

Calendar No. 677

118TH CONGRESS
2D SESSION**S. 4055****[Report No. 118–274]**

To provide for a pilot program to improve contracting outcomes, and for
other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 22, 2024

Mr. PETERS (for himself and Mr. LANKFORD) introduced the following bill;
which was read twice and referred to the Committee on Homeland Security
and Governmental Affairs

DECEMBER 9, 2024

Reported by Mr. PETERS, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To provide for a pilot program to improve contracting
outcomes, and for other purposes.

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.**

4 This Act may be cited as the “Improving Contracting
5 Outcomes Act of 2024”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) ~~APPROPRIATE CONGRESSIONAL COMMIT-~~
 4 ~~TEES.~~—The term “appropriate congressional com-
 5 mittees” means the Committee on Homeland Secu-
 6 rity and Governmental Affairs of the Senate and the
 7 Committee on Oversight and Accountability of the
 8 House of Representatives.

9 (2) ~~CHIEF FINANCIAL OFFICER ACT AGENCY.~~—
 10 The term “Chief Financial Officer Act Agency”
 11 means an agency listed in section 901(b) of title 31,
 12 United States Code.

13 (3) ~~COST AVOIDANCE.~~—The term “cost avoid-
 14 ance” refers to—

15 (A) reductions in the need for increased
 16 funding if present management practices con-
 17 tinued;

18 (B) unfunded requirements that were
 19 avoided; and

20 (C) productivity gains, such as reduction in
 21 required labor hours, reduction in contract du-
 22 plication, and use of shared contract programs.

23 (4) ~~COST SAVINGS.~~—The term “cost savings”
 24 means reductions to budget lines or funded pro-
 25 grams resulting from a new policy, process, or activ-
 26 ity with no adverse impact on mission.

1 ~~(5) END USER.~~—The term “end user” means
 2 the internal stakeholder that uses the product or
 3 service procured.

4 ~~(6) HEAD OF CONTRACTING ACTIVITY.~~—The
 5 term “head of contracting activity” has the meaning
 6 given the term “head of the contracting activity” in
 7 section 2.101 of the Federal Acquisition Regulation.

8 ~~(7) MILITARY DEPARTMENT.~~—The term “mili-
 9 tary department” has the meaning given the term in
 10 section 101(a)(8) of title 10, United States Code.

11 ~~(8) MULTIPLE AWARD CONTRACT.~~—The term
 12 “multiple award contract” means—

13 ~~(A)~~ a contract that is entered into by the
 14 Administrator of General Services under the
 15 multiple award schedule program referred to in
 16 section 3012(3) of title 10, United States Code;
 17 or

18 ~~(B)~~ a multiple award task order contract
 19 that is entered into under the authority of title
 20 10 or title 41, United States Code.

21 ~~(9) SENIOR PROCUREMENT EXECUTIVE.~~—The
 22 term “senior procurement executive” has the mean-
 23 ing given the term in section 1702(e) of title 41,
 24 United States Code.

1 ~~(10) TRANSACTIONAL DATA.~~—The term “trans-
 2 actional data” refers to order details, including unit
 3 price, quantity, and line item descriptions.

4 **SEC. 3. PILOT PROGRAM TO IMPROVE CONTRACTING OUT-**
 5 **COMES.**

6 ~~(a) IN GENERAL.~~—Not later than 180 days after the
 7 date of the enactment of this Act, the Administrator for
 8 Federal Procurement Policy shall initiate a pilot program
 9 to improve contracting outcomes.

10 ~~(b) PURPOSE.~~—The purpose of the pilot program is
 11 to identify and assess innovative approaches for estab-
 12 lishing and using outcome-oriented contracting metrics,
 13 and the potential to establish and use outcome-oriented
 14 contracting metrics at each Chief Financial Officer Act
 15 Agency and military department.

