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**REPORT TO THE COMMITTEE
ON GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES**

74-0047



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**Progress Of Executive Branch Action
On Recommendations Of
The Commission On
Government Procurement**

B-160725

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

SEPT. 19, 1973

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-160725

The Honorable Chet Holifield, Chairman
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

This is our second report responding to your request that GAO monitor progress of executive branch action on recommendations of the Commission on Government Procurement. Our first report, B-160725, June 19, 1973, described the executive branch plan for acting on Commission recommendations, some initial steps taken to provide a management structure for Government-wide procurement policy, and several matters deserving agency or congressional consideration.

This report (1) updates the executive branch plan for acting on Commission recommendations, (2) shows the new management structure for Government-wide procurement policy, (3) describes congressional activity on the recommendations, (4) summarizes executive branch progress and the status of the recommendations, and (5) identifies matters needing agency or congressional consideration.

In summary, this report points out that:

- Executive branch structure for Government-wide direction of procurement policy is still developing.
- Executive branch program to act on the Commission recommendations is of considerable magnitude and complexity, as indicated by 73 lead agency task groups and 330 participating agency assignments in support of 14 lead agencies.
- Following your Committee's hearings in July, GSA doubled its staffing of the Office of Procurement Management, appointed an acting director, and furnished additional guidance to the 14 lead agencies.

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--A few lead agency positions have been submitted to GSA; first drafts have been completed on about 40 of the recommendations, and work on about 100 has not reached the first draft stage.

--Five matters presented for agency or congressional consideration concern the need to:

1. Set priorities on Commission recommendations.
2. Strengthen monitoring of lead agency assignments.
3. Arrange for industry participation.
4. Give special management attention to assignments on which limited progress has been made.
5. Expedite legislative action to establish an Office of Federal Procurement Policy, with interim executive branch action to fully empower such an office.

As you requested, we are sending copies of this report to the Chairmen of the new Senate Subcommittee on Federal Procurement and the congressional committees which have expressed interest in procurement matters, the Director of the Office of Management and Budget, the heads of the 14 agencies having lead agency responsibility for acting on Commission recommendations, and each of the Commissioners of the Commission on Government Procurement.

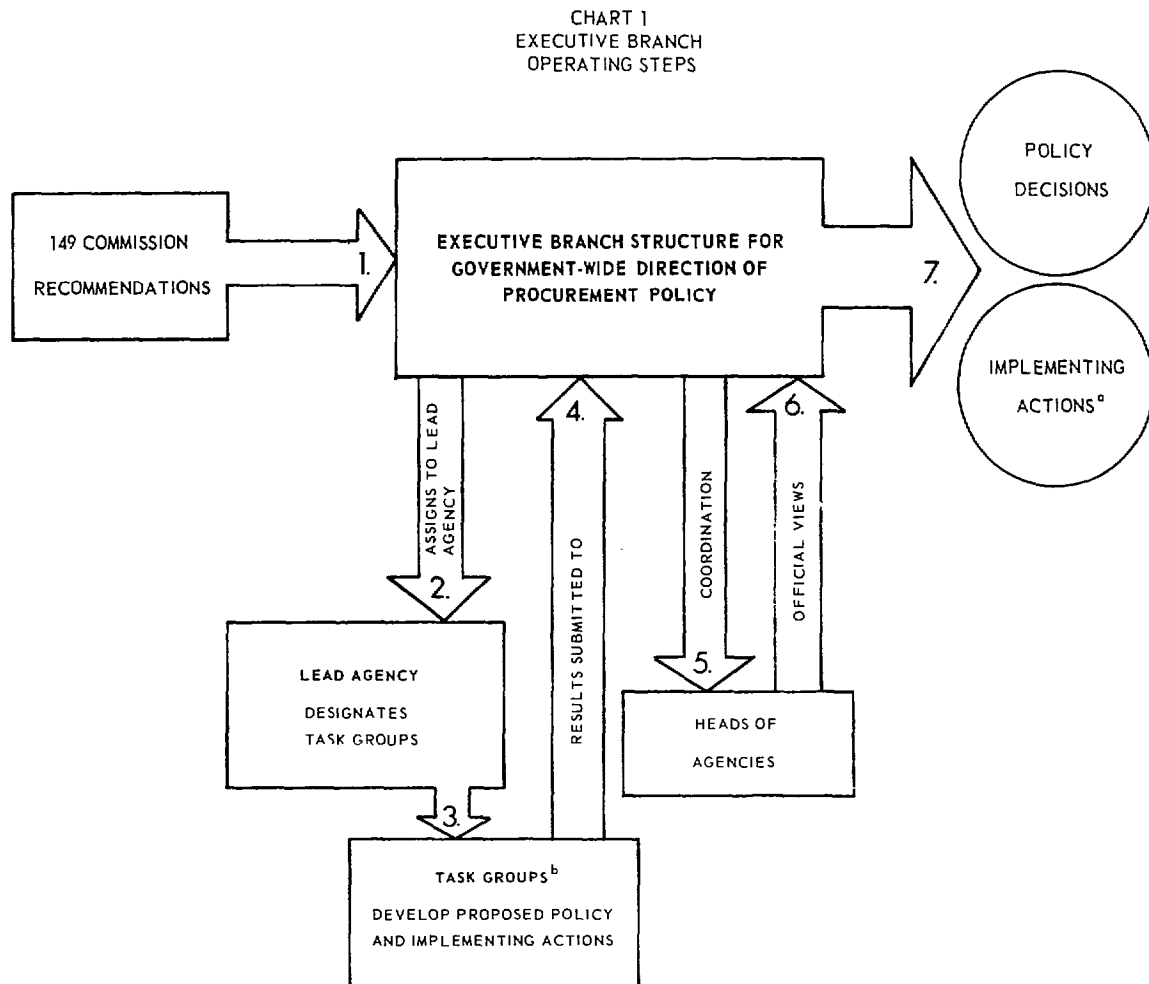
Sincerely yours,



Comptroller General
of the United States

PROGRESS OF EXECUTIVE BRANCH ACTION
ON RECOMMENDATIONS OF THE
COMMISSION ON GOVERNMENT PROCUREMENT

Our first report discussed the executive branch program for developing policy decisions and implementing Commission recommendations. The operating steps specified in the program remain in effect and are shown in chart 1.



^a Regulations published after coordination with Industry
^b Comprised of lead agency and participating agency personnel

The number of task groups and participating agency assignments involved indicate the magnitude and complexity of the executive branch program for developing proposed policy and implementing actions. A task group comprises lead agency and participating agency personnel, the number depending on the nature and number of recommendations assigned to the group. Participating agencies are those invited or volunteering to participate in actions on a recommendation assigned to the lead agency. Currently, there are 73 task groups and 330 participating agency assignments.

The number of recommendations assigned to each of the lead agencies, together with the number of related task groups and participating assignments supporting the lead agencies as of August 1973, are listed in table 1.

