



Improve Management of Major Acquisitions

Goal Leaders

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December 2019



Goal Statement

Federal agencies will ensure that contracts supporting transformative and other priority projects will meet or beat delivery schedules, provide exceptional customer service, and achieve savings or cost avoidance for the taxpayer.



Challenge

Major acquisitions, which are often over \$50 million, account for approximately one-third of annual contract spend and often support transformative, high risk or other mission critical priorities -- from providing timely action on veterans health benefits to securing government infrastructure and verifying employment eligibility.

Too often, initiatives to transform government are unnecessarily put at risk of failures because:

- Many Federal program managers lack the skills to successfully manage large and complex acquisitions.
- Acquisition processes remains captive to a risk averse culture that rewards compliance over creativity.
- Program management is undervalued and applied inconsistently across agencies.

Opportunity

Ensure every agency is on track in successfully achieving at least 2 transformational or other priority program goals through well managed major acquisitions.



Work with early adopters on pilot efforts which could include upgrade hospitals for better veterans care, modernize an integrated and efficient census, and improve loan program operations for borrowers.



Goal Structure

Federal agencies will ensure contracts supporting transformative and other priority projects will meet or beat delivery schedules, provide exceptional customer service, and achieve savings or cost avoidance for the taxpayer.



STRATEGY 1:
Strengthen Talent Capabilities

Train and develop the workforce and foster critical thinking.

STRATEGY 2:
Strengthen Agency Governance

Strengthen acquisition lifecycle reviews and use innovative practices and resources.

STRATEGY 3:
Track Investments Using Portfolio Management Principles
(Implement PMIAA)

Develop program/project management capabilities and a Federal dashboard.



INTEGRATION OF STRATEGIES

Apply the above strategies to transformational and other priority projects supported by major acquisitions.



Summary of Progress

Strategy 1: Strengthen Talent Capabilities

- **Approximately 150** acquisition professionals certified in digital IT.
- Program management certifications made available for both DoD and civilian agency program managers.
- IT specialization available for civilian agency program managers.
- GSA led a multi-agency, cross-functional effort in developing the first 4 modules of the critical thinking class. These classes are available for the workforce.
- A virtual instructor-led capstone class is being developed to include case studies and experiential exercises.
- FAI and PM Functional Advisory Board (FAB) looked at DoD and civilian agency acquisition PM competencies and recommended how to better align them.
- FAI, in conjunction with the FedPM Community of Practice and PM FAB, gathered existing PM resources into a one-stop PM toolkit.
- The CAO Council made the second annual award for PM excellence at the Executive Leadership Conference in October 2019.
- OPM issued regulations and guidance on PM job series.
- OPM developed PM competencies based on earlier work in this area.
- OPM issued a series of memorandums providing guidance to agencies which implement provisions of OMB Memo M-18-19 and the PMIAA designed to strengthen the Federal program and project management workforce.
 - [*Memo dated April 5, 2019*](#) identifying the key skills and competencies needed by Program and Project Managers.
 - [*Memo dated May 2, 2019*](#) updating the Program Management 0340 Series and providing interpretive guidance for project management positions.

Strategy 2: Strengthen Agency Governance

- Issued guidance for implementing the Program Management Improvement Accountability Act (PMIAA) in OMB Memo [M-18-19](#).
- Each agency has designated a Program Management Improvement Officer (PMIO).
- CFO Act agencies submitted their PMIAA Implementation plans, establishing their framework and approach for strengthening program management capabilities and completing projects successfully.
- The Program Management Policy Council (PMPC) convened September 24 for the second bi-annual meeting of 2019.





Strategy 3: Track Investments Using Portfolio Management Principles

- Initial portfolio reviews were conducted with –
 - SSA (improper payments)
 - NASA (flight programs)
 - DOT (Federal highways)
 - NSF (major facilities in design and construction)
 - DOC (census, satellites, ships)
 - USAID (medical supplies)
 - DHS (multirole enforcement aircraft)
 - GSA (public building design and construction)
 - HUD (special studies)
 - DOL (worker training)
- Although agencies are at different levels of maturity in their use of portfolio and program management, agencies were able to illustrate practical applications of program management to priority mission initiatives.
- One-on-one meetings were held with DHS, DOC, DOE, DOI, DOJ, DOL, DOT, ED, EPA, GSA, HUD, NASA, NSF, OPM, SBA, SSA, State, Treasury, USAID, USDA and VA to discuss their initial portfolio structure and transformative initiatives on which they are focused.
- OMB continued to develop and share resources and tools to help facilitate the agency meetings including the PMIAA portal, a program management maturity model survey developed by VA, a program management checklist and examples of a portfolio structure and an acquisition program management framework.
- Video posted discussing VA's use of program management to support the successful completion of a new medical facility for Veterans in New Orleans.
- Completed a pilot for non-IT major acquisitions designed to facilitate internal decision-making and dialogue between OMB and agencies.



