

December 18, 1998

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES
AND THE DEPUTY UNDER SECRETARY OF
DEFENSE (ACQUISITION REFORM)

FROM: Deidre A. Lee /signed/
Administrator

SUBJECT: Agency Usage of the Clinger-Cohen Act Commercial Items
Test Program

Section 4202 of the Clinger-Cohen Act authorized a three-year test program allowing agencies to use simplified procedures for acquisitions of commercial items in amounts above the simplified acquisition threshold but not exceeding \$5000,000. The program is implemented in FAR Subpart 13.5. The statutory authority for this test expires January 1, 2000. (Contracts may be awarded after this date for solicitations issued before the expiration of the authority.) We anticipate seeking legislation in the spring to extend the test or to make the authority permanent. If such a proposal is developed, it will be circulated for agency comment pursuant to OMB Circular A-19.

Your input is requested regarding current usage of this test authority to help inform the development of a legislative proposal. The attached questionnaire is provided for this purpose. Additional comments beyond those specifically sought in the questionnaire are welcome.

Please provide your responses by January 29, 1999. For your convenience, we are providing this memorandum and the questionnaire in electronic form. Hard copy or electronic responses should be sent to Mathew Blum of the Procurement Law and Legislation Branch of OFPP (ph: 202-395-4953; fax: 202-395-5105; e-mail: blum_m@A1.eop.gov). If you experience difficulties with the electronic transmission, contact Margaret B. Christian at 202-395-7579.

I greatly appreciate your help in providing this information.

Attachment

AGENCY USAGE OF THE COMMERCIAL ITEMS TEST PROGRAM

1. List the various approaches your agency used in FY 98 to purchase commercial items between \$100,000 and \$5,000,000 (e.g., award a new contract pursuant to FAR 13.5, 14, or 15; place an order under a schedule contract, or under a multiple or single award task or delivery order contract awarded by the agency or another agency) and the approximate usage of each approach (expressed as a rough percentage of the contract dollars obligated in this dollar range). FPDS data is attached to this questionnaire indicating the total dollars obligated (by agency) for commercial item buys between \$100,000 and \$5,000,000 in FY 97 and FY 98 and the amount expended under the test program. We would appreciate your verification of this data as it pertains to your agency.
2. Identify the circumstances under which use of the test authority is especially helpful (e.g., to procure non-recurring needs).
3. Identify the types of products and services (in general terms) for which use of this test authority has been most helpful. If possible, please also indicate the approximate associated dollars obligated under the test for the identified product and service categories.
4. Identify any procedures your agency has used under the test that it could not otherwise avail itself of, or could not use as effectively under other existing authorities.
5. Using the scale provided, please indicate the impact of the test authority on the areas identified below. Examples of positive or negative effects in any of these areas would be appreciated.

	Very Neg	Neg	Neutral	Pos	Very Pos
a. Cycle times	1	2	3	4	5
b. Administrative costs	1	2	3	4	5
c. Prices	1	2	3	4	5
d. Small business participation	1	2	3	4	5
e. Delivery	1	2	3	4	5
f. Other _____	1	2	3	4	5

6. If the commercial items test program is not being used in buying offices that make commercial item purchases between \$100,000 and \$5,000,000, please explain why this is occurring (e.g., availability of test authority is not well known; guidance is inadequate).
7. Would you recommend that the test authority be extended? Yes___ No___
 Would you recommend that the test authority be made permanent? Yes___ No___

8. What changes, if any, would you recommend -- either to the statutory authority or its implementation in the FAR -to make the authority more effective?

9. Please identify and provide copies of supplemental guidance on the test program that your agency has issued.

10. Please identify a contact person to answer questions regarding your responses to this questionnaire as well as one or more contracting officers in your agency who could provide additional information on use of the test program. Identify the office where the contacts work along with a phone number, fax number, and e-mail address.

12/21/1998

FEDERAL PROCUREMENT DATA SYSTEM

REPORTED ACTIONS AND DOLLARS FOR FY97

COMMERCIAL ITEM ACQUISITIONS

WHERE CIA DOLLARS BETWEEN 100,000 TO 5,000,000

AS OF 12/21/1998

<u>AGENCY</u>	COMMERCIAL ITEMS		COMMERCIAL ITEM TEST PROGRAM	
	<u>ACTIONS</u>	<u>DOLLARS</u>	<u>ACTIONS</u>	<u>DOLLARS</u>
UNITED STATES ARMS CONTROL AND DISARMAMENT AG	1	100	0	0
COMMODITY FUTURES TRADING COMMISSION	6	6,246	0	0
DEPARTMENT OF AGRICULTURE	970	617,583	0	0
DEPARTMENT OF COMMERCE	150	44,482	0	0
DEPARTMENT OF DEFENSE	8,702	3,565,529	13	1,316
DEPARTMENT OF ENERGY	72	22,946	0	0
DEPARTMENT OF HEALTH AND HUMAN SERVICES	362	146,958	1	41
DEPARTMENT OF THE INTERIOR	173	57,698	1	27
DEPARTMENT OF JUSTICE	219	77,170	8	235
DEPARTMENT OF LABOR	21	5,341	0	0
DEPARTMENT OF STATE	188	87,320	0	0
DEPARTMENT OF TRANSPORTATION	356	171,914	0	0
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	28	11,693	0	0
DEPARTMENT OF THE TREASURY	210	88,413	0	0
DEPARTMENT OF EDUCATION	8	1,961	0	0
FEDERAL EMERGENCY MANAGEMENT AGENCY	29	20,965	0	0
FEDERAL ENERGY REGULATORY COMMISSION	2	701	0	0
FEDERAL ELECTION COMMISSION	2	474	0	0
FEDERAL TRADE COMMISSION	1	153	0	0
GENERAL SERVICES ADMINISTRATION	1,332	539,538	0	0
UNITED STATES INFORMATION AGENCY	8	2,616	0	0
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION	2	703	0	0
NATIONAL SCIENCE FOUNDATION	1	209	0	0

