

Statement of Senator Susan M. Collins

“Nomination of Joseph G. Jordan to be Administrator for Federal Procurement Policy”

**Committee on Homeland Security and Governmental Affairs
May 9, 2012**

★ ★ ★

Seldom has a nominee for Administrator of the Office of Federal Procurement Policy come before this Committee at a more critical time.

OFPP plays a central role in shaping the policies and practices federal agencies use to acquire the goods and services they need to carry out their missions. The flouting of acquisition rules by the General Services Administration in connection with a lavish 2010 conference, as documented by the agency’s Inspector General, underscores the importance of adherence to these rules as a bulwark against the waste of taxpayer dollars. As the IG recently testified, GSA “committed numerous violations of contracting regulations and policies, and of the Federal Travel Regulation.” The list of violations is long and growing as the IG continues to investigate.

Among other things, the IG found that, for this “over the top” conference, GSA:

- failed to publish solicitations and compete contracts for a team-building exercise and audio-visual services;
- disclosed a competitor’s proposal price to a favored customer;
- revealed its maximum budget for one day of training -- \$75,000 -- and then agreed to pay the contractor that amount; and
- increased food and beverage spending at the hotel (including a cocktail reception and a catered breakfast) in return for the hotel honoring the government room rate.

This is outrageous. How does this happen?

The IG said this situation raises “special concern” because GSA should be a “model” in contracting and managing travel and conference planning. I couldn’t agree more.

Ultimately, however, it is OFPP that has the obligation to ensure – across the government – that the federal acquisition system delivers the best value to taxpayers. OFPP must take action to ensure such blatant violations of contract law and regulation will not be tolerated – particularly as we face an unsustainable national debt burden.

The federal acquisition system is also under tremendous stress. Between fiscal years 2001 and 2011, acquisition spending by the federal government expanded by 140 percent, from \$223.2 billion to \$536 billion. Procurement actions are also becoming increasingly complex.

Despite the increased workload and complexity of procurement actions, the acquisition workforce has remained flat. This perfect storm increases the risk that there will be bad acquisition outcomes and taxpayer dollars will be wasted.

As President Reagan said, “personnel is policy.” It only makes sense that we’ll get the best acquisition outcomes if the acquisition workforce is top-notch. As the unfolding GSA scandal makes clear, training and accountability of our acquisition workforce must be a top priority.

OFPP plays a key role in addressing acquisition workforce challenges. OFPP must ensure that we have a well-trained acquisition workforce. This is critical to keeping pace with the federal government’s increasingly complex procurement of goods and services – and ensuring good outcomes for the taxpayer.

The acquisition process must also be grounded solely and unequivocally on providing the very best value to American taxpayers. That is why I have fought over the last two years to stop the Administration’s unfortunate efforts to inject politics into the system.

Last year, when word leaked that the Administration was considering an Executive Order that would require federal agencies to collect information about campaign contributions by potential bidders as a condition of competing for federal contracts, I opposed this effort – along with a bipartisan group of my colleagues. I authored a provision that became law in last year’s Defense authorization act, and similar language was included in the omnibus appropriations bill to make it abundantly clear that politics has no place in the procurement process. Incredibly, the Administration has proposed, in its Fiscal Year 2013 budget, to end the prohibition Congress included in the omnibus appropriations bill last year.

No good can come of such an effort. Indeed, it would discourage contractors from participating in the federal marketplace. I hope we can get assurances from the nominee that he will actively oppose such an effort.

I know that Mr. Jordan is relatively new to the area of federal government procurement, but he has served in important roles at the Small Business Administration and OMB. I look forward to hearing how Mr. Jordan would address the challenges faced by the federal acquisition system, if confirmed as the next OFPP Administrator.