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## United States Senate

COMMITTEE ON  
GOVERNMENT OPERATIONS  
SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES,  
EFFICIENCY, AND OPEN GOVERNMENT

(202) 224-0211

(PURSUANT TO SEC. 7, S. RES. 4, 94TH CONGRESS)

WASHINGTON, D.C. 20510

April 4, 1976

Honorable Hugh E. Witt  
Administrator  
Office of Federal Procurement Policy  
Office of Management and Budget  
Executive Office of the President  
Washington, D. C. 20503

Dear Mr. Witt:

This is in response to your March 5 submittal of the new Major Systems Policy Circular to the Committee on Government Operations, pursuant to Section 8(b) of Public Law 93-400.

As you know, remaining issues over the language of the Circular itself were resolved prior to submittal to the Congress. It is with considerable satisfaction, therefore, that I congratulate you and your office for accomplishing such an important milestone in what has been over a three-year reform effort.

The provisions of the Circular embody the reform precepts put forward by the Commission on Government Procurement report on Major Systems Acquisition, calling for earlier and more sustained competition; front-end decisions based on mission needs and corollary flexibility passed down to competitors; a clear assignment of roles and responsibilities; and other reforms which we can all agree hold promise of vast improvements in the system acquisition efforts of all agencies.

*Handwritten:*  
Hewitt  
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In this regard, I would suggest that the Commission's report, as well as the public hearings before the Subcommittee, be used as the authoritative interpretive guides for the Circular. It is our understanding that Office of Federal Procurement Policy plans to develop a companion narrative document to spell out interpretations and we would like to request that the Committee participate in the development of this material.

As you are aware, we plan to place heavy emphasis on implementation of the Circular which, by itself, means little unless fully complied with. We anticipate conducting oversight hearings to this end, as well as to monitor the plans and progress made toward putting the policies and procedures into effect. In this regard, the following critical areas would appear to be of most concern and warrant special attention:

- Section 4(b), coverage within the full intent.
- Section 6(a), agency decision documentation written in mission terms.
- Section 8(a), designation of an effectively located and empowered acquisition executive.
- Section 8(f), in-house organizations focused on the listed activities.
- Section 9, a clear decision structure and documentation for the four key decisions, particularly the agency head decision called for in section 9(a).
- Section 10(b), clear agency head assignment of role to components.
- Section 11(b), qualified firms to include newer and smaller businesses who should be encouraged to participate.
- Section 11(e), strict compliance of all Requests For Proposal with these provisions.

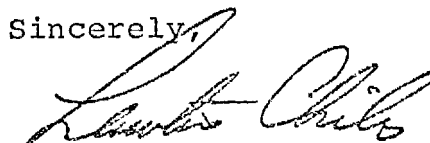
- Section 11(f), broad and balanced source selection officials.
- Section 11(g), conformance with incremental funding arrangements.
- Section 11(j), clear agency head authorizations for subsystem exceptions.
- Sections 12(c) and 15(b), clear agency head rejection of competitive system demonstrations and congressional notification.
- Sections 13(b) and (c), mission operational test and evaluation before full-scale development and production commitment.
- Section 14, strict compliance with budget provisions.

It is our intention to work closely with OFPP during the next six month planning stage and wish to offer the Committee's full support and cooperation.

Again, my personal compliments to you and the OFPP people responsible for taking this important step.

With best regards,

Sincerely,



LAWTON CHILES  
Chairman

LC:csb

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