

May 3, 2016



The Honorable John McCain  
Chairman  
Committee on Armed Services  
United States Senate  
218 Russell Senate Office Building  
Washington, DC 20510

Dear Chairman McCain,

I am writing on behalf of the Northern Virginia Technology Council (NVTC), a regional trade association representing nearly 1,000 member companies, firms and organizations, to urge your support for S. 2826, the *“Promoting Value Based Defense Procurement Act of 2016”* and its inclusion in the FY 2017 National Defense Authorization Act (NDAA) during the upcoming markup. This bipartisan legislation, which was introduced by Senators Warner and Rounds, would ensure that the Department of Defense (DoD) seeks the best long-term value for taxpayers during the procurement process for complex information technology and engineering services by providing greater clarity on DoD’s use of Lowest Price Technically Acceptable (LPTA) evaluation criteria and ensuring that DoD is using LPTA in the most effective and appropriate manner. Moreover, S. 2826 directs DoD to avoid, to the maximum extent practicable, LPTA criteria when the procurement is for information technology, systems engineering and technical assistance, or other knowledge-based professional services.

Northern Virginia and the Greater Washington region have a strong concentration of innovative technology businesses and a world class talent pool with a history and shared mission of providing the Department of Defense and America’s warfighters with mission critical technology solutions and support. We recognize that advanced technology and innovation are key to maintaining DoD’s superiority in an increasingly competitive national security environment. This is especially critical in light of statements made by Under Secretary of Defense for Acquisition, Technology and Logistics Frank Kendall before the Senate Appropriations Subcommittee on Defense on April 20 where he indicated that DoD is “deeply concerned about the adverse trends in maintaining U.S. military technological superiority.”

NVTC strongly believes that protecting U.S. warfighters and interests should be the top priority of defense acquisition policy for vital technologies. While LPTA has certain appropriate uses, especially in the acquisition of commoditized goods and services, it should not be used when superior services, technology and innovation are needed to accomplish DoD’s priorities.

Under Secretary Kendall’s March 4, 2015 memo to top DoD officials indicates that LPTA should play a limited role in the DoD’s acquisition process, and that LPTA procurements are the appropriate selection source “only where there are well-defined requirements, the risk of unsuccessful contract performance is minimal, price is a significant factor in the source selection, and there is neither value, need, nor willingness to pay for higher performance.” He also notes

that, if LPTA is not applied appropriately, DoD “can miss an opportunity to secure an innovative, cost-effective solution to meet warfighter needs to help maintain [its] technical advantage.” However, in the fourteen months since this guidance was issued, we continue to hear reports from the technology sector we represent that LPTA is still being utilized far more frequently in our sector than the limited use envisioned by the Kendall memo. We are especially concerned that this continues to be the case with respect to contracts for vital information technology, cybersecurity, advanced data analytics, modeling and simulation, robotics, and other high-value technology services and products.

NVTC believes that innovation and technological advancement are key to our continued national security. While LPTA is a useful and cost-effective source selection evaluation method in certain circumstances, its misapplication is detrimental to ensuring our nation continues to use, produce and drive innovative and cutting edge IT and engineering solutions. When it comes to maintaining America’s superiority in producing and leveraging technology and innovation, we believe DoD should utilize procurement methods that provide the best product or service at the lowest price, not the lowest priced product or service.

Thus, we strongly support the Warner/Rounds “*Promoting Value Based Defense Procurement Act of 2016*” (S.2826)’ and request that you support its inclusion in the FY 2017 NDAA.

Thank you for your consideration.



Bobbie Kilberg  
President & CEO  
Northern Virginia Technology Council

