



RELEASED

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This is a report on the results of work performed pursuant to a request of the addressee whose authorization should be obtained before further release of this report.  
**COMPTROLLER GENERAL OF THE UNITED STATES**  
WASHINGTON D.C. 20548

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B-208159.5

APRIL 8, 1985

The Honorable Jack Brooks, Chairman  
The Honorable Frank Horton, Ranking Minority Member  
Committee on Government Operations  
House of Representatives

The Honorable William S. Cohen, Chairman  
The Honorable Carl Levin, Ranking Minority Member  
Subcommittee on Oversight of Government Management  
Committee on Governmental Affairs  
United States Senate



126894

Subject: Limited Survey of the Need to Delay Implementation of the Competition in Contracting Act of 1984 (GAO/OGC-85-5)

In a letter dated August 1, 1984, you jointly requested that our Office establish an interdivisional task force to review the implementation of, and subsequent compliance with, the Competition in Contracting Act of 1984 (the act). As you know, the act is intended to increase the use of competition in contracting. As agreed with the two Committees, we plan to provide you with a report covering the period at least up to and a little beyond the act's April 1, 1985, implementation date. The report will summarize the task force's work on federal agencies' efforts to implement the act.

As part of the task force effort, the Committees, on March 19, 1985, also requested that we

- perform a limited survey, by telephone, of the level of readiness of selected federal organizations to begin implementing the act on April 1, 1985, as required and
- provide the results in a briefing to your Offices the following day.

After performing the survey and summarizing the results at the March 20, 1985, briefing, the two Committees asked us to provide the survey results in writing. We were requested to perform the survey because of continuing rumors of (1) anticipated problems at some federal agency locations in meeting the act's implementation date and (2) a need for the implementation date to be delayed or extended.

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In summary, we received mixed responses. Officials at 9 of the 15 organizations we contacted indicated that extending the act's implementation date was not warranted based on problems experienced or expected in their organizations. Those at the other six said it was warranted. However, officials at 8 of the 10 organizations we were specifically asked to contact said an extension was not warranted.

Officials at 12 of the 15 organizations we contacted cited some implementation problems. The basic problem identified was the need to revise paperwork in process, such as solicitations and justifications, to comply with the act. Officials at the highest level organizations we contacted generally did not see a need for an extension, while those at lower level organizations in the Navy and the Air Force generally supported an extension.

#### OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our survey were (1) to learn whether and to what extent selected procuring organizations, mostly within the Department of Defense (DOD), might be experiencing or expecting problems in meeting the act's implementation date and (2) to help determine whether a legislative extension of the implementation date was warranted.

We were requested to contact procurement officials at 10 organizations, which are identified in the enclosure to this letter, as well as any other DOD organizations we thought appropriate and feasible in the short time available. We contacted these 10 and 5 additional organizations (also listed in the enclosure). We selected these additional organizations judgmentally from the three military services to provide more complete information concerning whether and to what extent problems might exist, especially within lower level organizations in the services. We defined "lower level" organizations as those that report to the highest level organizations we contacted. The enclosure indicates which organizations are lower level by showing the organizations we contacted to which they report.

In performing the survey we used a short data collection form we developed to gather comparable information from each organization. We also attempted to speak with a high ranking procurement official at each location knowledgeable about the act. However, because of the short response time available for the survey, it was not always possible to speak with the official we initially attempted to contact. In such cases, we spoke with the individuals to whom we were referred. In every case these individuals appeared to have the knowledge needed to answer our questions. The enclosure lists the names and positions of the officials we contacted and those we attempted to

contact, in accordance with the Committees' request. Our survey was performed in accordance with generally accepted government auditing standards.

We told those officials we contacted that we were seeking to obtain information for the congressional committees regarding both the level of readiness in various organizations to implement the act on solicitations issued after March 31, 1985, and whether they believed the implementation date needed to be extended. We asked procurement officials to (1) characterize the general training/awareness level of contracting and/or requirements personnel in their organizations that would be responsible for complying with the act on April 1, (2) identify any problems they anticipated in implementing the act, and (3) categorize the problems as either:

- "very serious" which we defined as: the current date of implementation will mean substantial numbers of solicitations will either be issued that do not comply with the act or will be delayed;
- "moderately serious," defined as: the current date of implementation will cause enough disruptions in the solicitation process so that extension of the act's implementation date is warranted;
- "manageable," defined as: there will be some problems but they can be handled and an extension is not critical;  
or
- "no problems."

