

Why GAO Did This Study

When awarding a contract competitively, agencies can evaluate proposals using a best value, LPTA process that assesses which firm offered the lowest priced technically acceptable proposal. Section 813 of the NDAA for Fiscal Year 2017, as amended, included limitations on DOD's use of the LPTA process and required DOD to revise its acquisition regulation to reflect new criteria for use of the LPTA process. Section 880 of the NDAA for Fiscal Year 2019 required the FAR to be updated with similar requirements for civilian agencies.

Sections 813 and 880 also included provisions for GAO to report on the number of instances where the LPTA process was used for contracts exceeding \$5 million. This report describes (1) the status of regulatory changes governing the use of the LPTA process; and (2) the extent to which DOD and selected civilian agencies used the LPTA process to competitively award contracts and orders valued over \$5 million in fiscal year 2018.

GAO interviewed DOD and civilian agency officials involved in revising the DFARS and the FAR. GAO used data from the Federal Procurement Data System-Next Generation to select the top four DOD components and the top five civilian agencies based on the total number of contracts and orders valued at \$5 million or more and competitively awarded in fiscal year 2018. Using this data, GAO developed generalizable samples to estimate these components' and agencies' use of the LPTA process in fiscal year 2018.

View [GAO-19-691](#). For more information, contact Timothy J. DiNapoli at (202) 512-4841 or dinapoli@gao.gov.

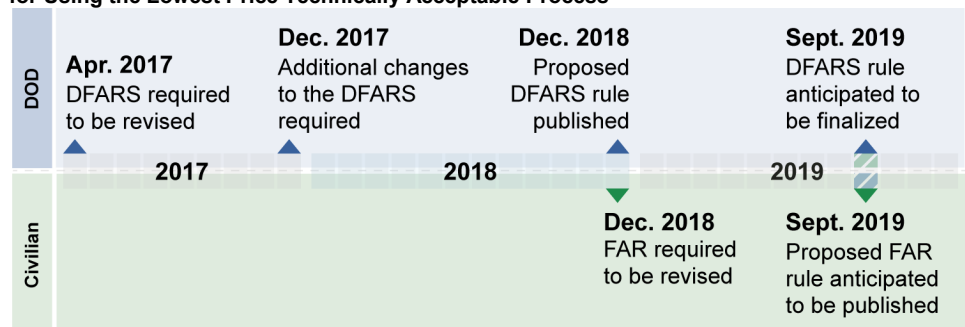
FEDERAL CONTRACTING

Information on Agencies' Use of the Lowest Price Technically Acceptable Process

What GAO Found

Defense and civilian agencies are in the process of revising acquisition regulations to include criteria and limitations for using the lowest price technically acceptable (LPTA) process, as established under the National Defense Authorization Acts (NDAA) for Fiscal Years 2017 and 2019. While the Acts required revised regulations to be in place within 120 days of enactment, officials involved in revising the regulations stated that this process typically takes at least a year. The Department of Defense (DOD) issued a proposed Defense Federal Acquisition Regulation Supplement (DFARS) rule in December 2018 and expects the rule to be finalized by the end of fiscal year 2019. Officials responsible for revising the Federal Acquisition Regulation (FAR) have drafted a proposed FAR rule. The proposed FAR rule is scheduled to be published in the Federal Register in September 2019. See the figure below for the time frames and actions taken to update the DFARS and the FAR.

Time Frames for Updating Department of Defense (DOD) and Civilian Acquisition Regulations for Using the Lowest Price Technically Acceptable Process



DFARS = Defense Federal Acquisition Regulation Supplement
FAR = Federal Acquisition Regulation

Source: National Defense Authorization Act for Fiscal Year 2017, National Defense Authorization Act for Fiscal Year 2018, John S. McCain National Defense Authorization Act for Fiscal Year 2019, and agency documentation. | GAO-19-691

Based on the results of GAO's generalizable samples, DOD used the LPTA process more frequently than selected civilian agencies in fiscal year 2018 for competitive contracts and orders valued at \$5 million or more (see table).

Estimated Department of Defense (DOD) and Selected Civilian Agency Use of the Lowest Price Technically Acceptable (LPTA) Process in Fiscal Year 2018

Defense Components and Civilian Agencies	Estimated percentage using the LPTA process ^a
DOD Army, Navy, Air Force, Defense Logistics Agency	25
Civilian General Services Administration; Departments of Veterans Affairs, Health and Human Services, Homeland Security, and Agriculture	7

Source: GAO analysis of sample data from the Federal Procurement Data System-Next Generation and data provided by selected agencies. | GAO-19-691

^aThe margin of error is +/-10 percent for the DOD sample and +/-7 percent for the civilian agency sample.