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<u>AGENCY</u>	COMMERCIAL ITEMS		COMMERCIAL ITEM TEST PROGRAM	
	<u>ACTIONS</u>	<u>DOLLARS</u>	<u>ACTIONS</u>	<u>DOLLARS</u>
NATIONAL LABOR RELATIONS BOARD	3	1,862	0	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	796	164,173	0	0
NATIONAL ENDOWMENT FOR THE ARTS	1	288	0	0
NUCLEAR REGULATORY COMMISSION	4	432	0	0
EXECUTIVE OFFICE OF THE PRESIDENT	13	4,948	0	0
PEACE CORPS	2	1,008	0	0
OFFICE OF PERSONNEL MANAGEMENT	3	1,130	0	0
SOCIAL SECURITY ADMINISTRATION	134	71,015	0	0
SMALL BUSINESS ADMINISTRATION	3	610	0	0
SECURITIES AND EXCHANGE COMMISSION	7	1,899	0	0
U.S. TRADE & DEVELOPMENT AGENCY	5	621	0	0
DEPARTMENT OF VETERANS AFFAIRS	766	314,115	0	0
Grand Total:	14,580	6,032,814	23	1,619

FEDERAL PROCUREMENT DATA SYSTEM

REPORTED ACTIONS AND DOLLARS FOR FY98

COMMERCIAL ITEM ACQUISITIONS

WHERE CIA DOLLARS BETWEEN 100,000 TO 5,000,000

AS OF 12/21/1998

<u>AGENCY</u>	COMMERCIAL ITEMS		COMMERCIAL ITEM TEST PROGRAM	
	<u>ACTIONS</u>	<u>DOLLARS</u>	<u>ACTIONS</u>	<u>DOLLARS</u>
COMMODITY FUTURES TRADING COMMISSION	7	7,925	0	0
DEPARTMENT OF AGRICULTURE	515	373,041	0	0
DEPARTMENT OF COMMERCE	147	46,721	0	0
DEPARTMENT OF DEFENSE	7,209	2,503,738	2,186	225,788
DEPARTMENT OF ENERGY	49	14,373	0	0
DEPARTMENT OF HEALTH AND HUMAN SERVICES	57	12,534	1	42
DEPARTMENT OF THE INTERIOR	114	32,044	27	2,967
DEPARTMENT OF JUSTICE	464	109,071	308	24,739
DEPARTMENT OF LABOR	31	11,028	0	0
DEPARTMENT OF STATE	151	68,065	0	0
DEPARTMENT OF TRANSPORTATION	288	105,934	3	169
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	7	4,878	0	0
DEPARTMENT OF THE TREASURY	148	72,583	4	99
DEPARTMENT OF EDUCATION	14	7,165	0	0
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION	2	1,074	0	0
FEDERAL EMERGENCY MANAGEMENT AGENCY	14	4,948	0	0
FEDERAL ENERGY REGULATORY COMMISSION	5	1,165	0	0
FEDERAL LABOR RELATIONS AUTHORITY	1	142	0	0
GENERAL SERVICES ADMINISTRATION	1,416	586,317	31	845
UNITED STATES INFORMATION AGENCY	9	2,504	0	0
NATIONAL LABOR RELATIONS BOARD	5	5,547	0	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	303	114,236	19	3,045
NUCLEAR REGULATORY COMMISSION	7	1,155	0	0

12/21/1998

FEDERAL PROCUREMENT DATA SYSTEM
REPORTED ACTIONS AND DOLLARS FOR FY98
COMMERCIAL ITEM ACQUISITIONS
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AS OF 12/21/1998

<u>AGENCY</u>	<u>COMMERCIAL ITEMS</u>		<u>COMMERCIAL ITEM TEST PROGRAM</u>	
	<u>ACTIONS</u>	<u>DOLLARS</u>	<u>ACTIONS</u>	<u>DOLLARS</u>
EXECUTIVE OFFICE OF THE PRESIDENT	15	10,000	0	0
PEACE CORPS	1	283	0	0
OFFICE OF PERSONNEL MANAGEMENT	11	4,429	0	0
SOCIAL SECURITY ADMINISTRATION	132	63,241	0	0
SMALL BUSINESS ADMINISTRATION	3	748	0	0
SECURITIES AND EXCHANGE COMMISSION	8	3,133	0	0
INTERNATIONAL TRADE COMMISSION	1	280	0	0
U. S. TRADE & DEVELOPMENT AGENCY	5	724	0	0
DEPARTMENT OF VETERANS AFFAIRS	587	225,896	0	0
Grand Total:	11,726	4,394,922	2,579	257,694