109TH CONGRESS 2D SESSION

H. R. 6069

To reform acquisition practices of the Federal Government.

IN THE HOUSE OF REPRESENTATIVES

September 13, 2006

Mr. Waxman (for himself, Mr. Cardoza, Mr. Obey, Ms. Norton, and Mr. Tierney) introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committees on Armed Services, Rules, and Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reform acquisition practices of the Federal Government.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.
- 4 (a) Short Title.—This Act may be cited as the
- 5 "Clean Contracting Act".
- 6 (b) Table of Contents.—The table of contents for
- 7 this Act is as follows:
 - Sec. 1. Short title and table of contents.

TITLE I—PROMOTING COMPETITION IN THE AWARD OF CONTRACTS

Sec. 101. Limitation on length of noncompetitive contracts.

- Sec. 102. Competition in multiple award contracts.
- Sec. 103. Minimizing sole-source contracts.
- Sec. 104. Public disclosure of justification and approval documents and other determinations for noncompetitive contracts.

TITLE II—LIMITING THE USE OF ABUSE-PRONE CONTRACTS

- Sec. 201. Prohibition on award of monopoly contracts.
- Sec. 202. Limitations on tiering of subcontractors.
- Sec. 203. Minimizing cost-reimbursement type contracts.

TITLE III—PREVENTING THE ABUSE OF CONTRACT FLEXIBILITIES

- Sec. 301. Preventing abuse of commercial item authority.
- Sec. 302. Preventing abuse of other transaction authority.
- Sec. 303. Preventing abuse of interagency contracts.
- Sec. 304. Preventing abuse of Government credit cards.
- Sec. 305. Repeal of Alaska Native Corporation loophole.

TITLE IV—INCREASING CONTRACT OVERSIGHT

- Sec. 401. Funding contract oversight.
- Sec. 402. Prohibition on contractor conflicts of interest.
- Sec. 403. Disclosure of Government contractor overcharges.
- Sec. 404. Public availability of Federal contract awards.
- Sec. 405. Provision of information to Congress.
- Sec. 406. Oversight by the Government Reform Committee.
- Sec. 407. Nonpartisan Chief Acquisition Officers.
- Sec. 408. Improving the Federal Procurement Data System.
- Sec. 409. Enforcement through bid protest.

TITLE V—PREVENTING UNJUSTIFIED AWARD FEES

Sec. 501. Encouraging excellent contract performance.

TITLE VI—DETERRING CORRUPTION IN CONTRACTING

- Sec. 601. Closing the revolving door.
- Sec. 602. Requiring contractor integrity and business ethics.
- Sec. 603. Enhancement of whistleblower protections.

TITLE I—PROMOTING COMPETI-

TION IN THE AWARD OF CON-

3 TRACTS

4 SEC. 101. LIMITATION ON LENGTH OF NONCOMPETITIVE

- 5 CONTRACTS.
- 6 (a) REVISION OF FAR.—Not later than one year
- 7 after the date of the enactment of this Act, the Federal

- 1 Acquisition Regulation shall be revised to restrict the con-
- 2 tract period of any contract described in subsection (c)
- 3 to the minimum contract period necessary—
- 4 (1) to meet the urgent and compelling require-
- 5 ments of the work to be performed under the con-
- 6 tract; and
- 7 (2) to enter into another contract for the re-
- 8 quired goods or services through the use of competi-
- 9 tive procedures.
- 10 (b) Contract Period.—The regulations promul-
- 11 gated under subsection (a) shall require the contract pe-
- 12 riod to not exceed 240 days, unless the head of the execu-
- 13 tive agency concerned determines that exceptional cir-
- 14 cumstances apply.
- 15 (c) COVERED CONTRACTS.—This section applies to
- 16 any contract in an amount greater than the simplified ac-
- 17 quisition threshold entered into by an executive agency
- 18 using procedures other than competitive procedures pursu-
- 19 ant to the exception provided in section 303(c)(2) of the
- 20 Federal Property and Administrative Services Act of 1949
- 21 (41 U.S.C. 253(c)(2)) or section 2304(c)(2) of title 10,
- 22 United States Code.
- 23 (d) Definitions.—In this section:

- 1 (1) The term "executive agency" has the mean-2 ing provided in section 4(1) of the Office of Federal 3 Procurement Policy Act (41 U.S.C. 403(1)).
- 4 (2) The term "head of the executive agency"
 5 means the head of an executive agency except that,
 6 in the case of a military department, the term means
 7 the Secretary of Defense.

8 SEC. 102. COMPETITION IN MULTIPLE AWARD CONTRACTS.

- 9 (a) Expansion of Applicability to All Govern-
- 10 MENT CONTRACTS.—Title III of the Federal Property and
- 11 Administrative Services Act of 1949 (41 U.S.C. 251 et
- 12 seq.) is amended by inserting after section 303M the fol-
- 13 lowing new section:
- 14 "SEC. 303N. COMPETITION IN MULTIPLE AWARD CON-
- TRACTS.
- 16 "(a) REGULATIONS REQUIRED.—Not later than 180
- 17 days after the date of the enactment of this section, the
- 18 Federal Acquisition Regulation shall be revised to require
- 19 competition in the purchase of goods and services by each
- 20 executive agency pursuant to multiple award contracts.
- 21 "(b) Content of Regulations.—(1) The regula-
- 22 tions required by subsection (a) shall provide, at a min-
- 23 imum, that each individual purchase of goods or services
- 24 in excess of \$100,000 that is made under a multiple award

1	contract shall be made on a competitive basis unless a con-
2	tracting officer of the executive agency—
3	"(A) waives the requirement on the basis of a
4	determination that—
5	"(i) one of the circumstances described in
6	paragraphs (1) through (4) of section 303J(b)
7	applies to such individual purchase; or
8	"(ii) a statute expressly authorizes or re-
9	quires that the purchase be made from a speci-
10	fied source; and
11	"(B) justifies the determination in writing.
12	"(2) For purposes of this subsection, an individual
13	purchase of goods or services is made on a competitive
14	basis only if it is made pursuant to procedures that—
15	"(A) require fair notice of the intent to make
16	that purchase (including a description of the work to
17	be performed and the basis on which the selection
18	will be made) to be provided to all contractors offer-
19	ing such goods or services under the multiple award
20	contract; and
21	"(B) afford all contractors responding to the
22	notice a fair opportunity to make an offer and have
23	that offer fairly considered by the official making
24	the purchase.