16 ~~(c) KEY ELEMENTS.~~—The pilot program initiated
 17 pursuant to subsection (a) shall—

18 ~~(1)~~ comprise no less than three Chief Financial
 19 Officer Act Agencies, and at least one military de-
 20 partment;

21 ~~(2)~~ span a period of two years;

22 ~~(3)~~ demonstrate how senior procurement execu-
 23 tives can establish quantitative outcome-oriented
 24 contracting metrics and corresponding goals—

25 ~~(A)~~ expressed on an annual basis;

1 (B) for each Head of Contracting Activity;

2 and

3 (C) representing, at a minimum—

4 (i) cost avoidance or cost savings;

5 (ii) timeliness of deliveries in terms of

6 end users' receipt of a product or the start

7 of a service;

8 (iii) quality of deliverables in terms of

9 end users' satisfaction with a delivered

10 product or provided service; and

11 (iv) end user satisfaction with the de-

12 gree and nature of collaboration between

13 the end user and the relevant procurement

14 officials;

15 (4) illustrate how senior procurement executives

16 can use the quantitative outcome-oriented con-

17 tracting metrics and goals required under paragraph

18 (3) to—

19 (A) assess the performance of procurement

20 organizations on an ongoing basis;

21 (B) identify and share leading practices

22 that Heads of Contracting Activity and other

23 procurement officials can use to achieve desired

24 contracting outcomes;

1 (C) evaluate key factors affecting con-
2 tracting outcomes, including—

3 (i) collaboration with key stake-
4 holders, particularly requirements genera-
5 tors, pre- and post-contract award; and

6 (ii) contractor performance; and

7 (5) assess the benefits and drawbacks of
8 leveraging various data sources when establishing
9 and using the outcome-oriented contracting metrics
10 and goals required under paragraphs (3) and (4), re-
11 spectively, including, at a minimum—

12 (A) data stored in the Contractor Perform-
13 ance Assessment Reporting System; and

14 (B) transactional data for orders against
15 multiple award contracts.

16 (d) **RULE OF CONSTRUCTION.**—Nothing in this sec-
17 tion shall be construed as precluding senior procurement
18 executives from establishing or maintaining additional per-
19 formance metrics and goals, in particular metrics and
20 goals for small business utilization.

21 **SEC. 4. OFFICE OF FEDERAL PROCUREMENT POLICY RE-**
22 **PORTING.**

23 (a) **INTERIM REPORT.**—

24 (1) **IN GENERAL.**—Not later than 2 years after
25 the date of the enactment of this Act, the Adminis-

1 trator for Federal Procurement Policy shall submit
 2 to the appropriate congressional committees and the
 3 Comptroller General of the United States an interim
 4 report on the pilot program required under section
 5 3.

6 (2) PURPOSE.—The purpose of the interim re-
 7 port shall be to identify how each of the senior pro-
 8 curement executives participating in the pilot pro-
 9 gram are meeting the requirements under section
 10 3(c).

11 (3) KEY ELEMENTS.—The interim report shall
 12 identify, at a minimum—

13 (A) each quantitative outcome-oriented
 14 contracting goal established pursuant to section
 15 3(c)(3), including—

16 (i) a precise definition that includes
 17 the methodology and data used to measure
 18 actual performance against the goal; and

19 (ii) the rationale for the goal;

20 (B) illustrative examples of how each sen-
 21 ior procurement executive has used quantitative
 22 outcome-oriented contracting metrics and goals
 23 to identify and share leading practices and key
 24 factors affecting contracting outcomes pursuant
 25 to section 3(c)(4); and

(C) data improvement initiatives, informed by the assessment required under section 3(c)(5), including a plan of action and milestones to improve the reliability of relevant data, including at a minimum—

(i) data stored in the Contractor Performance Assessment Reporting System; and

(ii) transactional data for orders against multiple award contracts.

(b) FINAL REPORT.—

(1) IN GENERAL.—Not later than three years after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall submit to the appropriate congressional committees and the Comptroller General of the United States a final report on the pilot program required under section 3.

