



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 19, 2011

**S. 498
Independent Task and Delivery Order Review Extension Act of 2011**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on April 13, 2011*

S. 498 would amend federal law to extend the process for protesting the awards of certain civilian agency procurements. Under the legislation, contractors could protest certain task and delivery order contracts through September 30, 2016. In addition, the legislation would provide that no funds are authorized to be appropriated for processing protests made under the bill.

Task and delivery order contracts authorize deliveries during the life of the contract without specifying a firm quantity of supplies or services. Such contracts are often used when an agency cannot determine the precise number of supplies or services that will be required. Under current law, contractors under such orders can protest the award of any order valued over \$10 million, and the Government Accountability Office (GAO) has exclusive jurisdiction to hear those protests through May 2011. S. 498 would extend those procedures through September 2016.

Information from GAO and several civilian agencies indicates that more than 100 cases have been filed to protest contract awards during the past two years; 50 percent of the protestors have reported obtaining some form of relief from the procuring agency. The form of relief can vary from improvements in the procurement process to reimbursement of the protestors' costs. Based on that information, CBO expects that complying with the bill would increase the administrative expenses of federal agencies for contract personnel, lawyers, and general administrative overhead. Such expenses would generally be paid from agencies' salaries and expense budgets, which are subject to annual appropriation. CBO estimates that such costs would total a few million dollars over the 2011-2016 period.

Enacting S. 498 also could affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the Bonneville Power Administration; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would not be significant. Enacting S. 498 would not affect revenues.

S. 498 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On March 16, 2011, CBO transmitted a cost estimate for H.R. 899, a bill to amend title 41, United States Code, to extend the sunset date for certain protests of task and delivery order contracts. The two pieces of legislation are similar, and CBO's estimate of their costs is the same.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.