



September 26, 2013

Michael Canales

Senior Analyst

Defense Procurement and Acquisition Policy (DPAP) Contract Policy

Department of Defense

4800 Mark Center Drive, Suite 15D07-02

Alexandria, VA 22350

Re: Interagency Acquisition Policy Review

Mr. Canales:

The Coalition for Government Procurement (The Coalition) appreciates the opportunity to provide input on the Department of Defense (DoD) Interagency Acquisition Policy Review.

The Coalition is a non-profit association of firms selling commercial services and products to the Federal Government. Our members collectively account for approximately 70% of the sales generated through the GSA Multiple Award Schedules (MAS) program and about half of the commercial item solutions purchased annually by the Federal Government. Coalition members include small, medium and large business concerns. The Coalition is proud to have worked with Government officials over the past 30 years towards the mutual goal of common sense acquisition.

We commend Defense Procurement and Acquisition Policy (DPAP) for reviewing existing acquisition policies in order to ensure that the Department has a sound, consistent and easy to understand policy on interagency acquisition. Simplifying the guidance and procedures required to conduct interagency acquisitions has the potential to deliver the dual benefit of achieving costs savings for the Department *and* reducing contract duplication.

Current State

Today, the path for DoD contracting officials to conduct an interagency acquisition is an arduous one. Regulations in the FAR and DFARS require contracting officers to comply with a myriad of complex documentation and approval processes before they can achieve the efficiencies

and cost savings that the Federal Supply Schedules, GWACs and MACs were put in place to deliver. The need for the acquisition workforce to conduct best procurement approach determinations, determination and findings reports for Economy Act purchases, and evaluations proving that non-DoD contracts are “in the best interest of DoD” all serve as disincentives to pursuing interagency acquisition within the Department and achieving the associated cost savings.

These hurdles create the unintended consequence of encouraging contracting officers to pursue open market procurements. The result is the proliferation of duplicative contracts across DoD that offer the same or similar services and products. These duplicative contracts increase government and contractor administrative, bid and proposal costs without added value for the American taxpayer. Overlapping, redundant contracts also have to be managed by both government and industry in the long term causing inefficiencies in the Department and in companies for the life of these contracts. Current examples are the SPAWAR Pillars portfolio, NOAA Pro-Tech IT SBSA, and the Pax River PASS contracts. While the specific costs involved in developing and managing these contracts are not easily tracked, the costs are known to be real.

Recommendations

I. FAR

a. FAR 17.502-1 – Best Procurement Approach

- i. The requirements in FAR 17.502 should be balanced so that the need to conduct a best procurement approach determination does not serve as a disincentive to using existing contracts.
- ii. The FAR should be revised to also require best procurement approach determinations for open market procurements to ensure that it is a suitable method of conducting the acquisition and that it is cost effective for the taxpayer.
- iii. The FAR language should encourage interagency acquisitions for efficiency purposes and to generate lower administrative costs. It should also include a preference for GSA Schedules, GWACs or MACs with broad competitive bases because of the ability to achieve low pricing and innovation through competition under these contracts.

- iv. Executive agency designations and OFPP business case approvals should serve as the best procurement approach determination for orders under GWACs and MACs and require no further action by a contracting officer.
- b. FAR 17.502-2 – Economy Act**
 - i. The government should maintain the distinction between the Economy Act authority, the authority of the Federal Property and Administrative Services Act and the Clinger-Cohen Act; and focus on improving the underlying procedures.
 - ii. FAR 17.502-2 should be revised to acknowledge that interagency contract vehicles that have been established and approved by OFPP provide administrative efficiencies and cost savings. Rather than requiring each interagency acquisition under the Economy Act to conduct a determination and findings (D&F), contracting officials should conduct a D&F when existing contracts are not being used.
- c. FAR 17.7 – Interagency Acquisitions: Acquisitions by Nondefense Agencies on Behalf of the Department of Defense**
 - i. A more accessible and transparent list of agencies who have certified that they will comply with all applicable DoD procurement requirements should be maintained. DoD contracting officials should be required to justify when they choose not to utilize existing interagency contracts within these agencies.

II. DFARS

- a. DFARS 217.5 – Interagency Acquisitions**
 - i. See previous comments regarding best procurement approach.
- b. DFARS 217.78 – Contracts or Delivery Orders Issued by a Non-DoD Agency**
 - i. Harmonize the requirements that DoD contracting officers have to follow to determine whether a non-DoD contract is “in the best interest of DoD” with the FAR’s best procurement approach requirements to the greatest extent feasible. Contracting officials should not be required to conduct a best procurement approach or “in the best interest of DoD” evaluation for interagency contracts that have Executive agency designation and business case approval.

III. DPAP Acquisition Policy

- a. Simplify the guidance on interagency contracting by updating, clarifying and reducing the number of memos posted on the DPAP website – the volume of policy guidance is overwhelming.
- b. Issue guidance and provide templates to the acquisition workforce explaining how to conduct interagency contracting in accordance with the FAR and DFARS in plain language.
- c. Make it clear that an Executive agency designation and OFPP business case approval meet the “best procurement approach” and “in the best interest of DoD” determinations for the Department.
- d. Elevate use of the MAS program in the FAR Part 8.002 list of priorities
- e. Eliminate any competing procedural or documentation requirements across the military departments – DPAP should establish sole guidance.
- f. Commit to simplifying all interagency acquisition guidance and requirements. There is power (and cost savings) in making interagency contracting easier for the acquisition workforce.

Addressing these recommendations would improve the efficiency of the acquisition process and reduce costs for the Department of Defense and the American taxpayer.

The Coalition appreciates the opportunity to provide input on how Interagency Acquisition policy can be streamlined. If there are any questions, please contact me at (202) 331-0975 or rwaldron@thecgp.org.

Sincerely,



Roger Waldron

President