Table 1

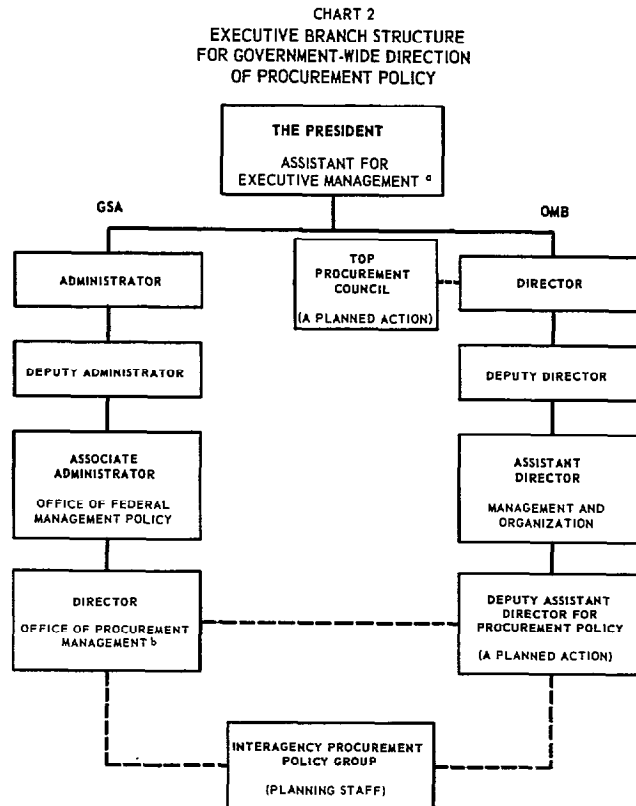
<u>Lead agency</u>	Number of recommendations assigned (note a)	Number of task groups	Number of participating assignments supporting lead agency
Department of Defense (DOD)	52	24	85
General Services Administration (GSA)	24	14	52
National Science Foundation (NSF)	17	4	26
Atomic Energy Commission (AEC)	16	5	22
Office of Management and Budget (OMB)	8	4	27
National Aeronautics and Space Administration (NASA)	8	5	23
Civil Service Commission (CSC)	7	5	31
Department of Labor	4	4	36
Renegotiation Board	4	1	1
Small Business Administration (SBA)	3	1	7
Department of Health, Education, and Welfare (HEW)	2	2	12
Department of Agriculture (USDA)	2	2	4
Department of Transportation (DOT)	1	1	3
Department of Justice (DOJ)	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>149</u>	<u>73</u>	<u>330</u>

^aSix recommendations have been reassigned from OMB to GSA since our first report.

UPDATING EXECUTIVE BRANCH
MANAGEMENT STRUCTURE

Our first report discussed the May 1973 Executive order which transferred several functions, including procurement management, from OMB to GSA. In late June, an implementing memorandum to the heads of departments and agencies announced the transfer of responsibility for directing and coordinating executive branch action on Commission recommendations to GSA. The memorandum provided for forming a procurement policy group to assist GSA and OMB in coordinating and expediting development of policy positions and implementing actions and specified that OMB would retain a strong interest in resolving major policy matters.

The executive branch management structure for Government-wide procurement policy direction is still emerging. Although identified as one entity on chart 1, the management structure actually has a number of parts, as shown in chart 2.



^a The Assistant to the President for Executive Management and the Director of OMB is the same individual wearing two hats.

^b Includes responsibility for Federal Procurement Regulation

- - - - - Portion of structure which will interact on procurement policy.

Responsibilities for parts of the management structure and their interaction with one another has not yet been spelled out; they will probably vary, depending on the degree of importance or controversy covered by each policy issue. Also, as noted in chart 2, some parts of the management structure are still planned actions. Based on discussions with OMB and GSA officials, we will attempt to describe how the parts may work together.

The products of the lead agency task group efforts, that is, proposed policy positions and implementing actions (chart 1), will be submitted to GSA's Office of Procurement Management (chart 2). This office will review the submissions; and when they are deemed adequate, a summary evaluation will be reviewed with the interagency Procurement Policy Group (chart 2). This group, representing 20 or more agencies having procurement operations, will be composed of top procurement policy technicians. Normally, only a small planning staff of that group, representing the major procuring agencies, will be consulted.¹

After coordination with the planning staff has been completed, proposed policy positions and implementing actions will be sent to the concerned agency heads for official review. After these reviews, agency head comments will be sent to GSA's Office of Procurement Management for consideration. If the agencies generally agree on the proposed policy, an implementing document will be forwarded for the appropriate authority to issue. The implementing document may be proposed legislation, an executive order, an OMB circular, a regulation, or an agency directive.

If a proposed policy on a Commission recommendation is of major importance or is seriously opposed by one or more agencies, the matter will be taken up with OMB. If the policy decision is highly sensitive, OMB, in turn, will ask for recommendations from its Procurement Council (see chart 2), comprising officials at the assistant secretary-deputy administrator level of the major procuring agencies. Presumably, all major policy differences will have been resolved through this process. If not, they may be referred to the President.

¹These agencies are DOD, NASA, AEC, HEW, GSA, DOT, and Veterans Administration (VA).

The management structure being developed by OMB would, in its view, accomplish the same purpose as the organization to be created by House bill 9059, an Office of Federal Procurement Policy (OFPP). The OMB position on the bill was that legislation should be deferred until its recent organizational changes have been tested. OMB testified that it expected these organizational changes to be operative by the end of August 1973.

Those organizational changes not implemented as of early September are labeled in chart 2 as "planned action." They are the new Deputy Assistant Director for Procurement Policy in OMB and the Procurement Council. The interagency Procurement Policy Group has been named but not yet activated. A first meeting with its planning staff was held on September 11.

We understand that implementation has been delayed because:

- There have been difficulties in clearly establishing responsibilities for parts of the management structure.
- OMB staffing of its part of the management structure has been deferred pending internal budget approval.
- It is considered premature to establish the Procurement Council before the new OMB Deputy Assistant Director for Procurement Policy is available to help oversee its formulation.

Continued delay in establishing this management structure and the lack of assurance that this approach can achieve the objectives sought by the Procurement Commission confirms the opinion we and others expressed during your Committee's hearings in July that a statutory mandate is required at the earliest practical time.

CONGRESSIONAL ACTIVITY

In June 1973, four bills responding to major recommendations of the Commission were introduced in the House by Congressmen Chet Holifield and Frank Horton.

- House bill 9059 to create an OFPP within the Executive Office of the President.
- House bill 9060 to clarify the distinction between contract and grant-type assistance transactions and to standardize legal instruments for these transactions.
- House bill 9061 to revise, consolidate, and simplify the basic procurement statutes.
- House bill 9062 to establish an integrated system for resolving contract claims and disputes.

Hearings held in July on the OFPP bill will be summarized later in this report.

On July 20, 1973, the Senate Committee on Government Operations, by Senate resolution 131, formed an ad hoc subcommittee on Federal procurement to study or investigate Government procurement practices "including a review of recommendations submitted to Congress by the Commission on Government Procurement." Senate bill 2198, to create an OFPP, was immediately introduced. The subcommittee is chaired by Senator Lawton Chiles¹ and is currently developing operating plans.

EXECUTIVE BRANCH PROGRESS AND STATUS OF RECOMMENDATIONS

This section of the report presents an overview of executive branch progress in acting on Commission recommendations as of August 1973. Additional information highlighting the status of each recommendation is in the appendix. The schedule in the appendix lists

- the major thrust of each of the 149 Commission recommendations,

¹Other members are Senators William Roth (ranking minority member), Bill Brock, Walter Huddleston, and Sam Nunn.

- the lead agency and its responsible component, and
- the name of the task group leader.

Also shown in the appendix schedule are the major milestones in reaching policy decisions and the estimated or actual dates for reaching them, when available. Once the policy decision is made, the schedule will show whether the recommendation was accepted, rejected, or modified, and, in the latter two cases, the reasons why. Similarly, later schedules will describe the implementing action proposed for each recommendation and record the major events preceding issuance of an implementation action.

To determine current progress and status at a more detailed level than that in the appendix, we obtained information from the lead agency task groups responsible for developing executive branch positions. Table 2 summarizes progress reported by the task group leaders as of August 10, 1973.

Table 2

	<u>Number of recommendations</u>
Lead agency task group level:	
Limited activity	21
Review and analysis underway	30
Review and analysis completed	40
General agreement on proposed position(s) reached	8
First draft of proposed position completed	34
Proposed position in process of submittal	13
Executive branch management structure level:	
Proposed position received by GSA	a3
Proposed position submitted to agency heads for official views	-
Commission recommendations accepted, rejected, or modified by executive branch	-
Total	<u>149</u>

^aOne of these positions pertains to proposed legislation in the Congress on which action was initiated prior to the Commission report (recommendation A-36).