1	"(3) Notwithstanding paragraph (2), notice may be
2	provided to fewer than all contractors offering such goods
3	or services under a multiple award contract described in
4	subsection (e)(2)(A) if notice is provided to as many con-
5	tractors as practicable.
6	"(4) A purchase may not be made pursuant to a no-
7	tice that is provided to fewer than all contractors under
8	paragraph (3) unless—
9	"(A) offers were received from at least three
10	qualified contractors; or
11	"(B) a contracting officer of the executive agen-
12	cy determines in writing that no additional qualified
13	contractors were able to be identified despite reason-
14	able efforts to do so.
15	"(c) Definitions.—In this section:
16	"(1) The term 'individual purchase' means a
17	task order, delivery order, or other purchase.
18	"(2) The term 'multiple award contract'
19	means—
20	"(A) a contract that is entered into by the
21	Administrator of General Services under the
22	multiple award schedule program referred to in
23	section 309(b)(3);
24	"(B) a multiple award task order contract
25	that is entered into under the authority of sec-

1	tions 2304a through 2304d of title 10, United
2	States Code, or sections 303H through 303K
3	and
4	"(C) any other indefinite delivery, indefi-
5	nite quantity contract that is entered into by
6	the head of an executive agency with two or
7	more sources pursuant to the same solicitation
8	"(d) Applicability.—The revisions to the Federal
9	Acquisition Regulation pursuant to subsection (a) shall
10	take effect not later than 180 days after the date of the
11	enactment of this section and shall apply to all individual
12	purchases of goods or services that are made under mul-
13	tiple award contracts on or after the effective date, with-
14	out regard to whether the multiple award contracts were
15	entered into before, on, or after such effective date.".
16	(b) Conforming Amendments to Defense Con-
17	TRACT PROVISION.—Section 803 of the National Defense
18	Authorization Act for Fiscal Year 2002 (Public Law 107-
19	107; 10 U.S.C. 2304 note) is amended as follows:
20	(1) The section heading is amended by insert-
21	ing "GOODS OR" before "SERVICES".
22	(2) Subsection (a) is amended by inserting
23	"goods and" before "services".

- 1 (3) The following provisions are amended by in-2 serting "goods or" before "services" each place it 3 appears:
- 4 (A) Paragraphs (1), (2), and (3) of subsection (b).
- 6 (B) Subsection (d).
- 7 (4) Such section is amended by adding at the 8 end the following new subsection:
- 9 "(e) APPLICABILITY TO GOODS.—The Secretary shall 10 revise the regulations promulgated pursuant to subsection
- 11 (a) to cover purchases of goods by the Department of De-
- 12 fense pursuant to multiple award contracts. The revised
- 13 regulations shall take effect in final form not later than
- 14 180 days after the date of the enactment of this subsection
- 15 and shall apply to all individual purchases of goods that
- 16 are made under multiple award contracts on or after the
- 17 effective date, without regard to whether the multiple
- 18 award contracts were entered into before, on, or after such
- 19 effective date.".

20 SEC. 103. MINIMIZING SOLE-SOURCE CONTRACTS.

- 21 (a) Plans Required.—The head of each executive
- 22 agency covered by title III of the Federal Property and
- 23 Administrative Services Act of 1949 (41 U.S.C. 251 et
- 24 seq.) and the head of each agency covered by chapter 137
- 25 of title 10, United States Code, shall develop and imple-

- 1 ment a plan to minimize the use of contracts entered into
- 2 using procedures other than competitive procedures by the
- 3 agency concerned. The plan shall contain measurable goals
- 4 and shall be completed and submitted to the Committee
- 5 on Government Reform of the House of Representatives
- 6 and the Committee on Homeland Security and Govern-
- 7 mental Affairs of the Senate, with a copy provided to the
- 8 Comptroller General, not later than 1 year after the date
- 9 of the enactment of this Act.
- 10 (b) Comptroller General Review.—The Comp-
- 11 troller General shall review the plans provided under sub-
- 12 section (a) and submit a report to Congress on the plans
- 13 not later than 18 months after the date of the enactment
- 14 of this Act.
- 15 SEC. 104. PUBLIC DISCLOSURE OF JUSTIFICATION AND AP-
- 16 PROVAL DOCUMENTS AND OTHER DETER-
- 17 MINATIONS FOR NONCOMPETITIVE CON-
- 18 TRACTS.
- 19 (a) Civilian Agency Contracts.—Section 303 of
- 20 the Federal Property and Administrative Services Act of
- 21 1949 (41 U.S.C. 253) is amended by adding at the end
- 22 the following new subsection:
- "(j)(1) In the case of a procurement permitted by
- 24 subsection (c), the head of an executive agency shall make

- publically available, within 14 days after the award of the 2 contract, the documents containing the following: 3 "(A) The justification and approval re-4 quired by subsection (f)(1) with respect to the 5 procurement. 6 "(B) Any determination with respect to the 7 procurement that exceptional circumstances 8 apply, under section 101(b) of the Clean Con-9 tracting Act. 10 "(C) Any determination with respect to the 11 procurement under section 303H(d)(3)(C) (re-12 lating to a monopoly contract). 13 "(D) Any determination with respect to 14 the procurement that exceptional circumstances 15 apply, under section 202(b) of the Clean Con-16 tracting Act. 17 "(2) The documents shall be made available on the website of the agency and through the Federal Procure-18 ment Data System. 19 "(3) Nothing in this subsection shall be construed to 20 21 supersede or otherwise affect section 552 of title 5.".
- 22 (b) Defense Agency Contracts.—Section 2304
- 23 of title 10, United States Code, is amended by adding at
- 24 the end the following new subsection:

1	"(l)(1) In the case of a procurement permitted by
2	subsection (c), the head of an agency shall make publically
3	available, within 14 days after the award of the contract,
4	the documents containing the following:
5	"(A) The justification and approval re-
6	quired by subsection $(f)(1)$ with respect to the
7	procurement.
8	"(B) Any determination with respect to the
9	procurement that exceptional circumstances
10	apply, under section 101(b) of the Clean Con-
11	tracting Act.
12	"(C) Any determination with respect to the
13	procurement under section $2304a(d)(4)(C)$ of
14	this title (relating to a monopoly contract).
15	"(D) Any determination with respect to
16	the procurement that exceptional circumstances
17	apply, under section 202(b) of the Clean Con-
18	tracting Act.
19	"(2) The documents shall be made available on the
20	website of the agency and through the Federal Procure-
21	ment Data System.
22	"(3) Nothing in this subsection shall be construed to
23	supersede or otherwise affect section 552 of title 5, United
24	States Code.".

