Improve Management of Major Acquisitions

Goal Leaders

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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 adverse 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.

PRESIDENT'S MANAGEMENT AGENDA

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 & Foster Innovation Friendly Culture

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.

Strategy 1: Strengthen Talent Capabilities

- 60 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.

Strategy 2: Strengthen Agency Governance and Foster Innovation Friendly Culture

- Five agency priority goals achieved per year in fiscal years 2016 and 2017 using innovative acquisition strategies.
- 96% of CFO Act Agencies have designated Acquisition Innovation Advocates (AIAs).
- 50 practices and use cases posted on the Acquisition Innovation Hub and interactive discussion board.

Strategy 3: Track Investments Using Portfolio Management Principles

- PMIAA (Program Management Improvement and Accountability Act) guidance issued (Memo M-18-19) with emphasis on major acquisitions representing one-third of annual Federal spending.

- The initial Program Management Policy Council (PMPC) meeting was September 27.
  - The meeting set out to establish priority areas for the Council to focus on as it works to implement the Program Management Improvement Accountability Act (PMIAA) guidance published in June 2018.
  - The PMPC oversees **implementation of the Act's major provisions including identifying and** carrying out government-wide standards and policies designed to strengthen agency program management, sharing best practices, and facilitating cross-agency learning.

- Agencies designated their Program Management Improvement Officers (PMIOs).
  - The PMIOs serve on the PMPC and report **to their agency's Chief Operation Officer or** equivalent.
  - The list of PMIOs is available at https://www.performance.gov/2018-10-15-policy-council-blog-post.md/

- Goal leaders:
  - Planned one-on-one meetings with CFO Act agencies to discuss their initial portfolio structure and the selection of transformative initiatives.
  - Developed materials and tools to help facilitate the agency meetings.
  - Collaborated with the VA on the development of a survey to assess agency program management capabilities.

- GSA continued with the development of the prototype of the Portfolio Management Dashboard with assistance from NSF and VA.

Competencies/Skill Gaps

Job Series: OPM to issue regulations and guidance on PM job series and/or job series identifier

Competency Survey: OPM develops PM competencies based on earlier work in this area. 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 to pilot a cross-functional training class on critical thinking in the acquisition process. Develop more experiential learning and simulation coursework for critical skills, such as hard bargaining.

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 establish an annual award to recognize federal PM excellence.

Job Aids

One-Stop PM Toolkit: FAI, in conjunction with the FedPM Community of Practice and PM FAB, shall 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	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues Related to Milestone Completion
Competencies/Skill Gaps					
Better align civilian agency and DoD PM competencies.	October 2019	On Track	No Change	FAI and FAB	
Issue regulations and guidance on PM job series and/or job series identifier.	Dec. 2019	On Track	No Change	OPM	Milestone aligned to statutory timeline in PMIAA
Training and Development					
Establish an annual PM award.	October 2018	Complete	Better	CAOC	
Develop PM competencies and perform a competency survey.	March 2019	On Track	No Change	OPM	
Develop a cross-functional training class in critical thinking for acquisition professionals.	October 2019	On Track	No Change	FAI	
Job Aids					
Update existing sites to include both government-wide and agency specific PM tools and resources.	October 2019	On Track	No Change	FAI and PMIOs	
Review agency strategy and progress toward strengthening PMs at portfolio review.	March 2020	On Track	No Change	OFPP and PMIOs	

Strengthen governance

- Major Acquisition Reviews: Establish, refresh, or confirm process for assessing high priority, critical, or high interest acquisitions supporting transformational projects.

- Integrated Project Teams: Identify process for engaging stakeholders to achieve (i) common understanding of program/project goals and measurements, (ii) requirements that reflect needs of stakeholders, and (iii) a suitable acquisition strategy to meet agreed upon stakeholder goals (with AIA advisory input as appropriate).

Maximize use of innovation practices

- Internal support structure
  - Promote internal information sharing.
  - Recognize achievements.
  - Develop and use in-house digital strategists.
  - Conduct outreach and acquire industry expertise.

- External support structure
  - Post use cases on the Acquisition Innovation Hub.
  - Ask for or offer expertise on Open Opportunities.
  - Establish or support innovative communities of practice.
  - As appropriate, consult with USDS and TTS/18F.