As can be seen, all assignments are in varying stages of progress at the task group level except for submissions to GSA on three of the recommendations. It is difficult to measure overall progress due to the differing degrees of difficulty associated with individual recommendations or groups of recommendations and due to the varying levels of part-time efforts being undertaken by task group members.

A special problem occurs with the OMB lead assignments in attempting to determine progress. It is our understanding that OMB will not submit action plans, completion dates, or task group proposals to GSA for review as called for in the executive branch operating plan. In our discussions with OMB officials, they would not commit themselves to target dates as to when proposed positions would be developed. Therefore, we have shown their completion dates in appendix I as unknown. However, in the case of recommendation A-1 (establish an OFPP), OMB did state that a position has been developed and communicated in connection with the recent hearings before your Committee on this recommendation.

Another problem with the executive branch effort was the initial lack of formal guidance to task groups of what was wanted in their submissions and to the lead agency focal points of what their review responsibilities were. This problem is discussed further in the next section of this report.

A few trends are emerging which indicate the timeliness and level of effort of the lead agencies. Some lead agencies--namely DOD, AEC, NASA, and NSF--have completed first drafts of proposed positions on a number of recommendations. On the other hand, limited activity has occurred on other recommendations, as indicated by few or no task group meetings, no action plans or completion date submissions and an incomplete initial review and analysis phase. Task group meetings are summarized in table 3.

Table 3

<u>Number of task group meetings</u>	<u>Number of recommendations</u>
-	12
1 to 2	76
3 to 4	32
5 to 7	24
8 to 12	<u>5</u>
	<u>149</u>

These data show that few or no task group meetings have taken place on over half the recommendations.

As stated earlier, the foregoing data is based upon information furnished by the task group leaders as of August 10, 1973. We obtained the following information from GSA, as of the end of August, concerning task group submissions received.

Submissions targeted for end of August	a30
Submissions received end of August	12
Submissions returned to lead agency for rework	4

^aOn September 10 GSA advised us that 15 of these targets were recently changed to a later date at the request of the lead agency.

Over three-fourths of the task group positions are targeted for submittal to the GSA Office of Procurement Management during the next few months (see app.).

MATTERS FOR AGENCY OR CONGRESSIONAL CONSIDERATION

Our first report set forth for agency or congressional consideration the need to (1) set priorities on Commission recommendations, (2) strengthen the monitoring of lead agency assignments, and (3) arrange for industry participation. We will first update these matters. Other issues to be discussed here are the need to give special management attention to task groups whose progress has been limited and expedite action to establish, through legislation, an Office of Federal Procurement Policy.

Status of matters discussed in prior report

Setting priorities

Priorities would indicate the more urgent recommendations and identify those, such as basic legislation, upon which others must wait. At its first meeting on September 11, the interagency Procurement Policy Group determined that recommendations will be selected for priority attention.

System for monitoring lead agency assignments

Initially, executive branch guidance did not require each lead agency to administer its own assignments or to review the adequacy of proposed policy and implementing actions which emerged from the task groups. In this review, we noted also that lead agency task groups have lacked guidance as to the content expected in their submissions. We observed that lead agency focal points vary from active to passive in overseeing task group assignments. Some initial submissions are being returned by GSA to task groups because they were incomplete or of marginal quality. With such close proximity to the task group activity, it would seem that the lead agency is in a better position than is GSA to monitor task group efforts.

Also, in our testimony before your Committee in July, we observed that the new GSA responsibility for directing and coordinating the work of the 14 lead agencies was staffed with three people--with the head yet to be appointed. We testified that additional staffing was needed before meaningful review and policy guidance could reasonably be expected.

In August, GSA assigned three additional people to this activity, one as acting director, and he is currently recruiting two more. In late August, the acting director held an initial meeting with the 14 lead agency representatives and discussed an enlarged monitoring role for them. A reporting format and guidelines were furnished to the lead agency for the content of task group submissions. Guidance on lead agency monthly status reporting was also provided, including a requirement for explanations of slippages in target completion dates. These actions should help to improve the quality and timeliness of lead agency submissions on Commission recommendations.

In view of major changes in organizational responsibility and guidance that have occurred since OMB published the March 1973 memorandum on Procurement Commission recommendations, that document probably should be updated.

Industry participation

Our first report noted that industry participation and views would not be solicited until executive branch positions approached final form. The Commission found that industry normally becomes involved too late in the policy and rule-making process. We thought that, as a minimum, the task groups assigned recommendations impacting heavily on industry should solicit assistance or comments from knowledgeable industry sources.

GSA held an initial meeting with industry representatives on this subject in early September and GSA plans to

- work with the lead agency to expedite action on the Commission recommendation involving industry participation,
- publish in the Federal Register a list of the lead agencies' assignments and task group leaders so that industry may volunteer inputs to the task groups, and
- consider the need for soliciting industry views when a proposed executive branch position is ready for agency head review.

Management attention needed on
selected lead agency assignments

Most of the lead agency positions are targeted for submittal to GSA by the end of this calendar year. However, in some cases, limited progress is indicated to date. In other cases there is disagreement as to whether the task groups are required to prepare action plans, submit completion dates, and report their results to the executive branch focal point in GSA. We believe special management attention is required to insure both progress in these instances and adherence to the executive branch operating plan.

Accelerate action to establish OFPP

A primary Commission recommendation is that an OFPP be established to (1) fill an existing void in leadership and coordination among the major procuring agencies and (2) work with the Congress in considering and implementing the major statutory changes. In short, the purpose of the Commission recommendation is to provide an organizational focus for basic policy action--a single point within the executive branch structure where fundamental policies can be debated, developed, and finally published with some reasonable degree of consistency and supporting authority.

In commenting earlier on the existing executive branch management structure, we diagramed the organizational changes recently instituted or planned by OMB. There are two branches--one in GSA and one in OMB--and two interagency groups--a Procurement Policy Group of advisors to OMB/GSA and a higher level Procurement Council to assist OMB in resolving major issues (see chart 2).

In response to the Commission's recommendation, initial congressional hearings were held in July on a bill to create an OFPP in the Executive Office of the President. The new Office's primary purpose would be to provide overall guidance and direction to the Federal agencies on procurement policy. The bill provides that the new Office would have directive authority, be responsive to the Congress, and otherwise include the main attributes of an OFPP suggested in the Commission report.

Testifying on the bill were OMB, GSA, DOD, NASA, AEC, HEW, DOT, SBA, industry associations, outside experts, the Chairman of the Commission on Government Procurement, and the Comptroller General. Table 4 summarizes the testimony on selected aspects of the bill.

Table 4

<u>Witness</u>	<u>Need for OFPP</u>	<u>Need for legislation</u>	<u>OFPP location</u>	<u>OFPP functions</u>
OMB	Yes	Defer	OMB/GSA	No comment
DOD	No	No	No comment	No comment
SBA	Yes	Now	Defer	Simple and uniform regulations
Other agencies	Yes	Defer	OMB/GSA	No comment
Industry associations	Yes	Now	Separate office	Confine to principles and policies
Outside experts	Yes	Now	Separate office	Add cost accounting standards
Procurement Commission	Yes	Now	Separate office	Per Commission
Comptroller General	Yes	Now	Let President decide location in Executive Office within 1 year	Add research, personnel oversight, data system

Except for DOD, there was general agreement on the need for establishing an OFPP. However, OMB and the executive agencies generally favored deferral of any legislation, believing that additional time was needed to test the OMB/GSA organizational changes and to define the roles, relationships, and functions of such an office. All other witnesses favored legislation now.

