



GC Newsletter

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ARE CHANGES IN GOVERNMENT CONTRACTING ON THE WAY?

What's going down in Congresses efforts to increase transparency and restore accountability and integrity to federal contracting? Here is a list of some of the suggested congressional initiatives being considered. Fortunately they won't all become law but it gives us a flavor of the current congressional regulatory environment. If you are concerned about these initiatives we urge you to contact your congress person.

- Limit no-bid contracts issued in times of emergency to one year and \$1M.
- Agencies are to rely on noncompetitive contracts for only about eight months before replacing them with a competitively awarded contract.
- Require government agencies to report to Congress within 14 days to explain why a competition wasn't held for any sole source contracts.
- Require agencies to publicly announce large sole source contracts shortly after they are awarded.
- Order any inappropriate or questioned costs or cost overruns of \$10M or more to be reported to Congress on a quarterly basis.
- Encourage agencies to use fixed-price contracts and limit non-competitive, sole-source and cost-reimbursement type contracts.
- Requires companies with deals worth more than \$5M to have a written code of conduct and a compliance plan that includes employee ethics training.
- Provide Congress with copies of contracts worth more than \$5M for work in Iraq and Afghanistan.
- Require Congress to report on disciplinary actions against contractors.
- War profiteers (not defined) would be subject to up to 20 years in prison and fines up to \$1B.
- Require a study of the government's increasing use of contractors to manage large programs.
- Allow challenges of large task order and delivery awards under umbrella contracts.
- Limit the value of task and delivery orders for services under larger contracts to \$100M.
- Require that prime contractors subcontract no more than 65% of the work on any given contract.
- Under "letter contracts" if the terms are not set before 180 days have passed or 40% of the work is completed, the government would have the power to unilaterally set the missing terms.
- Require greater analysis of government purchase card use to weed out fraud and identify savings.
- Require pre-award congressional notification of contracts that might be awarded to companies based in countries that sponsor terrorism.
- Establish personal financial interest restrictions and one prohibiting contracts to educational institutions not supporting U.S. defense efforts.



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