1 TITLE II—LIMITING THE USE OF 2 ABUSE-PRONE CONTRACTS

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3	SEC. 201. PROHIBITION ON AWARD OF MONOPOLY CON-
4	TRACTS.
5	(a) CIVILIAN AGENCY CONTRACTS.—
6	(1) Paragraph (3) of section 303H(d) of title
7	III of the Federal Property and Administrative Serv-
8	ices Act of 1949 (41 U.S.C. 253h(d)) is amended to
9	read as follows:
10	"(3)(A) The regulations implementing this sub-
11	section shall prohibit the award of monopoly con-
12	tracts.
13	"(B) In this subsection, the term 'monopoly
14	contract' means a task or delivery order contract in
15	an amount estimated to exceed \$10,000,000 (includ-
16	ing all options) awarded to a single contractor.
17	"(C) Notwithstanding subparagraph (A), a mo-
18	nopoly contract may be awarded if the head of the
19	agency determines in writing that—
20	"(i) for one of the reasons set forth in sec-
21	tion 303(c), a single task or delivery order con-
22	tract is in the best interest of the Federal Gov-
23	ernment; or
24	"(ii) the task orders expected under the
25	contract are so integrally related that only a

1	single contractor can reasonably perform the
2	work.".
3	(2) Section 303H(d)(1) of such Act is amended
4	by striking "The head" and inserting "Subject to
5	paragraph (3), the head".
6	(3) Subsection (e) of section 303I of such Act
7	(41 United States Code 253i) is amended to read as
8	follows:
9	"(e) Multiple Awards.—Section 303H(d) applies
10	to a task or delivery order contract for the procurement
11	of advisory and assistance services under this section.".
12	(b) Defense Contracts.—
13	(1) Section 2304a(d) of title 10, United States
14	Code, is amended by adding at the end the following
15	new paragraph:
16	"(4)(A) The regulations implementing this sub-
17	section shall prohibit the award of monopoly con-
18	tracts.
19	"(B) In this subsection, the term 'monopoly
20	contract' means a task or delivery order contract in
21	an amount estimated to exceed 10,000,000 (includ-
22	ing all options) awarded to a single contractor.
23	"(C) Notwithstanding subparagraph (A), a mo-
24	nopoly contract may be awarded if the head of the
25	agency determines in writing that—

1	"(i) for one of the reasons set forth in sec-
2	tion 2304(c), a single task or delivery order
3	contract is in the best interest of the Federal
4	Government; or
5	"(ii) the task orders expected under the
6	contract are so integrally related that only a
7	single contractor can reasonably perform the
8	work.".
9	(2) Section 2304a(d)(1) of such title is amend-
10	ed by striking "The head" and inserting "Subject to
11	paragraph (4), the head".
12	(3) Subsection (e) of section 2304b of such title
13	is amended to read as follows:
14	"(e) Multiple Awards.—Section 2304a(d) of this
15	title applies to a task or delivery order contract for the
16	procurement of advisory and assistance services under this
17	section.".
18	SEC. 202. LIMITATIONS ON TIERING OF SUBCONTRACTORS.
19	(a) REVISION OF FAR.—Not later than one year
20	after the date of the enactment of this Act, the Federal
21	Acquisition Regulation shall be revised to minimize the ex-
22	cessive use by contractors of subcontractors or tiers of
23	subcontractors to perform the principal work of any con-
24	tract described in subsection (c).

- 1 (b) Specific Requirement.—At a minimum, the 2 regulations promulgated under subsection (a) shall— 3 (1) preclude a contractor from using sub-
- (1) preclude a contractor from using subcontracts for more than 65 percent of the cost of the contract (not including overhead and profit), unless the head of the executive agency concerned determines that exceptional circumstances apply; and
- 8 (2) preclude a subcontractor from using a lower 9 tier subcontractor for more than 65 percent of the 10 cost of the subcontract (not including overhead and 11 profit), unless the head of the executive agency con-12 cerned determines that exceptional circumstances 13 apply.
- 14 (c) COVERED CONTRACTS.—This section applies to any cost-reimbursement type contract in an amount great-16 er than the simplified acquisition threshold entered into by an executive agency.
- 18 (d) Definitions.—In this section:
- 19 (1) The term "executive agency" has the mean-20 ing provided in section 4(1) of the Office of Federal 21 Procurement Policy Act (41 U.S.C. 403(1)).
- 22 (2) The term "head of the executive agency"
 23 means the head of an executive agency except that,
 24 in the case of a military department, the term means
 25 the Secretary of Defense.

1 SEC. 203. MINIMIZING COST-REIMBURSEMENT TYPE CON-

- TRACTS.
- 3 (a) Plans Required.—The head of each executive
- 4 agency covered by title III of the Federal Property and
- 5 Administrative Services Act of 1949 (41 U.S.C. 251 et
- 6 seq.) and the head of each agency covered by chapter 137
- 7 of title 10, United States Code, shall develop and imple-
- 8 ment a plan to minimize the use of cost-reimbursement
- 9 type contracts by the agency concerned. The plan shall
- 10 contain measurable goals and shall be completed and sub-
- 11 mitted to the Committee on Government Reform of the
- 12 House of Representatives and the Committee on Home-
- 13 land Security and Governmental Affairs of the Senate,
- 14 with a copy provided to the Comptroller General, not later
- 15 than 1 year after the date of the enactment of this Act.
- 16 (b) Comptroller General Review.—The Comp-
- 17 troller General shall review the plans provided under sub-
- 18 section (a) and submit a report to Congress on the plans
- 19 not later than 18 months after the date of the enactment
- 20 of this Act.

