteran and women's groups, the National 8(a) Association, the HUBZone Council, Apex Accelerators, federal agency OSDBU directors, SBA's District Office network, SBDCs, and other resource partners – all of whom continue to amplify the message among their networks to maximize small business notification. These are only the first steps in a sustained and ongoing outreach campaign taking place through September.

Over the past few months, business owners have become increasingly excited about the upgrade and many told us that the benefit associated with the opportunity to apply for multiple certifications with one application far outweighs the inconvenience of a short and temporary shut-down period for new applicants.

Lastly, given the Committee's stated support for technology modernization across the agency, it is surprising to suggest delaying implementation of a certification systems upgrade until the next Fiscal Year, especially given that SBA is minimizing the impact on small businesses and providing a pathway for manual certification for those firms facing a specific contract opportunity deadline during the upgrade period. After waiting more than a decade for a unified certification platform, SBA believes that it does not make sense to force small businesses to continue to use an antiquated certification system that relies upon multiple platforms for an additional year, nor to delay long-planned modernization efforts that have already been budgeted for Fiscal Year 2024. SBA will continue to prioritize the interests of our small business stakeholders and will move forward with our planned modernization as we have communicated to the Committee.

Again, thank you for taking the time to express your views. If you need further information, please contact the SBA Office of Congressional and Legislative Affairs.

Sincerely,

George Holman George Holman Associate Administrator Congressional and Legislative Affairs