

Why GAO Did This Study

When an existing contract is set to expire but the follow-on contract is not ready to be awarded, the government can extend the existing contract or award a short-term sole-source contract to avoid a gap in service. These have been referred to as “bridge contracts.” While bridge contracts can be necessary tools, they are awarded without competition, which puts the government at risk of paying too much. GAO was asked to review federal agencies’ use of bridge contracts. This report examines (1) insights selected agencies have into their use of bridge contracts; (2) key characteristics of bridge contracts; and (3) the reasons bridge contracts are used.

Because bridge contracts are not defined in the FAR, GAO constructed a definition based on its prior work and that of other federal agencies. GAO reviewed policies and procedures at three agencies that were among those with the highest number of potential bridge contracts. GAO analyzed a nongeneralizable sample of 73 contracts for services, based on a customized search of the federal procurement data system and contract information provided by agencies. For a more in-depth review, GAO selected a subset of 29 contracts based on contract value and other factors.

What GAO Recommends

GAO recommends that OFPP take steps to amend the FAR to incorporate a definition of bridge contracts, and, in the interim, provide guidance for agencies to track and manage their use. OFPP agreed with the recommendation to provide guidance to agencies and plans to explore the value of adding a definition to the FAR.

View [GAO-16-15](#). For more information, contact Michele Mackin at (202) 512-4841 or mackinm@gao.gov.

SOLE SOURCE CONTRACTING

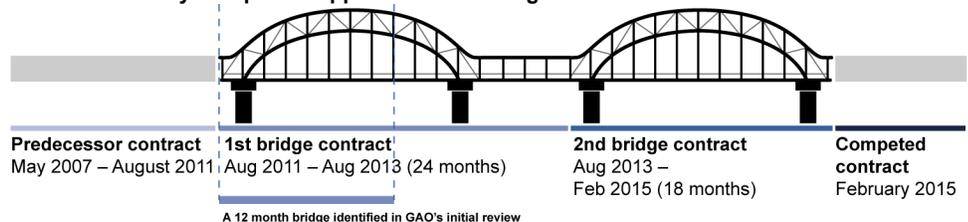
Defining and Tracking Bridge Contracts Would Help Agencies Manage Their Use

What GAO Found

The agencies included in GAO’s review—the Departments of Defense (DOD), Health and Human Services, and Justice—had limited or no insight into their use of bridge contracts, as bridge contracts were not defined or addressed in department-level guidance or in the Federal Acquisition Regulation (FAR). However, GAO found that two DOD components, the Navy and Defense Logistics Agency, have instituted definitions, policies, and procedures to manage and track their use. The components took these steps due to concerns that bridge contracts were being used too frequently and reducing competition. Federal internal control standards stipulate that management should identify, analyze, and monitor risks associated with achieving objectives, such as maximizing competition. Staff from the Office of Federal Procurement Policy (OFPP), which provides direction for government-wide procurement policies so as to promote efficiency and effectiveness in government acquisitions, acknowledge that the use of bridge contracts may introduce risks related to a lack of competition. Without a definition of bridge contracts and guidance for tracking and managing their use, agencies are not able to fully identify and monitor these risks and increase opportunities for competition.

The 73 bridge contracts GAO analyzed varied widely in characteristics such as the type of service and length of contract. Almost half of the contracts were used to procure either professional management services or information technology services. Although bridge contracts are typically envisioned as short-term, GAO found that some bridge contracts spanned multiple years, potentially undetected by approving officials. For example, of the 29 contracts GAO reviewed in-depth, 6 were longer than 3 years. As the figure below illustrates, an Army bridge contract for computer support services was initially planned as a 12-month bridge, but because of subsequent bridges, ultimately spanned 42 months.

Timeline for Army Computer Support Services Bridge Contracts



Source: GAO graphic based on information from contract file reviews and interviews with contracting officials. | GAO-16-15

Even after lengthy bridge contract scenarios, most follow-on contracts were awarded competitively. Of the 26 cases in GAO’s review where follow-on contracts were awarded, 23 were awarded competitively, in some instances leading to savings. The fact that competition occurred in almost all cases, which can save the government money, highlights the importance of better management controls over use of bridge contracts.

Acquisition planning delays, such as revisions to statements of work and delays in source selection, as well as an inexperienced and overwhelmed acquisition workforce, bid protests, and budget uncertainties contributed to the use of bridge contracts in the cases GAO studied. Often, more than one of these factors led to the use of a bridge contract.