## RESULTS

The survey results showed mixed support for and against an extension of the act's implementation date. Officials at 9 of the 15 organizations we contacted said that an extension was not warranted at their locations. All three Army organizations we contacted, as well as the Defense Logistics Agency and the General Service Administration's Federal Supply Service, declared they were ready to implement the act. Four of the 10 Navy and Air Force organizations we contacted also indicated that extension of the implementation date was not warranted at their locations but the remaining 6 said it was. In addition, four of these six officials stated that time extensions ranging from 45 days to 180 days should be granted. The remaining two officials said that a 30-day extension should be granted, but only for those procurement offices that wanted to exercise that option.

Of the six highest level organizations we contacted, only one saw a need for an extension. However, five of the seven lower level organizations in the Navy and the Air Force supported an extension, while neither of the two in the Army did. The basic problem identified was the need to revise paperwork, such as solicitations and justifications, which was in the pipeline but needed revision to comply with the act.

Of the 10 organizations we were specifically asked to contact, only 2, the Air Logistics Center, Tinker Air Force Base, and the Navy Ships Parts Control Center, said they needed an extension. However, since (1) some of the DOD organizations we contacted indicated that significant problems might exist at other locations and (2) we had been requested to contact any other organizations we thought appropriate and feasible in the short time available, we contacted five additional organizations--one Army, two Navy, and two Air Force organizations. Officials at three of the additional four lower level organizations and the one additional highest level organization contacted stated that an extension was needed.

Based on our survey, of the 15 procurement officials we questioned:

- Three categorized their problems in meeting the act's implementation date as "very serious," three as "moderately serious," six as "manageable," and three as "no problems," as defined in the previous section.
- Eleven officials believed the training/awareness level of the personnel responsible for complying with the act in their organizations was satisfactory, but the remaining four believed that it was not satisfactory.
- Four officials said they did not expect any problems in response to our questions about the following possible problem areas: (1) new requirements relating to notices of proposed contract awards in the Commerce Business Daily, solicitations, justifications and reporting of contract awards, (2) timely updating of computer software, and (3) any other problems they expected to experience in meeting the act's implementation date. Of the other 11 officials, 10 said that they expected problems in the first area described above, 3 expected problems in the second, and 5 expected problems in the third.
- Seven officials explained that a number of contract awards made after April 1, 1985 (ranging from "a few" to "thousands" at the various locations contacted), would be delayed because (1) solicitations intended for issuance

before April 1, 1985, but not issued by that date, would have to be revised in accordance with the act's requirements or (2) procurement personnel were not yet familiar with all of the new competition requirements. Specifically, the estimated delays were: "several hundreds to thousands" of contracts/solicitations (Air Logistics Center, Warner-Robins Air Force Base); "2,400" (Air Logistics Center, Tinker Air Force Base); "750" (Naval Facilities Engineering Command); "a substantial number" (Naval Electronic Systems Command); "a large percentage" (Navy Ships Parts Control Center); "a few, maybe 3" (Air Logistics Center, Ogden, Utah); and "unknown" (Air Force Logistics Command). One of these officials also stated the view that some solicitations could be issued after March 31, 1985, that do not comply with the act.

OBSERVATION

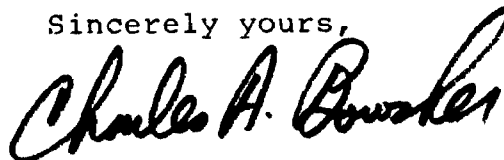
In briefing your Offices on March 20, 1985, we were asked our opinion about whether a legislative extension was warranted. We stated, and continue to believe, that even if legislation could have been developed and enacted quickly, providing an "across-the-board" extension so close to the implementation date might have created more disruption and confusion for the organizations that were ready for implementation than it would have prevented for those organizations that were not ready.

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As agreed with the Committees, unless one of the recipients publicly announces its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

We hope that this information is responsive to your concerns. Please advise us if further information is needed.

Sincerely yours,



Comptroller General  
of the United States

Enclosure

FEDERAL ORGANIZATIONS AND OFFICIALS CONTACTED

Shown below are the 10 federal organizations we were specifically requested to contact and their locations. Also shown are the names and positions of the officials we interviewed, as well as those we attempted to interview, but were unable to because of the short time available.