(2) PURPOSE.—The purpose of the final report shall be to identify how each of the senior procurement executives participating in the pilot program met the requirements under section 3(c), and assess the potential to establish and use outcome-oriented contracting metrics and goals at each Chief Finan-

1 cial Officer Act Agency and military department in
 2 the future.

3 ~~(3)~~ KEY ELEMENTS.—The final report shall
 4 identify, at a minimum—

5 (A) any modifications to the outcome-ori-
 6 ented metrics and goals established pursuant to
 7 section ~~3(c)(3)~~ since the issuance of the interim
 8 report required under subsection (a), includ-
 9 ing—

10 (i) modifications to the definitions for
 11 the metrics and goals; and

12 (ii) the rationale for any modifica-
 13 tions;

14 (B) examples of how each senior procure-
 15 ment executive has used outcome-oriented con-
 16 tracting metrics and goals to identify and share
 17 leading practices and key factors affecting con-
 18 tracting outcomes pursuant to section ~~3(c)(4)~~
 19 during the preceding year;

20 (C) a description of progress against the
 21 plan of action and milestones required under
 22 subsection ~~(a)(3)(C)~~, including qualitative de-
 23 scriptions of significant challenges and limita-
 24 tions hindering data improvement efforts; and

1 ~~(D)~~ observations from the Administrator
 2 for Federal Procurement Policy regarding the
 3 respective advantages and disadvantages of var-
 4 ious approaches for establishing and using out-
 5 come-oriented contracting metrics and goals.

6 **SEC. 5. GOVERNMENT ACCOUNTABILITY OFFICE REPORT-**
 7 **ING.**

8 Not later than 180 days after receiving the interim
 9 and final reports required under section 4, the Comptroller
 10 General of the United States shall provide the Comptroller
 11 General’s independent observations on the report to the
 12 appropriate congressional committees.

13 **SECTION 1. SHORT TITLE.**

14 *This Act may be cited as the “Improving Contracting*
 15 *Outcomes Act of 2024”.*

16 **SEC. 2. DEFINITIONS.**

17 *In this Act:*

18 (1) *APPROPRIATE CONGRESSIONAL COMMIT-*
 19 *TEES.—The term “appropriate congressional commit-*
 20 *tees” means the Committee on Homeland Security*
 21 *and Governmental Affairs of the Senate and the Com-*
 22 *mittee on Oversight and Accountability of the House*
 23 *of Representatives.*

24 (2) *CHIEF FINANCIAL OFFICER ACT AGENCY.—*
 25 *The term “Chief Financial Officer Act Agency”*

1 *means an agency listed in section 901(b) of title 31,*
2 *United States Code.*

3 (3) *COST AVOIDANCE.*—*The term “cost avoid-*
4 *ance” refers to—*

5 (A) *reductions in the need for increased*
6 *funding if present management practices contin-*
7 *ued;*

8 (B) *unfunded requirements that were avoid-*
9 *ed; and*

10 (C) *productivity gains, such as reduction in*
11 *required labor hours, reduction in contract du-*
12 *plication, and use of shared contract programs.*

13 (4) *COST SAVINGS.*—*The term “cost savings”*
14 *means reductions to budget lines or funded programs*
15 *resulting from a new policy, process, or activity with*
16 *no adverse impact on mission.*

17 (5) *END USER.*—*The term “end user” means the*
18 *internal stakeholder that uses the product or service*
19 *procured.*

20 (6) *HEAD OF CONTRACTING ACTIVITY.*—*The term*
21 *“head of contracting activity” has the meaning given*
22 *the term “head of the contracting activity” in section*
23 *2.101 of the Federal Acquisition Regulation.*

1 (7) *MILITARY DEPARTMENT.*—*The term “mili-*
 2 *tary department” has the meaning given the term in*
 3 *section 101(a)(8) of title 10, United States Code.*

4 (8) *MULTIPLE AWARD CONTRACT.*—*The term*
 5 *“multiple award contract” means—*

6 (A) *a contract that is entered into by the*
 7 *Administrator of General Services under the*
 8 *multiple award schedule program referred to in*
 9 *section 3012(3) of title 10, United States Code;*
 10 *or*

