

Congress recently passed two spending bills that prevent several Government agencies from making the personnel cuts that must be made to continue reinventing Government and to finance the crime bill. Today, I'm asking Congress to get rid of those restrictions on our ability to cut back big government and to do more with less. This is a matter of principle as well as practice. No agency anywhere should be exempt from doing its job as efficiently as possible. The Federal employees don't want it that way. It's not fair to some and not others, and it won't permit our system to work as it should.

Finally, let me say this. Most of you here care a lot about all this. But a lot of people don't get very excited about it. And far too many can't imagine that Government could ever change itself. But bit by bit, the things we are doing, like the thing we are doing today, we'll be able to prove, by actions not words, that we can use taxpayers money wisely and with respect, in an appropriate way. After all, the American people own this place. They are our employers as well as our customers. They deserve the same honesty and efficiency from their Government they demand from the private sector. They should settle for nothing less. With this historic law, we are taking another big step in meeting their expectations and in doing our duty.

To all of you who have made this day possible, I say a profound thank you.

NOTE: The President spoke at 11:30 a.m. in the Rose Garden at the White House. In his remarks, he referred to Michelle Cradduck, Contract Specialist, Public Health Service, Division of Acquisition Management. S. 1587, approved October 13, was assigned Public Law No. 103-355.

Executive Order 12931—Federal Procurement Reform

October 13, 1994

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to ensure effective and efficient spending of public funds through fundamental reforms in Government procurement, it is hereby ordered as follows:

Section 1. To make procurement more effective in support of mission accomplishment and consistent with recommendations of the National Performance Review, heads of executive agencies engaged in the procurement of supplies and services shall: (a) Review agency procurement rules, reporting requirements, contractual requirements, certification procedures, and other administrative procedures over and above those required by statute, and, where practicable, replace them with guiding principles that encourage and reward innovation;

(b) Review existing and planned agency programs to assure that such programs meet agency mission needs;

(c) Ensure that procurement organizations focus on measurable results and on increased attention to understanding and meeting customer needs;

(d) Increase the use of commercially available items where practicable, place more emphasis on past contractor performance, and promote best value rather than simply low cost in selecting sources for supplies and services;

(e) Ensure that simplified acquisition procedures are used, to the maximum extent practicable, for procurements under the simplified acquisition threshold in order to reduce administrative burdens and more effectively support the accomplishment of agency missions;

(f) Expand the use of the Government purchase card by the agency and take maximum advantage of the micro-purchase authority provided in the Federal Acquisition Streamlining Act of 1994 by delegating the authority, to the maximum extent practicable, to the offices that will be using the supplies or services to be purchased;

(g) Establish clear lines of contracting authority and accountability;

(h) Establish career education programs for procurement professionals, including requirements for successful completion of educational requirements or mandatory training for entry level positions and for promotion to higher level positions, in order to ensure a highly qualified procurement work force;

(i) Designate a Procurement Executive with agency-wide responsibility to oversee development of procurement goals, guide-

lines, and innovation, measure and evaluate procurement office performance against stated goals, enhance career development of the procurement work force, and advise the agency heads whether goals are being achieved; and

(j) Review existing and planned information technology acquisitions and contracts to ensure that the agency receives the best value with regard to price and technology, and consider alternatives in cases where best value is not being obtained.

Sec. 2. The Director of the Office of Personnel Management, in consultation with the heads of executive agencies, shall ensure that personnel policies and classification standards meet the needs of executive agencies for a professional procurement work force.

Sec. 3. The Administrator of the Office of Federal Procurement Policy, after consultation with the Director of the Office of Management and Budget, shall work jointly with the heads of executive agencies to provide broad policy guidance and overall leadership necessary to achieve procurement reform, including, but not limited to: (a) Coordinating Government-wide efforts;

(b) Assisting executive agencies in streamlining guidance for procurement processes;

(c) Identifying desirable Government-wide procurement system criteria; and

(d) Identifying major inconsistencies in law and policies relating to procurement that impose unnecessary burdens on the private sector and Federal procurement officials, and, following coordination with executive agencies, submitting necessary legislative initiatives to the Office of Management and Budget for the resolution of such inconsistencies.

Sec. 4. Executive Order No. 12352 is revoked.

William J. Clinton

The White House,
October 13, 1994.

[Filed with the Office of the Federal Register,
4:48 p.m., October 13, 1994]

NOTE: This Executive order was published in the *Federal Register* on October 17.

Memorandum on Federal Procurement

October 13, 1994

Memorandum for the Heads of Executive Departments and Agencies, the President's Management Council

Subject: Continued Commitment to Small, Small Disadvantaged, and Small Women-Owned Businesses in Federal Procurement

It is the policy of the Federal Government that a fair proportion of its contracts be placed with small, small disadvantaged, and small women-owned businesses. Such businesses should also have the maximum practicable opportunity to participate as subcontractors in contracts awarded by the Federal Government consistent with efficient contract performance. I am committed to the continuation of this policy. Therefore, I ask that you encourage the use of various tools, including set-asides, price preferences, and section 8(a) of the Small Business Act (15 U.S.C. 637(a)), as necessary to achieve this policy objective.

The Federal Acquisition Streamlining Act of 1994 authorizes civilian agencies to utilize set-aside procurements for small disadvantaged businesses. The Act also, for the first time, establishes goals for contracting with small women-owned businesses. These provisions, along with others in the Act, will provide greater access to Federal Government business opportunities for small, small disadvantaged, and small women-owned businesses. Department and agency heads should ensure that efforts to streamline acquisition procedures encourage the participation of these businesses in Federal procurements.

This memorandum shall be published in the *Federal Register*.

William J. Clinton

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