Strategy 1: Strengthen Talent Capabilities

Competencies/Skill Gaps

Job Series: OPM will issue guidance on a job identifier for PMs to be added to their existing job series.

Competency Survey: OPM performs a competency survey to identify gaps and recommends government-wide training to close gaps.

Align Competencies: FAI and PM Functional Advisory Board (FAB) look at DoD and civilian agency acquisition PM competencies and recommend how to better align them.

Training and Development

Career Path: OPM to issue regulations, guidance and policy on PM career path.

Training: FAI will pilot online cross-functional training classes on critical thinking in the acquisition lifecycle and develop a capstone course that uses case studies and experiential learning.

Agency PM Development Strategies: PMIOs will identify strategies to develop agency PMs to their fullest potential and ensure a strong, competitive pool of PMs are ready to assume senior PM positions.

Mentoring: PMIOs will work with agency CHCOs to develop and implement a mentoring strategy for agency PMs.

Recognition: The CAO Council will recognize Federal PM excellence with an annual award.

Job Aids

One-Stop PM Toolkit: FAI, in conjunction with the FedPM Community of Practice and PM FAB, will gather existing PM resources into a one-stop PM toolkit.

Agency Specific Resources: Each PMIO will establish a website with agency-specific tools and resources for PMs.





Key Milestones

Strategy 1– Strengthen Talent Capabilities

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues Related to Milestone Completion
Competencies/Skill Gaps					
Provide a recommendation on how to better align civilian agency and DoD PM competencies.	October 2019	Complete	Status Updated	FAI and FAB	
Issue regulations and guidance on PM job series and/or job series identifier.	Dec. 2019	Complete	No Change	OPM	
Training and Development					
Establish an annual PM award.	October 2018	Complete	No Change	CAOC	
Develop PM competencies and perform a competency survey.	March 2019	Complete	No Change	OPM	
Develop 4 online cross-functional training classes in critical thinking for acquisition professionals.	October 2019	Complete	No Change	FAI	
Job Aids					
Update existing sites to include government-wide PM tools and resources.	October 2019	Complete	No Change	FAI	
Update existing sites to include agency specific PM tools and resources.	Feb. 2020	On Track	New	PMIOs	
Review agency strategy and progress toward strengthening PMs at portfolio review.	March 2020	On Track	No Change	OFPP and PMIOs	





Strategy 2: Strengthen Agency Governance

- **Program Management Policy Council (PMPC):** The PMPC will focus on improving agency practices, the workforce and high risk programs.
- **Program Management Improvement Officers (PMIOs):** Each agency will designate a senior executive to develop strategy and implement program management policy.
- **Enterprise Program Management Office (PMO):** Agencies will establish an enterprise PMO or equivalent functionality to establish standards and monitor the progress of major acquisitions.
- **Acquisition Review Boards:** Agencies should have review boards that that help integrate program management and acquisition activities, manage to standards, help to ensure projects are well planned, monitor progress and, as appropriate, approve changes.

Note: Milestones were adjusted to allow for more tailored agency implementation reflecting the wide variation in program management maturity across agencies.



Key Milestones Strategy 2 – Strengthen Agency Governance

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues Related to Milestone Completion
Include governance in the Federal implementation guidance (OMB Memo M-18-19)	June 2018	Complete	No Change	OMB	
Appoint agency PMIOs	June 2018	Complete	No Change	Agency	
Initial PMP Council Meeting	Sept 2018	Complete	No Change	Agency	
Agencies submit PMIAA implementation plans	Nov. 2018	Complete	No Change	Agency	
Annual Strategic Reviews	July 2019	Complete	No Change	OMB	
2019 Bi-annual PMP Council Meetings	Sept 2019	Complete	No Change	OMB	
First Bi-annual PMP Council Meeting of 2020	April 2020	On Track	New	OMB	



PMIAA Implementation Plans and Maturity Assessments

Key Takeaways and Promising Practices

Governance

- Majority of agencies identified and discussed the organization and role of an established or planned enterprise PMO, Agency IRB, or equivalent with planning and review authorities for acquisitions

Portfolio Management / Reviews

- All but a handful of agencies were able to illustrate the logic model showing how program/project portfolios mapped to support the agency's strategic goals or objectives

Talent Management

- Existing mentorship programs established in more functionally aligned-management fields (e.g., IT, acquisition) being expanded to include broader range of management career paths
- Centers of Excellence being planned to take on more central, coordinating role for the agency while surveys of skill assessments are being utilized to inventory current workforce competencies to inform needs and future development efforts



Strategy 3: Track Investments Using Program Management Principles

- **Terminology:** Key terms are defined (program, project, major).
- **Portfolio management:** Portfolios support strategic goals and objectives & major acquisitions are organized in portfolios.
- **Standards:** Program/project management standards are established.
- **Data:** Performance data is collected & progress is tracked on a dashboard.
- **Reviews:** Portfolio reviews are conducted at least annually.

