Approved For Release 2004/12/02 : CIA-RDP81M00980R000600330018-1

25 MAY 1978

MEMORANDUM FOR: Office of Legislative Counsel ATTENTION: FROM: Chief, Procurement Management Staff, Office of Logistics

SUBJECT: Federal Acquisition Act of 1977, S.1264

REFERENCE: Memo dtd 24 June 1977 - Same Subject

1. The following comments are provided in response to your request for our review of subject Act to determine whether or not it contains anything that would have an adverse impact on the Agency.

2. Section 701 provides for the vestment of authority in the Comptroller General to decide any protest submitted. No provision is made for processing classified contracts. We oppose any legislation that establishes GAO review of unvouchered expenditures. Under Section 8 of the CIA Act of 1949, unvouchered funds are not subject to GAO review (vouchered funds are subject to GAO review, but this authority is not exercised). Inasmuch as Section 8 of the CIA Act remains in force, this could be a moot point. In short, we have no objection to Section 701 providing Section 8 of the CIA Act remains in force.

3. Section 511 provides for interest to be paid to the contractor on any amount due to the contractor for more than 30 days. The Office of Federal Procurement Policy, OMB, has opposed such legislation, in part, because of the undue administrative burden it would impose. We, likewise, find that such a provision would impose an additional burden out of proportion to whatever benefits might accrue.

4. In the event you have any question relative to these <u>comments</u>, please call David Woldorf of this Staff on extension

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Chief, Procurement Management				OL 8 2304
- Staff, Office of Lo	gistic	S		25 May 1978
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