

Opening Statement of
Senator Susan M. Collins

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

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Committee on Homeland Security & Government Affairs
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In government procurement, ensuring the best value for the American taxpayer is important under the best of circumstances, but it is crucial when our nation is at war and our fellow citizens are serving in harm's way in Iraq, Afghanistan, and in other overseas locations. In the last fiscal year alone, the federal government's contract spending totaled nearly \$525 billion.

Therefore, it was most appropriate that one of the first actions the President took earlier this year was to direct the Office of Management and Budget (OMB) to provide comprehensive guidance to assist agencies in reviewing existing contracting practices, setting competition and savings goals, and rebuilding the acquisition workforce. Thus far, OMB has issued two sets of guidance, in July and earlier this week.

As a long time advocate for stronger competition, accountability, and transparency in government contracting, I applaud the steps the Administration has taken to bring additional rigor and competition to federal contracting. For example, the requirement that each agency

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reduce its high-risk contracts by 10 percent is a meaningful attempt to ensure that contracts are awarded in a transparent and competitive manner.

Many of the initiatives outlined in OMB's guidance were mandated by legislation I co-authored with Senator Lieberman during the last Congress. Our legislation:

- mandates greater competition for “task or delivery orders,” under Indefinite Delivery/Indefinite Quantity contracts;
- limits certain noncompetitive contracts to one year;
- requires OFPP to clarify regulations governing the proper use of cost-reimbursement and sole-source contracts – contracting vehicles that expose the government to increased financial risk; and
- improves the linkage between award and incentive fees to acquisition outcomes so that fees are not awarded to contractors for poor work.

The OMB guidance also emphasizes the importance of proper acquisition planning and requirements development. This is a critical element of government contracting reform, but it is an element dependent on an effective acquisition workforce.

Unfortunately, on this critical issue, OMB's efforts fall short. When Congress mandated that OFPP produce an Acquisition Workforce Development Strategic Plan, the plan was to provide a specific and actionable five-year implementation plan to increase the size of the

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acquisition workforce and to operate a government-wide acquisition intern program. The plan released by OFPP yesterday lacks adequate analysis or substance.

Rather than gathering requisite data, analyzing it, and coming up with a coherent implementation plan with specific details as required by the law, the Administration's plan essentially repeats known information, provides a list of general human capital planning guidelines, and creates various interagency working groups without clear direction or vision. This plan simply delegates to each agency what the law required OFPP to do itself.

The President's March memorandum identifies acquisition workforce development as a pillar for strengthened agency acquisition practices. We can pass laws and issue guidance all day, every day, but without a well-trained and sufficient acquisition workforce, our federal contracting efforts will not improve. It is disappointing to ask OMB to go back to the drawing board on this crucial component of contracting reform, but the plan provided is, quite simply, deficient.

An appropriate plan must carefully project what and how much the federal government, as a whole, is likely to purchase in the next five years. It must clearly define and account for the current and future size and composition of the acquisition workforce, particularly with the upcoming wave of massive acquisition workforce retirements. This is obviously a difficult task, requiring complex modeling and reasoned prediction. Nonetheless, I consider this a crucial missing piece in the Administration's acquisition reform initiatives, and without it, the Administration will fail to meet its objectives.

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