1	TITLE III—PREVENTING THE
2	ABUSE OF CONTRACT FLEXI-
3	BILITIES
4	SEC. 301. PREVENTING ABUSE OF COMMERCIAL ITEM AU-
5	THORITY.
6	Section 4(12) of the Office of Federal Procurement
7	Policy Act (41 U.S.C. 403(12)) is amended—
8	(1) by striking the following:
9	"(C) Any item that, but for—
10	"(i) modifications of a type custom-
11	arily available in the commercial market-
12	place, or
13	"(ii) minor modifications made to
14	meet Federal Government requirements,
15	would satisfy the criteria in subparagraph (A)
16	or (B)."; and
17	(2) in subparagraphs (D) and (E), by striking
18	"(C)," each place it appears.
19	SEC. 302. PREVENTING ABUSE OF OTHER TRANSACTION
20	AUTHORITY.
21	Section 845(d)(1) of the National Defense Authoriza-
22	tion Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is
23	amended—

1	(1) by striking "unless—" and all that follows
2	in subparagraph (A) through "at least" and insert-
3	ing "unless there is at least";
4	(2) by striking "; or" and inserting a period;
5	and
6	(3) by striking the following:
7	"(B) no nontraditional defense contractor
8	is participating to a significant extent in the
9	prototype project, but at least one of the fol-
10	lowing circumstances exists:
11	"(i) At least one third of the total cost
12	of the prototype project is to be paid out
13	of funds provided by parties to the trans-
14	action other than the Federal Government.
15	"(ii) The senior procurement executive
16	for the agency (as designated for the pur-
17	poses of section 16(3) of the Office of Fed-
18	eral Procurement Policy Act (41 U.S.C.
19	414(3)) determines in writing that excep-
20	tional circumstances justify the use of a
21	transaction that provides for innovative
22	business arrangements or structures that
23	would not be feasible or appropriate under
24	a contract.".

1	SEC. 303. PREVENTING ABUSE OF INTERAGENCY CON-
2	TRACTS.
3	(a) Office of Management and Budget Policy
4	GUIDANCE.—
5	(1) Report and Guidelines.—Not later than
6	one year after the date of the enactment of this Act,
7	the Director of the Office of Management and Budg-
8	et shall—
9	(A) submit to Congress a comprehensive
10	report on interagency acquisitions, including
11	their frequency of use, management controls
12	cost-effectiveness, and savings generated; and
13	(B) issue guidelines to assist the heads of
14	executive agencies in improving the manage-
15	ment of interagency acquisitions.
16	(2) Matters covered by guidelines.—For
17	purposes of paragraph (1)(B), the Director shall in-
18	clude guidelines on the following matters:
19	(A) Procedures for the use of interagency
20	acquisitions to maximize competition, deliver
21	best value to executive agencies, and minimize
22	waste, fraud, and abuse.
23	(B) Categories of contracting inappropriate
24	for interagency acquisition, due to high risk of
25	waste, fraud, or abuse.

1	(C) Requirements for training acquisition
2	workforce personnel in the proper use of inter-
3	agency acquisitions.
4	(b) REGULATIONS REQUIRED.—Not later than one
5	year after the date of the enactment of this Act, the Fed-
6	eral Acquisition Regulation shall be revised to require that
7	all interagency acquisitions—
8	(1) include a written agreement between the re-
9	questing agency and the servicing agency assigning
10	responsibility for the administration and manage-
11	ment of the contract;
12	(2) include a determination that an interagency
13	acquisition is the best procurement alternative; and
14	(3) include sufficient documentation to ensure
15	an adequate audit.
16	(c) AGENCY REPORTING REQUIREMENT.—The senior
17	procurement executive for each executive agency shall, as
18	directed by the Director of the Office of Management and
19	Budget, submit to the Director annual reports on the ac-
20	tions taken by the executive agency pursuant to the guide-
21	lines issued under subsection (a).
22	(d) Definitions.—In this section:
23	(1) The term "executive agency" has the mean-
24	ing given such term in section 4(1) of the Office of
25	Federal Procurement Policy Act (41 U.S.C. 403(1)).

- 1 (2) The term "head of executive agency" means 2 the head of an executive agency except that, in the 3 case of a military department, the term means the 4 Secretary of Defense.
- (3) The term "interagency acquisition" means 6 a procedure by which an executive agency needing supplies or services (the requesting agency) obtains 7 8 them from another executive agency (the servicing 9 agency). The term includes acquisitions under sec-10 tion 1535 of title 31, United States Code (commonly 11 referred to as the "Economy Act", Federal Supply 12 Schedules, and government-wide acquisition con-13 tracts.
- 14 SEC. 304. PREVENTING ABUSE OF GOVERNMENT CREDIT
 15 CARDS.
- (a) Office of Management and Budget PolicyGuidance.—Not later than 180 days after the date of
- 18 enactment of this Act, the Director of the Office of Man-
- 19 agement and Budget shall revise Appendix B of OMB Cir-
- 20 cular A-123 to ensure the adequacy of the following:
- 21 (1) Procedures for identifying employees who 22 should receive government credit cards.
- 23 (2) Requirements for training employees in the 24 proper use of government credit cards.

- 1 (3) Procedures for monitoring and auditing 2 government credit cards to prevent waste, fraud, and 3 abuse.
- 4 (4) Procedures for preventing the use of gov-5 ernment credit cards for personal purchases.
 - (5) Requirements to ensure adequate personnel for monitoring and auditing government credit card use.
- 9 (6) Procedures for the collection and dissemina-10 tion of best practices and successful strategies for 11 achieving savings through the use of government 12 credit cards.
- 13 (b) Reporting Requirement.—Not later than one 14 year after the date of the enactment of this Act, the Direc-15 tor of the Office of Management and Budget shall report 16 to Congress a Government-wide summary for the previous 17 fiscal year of the information required to be reported to
- 18 OMB by executive agencies pursuant to OMB Circular A-19 123 (as revised February, 2006).
- 20 (c) Definitions.—In this section the term "govern-
- 21 ment credit card" means an account established by a com-
- 22 mercial financial institution on behalf of agencies or indi-
- 23 vidual agency employees to which the cost of purchasing
- 24 goods and services may be charged and includes govern-
- 25 ment-issued purchase, travel, and fleet cards.

