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ABSTRACT

Computer & Communications Industry Association

PROCUREMENT

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- *CCIA actively supports government procurement policies that promote competition and level playing fields. We oppose discriminatory practices against small businesses such as contract bundling.*

Background: CCIA has long recognized the critical impact that government purchasing has on the technology marketplace. True to our mission of “promoting open, barrier-free competition in the offering of computer and communications products and services worldwide,” we hold that government procurement, while providing taxpayers with the best products at low prices, should also be a marketplace that promotes competition and a level playing field. Throughout its history CCIA has actively supported government purchasing policies that foster these goals.

CCIA’s Positions:

CCIA believes that the broader the range of options there are for government procurement, the better. In the past, this core commitment to a true “level playing field” – without preferences based on anticompetitive interests – has led us to support technology-neutral and vendor-neutral procurement policies that treat open source products as an equal alternative to proprietary software. From a security standpoint, we have continued to advocate for technology diversity and the deployment of interoperable systems and software platforms.

CCIA also opposes procurement practices such as “contract bundling” that discriminate against small businesses. This practice involves consolidating several smaller contracts into a large, mega-contract. It has the effect of shutting out smaller businesses that are unable to compete because they may not have the resources to deliver every element of the mega-contract, even if they can deliver some of the components in a cheaper and more efficient way.

Yet it is not just small businesses that suffer under the proliferation of bundled contracts. Taxpayers are made to pay for higher priced goods and services. Eliminating contract bundling and requiring firms to compete on the price and quality of goods and services provides tremendous cost-saving benefits to the American taxpayer.

Current Issues: The federal government has set itself a goal to award 23 percent of its contracting dollars to small businesses. However, according to the Small Business Administration’s scorecard, 12 of 24 departments failed to meet that goal in fiscal 2006. Not only is the government falling short of its goal, but the SBA also found continuing inaccuracies in small business contract data. If the government cannot even accurately measure the current volume of small business contracting, it is impossible to have meaningful oversight and to take steps to protect competition and market access.

Despite the Administration's public decision to curb its use of contract bundling progress has been slow, as federal agencies continue to shift IT spending to large multiple-order contracts. Last May, the House passed H.R. 1873, the Small Business Fairness in Contracting Act, which would redefine the term "bundled contract" and increase the government-wide small business contracting goal to 30 percent. In the Senate, S. 2300, the Small Business Contracting Revitalization Act has been reported by the Senate Small Business and Entrepreneurship Committee, and awaits floor action.