

**Calendar No. 80**

117TH CONGRESS }  
*1st Session* }

SENATE

{ REPORT  
117-26

PROMOTING RIGOROUS AND INNOVATIVE  
COST EFFICIENCIES FOR FEDERAL  
PROCUREMENT AND ACQUISITIONS  
ACT OF 2021

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R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

TO ACCOMPANY

S. 583

TO PROMOTE INNOVATIVE ACQUISITION TECHNIQUES  
AND PROCUREMENT STRATEGIES, AND FOR OTHER PURPOSES



JUNE 21, 2021.—Ordered to be printed

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### PROMOTING RIGOROUS AND INNOVATIVE COST EFFICIENCIES FOR FEDERAL PROCUREMENT AND ACQUISITIONS ACT OF 2021

JUNE 21, 2021.—Ordered to be printed

Mr. PETERS, from the Committee on Homeland Security and Governmental Affairs, submitted the following

### R E P O R T

[To accompany S. 583]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 583) to promote innovative acquisition techniques and procurement strategies, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

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#### I. PURPOSE AND SUMMARY

The purpose of S. 583, the Promoting Rigorous and Innovative Cost Efficiencies for Federal Procurement and Acquisitions Act of 2021, or the PRICE Act of 2021, is to encourage innovation in Federal procurement. The PRICE Act encourages reform by identifying and promoting best practices to modernize how the Federal Government operates, including with regard to small business participation in the Federal marketplace. S. 583 does this by requiring

the Department of Homeland Security (DHS) to develop guidance and training to improve procurement methods based on the experience of its Procurement Innovation Lab (PIL). Additionally, S. 583 requires the Administrator of the Office of Federal Procurement Policy (OFPP) to convene the Chief Acquisition Officers Council (CAO Council) to identify and widely disseminate best practices in modernizing Federal contracting, including utilizing small businesses.<sup>1</sup>

## II. BACKGROUND AND THE NEED FOR LEGISLATION

The PIL is housed in the DHS Office of the Chief Procurement Officer.<sup>2</sup> The PIL’s mission is to “foster a culture of procurement excellence where smart risk-taking and innovation assure DHS mission success.”<sup>3</sup> The overall objectives of the PIL are “lowering barriers to entry for small businesses and non-traditional vendors, encouraging competition, shortening time to award, and increasing the likelihood of successful outcomes under contract performance.”<sup>4</sup> In fiscal year 2019, the PIL supported all nine of the DHS components, issuing awards for 52 projects.<sup>5</sup> It also conducted webinars to spread best practices, conducting 43 webinars for 10,105 attendees in 2019.<sup>6</sup> The PIL has been invited to conduct training events for OFPP and other agencies, as well as DHS components.<sup>7</sup>

In order to further improve the PIL’s ability to communicate procurement best practices throughout the Federal Government, and to improve utilization of acquisition innovation best practices generally, the PRICE Act requires the PIL to issue an annual report on its business projects and encourages dissemination of acquisition best practices—including those practices that improve the utilization of small businesses.

The PRICE Act also requires that the Administrator of the OFPP convene the CAO Council to identify best practices for modernizing Federal contracting and disseminate that information across the Federal Government—again, making sure that small business contracting is included. The CAO Council, or a working group of the council, is required to report to Congress within one year and provide briefings on its methods to share innovative practices. Providing concrete examples of success and sharing best practices government-wide will give the acquisition workforce much needed practical support to improve the procurement process.

## III. LEGISLATIVE HISTORY

S. 583 was introduced on March 3, 2021, by Senators Gary Peters (D–MI), Joni Ernst (R–IA), and Thomas Carper (D–DE). The bill was referred to the Committee on Homeland Security and Gov-

<sup>1</sup>On December 14, 2020, the Committee approved S. 3038, the Promoting Rigorous and Innovative Cost Efficiencies for Federal Procurement and Acquisitions Act of 2019, which is substantially similar to S. 583. Accordingly, this Committee report is in large part a reproduction of the Committee report for S. 3038, S. Rep. No. 116–315.

