

103^D CONGRESS
1ST SESSION

H. J. RES. 3

Entitled the "Government Procurement Act of 1993".

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mrs. BENTLEY introduced the following joint resolution; which was referred jointly to the Committees on Government Operations and Armed Services

JOINT RESOLUTION

Entitled the "Government Procurement Act of 1993".

Whereas the United States Government's national debt exceeds \$4,000,000,000,000;

Whereas it is in the best interest of the United States Government to purchase products, services, and supplies at the least expensive cost;

Whereas in calculating the true purchase price of products, services, and supplies, the United States Government should calculate the accurate out-of-pocket expense for items and services involved;

Whereas the Congressional Research Service has estimated that 41.4 percent of every United States Government dol-

lar invested in domestic procurement is returned to the Federal and State governments in taxes;

Whereas the Congressional Research Service has estimated that 23.2 percent of every United States Government dollar invested in domestic procurement is returned in Federal Corporate Profit Taxes, Federal Unincorporated Nonfarm Business Income taxes, and Federal Personal Income taxes, and can be used to reduce the deficit;

Whereas the Congressional Research Service has estimated that 16.3 percent of every United States Government dollar invested in domestic procurement is returned in taxes earmarked for the Old Age, Survivors, and Disability Insurance (Social Security) trust fund;

Whereas the return of investment dollars to the United States is both vital and desirable for its economy;

Whereas full employment is vital to the well-being of both the United States workforce and United States industry;

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Government Procure-
5 ment Act of 1993”.

6 **SEC. 2. AMENDMENTS.**

7 (a) CIVILIAN PROCUREMENT.—Section 303B of the
8 Federal Property and Administration Services Act of 1949
9 (41 U.S.C. 253b) is amended by adding at the end thereof
10 the following new subsection:

1 “(g)(1) In evaluating an offeror’s price contained in
2 any bid or proposal for any procurement in excess of
3 \$100,000, the head of the agency shall treat as containing
4 the lowest price that bid or proposal which will yield the
5 lowest net cost to the Government.

6 “(2) In determining net cost to the Government, the
7 head of the agency shall deduct from the price offered—

8 “(A) the income taxes withheld or otherwise
9 paid on wages paid to the offeror’s employees for
10 work on performance on the procurement contract;

11 “(B) projected corporate income taxes to be
12 paid by the offeror to the Government on any profits
13 made on the procurement;

14 “(C) any other rebate, refunds, assessments, or
15 other receipts which are likely to accrue to the Gov-
16 ernment as a consequence of the offeror’s perform-
17 ance of the procurement contract.

18 “(3) The Administrator of the Office of Federal Pro-
19 curement Policy shall, pursuant to section 6 of the Office
20 of Federal Procurement Policy Act, prescribe policies for
21 the implementation of this subsection.”.

22 (b) DEFENSE AGENCIES.—Section 2305 of title 10,
23 United States Code, is amended by adding at the end
24 thereof the following new subsection:

1 “(e)(1) In evaluating an offeror’s price contained in
2 any bid or proposal for any procurement in excess of
3 \$100,000, the head of the agency shall treat as containing
4 the lowest price that bid or proposal which will yield the
5 lowest net cost to the Government.

6 “(2) In determining net cost to the Government, the
7 head of the agency shall deduct from the price offered—

8 “(A) the income taxes withheld or otherwise
9 paid on wages paid to the offeror’s employees for
10 work on performance on the procurement contract;

11 “(B) projected corporate income taxes to be
12 paid by the offeror to the government on any profits
13 made on the procurement;

14 “(C) any other rebate, refunds, assessments, or
15 other receipts which are likely to accrue to the Gov-
16 ernment as a consequence of the offeror’s perform-
17 ance of the procurement contract.

18 “(3) The Administrator of the Office of Federal Pro-
19 curement Policy shall, pursuant to section 6 of the Office
20 of Federal Procurement Policy Act, prescribe policies for
21 the implementation of this subsection.”.

22 (c) CONFORMING AMENDMENTS.—(1) Section
23 303B(d)(4) of the Federal Property and Administrative
24 Services Act of 1949 is amended by striking “subsection
25 (b)” and inserting “subsections (b) and (g)”.

1 (2) Section 2305(b)(4)(D) of title 10, United States
2 Code, is amended by inserting after “paragraph (2)” the
3 following “of this subsection and subsection (e)”.

4 **SEC. 3. EFFECTIVE DATE.**

5 The amendments made by this Act shall apply with
6 respect to any procurement (the notice for which is pub-
7 lished) (the contract for which is awarded) (other test) on
8 or after (to be supplied).

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