As to the location of the OFPP, OMB and the executive agencies favored experimenting with the current OMB/GSA arrangement; others generally favored a separate office or agency in the Executive Office of the President. GAO favored leaving this question open until January or July 1974 to allow the President latitude to decide the best location of the office within the Executive Office.

As to functions of the OFPP, several witnesses agreed that principles and policies should be emphasized rather than detailed regulations.

Questions raised during the testimony were whether the current administration plan, in the absence of legislation, can provide the required clear responsibility, sufficient stature, authority, independence, continuity, and responsiveness to the Congress.

1. Clear responsibility--a hybrid office located partly in GSA, OMB, and procurement policy groups represents the situation which has generally existed for years and the arrangement under which the present-day confusion exists. It provides several layers of approval for policy guidance and fragments the responsibility of a newly emerging organization in need of clear-cut and manifest authority.

2. Sufficient stature and resources--the rank in OMB of a Deputy Assistant Director for Procurement Policy is substantially lower than that suggested by the Commission and provided for in the proposed legislation. It would not provide the status and prestige needed and would make it difficult to attract the necessary resources and a nationally recognized authority to head the management structure.

3. Authority--as stated earlier, the procurement management function has been transferred to GSA. If GSA were to issue policy guidance binding on DOD and other agencies covered by the Armed Services Procurement Act, such issuances could be regarded as conflicting with applicable statutes. For example, legislation (10 U.S.C. 2202) states that funds for procurement may be obligated "only under regulations prescribed by the Secretary of Defense." This provision could be construed as a congressional mandate to the agency to establish its own regulations without regard to policy issuances from other sources. Moreover, it is questionable whether the larger agencies will respond to GSA leadership and direction in the procurement field, particularly those which feel, rightly or wrongly, that they have more important missions than does GSA.

4. Independence--it is difficult for any agency heavily involved in procurement to be impartial in policymaking. The Commission felt that OFPP should operate on a plane above any procurement agency and be independent of any agency having procurement responsibilities. We believe that GSA, as the leading civilian agency purchaser of commercial items, should play a major role in supporting a properly constituted OFPP.

5. Continuity of effort--any organization created by Executive order can be reconstituted or eliminated as a result of changing administration priorities and emphasis. Legislation, on the other hand, imparts a major impetus to a new organization, helps to insure continuity of effort, and provides better accountability for results.

6. Responsiveness to the Congress--the currently proposed statutory approach specifically provides for responsiveness to the Congress, strongly urged in the Commission report, and facilitates special assistance to that body in the formidable task of consolidating and modernizing the many procurement laws.

RECOMMENDATION

OMB believes that its recently instituted organizational realignments can fill the void in central leadership and has requested that legislative action be deferred until it has had an opportunity to test its approach. If the current administration plan is not successful, establishing effective policy leadership will be seriously delayed. Such a delay would adversely affect Government-wide policy direction, including development of actions on Commission recommendations.

We believe one executive branch office should have a clear congressional mandate as the President's agent to bring about long overdue and fundamental improvements in the procurement process. To be effective, this Office must be given clear responsibility and sufficient stature, authority, and permanence necessary to carry out its mandate.

We therefore strongly recommend that congressional action be taken at an early date authorizing and directing the President to establish an Office of Federal Procurement Policy either in the Office of Management and Budget or elsewhere within the Executive Office of the President.

APPENDIX

STATUS--EXECUTIVE BRANCH ACTION ON COMMISSION RECOMMENDATIONS

AS OF AUGUST 10, 1973

<u>Recommendation</u> (note a)	<u>Category</u> (note b)	<u>Lead agency responsible</u>	<u>Agency activity responsible</u>	<u>Task group leader</u>
PART A--General procurement considerations:				
1. Establish by law a central Office of Federal Procurement Policy to provide executive direction and coordination and responsiveness to the Congress (p. 9)	A	OMB	Organization and management	D.C. Mecum II
2. Consolidate existing legislation to provide a common statutory basis for establishing fundamental procurement policies and procedures applicable to all executive agencies (p. 15)	A	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
3. Authorize competitive negotiation as an acceptable alternative to formal advertising but require documented reasons for its use in procurements over \$10,000 (p. 20)	A	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
4. Adjust statutory competitive negotiated procurement provisions to extend to all agencies, provide for competitive rather than maximum number of source solicitations, facilitate use of clarifying discussions in fixed-price competitions, and require inclusion of evaluation criteria in solicitations where basis of expected award will be other than lowest cost (p. 22)	A	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
5. Require debriefings when requested by unsuccessful proposer in negotiated procurement (p. 25)	A	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
6. Authorize sole source procurement where competitive procedures cannot be used but require appropriate documentation for procurements over \$10,000 and agency approval at higher administrative level (p. 26)	A	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
7. Raise ceiling to \$10,000 for use of simplified purchase procedures; OFPP reexamine at least every 3 years (p. 26)	A	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
8. Authorize use of multiyear contracts with annual appropriations for clearly specified, firm requirements (p. 27)	A	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
9. Repeal contractor's statutory subcontract notification requirement (p. 28)	A	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
10. Establish a single Government-wide coordinated system of procurement regulations under control of OFPP (p. 31)	B	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
11. Establish criteria for industry and public participation in procurement rulemaking (p. 38)	A	DOD	ASPR committee chairman	Capt. L. E. Hopkins, U.S.N.
12. Make procurement an operational priority with other managerial functions in all agencies (p. 43)	A	NASA	Office of procurement	E. Golden
13. Strengthen role of contracting officer; allow business judgment latitude (p. 44)	A	NASA	Office of procurement	E. Golden
14. Delegate contracting authority to qualified individuals; clarify understanding of authority (p. 44)	A	NASA	Office of procurement	E. Golden
15. Establish through OFPP agency responsibilities and standards for procurement personnel improvement program and a monitoring system (p. 46)	A	CSC	Bureau of recruiting and examining	A. W. Howerton
16. Establish procurement recruitment and training program with special attention to college recruitment (p. 47)	A	CSC	Bureau of recruiting and examining	A. W. Howerton
17. Provide better balance between employee tenure and promotion rights and agency needs (p. 48)	A	CSC	Bureau of recruiting and examining	A. W. Howerton
18. Reconcile grade levels to responsibilities and professionalism required (p. 49)	A	CSC	Bureau of Policies and standards	W. R. Collins
19. Establish rotation program (p. 49)	A	CSC	Bureau of recruiting and examining	A. W. Howerton

^aGAO prepared these short-form statements of the Commission's recommendations. They are not official substitutes for the full texts, which are contained on the indicated pages of the Commission's report.

^bAs outlined in our first report, Commission recommendations classified as category A may have policy positions and

<u>Policy action</u>		<u>Implementation action</u>					<u>Comments</u>
<u>Proposal submitted to EB focal point</u>	<u>Recommendation accepted (A) rejected (R) modified (M)</u>	<u>Proposal submitted to EB focal point</u>	<u>Type of action</u>	<u>Coordination completed with all agency heads</u>	<u>Action approved</u>	<u>Industry coordination completed</u>	
<u>Actual or (estimated) date</u>							
Unknown		Unknown					
(Dec. 1973)		(Dec. 1973)					
(Dec. 1973)		(Dec. 1973)					
(Dec. 1973)		(Dec. 1973)					
(Dec. 1973)		(Dec. 1973)					
(Dec. 1973)		(Dec. 1973)					
(Dec. 1973)		(Dec. 1973)					
(Dec. 1973)		(Dec. 1973)					
(Dec. 1973)		(Dec. 1973)					
(Apr. 1973)							
(June 1974)		(Oct. 1974)					
(Sept. 1973)		(Sept. 1973)					
(Sept. 1973)		(Sept. 1973)					
(Sept. 1973)		(Sept. 1973)					
(Oct. 1973)		(Oct. 1973)					
(Oct. 1973)		(Oct. 1973)					
(Oct. 1973)		(Oct. 1973)					
(Oct. 1973)		(Oct. 1973)					
(Oct. 1973)		(Oct. 1973)					

implementing actions developed and acted upon simultaneously through the steps in chart 1. Recommendations classified as category B are considered more complex, and policy decisions will be made before implementing actions are developed. The appendix identifies the category to which each recommendation has been assigned. As of August 1973, 91 of the recommendations have been assigned to category A and 58 to category B.