Note: Milestones were adjusted to allow for more tailored agency implementation reflecting the wide variation in program management maturity across agencies.



Key Milestones Strategy 3 – Track Investments Using Portfolio Management Principles

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues Related to Milestone Completion
Government wide guidance					
Include portfolio management in the Federal implementation guidance (OMB Memo M-18-19)	June 2018	Complete	No Change	OMB	
Policy Execution					
Develop a portfolio management dashboard prototype	Dec 2018	Complete	No Change	OMB and GSA	
Pilot portfolio management for non-IT major acquisitions	Dec 2018	Complete	No Change	Pilot agencies	
Create resources, tools and examples to assist agency implementation	Feb 2019	Complete	No Change	OMB	
Conduct one-on-one meetings with selected agencies	May 2019	Complete	No Change	OMB	
Conduct initial acquisition portfolio reviews with OFPP	June 2019	Behind	No Change	OMB	Some agencies have sought additional time to work on their portfolio structures and identify priority projects for review.



Agency by Agency Indicators: Sample Major Acquisition Dashboard

Agency Initiatives	Contract(or) Performance Metrics
Integrated Project Strategy	Cost Variance
Innovation Approach	Schedule Variance
Major Acquisition Review Results	Performance Results & Customer Satisfaction

Initially for use by agency and OMB and other authorized agencies



Contributing Programs

Federal Agencies:

- CFO Act Agencies

Organizations:

- Chief Acquisition Officers, Chief Information Officers, Chief Performance Officers
- Acquisition Innovation Advocates, Innovation Communities, Procurement Attorneys
- Federal Acquisition Institute, Defense Acquisition University

Program Activities:

- US Digital Services, GSA Technology Transformation Service (TTS), digital services' offices
- Digital Information Technology Acquisition Professional Training (DITAP) graduates

Policy:

- Program Management Improvement Accountability Act Implementation Guidance
- OMB Memo on acquisition innovation, March 2016
- OMB Memo on 8(a) digital initiative, January 2017
- President's Reorganization Executive Order, April 2017

Statutes:

- Program Management Improvement Accountability Act, December 2016
- Federal Information Technology Acquisition Reform Act, December 2014





Appendix



Major Acquisitions

Federal Acquisition Institute and Defense Acquisition University

- Federal Acquisition Institute Board of Directors
- Chief Human Capital Officers Council
- Chief Learning Officers Council
- CIO Council Workforce Committee



Catalysts for strengthening workforce capabilities.

Chief Acquisition Officers Council

- OFPP Administrator
- Acquisition Innovation Advocates Council
- COs certified in IT (DITAP)
- USDS, 18F, Agency Digital Strategists
- Innovation Communities of Practice
- Procurement Attorneys Roundtable



Catalysts for using modern and innovative acquisition flexibilities.

Program Management Policy Council

- OMB DDM
- OMB Management Office Administrators and Resource Management Officers
- Agency Program Management Information Officers
- Federal Program/Project Manager Community of Practice



Catalysts for leveraging portfolio, program and project management principles.



Acquisition Techniques

Agency documents use case on Acquisition Innovation Hub and promotes rapid information sharing.



May be particularly helpful for: IT ■ Services ■ R&D/Emerging Technologies ■ General ■





Acquisition Outcomes

- Shortened time to delivery, such as through incremental delivery of new functionality for major software products.
- Increased stakeholder satisfaction, both internal and external, demonstrated through higher contractor average past performance for major acquisitions in portfolio and delivery of improved service/technology.
- Eliminated duplicative contracts.
- Achieved savings/cost avoidance for major acquisitions in portfolio.
- Decreased percentage of change orders.
- Completed number of backlog items.





Pilot Objectives – FY 19

- Perform portfolio management preparation activities.
- Identify first portfolio of major acquisitions.
- Align portfolio with agency strategic goals.
- Collect performance data for each item in the portfolio.
- Identify obstacles to full implementation of portfolio, program, and project management.
- Establish data feeds from original sources to federal portfolio management dashboard to minimize agency reporting burden.
- Conduct an acquisition portfolio review with OFPP.



Pilot for non-IT Major Acquisitions

(Examples are illustrative and may change)

VA

**Upgrade hospitals
for better veteran care**

Commerce

**Modernize
an integrated and
efficient census**

Education

**Improve loan program
operations
for borrowers**