105TH CONGRESS
1ST SESSION

S. 354

To amend the Federal Property and Administrative Services Act of 1949
to prohibit executive agencies from awarding contracts that contain a
provision allowing for the acquisition by the contractor, at Government
expense, of certain equipment or facilities to carry out the contract,
if the principal purpose of such provision is to increase competition
by establishing an alternative source of supply for property or services.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 1997

Mr. KENNEDY (for himself and Mr. KERRY) introduced the following bill;
which was read twice and referred to the Committee on Governmental Affairs

A BILL

To amend the Federal Property and Administrative Services
Act of 1949 to prohibit executive agencies from awarding
contracts that contain a provision allowing for the acqui-
sition by the contractor, at Government expense, of cer-
tain equipment or facilities to carry out the contract,
if the principal purpose of such provision is to increase
competition by establishing an alternative source of sup-
ply for property or services.

1   *Be it enacted by the Senate and House of Representa-*

2   *tives of the United States of America in Congress assembled,*

SECTION 1. PROHIBITION ON CERTAIN CONTRACT PROVISION FOR PURPOSE OF INCREASING COMPETITION BY ESTABLISHING ALTERNATIVE SOURCE OF SUPPLY.

Section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) is amended by adding at the end the following new subsection:

"(j) In conducting a procurement of property or services covered by this section, an executive agency may not award a contract that contains a provision allowing for the contractor to acquire, at Government expense, production, construction, or technical equipment or facilities to carry out the contract, if the principal purpose of such provision is to increase competition by establishing an alternative source of supply for that property or service.".

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