

In The News:

- **Bill Would Set Tighter Limits on Federal Contracts, Lengthen ‘Revolving Door’ Ban**
 - **Arkansas Law Will Help Small Business**
 - **At the Capitol: It Ain’t Easy Being Green, But the Effort Has Begun**
 - **Report Examines Structural Factors Affecting Health Care Coverage Of Small Firm Workers**
 - **Bills Aim for More Transparency in Presidential Records, FOIA Requests**
 - **Dollars, Not Sense: Government Contracting Under the Bush Administration**
 - **Dollars Not Sense – See Where The Waste Is**
 - **Documents Reveal New Allegations Against GSA Administrator**
 - **Kerry Praises Contributions of Hispanic Entrepreneurs, Promises Action to Aid Small Businesses**
 - **WARNING: StrategicSourcing T H R E A T E N S INDEPENDENTS**
 - **Protests Increase by 10% in 2006**
 - **Coast Guard Aims to Hire More Contract Oversight Officials**
 - **Senator Introduces Contracting Reform Legislation**
 - **Chairwoman Velázquez Announces Full Committee Membership for 110th Congress**
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Bill Would Set Tighter Limits on Federal Contracts, Lengthen ‘Revolving Door’ Ban

The House Oversight and Government Reform Committee voted overwhelmingly this month to alter federal contracting rules.

The measure (HR 1362) would restrict the length of no-bid contracts without administration waivers, limit the frequency with which sole-source and cost-reimbursement contracts are awarded, and require public disclosure of contracting overcharges.

It also would impose a two-year ban on former federal contracting officials taking jobs with the private vendors they dealt with while on the government payroll. A one-year “revolving door” ban is now in place.

Chairman Henry A. Waxman, who sought unsuccessfully to make those and other changes during the last Congress, has made this one of his signature issues, focusing on the way money has been spent for Iraq reconstruction.

The committee’s ranking Republican, Thomas M. Davis III, who represents many government contractors in Northern Virginia, said he worked with Waxman, D-Calif., to delete some provisions from this year’s version of the bill.

This bill does the following:

Limits the Length of Noncompetitive Contracts

The Administration has justified the award of lucrative no-bid contracts by citing urgent and compelling needs. But these contracts have continued years after the emergency has passed. Section 101 limits the duration of no-bid contracts awarded in emergencies to eight months.

Minimizes No-Bid Contracts

Spending on no-bid contracts has more than doubled under the Bush Administration. Section 102 curbs this abuse by requiring large federal agencies to develop and implement a plan to promote competition and minimize the use of noncompetitive contracts.

Minimizes Cost-Plus Contracts

Cost-plus type contracts leave the taxpayer vulnerable to wasteful spending by providing contractors with little or no incentive to control costs. This type of contract has grown by 75% during the Bush Administration. Section 103 requires large federal agencies to develop and implement a plan to minimize the use of these abuse-prone contracts.

Requires Public Disclosure of Justifications for No-Bid Contracts

When an agency awards a no-bid contract, it must prepare a "justification and approval" document that explains why the agency did not require full and open competition. Section 201 requires agencies to make these "justification and approval" documents public within 14 days.

Discloses Contractor Overcharges

The Bush Administration has hidden contractor overcharges from Congress, international auditors, and the public, impeding oversight and diminishing accountability. Section 202 promotes transparency in federal contracting by requiring that contract overcharges in excess of \$1 million be disclosed to Congress.

Provides Funds For Contract Oversight

A large and recurring problem in federal procurement has been an insufficient acquisition workforce to administer and oversee federal contracts. Section 203 mandates that agencies devote at least an additional 1% of their procurement budgets to contract oversight, planning, and administration.

Closing the Revolving Door

Section 301 increases from one to two years the amount of time contracting officials are barred from taking jobs with firms they have supervised as a government employee. It also extends the ban to lobbying and consulting for government contractors, prohibits contracting officials from negotiating employment for their relatives, and establishes a two-year cooling off period before procurement officials can award or oversee contracts involving a former employer.

Arkansas Law Will Help Small Business: Gives Small Business A Voice In The State Regulatory Process

Arkansas' more than 238,000 small businesses will experience a friendlier regulatory environment, thanks to a new law signed into law by Governor Mike Beebe. The new law will create a friendlier regulatory environment for small businesses and encourage entrepreneurial success.

