



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 14, 2007
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1362 – Accountability in Contracting Act (Rep. Waxman (D) California and 3 cosponsors)

The Administration strongly opposes H.R. 1362, which would impose a new statutory ban on how the government uses acquisition personnel and would restrict the Executive Branch's ability to determine the appropriate funding for acquisition workforce functions. Other provisions would impose burdensome statutory requirements that overlap with more efficient administrative efforts to strengthen the use of competition and reduce fraud, waste, and abuse.

H.R. 1362 would require agencies to use an additional amount equal to one percent of the total value of their contracts for acquisition planning, administration, oversight, and workforce training – a total of approximately \$4 billion in new spending. The Administration supports adequate funding for the acquisition workforce. However, resource decisions should be made on a case-by-case basis to ensure that funding is effectively tied to an agency's individual needs, which can be addressed through the budget process. The one-size-fits-all approach proposed in the bill does not recognize the varied needs of each agency and the different level of resources required to address them.

H.R. 1362 would limit the Federal government's ability to tap the technical expertise of Federal employees who are former contractor employees. These restrictions would lower the quality of procurement solicitations and analyses, and would significantly harm the Executive Branch's ability to recruit and retain experienced procurement officials from the private sector to close skills gaps and strengthen the overall capabilities of the acquisition workforce. Federal employees who have worked for a contractor within the past year, absent approval from the designated agency ethics officer, currently cannot participate in decisions on contract source selections involving their former employers.

The Administration is concerned with a new requirement in the bill that would impose exhaustive quarterly reporting on every significant contract management deficiency at the contract and subcontract level. This requirement will interfere with agencies' ability to address and resolve contract performance problems in a timely manner.

The Administration is pleased that the Committee-reported bill does not include a provision that would have doubled the length of current post-employment bans. This provision would have harmed the career prospects of the many experienced government employees in the acquisition workforce and encouraged them to leave government service early.

The Administration appreciates that the amendment recommended by the Armed Services Committee addresses some of the concerns described above. The Administration looks forward to continuing to work with Congress to address our remaining issues as the legislation moves forward.