



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 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 eight months.

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

Minimizing Cost-Plus Contracts. Cost-plus type contracts leave the taxpayer vulnerable to wasteful spending by providing contractors with little or no incentive to control costs. This type of contract has grown by 75% during the Bush Administration. Section 103 requires large federal agencies to develop and implement a plan to minimize the use of these abuse-prone 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.

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 \$1 million be disclosed to Congress.

Funding Contract Oversight. A large and recurring problem in federal procurement has been an insufficient acquisition workforce to administer and oversee federal contracts. Section 203 mandates that agencies devote at least an additional 1% of their procurement budgets to contract oversight, planning, and administration.

Closing the Revolving Door. Sec. 301 would close loopholes in the current "revolving door" laws applicable to government contracting officials. The bill would prevent a government contracting official who awarded a contract to a private company from working as lobbyist or lawyer for that company during a one-year cooling off period. The bill would also prohibit contracting officials from negotiating employment for their relatives. In addition, the bill would prohibit for one year a procurement official who is a former employee of a private-sector contractor from working on the award or management of a contract held by the official's former employee, subject to a waiver provision.