

**Statement of Mr. Daniel Jaworowski  
COO/President, Infinity Systems Engineering LLC  
Hearing of the House Small Business Committee on  
Restoring America's Industrial Base:  
The Role of Small Businesses in National Security**

June 3, 2026

Chairman Williams, Ranking Member Velasquez, and distinguished members of the Committee, thank you for the opportunity to testify before you today. My name is Dan Jaworowski, and I serve as President and Chief Operations Officer at Infinity Systems Engineering, a small business in Colorado Springs, CO, operating in support of the US Air Force, US Space Force, the intelligence community, and major industry partners. It is an honor to be here to discuss the Defense Industrial Base and the Role of Small Businesses in National Security.

My career supporting the defense industry goes back nearly 30 years with more than half that time spent in privately owned small businesses and the rest with one very large prime. This affords me a unique experience to apply to the topics of today's hearing.

**The Frozen Middle / Second Valley of Death**

I'd like to use my most recent experience as an appeal to look out for independent, small businesses like us as we face what can only be described as a second valley of death. Infinity has successfully scaled, yet we find ourselves trapped in a regulatory blind spot, and we are not alone. As a small business with fewer than 300 employees and no socioeconomic designations, we are too large to benefit from entry-level small business set-aside programs. Therefore, we are considered a "large" and are forced to compete for full-and-open contracts directly against multi-billion-dollar defense primes who possess exponentially more proposal, legal, and overhead resources. Forcing a growing, mid-sized small business to jump straight into the ring with defense giants, without an intermediate, competitive tier, is the antithesis of healthy competition and actively disincentivizes small business growth, and a barrier to entry for new participants. There are countless commercial entities, with valuable capability to bring to the fight, who stay away from the defense sector for this exact reason, among others. Small, private businesses like ours are often left with three choices.

- 1) Stay in the game and fight our way to organic growth, which Infinity continues to do today.
- 2) Make investments in M&A for inorganic growth, but most lack capital without seeking outside investment and sacrificing some control of our businesses.
- 2) Exit the market via an acquisition.

In the past six years, nearly a dozen independent small businesses operating in the defense sector, and owned and operated in Colorado Springs have sold to larger firms or to private equity. All are now part of significantly larger entities. Infinity is nearly the last of a breed in Colorado Springs.

**8(a) Safe Haven for Truly Large Businesses**

I'm often asked by peers and counterparts how I feel about the recent 8(a) audits taking place across Government services, including defense. In short, I believe that they are necessary. In my

experience, most of these firms seemingly operate within the bounds of the law and more or less with integrity. I work with a lot of firms that operate under the protections offered by legislation geared to helping small, disadvantaged firms compete. However, many of these firms are very far from small, and they are certainly not disadvantaged. While intended to assist developing firms, the 8(a) program frequently grants immense advantages to massive multi-entity holding structures and conglomerations.

These firms masquerade as small businesses yet have access to shared corporate services and capital pools that far exceed the reach of an independent, truly small business. It's firms like ours that become disadvantaged when accommodation is made where accommodation is not needed. The frequent use of sole-source, non-competitive direct awards allows these entities to essentially name their price to the government. They then use inflated margins to manipulate the market price for talent for a small percentage of the labor pool in that market. This severely disrupts contract execution and mission continuity for traditional small businesses that must win strictly on competitive pricing and retain talent in these same markets.

### **FAR Overhaul Also Requires Rapid Protest Reform**

The FAR overhaul designed to bring flexibility and speed, is both necessary and overdue. However, those changes are only as good as the acquisition professionals executing them. Today, contracting shops are paralyzed by a weaponized protest culture throughout the industry. The fear of frivolous protests traps contracting offices in endless acquisition strategy design and source-selection morass. The result is delayed acquisition schedules, frequently of months or even years. For a small business that has already sunk hundreds of thousands of dollars into a pursuit, these delays drain the vital capital we need to fund independent R&D and sustain our talent for future pursuits. In the end, the Government feels this in increased rate structures.

From a legislative perspective this committee can do a lot to address these concerns. Several outcomes I hope to see in the months and years ahead, and which I'm enthusiastic to discuss here with you today.

**Recognize the Middle:** Legislatively direct the expansion of NAICS categories and size standards to include the middle tiers of companies. Set asides for companies larger than X but smaller than Y.

**8(a) Reform:** Legislate to limit the accommodations of the 8(a) program to truly disadvantaged firms, and prohibit holding companies of any kind from claiming "forever small" status.

**Schedule Parity:** Legislate accountability metrics that hold government acquisition timelines to the same strict standards as contractor schedules. It should be no more acceptable for Government to miss deadlines than it is for contractors to miss them.

**Protest Reform:** Introduce clear statutory thresholds or financial penalties to curb frivolous bid protests designed purely for revenue extension, liberating contracting officers from a culture of fear.