<sup>2</sup>Procurement Innovation Lab, U.S. Department of Homeland Security, *Fiscal Year 2019 Yearbook: Coaching Innovation* (June 30, 2020) ([https://www.dhs.gov/sites/default/files/publications/pilyearbookfy19\\_digital.pdf](https://www.dhs.gov/sites/default/files/publications/pilyearbookfy19_digital.pdf)).

<sup>3</sup>*Id.* at 2.

<sup>4</sup>*Id.* at 5.

<sup>5</sup>*Id.* at 9.

<sup>6</sup>*Id.* at 10.

<sup>7</sup>Jason Miller, *How DHS’ Innovation Lab is Helping Other Offices Get Into Shape*, Federal News Network (Sept. 18, 2018) (<https://federalnewsnetwork.com/acquisition-policy/2018/09/how-dhs-innovation-lab-is-helping-other-acquisition-offices-get-into-shape/>).

ernmental Affairs. Senator Susan M. Collins (R–ME) later joined as a co-sponsor.

The Committee considered S. 583 at a business meeting on March 17, 2021. The legislation passed by voice vote *en bloc* with Senators Peters, Rosen, Padilla, Portman, Johnson, Lankford, Romney, Scott, and Hawley present.

#### IV. SECTION BY SECTION ANALYSIS OF THE BILL, AS REPORTED

##### *Section 1. Short title*

This section establishes the short title of the bill as the “Promoting Rigorous and Innovative Cost Efficiencies for Federal Procurement and Acquisitions Act of 2019” or the “PRICE Act of 2019.”

##### *Section 2. Findings*

This section contains findings regarding DHS and its procurement operations. These findings include that small business participation in the Federal marketplace is not only important economically, it is also required by law. Over the past ten years, DHS has received top ratings for small business utilization.

##### *Section 3. Definitions*

This subsection establishes the definitions of terms used in this bill.

##### *Section 4. Procurement Innovation Lab Report*

This section requires the PIL to issue an annual report and describes the contents of that report. This section also requires the DHS Under Secretary for Management to develop guidance and offer training to contracting personnel, and share any best practices found. This section also sunsets the report three years after enactment.

##### *Section 5. Council*

This section requires the CAO Council to convene within 45 days to examine best practices in acquisition innovation, including small business contracting, and disseminate this information. It permits, but does not require, a working group on these topics. The working group, or the CAO Council as a whole, is required to examine acquisition innovation, report to Congress, and brief Congressional staff. These duties terminate 30 days after the staff briefings.

#### V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office’s statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

## VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATES

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, April 6, 2021.*

Hon. GARY C. PETERS,  
*Chairman Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 583, the PRICE Act of 2021. If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

PHILLIP L. SWAGEL,  
*Director.*

Enclosure.

<b>S. 583, PRICE Act of 2021</b>			
As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on March 17, 2021			
By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
Direct Spending (Outlays)	*	*	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

S. 583 would require the Department of Homeland Security (DHS) to report on innovative techniques for procurement and to develop guidance and training to improve procurement methods based on the experience of its Procurement Innovation Lab. In addition, the bill would require the Office of Federal Procurement Policy (OFPP) to convene the Chief Acquisition Officers Council to identify and widely disseminate best practices to improve federal contracting.

CBO expects that S. 583 would codify many existing policies and practices. DHS currently reports and issues guidance based on its experience with the lab, and OFPP memoranda and policies have stressed innovation to make federal procurement more effective and efficient since 2014. Thus, although CBO expects that S. 583 would probably change some methods and activities in the procurement process across most federal agencies, we estimate that implementing the bill would not significantly affect spending subject to appropriation over the 2021–2026 period.

Because most federal agencies would be affected by the bill requirements, enacting S. 583 could affect direct spending by some

agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

The CBO staff contacts for this estimate are Matthew Pickford (for general government) and Lindsay Wylie (for the Department of Homeland Security). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

#### VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

Because S. 583 would not repeal or amend any provision of current law, it would make no changes in existing law within the meaning of clauses (a) and (b) of paragraph 12 of rule XXVI of the Standing Rules of the Senate.