United States General Accounting Office

GAO

Report to Congressional Requesters

September 2000

FEDERAL ADVERTISING CONTRACTS

Agencies Have Discretion in Setting Work Scope and Requirements

GAO

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GAO/GGD-00-203

United States General Accounting Office
Washington, D.C. 20548

General Government Division

B-285272

September 8, 2000

The Honorable John D. Dingell
Ranking Minority Member
Committee on Commerce
House of Representatives

The Honorable Carolyn Cheeks Kilpatrick
House of Representatives

The Honorable Robert Menendez
House of Representatives

This report responds to your request for a review of federal advertising contracts awarded to advertising firms. As we reported to you in April 2000, from fiscal year 1995 through fiscal year 1998, the share of federal advertising prime contract obligations to small disadvantaged businesses, which are generally minority–owned businesses, declined from $3 million, or 3.1 percent of total advertising contract obligations, to $1.2 million, or 0.3 percent.[1] This small percentage and the downward trend triggered your concern that the ability of minority-owned advertising firms to respond to requests for proposals (solicitations) for advertising contracts might be restricted by the contractor requirements in the solicitations.[2] In response to your concern, we agreed to (1) describe the discretion that federal agencies have in determining a contract's scope of work and the contractor requirements for awarding advertising contracts, (2) determine whether contractor requirements in the solicitations for contracts were consistent with the scope of work described in the solicitations for the advertising contracts with first-time obligations in fiscal years 1998 and 1999 that were awarded to large advertising firms[3] through full and open

[1]Federal Advertising Contracts: Distribution to Small Disadvantaged Businesses (GAO/GGD-00-102R, Apr. 17, 2000).

[2]Contractor requirements as used in this report means all of the general and specific capabilities required of a contractor to accomplish a specified scope of work as set forth by the procuring agency in the request for proposals for a specific procurement.

[3]The Federal Procurement Data System reporting manual requires that any business or concern, as defined in the Federal Acquisition Regulation (FAR) 19.001, be classified as large if it does not meet the definitions for a small business concern or individual. The annual sales threshold for small advertising agencies is $5 million.

competition,[4] and (3) determine whether there was required documentation for the sole-source justification and approval for the advertising contracts with first-time obligations in fiscal years 1998 and 1999 that were awarded through sole-source procedures.

Results In Brief

While federal legislation and regulations prescribe various steps to be taken and factors to be considered in establishing contract requirements and selecting contractors, agencies have broad discretion in establishing the scope of work and requirements for prospective contractors. This discretion may affect which contractors realistically can bid on a contract and win the award. For example, if an agency determines that an advertising campaign must be conducted nationwide to effectively meet the agency's work needs or mission, then advertising firms without that capability would effectively be eliminated from competition. Acquisition reforms give contracting officers additional discretion in source selection. For example, the Clinger-Cohen Act of 1996 (P.L. 104-106) gives contracting officers the authority to eliminate offerors by narrowing the range of offerors considered to be competitive if a contracting officer deems that there are too many offerors to evaluate efficiently. In addition, contracting officers can consider factors beyond price in determining which offeror presents the best value. Legislation and regulations encourage contracting officers to use this discretion in order to satisfy agency requirements with regard to cost, quality, and timeliness of delivered product or service while continuing to conduct business with integrity, fairness, and openness.

The solicitations for the advertising contracts with first-time obligations in fiscal years 1998 and 1999 that were awarded to large advertising firms through full and open competition contained general evaluation criteria for prospective contractors, such as consideration of past performance. In addition, every solicitation had more specific contractor requirements. These included such requirements as that the contractor be a full-service advertising firm or have nationwide capability. These specific contractor requirements seemed to be consistent with the scope of work requirements outlined in the solicitations.

For the 12 sole-source contracts that received first-time obligations during fiscal years 1998 or 1999, the justifications were prepared, as required, by the procuring agencies. Also, all sole-source procurements had the required approval at the appropriate level within the agencies.

