

FY96 Defense Authorization Bill Hailed As Victory for Acquisition Reform

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Secretary of Defense William Perry, on February 1, 1996, issued a strong endorsement of the acquisition reform legislation contained in the FY 96 National Defense Authorization Act. The bill was signed into law on February 10, 1996. "We are greatly encouraged by the important acquisition reform measures contained in this year's National Defense Authorization Act. They are a critical follow-on to last year's legislative success in acquisition reform, moving us much further along to the reengineered acquisition system that we must have to meet our 21st Century defense needs," said Secretary Perry. Under Secretary of Defense for Acquisition and Technology Paul Kaminski believes that the new provisions contained in the Act will greatly simplify the government's buying practices for computer purchases and commercial items, will improve competition, and help guarantee fast and cost-effective resolution of protests. The bill's provisions include:

Repeal of the Brooks Automatic Data Processing Equipment Act, a major stumbling block to buying computers and related items.

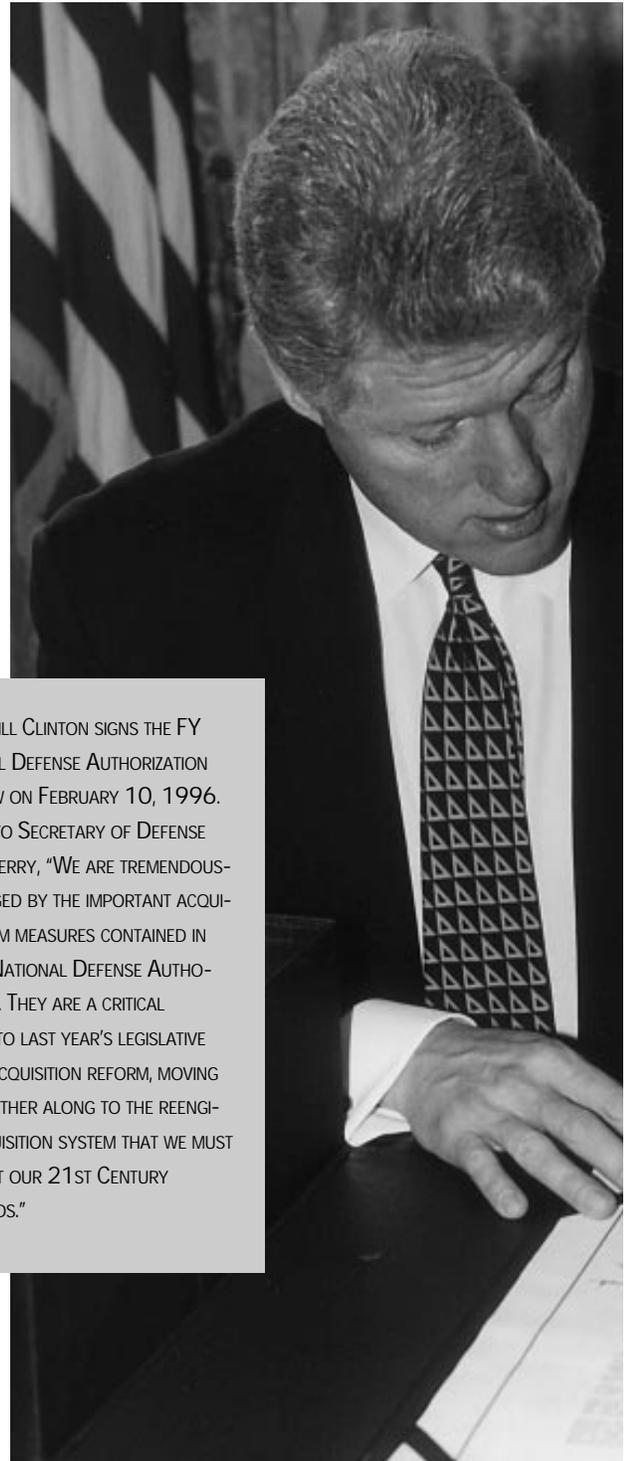
The 1965 Brooks Act gave all federal information technology (IT) acquisition and management authority to the General Services Administration (GSA). This anachronistic law is antiquated in today's commercial micro-computer environment. It produced a cumbersome bureaucracy that often

impeded the quick, efficient purchase of IT, and meant that many DoD computers were obsolete by the time they were delivered.