"Governor Beebe and the Arkansas legislature have taken a good step toward minimizing the regulatory burden on the state's small businesses," said Thomas M. Sullivan, Chief Counsel for Advocacy. "This law requires agencies to consider the unique needs of small business, which will help them to survive in a competitive marketplace. Without the support of Governor Beebe, and the hard work of the bill's sponsors, Senator Denny Altes (R-Fort Smith) and Representative James Norton (R-Harrison), it never would have happened," he said.

Senate Bill 55 requires state agencies to analyze the economic impact of a proposed rule on small businesses and to consider less burdensome alternatives that will accomplish the regulatory goal.

By listening to small business, state agencies can ensure that small business resources spent on overly burdensome new regulations are instead available for hiring employees and making investments. At the same time, agencies still meet their regulatory goals, such as higher environmental quality, greater travel safety, better workplace conditions, and increased family financial security.

SB 55, which builds on an Executive Order signed by former Governor Mike Huckabee, received support from small business stakeholders across the state. "Small employers are the backbone of our state's economy and should not have to shoulder disproportionate regulatory costs and burdens. Small business needs relief and they have received it," said Eric Munson, Advocacy Regional Advocate for Arkansas.

The Office of Advocacy, the "small business watchdog" of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats, and it funds research into small business issues.

For more information, visit the Small Business Friendly Regulation, Model Legislation for States section of the Office of Advocacy website at www.sba.gov/advo/laws/law_modeleg.html.

At the Capitol: It Ain't Easy Being Green, But the Effort Has Begun

Not to be upstaged by the "green" advocacy work of former Vice President Al Gore, House Democratic leaders revealed last week that they are starting their own green program at the Capitol, a program aimed at improving energy conservation and efficiency.

Speaker Nancy Pelosi, D-Calif., announced March 2 that she has asked the chamber's newly appointed chief administrative officer, Daniel P. Beard, to come up with a plan to make the Capitol more environmentally friendly.

Beard has been asked to submit a preliminary report by April 30 on what kinds of improvements should be made, with final recommendations two months later.

A letter signed by Pelosi, Majority Leader Steny H. Hoyer, D-Md., and House Administration Chairwoman Juanita Millender-McDonald, D-Calif., instructs Beard to take steps that reflect "the most up-to-date industry and government standards for green building and green operating procedures."

The leaders' "Green the Capitol" initiative could end up a bit lopsided, however. Beard's authority extends only to the House side of the Capitol. There's no word yet on whether the Senate intends to follow the House lead.

Report Examines Structural Factors Affecting Health Care Coverage Of Small Firm Workers

A report issued today by the Office of Advocacy of the U.S. Small Business Administration examines structural factors affecting health care coverage of small firm workers. Unlike most previous efforts of analysis, the study focuses on state and Metropolitan Statistical Area (MSA) factors that influence employer-sponsored insurance (ESI) coverage rates and per capita health care expenditures.

"This report takes a new look at health care coverage for small firm workers," said Dr. Chad Moutray, Chief Economist for the Office of Advocacy. "While most studies have examined firm-level factors that influence health insurance coverage decisions, this report studies linkages between various structural factors, health care coverage, and health care expenditures."

Among the report's findings are that the two most important factors associated with low ESI rates are employee wages and firm size. The report also examined MSA and state structural factors such as the concentration of Medicaid recipients, the concentration of manufacturing employees, the supply of hospital beds, and the amount of specialty health care services.

Econometrica, Inc. wrote the study, *Structural Factors Affecting the Health Insurance Coverage of Workers at Small Firms*, with funding from the Office of Advocacy. Chief Economist Moutray released the report at the Association of Small Business Development Centers 2007 Spring Business Meeting.

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For more information and a complete copy of the report, visit the Office of Advocacy website at www.sba.gov/advo.

Bills Aim for More Transparency in Presidential Records, FOIA Requests

Presidential and other government records would be made more readily available to the public under bills scheduled for markup Thursday by the House Oversight and Government Reform Committee.

One bill (HR 1254) targets the groups that raise money for presidential libraries.

Such groups would have to disclose the identities of certain big-dollar contributors through quarterly reports to Congress, the administration and the national archivist, who in turn would be required to make records available through online databases.

Anyone who contributed \$200 or more during a quarter would have to be identified, and the reports would have to be filed during a presidency and for four years after the president's departure from office. This would apparently allow donors giving less than \$9,500 to presidential libraries over a dozen years to avoid being identified.

