



Highlights of [GAO-03-1068](#), a report to the Senate and House Committees on Armed Services

Why GAO Did This Study

In recent years, the federal government has introduced new ways to streamline the acquisition process. One of those vehicles is the simplified acquisition procedures test program, which removes some of the procedural requirements for buying commercial goods and services. Using the test program, federal procurement officials can make purchases faster than they have in the past for procurements not exceeding \$5 million.

Congress mandated that GAO determine the extent to which federal executive agencies—at a minimum, the Department of Defense (DOD)—have taken advantage of the test program and any benefits realized. One way to measure use is to examine test program data from the Federal Procurement Data System (FPDS). It is the central repository of contracting information. In addition to examining FPDS data, GAO looked at data from DOD’s data system.

What GAO Recommends

Before Congress decides whether to make the test program a permanent contracting vehicle, GAO recommends that DOD and other selected federal executive agencies ensure that reliable data are available to make program assessments. DOD agreed with GAO’s recommendation, while the other selected federal agencies had no comments on the recommendation.

www.gao.gov/cgi-bin/getrpt?GAO-GAO-03-1068.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David Cooper at (202) 512-4125 or cooperd@gao.gov.

CONTRACT MANAGEMENT

No Reliable Data to Measure Benefits of the Simplified Acquisition Test Program

What GAO Found

Because the Federal Procurement Data System contains unreliable data about the simplified acquisition test program, GAO was unable to determine the extent to which federal executive agencies—including DOD— have used the test program and have realized any benefits. Specifically, the database indicated that the Departments of Treasury, Defense, and Justice were the three largest dollar-value users of the test program in fiscal year 2001 (the latest year with complete data available). But GAO found that FPDS either overstated or understated use of the test program by millions of dollars. The table below shows examples of discrepancies at different buying organizations within these three departments.

Examples of Discrepancies with FPDS’s Data

Department’s buying organization	Value of test program contracts, according to FPDS (fiscal year 2001)	What procurement officials said about FPDS’s data
Department of the Treasury’s U.S. Mint	\$242 million	U.S. Mint said it did not use the test program at all
DOD’s Defense Logistics Agency	\$4 million	Defense Logistics Agency said it obligated \$146 million in test program contracts
Department of Justice’s Federal Prison Industries	\$118 million	After reviewing portions of FPDS data, about \$31 million in contract actions, Federal Prison Industries said none of those items were purchased under the test program

Sources: FPDS (data); GAO (analysis).

GAO also found data reliability problems with contract data in DOD’s own data system—the Defense Contract Action Data System (DCADS)—which feeds into FPDS on an ongoing basis. For example, for fiscal year 2002, DCADS showed about \$146 million in test program contract actions for two buying organizations for the Naval Air Systems Command and the Defense Intelligence Agency. After reviewing contract actions that had the highest dollar value, procurement officials at these two DOD buying organizations said that none of the entries were awarded through the test program. There were also reliability problems at other buying commands.

The federal buying organizations we visited have not collected any other data that would allow us to assess whether the test program is helping to increase efficiency, improve contract prices, reduce administrative costs, or improve the delivery of goods and services. Anecdotal evidence indicates that the test program is getting favorable reviews. For example, nearly all procurement officials with whom GAO spoke at the buying organizations GAO visited indicated that the program’s primary benefit is the ability to process a contract more efficiently.