[4]Full and open competition is defined by FAR as competitions that permit all responsible sources to compete.

The Office of Federal Procurement Policy at the Office of Management and Budget, the General Services Administration (GSA), and contracting officials at other agencies from whom we collected data generally agreed with the information in this report.

Background

Total obligations to federal advertising contracts increased from $139 million in fiscal year 1994 to $548 million in fiscal year 1999.[5] In fiscal years 1998 and 1999, more than 90 percent of all advertising contract obligations involved contracts with large advertising firms. These contracts generally had been awarded to these large firms through full and open competition.[6]

Using the Federal Procurement Data System (FPDS) database,[7] we determined that 24 advertising contracts received first-time obligations during fiscal years 1998 or 1999, and received total obligations of about $351 million during the 2-year period. Table 1 shows the type of solicitation procedures agencies used to award these advertising contracts and the total amounts obligated, by solicitation type, for fiscal years 1998 and 1999.

Table 1: Solicitations for Advertising Contracts With First-Time Obligations in Fiscal Year 1998 or Fiscal Year 1999

Category	Number of contracts	Percent	FYs 1998 and 1999 obligations ($000)	Percent
Full and open competition-large firms [a]	8	33.3%	$204,724	58.3%
Full and open competition-small firms	1	4.2	2,537	0.7
8(a) set-asides	3	12.5	270	<0.1
Other than full and open competition[b]	12	50.0	143,661	40.9
Total[c]	**24**	**100%**	**$351,192**	**100%**

[a]Full and open competition is defined by FAR as competitions that permit all responsible sources to compete.

[b]This is the category used for sole-source contracts. Sole-source acquisition as defined by FAR is a contract for the purchase of supplies or services that is entered into by an agency after soliciting and negotiating with only one source.

[c]There were an additional 56 contracts for advertising purposes awarded through either purchase orders or blanket purchase agreements. FPDS does not provide any information on the nature of competition for these contracts. Obligations under these contracts totaled about $3.2 million over the 2 fiscal years.

Source: GAO analysis of FPDS- and agency-provided data.

[5]Federal Advertising Contracts: Distribution to Small Disadvantaged Businesses (GAO/GGD-00-102R, Apr. 17, 2000) provides detailed trend information on obligations for fiscal years 1994-1998.

[6]Information on the amount of advertising obligations going to large firms holding contracts awarded through full and open competition was not readily available for periods prior to fiscal year 1998.

[7]FPDS tracks federal contracting costs based on contract actions that affect obligations of funds for contracts. The Federal Procurement Data Center manages FPDS. A center program analyst advised us to use the year that contracts received obligations for the first time to determine when a contract became active.

Agencies Have Discretion in Establishing Criteria

While federal legislation and regulations prescribe various steps that agencies must take and factors that must be considered in complying with the federal procurement process, legislation and regulations give the agencies broad discretion in establishing the scope of work and requirements for prospective contractors. This discretion is designed to give agencies the flexibility to use their best business judgment in contract development and award while continuing to conduct business with integrity, fairness, and openness.

The agency first identifies a need to support its mission. Once the agency determines, through market research, that contracting out is the best alternative to provide for the need, it is to develop requirements to be contained in the contract's scope of work. Market research should be conducted to help ensure that legitimate needs are identified and trade-offs evaluated to acquire items to meet those needs. The contracting officer is to select the type of contract that best meets the need of the acquisition. Contracting officers are required to promote and provide for full and open competition in soliciting offers and awarding government contracts. However, FAR allows contracting officers to exclude some sources in order to meet legal requirements, such as set-asides for small businesses. In addition, the contracting officer can award sole-source contracts under certain conditions, such as unusual and compelling urgency.

For full and open competitions, the solicitations are to be publicized. The solicitations are to contain the scope of work to be performed and the evaluation criteria, or factors, for assessing bids and contractor qualifications. The contracting officer is to establish an evaluation team to evaluate offerors' proposals responding to the solicitation and to rate the proposals' strengths, deficiencies, significant weaknesses, and risks relative to factors specified in the solicitation.