Department of Defense

Defense Logistics Agency (DLA), Alexandria, Virginia

We interviewed:

--Mr. M. J. Popik  
Chief, Policy Branch, Contracts Division

Army

Army Materiel Command (AMC), Alexandria, Virginia

We attempted to contact:

--General Stallings, Deputy Chief of Staff for  
Procurement and Production

We interviewed:

--Mr. John R. Jury  
Assistant to the Deputy Chief of Staff  
for Procurement Policy and Analysis

U. S. Army Tank and Automotive Command (TACOM), Warren,  
Michigan (which is under the command of AMC)

We attempted to contact:

--General Flynn, Deputy Commanding General for  
Procurement and Readiness

--Mr. Henry B. Jones, Director  
Procurement and Production Division

--Colonel Allen Templeton, Deputy Director, Procurement  
and Production Division

We interviewed:

--Mr. Gil Knight, Chief  
Procurement Analysis and Compliance  
Division, Procurement and Production

Navy

U. S. Naval Material Command (NMC), Arlington, Virginia

We interviewed:

--Mr. Richard A. Moye, Deputy Director  
Contract and Business Policy Division

U. S. Navy Ships Parts Control Center (NSPCC), Arlington, Virginia, which is part of the Naval Supply Systems Command (both of which are under the command of NMC)

We interviewed:

--Mr. Jason Hirsh  
Deputy Branch Head,  
Control Center Functional Management

Air Force

U. S. Air Force Systems Command (AFSC), Andrews Air Force Base, Maryland

We interviewed:

--Mr. Scott Thompson, Chief  
Competition Management Office,  
Office of Command  
Competition Advocate

U. S. Air Force Electronics Systems Division, Hanscom Air Force Base, Massachusetts (which is under the command of AFSC)

We interviewed:

--Mr. Robert Bowes, Chief  
Contract Policy Office

Air Logistics Center (ALC), Ogden, Utah (which is under the command of the Air Force Logistics Command)

We interviewed:

--Mr. William Ernst  
Deputy Director for Contracts

ALC, Tinker Air Force Base, Oklahoma (which is under the command of the Air Force Logistics Command)

We interviewed:

--Mr. Robert Hancock,  
Director for Contracts

Civil Agencies

Office of Federal Supply and Services,  
General Services Administration,  
Washington, D.C.

We attempted to contact:

--Mr. Lew DeProspers, Director  
Office of Procurement

--Mr. Walter Eckbreth, Director  
Policy and Review Division

We interviewed:

--Mr. John Harms  
Senior Procurement Analyst,  
Acting for Director, Office  
of Procurement

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Shown below are the five additional organizations we contacted that we were not specifically requested to contact and their locations. Also shown are the names and positions of the officials we interviewed, as well as those we attempted to interview but were unable to because of the short time available.

Army

U. S. Army Missile Command (MICOM), Redstone Arsenal, Alabama  
(which is under the command of AMC)

We attempted to contact:

--Mr. W. L. Clemons, Director  
Procurement and Production Directorate

--Colonel William A. Moore  
Deputy Director, Procurement and  
Production Directorate



We interviewed:

--Ms. Martha Rice  
Procurement Analyst, Policy  
and Resource Management Division

Navy

Naval Facilities Engineering Command (NFAC), Alexandria,  
Virginia (which is under the command of NMC)

We interviewed:

--Mr. J. M. Cowden  
Assistant Commander for Contracts

--Mr. Paul Buonaccorsi, Director, Contracts Division

Naval Electronic Systems Command (NELEX), Arlington, Virginia  
(which is under the command of NMC)

We interviewed:

--Mr. Steve Carberry  
Executive Director for Contracts

Air Force

Headquarters, Air Force Logistics Command (AFLC), Wright  
Patterson Air Force Base, Ohio

We attempted to contact:

--General Richard D. Smith  
Deputy Chief of Staff, Contracting  
and Manufacturing

We interviewed:

--Mr. Ralph French  
Chairman, Contracts Committee

ALC, Warner-Robins Air Force Base, Georgia (which is under the  
command of AFLC)

We interviewed:

--Lieutenant Colonel John Elliott  
Director for Contracts