

**Nomination of Joseph G. Jordan for
Administrator for Federal Procurement Policy
Chairman Joe Lieberman
May 9, 2012**

Good morning. Today, we welcome before the Committee Joseph G. Jordan, nominated by the President to fill one of the most important management positions at the Office of Management and Budget: that is, Administrator for Federal Procurement Policy.

The person who fills this position is responsible for the Office of Federal Procurement Policy, or OFPP, and is charged with overseeing procurement policies across the government, while promoting effective, yet cost efficient spending on contracts.

OFPP's role in promoting sound contracting practices is now more important than ever. Federal spending on contracts over the last decade has spiraled skyward to exceed half a trillion dollars a year. Last year the federal government spent over \$536 billion on contracts for everything from office supplies to advanced weapons systems to information technology. Fiscal discipline is good policy no matter the dollar amount, but, in a weak economy, when we are looking to significantly reduce the deficit, and with \$536 billion at stake, fiscal discipline is a must. The OFPP, in other words, needs to double down on its oversight of contract spending to make sure we don't purchase goods or services we don't really need and to ensure that we get the most for the taxpayer money we do spend.

In February 2009, just a few weeks after he was sworn into office, President Obama invited a number of Members of Congress to the White House for a Fiscal Responsibility Summit, which included a session on procurement that Senator Collins and I participated in. To their credit, the President and his team at OMB have steadily pushed out reforms based on ideas we discussed at that Summit. I look forward to hearing Mr. Jordan's ideas for keeping that momentum going.

The Ranking member and I, and other members of the Committee, will ask the nominee a number of questions after his testimony. I would like to flag just a few that, for me, rise immediately to the top.

First, I would like to know specifically what should be done to replenish the acquisition workforce, which has not kept pace with the sharp rise in contract spending. Clearly, we cannot expect contracts to be performed on time and within budget if we don't have good people to plan, negotiate, and oversee those contracts. We have no tolerance for contracting officers who are either woefully ignorant of the procurement rules or willfully ignore them – as appears to have been the case when the GSA Western Region contracted out for services at its shamefully extravagant Las Vegas conference.

Second, this Committee has long been concerned about the appropriate role of government contractors and ensuring they do not perform “inherently governmental” work. Last fall, the previous OFPP Administrator, Dan Gordon, issued a policy directive clarifying when it was appropriate to use contractors to perform government services and when those services should be performed by federal employees. I am interested in how OFPP should follow up on that directive.

Third, is about costs. Some reports have concluded that agencies’ use of contractors is often more expensive – and sometimes exorbitantly so – than federal employees who perform the same work. I’d like to know if OFPP should be doing more to develop cost comparison tools for agencies so they can make the most cost efficient choices.

Fourth, the taxpayers should have some assurance that we award contracts only to those who are responsible business partners. Last November, this Committee held a hearing on suspension and debarment procedures, which established that agencies often fail to use tools they already have to keep money out of the hands of bad contractors. I’d like to ask the nominee what OFPP might do to follow up on that finding.

Fifth and finally, information technology initiatives have been a particular challenge for agencies. IT contracts account for about \$80 billion in spending each year, so I would like to know what more OFPP can do, with the Chief Information Officer, to determine why so many colossal IT failures have occurred and what can we do to correct it.

Mr. Jordan has a wealth of experience in the private sector and the government related to contracting and management. He currently serves as a senior adviser at the Office of Management and Budget, and from 2009 to 2011 he was the Associate Administrator for Government Contracting and Business Development at the U.S. Small Business Administration. Before joining the Administration, he was at the consulting firm McKinsey and Company.

Mr. Jordan, again, welcome to you. We look forward to hearing your views on what you hope to accomplish as Administrator for Federal Procurement Policy.