Throughout the process, the agency and contracting officer have discretion that may affect which offerors realistically can bid on a contract and win the award. For example, scope of work requirements determined from the start of the process establish how an advertising campaign is to be run and the type of services that are required. This may have a great deal of influence over the kind of advertising firm the agency decides is required to conduct such a campaign. If the agency determines, for instance, that an advertising campaign must be conducted nationwide to meet the agency's needs or mission, then advertising firms without that capability may effectively be eliminated from competition. By the same token, an advertising campaign that has a specific target location or

requires a specific type of service may be best suited for firms that specialize in that area or service.

Moreover, acquisition reforms have given contracting officers additional discretion in source selection. For example, the Clinger-Cohen Act of 1996 gives contracting officers the authority to eliminate offerors from consideration if the contracting officer determines that the number of offerors that would otherwise be considered are too many to evaluate efficiently. The contracting officer may limit the number of offerors considered to be competitive to the greatest number that will permit an efficient competition among the offerors rated most highly.

In addition, contracting officers can evaluate contractors by determining best value, a concept which includes factors other than price. Legislation and regulations encourage contracting officers to use this discretion in order to satisfy the customer's needs with regard to cost, quality, and timeliness of delivered product or service while continuing to conduct business with integrity, fairness, and openness.

When contractors believe that agencies have not conducted contract solicitation or award appropriately, there are several forums to hear and decide protests involving the interpretation and application of federal laws, rules, and regulations that apply to contracts. We are one of these forums in that we decide protests and may prepare recommendations for consideration by the agency. These decisions on protests often function as precedents for interpreting statutes and other legal requirements.

Contractor Requirements for Advertising Contracts Competitively Awarded Seemed Consistent With Scope of Work Requirements

Our analysis of solicitations for advertising contracts with first-time obligations in fiscal years 1998 and 1999 indicated that there were specific contractor requirements that could limit the type of contractors to be considered in the eight solicitations for contracts awarded to large contractors through full and open competition. These requirements, however, seemed consistent with the scope of work described in the solicitations.

FPDS data showed that in fiscal years 1998 and 1999 first-time obligations went to seven large firms that had been awarded eight advertising contracts through full and open competition. During the 2-year period, a total of about $205 million in obligations went to these seven firms. Table 2 provides details concerning these eight contracts.

Table 2: Contracts Awarded to Large Firms Through Full and Open Competition With First Time Obligations in Fiscal Years 1998 and 1999

Agency	Advertising firm contractors	Funds obligated ($000) 1998	1999	Total
Health and Human Services[1]	Ogilvy, Inc.		$128,846	$128,846
Department of the Navy	BBDO Worldwide, Inc.	$19,273	40,416	59,689
Food and Drug Administration	Arnold Communications, Inc.	10,494		10,494
Federal Bureau of Investigation	Miller Advertising Agency, Inc.	2,000	2,000	4,000
Internal Revenue Service	Hodes, Bernard Advertising, Inc.		775	775
Health Care Financing Administration	Transportation Display, Inc.		446	446
Nuclear Regulatory Commission	Hodes, Bernard Advertising, Inc.	300	46	346
Peace Corps	Periscope, Inc.	122	6	128
Total		**$32,189**	**$172,535**	**$204,724**

[1]Health and Human Services awarded this contract on the behalf of the Office of National Drug Control Policy.

Source: GAO analysis of FPDS- and agency-provided data.

Generally, evaluation factors specified in the solicitations for these contracts included factors relating to past performance, technical merit, personnel capabilities, and price. However, each of the solicitations contained more detailed specifications in the scope of work and contractor requirement sections. The scopes of work laid out the types of advertising campaigns envisioned by the agency. Scopes of work for these eight contracts often described the use of multiple services, such as marketing, consulting, and creative development, as well as the use of nationwide campaigns. Consistent with these scopes of work, the most frequent contractor requirements for these solicitations included the need for (1) a full-service contractor, (2) a contractor with experienced personnel and relevant work experiences, and (3) a contractor with nationwide service delivery capability.