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1	SEC. 305. REPEAL OF ALASKA NATIVE CORPORATION LOOP
2	HOLE.
3	Section 602(a) of the Business Opportunity Develop-
4	ment Reform Act of 1988 (Public Law 100–656; 15
5	U.S.C. 637 note) is hereby repealed.
6	TITLE IV—INCREASING
7	CONTRACT OVERSIGHT
8	SEC. 401. FUNDING CONTRACT OVERSIGHT.
9	(a) CIVILIAN AGENCY CONTRACTS.—Title III of the
10	Federal Property and Administrative Services Act of 1949
11	(41 U.S.C. 251 et seq.) is amended by adding at the end
12	the following new section:
13	"SEC. 318. REQUIREMENT FOR 1 PERCENT OF CONTRACT
14	AMOUNTS TO BE USED FOR CONTRACT PER
1415	AMOUNTS TO BE USED FOR CONTRACT PER SONNEL, ADMINISTRATION, OVERSIGHT, AND
15	SONNEL, ADMINISTRATION, OVERSIGHT, AND
15 16	SONNEL, ADMINISTRATION, OVERSIGHT, AND PLANNING.
15 16 17	SONNEL, ADMINISTRATION, OVERSIGHT, AND PLANNING. "In addition to the sums used for the purposes listed
15 16 17 18	SONNEL, ADMINISTRATION, OVERSIGHT, AND PLANNING. "In addition to the sums used for the purposes listed in this section as of the date of the enactment of this sec-
15 16 17 18 19	SONNEL, ADMINISTRATION, OVERSIGHT, AND PLANNING. "In addition to the sums used for the purposes listed in this section as of the date of the enactment of this section, each fiscal year, the head of an executive agency shall
15 16 17 18 19 20	PLANNING. "In addition to the sums used for the purposes listed in this section as of the date of the enactment of this section, each fiscal year, the head of an executive agency shall ensure that the agency uses an additional amount equal
15 16 17 18 19 20 21	PLANNING. "In addition to the sums used for the purposes listed in this section as of the date of the enactment of this section, each fiscal year, the head of an executive agency shall ensure that the agency uses an additional amount equal to 1 percent of the aggregate amount of contracts entered
15 16 17 18 19 20 21 22	PLANNING. "In addition to the sums used for the purposes listed in this section as of the date of the enactment of this section, each fiscal year, the head of an executive agency shall ensure that the agency uses an additional amount equal to 1 percent of the aggregate amount of contracts entered into by the agency during that fiscal year for the following
15 16 17 18 19 20 21 22 23	PLANNING. "In addition to the sums used for the purposes listed in this section as of the date of the enactment of this section, each fiscal year, the head of an executive agency shall ensure that the agency uses an additional amount equal to 1 percent of the aggregate amount of contracts entered into by the agency during that fiscal year for the following purposes:

1	"(3) Contract administration and oversight.
2	"(4) Contract audits and enforcement.".
3	(b) Defense Contracts.—Chapter 141 of title 10,
4	United States Code, is amended by adding at the end the
5	following new section:
6	"§2410p. Requirement for 1 percent of contract
7	amounts to be used for contract per-
8	sonnel, administration, oversight, and
9	planning
10	"In addition to the sums used for the purposes listed
11	in this section as of the date of the enactment of this sec-
12	tion, each fiscal year, the head of an agency (as defined
13	in section 2302(1) of this title) shall ensure that the agen-
14	cy uses an additional amount equal to 1 percent of the
15	aggregate amount of contracts entered into by the agency
16	during that fiscal year for the following purposes:
17	"(1) Hiring and training of acquisition work-
18	force personnel.
19	"(2) Contract planning.
20	"(3) Contract administration and oversight.
21	"(4) Contract audits and enforcement.".
22	SEC. 402. PROHIBITION ON CONTRACTOR CONFLICTS OF
23	INTEREST.
24	(a) Prohibition.—An agency may not enter into a
25	contract for the performance of a function relating to con-

1	tract oversight with any contractor with a conflict of inter-
2	est.
3	(b) DEFINITIONS.—In this section:
4	(1) The term "function relating to contract
5	oversight" includes the following specific functions:
6	(A) Evaluation of a contractor's perform-
7	ance.
8	(B) Evaluation of contract proposals.
9	(C) Development of statements of work.
10	(D) Services in support of acquisition plan-
11	ning.
12	(E) Contract management.
13	(2) The term "conflict of interest" includes
14	cases in which the contractor performing the func-
15	tion relating to contract oversight, or any related en-
16	tity—
17	(A) is performing all or some of the work
18	to be overseen;
19	(B) has a separate ongoing business rela-
20	tionship, such as a joint venture or contract
21	with any of the contractors to be overseen or
22	any related entity;
23	(C) would be placed in a position to affect
24	the value or performance of work it or any re-

1	lated entity is doing under any other Govern-
2	ment contract;
3	(D) has a reverse role with the contractor
4	to be overseen under one or more separate Gov-
5	ernment contracts; and
6	(E) has some other relationship with the
7	contractor to be overseen that could reasonably
8	appear to bias the contractor's judgment.
9	(3) The term "related entity", with respect to
10	a contractor, means any subsidiary, parent, affiliate,
11	joint venture, or other entity related to the con-
12	tractor.
13	(c) Contracts Relating to Inherently Gov-
14	ERNMENTAL FUNCTIONS.—An agency may not enter into
15	a contract for the performance of inherently governmental
16	functions for contract oversight (as described in subpart
17	7.5 of part 7 of the Federal Acquisition Regulation).
18	(d) Effective Date and Applicability.—This
19	section shall take effect on the date of enactment of this
20	Act and shall apply to—
21	(1) contracts entered into on or after such date;
22	(2) any task or delivery order issued on or after
23	such date under a contract entered into before, on,
24	or after such date: and

1 (3) any decision on or after such date to exer-2 cise an option or otherwise extend a contract for the 3 performance of a function relating to contract oversight regardless of whether such contract was entered into before, on, or after the date of enactment 5 6 of this Act. 7 SEC. 403. DISCLOSURE OF GOVERNMENT CONTRACTOR 8 OVERCHARGES. 9 (a) Quarterly Report to Congress.— 10 (1) The head of each Federal agency or depart-11 ment shall submit to the chairman and ranking 12 member of each committee described in paragraph 13 (2) on a quarterly basis a report that includes the 14 following: 15 (A) A list of audits or other reports issued 16 during the applicable quarter that describe con-17 tractor costs in excess of \$1,000,000 that have 18 been identified as unjustified, unsupported, 19 questioned, or unreasonable under any contract, 20 task or delivery order, or subcontract. 21 (B) The specific amounts of costs identi-22 fied as unjustified, unsupported, questioned, or 23 unreasonable and the percentage of their total 24 value of the contract, task or delivery order, or

subcontract.