The committee also is scheduled to take up a measure (HR 1309) aimed at making it more difficult for federal agencies to deny Freedom of Information Act (FOIA) requests.

"A cornerstone of our democracy is the ability of citizens to have access to government information and records. . . . Recent trends indicate that FOIA compliance at agencies is in decline," said William Lacy Clay, D-Mo.

The bill would require agencies to answer FOIA requests within 20 business days and would establish a publicly available tracking system for requests.

The bill also would establish a publicly accessible tracking system for pending FOIA requests.

A third bill (HR 1255) would revoke restrictions of access to presidential records established under an executive order President Bush issued in November 2001.

The order effectively allows former presidents and vice presidents, such as Bush's father, George Bush, to determine which of their records may be released to the public. Proponents of the release of the records of President Ronald Reagan note that they could shed light on whether the nation's top executives, including the elder Bush, played a role in the Iran-contra scandal in the mid-1980s.

The bill would repeal the executive order and allow the archivist of the United States to reassume control of access to presidential records and information.

Dollars, Not Sense: Government Contracting Under the Bush Administration

Under the Bush Administration, the “shadow government” of private companies working under federal contract has exploded in size. Between 2000 and 2005, procurement spending increased by over \$175 billion dollars, making federal contracts the fastest growing component of federal discretionary spending.

This growth in federal procurement has enriched private contractors. But it has also come at a steep cost for federal taxpayers. Overcharging has been frequent, and billions of dollars of taxpayer money have been squandered.

At the request of Rep. Henry A. Waxman, this report is the first comprehensive assessment of federal contracting under the Bush Administration. The report reaches three primary conclusions:

- **Procurement Spending Is Accelerating Rapidly.** Between 2000 and 2005, procurement spending rose by 86% to \$377.5 billion annually. Spending on federal contracts grew over twice as fast as other discretionary federal spending. Under President Bush, the federal government is now spending nearly 40 cents of every discretionary dollar on contracts with private companies, a record level.
- **Contract Mismanagement Is Widespread.** The growth in federal contracts has been accompanied by pervasive mismanagement. Mistakes have been made in virtually every step of the contracting process: from pre-contract planning through contract award and oversight to recovery of contract overcharges.
- **The Costs to the Taxpayer Are Enormous.** The report identifies 118 federal contracts worth \$745.5 billion that have been found by government officials to include significant waste, fraud, abuse, or mismanagement. Each of the Bush Administration’s three signature initiatives — homeland security, the war and reconstruction in Iraq, and Hurricane Katrina recovery — has been characterized by wasteful contract spending.

There is no single reason for the rising waste, fraud, and abuse in federal contracting. Multiple causes — including poor planning, noncompetitive awards, abuse of contract flexibilities, inadequate oversight, and corruption — have all played a part. The problems are widespread, undermining such major initiatives as domestic spending on homeland security, the rebuilding of Iraq, and the recovery from Hurricane Katrina.

Government contracting grew by 86%.

Noncompetitive contracts grew by 115%.

Federal procurement spending is highly concentrated on a few large contractors, with the five largest federal contractors receiving over 20% of the contract dollars awarded in 2005. Last year, the largest federal contractor, Lockheed Martin, received contracts worth more than the total combined budgets of the Department of Commerce, the Department of the Interior, the Small Business Administration, and the U.S. Congress. The fastest growing contractor under the Bush Administration has been Halliburton. Federal spending on Halliburton contracts increased over 600% between 2000 and 2005.

Dollars, Not Sense is based on a review of over 500 reports, audits, and investigations by government and independent bodies, such as the Government Accountability Office, the Defense Contract Audit Agency, and agency inspectors general. It also draws on interviews with experts, the Special Investigation Division's own extensive investigations, data from the Federal Procurement Data System, and investigative reporting.

In addition to analyzing the mammoth increase in federal contract spending, Dollars, Not Sense provides the first government-wide estimate of the number and value of "problem contracts" under the Bush Administration. The report is accompanied by a searchable database of problem contracts.

Dollars Not Sense – See Where The Waste Is

The costs to the taxpayer of contract mismanagement are enormous, but they are often hidden from public view. There is no existing database available to the public that systematically tracks the extent of waste, fraud, and abuse in federal contracts. The Dollars, Not Sense database is an effort to remedy this deficiency.