Table 3 shows our summarization of contract purpose and the detailed contractor requirements we found in the solicitations for each of the eight contracts.

Table 3: Bidder Requirements Included in Solicitations

Agency	Contract purpose	Full-service contractor	Contractor work force capability	National capability for target audiences	Specific location
Health and Human Services[1]	Youth Anti-Drug Media Campaign	•	•	•	
Department of the Navy	Recruiting	•	•	•	
Food and Drug Administration	Tobacco Retailer Compliance Outreach Campaign			•	
Federal Bureau of Investigation	Seized/Forfeiture Property Program Campaign			•	
Internal Revenue Service	Recruiting	•	•		•
Health Care Financing Administration	Children's Health Insurance and Flu Programs Campaign				•
Nuclear Regulatory Commission	Recruiting	•	•	•	
Peace Corps	Recruiting	•	•		

[1]Health and Human Services awarded this contract on the behalf of the Office of National Drug Control Policy.

Source: GAO analysis of agency-provided data.

A requirement for a full service contractor that could perform multiple services was part of five of the solicitations–the four recruiting solicitations and the Youth Anti-Drug Media Campaign solicitation. While the precise services for each contract varied, the detailed requirements were clearly stated in each solicitation. For example, the Internal Revenue Service solicitation for recruiting services specified that contract services included, but were not limited to, (1) marketing, consulting, and strategic development as necessary to develop, implement, and maintain an effective recruitment plan; (2) creative development, including writing copy, art work, graphics, and, other creative work; (3) placing advertising in periodicals, newspapers, radio, television, or other advertising media; and (4) ongoing project management. The requirement for full service contractors in these five solicitations seemed to be consistent with their scope of work requirements.

In addition, these same five solicitations had contractor requirements aimed at the capability of the contractor or its personnel. These provisions typically provided that prospective contractors should have experience performing the type of work specified in the solicitations. Sometimes, the contractor requirements were quite specific. For example, in the Navy solicitation, the contractor requirement specified that in assessing whether

the potential contractor had sufficient capability and experience to handle an account of the size and complexity envisioned, the agency would review the number of contracts a contractor had been awarded that were over $1 million, $5 million, and $20 million. The potential contractors for the Navy contract were also required to list gross billings, although there were no required minimums. The Health and Human Services solicitation provided that, in assessing corporate stability, the agency would review the number of years in business and size of the contractors' accounts, but again there were no stated minimums.[8] The same solicitation said that the agency would evaluate past experience on two "relevant advertising campaigns." The Peace Corps solicitation required submission of information about two advertising campaigns within the past 2 years "within the $60,000 to $100,000 price range." These requirements seemed consistent with the scopes of work because they required that contractors demonstrate that they had performed work similar to that required in the contract.

Requirements concerning specific capabilities that key personnel must have included the Health and Human Services solicitation that required that the project manager must have demonstrated experience in managing national, behavior-change-oriented, integrated communication contracts. The solicitation provided detailed information on the various management experiences that the project manager must possess. The Navy solicitation, by contrast, required key personnel to have a relevant B.A. degree, 2 years general work experience, and 2 years working on multifaceted advertising campaigns. The Nuclear Regulatory Commission solicitation required that the contractor personnel assigned to this contract have demonstrated experience in recruitment advertising, with specialized experience in high technology and nuclear-related fields. These requirements seemed consistent with the contracts' scopes of work because their object was to have the contractors show that they had personnel who had the experience or expertise to perform the specific requirements of the contracts.