<u>Recommendation</u> (note a)	<u>Cate-</u> <u>gory</u> <u>(note b)</u>	<u>Lead</u> <u>agency</u> <u>respon-</u> <u>sible</u>	<u>Agency</u> <u>activity</u> <u>respon-</u> <u>sible</u>	<u>Task</u> <u>group</u> <u>leader</u>
PART A--General procurement considerations: (continued)				
20. Structure longer range personnel programs (p. 49)	A	CSC	Bureau of re- cruiting and examining	A. W. Howerton
21. Establish a Federal procurement research and training institute (p. 51)	B	CSC	Bureau of training	JJ. Bean
22. Establish through legislation national policy of reliance on private enterprise for needed goods and services (p. 57)	B	OMB	Office of spe- cial projects	J. Currie
23. Increase \$50,000 threshold for cost comparison requirement to \$100,000 (with dissent) (p. 61)	B	OMB	Office of spe- cial projects	J. Currie
24. Establish through OFPP criteria for making cost comparisons on fully allocated rather than incremental cost basis where work is significant part of workload and Government investment is not substantial (with dissent) (p. 61)	B	OMB	Office of spe- cial projects	J. Currie
25. Increase threshold for new starts from \$25,000 new capital investment or \$50,000 additional annual operating cost to \$100,000 (with dissent) (p. 62)	B	OMB	Office of spe- cial projects	J. Currie
26. Increase cost differential to justify new in-house starts from 10-percent minimum to 25-percent maximum (with dissent) (p. 62)	B	OMB	Office of spe- cial projects	J. Currie
27. Initiate measures to eliminate executive and congressional delays in submitting and considering procurement fund requests and to make funds appropriated available promptly to procuring activities (with dissent) (p. 67)	A	OMB	Budget review	George H. Strauss
28. Establish Government-wide principles on cost allowability (p. 76)	A	DOD	OASD(I&L)	Charles E. Deardorff
29. Make single final overhead settlement binding on all Federal contracts at a given contractor location (p. 77)	B	DOD	OASD(I&L)	Capt. A. Kollios, U.S.N.
30. Establish uniform guidelines for equitable profit objectives in negotiated contracts, emphasizing consideration of capital, risk, complexity, management performance (p. 77)	B	GSA	Office of fi- nancial manage- ment	J. J. Lordan
31. Evaluate procurement negotiation procedures to compare completed contract results with original profit objectives (p. 78)	B	GSA	Office of fi- nancial manage- ment	J. J. Lordan
32. Establish a contract payment office for all Federal agencies in each of 10 Federal regional areas (p. 79)	B	DOD	OASD(C)	Edwin F. Smith
33. Establish criteria for estimating costs and benefits of data requirements; make selective after-the-fact reviews to eliminate unnecessary requirements (p. 81)	A	DOD	Navy office of comptroller	J. Perry
34. Establish Government-wide criteria for management systems pre- scribed for contractor use, including standards for mission- essential data requirements (p. 82)	B	DOD	OASD(C)	Paul E. Wight
35. Stimulate contractor acquisition of production facilities through increased profit and guaranteed amortization of facil- ities specially acquired for Government programs (p. 86)	A	DOD	OASD(I&L)	Col. H. H. Conner
36. Authorize by law negotiated sale to using contractor of surplus heavy machine tools and production equipment not needed on full-time basis--with future availability to Government when needed (p. 87)	A	DOD	OASD(I&L)	Charles P. Downer
37. Establish Government-wide policy for review/approval of cost- type prime contractor procurement systems and transactions (p. 93)	A	DOD	DCAS	Robert F. Larkin

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<u>Actual or (estimated) date</u>							
(Oct. 1973)		(Oct. 1973)					
(Sept. 1973)		(July 1974)					
Unknown							
Unknown							
Unknown							
Unknown							
Unknown							
Unknown		Unknown					
(Oct. 1973)		(Oct. 1973)					
(Oct. 1973)							
(Dec. 1973)		(May 1974)					
(Dec. 1973)		(May 1974)					
(Jan. 1974)							
(June 1974)		(June 1974)					
(Sept. 1973)							
(Dec. 1973)		(Dec. 1973)					
Not applicable		Not applicable					
(Dec. 1973)		(Dec. 1973)					

<u>Recommendation</u> (note a)	<u>Cate-</u> <u>gory</u> <u>(note b)</u>	<u>Lead</u> <u>agency</u> <u>respon-</u> <u>sible</u>	<u>Agency</u> <u>activity</u> <u>respon-</u> <u>sible</u>	<u>Task</u> <u>group</u> <u>leader</u>
PART A--General procurement considerations: (continued)				
38. Competitively negotiate procurement of professional services with selection based primarily on technical competence and merits of proposed end product rather than fee (p. 98)	A	HEW	Office of asst. secretary for health	A. Schwartz
39. Establish program to promote interagency use of field contract administration, audit, and other support services (p. 103)	A	DOD	OASD(I&L)	Capt. A. Kollios, U.S.N.
40. Transfer to Defense Contract Administration Services military service cognizance of plants not exempted by Secretary of Defense (p. 104)	B	DOD	OASD(I&L)	Capt. A. Kollios, U.S.N.
41. Separate Defense Contract Administration Services from Defense Supply Agency (p. 105)	B	DOD	OASD(I&L)	Capt. A. Kollios, U.S.N.
42. Consolidate Defense Contract Administration Services and Defense Contract Audit Agency reporting directly to Secretary of Defense (with dissent) (p. 107)	B	DOD	OASD(I&L)	Capt. A. Kollios, U.S.N.
43. Establish program for legislative and executive reexamination of socioeconomic objectives implemented through procurement process (p. 118)	A	Labor	Office of solicitor	H. Rose
44. Raise threshold to \$10,000 for applying socioeconomic programs to procurement process (p. 120)	A	Labor	Employment standards administration	J. O. Hall
45. Find means to make more visible the socioeconomic costs incurred in procurement process (p. 122)	A	Labor	Asst. Sec. for policy evaluation and research	L. Gold
46. Revise policies to provide for uniform debarment treatment and broader sanctions for comparable violations of socioeconomic requirements (p. 123)	A	Labor	Employment standards administration	J. O. Hall
47. Establish new standards for measuring agency and prime contractor performance in using small business (p. 128)	A	SBA	Office of procurement assistance	R. F. McDermott
48. Test feasibility of mandatory small business subcontracting (p. 130)	A	SBA	Office of procurement assistance	R. F. McDermott
49. Initiate executive branch procurement review, with guidance from SBA and OFFPP, to enhance small business participation (p. 133)	A	SBA	Office of procurement assistance	R. F. McDermott

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<u>Actual or (estimated) date</u>								
(Aug. 1973)		(Aug. 1973)						
(Jan. 1974)		(Jan. 1974)						
(Mar. 1974)								
(June 1974)								
(June 1974)								
(Sept. 1973)		(Sept. 1973)						
(Nov. 1973)		(Nov. 1973)						
(Sept. 1973)		(Sept. 1973)						
(Nov. 1973)		(Nov. 1973)						
(Sept. 1973)		(Sept. 1973)						
(Oct. 1973)		(Oct. 1973)						
(Sept. 1973)		(Sept. 1973)						