Dollars, Not Sense is the first government-wide database of "problem contracts" under the Bush Administration. Each contract has been found by government auditors or investigators to involve significant waste, fraud, abuse, or mismanagement. In each case, the contract abuses or mismanagement occurred since January, 2001.

The Dollars, Not Sense database will evolve over time, adding more contracts, more data, and more audits as they become available. Currently, there are 142 contracts in the database, and the total value of the costs incurred or projected to be incurred under the contracts is \$764 billion.

For more information about contracting practices under the Bush Administration, visit the Dollars, Not Sense website at <http://oversight.house.gov/dollarsnotsense/>

Documents Reveal New Allegations Against GSA Administrator

“Lurita, I will do anything for you and will do for the rest of my life... But I have spent so much time at GSA from the report planning to these sessions with ZERO \$\$\$. How do we solve”

**Email from Edie Fraser
to Lurita Doan (Sept. 6, 2006)**

In January Chairman Waxman requested documents related to the awarding of a no-bid contract to Edie Fraser, a longtime friend of GSA Administrator Doan. According to the report, Ms. Doan signed a contract for \$20,000 for a 24-page report promoting GSA's use of minority- and women-owned businesses. GSA later terminated the contract.

Documents now reveal that Administrator Doan had a long-standing business relationship with Ms. Fraser that has not been disclosed previously, that Ms. Fraser used her professional connections to advance Doan's nomination to GSA and to provide personal favors, and that Ms. Fraser continued to provide services with the expectation of payment to Ms. Doan after she became GSA Administrator.

The January Teleconference

New allegations have also been raised regarding a January teleconference in which Ms. Doan asked GSA officials to find opportunities to help Republican political candidates. Information received by the Committee indicates that this issue has been referred by the GSA Inspector General to the Office of Special Counsel for investigation under the Hatch Act, which prohibits executive branch officials from engaging in partisan politics while on duty, in official government work spaces, or with government equipment.

The Sun Microsystems Contract

Chairman Waxman has also received information indicating that Administrator Doan intervened on behalf of Sun Microsystems in the midst of a lengthy contract renewal dispute with GSA. As a result of Doan's intervention, federal taxpayers could pay millions more for the IT services provided by Sun Microsystems.

GSA plays a vital role in federal procurement, and the agency is expected to maintain the highest standards of accountability and transparency. Chairman Waxman has invited Administrator Doan to testify before the Oversight Committee on March 20, 2007, so that she can respond to the new allegations.

Kerry Praises Contributions of Hispanic Entrepreneurs, Promises Action to Aid Small Businesses

Senator John Kerry (D-Mass.) praised the energy and entrepreneurship of Hispanic business owners around the country today as he addressed the U.S. Hispanic Chamber of Commerce's 17th Annual Legislative Conference. Kerry, the Chairman of the Committee on Small Business and Entrepreneurship, also outlined his priorities for advancing small business interests and Latino entrepreneurship.

"Hispanic businesses play a vital role in fueling our economy. With Hispanic firms growing three times faster than other businesses, advancing Latino entrepreneurship isn't a Latino issue, it's an American issue," said Kerry. "Average income for Latinos in Massachusetts is half of the average income for the entire state. The key to bridging this wealth gap is investing in entrepreneurial development and small business programs targeted to the Hispanic community. I am committed to pursuing an aggressive agenda to make sure these entrepreneurs have the tools and opportunities necessary to start, maintain, and grow their business and I thank the Hispanic Chamber of Commerce for their leadership in this effort."

There are more than two million Hispanic-owned businesses in the United States that increase our economic strength by \$222 billion. Despite the significant contributions these entrepreneurs make in our society, Kerry emphasized that more needs to be done to ensure Hispanic-owned businesses have access to federal contracts and capital – like microloans. He also talked about the importance of reducing health care costs for small firms and all Americans and about the need to pass comprehensive immigration reform this year.

Kerry will be spearheading legislation this year to reauthorize small business programs at the Small Business Administration (SBA) this year. The SBA's budget has been slashed by nearly 40 percent since President Bush took office. Kerry pledged to restore funding to the agency and work in a bipartisan manner to pass reauthorization legislative packages this year.

WARNING: StrategicSourcing T H R E A T E N S INDEPENDENTS

Running a small business and trying to compete for business in any market is challenging enough these days, but it has become even more difficult in the federal government marketplace, even though the government continues to trumpet its support of the small business community.

