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Private Company to Oversee Database on Public Contracts

Some lawmakers and experts criticize the government's switch, saying it could increase costs and eliminate access to information.

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WASHINGTON — The federal government, which has turned over significant military functions to private contractors in recent years, has hired a computer firm to manage information about all government contracts with private companies — including billions of dollars in military contracts.

The General Services Administration, which maintains government databases on federal contracts, will turn over control of all contractor data to a Virginia-based company today. The agency says the new arrangement will provide information about contracts to Congress, the news media and the public more efficiently, cheaply and accurately.

Some members of Congress and independent experts have criticized the change, saying it could increase costs and eliminate direct public access to information about billions of dollars in federal contracts. They say putting government data in the hands of a for-profit company will make the federal contracting process less transparent.

Calling the new arrangement "ominous," Sen. Tom Harkin (Iowa) told a Senate hearing last month that the move raised "all kinds of issues about whether we can get the information freely."

Aron Pilhofer, database editor at the Center for Public Integrity, a watchdog group, said the change essentially "commoditizes" public records by turning them into commercial products.

The General Services Administration database is a valuable source for journalists, watchdog groups and academics who track government spending on private contracts. It is also used by companies to keep up with competitors, and by members of Congress and government agencies to monitor federal spending.



DOUG MILLS/Associated Press
SKEPTICAL: Sen. Tom Harkin calls the government's new arrangement "ominous."

The database — the Federal Procurement Data System — has become especially significant during the war in Iraq, as critics have raised questions about lucrative contracts awarded to military contractors. Halliburton Co., in particular, has come under scrutiny for no-bid, multi-billion-dollar Pentagon contracts.

David A. Drabkin, the federal agency's deputy chief acquisition officer, said the new system would replace an antiquated one from the 1980s that was criticized for long delays and data errors. He said the agency would still own and control all data, but would improve access to it through a sophisticated computer system run by Global Computer Enterprises of Reston, Va.

Drabkin said Global would not be permitted to resell the data without the agency's approval.

David Lucas, Global's director of change management, said the company made its money by developing information systems, not by selling data. He said the firm would provide federal contract information faster and cheaper than the federal agency while ensuring "unparalleled transparency for how the government spends tax dollars."

Global won a \$34-million, seven-year contract after competing with 10 companies, Drabkin said. For the last 12 months, the company has been phasing

in the new system, receiving contract data from some federal agencies. The system is expected to be fully in place today, Drabkin said.

Rather than submitting contract information to the General Services Administration, more than 70 federal agencies will send it directly to Global. That troubles critics, who say the move cuts off public access as part of a Bush administration strategy to turn important government functions over to private industry.

Steven L. Schooner, a former federal procurement official who teaches procurement law at George Washington University, said the government had cut so many federal acquisition positions that it had been forced to hire a private firm to do the work of government employees.

"The government has no choice at this point but to enter into larger and more complicated contracts because they don't have enough people to manage the contracts," Schooner told a Senate hearing last month. "So they're being penny wise and pound foolish by not staffing up their acquisition workforce."

Schooner said that the federal system had "been a model of transparency because anyone could sit down at a computer and log in the name of a firm and find out all the contracts they've been awarded." Whether such direct access will be maintained — and at what cost — are "legitimate concerns," Schooner said.

Drabkin said anyone would be able to access the agency's reports online at no charge. For direct access to raw data, there will be a one-time \$2,500 fee (except for members of Congress) to cover the cost of connecting a user to Global's network. Watchdog groups say the fee would have been far higher if not for pressure applied by them on the General Services Administration.

The Project On Government Oversight, which monitors government waste and fraud, said the first report under the new system was eight pages long; it was 192 pages the previous year. The group says the report is an indication the new system will provide less information.

Drabkin said the report, com-

plied during the transition year, was truncated because the number of federal employees maintaining data had been reduced from 15 to three as Global began to take over. He said a more detailed report would be completed next month, and next year's report would contain more information than the annual reports compiled by the General Services Administration.

Drabkin said reports on contractor information would be provided free to Congress, the news media and the public. In addition to online access, Global has set up a computer help desk, staffed 24 hours a day, seven days a week, to handle requests for information.

In most cases, Drabkin said, electronic reports would be provided within eight to 24 hours. Drabkin said most information would be available in "real time," compared with information under the previous system that was not available until months after it entered the federal database.

Under the previous system, Pilhofer said, his watchdog group paid the General Services Administration about \$500 a year for a computer disc containing a "data dump" of the previous year's contracts. The data was months old and riddled with errors, he said.

The new system should provide information more quickly and accurately, Pilhofer said. But he added that putting public records in private hands raised "very serious questions" about potential restrictions placed on use of the data.

Drabkin said Global was prohibited from denying access to information, except for restrictions imposed by agencies such as the Pentagon or the Department of Homeland Security for "operational security reasons." Such restrictions may be imposed for up to 90 days, he said.

Because the General Services Administration owns the data, Drabkin said, anyone denied access to information may file a Freedom of Information Act request.

"Whatever is coded for release, they have to release," he said. "If they don't, they are in violation of the terms and conditions of the contract, and we would take action."