

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—118th Cong., 2d Sess.

S. 4055

To provide for a pilot program to improve contracting outcomes, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by Mr. PETERS

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Improving Contracting
5 Outcomes Act of 2024”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) APPROPRIATE CONGRESSIONAL COMMIT-
9 TEES.—The term “appropriate congressional com-
10 mittees” means the Committee on Homeland Secu-
11 rity and Governmental Affairs of the Senate and the

1 Committee on Oversight and Accountability of the
2 House of Representatives.

3 (2) CHIEF FINANCIAL OFFICER ACT AGENCY.—
4 The term “Chief Financial Officer Act Agency”
5 means an agency listed in section 901(b) of title 31,
6 United States Code.

7 (3) COST AVOIDANCE.—The term “cost avoid-
8 ance” refers to—

9 (A) reductions in the need for increased
10 funding if present management practices con-
11 tinued;

12 (B) unfunded requirements that were
13 avoided; and

14 (C) productivity gains, such as reduction in
15 required labor hours, reduction in contract du-
16 plication, and use of shared contract programs.

17 (4) COST SAVINGS.—The term “cost savings”
18 means reductions to budget lines or funded pro-
19 grams resulting from a new policy, process, or activ-
20 ity with no adverse impact on mission.

21 (5) END USER.—The term “end user” means
22 the internal stakeholder that uses the product or
23 service procured.

24 (6) HEAD OF CONTRACTING ACTIVITY.—The
25 term “head of contracting activity” has the meaning

1 given the term “head of the contracting activity” in
2 section 2.101 of the Federal Acquisition Regulation.

3 (7) MILITARY DEPARTMENT.—The term “mili-
4 tary department” has the meaning given the term in
5 section 101(a)(8) of title 10, United States Code.

6 (8) MULTIPLE AWARD CONTRACT.—The term
7 “multiple award contract” means—

8 (A) a contract that is entered into by the
9 Administrator of General Services under the
10 multiple award schedule program referred to in
11 section 3012(3) of title 10, United States Code;
12 or

13 (B) a multiple award task order contract
14 that is entered into under the authority of title
15 10 or title 41, United States Code.

16 (9) SENIOR PROCUREMENT EXECUTIVE.—The
17 term “senior procurement executive” has the mean-
18 ing given the term in section 1702(c) of title 41,
19 United States Code.

20 (10) TRANSACTIONAL DATA.—The term “trans-
21 actional data” refers to order details, including unit
22 price, quantity, and line item descriptions.

1 **SEC. 3. PILOT PROGRAM TO IMPROVE CONTRACTING OUT-**
2 **COMES.**

3 (a) IN GENERAL.—Not later than 180 days after the
4 date of the enactment of this Act, the Administrator for
5 Federal Procurement Policy shall initiate a pilot program
6 to improve contracting outcomes.

7 (b) PURPOSE.—The purpose of the pilot program is
8 to improve the effectiveness and efficiency of agency oper-
9 ations and to cut costs to the Federal Government by iden-
10 tifying and assessing innovative approaches for estab-
11 lishing and using outcome-oriented contracting metrics,
12 and the potential to establish and use outcome-oriented
13 contracting metrics at each Chief Financial Officer Act
14 Agency and military department.

15 (c) KEY ELEMENTS.—The pilot program initiated
16 pursuant to subsection (a) shall—

17 (1) comprise no less than three Chief Financial
18 Officer Act Agencies, and at least one military de-
19 partment;

20 (2) span a period of two years;

21 (3) demonstrate how senior procurement execu-
22 tives can establish quantitative outcome-oriented
23 contracting metrics and corresponding goals—

24 (A) expressed on an annual basis;

25 (B) for each Head of Contracting Activity;

26 and

- 1 (C) representing, at a minimum—
- 2 (i) cost avoidance or cost savings;
- 3 (ii) timeliness of deliveries in terms of
- 4 end users' receipt of a product or the start
- 5 of a service;
- 6 (iii) quality of deliverables in terms of
- 7 end users' satisfaction with a delivered
- 8 product or provided service; and
- 9 (iv) end user satisfaction with the de-
- 10 gree and nature of collaboration between
- 11 the end user and the relevant procurement
- 12 officials;
- 13 (4) illustrate how senior procurement executives
- 14 can use the quantitative outcome-oriented con-
- 15 tracting metrics and corresponding goals required
- 16 under paragraph (3) to—
- 17 (A) assess the performance of procurement
- 18 organizations on an ongoing basis;
- 19 (B) identify and share leading practices
- 20 that Heads of Contracting Activity and other
- 21 procurement officials can use to achieve desired
- 22 contracting outcomes;
- 23 (C) evaluate key factors affecting con-
- 24 tracting outcomes, including—

1 (i) collaboration with key stake-
2 holders, particularly requirements genera-
3 tors, pre- and post-contract award; and

4 (ii) contractor performance; and

5 (5) assess the benefits and drawbacks of
6 leveraging various data sources when establishing
7 and using the outcome-oriented contracting metrics
8 and corresponding goals required under paragraphs
9 (3) and (4), respectively, including, at a minimum—

10 (A) data stored in the Contractor Perform-
11 ance Assessment Reporting System; and

12 (B) transactional data for orders against
13 multiple award contracts.

