

Acquisition Reform: It's More Than the Contract

The Call for Acquisition Reform: Why and How

Acquisition reform has been on every administration's agenda for the last 30 years, yet government programs consistently run over budget, deliver past deadline and fall short of expectations.

Is better, faster, cheaper possible?

During the past 18 months, several mandates have been issued to reform government acquisition across all federal agencies. These mandates provide agencies with a roadmap to acquisition reform by directing them to:

- Strengthen the existing work force by increasing both its capability and capacity through advanced recruitment efforts, training and retention strategies.
- Strengthen contracting practices by performing more robust market research, reducing the number of cost-reimbursement contracts, sourcing strategically and reducing dependence on contractors.
- Improve governance structures and processes by utilizing performance-based management approaches, adding milestones shared by purchasing agencies and their vendors, and incorporating peer reviews into the project life cycle.
- Make better use of technology and tools to ensure cost and schedule reporting is accurate and compliant.

The agency that can expeditiously turn these mandates into operational reality will not only satisfy government regulators but see dramatic improvement in all areas of their contracting practices, saving time and money along the way.

How can it be done?

To achieve the expected benefits of enacting even one of these efforts, agencies must integrate and align their program/project, contract and business analysis activities with their people, processes and tools. This is done through the Integrated Project Team (IPT).

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The administration's mandates for acquisition reform are aimed at the larger, overarching goal of increasing value by reducing wasteful spending. With each new audit reported by the Government Accountability Office, each statement from the Department of Defense (DOD) Under Secretary of Defense for Acquisition and Technology and each additional memo issued from the Office of Management and Budget (OMB), the need to increase the alignment between programs/projects, contracting and business analysis activities comes into sharper focus. Piece-meal approaches that focus only on one of these areas, such as contracting, will yield limited results and perpetuate the silos that have undercut many programs for years. A strategically guided interaction, along with the adoption of best practices and technologies, can maximize efficiency, focus teams on a common goal and create checks and balances to guarantee objectives are met. According to the Office of Federal Procurement Policy's Letter 05-01 in 2005, the acquisition work force expanded beyond the traditional contracting officer (CO) to account also for those responsible for project/program management and the CO's technical representation in the field. Yet, with many agencies still living in the reality of stove-piped workflows, the question in achieving alignment, beyond simple job-type reclassifications, most often becomes, "How and where do we start?"

Integration of People, Processes and Tools—A Good Starting Point

People

People are the most fundamental—and often most challenging—variables to any integration effort. The looming crisis in human capital within government is well-documented. With studies showing upwards of 60 percent of the federal work force retirement-eligible over the next 10 years, OMB is requiring each agency to grow the size and capability of its total acquisition work force by 2014. DOD alone has announced plans to add 20,000 people to its acquisition work force by 2015. Though there is little doubt each agency needs to address the skill gaps

of its acquisition work force and develop learning programs that address short-term and long-term professional needs, simply doubling recruitment efforts and churning out FAC- or DAWIA-based certifications cannot make up for the impending mass exodus of baby boomer retirees. After all, certifications alone do not guarantee qualification, or, more precisely, employee high performance. Since experience is largely non-transferrable, strategic human capital plans must include succession plans that transfer agency knowledge to newer or more junior staff who in turn need the opportunity, space and time to practice newly gained skills.

A carefully planned and executed learning and development initiative will include an effective measurement of mission outcomes. Measuring the applicability of new skills and knowledge after a learning initiative in a way that helps agencies anticipate roadblocks and enablers will increase the likelihood that learning will be transferred back to the job. Thus, program/project staff will have knowledge in those contracting disciplines they affect. Contracting personnel will understand the business requirements and risks inherent in the types of contracts they initiate before a solicitation is released. And the business sponsors who determine and prioritize the requirements that are critical over those requirements that are just nice to have, will have an appreciation for the impact of decisions on the success of their project/program and the contract under which it is governed.

Process

Even with a well-trained, highly capable work force, programs will still fail unless governed by a consistent and repeatable process that integrates the disciplines of project management, contract management and business analysis. Many agencies throughout the federal government enforce little or no consistency and accountability in prioritizing projects and programs and re-allocating resources to achieve mission goals. The same issues exist for processes to manage and evaluate capital assets.



