

may not enter into an undefinitized contractual action for a foreign military sale unless the contractual action provides for agreement upon contractual terms, specifications, and price by the end of the 180-day period described in subsection (b)(1)(A).

“(2) The requirement under paragraph (1) may be waived in accordance with subsection (b)(4).”; and

(4) in subsection (i), as redesignated by paragraph (2)—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B), (C), and

(D) as subparagraphs (A), (B), and (C), respectively; and

(B) in paragraph (2), by striking “complete and meaningful audits” and all that follows through the period and inserting “a meaningful audit of the information contained in the proposal.”.

SEC. 812. AMENDMENTS RELATING TO INVENTORY AND TRACKING OF PURCHASES OF SERVICES.

(a) **INCREASED THRESHOLD.**—Subsection (a) of section 2330a of title 10, United States Code, is amended by striking “in excess of the simplified acquisition threshold” and inserting “in excess of \$3,000,000”.

(b) **SPECIFICATION OF SERVICES.**—Subsection (a) of such section is further amended by striking the period at the end and inserting the following: “, for services in the following service acquisition portfolio groups:

“(1) Logistics management services.

“(2) Equipment related services.

“(3) Knowledge-based services.

“(4) Electronics and communications services.”.

(c) **INVENTORY SUMMARY.**—Subsection (c) of such section is amended—

(1) by striking “(c) INVENTORY.—” and inserting “(c) INVENTORY SUMMARY.—”; and

(2) in paragraph (1), by striking “submit to Congress an annual inventory” and all that follows through “for or on behalf” and inserting “prepare an annual inventory, and submit to Congress a summary of the inventory, of activities performed during the preceding fiscal year pursuant to staff augmentation contracts on behalf”.

(d) **ELIMINATION OF CERTAIN REQUIREMENTS.**—Such section is further amended—

(1) by striking subsections (d), (g), and (h); and

(2) by redesignating subsections (e), (f), (i), and (j) as subsections (d), (e), (g), and (h), respectively.

(e) **SPECIFICATION OF SERVICES TO BE REVIEWED.**—Subsection (d), as so redesignated, of such section, is amended in paragraph (1) by inserting after “responsible” the following: “, with particular focus and attention on the following categories of high-risk product service codes (also referred to as Federal supply codes):

“(A) Special studies or analysis that is not research and development.

“(B) Information technology and telecommunications.

“(C) Support, including professional, administrative, and management.”.

(f) COMPTROLLER GENERAL REPORT.—Such section is further amended by inserting after subsection (e), as so redesignated, the following new subsection (f):

“(f) COMPTROLLER GENERAL REPORT.—Not later than March 31, 2018, the Comptroller General of the United States shall submit to the congressional defense committees a report on the status of the data collection required in subsection (a) and an assessment of the efforts by the Department of Defense to implement subsection (e).”.

(g) DEFINITIONS.—Subsection (h), as so redesignated, of such section is amended by adding at the end the following new paragraphs:

“(6) The term ‘service acquisition portfolio groups’ means the groups identified in Department of Defense Instruction 5000.74, Defense Acquisition of Services (January 5, 2016) or successor guidance.

“(7) The term ‘staff augmentation contracts’ means services contracts for personnel who are physically present in a Government work space on a full-time or permanent part-time basis, for the purpose of advising on, providing support to, or assisting a Government agency in the performance of the agency’s missions, including authorized personal services contracts (as that term is defined in section 2330a(g)(5) of this title).”.

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note.

SEC. 813. USE OF LOWEST PRICE TECHNICALLY ACCEPTABLE SOURCE SELECTION PROCESS.

(a) STATEMENT OF POLICY.—It shall be the policy of the Department of Defense to avoid using lowest price technically acceptable source selection criteria in circumstances that would deny the Department the benefits of cost and technical tradeoffs in the source selection process.

(b) REVISION OF DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall revise the Defense Federal Acquisition Regulation Supplement to require that, for solicitations issued on or after the date that is 120 days after the date of the enactment of this Act, lowest price technically acceptable source selection criteria are used only in situations in which—

(1) the Department of Defense is able to comprehensively and clearly describe the minimum requirements expressed in terms of performance objectives, measures, and standards that will be used to determine acceptability of offers;

(2) the Department of Defense would realize no, or minimal, value from a contract proposal exceeding the minimum technical or performance requirements set forth in the request for proposal;

(3) the proposed technical approaches will require no, or minimal, subjective judgment by the source selection authority as to the desirability of one offeror’s proposal versus a competing proposal;

(4) the source selection authority has a high degree of confidence that a review of technical proposals of offerors other than the lowest bidder would not result in the identification of factors that could provide value or benefit to the Department;