

The PRICE Act of 2021

Shortening the Long Pole of the Acquisition Tent

The Promoting Rigorous and Innovative Cost Efficiencies for Federal Procurement and Acquisitions Act of 2021 (PRICE Act of 2021) was signed by President Biden on 02/22/2022.

The PRICE Act intends to improve acquisitions across the Federal Government by leveraging multiple innovations developed and implemented within the Department of Homeland Security's (DHS) Procurement Innovations Lab (PIL). In March of 2015, the PIL initiative was created to experiment with innovative techniques for increasing efficiencies in the procurement process and institutionalizing best practices. The PRICE Act of 2021 requires a PIL Report to detail DHS's successful use of innovative acquisition techniques and establish a Council or Working Group to examine procurement innovation best practices for adoption across the Federal Government.

PIL Report

The first component of the PRICE Act requires the Undersecretary of DHS to publish an annual report on PIL projects that have encouraged better competition, reduced time to award, resulted in cost savings, improved mission outcomes, or met small business goals.

In addition, the PRICE Act requires the Undersecretary to develop and disseminate guidance and offer training for the acquisition community within DHS regarding when and how to use innovative procurement techniques. The final requirement of the PIL report requires DHS to share best practices across the organization and with other Federal agencies to improve procurement methods and training.

Best Practices Council

The second component of the PRICE Act requires the Office of Federal Procurement Policy (OFPP) to establish a Council or Working Group to examine best practices for acquisition innovation. The Council or Working Group, chaired by the OFPP Administrator, will be composed of the DHS Chief Procurement Officer, members from the General Services Administration (GSA), Department of Defense (DoD), Department of the Treasury, Department of Veterans Affairs (VA), Department of Health and Human Services (HHS), the Small Business Administration (SBA), and any other Federal agency that has demonstrated significant sustained progress in using innovative acquisition practices over the past three years as determined by the OFPP Administrator.

Within a year from the date the PRICE Act becomes law, the Council or Working Group will develop a report describing the innovative acquisition techniques that have achieved better outcomes and outlining steps to identify and adopt transformational commercial business practices and advanced technologies that allow decision making to occur in a reduced friction buying environment. The report will provide recommendations for statutory changes to accelerate the adoption of these innovative acquisition techniques within the Federal Government.

Commentary

The PRICE Act is a great step towards reducing the bureaucratic red tape associated with the federal acquisition process. The PIL within DHS has made great strides towards embracing new ways of working within the Federal Acquisition Regulations (FAR) and has been willing to experiment with various streamlining strategies and quickly apply lessons learned to improve their processes. The PRICE Act will result in broad dissemination of these effective innovative acquisition techniques championed by DHS and other Federal Agencies.

A number of the innovative acquisition techniques previously identified in OFPP's "Reducing Procurement Administrative Lead Time Using Modern Business Practices" Memorandum, issued in January of 2021, were associated with the strategy of competitions and various techniques to decrease the length of evaluation and streamline the associated documentation

However, the sometimes-lengthy process to get from the identification of a requirement to solicitation release is a key area that is ripe for overhaul. The two areas within that process where acquisition innovation can be most impactful are 1.) the development of a requirement owner's complete acquisition package and 2.) the Contracting Office review process from receipt of a completed acquisition package to solicitation release.

Complete Acquisition Packages

OFPP's proposed Procurement Action Lead Time (PALT) definition, mandated by Section 878 of the FY2019 National Defense Authorization Act (NDAA) and published in the Federal Register in January 2020, only considers the time from solicitation release to contract award. The new PALT definition is entirely silent on one of the longer poles in the acquisition tent, the time from requirement identification to solicitation release. Requirement owners need to understand how to completely and effectively document their requirements and submit complete acquisition packages. The PRICE Act Council or Working Group needs to use this opportunity to standardize a definition for this time period and arm requirement owners with the knowledge, tools, and techniques to shorten this time period.

Contracting Office Reviews

The contracting offices need to be able to quickly conduct effective reviews to ensure a legally sufficient and effective finalized acquisition package is developed while incorporating innovative acquisition techniques to effectively reduce award times. Without a transformation of the internal review practices of contracting offices, innovation will be difficult to implement, and the review period will not be reduced. The PRICE Act briefly mentions the adoption of commercial business practices resulting in a friction-free buying environment, a critical step to ensure the time to award is reduced. To achieve an effective transformation, the Council or Working Group should explore, identify, and recommend specific internal business processes commonly used by Industry for approving business decisions or approving proposals prior to submittal.

Conclusion

By building upon the innovative solutions implemented by DHS PIL, developing streamlined solutions to the other long poles in the acquisition tent, and disseminating solutions broadly within the Federal Government's acquisition community, the bureaucracy associated with the acquisition process will be significantly reduced, ultimately increasing the effectiveness of Government and restoring some faith in the Government's stewardship of tax dollars.

References

- "PROMOTING RIGOROUS AND INNOVATIVE COST EFFICIENCIES FOR FEDERAL PROCUREMENT AND ACQUISITIONS ACT OF 2021", Public Law No: 117-88, February 02, 2022
- "About PIL", Department of Homeland Security. April 01, 2022
- "MEMORANDUM FOR CHIEF ACQUISITION OFFICERS AND SENIOR PROCUREMENT EXECUTIVES", Office of Federal Procurement Policy, January 14, 2021
- "NDAA 2019", Public Law 115-232, August 13, 2018
- "Procurement Administrative Lead Time (PALT)". Federal Register, 85 FR 3428, January 21, 2020.