<u>Recommendation</u> (note a)	<u>Category</u> (note b)	<u>Lead agency responsible</u>	<u>Agency activity responsible</u>	<u>Task group leader</u>
PART B--Acquisition of research and development:				
1. Conduct research and development procurement to be responsive primarily to agency mission needs and then, when possible, to needs of other Federal activities (p. 6)	B	NSF	Office of deputy director	R. L. Bisplinghoff
2. Allow discretionary use of Government laboratory research and development funds in limited amount for any national research and development objective (p. 6)	B	NSF	Office of deputy director	R. L. Bisplinghoff
3. Encourage agencies with research and development missions to generate associated long-range basic research and advanced studies programs (p. 7)	B	NSF	Office of deputy director	R. L. Bisplinghoff
4. Strengthen in-house procurement-related technical and management capabilities to support technology advancement in private sector (p. 14)	A	NSF	Office of deputy director	R. L. Bisplinghoff
5. Continue optional use of federally funded research and development centers to satisfy needs outside organizational resources; reassess need periodically and give special attention to termination provisions when need ceases (p. 16)	A	DOD	AF deputy chief of staff (R&D)	Col. W. N. Jackomis
6. Monitor NSF and Bureau of Standards experimental research and development incentives program; translate results into practical application (p. 21)	A	OMB	Energy & Science	H. Loweth
7. Eliminate restraints on submission of unsolicited proposals by private sector in research and development procurements to encourage flow of creative and innovative ideas (p. 25)	A	NASA	Office of university affairs	E. M. James
8. Eliminate research and development cost sharing except when performers clearly benefit (p. 26)	A	NASA	Office of university affairs	E. M. James
9. Eliminate recovery of research and development costs from Government contractors and grantees except those related to unusual and expensive programs and approved by agency head (p. 28)	B	DOT	I&L	D. L. Siegel
10. Establish policy recognizing that independent research and development and bid proposal costs should receive uniform Government-wide treatment as necessary allowable overhead costs of doing business with exceptions handled by OFPP (with dissent against a 50 percent rule) (p. 31)	B	DOD	OASD (I&L)	Charles E. Deardorff
11. Encourage standardized Government-wide use of grant and contract-type master agreements with respect to research and development (p. 46)	B	AEC	Division of contracts	C. Armstrong
12. Require senior procurement agency official to justify degree of restraint placed in contractual hardware exclusion provision when potential organizational conflict of interest exists between Government and research and development contractor (p. 47)	A	AEC	Division of contracts	D. Shiller

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<u>Actual or (estimated) date</u>								
(Sept. 1973)								
(Sept. 1973)								
(Sept. 1973)								
(Sept. 1973)		(Oct. 1973)						
(Aug. 1973)		(Aug. 1973)						
Unknown		Unknown						
(Oct. 1973)		(Oct. 1973)						
(Nov. 1973)		(Nov. 1973)						
(Sept. 1973)								
(Sept. 1973)								
(Sept. 1973)								
(Aug. 1973)		(Aug. 1973)						

<u>Recommendation</u> (note a)	<u>Category</u> (note b)	<u>Lead agency responsible</u>	<u>Agency activity responsible</u>	<u>Task group leader</u>
PART C--Acquisition of major systems:				
1. Start new system acquisition programs with needs and goals stated by agency head independently of any system product; reconciled with overall agency capabilities and resources; and specified in terms of anticipated total mission cost, projected capability level to be achieved, time period for achievement, and assignment of agency component responsibility (p. 109)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
2. Provide appropriate congressional committees with annual review of missions, capabilities, deficiencies, and new acquisition needs and goals as basis for review of agency budgets (p. 109)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
3. Support technology-based activities related to agency missions but do not fund fully designed hardware for subsystems until identified as part of system candidates to meet specific operational needs (p. 133)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
4. Create alternative system candidates within stated needs and goals for new acquisition programs by soliciting proposals from industry, including smaller firms with future production potential, and sponsoring most promising ones selected by agency component heads using team of experts (p. 133)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
5. Finance exploration of most promising alternative system candidates by proposing development budgets; authorizing, appropriating, and allocating research and development funds according to mission need; and monitoring funds through annual budget reviews using updated mission needs and goals (p. 133)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
6. Maintain competition between system exploration contractors by limiting commitments to annual fixed-level awards and technical program reviews; assigning experienced agency representatives to advise contractors; and concentrating agency development and technical organizations efforts on monitoring, testing, and evaluating contractors efforts (p. 133)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
7. Limit premature commitments and maintain system-level competition through field demonstration by having selected contractors prove chosen technical approach is sound and system definition of candidate system is practical prior to final development, production, and operational use commitments; providing them with final evaluation operational test, mission performance, and lifetime ownership cost criteria; and strengthening agency's development, procurement, and life-cycle cost estimating capability (p. 143)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
8. For systems chosen without competing candidates, obtain agency head approval; integrate technical and management contributions from in-house groups and contractors; establish technical and management control through a strong centralized program office; select contractors for known capabilities with respect to program problems; and estimate program cost within a probable range (p. 143)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
9. Withhold agency and congressional full production commitments pending reconfirmation of need and system performance test and evaluation; establish operational test activity separate from developer and user, define its scope agencywide, and strengthen capabilities (p. 166)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
10. Use contracting as system acquisition tool, not management substitute; set guidelines to permit flexibility in applying contracting regulations, including use of simplified final development and production contract clauses and priced production options when critical test milestones have minimized risk (p. 171)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
11. Unify major acquisition policy and monitoring at agency and component management levels; integrate technical and business management policy; assign program managers upon program initiation; institute career program to insure varied and enlarged personnel experience, and reduce agency and industry management layering, reviews, procedures, reporting, and paperwork (p. 178)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin
12. Delegate technical and program decision authority to operating agency components except for key agency head decisions for program needs and goals and for approving systems for demonstration, final development, and full production (p. 178)	B	DOD	DDR&E	Lt. Gen. R. E. Coffin

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Actual or (estimated) date								
(Dec. 1973)								
(Dec. 1973)								
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<u>Recommendation</u> (note a)	<u>Category</u> (note b)	<u>Lead agency responsible</u>	<u>Agency activity responsible</u>	<u>Task group leader</u>
PART D--Acquisition of commercial products:				
1. Improve collection and dissemination of commodity and agency procurement statistics for congressional, executive branch, and industry needs (p. 5)	A	GSA	Federal Supply Service	L. Smith
2. Provide means for users to communicate extent of satisfaction with centralized supply support system in order to evaluate its effectiveness (p. 17)	A	GSA	Federal Supply Service	T. F. Parsons
3. Reevaluate commercial-type product specifications every 5 years, limit new Federal specifications for commercial-type products to those specifically justifiable, and use purchase descriptions if Federal specifications are unavailable (p. 18)	A	GSA	Federal Supply Service	C. C. Travis
4. Assign policy responsibility to OFPP for developing and coordinating Federal specifications (p. 18)	B	GSA	Federal Supply Service	C. C. Travis
5. Encourage use of headquarters procurement staff to train field procurement personnel on the job in implementing techniques and identifying innovations related to their needs (p. 30)	A	GSA	Federal Supply Service	L. Smith
6. Provide statutory authority and assign OFPP responsibility for policies to achieve greater economy in procurement, storage, and distribution of commercial products used by Government and, in interim, establish standards to permit using agency organizations to make local economical buys directly from commercial sources if not inconsistent with centralized procurement requirements and if lower total economic costs can be achieved; establish industrial funding where practical for interagency commercial product support activities; and provide for continuous evaluation on a total economic cost basis of agency procurement and distribution systems (p. 32)	A	GSA	Federal Supply Service	C. D. Yeakel
7. Require overseas activities to consider direct procurement of U.S.-made commercial products from overseas distribution sources when cost-effective (p. 38)	A	DOD	AF central and support procurement branch	N. L. Wilansky
8. Authorize primary grantees option to use Federal sources of supply to support more than 60 percent federally financed programs, provided Government is fully reimbursed for such use (with dissent) (p. 39)	B	GSA	Federal Supply Service	F. D. Kehew
9. Require grantor agency procedures for insuring appropriate use of Federal supplies and computing total costs for Government reimbursement (with dissent) (p. 39)	B	GSA	Federal Supply Service	F. D. Kehew
10. Assign OFPP to monitor implementation of recommendations D8 and D9 (p. 39)	B	GSA	Federal Supply Service	F. D. Kehew
11. Reevaluate ADPE acquisition procedures in light of total economic cost (p. 46)	A	GSA	Automated data and telecom service	J. L. DeProspero
12. Require GSA to establish ADPE procurement delegation policy to promote effective replanning of agency requirements and optimum use of manpower (p. 48)	A	GSA	Automated data and telecom service	J. L. DeProspero
13. Authorize multiyear leasing of ADPE to permit procurement on a cost-effective basis (p. 48)	A	GSA	Automated data and telecom service	J. L. DeProspero
14. Develop standard benchmarks to be used in evaluating ADPE proposals (p. 51)	A	GSA	Automated data and telecom service	J. L. DeProspero

