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FEDERAL CONTRACTING

Observations on the Government's Contracting Data Systems

GAO Accountability • Integrity • Reliability

Highlights

Highlights of GAO-09-1032T, a testimony before the Subcommittee on Contracting Oversight, Homeland Security and Governmental Affairs Committee, U.S. Senate

Why GAO Did This Study

The federal government relies heavily on contractors to carry out its missions, with fiscal year 2008 spending on contractor products and services of approximately $518 billion. Federal contracting data systems provide information on how these funds are being spent and how well the contractors are performing.

GAO's testimony, which is based on prior reports, describes three governmentwide contracting data systems and the weaknesses GAO has identified with these systems.

What GAO Recommends

While GAO is not making recommendations in this testimony, GAO in the past has made recommendations to help improve governmentwide contracting data systems, such as the electronic submission of data to the Federal Procurement Data System – Next Generation (FPDS-NG). The relevant government agencies have generally concurred with these recommendations and in many cases have taken actions to improve the systems. The result has been improved system reliability, but additional improvements can be made.

View GAO-09-1032T or key components.
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What GAO Found

Three governmentwide contracting data systems that GAO has reviewed are:

- The Federal Procurement Data System – Next Generation (FPDS-NG), which provides information on government contracting actions, procurement trends, and achievement of socioeconomic goals, such as small business participation.
- The Past Performance Information Retrieval System (PPIRS), which consolidates federal contractor performance information collected by individual agencies.
- The Excluded Parties List System (EPLS), which maintains information on businesses or individuals that have been excluded from receiving contracts or other federal funds for a variety of reasons, including a serious failure to perform to the terms of the contract.

The Congress, executive branch agencies, and the public rely on FPDS-NG for a broad range of data on agency contracting actions and spending, while contracting officers and other agency officials use PPIRS and EPLS to check the past performance or eligibility of prospective contractors. Contractors rely on other contracting data systems to identify and compete for business opportunities. GAO uses contracting data systems to prepare reports to the Congress on a variety of contracting issues and trends if it can establish that the data in the system are sufficiently reliable for the purposes of each report.

GAO has identified several weaknesses in contracting data systems through past audit work. First, the data entered are not always accurate. GAO's past work has found that FPDS-NG, in particular, often contains inaccurate data. Second, agencies do not always document required information or input it into the systems. For example, GAO estimated that PPIRS contained performance information for less than a third of relevant contracts. Finally, technical limitations may also reduce the effectiveness of contracting data systems. For example, GAO found cases where agencies awarded contracts to excluded parties even after checking EPLS because of inadequacies in the system's search function.

When considering improvements to governmentwide contracting data systems, it is important to note that many, including FPDS-NG, PPIRS, and EPLS, depend on the efforts of multiple agencies. With PPIRS, for example, one government agency sets policy, another is responsible for maintaining the system, a third funds the system, and numerous individual agencies are responsible for entering the actual data. It is therefore important not only to correctly diagnose the problems with contracting data systems, but also to develop solutions that can be implemented by the appropriate responsible agencies.