

May 21, 2018

The Honorable Ben Cardin  
United States Senator  
509 Hart Senate Office Building  
Washington, DC 20510

The Honorable Mike Enzi  
United States Senator  
379A Senate Russell Office Building  
Washington, DC 20510

Dear Senators Cardin and Enzi:

On behalf of the member companies of the Professional Services Council (PSC), I write to convey our association's strong support for your legislation to permanently restore prompt payments to small businesses and small business subcontractors who support the Department of Defense (S. 2893). PSC is the voice of the government technology and professional services industry, representing the full range and diversity of the government services sector—including businesses of all sizes impacted by this policy.

Originally established in 2011 by Office of Management and Budget (OMB) Memorandum M-11-32, "Accelerating Payments to Small Businesses for Goods and Services," and most recently extended through Memo M-17-13, "Extension of Policy to Provide Accelerated Payment to Small Businesses and Small Business Subcontractors," this directive has helped ensure that small businesses who work with the federal government are paid in a timely manner for the goods and services provided. Unfortunately, OMB has not renewed the subcontract part of the directive, which lapsed on December 31, 2017.

This policy is a critical life line for small businesses who work in the federal market and its impacts are wide-spread. Small business primes and subcontractors rely on a predictable and steady cash flow to finance their day to day operations, while concurrently investing in growth and job creation. Large primes depend on the small business subcontractors' participation in the marketplace to maintain a healthy supply chain and meet the government's small business goals. The government relies on a diverse business base to foster greater competition and drive down prices.

Accordingly, we strongly support your bill to provide the Defense Department's contractor community with stability by codifying this policy on a permanent basis. We also urge Congress to prioritize enacting this policy on a government-wide basis. PSC looks forward to working with you to see this legislation enacted.

Thank you for your leadership and your commitment to our nation's small business contractors. If you have any questions or need additional information, please do not hesitate to let me know.

Respectfully,



Alan Chvotkin  
Executive Vice President and Counsel