



## **Procurement Legislative Update**

### *President Obama signs the Weapon System Acquisition Reform Act of 2009 (S. 454)*

President Obama signed the Weapon System Acquisition Reform Act on May 22, 2009, marking an important step in the procurement reform process. The act which aims to eliminate some of the waste and inefficiency in defense projects was sponsored in the Senate by Armed Services Committee Chairman Carl Levin (D-MI) and Ranking Member John McCain (R-AZ), and in the House by Armed Services Committee Chairman Ike Skelton (D-MO), Ranking Member John McHugh (R-NY), Defense Acquisition Reform Panel Chair Rob Andrews (D-NJ), and Ranking Member Mike Conaway (R-TX). Schedule delays and cost overruns have pushed the Congress and Administration to reform the way the Pentagon purchases major weapons systems. The Act seeks to limit cost overruns by strengthening oversight and accountability by appointing officials who will closely monitor and control costs on the weapons systems are purchased. This law also aims to improve competition and ensure that the American military can get the best weapons at the lowest cost by ending conflicts of interest in the weapons acquisition process. The Government Accountability Office in 2008 looked into 96 major defense projects and found costs overruns that totaled \$295 billion, and nearly 70 percent of the Pentagon's 96 biggest weapons programs were over budget. President Obama noted that the wasteful spending stems from out of the ordinary requirements, lack of oversight, and indefensible no-bid contracts.

The Weapon System Acquisition Reform Act will create a Pentagon office responsible for estimating the cost of new programs, under the leadership of a director who reports to the defense secretary. The act also places a greater focus on testing new weapons before they enter production to ensure technologies that are adequately developed, giving military commanders a bigger say in structuring requirements for any new weapons. Additionally, early warning systems will be put in place to address cost problems before they get out of hand. The Pentagon's biggest defense contractors, including Lockheed Martin Corp, Boeing Co, Northrop Grumman Corp, General Dynamic Corp, and Britain's BAE Systems Plc., are paying close attention to the reforms.

Click [here](#) to read the President's remarks at the signing of The Weapon's Systems Acquisition Reform Act. Click [here](#) to read the 2008 Government Accountability Office report on Defense Acquisitions.

May 27, 2009