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		Actual or (estimated) date						
(Sept. 1973)		(Nov. 1973)						
(Sept. 1973)		(Feb. 1974)						
(Sept. 1973)		(Jan. 1974)						
(Oct. 1973)								
(Aug. 1973)		(Aug. 1973)						
(Nov. 1973)		(Nov. 1973)						
(Oct. 1973)		Unknown						
(Sept. 1973)								
(Sept. 1973)								
(Sept. 1973)								
(Sept. 1973)		(Dec. 1973)						
(Sept. 1973)		(Dec. 1973)						
(Oct. 1973)		(Nov. 1973)						
(Aug. 1973)		See comment						Task group leader does not contemplate developing implementing actions because of efforts underway in OSD and Bureau of Standards

<u>Recommendation</u> (note a)	<u>Category</u> (note b)	<u>Lead agency responsible</u>	<u>Agency activity responsible</u>	<u>Task group leader</u>
PART D--Acquisition commercial products: (continued):				
15. Conform ADPE late proposal clause with other procurement practices (p. 51)	A	GSA	Automated data and telecom service	J. L. DeProspero
16. Assign to OFPP or other presidential-designated agency responsibility for consistent and equitable implementation of legislative food-acquisition policy (p. 54)	B	USDA	Commodity operations division	B. D. Ensley
17. Establish by law a central coordinator of agency management responsibilities for Federal food-quality assurance program (p. 54)	B	USDA	Agriculture marketing service	R. P. Bartlett
18. Encourage acceptance of commercial provisions and forms used for industry and public in agency procurement of utility supplies and services (p. 61)	B	GSA	Federal Supply service	H. D. Miller
19. Determine whether more innovative transportation procurement techniques are warranted when alternative sources and modes are available (p. 61)	A	GSA	Federal Supply Service	J. F. Routemann

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<u>Actual or (estimated) date</u>								
(Aug. 1973)		(Aug. 1973)						
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(Aug. 1973)								
(Sept. 1973)		(Oct. 1973)						

<u>Recommendation</u> (note a)	<u>Category</u> (note b)	<u>Lead agency respon- sible</u>	<u>Agency activity respon- sible</u>	<u>Task group leader</u>
PART E--Acquisition of construction and architect and engineering services:				
1. Procure architect-engineer services through competitive negotiations with selection based primarily on technical competence and merits of end product, including cost--fee should not be a dominant factor (with dissent) (p. 115)	B	GSA	Public building service	W.A. Meisen
2. Provide policy guidance through OFPP for inclusion of estimated total life-cycle costs in architect-engineer proposals on projects estimated to cost more than \$500,000 when realistic estimates are feasible (p. 115)	B	GSA	Public building service	W.A. Meisen
3. Consider reimbursing proposal submission costs to architect-engineer when unusual design and engineering problems and substantial work efforts are required (p. 115)	A	GSA	Public building service	W.A. Meisen
4. Repeal statutory architect-engineer fee limit and authorize OFPP policy guidelines to insure consistency and protection of Government interest (p. 122)	A	GSA	Public building service	W.A. Meisen
PART F--Federal grant-type assistance programs:				
1. Distinguish through legislation the procurement (contract) and assistance (grant) relationships and authorize use of instruments reflecting these relationships (p. 162)	B	HEW	Office of asst. sec. for admin. & management	T. Reynolds
2. Urge OFPP to undertake or sponsor feasibility study on developing a system of guidance for Federal assistance programs (p. 168)	A	GSA	Office of financial management	P.A. Marcantonio

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(Aug. 1973)		(Aug. 1973)						
(Aug. 1973)								
(Oct. 1973)		(Oct. 1973)						

<u>Recommendation</u> (note a)	Cate- gory (note b)	Lead agency respon- sible	Agency activity respon- sible	Task group leader
PART G--Legal and administrative remedies:				
1. Clarify to contractor the identity and authority of contracting officer and other designated officials to act for Government in contract disputes (p. 12)	A	DOD	Office of Navy General Counsel	John Phelan
2. Provide informal review conference of adverse contracting officer decisions with contractor attendance mandatory when dispute exceeds \$25,000 or contractor invokes recommendation G6 below (p. 13)	A	DOD	Office of Navy General Counsel	John Phelan
3. Retain multiagency appeals boards, establish minimum personnel and caseload standards, and add subpoena and discovery powers (p. 20)	A	DOD	Office of Navy General Counsel	John Phelan
4. Establish regional small claims boards for disputes of \$25,000 or less (p. 22)	B	DOD	Office of Navy General Counsel	John Phelan
5. Empower contracting agencies to decide, settle, and pay all contract claims or disputes (p. 22)	A	DOD	Office of Navy General Counsel	John Phelan
6. Grant contractors option of direct access to Court of Claims or district courts (p. 23)	B	DOD	Office of Navy General Counsel	John Phelan
7. Grant both Government and contractors judicial review of adverse decisions by agency appeals boards (with dissent) (p. 25)	B	DOD	Office of Navy General Counsel	John Phelan
8. Establish uniform, short time limits for judicial review of administrative decisions (p. 27)	B	DOD	Office of Navy General Counsel	John Phelan
9. Modify existing remand practice to allow reviewing court the option to make findings of fact necessary to final disposition (p. 27)	B	DOD	Office of Navy General Counsel	John Phelan
10. Expand jurisdictional limit of district courts from \$10,000 to \$100,000 (with dissent) (p. 28)	A	DOD	Office of Navy General Counsel	John Phelan
11. Pay interest on administrative and judicial claim awards (p. 29)	A	DOD	Office of Navy General Counsel	John Phelan
12. Pay court judgments on contract claims from agency appropriations if feasible (p. 29)	B	DOD	Office of Navy General Counsel	John Phelan
13. Promulgate adequate information on contract-award protest procedures (p. 38)	A	AEC	Division of contracts	T. J. Davin
14. Continue to use GAO as an award protest-resolving forum (with dissent) (p. 40)	A	AEC	Division of contracts	T. J. Davin
15. Establish more expeditious and mandatory time requirements for processing protests through GAO (p. 42)	A	AEC	Division of contracts	T. J. Davin

