



**WHITE PAPER: Establish Judicious Use of Lowest Price Technically Acceptable (LPTA)
Section 813 of the 2017 National Defense Authorization Act (NDAA)
Section 825 of the 2018 NDAA (Senate Version)**

NACA Policy: Previous use of LPTA has proven inefficient for the government as a consumer and has unfairly skewed contracting opportunities against Native contractors.

Ask: Adhere and expand use government-wide of the guidance outlined in Section 813 of the 2017 NDAA signed into law on December 23, 2016 as P.L. 114-328.

Abstract: The focus on driving bidders to the lowest cost has led to an environment where the ability of a company to effectively deliver a valuable solution or outcome to the Department of Defense (DOD) is undermined by the drive to hire a company with the lowest labor rates; focusing on price over value, is particularly problematic for contracts for information technology services, engineering and technical services, and other knowledge-based services or solutions. This environment stifles innovation, and while it may appear to be a cost savings, it may in fact cost more over the long term. For these reasons LPTA source selection criteria shall be avoided for information technology services, systems engineering and technical assistance services, or other knowledge-based professional services.

Background: A number of Native contractors reported the misuse of LPTA evaluations as a criterion within the DOD, particularly in instances where the DOD offered contracts for complex professional services. NACA adopted the LPTA issue as a 2016 policy priority, worked with strategic partners, such as the Professional Services Council, and presented the issue on various visits with Congressional staff. Ultimately, the issue was given due consideration and legislative language was inserted into Section 813 of the 2017 NDAA to limit the use of LPTA.

NACA will remain vigilant, continue to monitor the issue assuring that the limitations on the use of LPTA as stipulated in Section 813 of the NDAA is incorporated into rule changes.

Update: Section 825 and 836 of the Senate Version of the 2018 NDAA now being considered expands the provisions of Section 813 from just DOD to all federal agencies. NACA supports this change.