



December 2, 2024

The Honorable Mike Johnson  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20510

**Subject: Inclusion of H.R. 9595, the Federal Improvement in Technology Procurement Act, in the NDAA**

Dear Speaker Johnson:

On behalf of the Software & Information Industry Association (SIIA), I am writing to express our strong support for H.R. 9595, the Federal Improvement in Technology (FIT) Procurement Act, and to urge its inclusion in the National Defense Authorization Act for fiscal year 2025 (FY25 NDAA).

As the leading trade association for companies at the intersection of technology and information, representing nearly 400 companies, SIIA recognizes the vital role of efficient, transparent, and innovation-friendly procurement practices in fostering a competitive marketplace and enabling federal agencies to deliver on their missions effectively, efficiently, and securely. The FIT Procurement Act is a critical step toward modernizing federal technology procurement by removing barriers to governmental adoption of artificial intelligence, cloud computing, cybersecurity, and other emerging technologies.

H.R. 9595 has unanimously passed out of House Oversight this September. Similarly, its Senate companion (S. 4066) received no opposition upon passage out of the Homeland Security and Governmental Affairs Committee. We believe that this presents an excellent opportunity for the Congress and the U.S. government to modernize technological procurement processes - before we run out of time in the 118th Congress.

***The FIT Procurement Act will Advance Government Modernization by Streamlining Technological Federal Procurement Practices, Processes, and Trainings***

We endorse the FIT Procurement Act because it would provide the federal government with common sense, yet critical tools, to improve and simplify federal technology acquisition. These tools will increase competition among vendors, speed federal adoption of new technologies, enable agencies to select and test a wider array of innovations—all geared towards suiting agency needs and propelling the U.S. as a leader in this space. Specifically:

- The Act will simplify federal procurement for AI and other technology by authorizing subscription-based pricing models, a shift that will enable federal agencies to adopt consumption-based approaches for acquiring AI and cloud technologies. This flexibility allows agencies to scale resources rapidly, reduce initial procurement barriers for startups, and unlock a broader marketplace of solutions tailored to mission-critical needs.
- The Act will provide agencies with flexibility to choose superior technological solutions and avoid lock-in. The Act would allow agencies to move beyond “lowest price technically acceptable” standards, enabling considerations of quality, durability, and cost-effectiveness in procurement

decisions. This is particularly critical for technological acquisitions where innovation and performance often outweigh initial cost considerations.

- The Act will lower the barrier to entry for startups and small enterprises by increasing the Simplified Acquisition Threshold (SAT) from \$250,000 to \$500,000. This will also provide the government with access to a broader range of innovation, including solutions that may be more appropriate for agency needs.
- The Act will further encourage competition by allowing contractors to include relevant technology-based experience with state and local governments, commercial entities, and nonprofits in past performance evaluations.
- The Act will reduce federal agency costs and increase agency flexibility by raising the Micro-Purchase Threshold (MPT) from \$10,000 to \$25,000. By increasing the threshold, federal agencies will gain greater flexibility to rapidly acquire and test cutting-edge technologies, including artificial intelligence and cloud-based solutions—solutions that can, among other things, improve the ability of agencies to detect fraud in government programs—without the delays often associated with formal contracting requirements.
- The Act will provide training resources to ensure federal procurement officers make informed decisions about the most innovative and appropriate cloud-based, AI-enabled, and cybersecurity solutions for their agencies.

### ***Increasing the MPT will Accelerate Innovation and Maximize Competition in Technology Procurement***

We recognize that a companion to the FIT Procurement Act is pending in the Senate as S. 4066. We believe H.R. 9595 is a stronger bill because unlike S. 4066, it includes the MPT increase. As noted above, this increase will provide agencies with greater flexibility. This means not only reducing administrative burdens, but also empowering agencies to experiment with new tools on a small scale, enabling them to identify best-fit solutions before scaling up. For tech-based startups and small businesses, a higher MPT lowers barriers to entry, creating more opportunities to bring innovative products and services to the federal marketplace. Ultimately, this small yet impactful update would strengthen the government's ability to adapt to evolving needs and expand upon the existing value of the MPT.

One example of the potential of leveraging MPT includes the efforts of GSA's Centers of Excellence (CoE) for IT modernization. In 2019, the CoE successfully utilized the MPT to develop a demonstration website for the Innovation Lab under strict time and budget constraints. This effort exemplifies how MPT-based acquisitions can enable agile solutions that foster innovation, reduce bureaucratic delays, and encourage diversified market participation. Increasing the MPT to \$25,000 would enable federal agencies to replicate the success of the CoE and apply similar methods to test emerging technologies across more mission areas.

The federal government has a proven track record of reliability, transparency, and security with MPT acquisitions. Federal agencies operate under stringent checks and balances to prevent fraud and ensure accountability in all procurement activities, including micro-purchases. These safeguards include robust oversight mechanisms such as periodic audits, advanced tracking systems, and strict adherence to the Federal Acquisition Regulation (FAR). Safeguards already in place, combined with lessons learned from



past MPT successes, ensure that an expansion of the MPT will remain a cornerstone of effective procurement.

***Conclusion***

Incorporating the FIT Procurement Act into the FY25 NDAA would underscore Congress's commitment to equipping the federal government with the tools needed to thrive in a rapidly evolving technology landscape. Its provisions support long-term goals of government modernization by enabling agile procurement practices, fostering innovation, and strengthening national security capabilities. The increased MPT threshold provision represents a timely low-risk, high-reward strategy to modernize federal procurement processes, encourage innovation, and deliver value more efficiently.

We respectfully urge you to include H.R. 9595 in the NDAA to advance these critical goals. Thank you for your leadership and commitment to government modernization and strengthening our nation's technological resilience.

Sincerely,

Paul Lekas  
Senior Vice President, Head of Global Public Policy and Government Affairs  
Software & Information Industry Association (SIIA)

CC:

The Honorable Gary Peters, Chair, Senate Homeland Security and Governmental Affairs Committee  
The Honorable James Comer, Chair, House Committee on Oversight and Accountability  
The Honorable Rand Paul, Ranking Member, Senate Homeland Security and Governmental Affairs Committee  
The Honorable Jamie Raskin, Ranking Member, House Committee on Oversight and Accountability

