

Strengthening Cybersecurity Through Value-Based IT Procurement

SUMMARY:

- » Government use of “Lowest Price Technically Acceptable” (LPTA) contracting, while appropriate in some circumstances, should be avoided when it comes to information technology (IT) and cybersecurity.
- » Cybersecurity is rapidly evolving; in many cases cheapest does not equal best value and can instead leave government systems vulnerable to increasingly sophisticated cyber attacks, potentially exposing sensitive information to attackers and increasing the financial costs to taxpayers.
- » Congress should pass legislation directing the Federal Acquisition Regulation to be amended to require that the government avoid LPTA contracting for IT services, cybersecurity services, and similar areas.
- » This amendment would help the government strengthen cybersecurity by acquiring products and services based on maximum cybersecurity value rather than forcing purchasing products with minimally acceptable cybersecurity measures.

BACKGROUND:

The government is entrusted with protecting the security and privacy of data ranging from sensitive military secrets to citizens’ personally identifiable information, making strong cybersecurity one of the government’s most important investments. As the government modernizes its information technology infrastructure and invests in emerging technologies such as cloud computing and artificial intelligence, how it considers cybersecurity in the acquisition of such products will greatly impact national, economic, and personal security.

Too often, government acquisitions fail to prioritize cybersecurity. LPTA contracting is a common source selection method in which an acquisition officer *must* select the bid for an acquisition that offers the lowest price while meeting minimum technical standards. The process does not allow for an acquisition officer to make judgments regarding trade-offs between cost and value, including the relative value of cybersecurity features.

LPTA is a useful source selection method for acquisitions with simple, well-defined requirements when cost is the sole differentiating factor. **However, in more complex acquisitions involving multiple technical variables or functions, such as innovative IT or cybersecurity services, LPTA’s priority of price over value leads to acquisition outcomes that actually prevent the government from getting the most for its money.** It inhibits the flexibility of the acquisition workforce to make tradeoffs between cost and desired capabilities, and risks higher long-term costs due to mission failures and contract rework actions. Moreover, it can prevent the government from acquiring products and services that offer cost-effective, innovative enhancements to government cybersecurity, creating downstream risk and cost. Given the high market demand for experienced cybersecurity professionals, lowest price options often fail to bring the most skilled personnel — a particularly risky proposition in acquiring cloud-based and other distributed IT services where vendors are responsible for vigilantly monitoring and defending sensitive networks.

LPTA also creates counterproductive incentives for contractors. It incentivizes bidders only to explain how they will perform required work; there is no incentive for offerors to detail how they will accomplish the agency’s goals. In other words, instead of creating competition among contractors for excellence, value, or innovation, the goal in a LPTA procurement is to simply pass above the minimum bar by being technically acceptable at the lowest price possible.

The Fiscal Year 2017 National Defense Authorization Act applied similar LPTA limitations to the Department of Defense, and the Pentagon has addressed LPTA as part of its “Better Buying Power” initiative. The rest of the government should now follow suit. ***Congress should pass legislation to ensure that LPTA is only used in the narrow acquisition scenarios for which it was originally intended, enabling the government to invest in smarter, more secure technologies that bring value to taxpayers.***