Five of the solicitations had scopes of work that outlined the use of nationwide advertising campaigns. Consistent with that requirement, the solicitations required that a contractor have the nationwide capability to

[8]According to a Department of Army official, the Army required that advertising agencies must have had $350 million in annual billings to compete for an advertising contract that was awarded in fiscal year 2000. Firms below this threshold could partner with larger advertising firms to compete. The contract was awarded to Leo Burnett Worldwide in Chicago and two minority-owned subcontractors. We did not include this contract in our examination because it was outside the time period of our review.

reach defined target audiences. The Youth Anti-Drug Media Campaign solicitation, for example, required a nationwide focus on youths, parents and other primary caregivers, and other youth-influential adults. To ensure effective communication with youths and adults, as well as with minority racial and ethnic groups, the solicitation required that at least one minority communication specialist be on staff to take into account the suitability of different media for different audiences. In addition, the Navy solicitation for recruiting required that a contractor have the nationwide capability to conduct an advertising effort targeted to a diverse audience that included minorities and women.

Two solicitations were scoped for target audiences in designated cities. Specifically, the Internal Revenue Service solicitation was for advertising of seasonal positions in the Atlanta, Cincinnati, and Memphis Service Centers and their satellite offices. The Health Care Financing Administration's solicitation also required advertising services in several specific cities. These solicitations required that contractors have the ability to conduct advertising campaigns in those locations.

Sole-Source Contracts Had Necessary Documentation for Justification and Approvals

For the 12 sole-source contracts that received first time obligations during fiscal years 1998 or 1999, the justifications were prepared, as required, by the procuring agencies. Also, as required, all sole-source procurements had been approved at the appropriate level within the agencies.

As shown in table 4, a total of about $144 million was obligated during fiscal years 1998 and 1999 to 12 sole-source contracts that received first-time obligations during those fiscal years.

Table 4: Sole-Source Contracts With First-Time Obligations In Fiscal Year 1998 or Fiscal Year 1999

			Funds obligated ($000)		
Agency	**Contractor**	**Contract purpose**	**1998**	**1999**	**Total**
Health and Human Services[a]	Bates Advertising USA, Inc.[b]	Youth Anti-Drug Media Campaign	$119,848	$19,900	$139,748
Health and Human Services[a]	The Advertising Council, Inc.[c, d]	Youth Anti-Drug Media Campaign		1,398	1,398
Department of the Army	The Advertising Council, Inc.[b]	Promote Employer Support of Guard and Reserve		818	818
Department of the Army	The Advertising Council, Inc.[b]	Get-Out-The-Vote Campaign		650	650
Education	The Advertising Council, Inc.[b]	National Education Excellence Partnership	168	150	318
State Department	Japan Association of Travel Agents[e]	Travel Trade Show		230	230

Agency	Contractor	Contract purpose	Funds obligated ($000) 1998	1999	Total
Internal Revenue Service	Cox Enterprise, Inc.[b]	Recruiting		196	196
Housing and Urban Development	Nashville Tennessean Banner[b]	Sale of HUD-Acquired Properties	100		100
Veterans Affairs	The Hearst Corporation[b]	Recruiting	52	48	100
Smithsonian	The Yellow Book[b]	Phone Book Advertisement		26	26
Office of Personnel Management	College Placement Council, Inc.[f]	Government Employment Awareness		44	44
Housing and Urban Development	The Real Estate Couriere[g]	Sale of HUD-Acquired Properties	35		35
Total			**$120,203**	**$23,460**	**$143,663**

[a]Health and Human Services awarded this contract on the behalf of the Office of National Drug Control Policy.

[b]Large Business.

[c]Other Nonprofit Organization.

[d]The scope of work to be performed by The Advertising Council, Inc., required it to perform the public service announcement functions for the Youth Anti-Drug Media Campaign. The scope of work for the Bates Advertising contract required it to perform the commercial advertising portion of the campaign.

[e]Foreign Contractor.

[f]Nonprofit Educational Organization.

[g]Other Small Business.

Source: GAO analysis of FPDS and agency provided data.