- 1 (C) A list of audits or other reports issued 2 during the applicable quarter that identify sig-3 nificant or substantial deficiencies in the per-4 formance of any contractor or in any business system of any contractor under any contract, 6 task or delivery order, or subcontract. 7 (2) The report described in paragraph (1) shall be submitted to the Committee on Government Re-8 9 form of the House of Representatives, the Com-10 mittee on Homeland Security and Governmental Af-11 fairs of the Senate, and other committees of jurisdic-12 tion. (b) Submission of Individual Audits.—The head 13 of each Federal agency or department shall provide, within 14 15 14 days after a request in writing by the chairman or
- 14 days after a request in writing by the chairman or 16 ranking member of any of the committees described in 17 subsection (a)(2), a full and unredacted copy of any audit 18 or other report described in subsection (a)(1).
- 19 SEC. 404. PUBLIC AVAILABILITY OF FEDERAL CONTRACT
 20 AWARDS.
- 21 (a) AMENDMENT.—The Office of Federal Procure-22 ment Policy Act (41 U.S.C. 403 et seq.) is amended by
- 23 inserting after section 19 the following new section:

1 "SEC. 19A. PUBLIC AVAILABILITY OF CONTRACT AWARD IN-2 FORMATION. 3 "(a) In General.—Except as provided in subsection (b), not later than 14 days after the award of a contract 4 5 by an executive agency, the head of the executive agency shall make publicly available, including by posting on the 6 7 Internet in a searchable database, the following information with respect to the contract: 9 "(1) The name and address of the contractor. "(2) The date of award of the contract. 10 11 "(3) The number of offers received in response 12 to the solicitation. "(4) The total amount of the contract. 13 14 "(5) The contract type. 15 "(6) The items, quantities, and any stated unit 16 price of items or services to be procured under the 17 contract. 18 "(7) With respect to a procurement carried out 19 using procedures other than competitive proce-20 dures— 21 "(A) the authority for using such proce-22 dures under section 303(c) of title III of the 23 Federal Property and Administrative Services 24 Act of 1949 (41 U.S.C. 253(c)) or section 25 2304(c) of title 10, United States Code; and

- 1 "(B) the number of sources from which
- 2 bids or proposals were solicited.
- 3 "(8) The general reasons for selecting the con-
- 4 tractor.
- 5 "(9) The name of the executive agency that will
- 6 receive the goods or services procured under the con-
- 7 tract, if other than the agency awarding the con-
- 8 tract.
- 9 "(b) Exception.—Nothing in this section shall re-
- 10 quire the disclosure of classified information.".
- 11 (b) CLERICAL AMENDMENT.—The table of contents
- 12 contained in section 1(b) of such Act is amended by insert-
- 13 ing after the item relating to section 19 the following new
- 14 item:

"Sec. 19A. Public availability of contract award information.".

- 15 (c) Effective Date.—The amendments made by
- 16 this Act shall apply to contracts entered into more than
- 17 90 days after the date of the enactment of this Act.
- 18 SEC. 405. PROVISION OF INFORMATION TO CONGRESS.
- 19 (a) Provision of Information to Congress.—
- 20 Upon request of the chairman or ranking member of a
- 21 committee described in subsection (b), the head of an exec-
- 22 utive agency shall provide, with respect to any contract
- 23 or task or delivery order under a task or delivery order
- 24 contract entered into by the agency, within 14 days after
- 25 receipt of the request, unredacted copies of any documents

required to be maintained in the contracting office contract file, the contract administration office contract file, 3 and the paying office contract file pursuant to subpart 4.8 4 of the Federal Acquisition Regulation, including— 5 (1) copies of the contract and all modifications; 6 (2) orders issued under the contract; 7 (3) justifications and approvals; 8 (4) any government estimate of contract price; 9 (5) source selection documentation; 10 (6) cost or price analysis; 11 (7) audit reports and other evaluations; 12 (8) justification for type of contract; 13 (9) authority for deviations from regulations, statutory requirements, or other restrictions; 14 15 (10) bills, invoices, vouchers, and supporting 16 documents; 17 (11) records of payments or receipts; and 18 (12) compensation determinations. 19 (b) COMMITTEES.—The committees referred to in 20 subsection (a) are the following: 21 (1) The Committee on Governmental Affairs of 22 the Senate and the Committee on Government Re-23 form of the House of Representatives. 24 (2) The Committees on Appropriations of the 25 Senate and House of Representatives.

- 1 (3) Each committee that the head of the execu2 tive agency determines has legislative jurisdiction for
 3 the operations of the department or agency to which
 4 the contract, task or delivery order, or other infor5 mation referred to in subsection (a) relates.
 6 (4) A subcommittee of jurisdiction of any of the
- 6 (4) A subcommittee of jurisdiction of any of the 7 committees referred to in paragraphs (1), (2), or 8 (3).

9 SEC. 406. OVERSIGHT BY THE GOVERNMENT REFORM COM-

10 MITTEE.

- Clause (4)(c) of Rule X of the Rules of the House of Representatives is amended by adding at the end the following new subparagraph:
- 14 "(3) In addition to its duties under subpara-15 graph (1), the Committee on Government Reform, 16 or their subcommittees of jurisdiction, shall hold 17 hearings to investigate credible evidence or allega-18 tions of waste, fraud, abuse, or mismanagement in 19 Federal contracts, including allegations or evidence presented in reports by an Inspector General of a 20 21 Federal agency, the Government Accountability Of-22 fice, or the Defense Contract Audit Agency.".

