

Defense acquisition reform: the “Amazon” amendment

Outline of changes to defense procurement

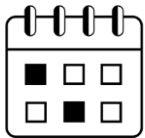


Currently, the DoD has two options for purchasing commercial off-the-shelf (COTS) products:

1. Through the DoD contracting processes (subject to DFARS)
2. Through the General Services Administration (GSA) at prices set by the agency



The purpose of using online commercial sites is to ensure the DoD gets the best price without bureaucratic slowdowns. Online purchasing would allow DoD to track and analyze procurement data, including spending, which is critical to operational efficiency, transparency and accountability.



OMB and GSA will collectively be responsible for developing a plan of implementation and scheduling, and determining which commercial items will be available for purchase. This plan will be carried out over the next few years.



Federal procurement of commercial off-the-shelf items is a **\$53 billion** market.

While unnamed in the text of the legislation, the House Armed Services Committee FY2018 NDAA conference report referred specifically to these e-commerce portal providers:

Sources: Ali Breland, “Monopoly critics decry ‘Amazon amendment,’” The Hill, November 9, 2017; HASC Communications: 52539, “Reform and Rebuild: National Defense Authorization Act for FY18,” US House of Representatives: Armed Services Committee, November, 2017; Jason Miller, “How ‘Amazon,’ 5 other acquisition provisions changed in the final defense bill,” Federal News Radio, November 13, 2017.