Two different reasons were cited by the agencies as justifications for awarding these 12 contracts as sole-source procurements. Eleven of the contracts were justified on the basis that there was only one responsible source.[9] The remaining contract was awarded by Health and Human Services and justified as needed because of what the agency considered an unusual and compelling urgency.

FAR requires that contracting officers justify the use of sole-source procurements in writing, certify the accuracy and completeness of the justification, and obtain approval of the procurement from designated agency officials.[10] Depending on the award amount of the contract, sole-source justifications must be approved by different officials within an agency. Table 5 shows the different approval categories required by FAR.

[9]Responsible source means a prospective contractor that meets the standards set forth for contractors in subpart 9.104 of FAR. This includes such standards as whether the prospective contractor has the financial resources to perform and has a satisfactory performance record.

[10]FAR subparts 6.303 and 6.304.

Table 5: Sole-Source Contract Justification Approval Categories

Approving authority	Award amount of contract
Senior procurement executive of agency	Over $50,000,000
Head of the procuring activity	Over $10,000,000 up to $50,000,000
Competition advocate for procuring activity	Over $500,000 up to $10,000,000
Contracting officer, unless agency directs otherwise	$500,000 or less

Source: GAO analysis of FAR.

For sole-source contracts over $50 million, the senior procurement executive of an agency is required to approve in writing the justification for awarding a sole-source contract. The Health and Human Service's Youth Anti-Drug Media Campaign contract which totaled almost $140 million, was the only contract in this category. The sole-source contract was awarded to Bates Advertising USA, Inc., as a follow-on contract to a prior contract that Bates had been awarded through full and open competition. The follow-on sole-source contract was awarded based on what the agency concluded was an unusual and compelling urgency to keep the anti-drug campaign active while the agency developed a solicitation for a subsequent contract that would be awarded through full and open competition. Also, the justification document noted that having the sole-source contract in place would save $20 to $30 million through the purchase of fall television time during the summer when costs were lower. The sole-source contract justification was approved by the Health and Human Services Assistant Secretary for Management and Budget as required.

When a sole-source procurement is over $500,000 but does not exceed $10 million, the competition advocate for the procuring agency must approve the justification for a sole-source contract in writing. Three of the 12 sole-source contracts were in this cost range. They were all awarded to The Advertising Council, Inc., based on the firm's unique qualifications and position in the advertisement sector. This firm is a not-for-profit organization founded and supported by the American business, media, and advertising sectors that conducts a variety of public service advertising campaigns. The organization secures volunteer creative talent from a wide range of advertising agencies and associations and facilitates the furtherance of a number of timely national causes. For those federal agencies it chooses to represent, The Advertising Council, Inc., offers free advertising placement, among other free or low cost services. Because of the firm's ability to access high quality advertising services for free or at low cost and its experience with public service campaigns, the agencies

considered the firm the only responsible source and noted that the firm is in a "unique" position to satisfy the government's requirements. In all three cases, justification for sole-source procurement was approved as required.

Sole-source procurements of $500,000 or less are required to be justified and approved by contracting officers unless agency procedures require otherwise. Eight of the 12 sole-source contracts were within this cost range. Four of these contracts were with large advertising firms, and the other four were with foreign, non-profit, or other small firms. We obtained and reviewed letters of justification and approval for seven of the eight contracts that required such documentation. All seven justification and approvals were authorized and signed by the contracting officer or a higher approving official. The justification and approvals stated that the sole-source contractor was the only responsible source available to perform the statement of work.

No justification and approval documents were required for the eighth contract. The Office of Personnel Management awarded this contract under simplified acquisition procedures to a nonprofit educational organization for a total of $44,300. In this case, the simplified acquisition procedures permitted the contracting officer to award a sole-source contract if the contracting officer determined that only one source was reasonably available. In such cases, justification and approval documentation is not required.

