

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 7602  
OFFERED BY MRS. CAROLYN B. MALONEY OF  
NEW YORK**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Preventing Organiza-  
3 tional Conflicts of Interest in Federal Acquisition Act”.

**4 SEC. 2. PREVENTING ORGANIZATIONAL CONFLICTS OF IN-  
5 TEREST IN FEDERAL ACQUISITION.**

6 (a) IN GENERAL.—Not later than 18 months after  
7 the date of the enactment of this Act, the Federal Acquisi-  
8 tion Regulatory Council shall revise the Federal Acquisi-  
9 tion Regulation—

10 (1) to provide and update—

11 (A) definitions related to specific types of  
12 organizational conflicts of interest, including  
13 unequal access to information, impaired objec-  
14 tivity, and biased ground rules;

15 (B) definitions, guidance, and illustrative  
16 examples related to relationships of contractors  
17 with public, private, domestic, and foreign enti-

1           ties that may cause contract support to be sub-  
2           ject to potential organizational conflicts of in-  
3           terest, including undue influence; and

4           (C) illustrative examples of situations re-  
5           lated to the potential organizational conflicts of  
6           interest identified under this paragraph, includ-  
7           ing an example of the awarding by a Federal  
8           regulatory agency of a contract for consulting  
9           services to a contractor if employees of the con-  
10          tractor performing work under such contract  
11          are permitted by the contractor to simulta-  
12          neously perform work under a contract for a  
13          private sector client under the regulatory pur-  
14          view of such agency;

15          (2) to provide executive agencies with sollicita-  
16          tion provisions and contract clauses to avoid or miti-  
17          gate organizational conflicts of interest, for agency  
18          use as needed, that require contractors to disclose  
19          information relevant to potential organizational con-  
20          flicts of interest and limit future contracting with re-  
21          spect to potential conflicts of interest with the work  
22          to be performed under awarded contracts;

23          (3) to allow executive agencies to tailor such so-  
24          licitation provisions and contract clauses as nec-  
25          essary to address risks associated with conflicts of

1 interest and other considerations that may be unique  
2 to the executive agency;

3 (4) to require executive agencies—

4 (A) to establish or update as needed agen-  
5 cy conflict of interest procedures to implement  
6 the revisions to the Federal Acquisition Regula-  
7 tion made under this section; and

8 (B) to periodically assess and update such  
9 procedures as needed to address agency-specific  
10 conflict of interest issues; and

11 (5) to update the procedures set forth in section  
12 9.506 of the Federal Acquisition Regulation to per-  
13 mit contracting officers to take into consideration  
14 professional standards and procedures to prevent or-  
15 ganizational conflicts of interest to which an offeror  
16 or contractor is subject.

17 (b) EXECUTIVE AGENCY DEFINED.—In this section,  
18 the term “executive agency” has the meaning given the  
19 term in section 133 of title 41, United States Code.

