

Opening Statement of
Senator Robert F. Bennett

**Achieving the President's Objectives: New OMB Guidance to Combat Waste,
Inefficiency, and Misuse in Federal Government Contracting**

Subcommittee on Contracting Oversight
Committee on Homeland Security & Government Affairs
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A central debate in Washington is the size and scope of the Federal Government - what it should do and how those missions should be accomplished. Although we in this committee may not agree on exactly where that balance is, I would venture that it is a universal sentiment that for every tax dollar the government spends, we must strive to gain at least as much value for the American taxpayer. This is our duty, and although the accomplishment of the federal mission is paramount, it is equally important to ensure that every taxpayer dollar is well spent.

As a former businessman, I cannot help but see these two sentiments as inextricably linked. Good government spends wisely. Like a successful business, government's success relies on a good plan, measurable results, a capable workforce, and informed leadership. I am pleased to see that the President and the Office of Management and Budget (OMB) recognize the importance of planning as they develop contracting directives that are rooted in the measured and comprehensive legislation on contracting reform passed by Congress in 2007 and 2008. Since the beginning of this month, when OMB committed to releasing their new directives, I have been hopeful to find initiatives rooted in the other two components of success – a capable workforce and leadership. Unfortunately, I could not find either in these new directives.

The central themes of these directives are good, but they are not new. In the past several years, the Government Accountability Office (GAO), numerous reports of Inspectors General and auditors across the federal government, the President's Council on Integrity and Efficiency and, in 2007, the Acquisition Advisory Panel, have all produced an extensive body of work that identified the same challenges for the federal government in acquisition management. They have all identified a shortage of trained acquisition personnel; the absence of effective competition, the lack of transparency in many acquisitions, poor planning and oversight of contracts by agencies, and the frequent inability, or unwillingness, of agencies to hold contractors accountable for poor acquisition outcomes.

The recent OMB guidelines identify the same problems, but I am concerned that several years after we found consensus on where our acquisitions capabilities needed to be, we seem to be no closer to action. Reform has never been more urgent. Last fiscal year,

according to Federal Procurement Data System (FPDS), \$525 billion was spent on contractors who support the federal government's efforts to serve the American public. Many have pointed out more than half of the acquisition workforce will be eligible to retire within next several years. Currently, our acquisition workforce distribution looks like an hourglass – heavy on either end but light on people with 10-15 year experience. From a business standpoint, this is not a healthy organization. Unless immediate and drastic action is taken now, our capacity to do acquisitions in a comprehensive, business-like manner will suffer over the next several decades.

After years of extensive analysis, I am eager to witness actual results. Effective action begins with leadership, and I hope I find OMB taking the lead during this hearing when addressing some of the questions I have, such as;

- Why, in a unique moment of broad consensus on this topic over the past several years, has effecting real change in acquisitions been so difficult?
- How does OMB, through the Office for Procurement Policy (OFPP), plan to produce and manage the guidance and metrics required by Congress and the President timely and effectively?
- The various contracting policy directive's requirement that each agency increase competition and reduce its high-risk contracts is a step toward transparency and competition. This initiative will rely on careful, informed analysis by all components of the acquisition workforce. Workforce development is a pillar for strengthened acquisition practices and improved performance. Without a well trained and capable acquisition workforce, our federal contracting efforts will not improve. Will the new OMB plan provide the needed vision and blueprint to turn this around?

Integrity in the acquisition process is based on competition and transparency. This is easy to say, but in the face of bureaucratic inertia, quite a challenge to produce. It relies on a trained, professional, and appropriately sized acquisition workforce that is able to make informed market-based decisions to bring best value to the federal government. It also depends on strategic thinking at every federal agency, where clarity of mission, accountability, and an emphasis on results can guide informed acquisition decisions.

I am encouraged by the broader emphasis on competition and the acquisition workforce that these new directives carry. In government, however, it is too easy to deliberate in working groups and believe that meaningful work was done. We should all be mindful, when we speak of acquisitions policy, that every improvement we gain benefits the soldier in the field, the law enforcement officer keeping us safe, or the public servants safeguarding our health and wealth throughout the country. With them in mind, it is time for us to take action and seek real improvement in contracting.

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