



Highlights of [GAO-10-862T](#), a testimony before the Subcommittee on Contracting Oversight, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Agencies can use several different types of contracts to leverage the government's buying power for goods and services. These include interagency contracts—where one agency uses another's contract for its own needs—such as the General Services Administration (GSA) and the Department of Veterans Affairs multiple award schedule (MAS) contracts, multiagency contracts (MAC) for a wide range of goods and services, and governmentwide acquisition contracts (GWAC) for information technology. Agencies spent at least \$60 billion in fiscal year 2008 through these contracts and similar single-agency enterprisewide contracts.

GAO was asked to testify on the management and oversight of interagency contracts, and how the government can ensure that interagency contracting is efficient and transparent. GAO's testimony is based on its recent report, *Contracting Strategies: Data and Oversight Problems Hamper Opportunities to Leverage Value of Interagency and Enterprisewide Contracts* (GAO-10-367, April 2010). In that report, GAO made recommendations to the Office of Management and Budget (OMB) to strengthen policy, improve data, and better coordinate agencies' awards of MACs and enterprisewide contracts, and to GSA to improve MAS program pricing and management. Both agencies concurred with GAO's recommendations.

[View GAO-10-862T or key components.](#)
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CONTRACTING STRATEGIES

Better Data and Management Needed to Leverage Value of Interagency and Enterprisewide Contracts

What GAO Found

Interagency and enterprisewide contracts should provide an advantage to government agencies when buying billions of dollars worth of goods and services, yet OMB and agencies lack reliable and comprehensive data to effectively leverage, manage, and oversee these contracts. More specifically, the total number of MACs and enterprisewide contracts currently approved and in use by agencies is unknown because the federal government's official procurement database is not sufficient or reliable for identifying these contracts. Departments and agencies cite a variety of reasons to establish, justify, and use their own MACs and enterprisewide contracts rather than use other established interagency contracts—reasons that include avoiding fees paid for the use of other agencies' contracts, gaining more control over procurements made by organizational components, and allowing for the use of cost reimbursement contracts. However, concerns remain about contract duplication—under these conditions, many of the same vendors provided similar products and services on multiple contracts, which increases costs to both the vendor and the government and can result in missed opportunities to leverage the government's buying power. Furthermore, limited governmentwide policy is in place for establishing and overseeing MACs and enterprisewide contracts. Recent legislation and OMB's Office of Federal Procurement Policy initiatives are expected to strengthen oversight and management of MACs, but no initiatives are underway to strengthen approval and oversight of enterprisewide contracts.

GSA faces a number of challenges in effectively managing the MAS program, the federal government's largest interagency contracting program. GSA lacks data on orders placed under MAS contracts that it could use to help determine how well the MAS program meets its customers' needs and help its customers obtain the best prices in using MAS contracts. In addition, GSA makes limited use of selected pricing tools, such as pre-award audits of MAS contracts, which make it difficult for GSA to determine whether the program achieves its goal of obtaining the best prices for customers and taxpayers. In 2008, GSA established a program office with broad responsibility for MAS program policy and strategy, but the program continues to operate under a decentralized management structure that some program stakeholders are concerned has impaired the consistent implementation of policies across the program and the sharing of information among the business portfolios. In addition, performance measures were inconsistent across the GSA organizations that manage MAS contracts, including inconsistent emphasis on pricing, making it difficult to have a programwide perspective of MAS program performance. Finally, GSA's MAS customer satisfaction survey has had a response rate of 1 percent or less in recent years that limits its utility as a means for evaluating program performance.