



Highlights of [GAO-03-716T](#), Committee on Government Reform, House of Representatives

Why GAO Did This Study

Since 1997, federal spending on services has grown 11 percent and now represents more than 60 percent of contract spending governmentwide. Several significant changes in the government—including funding for homeland security—are expected to further increase spending on services. Adjusting to this new environment has proven difficult.

Agencies need to improve in a number of areas: sustaining executive leadership, strengthening the acquisition workforce, and encouraging innovative contracting approaches. Improving these areas is a key goal of SARA.

What GAO Recommends

GAO is not making recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-03-716T.

To view the full report, including the scope and methodology, click on the link above. For more information, contact William T. Woods at (202) 512-4841 or woodsw@gao.gov.

CONTRACT MANAGEMENT

Comments on Proposed Services Acquisition Reform Act

What GAO Found

The growth in spending on service contracts, combined with decreases in the acquisition workforce and an increase in the number of high-dollar procurement actions, create a challenging acquisition environment. It is important that agencies have the authorities and tools they need to maximize their performance in this new environment. The initiatives contained in the Services Acquisition Reform Act (SARA) address a number of longstanding issues in contracting for services and should enable agencies to improve their performance in this area. For example:

Section 201: Chief Acquisition Officers. Appointing a Chief Acquisition Officer would establish a clear line of authority, accountability, and responsibility for acquisition decisionmaking.

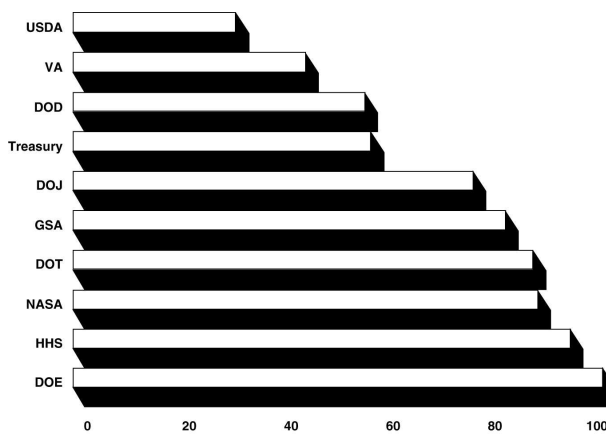
Section 103: Government-Industry Exchange Program. A professional exchange program would allow federal agencies to gain from the knowledge and expertise of the commercial acquisition workforce.

At the same time, GAO is concerned about some provisions in SARA. For example:

Section 211: Ensuring Efficient Payment. While GAO supports the intent of this proposal to make payments to government contractors more timely, GAO has reservations concerning its implementation. GAO's work shows that agencies have been hampered by problems such as high payment volume, inadequate payment systems, and weak controls.

GAO's review of spending and workforce trends in federal procurement highlights the significance of services acquisitions. The table below shows the percent of contract dollars spent on services by federal agencies.

Percent of Contract Dollars Spent on Services In Fiscal Year 2001



Sources: FPDS and FAA.