

Senator solicits advice for new contracting panel

By Robert Brodsky rbrodsky@govexec.com March 20, 2009

The chairwoman of a newly formed Senate contracting oversight panel is reaching out to the public for help with setting her agenda.

On Thursday, Sen. Claire McCaskill, D-Mo., circulated an open letter asking for advice about the direction the new Homeland Security and Governmental Affairs Subcommittee on Contracting Oversight should take. The panel will have broad oversight authority over all aspects of federal contracting.

"I'd like to hear from you," McCaskill wrote. "What contract or program needs additional oversight? What laws, regulations and policies need to be changed? What hearings would you like to see?"

The senator encouraged recipients to offer their opinions through an [online discussion forum](#) or by e-mailing the subcommittee at contracting_oversight@mccaskill.senate.gov or whistleblowers@mccaskill.senate.gov.

As of Friday afternoon, 129 people had submitted 75 suggestions on the discussion board. In addition, more than 1,200 people had voted on the quality of those recommendations.

The suggestions reflected a diversity of opinion outside the Beltway about the state of federal contracting. Many contributors called for greater transparency of contracting documents; others urged more government accountability of taxpayer dollars.

For example, Arcent from Missouri suggested that contracting officers institute financial penalties for late delivery of product or services. "I also think they should incorporate contractor input in the [request for proposals] process," Arcent wrote. "Contractors are often an excellent source of cost-cutting alternatives."

John from Houston advised officials to set outcome-based goals. "Demand that every project have pragmatic outcomes and aggressively demand that those outcomes are met," he wrote. "No project should be approved without strict and high stakes pragmatic metrics which would carry with them incentives and consequences."

Many discussion participants also offered strong opinions about cost-plus and sole-source contracting.

"Cost-plus contracts provide no incentive for contractors to reduce costs," wrote Kevin E., of Maple Shade, N.J. "Fixed-price contracts offer rewards for companies that find ways of cutting costs."

President Obama has asked the Office of Management and Budget to review policies on [cost-plus contracting](#).

In her letter, McCaskill said the subcommittee would rely on the assistance of auditors, inspectors general, contractors, local chambers of commerce and watchdog groups to investigate contracting abuses.

"Problems have occurred at every stage of the contracting process, from pre-award planning and requirements development through the recovery of overcharges," she said. "The contracting workforce is no longer adequate to handle the volume and complexity of the contracting workload. And the lack of oversight has been an invitation to waste, fraud and abuse."

The panel will have the authority to conduct independent investigations and will hold frequent hearings that will examine both past mistakes in contracting and ways to improve the system, according to McCaskill.

A spokeswoman for the senator said an announcement on the date and topic of the first hearing will come within the next week or two.

Homeland Security and Governmental Affairs Committee Chairman Sen. Joseph Lieberman, I-Conn., announced the formation of the panel in January. The subcommittee will be in place until the end of the 111th Congress. The next Congress will decide if it should be reauthorized.

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COMMENTS

- I agree with most comments posted, there is a need for Cost contracts because the contractors will load up the FFP contracts to cover potential overruns. The PCO is willing to hold the contractors feet to the fire but the PMs and high ranking officials dictate that the contractor must get paid because the Gov't wasn't clear in the initial requirement and the scope has changed. That is where the problem is, not the Contracting Officers or Specialists!!!! ACO Posted March 24, 2009 9:55 AM
- I have an extensive background in contracting in the last 37 years of federal service, including my 23 years of military service. There were agencies who depend so much in contracting out what a federal employee can do. Why do we have engineers in the position of engineering staff? If there is a project/program, the engineers will put out a contract to hire for A/E project, then after its done, it will be followed by a real contractor to work on the project. This to me is duplicate effort and waste of government funds. We have many people in the government positions waiting for their bonus at the end of evaluation period. Every move that they do, they know that they will get a cash reward for it. Why do we need to give bonuses to what we are paid for in the first place. GSA PBS

group are known for that practice. They do not do or move anything unless they are given credits. At the VA institutions, there are fraud, waste, and duplication of work. More chiefs and supervisors are around than the regular people who really do the job. Everyone has a group of people that should do the work for them. Let us get rid of politics in any institution. The people who are suffering here are the veterans who needs assistance. Clean the agencies outside the beltway.

Policiticians should formulate a group of people aside from IG, investigators, but a group that should monitor the results of each program that the government spend money over \$500K. this may sound very small but at the end it can total to billions of \$. FPDS-NG is a system where we can track what an agency spends their funds for, get a list and follow it up with questionnaires to the Contracting Offices down to the Program Managers and to the people who originated the request. See how funds are expended and who did the real job on behalf of the government. This may be time consuming at first, but once our employees get the direction from those in the position at Washington DC, then everyone will follow. CHANGE IS GOOD and DO LIKE CHANGE. Previous Contracting Officer of different agencies Posted March 24, 2009 8:21 AM

- I disagree with Kevin E, Maple Shade, NJ. If a cost plus contract is set up correctly, administered correctly and the award fee process is structured to incentivize contractor for cost control, savings and providing cost saving ideas, along with Technical and Management approach,the contract will save the government money in the long run. The FAR needs to address Cost Reimbursement contracting procedures more. There is very little in the FAR about this type of contract. The only folks that used to publish material about cost reimbursement contracts was two professors named Cibinic & Nash. They are retired now, so we don't have the benefit of their knowledge. Also, George Washington University provides a course on Cost Reimbursement Contracting, but it lacks! Ifthe Senator wants to fix something, he needs to beef up the FAR with regard to this type of contracting! Bob G Posted March 24, 2009 2:16 AM