During the Clinton Administration, then vice president Al Gore came up with the idea of streamlining the government to make it more effective. His efforts led to fewer contracting officers and a shift in policy away from buying from everyone to buying only from a few. We refer to this practice as contract bundling.

Contract bundling may have looked nice on paper, but its implementation left a lot to be desired. It limited the government's buying options and kept small businesses from competing for federal contracts.

Today, the Bush Administration has put in place a policy that seeks to take contract bundling even further and potentially, at any rate, lead to the total exclusion of small business from the government market if fully implemented.

Last year, the White House issued a directive requiring agencies to leverage their spending through a new Strategic Sourcing initiative.

What does that mean?

In government language, Strategic Sourcing is defined as follows:

“The *collaborative* and *structured* process of critically analyzing an organization’s spending and using this information to make business decisions about acquiring commodities and services more effectively and efficiently.”

Strategic Sourcing, contends the White House, “helps agencies optimize performance, minimize price, increase achievement of socio-economic acquisition goals, evaluate total life cycle management costs, improve vendor access to business opportunities, and otherwise increase the value of each dollar spent.”

All that official jargon may well warm the hearts of government bureaucrats, but for small businesses who find the government market tough enough already, it represents a real threat. In layman’s terms, Strategic Sourcing is nothing more than an effort to limit the number of sellers of goods and services to a very select few, none of which, if present trends continue, will be small, independent office products dealers. In essence, it’s simply a more severe version of contract bundling and that’s bad news.

In theory at least, both streamlining and Strategic Sourcing would make sense for the government if, of course, it was meant to be run like your business. Unfortunately, what the great minds who developed these concepts forgot is that the federal government was never intended to run like your business.

Underlying virtually every aspect of the government’s decision making is a complex system of checks and balances that practically guarantees inefficiencies, while at the same time, of course, supporting the open and opportunity filled society we have enjoyed for more than two hundred years.

The government doesn’t always make the “smart” business decision, nor should it. In addition to buying so-called “best value,” the government has an obligation to help out citizens who may not fit into a successful business model.

That's what purchases from JWOD, Federal Prison Industries, Hub Zone, Disabled Veterans and Woman-Owned companies are all about.

Without government mandates to buy from these groups, they probably would not exist, thus costing the government billions. Certainly there are problems with the way some of these programs operate, but that's for another article. My point, though, is that the government has to be inefficient at times to meet its overall obligations and unfortunately, some of the people currently shaping procurement policy seem to have forgotten that very fundamental fact.

It's long past time to remind them. Unless the small business community begins work immediately on reversing this new policy, it will face increasingly tough problems competing for federal government business.

Ironically, perhaps, prospects for change have been helped by the recent election results. That's not to say the Democrats are going to immediately fix all the problems for small business because clearly they can't. There are just too many issues out there for them to deal with, and they will need to pick priorities.

Our challenge for the New Year is to make Strategic Sourcing one of those priorities. It won't be easy. A few letters or a legislative day once a year simply isn't enough to get on the congressional radar screen these days.

If you want to beat this policy, you have to be willing to do more. You have to be willing to commit more energy and resources and be able to make an effective case to Congress, with hard evidence and documentation, on the impact this policy is already having on your business.

Additionally, you need to make your case to the White House, since they are still in control and actually believe Strategic Sourcing is good for our industry! You have to make a case as to why it isn't. Until this is done, you can expect full steam ahead on Strategic Sourcing.

Contract bundling came in courtesy of a Democratic administration and Congress. Strategic Sourcing is coming from a Republican administration and Congress. Both parties are to blame, but small businesses, if unified, can change this trend. We have some key allies in both the House and Senate. The challenge will be finding the right message to organize and unite small business on the issue. But it can be done and now is the time to start!

If you'd like to learn more about Strategic Sourcing and its impacts on your business or would like to know how you can combat this policy, please feel free to contact me at info@mwcapitol.com or by phone at (703) 934-0219. Or visit our website at www.mwcapitol.com to find a copy of the official White House Strategic Sourcing policy memo.

Protests Increase by 10% in 2006

Contractors filed 1,327 protests with the Government Accountability Office in fiscal 2006, a 10% increase over 2002, according to a recent report in the Washington Post.

The number of appeals to the Court of Federal Claims has grown by 50%. Companies' chances of winning their appeals have doubled to nearly 30%, the highest in two decades, according to the GAO.

