



Bill Summary

ACCOUNTABILITY IN CONTRACTING ACT

Rep. Henry A. Waxman

Chairman, Committee on Oversight and Government Reform

On March 6, 2007, Rep. Henry A. Waxman introduced H.R. 1362, the "Accountability in Contracting Act." The legislation as reported by the Oversight and Armed Services Committees would change federal acquisition law to require agencies to limit the use of abuse-prone contracts, to increase transparency and accountability in federal contracting, and to protect the integrity of the acquisition workforce.

Limiting the Length of Noncompetitive Contracts. The Administration has justified the award of lucrative no-bid contracts by citing urgent and compelling needs. But these contracts have continued years after the emergency has passed. Section 101 limits the duration of no-bid contracts awarded in emergencies to one year.

Minimizing No-Bid Contracts. Spending on no-bid contracts has more than doubled under the Bush Administration. Section 102 curbs this practice by requiring large federal agencies to develop and implement a plan to promote competition and minimize the use of noncompetitive contracts.

Maximizing Fixed Price Contracts. Fixed price type contracts provide the taxpayer the best value for the least risk in procuring items whose costs are well understood. Cost-plus contracts, the other main type of contract, leave the government vulnerable to wasteful spending since they provide the contractor with little or no incentive to control costs. Section 103 requires large federal agencies to develop and implement a plan to maximize the use of the efficient fixed-price contracts.

Public Disclosure of Justifications for No-Bid Contracts. When an agency awards a no-bid contract, it must prepare a "justification and approval" document that explains why the agency did not require full and open competition. Section 201 requires agencies to make these "justification and approval" documents public within 14 days for most contracts, and 30 days for certain expedited contracts.

Disclosing Contractor Overcharges. The Bush Administration has hidden contractor overcharges from Congress, international auditors, and the public, impeding oversight and diminishing accountability. Section 202 promotes transparency in federal contracting by requiring that contract overcharges in excess of \$10 million be disclosed to Congress.

Closing the Revolving Door. Section 301 clarifies the ban on former federal procurement officers receiving compensation from government contractors to include lawyers and lobbyists, prohibits contracting officials from negotiating employment for their relatives, and establishes a one year cooling off period before procurement officials can award contracts involving a former employer.