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues Related to Milestone Completion
Acquisition lifecycle review					
Establish, refine, or confirm process to assess high priority, critical, or high interest acquisition.	December 2018	At Risk	Worse	Agency	Progress requires dedicated discussion with each agency.
Establish, refine, or confirm process to engage stakeholders for integrated project teams.	December 2018	At Risk	Worse	Agency	Progress requires dedicated discussion with each agency.
Innovation practices and resources utilization					
Internal: a) Promote internal information sharing b) Sponsor or co-sponsor agency learning events c) Recognize achievements.	April & December 2018 - 2020	On Track	No Change	Agency	
External: a) Sponsor or co-sponsor interagency learning events b) Post on Open Opportunities (O/O) USA Jobs website: https://openopps.usajobs.gov/tasks?career=Acquisition c) Post narrated stories and use cases on the Acquisition Innovation Hub.	April & December 2018 - 2020	On Track	No Change	Agency	

Strengthen Governance

- Provide direction for agency implementation of government-wide PMIAA guidance.
- Establish organizational structure required by PMIAA.
  - Appoint PMIO.
  - Establish new Program Management Policy Council.
- Execute policy to track performance of meeting strategic goals, conduct portfolio reviews, and collect performance data.

Increase transparency and accountability for results

- Routinely monitor Federal program management process.
- Manage portfolio reviews of agency investments.
- Improve behavior and prevent cost overruns, schedule delays, and performance shortfalls.
- Develop portfolio management dashboard.

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues Related to Milestone Completion
Government wide guidance					
Issue Federal implementation guidance	June 2018	Complete	No Change	OMB	
Organizational Structure					
Appoint agency PMIOs	June 2018	Complete	Better	Agency	
Convene PMP Council	Summer 2018	Complete	Better	Agency	
Establish/confirm acquisition PM office/functionality	December 2018	On Track	No Change	Agency	Wide variation in program management maturity among agencies.
Identify PM standards and ensure alignment of agency guidance with Federal policy	January 2019	On Track	No Change	Agency	Wide variation in program management maturity among agencies.
Policy Execution					
Portfolio management dashboard prototype	December 2018	On Track	No Change	Agency	
Create first portfolio and align with strategic goals	February 2019	On Track	No Change	Agency	Wide variation in program management maturity among agencies.
Conduct initial acquisition portfolio review with OFPP	March 2019	On Track	No Change	Agency	Wide variation in program management maturity among agencies.

Pilot - FY 18

(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

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

Key Milestones	Milestone Due Date	Milestone Status	Change from last quarter	Owner	Anticipated Barriers or other Issues Related to Milestone Completion
Identify first transformational or other priority program mission objective tied to major acquisition	July 2018	Missed	Worse	Agency	Progress requires dedicated discussion with each agency.
Identify second mission objective tied to major acquisition	September 2018	Missed	Worse	Agency	Progress requires dedicated discussion with each agency.
Portfolio Management Dashboard prototype	December 2018	On Track	No Change	OMB	
Initial Portfolio Management Dashboard reporting	December 2018	On Track	No Change	Pilot agencies	
Acquisition portfolio review	February 2019 & 2020	On Track	No Change	OMB	Wide variation in program management maturity among agencies
Expanded Portfolio Management Dashboard reporting	June & December 2019	On Track	No Change	Agency	
Conduct videos and host talks on transformative activities impacting the public	January & July 2019	On Track	No Change	Agency	

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

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

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 strengthening workforce capabilities.

Catalysts for using modern and innovative acquisition flexibilities.

Catalysts for leveraging portfolio, program and project management principles.

Acquisition Techniques

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

Acquisition Planning	Purchase Request & Solicitation	Proposal Evaluation & Award
✓ Industry Liaisons & Reverse Industry Days & Strategic Conversation Days	✓ Leverage Best-in-Class Contracts	✓ Oral Proposals & Presentations
✓ Vendor Prequalification	✓ Scenarios in Solicitations	✓ Thorough Offeror Debriefings
✓ Digital Services Trained Contracting Officers	✓ Include Government Estimated Price	✓ Same Day Challenges & Evaluations
✓ Agile Methodology	✓ Two-Phase Acquisitions &/or Proposal Page Limits	✓ Non-Monetary Incentives (e.g., award term)
✓ TechFAR & Professional Services Hubs	✓ Simplified Procedures for Commercial Item Buys	✓ Simplified Best Value Analysis
✓ Facilitated Requirements Development Workshops & Structured Peer Reviews	✓ 8(a) Digital Initiative	✓ Human Centered Design Evaluations
✓ Challenge-based & share-in-savings contracts	✓ Broad Agency Announcements & Other Transactions	✓ Prototypes

May be particularly helpful for ▪ Services   R&D/Emerging Technologies   General ▪

- 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.

- 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.