Coast Guard Aims to Hire More Contract Oversight Officials

Coast Guard officials said Thursday they want to hire more personnel to prevent potential lapses in contract management similar to those that have been exposed in the Deepwater fleet modernization project.

Coast Guard Commandant Adm. Thad Allen told lawmakers at a House hearing that he is seeking a senior manager with military experience to oversee the \$24 billion program to replace or upgrade aging equipment.

"We're going to be fine," Allen reassured members of the House Transportation and Infrastructure subcommittee overseeing the Coast Guard. "This is not to say we don't have challenges looking forward. Could we use more people? Always, yes."

Lawmakers pointed out that the agency's staffing has increased 18 percent since it took on new responsibilities when it became part of the Homeland Security Department in 2003. But they said this increase is not enough.

Citing the "27 new functions" thrust upon the Coast Guard in DHS, Rep. James Oberstar, D-Minn., said the agency needs "to increase personnel and funding for personnel."

DHS Inspector General Richard Skinner told lawmakers that the Coast Guard already has started hiring additional staff members to ensure its Deepwater program is not subject to more acquisition missteps. Still, he told lawmakers, the Coast Guard should solicit "independent, third-party assessments" and consolidate its acquisition strategies under one directorate.

President Bush's fiscal 2008 request would increase the Coast Guard's budget to nearly \$8.2 billion, a \$196.8 million, or 2.4 percent, gain over the amount proposed for fiscal 2007. The increase would go in part toward beefing up Coast Guard Reserve training. The agency's budget for operating expenses, which include pay, would also grow.

In his testimony, Allen also told lawmakers he opposes having the National Science Foundation in control of operational costs for icebreaker ships that belong to the Coast Guard.

"My opinion is that it's very dysfunctional," he said, of splitting the ships' funding sources.

Senator Introduces Contracting Reform Legislation

A newly introduced Senate bill would boost the transparency of sole-source federal contracts, allow companies to protest orders placed under large contracts, and limit subcontracting.

The Accountability in Government Contracting Act (S.680) was introduced by Sen. Susan Collins, R-Maine. It would make a wide range of changes, extending even to the qualifications of inspectors general and the acquisition strategy in Afghanistan assistance programs, according to a summary of the lengthy bill released by Collins' office.

"Too often, the problem of waste, fraud and abuse stimulates floods of outrage and magic-bullet proposals that lean more toward symbolic gestures than practical reforms," Collins said in introducing the measure. "This bill promotes more open competition for government contracts -- a positive step for both contractors and taxpayers."

Several of the provisions closely resemble recommendations made by the Services Acquisition Reform Act Advisory Committee, a panel convened under the 2004 Defense Authorization Act. That group published a series of recommendations in December that resulted from more than a year of public debate among top federal acquisition officials, representatives of the private sector and academics.

A provision requiring agencies to publicly announce large sole source contracts shortly after they are awarded closely mirrored panel suggestions, as did provisions to expand and improve the training of the federal acquisition workforce.

Collins also included a panel recommendation that would expand contract award protest rights to allow challenges of large task and delivery awards under umbrella contracts. Currently, protests are only permitted at the higher, contract level.

The bill also takes up a panel recommendation that the Office of Management and Budget study the use of interagency contracts, an area that the Government Accountability Office has designated as a high risk to the government.

Marcia Madsen, who chaired the advisory panel, welcomed Collins' adoption of several of the recommendations. "They read the report. Hooray!" she said, referring to the panel's 400-page discussion of its findings and recommendations.

Madsen said some of the measures Collins proposed on competition took a slightly different approach than that suggested by the panel. For example, the lawmaker included a provision limiting the value of task and delivery orders for services under larger contracts to \$100 million. The panel focused more on ensuring that strong competition was in place for large orders, Madsen said.

Other measures in the Senate bill include a requirement that prime contractors subcontract no more than 65 percent of the work on any given contract. A Defense acquisition official, speaking on condition of anonymity, said the department would likely oppose the provision, preferring to treat subcontracting decisions as a business choice left to the prime contractor.

The official said the proposed limit of \$100 million on task orders for services was arbitrary, and could cause difficulty with some operations in Iraq and Afghanistan. But he said the provisions requiring competition and the one regarding notification on sole source awards were already in effect at the Pentagon.