1	SEC. 407. NONPARTISAN CHIEF ACQUISITION OFFICERS.
2	Section 16 of the Office of Federal Procurement Pol-
3	icy Act (41 U.S.C. 414) is amended in subsection (a)(1)
4	by striking "non-career employee as".
5	SEC. 408. IMPROVING THE FEDERAL PROCUREMENT DATA
6	SYSTEM.
7	(a) Availability on Single Website.—
8	(1) Requirement.—The Federal Procurement
9	Data System described in section 6(d)(4) of the Of-
10	fice of Federal Procurement Policy Act (41 U.S.C.
11	405(d)(4)) shall be modified, under the direction of
12	the Administrator for Federal Procurement Policy,
13	so that not later than one year after the date of the
14	enactment of this Act, the complete data contained
15	in the system are available from a single Internet
16	website that—
17	(A) allows for downloading of the data;
18	(B) is publicly accessible at no cost;
19	(C) is user-friendly; and
20	(D) is in a format that is easily searchable
21	and that can be aggregated by data element.
22	(2) Comptroller general report.—Not
23	later than 1 year after the date of the enactment of
24	this Act, the Comptroller General shall submit to
25	Congress a report on compliance with the require-
26	ment of paragraph (1).

(b) Classified Annex.—

- (1) Requirement.—The Federal Procurement Data System also shall be modified, under the direction of the Administrator for Federal Procurement Policy, to contain a classified annex. The annex shall contain the same information for classified contracts that is required for unclassified contracts. The annex shall be protected at all times by procedures established for information that has been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept classified in the interest of national defense or foreign policy.
- (2) AGENCY REPORTING REQUIREMENT.—The head of each executive agency shall submit to Congress each year a report, in unclassified form, that includes the following:
 - (A) The agency's total budget for classified procurement spending.
 - (B) The percentage of that agency's annual classified procurement spending that is awarded for contracts—
 - (i) entered into using procedures other than competitive procedures when the goods or services are available from only one responsible source;

1	(ii) entered into using procedures
2	other than competitive procedures when
3	the goods or services are available from a
4	limited number of responsible sources; and
5	(iii) entered into using full and open
6	competition.

7 (c) AGENCY REPORTING REQUIREMENT.—The senior 8 procurement officer for each executive agency shall, as di-9 rected by the Director of the Office of Management and 10 Budget, submit to the Director annual reports on the ac-11 tions taken by the executive agency pursuant to the guide-12 lines issued under subsection (a).

13 SEC. 409. ENFORCEMENT THROUGH BID PROTEST.

Any aggrieved party may protest a lack of compliance with sections 101, 102, 201, 202, or 602 of this Act or any amendments made by those sections, including an arbitrary decision by the agency head. Nothing in the preceding sentence shall be interpreted to affect protest rights available to an aggrieved party under other provisions of law.

TITLE V—PREVENTING 1 UNJUSTIFIED AWARD FEES 2 3 SEC. 501. ENCOURAGING EXCELLENT CONTRACT PER-4 FORMANCE. 5 (a) Limitation.—For any cost-based contract entered into by the Federal Government that includes an 6 award or incentive fee— 7 (1) the fee may be paid only for above-satisfac-8 9 tory performance of the contract; and 10 (2) at a minimum, the following factors shall be 11 considered in making a determination regarding 12 whether, and in what amount, the fee shall be paid 13 to the contractor: 14 (A) Whether the contractor met cost goals. 15 (B) Whether the contractor met schedule 16 goals. 17 (C) Whether the contractor met perform-18 ance goals and delivered the goods or services 19 required to be provided under the contract.

20 (b) DEFINITION.—In this section, the term "above-21 satisfactory performance" includes ratings of excellent, 22 outstanding, and very good, as well as equivalent ratings, 23 but excludes ratings of acceptable, average, expected, 24 good, and satisfactory, as well as equivalent ratings.

TITLE VI—DETERRING CORRUPTION IN CONTRACTING

3	SEC. 601. CLOSING THE REVOLVING DOOR.
4	(a) Elimination of Loopholes That Allow
5	FORMER FEDERAL OFFICIALS TO ACCEPT COMPENSA-
6	TION FROM CONTRACTORS OR RELATED ENTITIES.—Sec-
7	tion 27(d) of the Office of Federal Procurement Policy
8	Act (41 U.S.C. 423(d)) is amended—
9	(1) in paragraph (1)—
10	(A) by striking "or consultant" and insert-
11	ing "consultant, lawyer, or lobbyist";
12	(B) by striking "one year" and inserting
13	"two years"; and
14	(C) in subparagraph (C), by striking "per-
15	sonally made for the Federal agency—" and in-
16	serting "participated personally and substan-
17	tially in—"; and
18	(2) by amending paragraph (2) to read as fol-
19	lows:
20	"(2) Paragraph (1) shall not prohibit a former
21	official of a Federal agency from accepting com-
22	pensation from any division or affiliate of a con-
23	tractor that does not produce the same or similar
24	products or services as the entity of the contractor
25	that is responsible for the contract referred to in

- 1 subparagraph (A), (B), or (C) of such paragraph if
- 2 the agency's designated ethics officer determines
- 3 that—
- 4 "(A) the offer of compensation is not a re-
- 5 ward for any action described in paragraph (1);
- 6 and
- 7 "(B) acceptance of the compensation is ap-
- 8 propriate and will not affect the integrity of the
- 9 procurement process.".
- 10 (b) Requirement for Federal Procurement
- 11 Officers to Disclose Job Offers Made to Rel-
- 12 ATIVES.—Section 27(c)(1) of such Act (41 U.S.C.
- 13 423(c)(1)) is amended by inserting after "that official"
- 14 the following: "or for a relative of that official (as defined
- 15 in section 3110 of title 5, United States Code),".
- 16 (c) Requirement on Award of Government
- 17 Contracts to Former Employers.—Section 27 of
- 18 such Act (41 U.S.C. 423) is amended by adding at the
- 19 end the following new subsection:
- 20 "(i) Prohibition on Involvement by Certain
- 21 Former Contractor Employees in Procure-
- 22 MENTS.—An employee of the Federal Government who is
- 23 a former employee of a contractor with the Federal Gov-
- 24 ernment shall not be personally and substantially involved
- 25 with any award of a contract to the employee's former em-

