



Government Practices that Add Cost to Purchases Made by Federal Agencies

1. Government unique acquisition practices. Inflexible formats, short turnarounds, inconsistent operating procedures, continually changing procedures, all drive up the cost of doing business.
2. Excessive non-commercial information requests. The government increasingly requires that contractors provide extensive data to help the government manage its acquisition process. Data is not a free good.
3. Duplicative acquisitions –Failure to use existing government-wide contracts significantly increases bid and proposal costs. It also requires contractors and government to establish infrastructures to administer and comply with multiple acquisitions.
4. Acquisitions that contain generic, rather than well-developed requirements. Contractors offer favorable terms and pricing to customers that share the best information about requirements.
5. Acquisitions with no commitments. Contractors offer favorable terms and pricing to customers that commit to volume or usage.
6. Failure to use commercial products to the maximum extent practicable. Use of government unique technical requirements drives up the cost of performance. GSA should structure acquisitions to quickly accommodate innovation and new technologies into their business model. Customers are looking at innovation and new technologies as a way to drive costs down.
7. Ineffective automation. Lack of clarity and administrative problems result in rejection of offers, multiple submittals, and delays in the procurement process that cost industry and government
 - a. System changes not documented
 - b. Changes without notice
 - c. Systems that don't communicate with each other
 - d. Lack of flexibility in uploading documents
8. Striking the balance between oversight and business judgment. The size of the acquisition budget demands systems that protect taxpayer interest. In order to adequately address mission critical needs, however, contracting officials need the ability to exercise business judgment in fulfilling their responsibilities. The current tilt towards oversight is driving evermore complex and costly procurement processes and procedures.