In another provision regarding the use of so-called "letter contracts," in which urgent work is started before some contract terms such as price, scope or schedule can be worked out, the bill says that if terms are not set before 180 days have passed or 40 percent of the work is completed, the government would have the power to unilaterally set the missing terms.

The Defense official said contracting officers effectively operate under those rules already, through a combination of department policy and federal acquisition regulations. An upcoming Defense inspector general report is expected to recommend throwing out the 40 percent threshold as too confusing, the official said, citing difficulties in gauging when that point has been reached. But the official indicated the department has already reduced its use of letter contracts significantly over the past five years, going from about 4 percent of contract spending down to 2 percent.

Alan Chvotkin, senior vice president of the Professional Services Council, an Arlington, Va.-based industry association, said his group worked with Collins' office in developing the bill.

He welcomed the idea of OMB taking a closer look at interagency contracting, but said he strongly opposes the language that would allow task and delivery order protests. He commended a provision calling for an analysis of the use of "lead systems integrators" on federal contracts, which a Collins press release described as "the de facto outsourcing of program management responsibility" through the use of a large contractor in a coordinating role.

Chvotkin said calling for development of a common definition of the term and study of the phenomenon represented a measured approach to the issue.

The group would oppose setting an arbitrary limit on the amount of a contract that can be parceled out. Chvotkin said that in general, setting arbitrary ceilings encourages agencies to do "dumb" things like forgo good contracting opportunities.

Other measures in Collins' bill include requiring the head of the U.S. Agency for International Development to revise the Afghanistan aid strategy to include more measurable goals and outcomes, clarifying the rules under which inspectors general operate, and requiring greater analysis of government purchase cards to weed out fraud and identify savings.

Rep. Henry Waxman, D-Calif., is also expected to present contracting legislation during this session. Last year, he introduced the Clean Contracting Act, which did not reach a vote in any of the four committees to which it was referred.

Chairwoman Velázquez Announces Full Committee Membership for 110th Congress

Last month Chairwoman Nydia M. Velázquez announced the full committee membership of the House Small Business Committee for the 110th Congress. Eighteen Democrats, eight of whom are returning Members, and 15 Republicans, have been appointed to serve on the committee.

"I am delighted to welcome back the returning Members, and to welcome the new Members to the Small Business Committee," Chairwoman Velázquez said. "I believe we have a group of Members that will bring diverse experience, and representation from various regions of this country, to the table, ensuring this committee can meet the needs of our nation's main job creators - small businesses. We have a big agenda for the 110th Congress as we work to give small businesses a greater voice in the legislative process."

The Steering and Policy Committee appointed the following Members to the committee:

Democrats

Chairwoman Nydia M. Velázquez of New York
Congresswoman Juanita Millender McDonald of California
Congressman William Jefferson of Louisiana
Congressman Heath Shuler of North Carolina
Congressman Charlie Gonzalez of Texas
Congressman Rick Larsen of Washington
Congressman Raul Grijalva of Arizona
Congressman Mike Michaud of Maine
Congresswoman Melissa Bean of Illinois
Congressman Henry Cuellar of Texas
Congressman Dan Lipinski of Illinois

Congresswoman Gwen Moore of Wisconsin
Congressman Jason Altmire of Pennsylvania
Congressman Bruce Braley of Iowa
Congresswoman Yvette Clarke of New York
Congressman Brad Ellsworth of Indiana
Congressman Hank Johnson of Georgia
Congressman Joe Sestak of Pennsylvania

Republicans

Ranking Member Steve Chabot of Ohio
Congressman Roscoe Bartlett of Maryland
Congressman Sam Graves of Missouri
Congressman Todd Akin of Missouri
Congressman Bill Shuster of Pennsylvania
Congresswoman Marilyn Musgrave of Colorado
Congressman Steve King of Iowa
Congressman Jeff Fortenberry of Nebraska
Congressman Lynn Westmoreland of Georgia
Congressman Louie Gohmert of Texas
Congressman Dean Heller of Nevada
Congressman David Davis of Tennessee
Congresswoman Mary Fallin of Oklahoma
Congressman Vern Buchanan of Florida
Congressman Jim Jordan of Ohio

The House Small Business Committee has oversight of the Small Business Administration (SBA) and its \$200 billion contracting, business development and access to capital programs. The committee also reviews those legislative measures that impact small businesses, ensuring that entrepreneurs' needs are taken into account as legislation is being developed and passed.