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<u>Recommendation</u> (note a)	<u>Category</u> (note b)	<u>Lead agency responsible</u>	<u>Agency activity responsible</u>	<u>Task group leader</u>
PART G--Legal and administrative remedies (continued):				
16. Require high-level management review of any decision to award contract while protest is pending with GAO (p. 44)	A	AEC	Division of contracts	T. J. Davin
17. Have GAO continue to recommend terminations for Government convenience of improperly awarded contracts (p. 45)	A	AEC	Division of contracts	T. J. Davin
18. Improve contracting agency debriefing procedures (p. 48)	A	AEC	Division of contracts	T. J. Davin
19. Establish a preaward protest procedure in all contracting agencies (p. 48)	A	AEC	Division of contracts	T. J. Davin
20. Have GAO periodically review agency award protest procedures and practices (p. 49)	A	AEC	Division of contracts	T. J. Davin
21. Make Public Law 85-804 procurement authority permanent, not limited to periods of national emergency (p. 55)	A	AEC	Office of general counsel	H. B. Ragan
22. Extend Public Law 85-804 to all contracting agencies under regulations developed by OFFPP and prescribed by the President (p. 57)	A	AEC	Office of general counsel	H. B. Ragan
23. Incorporate Public Law 85-804 into primary procurement statute (p. 59)	A	AEC	Office of general counsel	H. B. Ragan
24. Revise Public Law 85-804 to require report to Congress before obligating Government for more than \$1 million (p. 59)	B	AEC	Office of general counsel	H. B. Ragan

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(Nov. 1973)		(Nov. 1973)					
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(Nov. 1973)							

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<u>Recommendation</u> (note a)	<u>Category</u> (note b)	<u>Lead agency responsible</u>	<u>Agency activity responsible</u>	<u>Task group leader</u>
PART H--Selected issues of liability--Government property and catastrophic accidents:				
1. Make Government act generally as a self-insurer for Government property loss or damage resulting from defects in finally accepted contractor-supplied items (p. 93)	A	DOD	ASPR committee	Gordon J. Keefe
2. Apply the same Government policy of self-insurance in recommendation H1 to subcontractors (p. 97)	A	DOD	ASPR committee	Gordon J. Keefe
3. Limit rights of third-party transferee of Government property for loss or damage from defects in property to rights granted to Government under original procurement contract (p.97)	A	DOD	ASPR committee	Gordon J. Keefe
4. Establish by legislation prompt and adequate compensation to victims of catastrophic accidents under Government-connected programs (p. 101)	B	AEC	Office of General Counsel	H. B. Ragan
5. Provide by legislation Government indemnification of contractors for liability in excess of available insurance resulting from catastrophic accidents under Government-connected programs (p. 101)	B	AEC	Office of General Counsel	H. B. Ragan
PART I--Patents, technical data, and copyrights:				
1. Promptly and uniformly implement revised Presidential statement of Government patent policy (p. 112)	A	NSF/OST	Committee on Government patent policy	J. Lasken
2. Enact legislation to clarify authority of all agencies to issue exclusive licenses under patents held by them (p. 114)	B	NSF/OST	Committee on Government patent policy	J. Lasken
3. Supplement Presidential policy by adopting uniform procedures for exercising rights retained by the Government under the policy (p. 114)	A	NSF/OST	Committee on Government patent policy	J. Lasken
4. Amend statute to make authorization and consent automatic except when expressly withheld or withdrawn by agency on a specific patent (p. 123)	B	NSF/OST	Committee on Government patent policy	J. Tresansky
5. Amend agency regulations and clauses to provide that warranties against patent infringement be specified rather than implied in contracts (p. 123)	B	NSF/OST	Committee on Government patent policy	J. Tresansky
6. Authorize agencies to settle patent infringement claims with available appropriations prior to litigation (p. 124)	A	NSF/OST	Committee on Government patent policy	J. Tresansky
7. Grant agencies statutory authority to acquire patents, patent applications, and licenses or other related rights (p. 124)	A	NSF/OST	Committee on Government patent policy	J. Tresansky
8. Give Federal district courts concurrent jurisdiction with Court of Claims for patent suits within the statutory jurisdictional dollar limit (p. 124)	B	NSF/OST	Committee on Government patent policy	J. Tresansky
9. Amend or repeal statutes limiting agency flexibility for rights in technical data (p. 129)	B	NSF/OST	Committee on Government patent policy	M. Postman
10. Develop and evaluate through OFPP and Federal Council for Science and Technology the implementation of a Government policy on rights in technical data supplied under Government contracts, including the relationship of prime contractor and subcontractor rights (p. 129)	A	NSF/OST	Committee on Government patent policy	M. Postman
11. Authorize agencies to acquire rights or interest in technical data and information (p. 129)	A	NSF/OST	Committee on Government patent policy	M. Postman
12. Develop and evaluate through OFPP and Federal Council for Science and Technology the implementation of a Government-wide policy on treatment of technical data submitted with proposals or other related documents (p. 130)	A	NSF/OST	Committee on Government patent policy	M. Postman

APPENDIX I

<u>Policy action</u>		<u>Implementation action</u>						<u>Comments</u>
<u>Proposal submitted to EB focal point</u>	<u>Recommendation accepted (A) rejected (R) modified (M)</u>	<u>Proposal submitted to EB focal point</u>	<u>Type of action</u>	<u>Coordination completed with all agency heads</u>	<u>Action approved</u>	<u>Industry coordination completed</u>	<u>Released for implementation</u>	
<u>Actual or (estimated) date</u>								
(Oct. 1973)		(Oct. 1973)						
(Oct. 1973)		(Oct. 1973)						
(Oct. 1973)								Requesting change to category B
(Jan. 1974)								
(Jan. 1974)								
(Nov. 1973)		(Nov. 1973)						
(Nov. 1973)								
(Nov. 1973)		(Nov. 1973)						
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(Nov. 1973)								
(Nov. 1973)		(Nov. 1973)						

<u>Recommendation</u> (note a)	<u>Cate- gory</u> (note b)	<u>Lead agency respon- sible</u>	<u>Agency activity respon- sible</u>	<u>Task group leader</u>
PART I--Patents, technical data, and copyrights: (continued)				
13. Establish a remedy for Government misuse of confidential information supplied to it (p. 131)	A	NSF/OST	Committee on Government patent policy	M. Postman
14. Amend or repeal statutes limiting flexibility in dealing with publications of works developed under Government contracts (p. 133)	B	NASA	Office of general counsel	L. Rawicz
15. Give all agencies legislative authority to acquire private copyrights or interests therein (p. 133)	A	NASA	Office of general counsel	L. Rawicz
16. Establish interagency task force under OFPP to develop and evaluate implementation of a Government copyright policy (p. 134)	A	NASA	Office of general counsel	L. Rawicz
PART J--Other statutory considerations:				
1. Establish a program to develop changes needed to organize and consolidate procurement statutes (p. 169)	A	DOJ	Civil Division	Irving Jaffe
2. Extend Truth-in-Negotiations Act to all procurement agencies; develop coordinated regulations for interpreting and applying act (p. 187)	A	GSA	Office of procurement management	P. G. Read
3. Extend Renegotiation Act for periods of 5 years (p. 188)	A	Renegotiation Board	Headquarters	G. Lenches
4. Extend Renegotiation Act to contracts of all Government agencies (p. 188)	A	Renegotiation Board	Headquarters	G. Lenches
5. Raise Renegotiation Act jurisdictional amount to \$2 million for sales to Government and \$50,000 for brokers' fees (with dissent) (p. 189)	A	Renegotiation Board	Headquarters	G. Lenches
6. Expand and clarify profit criteria used by the Renegotiation Board (with dissent) (p. 190)	A	Renegotiation Board	Headquarters	G. Lenches

APPENDIX I

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<u>Actual or (estimated) date</u>								
(Nov. 1973)		(Nov. 1973)						
(Aug. 1973)								
(Aug. 1973)		(Aug. 1973)						
(Aug. 1973)		(Aug. 1973)						
(Aug. 1973)		(Aug. 1973)						
July 1973		(Oct. 1973)						
(Feb. 1974)		(Feb. 1974)						
(Feb. 1974)		(Feb. 1974)						
(Feb. 1974)		(Feb. 1974)						
(Feb. 1974)		(Feb. 1974)						

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