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There are several life cycles at play in each acquisition: there is the capital planning life cycle, the project life cycle, the contract life cycle and the requirements management life cycle. In order for the contracting, project and business areas to be in sync, the agencies utilizing a framework for planning and managing that emphasizes collaboration across a fully integrated project/program team are far more likely to achieve their intended outcomes than those that do not. These programs also benefit from an integrated approach to decision-making with decisions made at smaller-spaced milestones than typically seen in large-ticket federal acquisitions. For these processes and structures to work though, agencies will need to bridge any team member's skill gaps with strong business capabilities, such as leadership, teamwork, the use and analysis of key performance indicators, contingency planning and portfolio management.

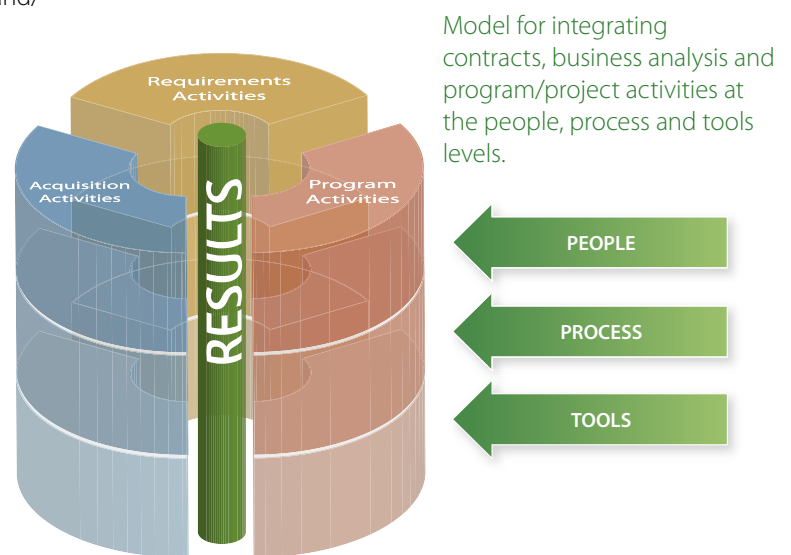
Tools

Too often, it seems, when better or more efficient use of tools and technology is proposed, people first think of large-scale software application packages. The solution can oftentimes be as simple as job aids. In providing Integrated Project Team (IPT) members with meaningful, relevant and easily accessible job aids (things such as checklists and templates), the foundation is laid for consistent, repeatable and measurable workflow outputs. However, job aids on their own will be only as valuable as a team member's ability to access them, share their content and have confidence that those either above them and/or below them understand the value of the information shared. Thus, communication plays a critical role in identifying which aids should be used by which agencies—for example, quality assurance surveillance plan (QASPs) templates for COs and COTRs; work breakdown structure (WBS) checklists for project managers; business requirements document (BRD) templates for BAs—and how the data collected should be maintained and by whom.

Best practice shows us the most truly impactful tools and templates are those that are maintained as “living” documents and directly support the life cycle being used. It is also of critical importance that an agency does not inundate its work force with so many tools and templates that some become quickly outdated or too hard to find amongst the long list of tools available. As social networking tools gain ground within agency firewalls, now more than ever, agencies can leverage the power of social networking sites, team blogs, wikis, etc. as additional tools to foster collaborative communication and close the gap between formal training and informal learning.

Summary

How can government deliver services that are better, faster and cheaper? Taking a holistic IPT approach, one that integrates the program/project, contracts and business analysis activities is a good place to start. It will improve an agency's ability to achieve the intended outcomes of its acquisitions and deliver better cost, schedule and performance results from its programs. In so doing, an agency should provide IPTs much needed skills and tools to make better quality decisions, motivate team members to succeed and provide better support to mission customers. Equipped with these skills, the teams can put better processes to work, and speed up all life cycles inherent in an acquisition—capital planning, project life cycle, contract and requirements management.



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