



Acquisition Reform Working Group

May 10, 2016

The Honorable Kelly Ayotte
Chairman

The Honorable Tim Kaine
Ranking Member

U.S. Senate Committee on Armed Services
Subcommittee on Readiness and Management Support
228 Russell Senate Office Building
Washington, DC 20510

Subject: Support Senator Rounds' LPTA Amendment

Dear Chairwoman Ayotte and Ranking Member Kaine:

On behalf of the Acquisition Reform Working Group (ARWG)¹ and the thousands of federal contracting companies represented by the ARWG association members, we are writing to urge your support for an amendment to the Fiscal Year 2017 National Defense Authorization Act (NDAA) that will be offered during the Readiness and Management Support Subcommittee markup. The amendment would establish common-sense use of Lowest Price Technically Acceptable (LPTA) source selection procedures across the Department of Defense (DoD).

The amendment is similar to legislation introduced by Senators Mike Rounds and Mark Warner on April 20, 2016. The Promoting Value Based Defense Procurement Act, S. 2826, directs DoD to avoid, to the maximum extent practicable, relying on LPTA source selection criteria for certain types of professional services contracts, including information technology services, systems engineering and technical assistance services, and other knowledge-based professional services. It also directs DoD to use LPTA only in situations where it can clearly define performance requirements and determine that technical

¹ The Acquisition Reform Working Group (ARWG) is comprised of the Aerospace Industries Association; Associated Builders and Contractors, Inc; American Council of Engineering Companies; Financial Executives International's Committee on Government Business; Information Technology Alliance for the Public Sector; National Defense Industrial Association; Professional Services Council; The Associated General Contractors of America; The Coalition for Government Procurement; and the U.S. Chamber of Commerce. We represent thousands of small, mid-sized and large companies and hundreds of thousands of employees that provide goods, services and personnel to the government.

proposals of offerors other than the lowest bidder would result in no, or minimal, benefit to the Department. The ARWG expects this bill to be offered as an amendment to the FY17 NDAA during your subcommittee's markup, and we urge you to support it.

The framework for acceptable use of LPTA established in S. 2826 includes many of the common-sense elements included in DoD's own internal guidance documents concerning LPTA² and the Department's source selection procedures³. It also complements the LPTA language included as Directive Report Language accompanying the House Armed Services Committee-passed version of the FY17 NDAA. Including the bill language from S. 2826 in the Senate-passed and final versions of the FY17 NDAA would appropriately institutionalize the current DoD guidance. It will also protect against an overreliance on LPTA that hinders DoD's ability to maintain a best-in-class competitive edge; inhibits DoD's flexibility in making valuable tradeoffs between cost, innovation, and capabilities; and risks higher long-term costs due to mission failures and contract rework actions.

ARWG strongly encourages you to support adding S. 2826, via the Rounds amendment, to the subcommittee's provisions in the FY17 NDAA. If you have any questions, please contact Roger Jordan of the Professional Services Council at 703-875-8117.

Respectfully,

Aerospace Industries Association
American Council of Engineering Companies
Financial Executives International's Committee on Government Business
Information Technology Alliance for the Public Sector
National Defense Industrial Association
Professional Services Council
The Coalition for Government Procurement
U.S. Chamber of Commerce

² Available at http://bbp.dau.mil/docs/Appropriate_Use_of_Lowest_Priced_Technically_Acceptable_Source_Select_Proc_Assoc_Con_Type.pdf.

³ Available at <https://acc.dau.mil/docs/DoDSSP/Source%20Selection%20Guide%20and%20Memo%201%20April%202016%20Ijm.pdf>.