Agency Comments

We provided a draft of this report to the Acting Deputy Administrator of the Office of Federal Procurement Policy at the Office of Management and Budget, and to the Administrator of GSA, for their review and comment. On August 31, 2000, we received oral comments from the Associate Administrator for Procurement, Law, Legislation, and Innovation, Office of Federal Procurement Policy, and from the Chief, Customer Liaison Branch, of GSA's Federal Procurement Data Center. Both officials stated that they generally concurred with the information included in the draft report. We also obtained comments from agency contracting officials regarding our reporting of the solicitation and contracting data that they provided. Responding officials generally concurred with our presentation of the information they had provided. Several officials provided clarifying technical information that we have included as appropriate.

Scope and Methodology

To describe the extent that federal agencies have discretion in determining the scope of work and contractor requirements in their advertising contract solicitations, we reviewed pertinent legislation and regulations.

To determine the consistency of contractor requirements with the scope of work as defined by the federal agencies, we obtained and reviewed solicitation packages for eight advertising contracts awarded to large firms that received their first contract obligations during fiscal years 1998 and 1999 as recorded in the FPDS database. This review included comparisons such as whether a requirement for a contractor with national capabilities was consistent with the scope of work describing the geographical locations where the contractor would be required to provide services during the contract. In performing the comparison, three individuals independently reviewed the scope of work and the specific contractor requirements to determine if the requirements seemed consistent with the scope of work.

To determine whether justifications and approvals of sole-source advertising contracts were properly documented, we obtained and reviewed justifications and approvals on file for all sole-source contracts recorded in the FPDS database as receiving their first contract obligations in fiscal year 1998 or fiscal year 1999. We compared the documented justification and approval with requirements outlined in FAR regarding when these were needed and who must approve them.

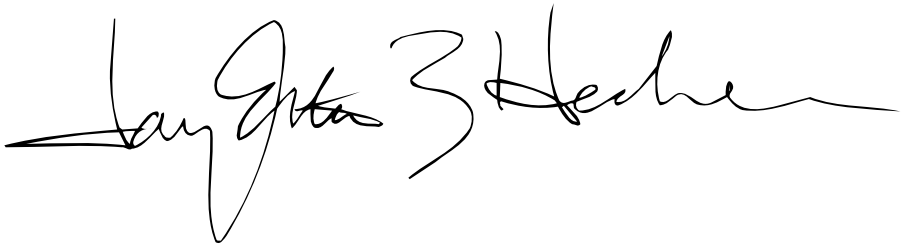
We did not validate the work needs included in the solicitations that we examined, nor did we try to determine the impact of the work needs on prospective contractors' willingness to respond to the solicitations. Also, we did not validate the sole-source justifications. Moreover, we did not verify the FPDS data provided to us by officials at the Federal Procurement Data Center. However, we did compare the FPDS data with the specific type of solicitation indicated in agency documentation. When we found errors in FPDS regarding the solicitation type used, we reclassified the contracts accordingly.

We conducted our work from March 2000 to August 2000 in accordance with generally accepted government auditing standards.

We are sending copies of this report to Representative Tom Bliley, Chairman, House Committee on Commerce; Senator John McCain, Chairman, and Senator Ernest Hollings, Ranking Minority Member, Senate Committee on Commerce, Science and Transportation; Senator Christopher Bond, Chairman, and Senator John Kerry, Ranking Minority Member, Senate Committee on Small Business; and Representative Jim Talent, Chairman, and Representative Nydia Velazquez, Ranking Minority Member, House Committee on Small Business. We are also sending copies of this report to the Honorable Adia Alvarez, Small Business

Administration, and other interested parties. Copies will also be made available to others on request.

If you have any questions regarding this report, please call me at (202) 512-8387, or Hilary Sullivan at (214) 777-5600. Other contributors are acknowledged in appendix I.



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Abbreviations

FAR	Federal Acquisition Regulation
FPDS	Federal Procurement Data Service
GSA	General Services Administration

GAO Contacts and Staff Acknowledgments

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