The Brooks Act repeal also eliminates the exclusive authority of the General Services Administration Board of Contract Appeals (GSBCA) to consider contractor objections (bid protests) to IT procurements. Nearly half of all major IT procurements are protested to the GSBCA, extending the procurement time line by 30-40 percent. Now, all protests will be handled at the General Accounting Office (GAO), which provides a cheaper, and more streamlined protest procedure for federal contractors.

Establishment of cutting-edge IT management policies that empower agencies directly, while ensuring that central coordination occurs precisely when needed to enhance governmentwide efficiency.

The Act requires the Office of Management and Budget to establish agency guidance for governmentwide institution of capital investment planning



PRESIDENT BILL CLINTON SIGNS THE FY 96 NATIONAL DEFENSE AUTHORIZATION ACT INTO LAW ON FEBRUARY 10, 1996. ACCORDING TO SECRETARY OF DEFENSE WILLIAM J. PERRY, "WE ARE TREMENDOUSLY ENCOURAGED BY THE IMPORTANT ACQUISITION REFORM MEASURES CONTAINED IN THIS YEAR'S NATIONAL DEFENSE AUTHORIZATION ACT. THEY ARE A CRITICAL FOLLOW-ON TO LAST YEAR'S LEGISLATIVE SUCCESS IN ACQUISITION REFORM, MOVING US MUCH FURTHER ALONG TO THE REENGINEERED ACQUISITION SYSTEM THAT WE MUST HAVE TO MEET OUR 21ST CENTURY DEFENSE NEEDS."

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and performance measures for virtually all federal IT programs. The Act also establishes a Chief Information Officer (CIO) in each federal agency, who has oversight responsibility for agency information technology program or projects to ensure these policies are appropriately implemented in each program.



In anticipation of this bill, the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence has developed a performance and results-based information resources management (IRM) capital planning and investment model. This model will require an IRM Strategic Plan from each Defense Component, tied to budget plans, from which a DoD IRM Strategic Plan will be generated. DoD will implement Performance Measures in its IRM processes. In support of this effort, the Office of the Deputy Assistant Secretary of Defense (C³I Acquisition) will publish a DoD IRM Performance Measures Guide in the third quarter of Fiscal Year 1996. It will contain a minimum mandatory set of performance measures for nine IRM areas.

Simplification of competition requirements to enhance efficiency in award process while maintaining full competition.

The bill permits contracting officers to limit the number of bidders in the competitive range to three when it will promote efficiency. Under the existing law, a contracting officer had to look for the "natural break or grouping" to determine the competitive range; those who should be considered further for award. If there was any question whether a bidder should be included, the bidder was kept in, in order to avoid a protest. Many contractors would continue to incur bid and proposal costs, and DoD was forced to expend precious resources evaluating bids that had no realistic chance of winning. This new authority enables agencies to expedite the procurement process, and allows bidders who do not have a chance of receiving the award, to save time and money by being removed sooner rather than later in the process. The bill also raises the approval levels for contract awards made using other than full and open competition methods from \$10 million to \$50 million.

Rationalization of procurement integrity law and post-employment restrictions.

The procurement integrity law is amended to focus on the improper disclosure or obtaining of contract award information. Post-employment restrictions are simpler and clearer, applying across the government to employees or officials in specific positions, or making certain decisions, in procurements above \$10 million. The new law is much more understandable, and will enhance the attractiveness of federal service because individuals can be more certain of their legal, ethical obligations in follow-on, private sector employment.

Simplification of commercial item buys.

For a three-year period, commercial items up to \$5 million in contract value can now be purchased using greatly simplified procedures. Further, burdensome cost or pricing data requirements are lifted from all competitive commercial item procurements. The government will be able to buy most commercial items just like any other customer, without imposing virtually all government-unique procurement requirements.

Deputy Under Secretary of Defense for Acquisition Reform Colleen A. Preston said, "The bill contains revolutionary breakthroughs. The first big step for legislative reform was the Federal Acquisition Streamlining Act of 1994. Now this bill shows that the spirit of acquisition reform is still going strong in the Congress. This legislation will allow DoD to fully reform the acquisition process and become the *smartest*, most *efficient*, and most *responsive* buyer of best-value goods and services that meet our warfighters' needs."

I N T E R N E T

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