11 (B) *a multiple award task order contract*
 12 *that is entered into under the authority of title*
 13 *10 or title 41, United States Code.*

14 (9) *SENIOR PROCUREMENT EXECUTIVE.*—*The*
 15 *term “senior procurement executive” has the meaning*
 16 *given the term in section 1702(c) of title 41, United*
 17 *States Code.*

18 (10) *TRANSACTIONAL DATA.*—*The term “trans-*
 19 *actional data” refers to order details, including unit*
 20 *price, quantity, and line item descriptions.*

21 **SEC. 3. PILOT PROGRAM TO IMPROVE CONTRACTING OUT-**
 22 **COMES.**

23 (a) *IN GENERAL.*—*Not later than 180 days after the*
 24 *date of the enactment of this Act, the Administrator for Fed-*

1 *eral Procurement Policy shall initiate a pilot program to*
 2 *improve contracting outcomes.*

3 (b) *PURPOSE.*—*The purpose of the pilot program is*
 4 *to improve the effectiveness and efficiency of agency oper-*
 5 *ations and to cut costs to the Federal Government by identi-*
 6 *fying and assessing innovative approaches for establishing*
 7 *and using outcome-oriented contracting metrics, and the*
 8 *potential to establish and use outcome-oriented contracting*
 9 *metrics at each Chief Financial Officer Act Agency and*
 10 *military department.*

11 (c) *KEY ELEMENTS.*—*The pilot program initiated*
 12 *pursuant to subsection (a) shall—*

13 (1) *comprise no less than three Chief Financial*
 14 *Officer Act Agencies, and at least one military de-*
 15 *partment;*

16 (2) *span a period of two years;*

17 (3) *demonstrate how senior procurement execu-*
 18 *tives can establish quantitative outcome-oriented con-*
 19 *tracting metrics and corresponding goals—*

20 (A) *expressed on an annual basis;*

21 (B) *for each Head of Contracting Activity;*

22 *and*

23 (C) *representing, at a minimum—*

24 (i) *cost avoidance or cost savings;*

1 (ii) *timeliness of deliveries in terms of*
 2 *end users' receipt of a product or the start*
 3 *of a service;*

4 (iii) *quality of deliverables in terms of*
 5 *end users' satisfaction with a delivered*
 6 *product or provided service; and*

7 (iv) *end user satisfaction with the de-*
 8 *gree and nature of collaboration between the*
 9 *end user and the relevant procurement offi-*
 10 *cials;*

11 (4) *illustrate how senior procurement executives*
 12 *can use the quantitative outcome-oriented contracting*
 13 *metrics and corresponding goals required under para-*
 14 *graph (3) to—*

15 (A) *assess the performance of procurement*
 16 *organizations on an ongoing basis;*

17 (B) *identify and share leading practices*
 18 *that Heads of Contracting Activity and other*
 19 *procurement officials can use to achieve desired*
 20 *contracting outcomes;*

21 (C) *evaluate key factors affecting con-*
 22 *tracting outcomes, including—*

23 (i) *collaboration with key stakeholders,*
 24 *particularly requirements generators, pre-*
 25 *and post-contract award; and*

1 (ii) contractor performance; and

2 (5) assess the benefits and drawbacks of
3 leveraging various data sources when establishing and
4 using the outcome-oriented contracting metrics and
5 corresponding goals required under paragraphs (3)
6 and (4), respectively, including, at a minimum—

7 (A) data stored in the Contractor Perform-
8 ance Assessment Reporting System; and

9 (B) transactional data for orders against
10 multiple award contracts.

11 (d) *RULE OF CONSTRUCTION.*—Nothing in this section
12 shall be construed as precluding senior procurement execu-
13 tives from establishing or maintaining additional perform-
14 ance metrics and goals, in particular metrics and goals for
15 small business utilization.