14 (d) **RULE OF CONSTRUCTION.**—Nothing in this sec-
15 tion shall be construed as precluding senior procurement
16 executives from establishing or maintaining additional per-
17 formance metrics and goals, in particular metrics and
18 goals for small business utilization.

19 **SEC. 4. OFFICE OF FEDERAL PROCUREMENT POLICY RE-**
20 **PORTING.**

21 (a) **INTERIM REPORT.**—

22 (1) **IN GENERAL.**—Not later than 2 years after
23 the date of the enactment of this Act, the Adminis-
24 trator for Federal Procurement Policy shall submit
25 to the appropriate congressional committees and the

1 Comptroller General of the United States an interim
2 report on the pilot program required under section
3 3.

4 (2) PURPOSE.—The purpose of the interim re-
5 port shall be to identify how each of the senior pro-
6 curement executives participating in the pilot pro-
7 gram are meeting the requirements under section
8 3(c).

9 (3) KEY ELEMENTS.—The interim report shall
10 identify, at a minimum—

11 (A) each quantitative outcome-oriented
12 contracting goal established pursuant to section
13 3(c)(3), including—

14 (i) a precise definition that includes
15 the methodology and data used to measure
16 actual performance against the goal; and

17 (ii) the rationale for the goal;

18 (B) illustrative examples of how each sen-
19 ior procurement executive has used quantitative
20 outcome-oriented contracting metrics and cor-
21 responding goals to identify and share leading
22 practices and key factors affecting contracting
23 outcomes pursuant to section 3(c)(4); and

24 (C) data improvement initiatives, informed
25 by the assessment required under section

1 3(c)(5), including a plan of action and mile-
2 stones to improve the reliability of relevant
3 data, including at a minimum—

4 (i) data stored in the Contractor Per-
5 formance Assessment Reporting System;
6 and

7 (ii) transactional data for orders
8 against multiple award contracts.

9 (b) FINAL REPORT.—

10 (1) IN GENERAL.—Not later than three years
11 after the date of the enactment of this Act, the Ad-
12 ministrator for Federal Procurement Policy shall
13 submit to the appropriate congressional committees
14 and the Comptroller General of the United States a
15 final report on the pilot program required under sec-
16 tion 3.

17 (2) PURPOSE.—The purpose of the final report
18 shall be to identify how each of the senior procure-
19 ment executives participating in the pilot program
20 met the requirements under section 3(c), and assess
21 the potential to establish and use outcome-oriented
22 contracting metrics and goals at each Chief Finan-
23 cial Officer Act Agency and military department in
24 the future.

1 (3) KEY ELEMENTS.—The final report shall
2 identify, at a minimum—

3 (A) any modifications to the outcome-ori-
4 ented metrics and corresponding goals estab-
5 lished pursuant to section 3(e)(3) since the
6 issuance of the interim report required under
7 subsection (a), including—

8 (i) modifications to the definitions for
9 the metrics and goals; and

10 (ii) the rationale for any modifica-
11 tions;

12 (B) examples of how each senior procure-
13 ment executive has used outcome-oriented con-
14 tracting metrics and corresponding goals to
15 identify and share leading practices and key
16 factors affecting contracting outcomes pursuant
17 to section 3(e)(4) during the preceding year;

18 (C) a description of progress against the
19 plan of action and milestones required under
20 subsection (a)(3)(C), including qualitative de-
21 scriptions of significant challenges and limita-
22 tions hindering data improvement efforts; and

23 (D) observations from the Administrator
24 for Federal Procurement Policy regarding the
25 respective advantages and disadvantages of var-

1 ious approaches for establishing and using out-
2 come-oriented contracting metrics and goals.

3 **SEC. 5. GOVERNMENT ACCOUNTABILITY OFFICE REPORT-**
4 **ING.**

5 Not later than 180 days after receiving the interim
6 and final reports required under section 4, the Comptroller
7 General of the United States shall provide the Comptroller
8 General's independent observations on the report to the
9 appropriate congressional committees.

10 **SEC. 6. SUNSET.**

11 This Act shall cease to have effect on the date that
12 is 3 years and 6 months after the date of enactment of
13 this Act.