- 1 ployer, or the administration of such a contract, for the
- 2 two-year period beginning on the date on which the em-
- 3 ployee leaves the employment of the contractor.".
- 4 (d) REGULATIONS.—Section 27 of such Act (41
- 5 U.S.C. 423) is further amended by adding at the end of
- 6 the following new subsection:
- 7 "(j) Regulations.—The Administrator, in consulta-
- 8 tion with the Director of the Office of Government Ethics,
- 9 shall—
- 10 "(1) promulgate regulations to carry out and
- ensure the enforcement of this section; and
- 12 "(2) monitor and investigate individual and
- agency compliance with this section.".
- 14 SEC. 602. REQUIRING CONTRACTOR INTEGRITY AND BUSI-
- 15 NESS ETHICS.
- 16 (a) CIVILIAN AGENCY CONTRACTORS.—(1) Title III
- 17 of the Federal Property and Administrative Services Act
- 18 of 1949 (41 U.S.C. 251 et seq.) is amended by inserting
- 19 after section 303N, as added by section 102, the following
- 20 new section:
- 21 "SEC. 3030. PROHIBITION OF AWARD TO UNETHICAL CON-
- TRACTORS.
- 23 "(a) In General.—No prospective contractor may
- 24 be awarded a contract with an agency unless the con-
- 25 tracting officer for the contract determines that such pro-

- 1 spective contractor has a satisfactory record of integrity
- 2 and business ethics.
- 3 "(b) Definition.—No prospective contractor shall
- 4 be considered to have a satisfactory record of integrity and
- 5 business ethics if it—
- 6 "(1) has exhibited a pattern of overcharging the
- 7 Government under Federal contracts;
- 8 "(2) has exhibited a pattern of failing to comply
- 9 with the law, including tax, labor and employment,
- 10 environmental, antitrust, and consumer protection
- laws; or
- 12 "(3) has an outstanding debt with a Federal
- agency in a delinquent status."
- 14 (2) The table of sections at the beginning of such Act
- 15 is amended by inserting after the item relating to section
- 16 303N, as added by section 102, the following new item: "Sec. 3030. Prohibition of award to unethical contractors.".
- 17 (b) Defense Contractors.—(1) Chapter 137 of
- 18 title 10, United States Code, is amended by inserting after
- 19 section 2305a the following new section:
- 20 "§ 2305b. Prohibition of award to unethical contrac-
- 21 tors
- 22 "Section 3030 of the Federal Property and Adminis-
- 23 trative Services Act of 1949 shall apply to a prospective
- 24 contractor that may be awarded a contract with an agency
- 25 under this title in the same manner as such section applies

- 1 to a prospective contractor that may be awarded a con-
- 2 tract with an agency covered by that section.".
- 3 (2) The table of sections at the beginning of such
- 4 chapter is amended by inserting after the item relating
- 5 to section 2305a the following new item:

"2305b. Prohibition of award to unethical contractors.".

- 6 (c) Effective Date.—The amendments made by
- 7 this section shall apply with respect to contracts for which
- 8 solicitations are issued after the date of the enactment of
- 9 this Act.
- 10 SEC. 603. ENHANCEMENT OF WHISTLEBLOWER PROTEC-
- 11 TIONS.
- 12 (a) CIVILIAN AGENCY CONTRACTS.—Section 315(c)
- 13 of the Federal Property and Administrative Services Act
- 14 of 1949 (41 U.S.C. 265(c)), is amended—
- 15 (1) in paragraph (1), by striking "If the head"
- and all that follows through "actions:" and inserting
- the following: "Not later than 180 days after sub-
- mission of a complaint under subsection (b), the
- 19 head of the executive agency concerned shall deter-
- 20 mine whether the contractor concerned has subjected
- 21 the complainant to a reprisal prohibited by sub-
- section (a) and shall either issue an order denying
- relief or shall take one or more of the following ac-
- 24 tions:"; and

- 1 (2) by redesignating paragraph (3) as para-
- 2 graph (4) and adding after paragraph (2) the fol-
- 3 lowing new paragraph (3):
- 4 "(3) If the head of an executive agency has not issued
- 5 an order within 180 days after the submission of a com-
- 6 plaint under subsection (b) and there is no showing that
- 7 such delay is due to the bad faith of the complainant, the
- 8 complainant shall be deemed to have exhausted his admin-
- 9 istrative remedies with respect to the complaint, and the
- 10 complainant may bring an action at law or equity for de
- 11 novo review to seek compensatory damages and other re-
- 12 lief available under this section in the appropriate district
- 13 court of the United States, which shall have jurisdiction
- 14 over such an action without regard to the amount in con-
- 15 troversy.".
- 16 (b) Armed Services Contracts.—Section 2409 of
- 17 title 10, United States Code, is amended—
- 18 (1) in paragraph (1), by striking "If the head"
- and all that follows through "actions:" and inserting
- the following: "Not later than 180 days after sub-
- 21 mission of a complaint under subsection (b), the
- head of the agency concerned shall determine wheth-
- er the contractor concerned has subjected the com-
- plainant to a reprisal prohibited by subsection (a)

1 and shall either issue an order denying relief or shall 2 take one or more of the following actions:"; and 3 (2) by redesignating paragraph (3) as para-4 graph (4) and adding after paragraph (2) the fol-5 lowing new paragraph (3): "(3) If the head of an agency has not issued an order 6 within 180 days after the submission of a complaint under 8 subsection (b) and there is no showing that such delay is due to the bad faith of the complainant, the complainant 10 shall be deemed to have exhausted his administrative rem-11 edies with respect to the complaint, and the complainant 12 may bring an action at law or equity for de novo review 13 to seek compensatory damages and other relief available 14 under this section in the appropriate district court of the 15 United States, which shall have jurisdiction over such an

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action without regard to the amount in controversy.".