16 **SEC. 4. OFFICE OF FEDERAL PROCUREMENT POLICY RE-**
17 **PORTING.**

18 (a) *INTERIM REPORT.*—

19 (1) *IN GENERAL.*—Not later than 2 years after
20 the date of the enactment of this Act, the Adminis-
21 trator for Federal Procurement Policy shall submit to
22 the appropriate congressional committees and the
23 Comptroller General of the United States an interim
24 report on the pilot program required under section 3.

1 (2) *PURPOSE.*—*The purpose of the interim re-*
 2 *port shall be to identify how each of the senior pro-*
 3 *curement executives participating in the pilot pro-*
 4 *gram are meeting the requirements under section 3(c).*

5 (3) *KEY ELEMENTS.*—*The interim report shall*
 6 *identify, at a minimum—*

7 (A) *each quantitative outcome-oriented con-*
 8 *tracting goal established pursuant to section*
 9 *3(c)(3), including—*

10 (i) *a precise definition that includes*
 11 *the methodology and data used to measure*
 12 *actual performance against the goal; and*

13 (ii) *the rationale for the goal;*

14 (B) *illustrative examples of how each senior*
 15 *procurement executive has used quantitative out-*
 16 *come-oriented contracting metrics and cor-*
 17 *responding goals to identify and share leading*
 18 *practices and key factors affecting contracting*
 19 *outcomes pursuant to section 3(c)(4); and*

20 (C) *data improvement initiatives, informed*
 21 *by the assessment required under section 3(c)(5),*
 22 *including a plan of action and milestones to im-*
 23 *prove the reliability of relevant data, including*
 24 *at a minimum—*

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2 formance Assessment Reporting System;
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4 (ii) transactional data for orders
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6 (b) *FINAL REPORT.*—

7 (1) *IN GENERAL.*—Not later than three years
8 after the date of the enactment of this Act, the Admin-
9 istrator for Federal Procurement Policy shall submit
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11 Comptroller General of the United States a final re-
12 port on the pilot program required under section 3.

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14 shall be to identify how each of the senior procure-
15 ment executives participating in the pilot program
16 met the requirements under section 3(c), and assess
17 the potential to establish and use outcome-oriented
18 contracting metrics and goals at each Chief Financial
19 Officer Act Agency and military department in the
20 future.

21 (3) *KEY ELEMENTS.*—The final report shall
22 identify, at a minimum—

23 (A) any modifications to the outcome-ori-
24 ented metrics and corresponding goals estab-
25 lished pursuant to section 3(c)(3) since the

1 *issuance of the interim report required under*
2 *subsection (a), including—*

3 *(i) modifications to the definitions for*
4 *the metrics and goals; and*

5 *(ii) the rationale for any modifica-*
6 *tions;*

7 *(B) examples of how each senior procure-*
8 *ment executive has used outcome-oriented con-*
9 *tracting metrics and corresponding goals to iden-*
10 *tify and share leading practices and key factors*
11 *affecting contracting outcomes pursuant to sec-*
12 *tion 3(c)(4) during the preceding year;*

13 *(C) a description of progress against the*
14 *plan of action and milestones required under*
15 *subsection (a)(3)(C), including qualitative de-*
16 *scriptions of significant challenges and limita-*
17 *tions hindering data improvement efforts; and*

18 *(D) observations from the Administrator for*
19 *Federal Procurement Policy regarding the re-*
20 *spective advantages and disadvantages of various*
21 *approaches for establishing and using outcome-*
22 *oriented contracting metrics and goals.*

1 **SEC. 5. GOVERNMENT ACCOUNTABILITY OFFICE REPORT-**
2 **ING.**

3 *Not later than 180 days after receiving the interim*
4 *and final reports required under section 4, the Comptroller*
5 *General of the United States shall provide the Comptroller*
6 *General's independent observations on the report to the ap-*
7 *propriate congressional committees.*

8 **SEC. 6. SUNSET.**

9 *This Act shall cease to have effect on the date that is*
10 *3 years and 6 months after the date of enactment of this*
11 *Act.*

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